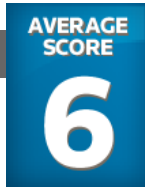


Last Close 1.04 (CAD)	Avg Daily Vol 23,271	52-Week High 1.35	Trailing PE 77.6	Annual Div --	ROE 12.3%	LTG Forecast --	1-Mo Return 7.2%
October 31, 2016 TSX VENTURE Exchange	Market Cap 63M	52-Week Low 0.55	Forward PE 155.2	Dividend Yield --	Annual Rev 7M	Inst Own 4.8%	3-Mo Return 46.5%

AVERAGE SCORE

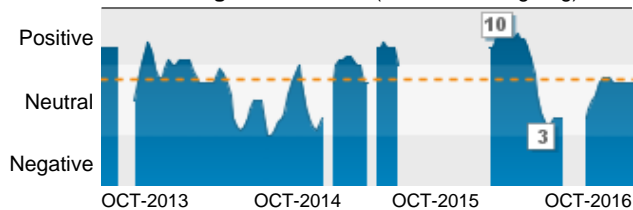


NEUTRAL OUTLOOK: IGX's current score is relatively in-line with the market.

Score Averages

Pharmaceuticals Group:	4.8	Micro Market Cap:	4.4
Pharma. & Med. Research Sector:	4.9	TSX Comp Index:	6.8

Average Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
ASP	4	6	8	8	8	
NRI	9	10	8	7	7	
IGX	4	5	6	6	6	
EMH	1	2	2	2	2	
MSL	6	4	2	3	2	

HIGHLIGHTS

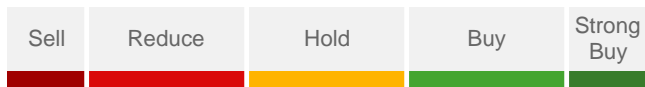
- The score for Intelgenx Technologies Corp last changed from 7 to 6 on 08/28/16 and has remained the same for 10 weeks.

THOMSON REUTERS I/B/E/S MEAN

NA

0 Analysts

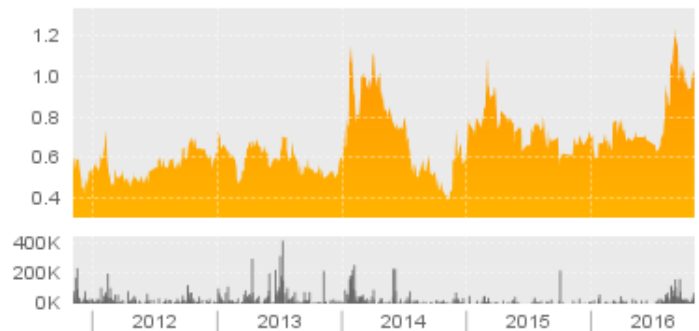
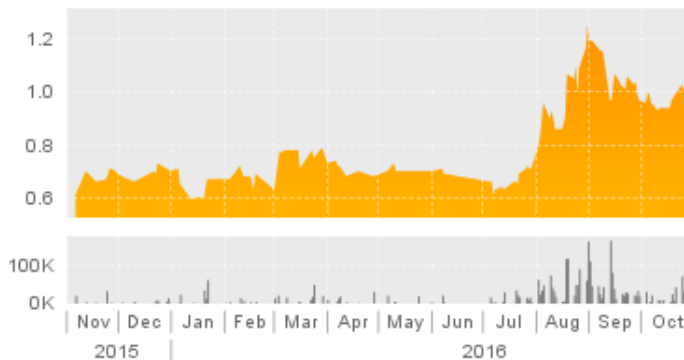
Mean recommendation from all analysts covering the company on a standardized 5-point scale.



PRICE AND VOLUME CHARTS

1-Year Return: 67.7%

5-Year Return: 60.0%



BUSINESS SUMMARY

IntelGenx Technologies Corp. is a drug delivery company focused on the development of oral immediate-release and controlled-release products. The Company also focuses on developing pharmaceutical products based on its drug delivery technologies. Its product development efforts are based upon over three delivery platform technologies, such as VersaFilm, an oral film technology; VersaTab, a multilayer tablet technology, and AdVersa, a mucoadhesive tablet technology. The VersaFilm technology consists of a thin (25 to 35 micron) polymeric film consisting of the United States Pharmacopeia (USP) components for use in food, pharmaceutical and cosmetic products. Its Multilayer Tablet platform technology allows for the development of oral controlled-release products. Its product portfolio includes INT0001/2004, INT0004/2006, INT0007/2006, INT0008/2007, INT0010/2006, INT0027/2011, INT0030/2011, INT0036/2013, INT0037/2013, INT0039/2013, INT0040/2014, INT0041/2015, INT0042/2015 and INT0043/2015.

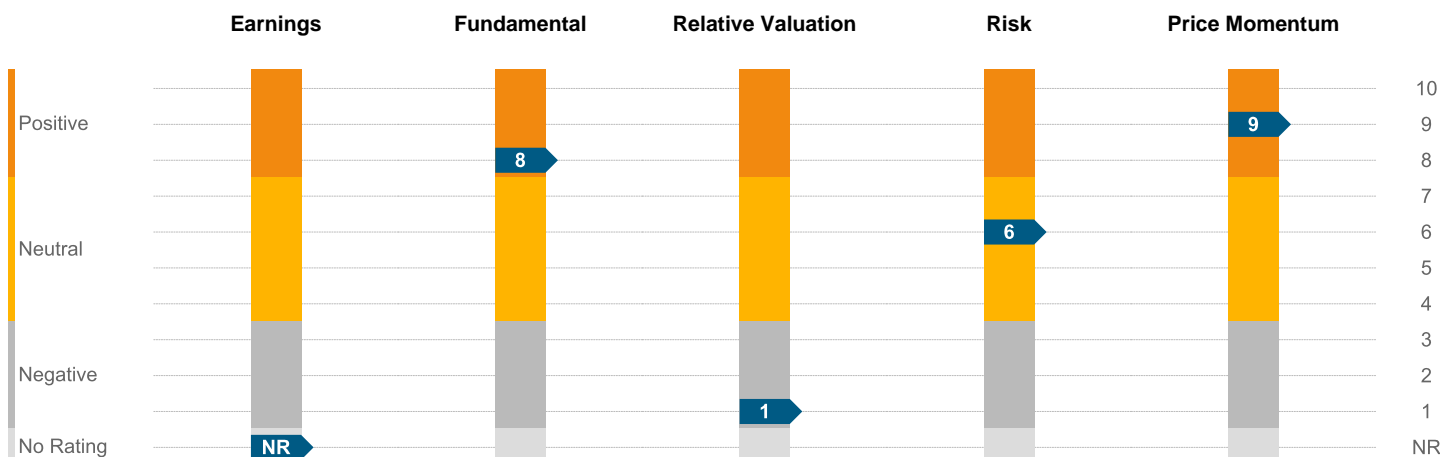


INDICATOR COMPONENTS

AVERAGE
SCORE

6

The **AVERAGE SCORE** combines the quantitative analysis of five widely-used investment decision making tools: Earnings, Fundamental, Relative Valuation, Risk, and Price Momentum. A simple average of the underlying component ratings is normally distributed to rank stocks on a 1-10 scale (10 being awarded to the most favorable). These factors may be evaluated differently using alternative methodologies and the importance of individual factors varies across industries, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.



