

OLC EC Mentoring Workshop



Online Chapter
March 2022 – First Cut Research



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Finding Stocks to Study Via the BetterInvesting Website



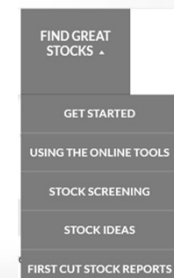
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HOME WELCOME TO BETTERINVESTING LEARNING CENTER **FIND GREAT STOCKS** ONLINE TOOLS

- Go to BetterInvesting.Org
- Login
- Go to the Find Great Stocks Menu

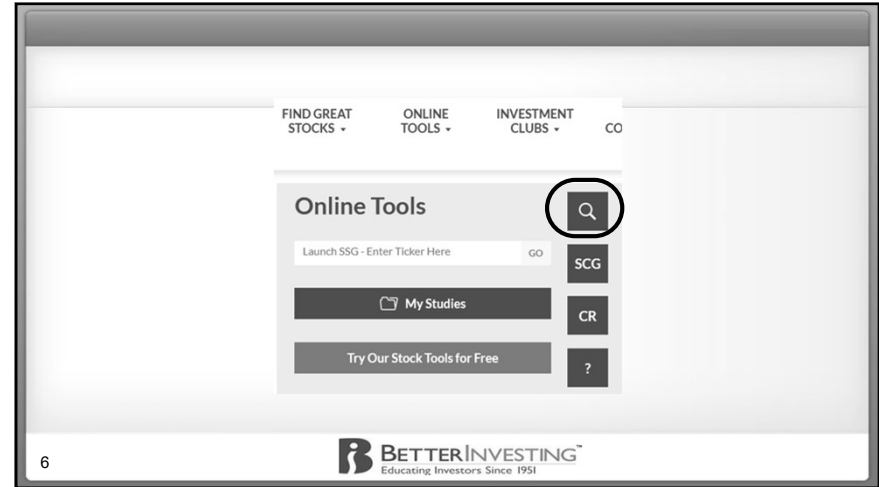


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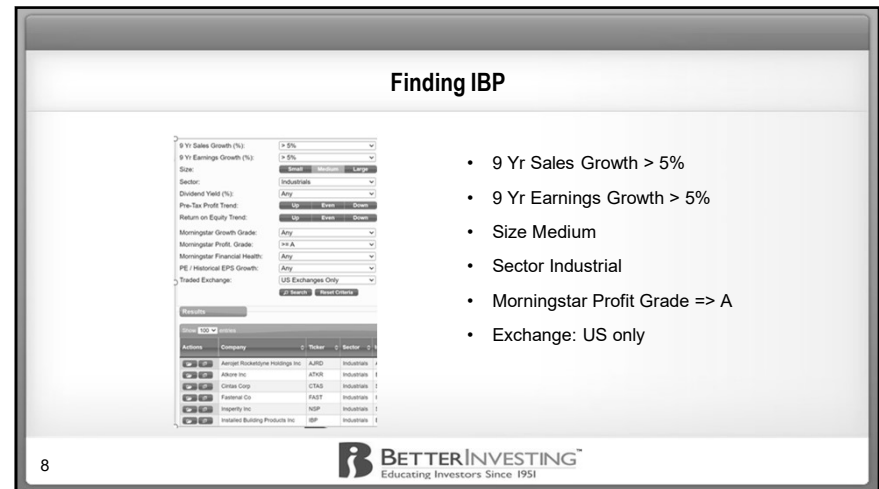
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Stock Screens: Weekly and Predefined

[Click here](#)

- Quality and Dividend Yield
- High Growth and Value Companies
- Small Company Growth
- Quality Growth Companies
- Small and Medium Growth Companies
- Top 40 Stocks Purchased by Investment Clubs
- Value Companies

Predefined Screens

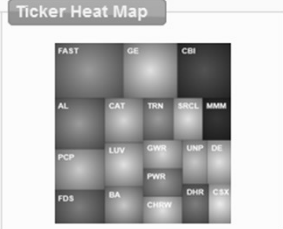
Quality	?
Value	?
Quality + Dividend Yield	?
Small Company	?
Roster of Quality	?




