CPI Insights



Volume 3, November 29, 2016

CPI, for corporate performance index, is a summary score of financial excellence that rates a company against its industry peers on a percentile scale. It tends to confirm a company's TSR rank when the rank is right, challenges TSR when it is wrong, and explains the factors that are determining TSR in any case.

Free CPI reports on 20,000 global tickers are available at http://pub.evadimensions.com/cpiexpress

The Dandy Dons of Corporate America. Don Meredith was a popular quarterback and sportscaster, famous for his rendition of "Turn the lights out, the party's over" on Monday night football. Reports indicate, though, that beneath a happy-go-lucky façade lurked a heavy boozing, pill popping, mad man. Here we present the corporate equivalent – the 50 companies that superficially look good per TSR but which CPI reveals to have deep seated issues.

Ticker Name Sub-Industry Sale CPI TRM EVA Store Number Time Impl 1 A.A. AMERICAN ARLINES GROUP INC Artihes Sale		· ·	, , ,	5 1		_	3-	CDI	N/11/A		EVA		2 V.		Mkt	
Ticker Name Sub-Industry Set PVA <																
Titler Name Sub-Industry Sales Score Instruct Score Score Instruct Score Score <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td></td> <td>-</td> <td></td> <td></td> <td></td> <td></td> <td></td>									-		-					
1 AAL AMERICAN ARLINES GROUP NC Attines 540021 22 100 27 3.8 27 3.58 27 3.58 27 3.58 27 3.58 27 3.58 27 3.58 2.33 9 2.238 9 2.238 9 2.238 9 2.238 9 2.238 9 2.238 9 2.238 9 2.238 9 2.238 9 2.238 9 2.238 9 2.238 9 2.238 9 2.238 9 2.238 9 2.238 9 2.25 65 4.448 77 5.56 41 4.458 77 5.56 41 4.458 7 5.56 41 4.458 2.55 5.2 5.56 41 4.858 2.2 2.908 1.898 1.008 58 58 -0.518 58 0.618 58 0.2448 58 0.518 2.0333 31 1.848 58 -0.518 2.038 31 4.85 8.0178 2.0138 58 58 57 51.57 7.1188						CPI	TSR	TSR	MVA	%	EVA	%	EVA		EVA	
2 ALC MACQUARE INFRASTRUCTURE CP INTRASTRUCTURE CP INTRASTRUCTURE CP Freight Transportation Communications Equipment S7410 S7410 81 807 80.7 21.38 9 2.238 1.188 1.188 1.188 1.188 1.188 1.188 1.188 1.188 1.188 1.188 1.188 1.188 1.1181 1.1181 1.1181		Ticker	Name	Sub-Industry	Sales	Score	Rank	Rank	/Sales	tile	/Sales	tile	Мо	tile	Мо	tile
3 HARRIS CORP Communications Equipment \$7410 14 81 65 20% 65 2.7% 5 1.07% 48 5 EXPEDIA.INC III & Gas Diffield \$1359 27 93 66 13% 62 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.2% 52 -0.3% 59 -0.4% 59 50 50 55 -0.1% 50 0.6% 50 -0.5% 50 0.4% 24 -0.4% 1.13% 70 1.13% 70 1.13% 70 1.13% 70 1.14% 71 1.14% 70 1.14% 71 1.14% 70 1.14% 70 1.14% 70 <t< td=""><td>1</td><td>AAL</td><td>AMERICAN AIRLINES GROUP INC</td><td>Airlines</td><td>\$40021</td><td>22</td><td>100</td><td>-78</td><td>-1%</td><td>27</td><td>3.8%</td><td>27</td><td>1.53%</td><td>30</td><td>-0.50%</td><td>64</td></t<>	1	AAL	AMERICAN AIRLINES GROUP INC	Airlines	\$40021	22	100	-78	-1%	27	3.8%	27	1.53%	30	-0.50%	64
4 HELARENCH & PAYNE OII & Gas Drilling \$1359 24 90 66 114% 92 14.4% 77 5.80% 17 2.80% 67 6 LXK LEXMARK INT, INC, -CL, A Technology Hardware \$3432 15 79 66 38 27 -5.0% 41 -1.43% 30 0.63% 57 -0.08% 11.8% 67 -0.09% 12 -2.0% 91 18.9% 100 57 63 31 4.5% 50 -0.09% 12 -2.0% 9 -0.01% -0.09% 12 -0.09% 12 -0.09% 12 -0.01% 11.8% 67 -0.09% 12 -0.01% 11.3% 50 -0.5% 9 0.43% 61 -0.17% 24 10 12.5% 1.00 1.48% 14 12.8% 14 12.5% 1.01 11.12% 7 1.01 1.14% 1.01 1.48% 1.01 1.48% 1.48% 1.45% 1.01 <	2	MIC	MACQUARIE INFRASTRUCTURE CP	Freight Transportation	\$1616	24	94	-70	217%	93	-7.2%	9	-2.33%	9	2.23%	98
5 EDPEDIA.INC Internet & Catalog Retail 58379 27 358 26 135% 62 0.28% 24 1.18% 67 1 XK EVAMARK INTL.INC -CLA Brown Tochology Hardware \$3482 15 79 664 132% 81 8.6% 22 2.0% 9 1.8% 70 70 76	3	HRS	HARRIS CORP	Communications Equipment	\$7410	14	81	-67	80%	65	-3.5%	55	-2.71%	5	1.07%	48
6 LXX LEXMARK INTL. INC. CL. A Technology Hardware \$3482 15 79 664 35 27 5.05 41 1.435 32 0.635 59 7 CHTR CHARTRE COMMUNICATIONS INC Food B Everage \$318231 28 91 80 375 23 2.445 48 0.465 57 0.099 12 9 DLTR DOLLAR TREE INC Department Stores \$106 31 41 100 59 633 1.4 48 80 0.515 9 0.435 61 0.1775 2.4 17 FS FELUTIV MATIONAL INFO SVCS Industrial Conglomerates \$3658 45 100 55 1.412, 1.225 11.111 1.298 7 1.111 1.298 7 1.111 1.298 7 1.111 1.298 7 1.115 7 1.414 1.298 7 1.115 7 1.118 7 1.418 1.298 1.112 1.112 1.414 1.298 1.1	4	HP	HELMERICH & PAYNE	Oil & Gas Drilling	\$1859	24	90	-66	114%	92	-14.4%	77	-5.80%	17	2.86%	46
7 CHTR CHARTER COMMUNICATIONS INC Broadcastit Cableds stellite \$13653 27 90 60 182% 81 8.6.6% 22 2.90% 9 1.8% 100 9 DLTR DOLLAR TREE INC Department Stores \$20333 41 100 59 63% 83 1.4% 58 0.6.1% 7 0.000 14 70 59 0.4% 59 0.4% 59 0.4% 59 0.4% 59 0.4% 59 0.4% 59 0.4% 59 0.4% 59 0.4% 59 0.4% 59 0.4% 59 0.4% 59 0.4% 59 0.4% 50 0.4% 50 0.5% 57 1.0% 10 1.4% 70 0.44% 64 100 55 106% 10 11 1.2% 74 0.4% 57 1.2% 14 10 57 1.2% 14 10.5% 14 10.7% 14 10.7% 14 10.7% 14 10.7% 14 10.7% 14 10.7% 14 <t< td=""><td>5</td><td>EXPE</td><td>EXPEDIA INC</td><td>Internet & Catalog Retail</td><td></td><td>27</td><td></td><td>-65</td><td>135%</td><td>62</td><td>-0.2%</td><td>52</td><td>-0.28%</td><td>24</td><td>1.18%</td><td>67</td></t<>	5	EXPE	EXPEDIA INC	Internet & Catalog Retail		27		-65	135%	62	-0.2%	52	-0.28%	24	1.18%	67