PEER ANALYSIS

Currency in CAD

Average Score	Ticker	PRICE MOMENTUM				VALUATION		FUNDAMENTAL		ANALYSTS		# of Analysts
		Price (10/31/16)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	
2	MSL	1.24	-6.1%	-28.7%	-23.9%	155M	--	65.3	--	-17.4%	-- Buy	11
9	RX	8.50	2.4%	-4.1%	21.3%	119M	32.7	30.4	--	25.2%	-- Buy	1
4	MPH	5.88	-7.0%	-3.6%	83.8%	93M	58.8	17.8	--	13.0%	-- Buy	3
3	COM	3.70	-9.8%	-9.3%	-65.2%	81M	--	--	--	-17.4%	-- Strong Buy	2
7	NRI	6.50	-9.1%	-6.2%	37.6%	79M	--	8.2	--	-16.0%	-- Buy	2
6	IGX	1.04	7.2%	46.5%	67.7%	63M	77.6	155.2	--	-91.2%	-- --	--
2	EMH	0.85	1.2%	314.6%	325.0%	53M	--	--	--	-1217%	-- --	--
8	ASP	0.20	8.1%	90.5%	-31.0%	37M	5.0	3.0	--	56.9%	-- Buy	2
9	IMM	0.37	-4.0%	5.8%	35.2%	27M	7.9	--	--	2.2%	-- --	--
4	CTX	1.53	-15.0%	5.5%	--	22M	--	--	--	-2623%	-- --	--
1	APO	1.81	-21.7%	-13.4%	-38.4%	21M	--	--	--	-9394%	-- Buy	1
5	Average	2.87	-4.9%	36.1%	41.2%	68M	36.4	46.6	--	-1207%	-- Buy	3.1

PEER COMPANIES

MSL	Merus Labs International Inc	EMH	Emerald Health Therapeutics
RX	Biosyent Inc	ASP	Acerus Pharmaceuticals Corp
MPH	Medicure Inc	IMM	Immunotec Inc
COM	Cardiome Pharma Corp	CTX	Crescita Therapeutics Inc
NRI	Nuvo Pharmaceuticals Inc	APO	Acasti Pharma Inc



EARNINGS

EARNINGS

NR

Currency in USD

This company does not currently meet the data requirements to calculate a score for this component.

Earnings Score Averages

Pharmaceuticals Group: **5.1** Micro Market Cap: **5.0**
Pharma. & Med. Research Sector: **5.9** TSX Comp Index: **5.9**

Earnings Score Trend (4-Week Moving Avg)



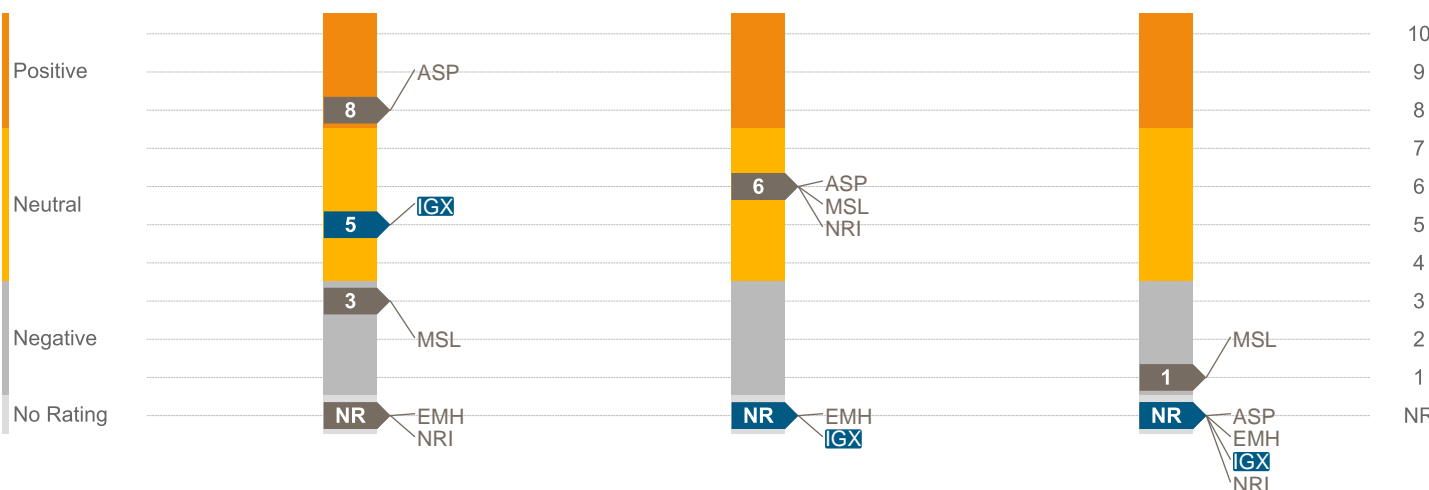
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
ASP	4	7	9	9	9	
MSL	8	2	1	2	2	
EMH	NR	NR	NR	NR	NR	
IGX	NR	NR	NR	NR	NR	
NRI	NR	8	7	NR	NR	

EARNINGS INDICATORS

Earnings Surprises
(33.3% weight)

Estimate Revisions
(33.3% weight)

Recommendation Changes
(33.3% weight)



Last 4 Quarters

# Positive Surprises (> 2%)	0
# Negative Surprises (< -2%)	2
# In-Line Surprises (within 2%)	2
Avg Surprise	-25.0%

Last 4 Weeks

# Up Revisions	--
# Down Revisions	--
Avg Up Revisions	--
Avg Down Revisions	--

Last 120 Days

# Broker Upgrades	0
# Broker Downgrades	0

HIGHLIGHTS

- Due to a lack of recent analyst activity, no Earnings Rating can be calculated for Intelgenx Technologies Corp. The average Earnings Rating for its Pharmaceuticals industry is 5.1 and the S&P/TSX COMPOSITE index average is 5.9.
- IGX's current quarter consensus estimate has remained relatively unchanged over the past 90 days at 0.01. Estimates within its industry have moved an average of -3.0% during the same time period.
- During the past four weeks, analysts covering IGX have made no upward or downward EPS estimate revisions for the current quarter.