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Heat Map

Ticker Heat Map

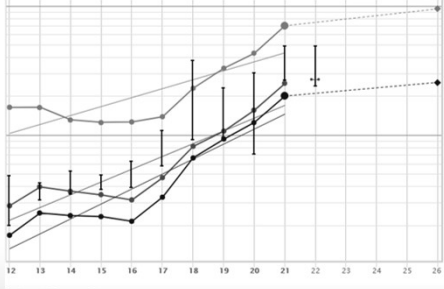



- Top 100
- Color
- Size



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Up straight and Parallel





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April 2022 VOL. 31, NO. 7

BETTER INVESTING

MAGAZINE

OTHER STORIES

Repair Shop 15
Tropic 'N' Western Investment Club
Tropic 'N' Western was founded in 2000 by members either from the Caribbean or who are of Caribbean heritage. The Maryland club adheres to BetterInvesting principles with its well-diversified portfolio.

STOCK TO STUDY

Featured Company 21
Nike, Inc.
Nike is handling recent challenges, including political tensions between the U.S. and China, which has led its Chinese market to buy local brands. In the U.S., Nike is pumping up its digital sales presence.

UNDERVALUED STOCK

Featured Company 27
Pioneer Natural Resources Company
Pioneer is the second largest producer of crude oil in West Texas. These days that's something to say *shh* to your neighbor, due to an oil price upturn. Pioneer has reduced debt and increased dividends.

STOCKS

International Stocks 32
Carried 'N' Has Travelers Ready to Sail.
Should Investors Race Up the Gangplank?

Cy Lynch's Portfolio



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TickerTalk

5 in 5

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First Cut Stock Reports

Every week, members from across the country share new stock studies.

VIEW ALL

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Finding Stocks
Beyond the BetterInvesting Website

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First Cut Stock Study - available company ideas and research

- Valueline Investment Survey – libraries (print/online), website online access

Fairfax County Library
<https://www.fairfaxcounty.gov/library/accountservices/nonresapp.htm>

Pennsylvania Residents
<https://www.freeibrary.org/>

Houston library (VL, M*)
- Online library cards will not work for VL access;
- Residents phone contact 832-393-2222
<https://houstonlibrary.org/all-databases-search>

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First Cut Stock Study - available company ideas and research

- Valueline Investment Survey – libraries (print/online), website online access
International - NY Queens Public library - \$50/yr
<https://queenslibrary.org/get-a-card/eUser>
Libraries with non-resident borrowing privileges
<https://www.aworldadventurebybook.com/blog/libraries-with-non-resident-borrowing-privileges>

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First Cut Stock Study - available company ideas and research

- Valueline research items
Business overview, insider ownership, debt levels
Graphical charting of share price, historical proprietary Valueline valuation vs actual share price
Calculated one/three/five yr total returns
3 – 5 year share price, sales, earnings, dividend projections
Historical annual and quarterly data
Capital structure with total debt, interest coverage, preferred and common stock, market cap
Prior quarter/annual review, current economic environment, relative year ahead performance
Financial strength, price stability, price growth persistence, earnings predictability

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First Cut Stock Study - available company ideas and research

- Valueline Special Situation Service
Two stock recommendations a month with commentary and SSG data with judgment
Multiple portfolios maintained (Aggressive and Conservative)
Company updates included as applicable

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First Cut Stock Study - available company ideas and research

- Investor Advisory Service newsletter
<https://www.investoradvisoryservice.com/Get>
Utilizes Better Investing methodology
Three stock ideas a month with analysis, judgments and completed SSGs
Complete current list of companies being followed
Interim company updates released after earning season

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First Cut Stock Study - available company ideas and research

- SmallCap Informer newsletter
<https://www.smallcapinformer.com/>

Utilizes Better Investing methodology

Two stock recommendations a month with commentary and SSG data with judgment

Multiple portfolios maintained (Aggressive and Conservative)

Company updates included



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First Cut Stock Study - available company ideas and research