8 TSN TSON FOODS INCCL. A Food & Beverage \$382.31 22 91 R5 37% 23 2.4% 48 0.4% 57 0.09% 12% 50% 14% 58 0.05% 537.85 23 2.4% 48 0.4% 57 0.09% 12% 58 63% 83 1.4% 58 0.05% 57 1.0% 51 2.0% 15 1.01% 11 1.2% 74 11 F15 F15 F16 F11 Coll Coll Coll Coll 55 1.00% 15 1.1% 71 1.1% 7 0.44% 44 250% 50% 6 1.05% 25 13 0.46% 34 37% 2 2.8% 7.2% 1.1% 7 0.44% 45 37% 4 1.5% 7 1.1% 7 0.44% 45 56 14 4 653 56 56 46 1.4% 653 56 46 1.4% 7.0% 3.0% 0.8% 0.03% 0.03% 1.2% 1.	6	LXK	LEXMARK INTL INC -CL A	Technology Hardware	\$3482	15	79	-64	3%	27	-5.0%	41	-1.43%	32	0.63%	59
9 DLLAR DOLLAR TREE DOLLAR TREE NC Department Störes \$52033 41 0 83 1.4% 58 0.51% 27 0.13% 58 11 FIS FDELITY NATIONAL INFO SVCS Outsourced Services \$8670 14 70 55 70.5% 91 2.0% 15 -1.01% 11 1.2% 7 1.11% 7 0.44% 61 0.14% 14 12 CSL CARLISE COS INC Industrial Conglomerates \$3608 61 0.55 51 2.0% 7 1.11% 7 0.44% 64 14 ZBRA TECHNOLOGIES COS INC Communications Equipment \$3608 67 59 52 7 1.11% 7 0.44% 68 1.05% 54 2.55% 7 1.11% 7 0.44% 68 1.05% 61 0.018% 43 68 1.06% 68 1.06% 61 0.018% 44 68 1.06%	7	CHTR	CHARTER COMMUNICATIONS INC	Broadcast&Cable&Satellite	\$13653	27	90	-63	182%	81	-8.6%	22	-2.90%	9	1.89%	100
10 GOODYEAR TIRE & RUBBER CO. Aufo & Suppliers \$15480 14 72 58 938.0 -6.58 9 0.438.61 -0.17% 24 12 CSL CARLISLE COS INC Industrial Conglomerates \$3658 45 100 555 108 52 5.15.57 1.01% 11 12% 7.4 13 POST FOST HOLDINGS INC Food & Beverage \$3608 6 60 555 38% 25 -2.5% 7 -1.1% 7 0.48% 64 15 OSK OSHKOSH HOLDING CO INC ComstaggBrarm Machinery \$5608 6 60 55 46 -1.7% 32 -0.2% 30 0.68% 34 16 COMM CORE HOLDING CO INC ComstaggBrarm Machinery \$562 9% 13 -0.5% 30 0.80% 64 -1.0% 32 3.7% 43 17 MAK MALLINCKRODT FLC Pharmaceuticals \$3638 74 49 455 49% 51.1% 7 -1.0% 28 1.52% 18 -0.2% 55	8	TSN	TYSON FOODS INC -CL A	Food & Beverage	\$38231	28	91	-63	37%	23	2.4%	48	0.46%	57	-0.09%	12
11 FIS FDELITY NATIONAL INFO SVCS Outsourced services \$8670 14 70 551 1-0.58 17.08 10 1.29% 74 13 POST FOST HELDINGS INC Food & Beverage \$5076 6 61 555 383 25 2.5% 7 1.11% 7 0.48% 64 14 ZBRA TECHNOLOGIES CP - CL A ElectronicAOffice Equipment \$3608 60 54 50% 41 -0.7% 41 -1.52% 13 0.46% 34 16 COMM COMMSCOPE HOLDING CO INC ComstungleFarm Machinery \$4566 41 94 52 9% 68 -0.08% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.81% 30 0.75% 64 40% 32 31% 0 0.98% 4	9	DLTR	DOLLAR TREE INC	Department Stores	\$20393	41	100	-59	63%	83	1.4%	58	-0.51%	27	0.13%	58
12 CSL CARLISLE COS INC Industrial Conglomerates \$3658 45 100 557 12.0% 100 0.14% 14 13 POST POST FOOD & Beverage 5076 6 61 555 388 25 -2.58 7 1.11% 7 0.44% 64 15 OSK OSHKOSH CORP ConstAggBrarm Machinery \$6279 10 22 55 54 1.0.77% 41 1.5.2% 13 0.46% 34 16 COMM COME HOLDING CO INC ConstAggBrarm Machinery \$6279 10 22 55 54 1.0.77% 41 -1.52% 13 0.46% 34 17 MNK MALLINCKRODT PLC Pharmaceuticals \$3666 7 59 52 9% 13 -0.09% 4 -0.03% 60 0.03% 64 1.60% 51 1.60% 50 1.60% 56 1.60% 56 1.60% 56 1.60% 56 1.60% 50 0.03% 64 1.60% 50 0.03% 56 1.60%	10	GT	GOODYEAR TIRE & RUBBER CO	Auto & Suppliers	\$15480	14	72	-58	- 9 3%	0	-6.5%	9	0.43%	61	-0.17%	24
13 POST <	11	FIS	FIDELITY NATIONAL INFO SVCS	Outsourced Services	\$8670	14	70	-55	176%	51	-2.0%	15	-1.01%	11	1.29%	74
14 ZERA, TECHNOLOGIES CP -CL A Electronic@Office Equipment \$3408 6 60 554 50% 41 -0.7% 41 -1.52% 13 0.46% 34 15 OSK OSHKOSH COPP Cons&Ag@fram Machinery \$5229 10 62 53 5% 66 -1.7% 32 0.24% 26 0.23% 46 16 COMMSCOPE HOLDING CO INC Communications Equipment \$4566 41 9.4 55 72 4.7% 54 -0.03% 30 0.81% 43 17 MNK MALLINCRRODT PLC Pharmaceuticals \$3069 47 96 32.1% 4-0.03% 30 0.87% 64 -0.9% 64 -0.05% 60 1.87% 41 -0.5% 30 0.87% 64 -0.9% 42 -0.3% 30 0.87% 64 -0.87% 30 0.87% 64 -0.37% 42 -0.37% 64 69% 32.1% 0.07% 30 0.67% 30 0.67% 50 0.37% 50 0.37% 50 0.37% <t< td=""><td>12</td><td>CSL</td><td>CARLISLE COS INC</td><td>Industrial Conglomerates</td><td>\$3658</td><td>45</td><td>100</td><td>-55</td><td>108%</td><td>29</td><td>5.1%</td><td>57</td><td>1.20%</td><td>100</td><td>0.14%</td><td>14</td></t<>	12	CSL	CARLISLE COS INC	Industrial Conglomerates	\$3658	45	100	-55	108%	29	5.1%	57	1.20%	100	0.14%	14
15 05K 05HK05H CORP ConsBagBram Machinery \$627 938 558 46 -1.78 32 -0.848 26 -0.238 66 16 COMM SCOPE HOLDING CO INC Communications Equipment \$4566 41 94 953 938 68 -1.08 54 -2.568 33 0.808 28 13 -6.98 54 -2.568 33 0.808 28 12.28 18 17 MAK MALLINCKRODT PLC Pharmaceuticals \$3686 7 59 52 938 68 -1.08 54 -2.568 32 0.878 64 .087 54 -0.038 28 12.28 18 20 CAB CABELAS INC Specialty Stores \$4194 305 -3 -46 49% 63 -3.1% 0 -0.08% 4 -0.08% 4 -0.08% 61 -0.18% 52 24 44 564 12.5% 78 -3.33% 30 0.67% 78 -0.09% 61 -0.01% 50 0.9% 59 0.9%	13	POST	POST HOLDINGS INC	Food & Beverage	\$5076	6	61	-55	38%	25	-2.5%	7	-1.11%	7	0.48%	64
