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2022 Top 100 (and 2nd 100) Analysis

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Analysis Objectives

- Evaluate sales and EPS growth rates for companies owned by investment clubs and compare to the published BetterInvesting™ growth rates (based on company size).
- Compare how well club holdings follow the BetterInvesting™ principles of investing in growth and diversifying by company size
- View sector distribution by company size, % Debt to Capital, and Price Earnings Ratio (P/E)
- Explore potential 5-year future growth expectations
- Compare to prior years analyses

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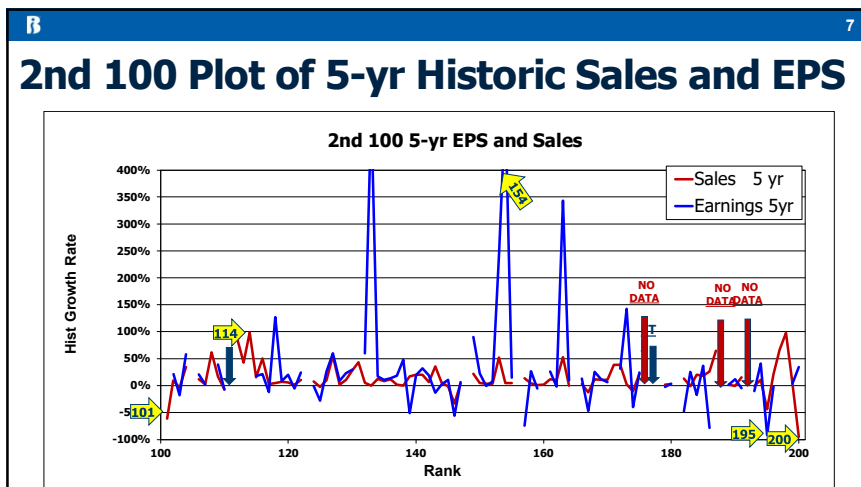
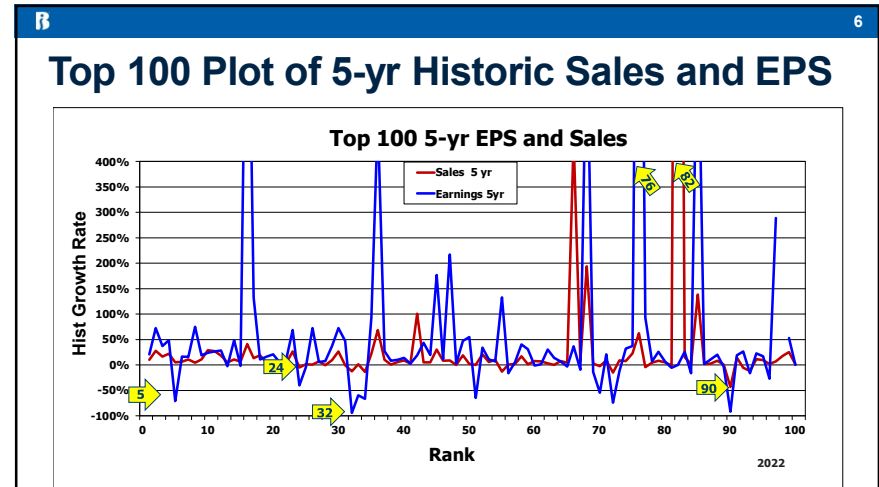
BetterInvesting™ Philosophy of Investing

- Invest Regularly
- Reinvest Earnings
- Invest in Growth Companies
- Diversify (by Size and Industry)

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How the Analysis was Performed

- Data for each of the Top 100 and second 100 companies were downloaded into Toolkit6
- Downloaded data tabulated
 - Sector, Price, Annual Dividend, and Last Year Sales
 - 2021 data was included for all companies whose fiscal year was available on 4/8/22
- Data Analyzed using Toolkit6 and tabulated
 - Automatically calculated by Toolkit6 - % Debt to Capital and TTM EPS
 - Historic growth rates for sales and earnings were calculated using only the latest 5 years
 - No data censoring in latest 5 years
 - No earnings growth rates were made for companies with less than 2 years positive earnings
 - Only used years when publicly traded
- Data calculated using a spreadsheet (Dividend Yield, P/E and Company Size)



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Company Size Analysis

| | <u>Top 100</u> | <u>2nd 100</u> | <u>Total</u> | <u>Percent</u> | <u>SSG Handbook</u> |
|--------------|----------------|----------------|--------------|----------------|---------------------|
| Large | 84 | 51 | 135 | 67.5% | 25% |
| Medium | 15 | 34 | 49 | 24.5% | 50% |
| Small | 1 | 10 | 11 | 5.5% | 25% |
| No Data | 0 | 3 | 3 | 1.5% | |
| ETF | 0 | 2 | 2 | 1.0% | |
| Total | 100 | 100 | 200 | 100.0% | |