PRICE TARGET

The chart indicates where analysts predict the stock price will be within the next 12 months, as compared to the current price.



12-Month Price Target

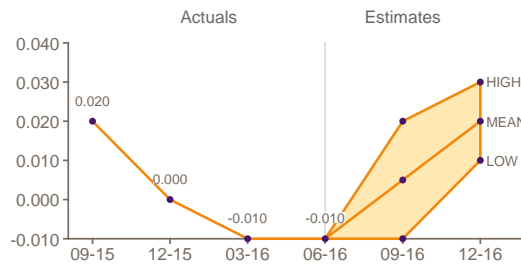
Mean	--
High	--
Low	--
Target vs. Current	--
# of Analysts	--



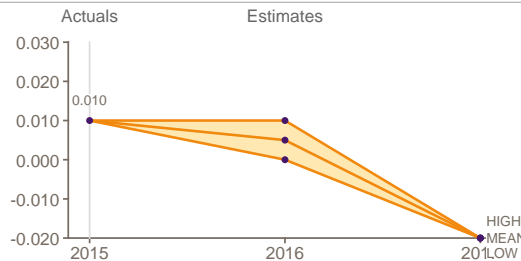
EARNINGS PER SHARE

Earnings per share (EPS) is calculated by dividing a company's earnings by the number of shares outstanding. Analysts tend to interpret a pattern of increasing earnings as a sign of strength and flat or falling earnings as a sign of weakness.

The charts provide a comparison between a company's actual and estimated EPS, including the high and low forecasts.



Quarterly	09-16	12-16
Mean	0.005	0.020
High	0.020	0.030
Low	-0.010	0.010
# of Analysts	2	2



Annual	2016	2017
Mean	0.005	-0.020
High	0.010	-0.020
Low	0.000	-0.020
# of Analysts	2	2

MEAN ESTIMATE TREND

	Q 09-16	Q 12-16	Y 2016	Y 2017	Price Target
Current	0.005	0.020	0.005	-0.020	--
30 Days Ago	0.005	0.020	0.005	-0.020	--
90 Days Ago	0.005	-0.005	-0.010	0.060	--
% Change (90 Days)	0.0%	500.0%	150.0%	-133.3%	--

Current Fiscal Year End: 12-16
Next Expected Report Date: 11/01/16

ANALYST RECOMMENDATIONS

Thomson Reuters I/B/E/S Mean: **NA** (0 Analysts)

Strong Buy	0
Buy	0
Hold	0
Reduce	0
Sell	0

EARNINGS SURPRISES

Comparing a company's actual earnings to the mean expectation of analysts results in a difference referred to as a 'positive' or 'negative' surprise. Research has shown that when a company reports a surprise, it is often followed by more of the same surprise type.

Surprise Summary (Last 12 Quarters)

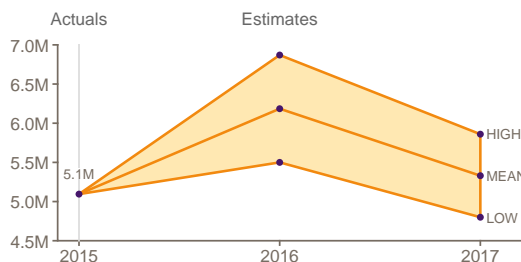
Surprise Type	Amount	Percent
Positive Quarters (> 2%)	0	--
Negative Quarters (< -2%)	2	50.0%
In-Line Quarters (within 2%)	2	50.0%

Surprise Detail (Last 6 Periods)

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
In-Line	08/11/16	06/30/16	-0.010	-0.010	0.0%
Negative	05/10/16	03/31/16	-0.010	0.030	-133.3%
Negative	03/22/16	12/31/15	0.000	0.010	-100.0%
In-Line	11/03/15	09/30/15	0.020	0.020	0.0%

ANNUAL REVENUE

A pattern of increasing sales in conjunction with a rising EPS may influence a buy recommendation, while flat or falling sales and faltering earnings may explain a sell recommendation. A rising EPS with flat or falling sales may result from increased cost efficiency and margins, rather than market expansion. This chart shows the sales forecast trend of all analysts and the highest and lowest projections for the current and next fiscal year.



	2016	2017
Mean	6.2M	5.3M
High	6.9M	5.9M
Low	5.5M	4.8M
Forecasted Growth	21.4%	4.6%
# of Analysts	2	2



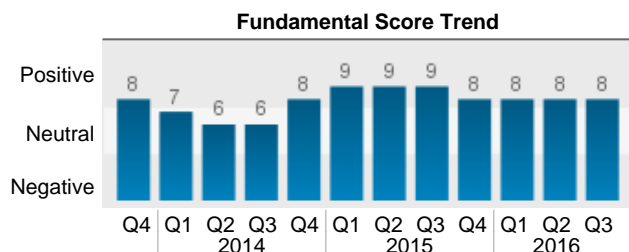
FUNDAMENTAL



POSITIVE OUTLOOK: Strong fundamentals such as high profit margins, low debt levels, or growing dividends.