16 COMMS COPE HOLDING CO INC Communications Equipment \$4566 41 94 93 68 -1.0% 78 -0.50% 30 0.81% 43 17 MNK MALLINCKRODT PLC Pharmaceuticals \$3686 7 59 52 9% 73 -6.9% 54 -2.56% 30 0.81% 43 19 MSFT MLCROSOFT CORP Software \$\$8399 47 96 -49 255% 72 4.7% 54 -0.03% 30 0.80% 28 20 CAB CABELAS INC Specialty Stores \$\$4199 15 62 +46 49% 63 -3.1% 0 -0.98% 4 0.06% 62 12.12% 18 0.04% 61 -0.18% 61 -0.18% 61 -0.18% 61 -0.18% 61 -0.18% 61 -0.18% 61 -0.18% 61 -0.18% 61 -0.18% 61 -0.18% 61 -0.18% 61 -0.18% 61 -0.18% 61 -0.18% 61 -0.18% 61	14	ZBRA	ZEBRA TECHNOLOGIES CP -CL A	Electronic&Office Equipment	\$3608	6	60	-54	50%	41	-0.7%	41	-1.52%	13	0.46%	34
16 COMMS COMMS COPE HOLDING CO INC Communications Equipment \$4566 41 94 #53 93% 68 -1.0% 78 -0.50% 30 0.81% 43 17 MNK MALLINCKRODT PLC Pharmaceuticals \$3089 47 796 #52 9% 13 -6.9% 54 -2.66% 33 0.80% 28 19 MSFT MLCROSOFT CORP Software \$83394 47 796 #49 153 0 -0.9% 44 0.6% 63 -1.6% 24 -0.0% 63 -1.6% 24 0.6% 63 -1.6% 20 -1.6% 20 -1.6% 23 .7% 58 0.54% 61 -1.6% 23 .7% 58 0.54% 61 -0.8% 20.7% 23 .7% 58 0.54% 61 .0.8% 41 0.0% 63 .1% 0.0.9% 50 .0.8% 30 .67% 73 -3.33% 33 0.67% 27 .6% 18 .6% 12.5% FE FE FE FE FE	15	OSK	OSHKOSH CORP		\$6279	10	62	-53	5%	46	-1.7%	32	-0.84%	26	0.23%	46
18 GEN GLOBAL PAYMENTS INC Outsourced Services \$3089 47 96 49 255% 72 4.7% 54 -0.03% 36 0.87% 64 19 MSFT MICROSOFT CORP Software \$83394 35 83 -48 416% 67 16.9% 96 -1.60% 28 1.52% 18 20 CAB CABELAS INC Specialty Stores \$4199 15 62 -46 49% 63 -1.8% 64 -0.98% 4 0.09% 4 0.09% 4 0.07% 27 21 LLY LUY DC Pharmaceuticals \$20837 24 66% 61 3.5% 68 1.08% 81 0.00% 18 24 KK KROGER CO Prood & staples Retailing \$11249 38 80 -42 14% 52 -7.7% 3.33 30 0.07% 27 25 SPB SPECTRUM BRANDS HOLDINGS INC Household/Personal Products \$5098 52 94 42 14% 52 -7.7% <td>16</td> <td>COWW</td> <td>COMMSCOPE HOLDING CO INC</td> <td></td> <td>\$4566</td> <td>41</td> <td>94</td> <td>-53</td> <td>93%</td> <td>68</td> <td>-1.0%</td> <td>78</td> <td>-0.50%</td> <td>30</td> <td>0.81%</td> <td>43</td>	16	COWW	COMMSCOPE HOLDING CO INC		\$4566	41	94	-53	93%	68	-1.0%	78	-0.50%	30	0.81%	43
19 MSFT MICROSOFT CORP Software \$85394 35 83 48 416% 67 16.9% 96 1.6% 28 1.52% 18 20 CAB CABELAS INC Specialty Stores \$4199 15 62 46 49% 63 3.1% 0 -0.98% 4 0.60% 96 21 LLY LLLY (ELI) 0.CO Pharmaceuticals \$20837 24 69 45 192% 38 5.7% 73 -3.33% 33 0.67% 27 23 HII HUNTINGTON INGALLS IND INC Arospace & Defense \$7168 52 96 442 16% 50 0.9% 60 -0.03% 5 25 SPB SPECTRUM BRANDS HOLDINGS INC Construction & Engineering \$7345 16 58 42 14% 50 1.3% 20 0.03% 6 -0.03% 6 0.4% 60 -0.13% 10 -44 10.7% 10 44 0.7% 10 44 0.7% 6 1.04% 6 1.03% 6 <td>17</td> <td>MNK</td> <td>MALLINCKRODT PLC</td> <td>Pharmaceuticals</td> <td>\$3686</td> <td>7</td> <td>59</td> <td>-52</td> <td>9%</td> <td>13</td> <td>-6.9%</td> <td>54</td> <td>-2.56%</td> <td>33</td> <td>0.80%</td> <td>28</td>	17	MNK	MALLINCKRODT PLC	Pharmaceuticals	\$3686	7	59	-52	9%	13	-6.9%	54	-2.56%	33	0.80%	28
19 MSFT MICROSOFT CORP Software \$85394 35 83 48 416% 67 16.9% 96 1.6% 28 1.52% 18 20 CAB CABELAS INC Specialty Stores \$4199 15 62 46 49% 63 3.1% 0 -0.98% 4 0.60% 96 21 LLY LLLY (ELI) 0.CO Pharmaceuticals \$20837 24 69 45 192% 38 5.7% 73 -3.33% 33 0.67% 27 23 HII HUNTINGTON INGALLS IND INC Arospace & Defense \$7168 52 96 442 16% 50 0.9% 60 -0.03% 5 25 SPB SPECTRUM BRANDS HOLDINGS INC Construction & Engineering \$7345 16 58 42 14% 50 1.3% 20 0.03% 6 -0.03% 6 0.4% 60 -0.13% 10 -44 10.7% 10 44 0.7% 10 44 0.7% 6 1.04% 6 1.03% 6 <td>18</td> <td>GPN</td> <td>GLOBAL PAYMENTS INC</td> <td>Outsourced Services</td> <td>\$3089</td> <td>47</td> <td>96</td> <td>-49</td> <td>255%</td> <td>72</td> <td>4.7%</td> <td>54</td> <td>-0.03%</td> <td>36</td> <td>0.87%</td> <td>64</td>	18	GPN	GLOBAL PAYMENTS INC	Outsourced Services	\$3089	47	96	-49	255%	72	4.7%	54	-0.03%	36	0.87%	64
20 CAB CABELAS INC Specialty Stores \$4199 15 62 446 49% 63 -3.1% 0 -0.98% 4 0.60% 96 21 PPC PILGRIMS PRIDE CORP Food & Beverage \$7984 30 76 46 49% 32 3.7% 58 0.5% 61 -0.08% 4 0.60% 96 23 HII HUNTINGTON INGALLS IND INC Aerospace & Defense \$7168 52 96 444 66% 61 3.5% 68 1.00% 18 24 KR KR KNOGER CO Food & Staples Retailing \$112409 88 0.42 16% 50 0.9% 0.0% 0.0%3 55 25 SPB SPECTRUM BRANDS HOLDINGS INC Household&Personal Products \$5098 52 94 42 94% 50 1.3% 46 0.0%3 50 0.4% 40 0.3% 50 0.4% 40 0.3% 50 0.4% 40 0.3% 50 0.4% 40 0.3% 50 0.4% 40 0.3%<	19	MSFT	MICROSOFT CORP		\$85394	35	83	-48	416%	67	16.9%	96	-1.60%	28	1.52%	18
121 PPC PLCGRMS PRIDE CORP Food & Éverage \$7984 30 76 446 49% 32 3.7% 58 0.54% 61 -0.18% 5 22 LLY LILY (EL) & CO Pharmaceuticals \$20837 24 69 45 192% 38 5.7% 73 -3.33% 33 0.67% 27 23 HII HUNTINGTON INGALLS IND INC Aerospace & Defense \$7168 52 94 460% 50 0.9% 59 0.09% 60 0.03% 55 25 SPB SPECTRUM BRANDS HOLDINGS INC Household&Personal Products \$5098 52 94 42 94% 50 1.3% 27 0.66% 80 0.35% 65 27 SIG SIGMET JEWELERS LTD Construction & Engineering \$7345 16 58 442 14% 50 1.2% 60 0.7% 10.44% 78 28 SCI SERVICE CORP INTERNATIONAL Construction & Engineering \$7473 83 36 -1.0% 50 0.1% 50 0.1	20	CAB		Specialty Stores	\$4199	15	62	-46	49%	63	-3.1%	0	-0.98%	4	0.60%	96
