



## Free Stock Pick from our Most Dangerous Stocks Model Portfolio for April 2025

Our Robo-Analyst is the only real AI for investing that is proven to create alpha...in all markets. That has made a huge difference for our clients in 2025.

For years we've been training our Robo-Analyst with carefully curated data straight from SEC filings. The result is proven-[superior fundamental research](#).

Our technology is very different than the general large language models that try to digest the internet. The amount of unreliable information on the internet makes it impossible for those models to generate reliable research. Seriously, how much do you trust the internet? Why would you trust research based on it?

Our approach is different. We diligently analyzed SEC filings and carefully fed our machines pristine data from the financial statement and the footnotes. There is no shortcut to doing this work the right way, the only way to produce an AI that offers true intelligence, i.e. alpha.

Don't worry, we make it easy to enjoy the power of AI. Our ratings are simple, green is good, red is bad. Best of all, these ratings have been [proven](#) to outperform human analysts.

While we enjoy doing hard work that gives our clients a proven advantage, we prefer to avoid danger.

If you prefer to avoid danger, too, then we hope you enjoy this free stock pick from our Most Dangerous Stocks Model Portfolio.

This free stock feature provides a concise summary of how we pick stocks for this Model Portfolio. It is not a full Danger Zone report, but it gives you insight into the rigor of our research and approach to picking stocks.

Whether you're a subscriber or not, we think it is important that you're able to see our research on stocks on a regular basis.

We're proud to share our work. Please feel free to share it with your friends and family.

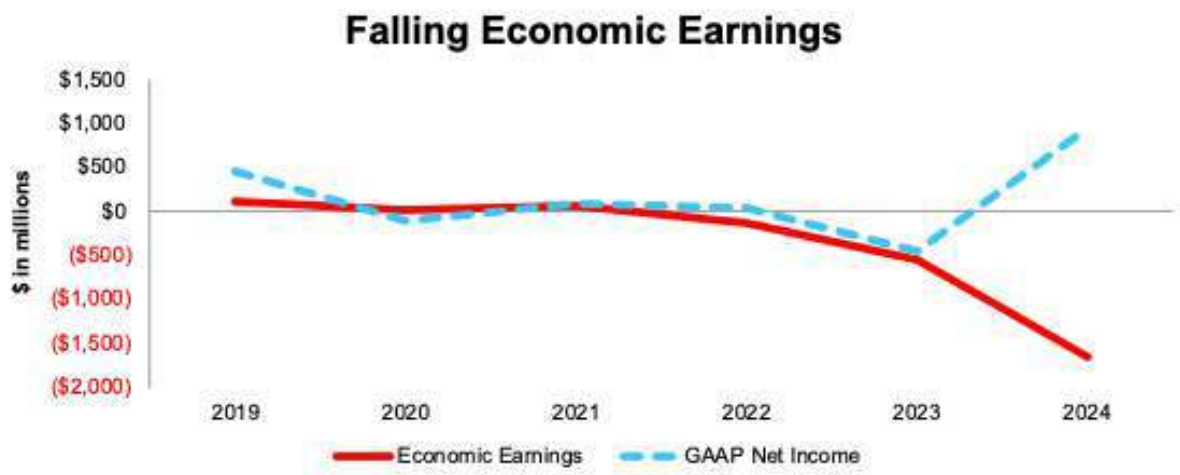
Keep an eye out for the [free pick](#) from our Most Attractive Stocks Model Portfolio, which will be published this week as well! The work that goes into that report is just as valuable.

We update this Model Portfolio monthly. The latest [Most Attractive](#) and [Most Dangerous](#) stocks Model Portfolios were updated and published for clients on April 3, 2025.

### Free Most Dangerous Stock Pick: NCR Voyix Corp (VYX)

NCR Voyix's (VYX: \$8/share) net operating profit after tax ([NOPAT](#)) margin fell from 8% in 2019 to -45% in 2024, while the company's [invested capital turns](#) fell from 1.0 to 0.6 over the same time. Falling NOPAT margins and invested capital turns drive NCR Voyix's return on invested capital ([ROIC](#)) from 8% in 2019 to -26% in 2024.

NCR Voyix's [economic earnings](#), the true cash flows of the business, fell from \$113 million in 2019 to -\$1.7 billion in 2024. Meanwhile, the company's GAAP net income rose from \$454 million to \$943 million over the same time. Whenever GAAP earnings rise while economic earnings decline, investors should beware.

**Figure 1: NCR Voyix's Economic vs GAAP Earnings Since 2019**

Sources: New Constructs, LLC and company filings

### **VYX Provides Poor Risk/Reward**

Despite its poor and declining fundamentals, NCR Voyix's stock is priced for significant profit growth, and we believe the stock is overvalued.

To justify its current price of \$8/share, NCR Voyix must improve its NOPAT margin to 6% (compared to -45% in 2024) and grow revenue by 4% (compared to revenue falling 16% compounded annually over the last five years) compounded annually through 2034. In this scenario, NCR Voyix's NOPAT would grow from -\$1.3 billion in 2024 to \$251 million in 2034. [Contact us for the math behind this reverse DCF scenario.](#) We think these expectations are overly optimistic, especially considering the company's NOPAT fell year-over-year (YoY) in four of the last five years.

Even if NCR Voyix improves its NOPAT margin to 5% and grows revenue 3% compounded annually through 2034, the stock would be worth no more than \$3/share today – a 63% downside to the current stock price. [Contact us for the math behind this reverse DCF scenario.](#)

Each of these scenarios also assumes NCR Voyix can grow revenue, NOPAT, and FCF without increasing working capital or fixed assets. This assumption is unlikely but allows us to create best case scenarios that demonstrate the high expectations embedded in the current valuation.

### **Critical Details Found in Financial Filings by Our [Robo-Analyst Technology](#)**

Below are specifics on the adjustments we made based on Robo-Analyst findings in NCR Voyix's 10-K:

**Income Statement:** we made under \$2 billion in adjustments, with a net effect of removing just over \$650 million in [non-operating income](#). Professional members can see all adjustments made to NCR Voyix's income statement on the GAAP Reconciliation tab on the Ratings page on our website.

**Balance Sheet:** we made over \$2 billion in adjustments to calculate invested capital with a net increase of just under \$2 billion. One of the most notable adjustments was for [asset write downs](#). Professional members can see all adjustments made to NCR Voyix's balance sheet on the GAAP Reconciliation tab on the Ratings page on our website.

**Valuation:** we made just under \$2 billion in adjustments to shareholder value, with a net decrease of just under \$2 billion. The most notable adjustment to shareholder value was for [total debt](#). Professional members can see all adjustments to NCR Voyix's valuation on the GAAP Reconciliation tab on the Ratings page on our website.

*This article was originally published on [April 11, 2025](#).*

*Disclosure: David Trainer, Kyle Guske II, and Hakan Salt receive no compensation to write about any specific stock, style, or theme.*

*Questions on this report or others? Join our [online community](#) and connect with us directly.*



## ***It's Official: We Deliver 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. The stock market is missing footnotes – and only we have that critical data.
2. Legacy fundamental datasets suffer from significant inaccuracies, omissions, and biases.
3. Our proprietary drives novel alpha. Our measures of [Core Earnings](#) and [Earnings Distortion](#) materially improve stock picking and forecasting of profits.

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

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**

Ernst & Young 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 Harvard Business School. 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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