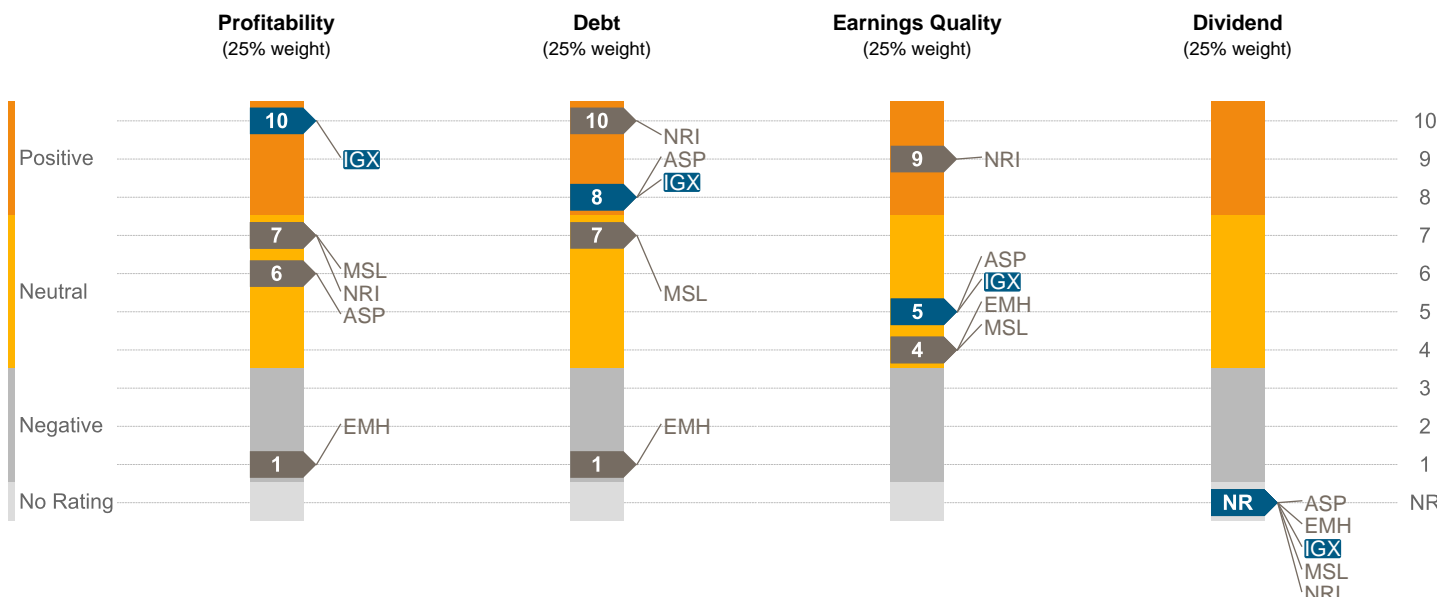
Fundamental Score Averages

Pharmaceuticals Group:	5.6	Micro Market Cap:	4.5
Pharma. & Med. Research Sector:	5.3	TSX Comp Index:	7.3



Peers	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Current	3Y Trend
NRI	9	9	9	8	10	[Bar Chart]
IGX	8	8	8	8	8	[Bar Chart]
ASP	7	7	7	7	6	[Bar Chart]
MSL	8	8	7	7	5	[Bar Chart]
EMH	3	4	4	4	1	[Bar Chart]

FUNDAMENTAL INDICATORS



Revenue Growth For year over year ending 03-2016	188.7%	Current Ratio For year over year ending 03-2016	2.6	Days Sales In Inv. For period ending --	--	Div. Growth Rate For year over year ending 12-2015	0.0%
Gross Margin For trailing 4 qtrs ending 03-2016	81.4%	Debt-to-Capital For trailing 4 qtrs ending 12-2015	21.7%	Days Sales In Rec. For period ending 12-2015	72.2	Dividend Funding For trailing 4 qtrs ending 03-2016	0.0%
Return On Equity For trailing 4 qtrs ending 03-2016	12.3%	Interest Funding For trailing 4 qtrs ending 03-2016	-30.5%			Dividend Coverage For trailing 4 qtrs ending --	--
Net Margin For trailing 4 qtrs ending 03-2016	-91.2%	Interest Coverage For trailing 4 qtrs ending 03-2016	-17.7			Current Div. Yield For trailing 4 qtrs ending 07-2016	--

HIGHLIGHTS

- Intelgenx Technologies Corp currently has a Fundamental Rating of 8, which is significantly more bullish than the Pharmaceuticals industry group average of 5.6.
- IGX's net margin of -91.2% is substantially below the Pharmaceuticals industry group average of -17.4%.
- IGX's interest funding is substantially below the Pharmaceuticals industry group average of -0.4%.
- Intelgenx Technologies Corp currently has a Fundamental Rating of 8, which is significantly more bullish than the Pharmaceuticals industry group average of 5.6.
- IGX's net margin of -91.2% is substantially below the Pharmaceuticals industry group average of -17.4%.



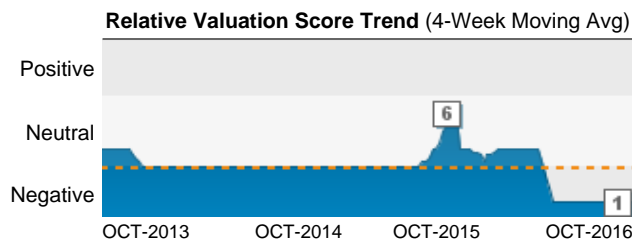
RELATIVE VALUATION



NEGATIVE OUTLOOK: Multiples significantly above the market or the stock's historic norms.

Relative Valuation Score Averages

Pharmaceuticals Group:	3.8	Micro Market Cap:	5.7
Pharma. & Med. Research Sector:	3.8	TSX Comp Index:	4.9



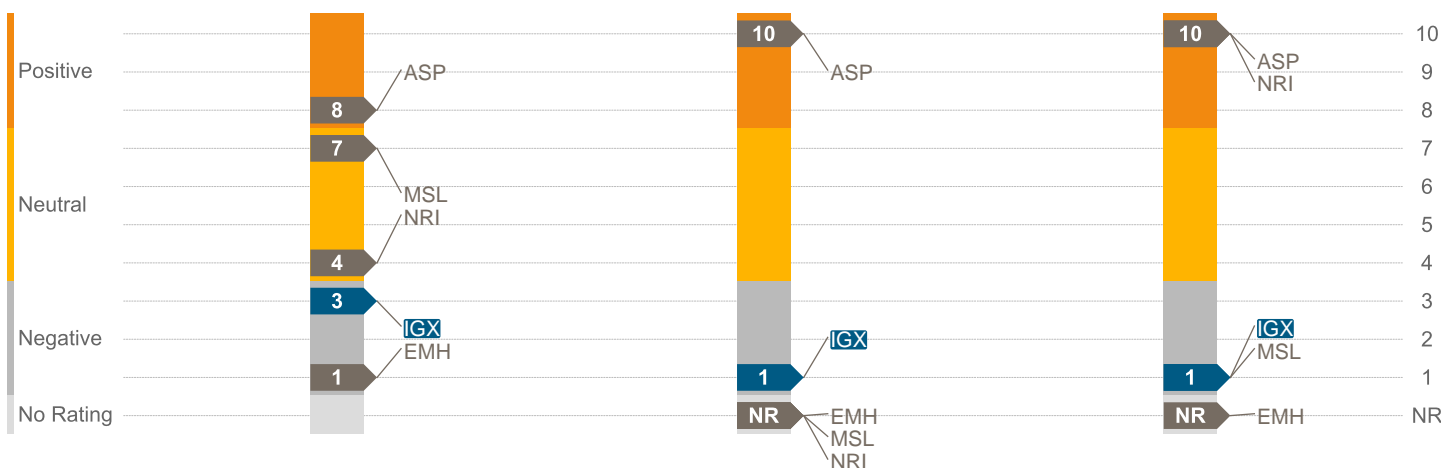
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
ASP	1	1	1	1	10	
NRI	1	1	1	1	6	
MSL	1	1	1	1	4	
EMH	1	1	1	1	2	
IGX	1	1	1	1	1	