22 LLY LILY (EL) 0 Pharmaceuticals \$20837 24 69 45 192% 38 5.7% 73 -3.33% 33 0.67% 27 23 HII HUNTINGTON INGALLS IND INC Aerospace & Defense \$7168 52 56 44 66% 61 .3.5% 68 1.0.8% 81 0.00% 18 24 KR RK ROGER CO Food & Staples Retailing \$112409 38 0.42 16% 50 0.9% 50 0.3% 56 25 SPB SPECTRUM BRANDS HOLDINGS INC Household&Personal Products \$5098 52 94 442 94% 50 1.3% 27 0.66% 80 0.35% 65 26 PWR QUANTA SERVICES INC Construction & Engineering \$7345 16 88 40 81 40 81 40 81 40 81 40 81 40 81 40 81 40 81 40 81 40.03% 52 41.66% 61 44% 60 <	21	PPC	PILGRIM'S PRIDE CORP		\$7984	30	76	-46	49%	32	3.7%	58		61	-0.18%	5
23 HII HUNTINGTON INGALLS IND INC Aerospace & Defense \$7168 52 96 #44 66% 61 3.5% 68 1.08% 81 0.00% 18 24 KR RKROGER CO Food & Staples Retailing \$112409 38 80 -42 16% 50 0.9% 59 0.09% 60 -0.03% 55 25 SPE SPECTEUM BRANDS HOLDINGS INC Household@Personal Products \$5098 52 94 -42 94% 50 0.9% 60 0.03% 65 27 SIG SIGNET JEWELERS LTD Specialty Stores \$2991 49 89 -40 81% 50 1.2% 60 0.7% 55 -0.61% 53 0.14% 56 29 NCR NCR CORP Technology Hardware \$6421 23 63 -39 8% 66 -1.0% 55 -0.61% 53 0.14% 56 0.49% 73 25 34 1.6% 62 1.32% 75 1.85% 28 28 1.0% 1.11% 30 <		LLY			\$20837	24	69	-45	192%	38	5.7%	73	-3.33%	33	0.67%	27
24 KR KROGER CO Food & Staples Retailing \$112409 38 80 42 16% 50 0.9% 59 0.09% 60 -0.03% 5 25 SPB SPECTRUM BRANDS HOLDINGS INC HouseholdtPersonal Products \$5098 52 94 42 94% 50 1.3% 27 0.66% 80 0.35% 65 26 PWR COnstruction & Engineering \$7345 16 58 42 14% 52 2.7% 22 .10.0% 17 19 28 SCI SERVICE CORP INTERNATIONAL Consumer Services \$2991 49 89 -40 81% 50 1.2% 46 0.70% 61 0.44% 67 29 NCR NCR CORP Technology Hardware \$4349 37 75 38 87% 46 -0.3% 52 0.49% 73 30 CDNS CADENCE DESIGN SYSTEMS INC Software Software \$1788 49 <t< td=""><td>23</td><td>HII</td><td></td><td>Aerospace & Defense</td><td>\$7168</td><td>52</td><td>96</td><td>-44</td><td>66%</td><td>61</td><td>3.5%</td><td>68</td><td>1.08%</td><td>81</td><td>0.00%</td><td>18</td></t<>	23	HII		Aerospace & Defense	\$7168	52	96	-44	66%	61	3.5%	68	1.08%	81	0.00%	18
25 SPR SPECTRUM BRANDS HOLDINGS INC Household&Personal Products \$5098 52 94 -42 94% 50 1.3% 27 0.66% 80 0.35% 65 26 PWR QUANTA SERVICES INC Construction & Engineering \$7345 16 58 -42 14% 52 -2.7% 22 -1.0% 17 0.44% 78 27 SIG SIGNET JURVILEES INC Specialty Stores \$6580 38 80 -42 29% 56 2.5% 63 0.14% 64 0.17% 19 28 SCI SERVICE CORP INTERNATIONAL Consumer Services \$2991 49 89 -40 81% 50 1.2% 46 0.7% 5 1.61% 57 1.8% 28 1.4% 67 1.2% 46 0.7% 75 1.8% 36 1.0% 50 0.44% 73 3 16 0.7% 7 3.8% 46 -0.3% 12 0.03% 56 0.44% 73 38 71 0.16% 71 0.03% 56		KR					80	-42	16%	50	0.9%	59		60	-0.03%	5
26 PWR QUANTA SERVICES INC Construction & Engineering \$7345 16 58 42 14% 52 -2.7% 22 1.00% 17 0.44% 78 27 SIG SIGNET_JEWELERS LTD Specialty Stores \$66580 38 80 -42 29% 56 2.5% 63 0.14% 54 -0.17% 19 28 SCI SERVICE CORP INTERNATIONAL Consumer Services \$2991 49 9 -40 81% 36 -1.0% 55 -0.61% 53 0.14% 67 29 NCR NCR CORP Technology Hardware \$6421 23 63 39 8% 36 -1.0% 57 -0.61% 53 0.14% 67 30 CDNY COTY INC Household@Personal Products \$4349 89 -39 225 34 1.6% 62 1.32% 75 1.8% 29 0.09% 73 32 BLL BALL_CORP Metal & Glass Containers \$7687 45 83 -38 20% 71 0.16%<		SPB				52	94	-42	94%	50	1.3%	27		80	0.35%	65
27 SIG SIGNET JEWELERS LTD Specialty Stores \$6580 38 80 +42 29% 56 2.5% 63 0.14% 54 -0.17% 19 28 SCI SERVICE CORP Technology Hardware \$6421 23 63 39 8% 36 -1.0% 55 -0.61% 53 0.14% 36 29 NCR NCR CORP Technology Hardware \$6421 23 63 39 8% 36 -1.0% 55 -0.61% 53 0.14% 36 0.0% 55 -0.61% 53 0.14% 36 0.0% 57 34 1.6% 62 1.3% 75 38 87% 46 -0.3% 12 -0.03% 56 0.49% 73 32 BLL BALL CORP Metal & Glass Containers \$7687 45 83 -38 69% 71 1.3% 90 .42 0.3% 60 .23% 29 0.09% 29 34 53 8.1% 90 .18% 90 .42 .0.3% 60	26	PWR			\$7345	16	58	-42	14%	52	-2.7%	22	-1.00%	17	0.44%	78
28 SCI SERVICE CORP INTERNATIONAL Consumer Services \$2991 49 89 40 81% 50 1.2% 46 0.70% 61 0.44% 67 29 NCR NCR CORP Technology Hardware \$6421 23 63 -39 8% 36 -1.0% 55 -0.61% 53 0.14% 36 30 CDNS CADENCE DESIGN SYSTEMS INC Software \$1788 49 89 39 22% 34 1.6% 62 1.32% 75 1.85% 28 31 COTY COTY INC Household@Personal Products \$4349 37 75 -38 87% 46 -0.3% 12 -0.03% 16 -0.49% 71 2.3% 86 -0.23% 29 0.09% 29 37 74 81 81% 90 -1.8% 26 1.00% 16 -0.07% 71 0.18% 26 1.00% 16 -0.23% 16 0.23% 39 0.0% 42 -0.03% 36 0.23% 39 0.0% 42<		SIG					80	-42	29%	56		63	0.14%	54	-0.17%	19
29 NCR NCR CORP Technology Hardware \$6421 23 63 39 8% 36 -1.0% 55 -0.61% 53 0.14% 36 30 CONS CADENCE DESIGN SYSTEMS INC Software \$1788 49 89 -39 225% 34 1.6% 62 1.32% 75 1.85% 28 31 COTY COTY INC Household&Personal Products \$4349 37 75 38 87% 46 -0.3% 12 -0.03% 56 0.49% 73 32 BLL BALL CORP Metal & Glass Containers \$7687 45 83 -38 6% 71 2.3% 60 -0.3% 56 0.49% 79 23 34 MUSA MURPHY USA INC Internet Software & Services \$4973 26 64 38 211% 53 8.1% 90 -1.8% 26 1.00% 36 0.25% 39 35 LL -3 COMMUNICATIONS HLDGS INC Automotive Retail \$942 45 83 -38 200	28	SCI	SERVICE CORP INTERNATIONAL		\$2991	49	89	-40	81%	50	1.2%	46	0.70%	61	0.44%	67