- Manifest Investing (Mark Robertson)
<https://www.manifestinvesting.com/>


Featured posts, session recordings

Publications, research, screens, dashboards, forum, events

- Collaboration with Mid-Michigan BI Chapter (Mark Robertson, Ken Kavula with others)
<https://www.manifestinvesting.com/events>

Covid online cancellation conferences (May and Nov 2020, Nov 2021)


Round table monthly online meeting – portfolio management, stock screening, stock study presentations, humor, audience voting, audience questions (registration is required but is free)



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First Cut Stock Study – Ideas in Valueline Standard Survey




Investment Survey®
www.valueline.com

ISSUE 6
Pages 1100-1234
March 18, 2022

Part 3
Ratings
&
Reports

<p>BUILDING MATERIALS</p> <ul style="list-style-type: none"> Advanced Drainage Sys. 1102 American Woodmark Corp. 1103 Apogee Enterprises, Inc. 1104 Armstrong World Industries, Inc. 1105 AZEK Co. Inc. (The) 1106 Beacon Roofing Supply, Inc. 1107 Boise Cascade Company 1108 Builders FirstSource 1109 CEMEX (ADS) 1110 Coronavirus Building Brands 1111 Eagle Materials Inc. 1112 Installed Building Products 1113 James Hardie Industries (ADS) 1114 JELD-WEN Holdings 1115 Martin Marietta Materials, Inc. 1116 Masco Corp. 1117 Owens Corning 1118 Quans Building Products Corp. 1119 Simpson Manufacturing Co. 1120 Summit Materials 1121 TopBuild Corp. 1122 Trex Company, Inc. 1123 UPF Industries 1124 Vulcan Materials Co. 1125 	<p><i>Concerns about inflation, material shortages, and rising rates have caused homebuilding-related stocks to fall out of favor of late. However, the recent pullbacks provide an attractive entry point for issues, such as Installed Building Products (page 1113), D.R. Horton (1128), and Lennar (1130).</i></p>
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First Cut Stock Study – Ideas in Valueline Standard Survey

INST. BLDG. PRODS.	NYSE:IBP	RECENT PRICE 95.01	PE RATIO 19.8	TRAILING 21-DAY PE RATIO 19.8	RELATIVE TO IND. 1.14	DIVID. YIELD 1.3%	VALUE LINE 1113
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18-Month Target Price Range
Low-high: \$125.00 - \$125.00
High: \$125.00 (+150%)
Low: \$125.00 (-100%)

2025-27 PROJECTIONS
Price: \$125.00
EPS: \$6.30
Div: \$0.80

Quarterly Sales (\$ mil)
2019: 342.2, 371.8, 386.4, 401.2
2020: 381.3, 393.9, 420.4, 441.8
2021: 437.1, 481.1, 520.7, 533.1
2022: 546.0, 575.0, 595.0, 620.0

Earnings Per Share \$
2019: 3.0, 3.3, 3.7, 4.4
2020: 3.2, 3.6, 3.9, 4.2
2021: 3.8, 4.2, 4.6, 4.9
2022: 4.6, 5.0, 5.3, 5.6

Quarterly Dividend \$
2019: 0.2, 0.2, 0.2, 0.2
2020: 0.2, 0.2, 0.2, 0.2
2021: 0.2, 0.2, 0.2, 0.2
2022: 0.2, 0.2, 0.2, 0.2

Business: Installed Building Products, Inc. (IBP) primarily installs insulation (64% of 2021 sales), waterproofing (7%), shower doors, closet shelving and mirrors (7%), garage doors (9%), and rain gutters (4%). Other services through 210 branch locations serving 48 states. IBP handles every stage of the installation process, and leaves homeowners, construction firms, and homeowners in Columbus, OH 43215. Telephone: 614-221-2399. Internet: www.installobuildingproducts.com

Analyst: David M. Reimer, March 18, 2022


Company's Financial Strength: Stock's Free Float: 50% of Shares Outstanding as of 3/1/2022

Capital Structure: as of 12/31/21
Total Debt: \$893.0 mil. Due in 5 Yrs: \$55.5 mil.
LT Debt: \$852.2 mil. LT Interest: \$42.0 mil.
LT Interest coverage: 5.7X
Less: Uncapitalized: Annual rentals \$30.7 mil.

