



## Our Company Models In Excel – Now Even Better

We make our [Company Models](#) available in Excel so that our research is as easy to use as possible. Clients access these Excel models by clicking the “Download XLS” button below the stock ratings table. See Figure 1.

We’re excited to announce that we updated the DCF tab in these Excel models to be 100% dynamic; so clients can operate our best-in-market Reverse Discounted Cash Flow (DCF) model in Excel.

Specifically, you can now use excel to edit/change:

1. The drivers of our DCF model. These drivers mirror the “Forecast” tab of our web-based models.
2. Any valuation adjustments, such as Fair Value of Total Debt and Excess Cash.
3. Shares outstanding.
4. Weighted average cost of capital (WACC).

For clients who prefer to work in with Excel, you can now integrate our Reverse DCF Models directly into your workflow. You can access your downloaded models anytime and anywhere.

Want access to our models? Contact us about an Institutional membership [here](#).

**Figure 1: How to Get our Company Valuation Models in Excel**

Risk/Reward Rating ?	Quality of Earnings ?		Valuation ?		
	Economic vs Reported EPS ?	ROIC ?	FCF Yield ?	Price to EBV ?	Market-Implied GAP ?
Very Unattractive	Misleading Trend	Bottom Quintile	< -5%	> 3.5 or -1 < 0	> 50
Unattractive	False Positive	4th Quintile	-5% < -1%	2.4 < 3.5 or < -1	20 < 50
Neutral	Neutral EE	3rd Quintile	-1% < 3%	1.6 < 2.4	10 < 20
<b>Attractive</b>	<b>Positive EE</b>	<b>2nd Quintile</b>	<b>3% &lt; 10%</b>	1.1 < 1.6	3 < 10
Very Attractive	Rising EE	Top Quintile	> 10%	<b>0 &lt; 1.1</b>	<b>0 &lt; 3</b>
<b>Actual Values</b>					
<b>JPM</b>	<b>\$4.74 vs. \$12.08</b>	<b>12%</b>	<b>8%</b>	<b>0.8</b>	<b>&lt; 1 yr</b>
<b>Benchmarks ?</b>					
Sector ETF (XLF)	Positive EE	9%	4%	1.6	22 yrs
S&P 500 ETF (SPY)	Positive EE	21%	3%	3.3	47 yrs
Small Cap ETF (IWM)	Positive EE	7%	0%	3.3	39 yrs
<div style="display: flex; justify-content: space-around;"> <span>Add to Portfolio</span> <span>Company Model</span> <span style="border: 2px solid red; padding: 2px;">Download XLS</span> <span>Download Report</span> <span>Marked-Up Filings</span> </div>					

Source: New Constructs, LLC

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Disclosure: David Trainer, Garrett O’Grady, Kyle Guske II, and Italo Mendonça receive no compensation to write about any specific stock, sector, style, or theme.

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## ***It's Official: We Offer the Best Fundamental Data in the World***

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Many firms claim their research is superior, but none of them can prove it with independent studies from highly-respected institutions as we can. Three different papers from both the public and private sectors show:

1. Legacy fundamental datasets suffer from significant inaccuracies, omissions and biases.
2. Only our “novel database” enables investors to overcome these flaws and apply [reliable](#) fundamental data in their research.
3. Our proprietary measures of [Core Earnings](#) and [Earnings Distortion](#) materially improve stock picking and forecasting of profits.

### **Best Fundamental Data in the World**

Forthcoming in [The Journal of Financial Economics](#), a top peer-reviewed journal, [Core Earnings: New Data & Evidence](#) proves our Robo-Analyst technology overcomes material shortcomings in legacy firms' data collection processes to provide superior [fundamental data](#), [earnings](#) models, and [research](#). More [details](#).

Key quotes from the paper:

- “[New Constructs’] *Total Adjustments* differs significantly from the items identified and excluded from Compustat’s adjusted earnings measures. For example... 50% to 70% of the variation in *Total Adjustments* is not explained by *S&P Global’s (SPGI) Adjustments* individually.” – pp. 14, 1<sup>st</sup> para.
- “A final source of differences [between New Constructs’ and S&P Global’s data] is due to data collection oversights...we identified cases where Compustat did not collect information relating to firms’ income that is useful in assessing core earnings.” – pp. 16, 2<sup>nd</sup> para.

### **Superior Models**

A top accounting firm features the superiority of our ROIC, NOPAT and Invested Capital research to Capital IQ & Bloomberg’s in [Getting ROIC Right](#). See the [Appendix](#) for direct comparison details.

Key quotes from the paper:

- “...an accurate calculation of ROIC requires more diligence than often occurs in some of the common, off-the-shelf ROIC calculations. Only by scouring the footnotes and the MD&A [ as New Constructs does] can investors get an accurate calculation of ROIC.” – pp. 8, 5<sup>th</sup> para.
- “The majority of the difference...comes from New Constructs’ machine learning approach, which leverages technology to calculate ROIC by applying accounting adjustments that may be buried deeply in the footnotes across thousands of companies.” – pp. 4, 2<sup>nd</sup> para.

### **Superior Stock Ratings**

Robo-Analysts’ stock ratings outperform those from human analysts as shown in this [paper](#) from Indiana’s Kelley School of Business. Bloomberg features the paper [here](#).

Key quotes from the paper:

- “the portfolios formed following the buy recommendations of Robo-Analysts earn abnormal returns that are statistically and economically significant.” – pp. 6, 3<sup>rd</sup> para.
- “Our results ultimately suggest that Robo-Analysts are a valuable, alternative information intermediary to traditional sell-side analysts.” – pp. 20, 3<sup>rd</sup> para.

Our mission is to provide the best fundamental analysis of public and private businesses in the world and make it affordable for all investors, not just Wall Street insiders.

We believe every investor deserves to know the whole truth about the profitability and valuation of any company they consider for investment. More details on our cutting-edge technology and how we use it are [here](#).



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