RELATIVE VALUATION INDICATORS

Forward PEG
(50% weight)

Trailing PE
(25% weight)

Forward PE
(25% weight)



Price to Sales	9.0	Trailing PE	77.6	Forward PE	155.2
5-Yr Average	16.8	5-Yr Average	--	5-Yr Average	--
Rel. to 5-Yr Avg.	46% Discount	Rel. to 5-Yr Avg.	--	Rel. to 5-Yr Avg.	--
TSX Comp Index	1.6	TSX Comp Index	48.5	TSX Comp Index	17.5
Rel. to TSX Comp	>100% Premium	Rel. to TSX Comp	60% Premium	Rel. to TSX Comp	>100% Premium

HIGHLIGHTS

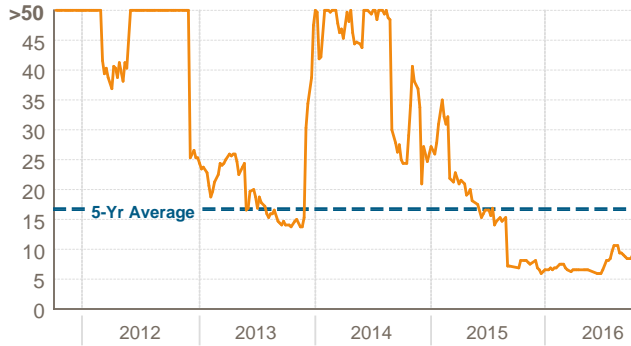
- Intelgenx Technologies Corp currently has a Relative Valuation Rating of 1 which is significantly below the S&P/TSX COMPOSITE index average rating of 5.5.
- IGX is currently valued at a premium to the S&P/TSX COMPOSITE index based on Price to Sales ratio, Trailing P/E, and Forward P/E.
- IGX's Price to Sales ratio of 9.0 represents a 46% Discount to its 5-year average of 16.8.
- Intelgenx Technologies Corp currently has a Relative Valuation Rating of 1 which is significantly below the S&P/TSX COMPOSITE index average rating of 5.5.
- IGX is currently valued at a premium to the S&P/TSX COMPOSITE index based on Price to Sales ratio, Trailing P/E, and Forward P/E.



PRICE TO SALES

The most recent week's close price divided by the revenue per share.

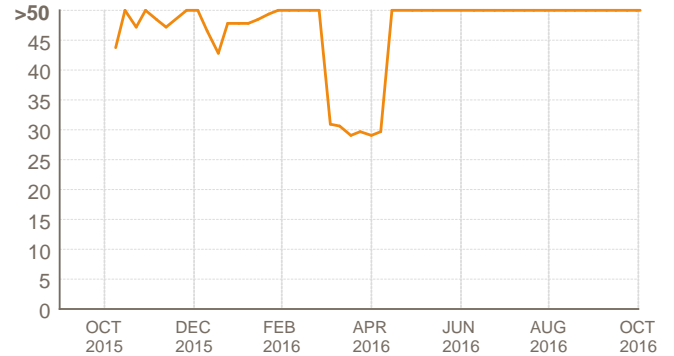
Price to Sales: 9.0
5-Year Average: 16.8
TSX Comp Index Average: 1.6
Pharmaceuticals Group Average: 1.0



TRAILING PE

The most recent week's close price divided by the sum of the four most recently reported quarterly earnings.

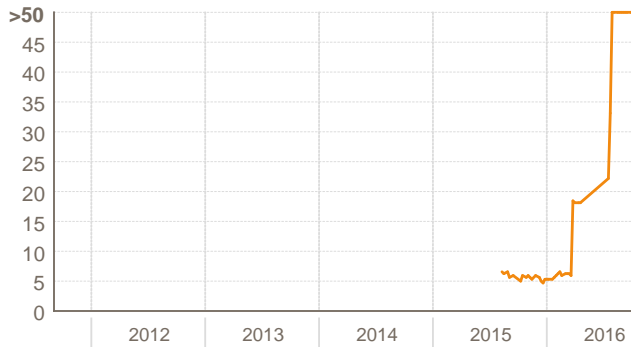
Trailing PE: 77.6
5-Year Average: --
TSX Comp Index Average: 48.5
Pharmaceuticals Group Average: --



FORWARD PE

The most recent week's close price divided by the sum of the four upcoming quarterly consensus estimates.

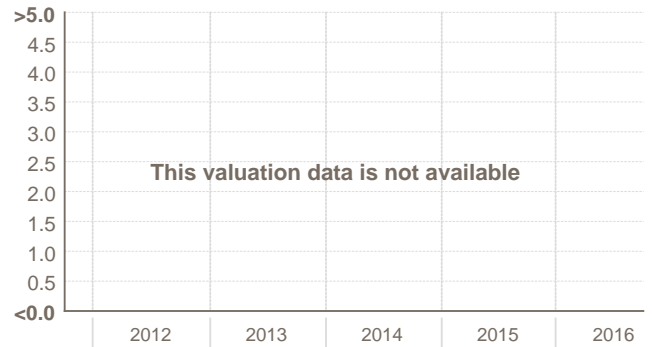
Forward PE: 155.2
5-Year Average: --
TSX Comp Index Average: 17.5
Pharmaceuticals Group Average: 4.1



FORWARD PEG

The Forward P/E divided by the five-year forecasted growth rate.