Current Position: 2019 2020 2021 2022

Market Cap: \$3.2 million (Mid Cap)

Annual Rates: Cash Flow: 15%, Earnings: 12%, Dividends: 8%



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First Cut Stock Study – Ideas in Valueline Special Situation Service

THE VALUE LINE WWW.VALUELINE.COM | VOLUME 71 | NUMBER 12 | NOVEMBER 2021

Special Situations Service

Top Ten Performers Since Last Issue

COMPANY	TICKER	BUY PRICE	CURRENT PRICE	% GAIN 30-DAY
Big 5 Sporting Goods	BGFV	25.41	38.58	57.6%
Installed Bldg. Prod.	IBP	106.59	132.65	25.2%
Fabrinet	FN	64.33	120.42	24.1%
Entravision Comm.	EVC	7.28	8.97	23.2%
XBiotech	XBIT	15.04	15.91	22.9%
Construction Partners	ROAD	28.71	41.43	22.7%

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First Cut Stock Study – Ideas in Valueline Special Situation Service

FOR CONSERVATIVE INVESTORS

Installed Building Products

RECOMMENDATION: **Especially Recommended**

RECENT PRICE: **\$132.65**

ESTIMATED DIVIDEND: **0.9%**

THREE-TO-FIVE-YEAR PRICE TARGET: **\$190 (+43%)**

ORIGINALLY RECOMMENDED AT **\$106.59** in March 2021

PERFORMANCE RECORD: **+24.4%**

RECOMMENDED STOP LOSS: **\$110**

COMPANY WEBSITE: www.installobuildingproducts.com

Year	High	Low
2017	79.40	40.00
2018	78.15	29.24
2019	76.60	52.79
2020	121.67	29.00
2021	140.51	59.40

QUARTERLY REVENUES (\$MILL.)

Fiscal Year	Mar. Per.	Jun. Per.	Sep. Per.	Dec. Per.	Full Year
2019	342.2	371.8	396.4	401.2	1511.6
2020	397.3	393.9	420.5	441.5	1653.2
2021	437.1	488.0	509.8	525	1960
2022	525	550	575	600	2250

QUARTERLY EARNINGS (PER SHARE)

Fiscal Year	Mar. Per.	Jun. Per.	Sep. Per.	Dec. Per.	Full Year
2019	0.30	0.63	0.71	0.64	2.28
2020	0.52	0.86	0.95	0.94	3.27
2021	0.58	1.26	1.18	1.38	4.40
2022	0.75	1.50	1.50	1.75	5.50

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First Cut Stock Study – Ideas in Valueline Special Situation Service

Installed Building Products posted healthy third-quarter results. Revenues increased 21%, to \$509.8 million, thanks to double-digit advances in single-family, multi-family, and commercial end markets. While management noted strong demand, price increases, and contributions from acquisitions also pitched in. Adjusted earnings, meantime, came in at \$1.49 a share, 23% above the year-earlier tally, but below the \$1.63 consensus estimate. The adjusted margin slipped 40 basis points, due

We expect growth to remain strong for the foreseeable future and have thus upped our 2021 and 2022 estimates. We now see adjusted EPS reaching \$5.55 for all of this year and nearing \$7.00 next year. The top line is pegged to advance 18% and about 15%, respectively, but both could prove conservative as Installed is likely to continue making deals. (We do not account for future acquisitions until finalized.) Meantime, construction active is expected to remain strong, supporting by still low interest rates and government stimulus plans. Too, supply-chain constraints should abate some.

These shares slipped some in early September, but have rallied back near all-time highs. They have done well since being added to the portfolio (nearly 25% in value), but still have solid price appreciation potential, in our view. As a result, we are currently maintaining our Especially Recommended designation. Growth efforts are likely to remain a priority, giving the company the size and scale to procure favorable pricing on material purchases. Too, the company's vertically-integrated business give it another advantage. The dividend yield helps to sweeten the pot and may very well become a bigger emphasis if takeover candidates do not appear. Despite our optimism, shareholders would do well to implement a \$110 stop-loss target. **IV**

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