30 CDNS CADENCE DESIGN SYSTEMS INC Software \$1788 49 89 39 225% 34 1.6% 62 1.32% 75 1.85% 28 31 COTY COTY INC Household&Personal Products \$4349 37 75 -38 87% 46 -0.3% 12 -0.03% 56 0.49% 73 32 BLL BALL CORP Metal & Glass Containers \$7687 45 83 -38 69% 71 2.3% 86 -0.23% 29 0.09% 29 33 YHOO Internet Software & Services \$4973 26 64 -38 211% 53 8.1% 90 -1.88% 26 1.00% 16 34 MUSA MURPHY USA INC Automotive Retail \$9492 45 33 -38 20% 57 1.5% 71 0.16% 71 -0.07% 7 35 LLL L-3 COMMUNICATIONS HLDGS INC Aerospace & Defense \$10393 24 62 -37 42% 39 0.0% 42 -0.30% </td <td></td> <td>NCR</td> <td></td> <td></td> <td></td> <td>23</td> <td>63</td> <td>-39</td> <td>8%</td> <td>36</td> <td>-1.0%</td> <td></td> <td></td> <td>53</td> <td>0.14%</td> <td>36</td>		NCR				23	63	-39	8%	36	-1.0%			53	0.14%	36
31 COTY COTY INC Household&Personal Products \$4349 37 75 38 87% 46 -0.3% 12 -0.03% 56 0.49% 73 32 BLL BALL CORP Metal & Glass Containers \$7687 45 83 -38 69% 71 2.3% 86 -0.23% 29 0.09% 29 33 YHOO YAHOO INC Internet Software & Services \$4973 26 64 -38 211% 53 8.1% 90 -1.88% 26 1.00% 16 34 MUSA MURPHY USA INC Automotive Retail \$9492 45 83 -38 20% 57 1.5% 71 0.16% 71 -0.07% 7 35 LL L-3 COMMUNICATIONS HLDGS INC Aerospace & Defense \$10393 24 62 -37 34% 57 -1.3% 36 -2.32% 11 0.48% 64 37 IAC IAC/INTERACTIVECORP Internet Software & Services \$3252 24 60 -36 142% 39		CDNS					89		225%	34	1.6%				1.85%	28
32 BLL BALL CORP Metal & Glass Containers \$7687 45 83 -38 69% 71 2.3% 86 -0.23% 29 0.09% 29 33 YHOO YAHOO INC Internet Software & Services \$4973 26 64 -38 211% 53 8.1% 90 -1.88% 26 1.00% 16 34 MUSA MURPHY USA INC Automotive Retail \$9492 45 83 -38 20% 57 1.5% 71 0.16% 71 -0.07% 7 35 LLL -3 COMMUNICATIONS HLDGS INC Aerospace & Defense \$10393 24 62 37 42% 39 0.0% 42 -0.30% 66 -25% 39 36 DE DECRE & CO Cons&Ag&Farm Machinery \$23669 16 54 -37 44% 39 8.1% 91 -1.40% 31 0.11% 3 38 LVT LEVEL 3 COMMUNICATIONS INC Alternative Carriers \$8193 50 86 -35 85% 20 -3.8% <	31	COTY		Household&Personal Products			75			46	-0.3%	12	-0.03%	56		73
33 YHOO YAHOO Internet Software & Services \$4973 26 64 -38 211% 53 8.1% 90 -1.88% 26 1.00% 16 34 MUSA MURPHY USA INC Automotive Retail \$9492 45 83 -38 20% 57 1.5% 71 0.16% 71 -0.07% 7 35 LLL L-3 COMMUNICATIONS HLDGS INC Aerospace & Defense \$10393 24 62 -37 42% 39 0.0% 42 -0.30% 36 0.25% 39 36 DE DEERE & CO Cons&Ag&Farm Machinery \$23669 16 54 -37 34% 57 -1.3% 36 -2.32% 11 0.48% 64 37 IAC IAC/INTERACTIVECORP Internet Software & Services \$3252 24 60 -36 142% 39 8.1% 91 -1.40% 31 0.11% 33 38 LVLT EVEL3 COMMUNICATIONS INC Alternative Carriers \$8193 50 86 -35 8% 20	32	BLL					83		69%	71				29	0.09%	29
34 MUSA MURPHY USA INC Automotive Retail \$9492 45 83 -38 20% 57 1.5% 71 0.16% 71 -0.07% 7 35 LLL L-3 COMMUNICATIONS HLDGS INC Aerospace & Defense \$10393 24 62 -37 42% 39 0.0% 42 -0.30% 36 0.25% 39 36 DE DEERE & CO Cons&Ag&Farm Machinery \$23669 16 54 -37 34% 57 -1.3% 36 -2.32% 11 0.48% 64 37 IAC IAC/INTERACTIVECORP Internet Software & Services \$3252 24 60 -36 142% 39 8.1% 91 -1.4% 31 0.11% 3 38 LVLT LEVEL 3 COMMUNICATIONS INC Alternative Carriers \$813806 9 44 -35 81% 14 0.7% 43 0.01% 43 0.12% 0 39 TXT TEXTRON INC Industrial Conglomerates \$13806 9 44 -35 9% 43					\$4973	26	64	-38	211%	53	8.1%			26	1.00%	16
35 LLL L-3 COMMUNICATIONS HLDGS INC Aerospace & Defense \$10393 24 62 -37 42% 39 0.0% 42 -0.30% 36 0.25% 39 36 DE DEERE & CO Cons&Ag&Farm Machinery \$23669 16 54 -37 34% 57 -1.3% 36 -2.32% 11 0.48% 64 37 IAC IAC/INTERACTIVECORP Internet Software & Services \$3252 24 60 -36 142% 39 8.1% 91 -1.40% 31 0.11% 3 38 LVLT LEVEL 3 COMMUNICATIONS INC Alternative Carriers \$8193 50 86 -35 85% 20 -3.8% 70 0.35% 63 0.95% 20 39 TXT TEXTRON INC Industrial Conglomerates \$13806 9 44 -35 31% 14 0.7% 43 -0.01% 43 0.12% 0 40 ABC AMERISOURCEBERGEN CORP Health Care Distributors \$144759 9 44 -35 11% 76 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>83</td> <td></td> <td></td> <td>57</td> <td>1.5%</td> <td>71</td> <td></td> <td>71</td> <td>-0.07%</td> <td>7</td>							83			57	1.5%	71		71	-0.07%	7
36 DE DEERE & CO Const Ag&Farm Machinery \$23669 16 54 -37 34% 57 -1.3% 36 -2.32% 11 0.48% 64 37 IAC IAC/INTERACTIVECORP Internet Software & Services \$3252 24 60 -36 142% 39 8.1% 91 -1.40% 31 0.11% 3 38 LVLT LEVEL 3 COMMUNICATIONS INC Alternative Carriers \$8193 50 86 -35 85% 20 -3.8% 70 0.35% 63 0.95% 20 39 TXT TEXTRON INC Industrial Conglomerates \$13806 9 44 -35 31% 14 0.7% 43 0.12% 0 40 ABC AMERISOURCEBERGEN CORP Health Care Distributors \$144759 9 44 -35 9% 43 0.5% 29 0.02% 29 -0.02% 29 -0.02% 29 -0.02% 29 -0.02% 29 -0.02% 29 -0.02% 29 -0.02% 29 -0.02% 29					\$10393				42%	39	0.0%			36		39
37 IAC IAC/INTERACTIVECORP Internet Software & Services \$3252 24 60 -36 142% 39 8.1% 91 -1.40% 31 0.11% 3 38 LVLT LEVEL 3 COMMUNICATIONS INC Alternative Carriers \$8193 50 86 -35 85% 20 -3.8% 70 0.35% 63 0.95% 20 39 TXT TEXTRON INC Industrial Conglomerates \$13806 9 44 -35 31% 14 0.7% 43 -0.01% 43 0.12% 0 40 ABC AMERISOURCEBERGEN CORP Health Care Distributors \$144759 9 44 -35 9% 43 0.5% 29 0.02% 29 -0.02% 29 41 LMT LOCKHEED MARTIN CORP Aerospace & Defense \$46413 50 84 -35 118% 76 3.1% 66 -0.28% 39 0.47% 71 42 SYY SYSCO CORP Food & Staples Retailing \$50367 59 94 -35 43% 77		DE					54	-37		57	-1.3%				0.48%	64