Forward PEG: --
5-Year Average: --
TSX Comp Index Average: 1.3
Pharmaceuticals Group Average: 0.5



RISK

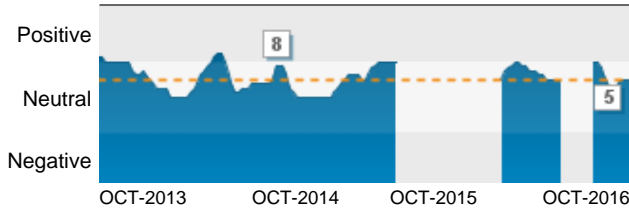
RISK
6

NEUTRAL OUTLOOK: Moderate risk (medium volatility).

Risk Score Averages

Pharmaceuticals Group:	5.4	Micro Market Cap:	4.3
Pharma. & Med. Research Sector:	4.9	TSX Comp Index:	8.5

Risk Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
IGX	6	NR	6	6	6	
MSL	7	8	5	5	5	
NRI	5	6	6	5	5	
ASP	2	5	4	3	3	
EMH	2	2	2	2	2	

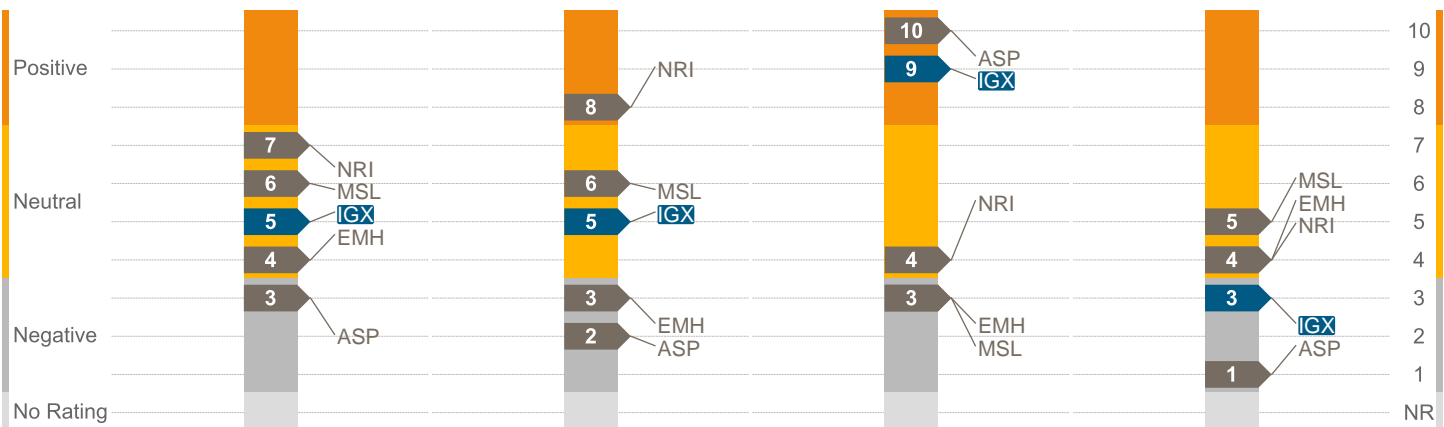
RISK INDICATORS

Magnitude Of Returns
(25% weight)

Volatility
(25% weight)

Beta (1-year)
(25% weight)

Correlation
(25% weight)



Daily Returns (Last 90 Days)

Best	17.6%
Worst	-13.4%

Monthly Returns (Last 60 Months)

Best	91.7%
Worst	-29.5%

Standard Deviation

Last 90 Days	5.01
Last 60 Months	20.05

Intra-Day Swing (Last 90 Days)

Average	6.0%
Largest	26.7%

Beta vs. TSX Comp

0.26	
Positive Days Only	0.17
Negative Days Only	0.75

Beta vs. Group

0.48	
Positive Days Only	-0.05
Negative Days Only	0.34

Correlation vs. TSX Comp

10%	
Last 90 Days	10%
Last 60 Months	13%

Correlation vs. Group

25%	
Last 90 Days	25%
Last 60 Months	39%

HIGHLIGHTS

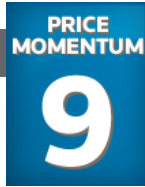
- Intelgenx Technologies Corp currently has a Risk Rating of 6, which is significantly below the S&P/TSX COMPOSITE index average rating of 8.5.
- On days when the market is up, IGX shares tend to lag the S&P/TSX COMPOSITE index. However, on days when the market is down, the shares generally decrease less than the index.
- In both short-term and long-term periods, IGX has shown low correlation (≥ -0.1 and $< 0.2\%$) with the S&P/TSX COMPOSITE index. Thus, this stock would provide high levels of diversification to a portfolio similar to the broader market.
- Over the last 90 days, IGX shares have been more volatile than the overall market, as the stock's daily price fluctuations have exceeded that of 99% of S&P/TSX COMPOSITE index firms.

RISK ANALYSIS

Peers	Last 90 Days				Last 60 Months		
	Best Daily Return	Worst Daily Return	# Days Up	# Days Down	Largest Intra-Day Swing	Best Monthly Return	Worst Monthly Return
IGX	17.6%	-13.4%	31	24	26.7%	91.7%	-29.5%
ASP	25.0%	-19.6%	19	18	46.2%	109.5%	-55.2%
EMH	28.1%	-10.0%	31	25	53.3%	93.6%	-60.0%
MSL	5.9%	-23.1%	28	28	28.5%	43.5%	-30.4%
NRI	6.4%	-7.0%	24	34	10.2%	70.0%	-51.6%
TSX Comp	1.3%	-1.8%	35	26	1.5%	5.4%	-9.0%



PRICE MOMENTUM



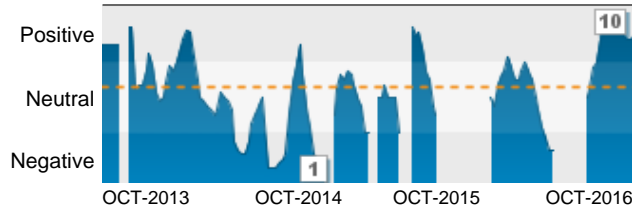
Currency in CAD

POSITIVE OUTLOOK: Strong recent price performance or entering historically favorable seasonal period.

