What Size Company Is It?
New Revenue Guidelines

- Small: <= $1 Billion
- Medium: > $1 Billion and <= $10 Billion
- Large: => $10 Billion and < $50 Billion
- Mega: > $50 Billion

What Size Company Is It?
Sales Growth Guidelines

- Small: > 12%
- Medium: => 7% and < 12%
- Large: => 5% and < 7%
- Mega: => 5%

Survey
SSG Preference in presentation
- Toolkit 6
- Core SSG (On-Line Tool)
- SSG Plus (On-Line Tool)
- No SSG needed
A Few Things NOT TO DO on the SSG continued...

Small Talk Educational Presentation
April 19, 2016
Ralph Futch

Don’t forget to compare to industry/sector/S&P averages

- Is your company equal to or better than the industry/sector/S&P averages?

<table>
<thead>
<tr>
<th></th>
<th>HHN</th>
<th>Industry</th>
<th>Sector</th>
<th>S&amp;P 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Qtr.</td>
<td>6.91%</td>
<td>35.40%</td>
<td>65.60%</td>
<td>4.00%</td>
</tr>
<tr>
<td>Next Qtr.</td>
<td>7.33%</td>
<td>33.50%</td>
<td>53.60%</td>
<td>5.50%</td>
</tr>
<tr>
<td>This Year</td>
<td>7.41%</td>
<td>7.40%</td>
<td>-19.10%</td>
<td>8.80%</td>
</tr>
<tr>
<td>Next Year</td>
<td>5.91%</td>
<td>13.00%</td>
<td>9.90%</td>
<td>12.70%</td>
</tr>
<tr>
<td>Past 5 Years (per annum)</td>
<td>26.21%</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Next 5 Years (per annum)</td>
<td>11.03%</td>
<td>14.60%</td>
<td>13.54%</td>
<td>5.19%</td>
</tr>
<tr>
<td>Price/Earnings (avg. for comparison categories)</td>
<td>20.73</td>
<td>14.56</td>
<td>19.14</td>
<td>11.17</td>
</tr>
<tr>
<td>PEG Ratio (avg. for comparison categories)</td>
<td>2.88</td>
<td>2.30</td>
<td>2.40</td>
<td>2.22</td>
</tr>
</tbody>
</table>

Example from Yahoo. Finance - 4.4.16

Focus on longer term estimates

Don’t forget the missing 20%

- The SSG only provides about 80% of the information about a company, and all historic information is backward looking
- For information about where the company is going - your forward projections and key judgements - you need to know about the company, the industry, and the economy in order to make those judgments
- Keep current with news about your company, the industry it is in, and the economy

Small Sized Companies

The 20% might be from the SSG

The 80% from your own research
Don’t accept dips in sales without investigation

- Why are revenues declining?
  - General slowdown for all companies in industry/sector?
  - Loss of sales to competitor?
  - Bad news? (recalls, penalties, improper behavior)
  - Dying industry?

Don’t ignore management evaluation (Section 2)

- Is management doing it’s job?
  - Is percent of pre tax profit (PTP) even or increasing?
  - Is percent Return on Equity (ROE) even or increasing?
  - Is debt to equity even or declining?
    - If increasing, was there a recent acquisition? This may be a temporary situation and add to the abilities of the company to continue to grow.

Don’t accept declining profit margins

Pay attention to the trend
Should be Up or Even

IF Down, must investigate to find out why, and if the effect is temporary or permanent -

Don’t buy and forget

- SSG judgments should be reviewed and updated quarterly as earnings reports come out

Toolkit has the ability to sort SSG’s in your library by
- Last Judgment
- Last Quarter
- Last Price

Use the sort feature to identify which stocks need updating.
Don’t accept default judgments

- Don’t just plug in the numbers, understand why you are using information or a judgment—THINK
- NEVER
- NEVER
- NEVER
- NEVER Accept the default judgments without doing your own analysis
- YOU, and only YOU, are responsible for the judgments on the SSG.

Back to rule one

Don’t buy or sell without knowing and explaining why

Know what you own
   Know what it does
   Know why you own it

Take the time to understand what the company does before you buy it!

Referenced forms posted at:
rmchapter.org in the Forms & Docs section

- SWOT Template
- Calibration Worksheet
- First Cut Template
- 10 Things NOT TO DO on the SSG
Stock Presentation

Hain Celestial (HAIN)
Presented by: Shirley Pfister

Survey:
Have you completed a study on this company?

Thank you