38 LVLT LEVEL 3 COMMUNICATIONS INC Alternative Carriers \$8193 50 86 -35 85% 20 -3.8% 70 0.35% 63 0.95% 20 39 TXT TEXTRON INC Industrial Conglomerates \$13806 9 44 -35 31% 14 0.7% 43 -0.01% 43 0.12% 0 40 ABC AMERISOURCEBERGEN CORP Health Care Distributors \$144759 9 44 -35 9% 43 0.5% 29 -0.02% 29							60		142%	39	8.1%	91		31		3
39 TXT TEXTRON INC Industrial Conglomerates \$13806 9 44 -35 31% 14 0.7% 43 -0.01% 43 0.12% 0 40 ABC AMERISOURCEBERGEN CORP Health Care Distributors \$144759 9 44 -35 9% 43 0.5% 29 0.02% 29 -0.02% 29 41 LMT LOCKHEED MARTIN CORP Aerospace & Defense \$46413 50 84 -35 118% 76 3.1% 66 -0.28% 39 0.47% 71 42 SYY SYSCO CORP Food & Staples Retailing \$50367 59 94 -35 43% 77 1.2% 64 0.02% 40 0.9% 82 43 VNTV VANTIV INC Outsourced Services \$3476 58 93 -35 25% 62 2.4% 33 0.91% 67 44 SKX SKECHERS U S A INC Textiles Apparel & Luxury \$3522 61 95 -34 39% 55 3.6% 72 2.33% <	38	LVLT		Alternative Carriers	\$8193	50	86	-35	85%	20	-3.8%	70	0.35%	63	0.95%	20
40 ABC AMERISOURCEBERGEN CORP Health Care Distributors \$144759 9 44 -35 9% 43 0.5% 29 0.02% 29 -0.02% 29 41 LMT LOCKHEED MARTIN CORP Aerospace & Defense \$46413 50 84 -35 118% 76 3.1% 66 -0.28% 39 0.47% 71 42 SYY SYSCO CORP Food & Staples Retailing \$50367 59 94 -35 43% 77 1.2% 64 0.02% 40 0.09% 82 43 VNTV VANTIV INC Outsourced Services \$3476 58 93 -35 225% 62 2.4% 33 0.91% 64 0.91% 67 44 SKX SKECHERS U S A INC Textiles Apparel & Luxury \$3522 61 95 -34 9% 45 5.5% 62 2.4% 33 0.91% 67 45 SPR SPIRIT AEROSYS TEMS HOLDINGS Aerospace & Defense \$6832 54 88 -34 45% 45 4.5%<							44			14		43				0
41 LMT LOCKHEED MARTIN CORP Aerospace & Defense \$46413 50 84 -35 118% 76 3.1% 66 -0.28% 39 0.47% 71 42 SYY SYSCO CORP Food & Staples Retailing \$50367 59 94 -35 43% 77 1.2% 64 0.02% 40 0.09% 82 43 VNTV VANTIV INC Outsourced Services \$3476 58 93 -35 225% 62 2.4% 33 0.91% 64 0.91% 67 44 SKX SKECHERS U S A INC Textiles Apparel & Luxury \$3522 61 95 -34 39% 55 3.6% 72 2.33% 96 -0.19% 10 45 SPR SPIRIT AEROSYSTEMS HOLDINGS Aerospace & Defense \$6832 54 88 -34 45% 45 4.5% 76 2.57% 92 -0.27% 0 46 OMC OMNICOM GROUP Advertising \$15328 24 58 -34 108% 67 5.7% 83 </td <td></td>																
42 SYY SYSCO CORP Food & Staples Retailing \$50367 59 94 -35 43% 77 1.2% 64 0.02% 40 0.09% 82 43 VNTV VANTIV INC Outsourced Services \$3476 58 93 -35 225% 62 2.4% 33 0.91% 64 0.91% 67 44 SKX SKECHERS U S A INC Textiles Apparel & Luxury \$3522 61 95 -34 39% 55 3.6% 72 2.33% 96 -0.19% 10 45 SPR SPIRIT AEROSYSTEMS HOLDINGS Aerospace & Defense \$6832 54 88 -34 45% 45 4.5% 76 2.57% 92 -0.27% 0 46 OMC OMNICOM GROUP Advertising \$15328 24 58 -34 108% 67 5.7% 83 0.34% 50 -0.12% 0 47 SNPS SYNOPSYS INC Software \$2376 36 68 -32 18% 30 0.5% 57 0.20% </td <td></td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td></td>						-										
43 VNTV VANTIV INC Outsourced Services \$3476 58 93 -35 225% 62 2.4% 33 0.91% 64 0.91% 67 44 SKX SKECHERS U S A INC Textiles Apparel & Luxury \$3522 61 95 -34 39% 55 3.6% 72 2.33% 96 -0.19% 10 45 SPR SPIRIT AEROSYSTEMS HOLDINGS Aerospace & Defense \$6832 54 88 -34 45% 45 4.5% 76 2.57% 92 -0.27% 0 46 OMC OMNICOM GROUP Advertising \$15328 24 58 -34 108% 67 5.7% 83 0.34% 50 -0.12% 0 47 SNPS SYNOPSYS INC Software \$2376 36 68 -32 18% 30 0.5% 57 0.20% 58 1.63% 25 48 LEA LEAR CORP Auto & Suppliers \$18639 60 92 -32 13% 47 2.2% 68 0.19%	-															
44 SKX SKECHERS U S A INC Textiles Apparel & Luxury \$3522 61 95 -34 39% 55 3.6% 72 2.33% 96 -0.19% 10 45 SPR SPIRIT AEROSYSTEMS HOLDINGS Aerospace & Defense \$6832 54 88 -34 45% 45 4.5% 76 2.57% 92 -0.27% 0 46 OMC OMNICOM GROUP Advertising \$15328 24 58 -34 108% 67 5.7% 83 0.34% 50 -0.12% 0 47 SNPS SYNOPSYS INC Software \$2376 36 68 -32 18% 30 0.5% 57 0.20% 58 1.63% 25 48 LEA LEAR CORP Auto & Suppliers \$18639 60 92 -32 13% 47 2.2% 68 0.72% 81 -0.19% 21																
45 SPR SPIRIT AEROSYSTEMS HOLDINGS Aerospace & Defense \$6832 54 88 -34 45% 45 4.5% 76 2.57% 92 -0.27% 0 46 OMC OMNICOM GROUP Advertising \$15328 24 58 -34 108% 67 5.7% 83 0.34% 50 -0.12% 0 47 SNPS SYNOPSYS INC Software \$2376 36 68 -32 180% 30 0.5% 57 0.20% 58 1.63% 25 48 LEA LEAR CORP Auto & Suppliers \$18639 60 92 -32 13% 47 2.2% 68 0.72% 81 -0.19% 21	_															
46 OMC OMNICOM GROUP Advertising \$15328 24 58 -34 108% 67 5.7% 83 0.34% 50 -0.12% 0 47 SNPS SYNOPSYS INC Software \$2376 36 68 -32 180% 30 0.5% 57 0.20% 58 1.63% 25 48 LEA LEAR CORP Auto & Suppliers \$18639 60 92 -32 13% 47 2.2% 68 0.72% 81 -0.19% 21																
47 SNPS SYNOPSYS INC Software \$2376 36 68 -32 180% 30 0.5% 57 0.20% 58 1.63% 25 48 LEA LEAR CORP Auto & Suppliers \$18639 60 92 -32 13% 47 2.2% 68 0.72% 81 -0.19% 21																-
48 LEA LEAR CORP Auto & Suppliers \$18639 60 92 -32 13% 47 2.2% 68 0.72% 81 -0.19% 21				5												_
	_															
	_															
50 MAN MANPOWERGROUP Human Resource & Employme \$19652 29 61 -32 10% 35 0.7% 50 0.20% 42 -0.02% 40																
All data as of November 3. 2016	50		the second second second	territor a construction of the composition	V.7002											