Price Momentum Score Averages

Pharmaceuticals Group:	6.2	Micro Market Cap:	5.1
Pharma. & Med. Research Sector:	6.3	TSX Comp Index:	5.9

Price Momentum Score Trend (4-Week Moving Avg)

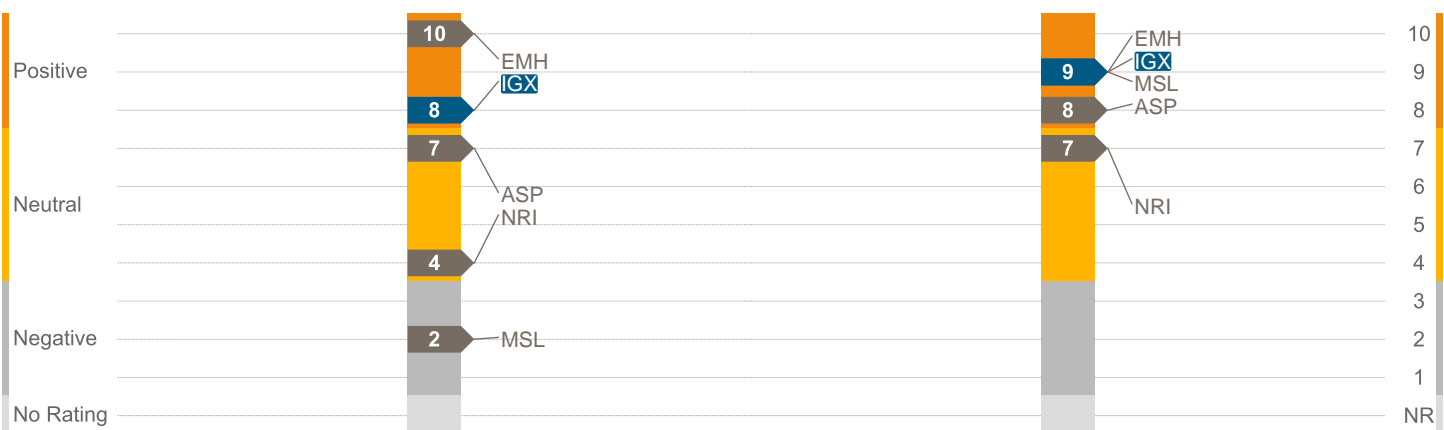


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
EMH	5	6	10	10	10	
IGX	NR	6	8	9	9	
ASP	4	2	7	6	8	
NRI	10	8	7	5	4	
MSL	7	5	3	4	3	

PRICE MOMENTUM INDICATORS

Relative Strength
(70% weight)

Seasonality
(30% weight)



Relative Strength Indicator (Scale from 1 to 100)

	IGX	Industry Avg
Last 1 Month	55	48
Last 3 Months	55	50
Last 6 Months	54	50

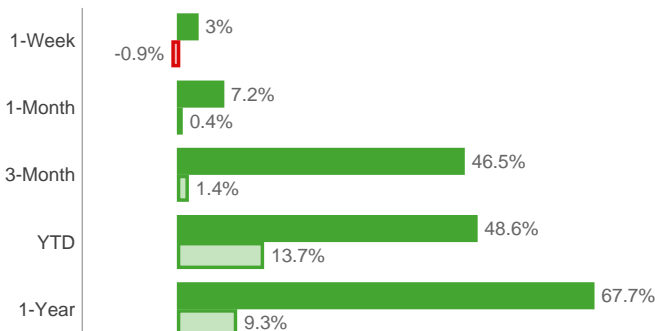
Average Monthly Return (Last 10 Years)

	NOV	DEC	JAN
Company Avg	-0.1%	4.4%	15.3%
Industry Avg	2.1%	6.7%	6.4%
Industry Rank	9 of 73	9 of 74	23 of 73

PRICE PERFORMANCE

Daily close prices are used to calculate the performance of the stock as compared to a relevant index over five time periods.

IGX
TSX Comp



	IGX	TSX Comp
Close Price (10/31/16)	1.04	14,787
52-Week High	1.35	14,939
52-Week Low	0.55	11,843

- Intelgenx Technologies Corp has a Price Momentum Rating of 9, which is significantly above the S&P/TSX COMPOSITE index average rating of 5.9.
- On 10/31/16, IGX closed at 1.04, 23.0% below its 52-week high and 89.1% above its 52-week low.
- The S&P/TSX COMPOSITE index is currently 1.0% below its 52-week high and 24.9% above its 52-week low.



DETAILED STOCK REPORT TIPS

The Thomson Reuters Stock Report is a comprehensive, company-specific analysis that includes a proprietary Stock Rating along with underlying component indicators and supportive data elements. The report is updated daily, although some of the data elements and the ratings are updated weekly.

Average Score

The Average Score combines a quantitative analysis of five widely-used investment decision making tools - Earnings, Fundamental, Relative Valuation, Risk, and Price Momentum. First, a simple average of the five underlying component ratings is calculated. Then, a normal distribution is used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A score of 8 to 10 is considered positive, 4 to 7 is neutral, and 1 to 3 is negative. These five factors may be evaluated differently using alternative methodologies, and the importance of individual factors varies across industry groups, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.

A company must have sufficient data available for at least three of the five component indicators in order to receive an overall Average Score. Approximately 85% of the stocks within the coverage universe meet the criteria to generate a score.

Indicator Components

The five indicators that comprise the stock rating are displayed. Like the stock rating, the component rating scale is 1 to 10, with 10 being best. A company will receive an 'NR' for No Rating if the required data elements or criteria are not met. A detailed section for each component is included in the report.

Indicator Trends

Within each component section, historical score trends are displayed, typically using a 4-week moving average over a timeframe of the past three years. The dotted orange line indicates the average of the scores over those three years. The most recent occurrences of the best and worst scores are also displayed on the chart in grey boxes to put the current score into historical context.

Next to the trend chart for the company, current score averages are included, along with peer company comparisons of values from 6 months ago, 3 months ago, 1 month ago, the most recent value from 1 week ago, and the current score. The four closest industry peers are presented based on similar market capitalization.

Peer Analysis

The Thomson Reuters Business Classification (TRBC) system is used for industry comparisons. It is designed to track and display the primary business of a corporation by grouping together correlated companies that offer products and services into similar end markets. The system includes 10 Economic Sectors, 28 Business Sectors, 54 Industry Groups, and 136 Industries.

The Peer Analysis section of the report compares the company to its ten closest peers. The peers are selected from the industry based on similar market capitalization. The peer listing may have fewer than ten companies if there are fewer than ten companies within that industry classification.