All data as of November 3, 2016

516.759.3711

EVA Dimensions, LLC © 2016 All Rights Reserved

15 Watersedge Court, Locust Valley, NY, 11560

The Dandy Don companies were filtered from the Russell 1000 universe of stocks by:

- 1. Excluding financials, utilities, and real estate firms.
- 2. Setting aside firms with robust growth or profit rebounds in the offing. To do this, companies that the market is projecting will expand EVA at a rate of more than 3% of current sales each year were purged. The market so highly regards the prospects for these firms that they do not deserve to appear on the Dandy Don list.

The final table consists of the 50 remaining companies with the largest gap between their TSR rank and CPI score. These firms have generated impressive TSRs, but the financial foundations are suspect. Their boards and top managers need to stay alert, and governance authorities should not necessarily give them a pass.

American Airlines (AAL) tops the misfits. Although its 3-year TSR was astronomical—averaging 76.6% *per year*, best in class its CPI score is a terrestrial 22. The rate of return is so large only because a modest improvement in value is being compared to a very depressed valuation base (MVA was -\$2B three years ago vs. -\$513M today). True, its EVA is positive and has shown

AAL	USA	CPI Score: 22				
Sales	Sales Growth	3-Year Trend Growth				
\$ 40,021	-3.6%	12.9%				
EVA	EVA Margin 🕜	3-Yr Trend EVA Mo 🛛				
\$ 1,507	3.8% (27)	1.53% (30)				
MVA 🔞	MVA Margin 🔞	Mkt-Imp Mo 🚱				
\$ -513	-1% (27)	-0.50% (64)				

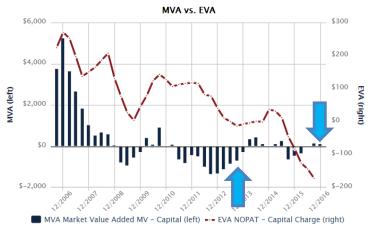
growth, but the EVA Margin and Momentum statistics don't stack up well against peers. It's the relative performance that counts. Even the EVA outlook statistic isn't impressive, just 64th percentile, and that is coming off a relatively

LXK	USA	CPI Score: 15				
Sales	Sales Growth	3-Year Trend Growth				
\$ 3,482	-3.4%	-1.5%				
EVA	EVA Margin 🚱	3-Yr Trend EVA Mo 🔞				
\$ -172	-5.0% (41)	-1.43% (32)				
MVA 🚱	MVA Margin 🚱	Mkt-Imp Mo 🚱				
\$ 113	3% (27)	0.63% (59)				

unprofitable platform. AAL is a classic Dandy Don. TSR significantly overstates the company's true financial condition.