Highlights

The Thomson Reuters proprietary automated text-generation system creates highlights summarizing the most noteworthy data. The bullets will vary by company and will change from week to week as different criteria are met.

Earnings

The Earnings Rating is based on a combination of three factors: earnings surprise, estimate revision, and recommendation changes. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have at least two of the three earnings factors in order to receive a score.

Earnings Surprises - The number of positive and negative surprises within the last 4 periods (quarters or years).

Estimate Revisions - The number of up and down revisions and the average percentage change of those revisions within a 4 week period.

Recommendation Changes - The number of broker upgrades and downgrades in the last 120 days.

Price Target

The price target is based on the predictions of analysts covering the stock and shows the high, low and mean price expected within the next 12 months.

Earnings Per Share

The quarterly and annual earnings per share are presented when available, along with the mean, high and low. Quarterly data is displayed for the past 4 quarters (actual) and the next 2 quarters (estimated). Annual data is displayed for the past 2 years (actual) and the next 2 years (estimated).

Mean Estimate Trend

The mean estimates show how the consensus has changed over the past 30 days and 90 days for the upcoming two quarters (when available) and two years. The percentage change is calculated for the company as a means for comparison by measuring the difference between the current consensus estimate and that of 90 days ago.

Analyst Recommendations

The I/B/E/S Mean is the mean recommendation of all analysts covering the stock, as provided by Thomson Reuters I/B/E/S (Institutional Brokers Estimate System). The recommendations are presented on a five-point standardized scale: strong buy, buy, hold, reduce, and sell.

Earnings Surprises

The surprise summary includes the total number of time periods (and percentage) in the last 12 quarters (quarterly) or last 4 years (annual) in which earnings surprises were positive, negative, or in-line. In order to be recognized as a positive or negative surprise, the percent must be greater than 2% above or 2% below the consensus, respectively.

The surprise detail section includes a listing of the company's quarterly earnings reported for the most recent 6 periods (quarters or years). The consensus analyst estimate is provided to determine if the actual earnings report represented a positive surprise, negative surprise, or in-line result.

Fundamental

The Fundamental Rating is based on a combination of four fundamental component factors: profitability, debt, earnings quality, and dividend. Companies that do not pay a dividend are not penalized. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have at least three of the four fundamental factors present in order to receive a score.

Profitability is comprised of four data elements.

- Revenue Growth: (Net Sales – Previous Net Sales) / Previous Net Sales
- Gross Margin: Gross Profit / Net Sales
- Return on Equity: Net Income / Total Equity
- Net Margin: Net Profit / Net Sales

Debt is comprised of four data elements.

- Current Ratio: Current Assets / Current Liabilities
 - Debt-to-Capital: Total Debt / Total Capital
 - Interest Funding: Interest Expense / Operating Cash Flow
 - Interest Coverage: (Pre-Tax Income + Interest Expense) / Interest Expense
- Earnings Quality is comprised of two data elements.
- Days Sales in Inventory: 365 / (Cost of Goods Sold / Inventory)
 - Days Sales in Receivables: 365 / (Net Sales (Revenues) / Receivables)

Dividend is comprised of four data elements. The company must have a current dividend yield.

- Dividend Growth Rate: (Dividends per Share – Previous Dividends per Share) / Previous Dividends per Share
- Dividend Funding: Dividends / Operating Cash Flow
- Dividend Coverage: (Pre-Tax Income + Interest Expense) / (Interest Expense + Dividends)
- Dividend Yield: Annual Dividends per Share / Current Market Price per Share

Indicator Trend

The fundamental indicator trend displays either quarterly scores over the past three years or annual scores over the past six years, depending on the reporting periods for the country. The best and worst scores can be easily determined from the values shown on the chart for each quarter or year.

Relative Valuation

The Relative Valuation Rating is based on a combination of three component factors: Price to Sales (50% weight), Trailing P/E (25% weight), and Forward P/E (25% weight). After the weightings are considered to combine individual factors, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. These common valuation metrics are evaluated against the overall market, the index, and the company's own historic 5-year averages. A stock needs to have at least one of the three relative valuation factors in order to receive a score.

Price to Sales: Close Price / (Sales for 4 Quarters or 1 Year / Shares Outstanding)

Trailing P/E: Close Price / Most Recent 4 Quarters or 1 Year of Earnings

Forward P/E: Close Price / Upcoming 4 Quarters or 1 Year of Earnings

Valuation Averages

Negative values are excluded when calculating the averages. A maximum value of 100 is placed on Trailing P/E and Forward P/E, a maximum value of 5 is placed on Forward PEG, and a maximum value of 20 is placed on Price to Sales when calculating the averages. Higher values are rounded down to the maximum for the averages.



Valuation Multiples

The valuation multiples provide the Trailing P/E, Forward P/E, Forward PEG, and Price to Sales for the company and the S&P 500 index average. In addition, a comparison of the current company's values to its 5-year average and an industry average are presented. A discount occurs when the company's ratio is valued more favorably (lower) than that to which it is compared.

Risk

The Risk Rating displays stocks on a scale of 1 to 10 with 10 being awarded to the least risky stocks. It is derived by looking at a series of long-term (5-year) and short-term (90-day) stock performance measures including volatility, magnitude of returns, beta, and correlation. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market. A stock needs to have at least two of the four risk factors in order to receive a score.

Magnitude of Returns – The best / worst daily returns in the past 90 days and the best / worst monthly returns in the past 60 months.

Volatility – The standard deviation of the stock price over the last 90 days and last 60 months, along with the average and largest intra-day stock swing.

Beta – Measures the tendency of a security's returns to respond to swings in the market, based on the beta of the company versus the relevant index.

Correlation – Determines how closely the returns of the stock and the relevant index move together, measured over the last 90 days and last 60 months.

Risk Analysis

Price analysis for the company and the relevant index is provided over two time periods. Daily analysis is provided for the last 90 days, whereas monthly statistics are used for the last 60 months.

Price Momentum

The Price Momentum Rating is based on a combination of two technical performance factors: relative strength (70% weight) and seasonality (30% weight). After the weightings are considered to combine individual factors, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have data for the relative strength factor in order to receive a score.

Relative Strength – The relative strength of the company for the last 1 month, 3 months, and 6 months on a scale of 1 to 100.

Seasonality – The average monthly return (price performance) for the current month and next 2 months for the company and industry, over the past 10 years. A lower industry rank indicates a higher return.

Price Performance

Daily close prices are used to calculate the price performance of the stock. The performance of the relevant index is also displayed as a means of comparison.

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