Lexmark (LXK), #6 on the Dandy Don revue, is an even more telling example. Whereas its 3-year TSR was 79th percentile among tech hardware peers, it's CPI score is currently a truly anemic 15, a function of:

- A negative 5% EVA Margin. While essentially breaking even on net income, LXK is failing to cover its full cost of capital and deliver a decent return to its shareholders—even after considering R&D spending to be a capital investment and not a period expense. One reason—nearly \$2 billion in intangible assets are subject to the EVA capital charge. LXK's profits have been purchased at a great capital expense, pushing its EVA Margin in the red. Its profitability score is just <u>41st percentile</u>.
- 2. MVA is a piddling 3 cents per \$1 of sales, a meager 27th percentile wealth premium
- A deteriorating trend in EVA profits over the past three years. EVA evaporated at the average annual rate of 1.43% of sales, or <u>32nd percentile</u>. That's partially due to a major \$1B acquisition, Kofax, in May, 2015, which weighted down EVA.
- 4. The implied buy-side consensus for long-run EVA growth is the one modest exception to the otherwise bleak EVA statistics. Investors are projecting LXK will expand EVA at the rate of 0.63% of sales— <u>59th percentile</u> among peers—rather pedestrian and doubly unimpressive considering the forecast is coming off a sub-par EVA Margin and EVA growth trend.

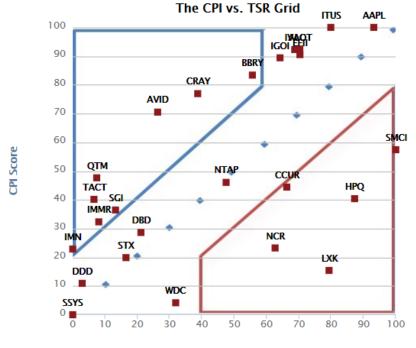


Given the unflattering grades, why has Lexmark's TSR been so stellar? The EVA vs. MVA chart shows why:

✓ Three years ago MVA was *negative* \$724 million. Lexmark was in a deep, deep valuation hole.

✓ MVA currently stands at \$113 million, a rebound, sure, but the significance of the move is vastly overstated by comparing it, as TSR does, to the depressed valuation base.

LXK is like a critical care patient that did not die, but that remains in guarded condition. It has recovered from a near death experience, but it still requires massive doses of therapy to get back on its feet and stand tall among industry leaders. It should come as no surprise, then, that Lexmark has agreed to be acquired by a Chinese company. A high TSR offers no respite from a weak CPI.



³⁻Year TSR Rating Percentile

prospects. It rates a CPI score of 100 compared to just 47 for the firm on the right.

Lexmark, like all the companies on the Dandy Don list, plots in the lower-right red zone on the CPI vs. TSR grid, shown at left for the U.S. techology hardware and periperals sector. The lower-left to upper-right alignment tendency is evident once all stocks in the industry are plotted together. But those that fall into the red-zone, firms like LXK that CPI rates considerably lower than TSR, are ones that remain exposed to criticism, vulnerable to activists, and susceptible to takeover, or should be, regardless of an impressive TSR rating.

Here's a pop quiz. Which of the two firms below, operating in the same business, produced the greater 3-year TSR? The one at left clearly boasts the superior set of statistics: Its EVA Margin is 2.5 times as large, its Trend EVA Momentum is nine times larger, its MVA wealth

SFM USA KR USA CPI Score: 47 CPI Score: 100 Sales Growth Sales Growth 3-Year Trend Growth Sales 3-Year Trend Growth Sales \$ 3,858 18.3% 20.5% \$ 112,409 3.3% 4.4% EVA 🕜 EVA Margin 🕜 3-Yr Trend EVA Mo EVA 🕜 EVA Margin 🕜 3-Yr Trend EVA Mo \$ 95 2.5% (100) 0.80% (100) \$ 1,004 0.9% (64) 0.09% (65) **MVA** MVA Margin 🕜 Mkt-Imp Mo 🕜 MVA 🕜 MVA Margin 🕜 Mkt-Imp Mo 🕜 \$ 16,795 -0.04% (5) \$ 2,545 66% (95) 0.04% (59) 15% (50)

premium is over 4 times greater compared to sales, and the market judges it to have materially brighter growth

TSR sees things quite differently. The left-hand company is Sprouts Farmers' Market. As was discussed in Isssue #2, its 3-year TSR was *negative* 22.2% per annum, the *lowest* in the industry. It's a classic blue-zone stock. A Dangerfield. The one at right is Kroger. Its 3-year TSR averaged *positive* 15.7%, or <u>87th percentile</u> in the food retailing business. It's another classic red-zone stock. It sits at #24 among the Dandy Don's. It's not really performing as well as TSR suggests.

A long-term incentive plan based on relative TSR would richly reward Kroger's team and pay nothing to Sprouts'. Does that seem equitable? Would that motivate the right decisions? Would that retain the best people?

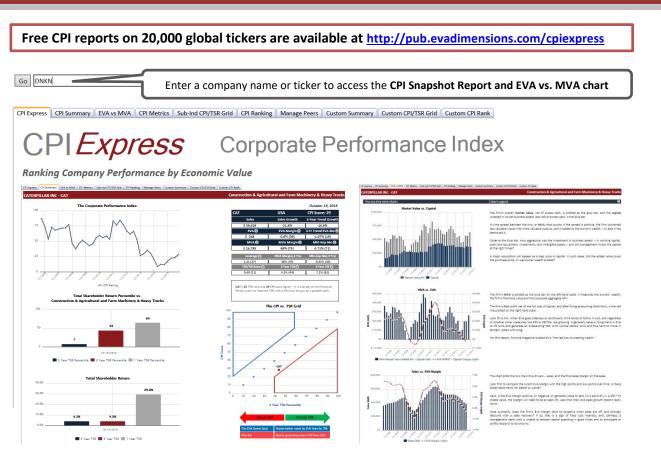
Up next – can CPI help you pick undervalued stocks? No, but another model, called PRVit ("prove-it'"), can. See them in action for Amazon, a CPI winner, but PRVit loser—its a great company but not a great stock at its *current* price.

Want a fuller explanation of EVA and CPI? Then tune into a 30 minute video-cast conducted by our CEO, Bennett Stewart. Click here: Using the CPI Corporate Performance Index to Fix TSR Flaws

Want *free* CPI reports and analyses of EVA vs. MVA on the 20,000 global tickers that we track with daily updates? Visit <u>http://pub.evadimensions.com/cpiexpress</u>

EVA Dimensions, LLC

www.evadimensions.com



EVA Dimensions

- Bennett Stewart launches EVA with 1991 book, The Quest for Value
- Fortune magazine editors feature EVA on September, 1993 cover with headline, "EVA – It's the Real key to Creating Wealth"
- Hundreds of companies adopt EVA globally Coca-Cola, AT&T, Equifax, Eli Lilly, Herman Miller, Monsanto, Halliburton, Brahma Beer (now AB InBev), Kao Brands (Japan), Lafarge, Port of Singapore Authority, Temasek, TATA Group, CEMEX, FEMSA, are a few
- EVA Dimensions spins out in 2006 to convert EVA to a new ratio framework, automate it with software and data, and serve corporations and investors
- Enhanced EVA model presented in the 2013 book, Best-Practice EVA
- Early corporate adopters include Dow Chemical, PepsiCo



EVA Dimensions is a financial technology and advisory firm.

We help our clients to make better decisions and create more value with the power of EVA.

We license software that companies use to compute, analyze, benchmark and value EVA in reporting, planning and M&A applications, and that investors use to pick stocks and manage portfolios.

We also provide the training and support needed to transition management teams and directors onto EVA.

15 Watersedge Court, Locust Valley, NY, 11560 516.759.3711

EVA Dimensions, LLC © 2016 All Rights Reserved