Large (> \$10 B) Medium (\$1B to \$10 B) Small (< \$1 B)

| Companies with 5 –Year Declining Growth Rates | | | |
|---|-----------|-----------|--------------|
| | Sales | Earnings | Percent |
| Large | 25 | 37 | 27.4% |
| Medium | 2 | 8 | 16.3% |
| Small | 3 | 2 | 18.2% |
| Total | 30 | 47 | 24.1% |

| Companies with < 2 Positive EPS Years | | |
|---------------------------------------|-----------|-------------|
| | Earnings | Percent |
| Large | 3 | 2.2% |
| Medium | 9 | 18.4% |
| Small | 7 | 63.6% |
| Total | 19 | 9.7% |

| | 5 yr Sales | | SSG Handbook | 5 yr Earnings | |
|--------|------------------|--------|--------------|------------------|--------|
| | Middle 50% Range | Median | | Middle 50% Range | Median |
| Large | 1.1% - 10.7% | 4.9% | 5 - 7 % | -1.8% - 33.7% | 14.1% |
| Medium | 7.0% - 38.7% | 13.5% | 7 - 12 % | 1.8% - 32.2% | 19.3% |
| Small | -44.0% - 66.4% | 22.7% | > 12% | -78.6% - 34.5% | -22.1% |

| | # Companies | % with Dividend | Median | Min | Max | All Companies |
|--------------|-------------|-----------------|--------|------|------|---------------|
| | | | | | | Median |
| Large | 109 | 80.7% | 2.1% | 0.1% | 6.7% | 1.9% |
| Medium | 20 | 40.8% | 1.8% | 0.4% | 3.3% | 0.0% |
| Small | 0 | 0.0% | | | | |
| Total | 129 | 66.2% | | | | |

| Sector Distribution by Company Size | | | | |
|-------------------------------------|-------|--------|-------|-------|
| Sector | Large | Medium | Small | Total |
| Basic Materials | 4 | 2 | 0 | 6 |
| Communication Service | 8 | 3 | 0 | 11 |
| Consumer Cyclical | 16 | 13 | 5 | 34 |
| Consumer Defensive | 18 | 3 | 0 | 21 |
| Energy | 6 | 0 | 0 | 6 |
| Financial Services | 12 | 1 | 1 | 14 |
| Healthcare | 21 | 10 | 2 | 33 |
| Industrials | 25 | 5 | 3 | 33 |
| Real Estate | 0 | 1 | 0 | 1 |
| Technology | 22 | 10 | 0 | 32 |
| Utilities | 3 | 1 | 0 | 4 |
| Count >>> | 135 | 49 | 11 | 195 |

| % Debt / Capital by Sector | | | | |
|----------------------------|------|--------|-----|-------|
| Sector | Max | Median | Min | Count |
| Basic Materials | 74% | 39% | 4% | 6 |
| Communication Services | 70% | 38% | 9% | 11 |
| Consumer Cyclical | 339% | 54% | 0% | 34 |
| Consumer Defensive | 162% | 66% | 0% | 21 |
| Energy | 82% | 27% | 0% | 6 |
| Financial Services | 74% | 42% | 3% | 14 |
| Healthcare | 122% | 36% | 0% | 33 |
| Industrials | 198% | 54% | 0% | 33 |
| Real Estate | 91% | 91% | 91% | 1 |
| Technology | 90% | 33% | 2% | 32 |
| Utilities | 66% | 61% | 58% | 4 |
| All >>> | 339% | 46% | 0% | 195 |
| 100%+ Debt/Capital >>> | | | | 11 |

| Companies with Debt > Capital (Neg Bk Value) | | | | |
|--|--------------------|--------------------|--------------|---------------------|
| Rank | % Debt/ Capital | Latest Year EPS | Year Divd | Year Payout % |
| 13 | 140% | 3.54 | 1.80 | 51% |
| 28 | 113% | 10.04 | 5.25 | 52% |
| 29 | 106% | 12.04 | 3.00 | 25% |
| 32 | 133% | (7.15) | | |
| 86 | 339% | 5.21 | 2.00 | 38% |
| 93 | 122% | 5.31 | 0.56 | 11% |
| 96 | 105% | 1.34 | 3.52 | 263% |
| 105 | 100% | (1.49) | | |
| 122 | 103% | 31.10 | | |
| 128 | 162% | 5.83 | 4.90 | 84% |
| 166 | 198% | 2.89 | 0.92 | 32% |

| P/E Range by Sector | | | | |
|------------------------|-------|--------|------|-------|
| Sector | Max | Median | Min | Count |
| Basic Materials | 24.4 | 11.3 | 3.6 | 6 |
| Communication Services | 76.7 | 23.8 | 8.7 | 11 |
| Consumer Cyclical | 209.3 | 22.8 | 3.4 | 34 |
| Consumer Defensive | 73.6 | 28.3 | 16.6 | 21 |
| Energy | 25.0 | 16.6 | 13.7 | 6 |
| Financial Services | 40.2 | 11.1 | 5.1 | 14 |
| Healthcare | 508.1 | 31.0 | 5.7 | 33 |
| Industrials | 87.5 | 23.2 | 10.6 | 33 |
| Real Estate | 47.0 | 47.0 | 47.0 | 1 |
| Technology | 397.5 | 26.9 | 9.1 | 32 |
| Utilities | 47.6 | 29.3 | 23.4 | 4 |
| All >>> | 508.1 | 24.2 | 3.4 | 195 |

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|---------------------------------|------------------------|-----------------|-----------------|----|
| Expected Return by Company Size | | | | |
| | A | B | = (A+B) | |
| Company Size | Median Earnings Growth | Median Dividend | Expected Return | |
| Large | 14.1% | 1.9% | 16.0% | |
| Medium | 19.3% | 0.0% | 19.3% | |
| Small | -22.1% | 0.0% | | |

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|--------------------------------------|-----------------|------------------------|---------------------------|----|
| Potential 5-year Future Expectations | | | | |
| | A | B | = (A*B) | |
| Company Size | Expected Return | BI Suggested Portfolio | Expected Portfolio Return | |
| Large | 16.0% | 25.0% | 4.0% | |
| Medium | 19.3% | 50.0% | 9.6% | |
| Small | | 25.0% | | |
| | | Portfolio | 13.6% | |

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|--------------------------------------|--------------|------------------------|-----------------|-----------------|---------------------------|-------|
| Compare with Previous Years Analysis | | | | | | |
| | Company Size | Expected Growth Return | Median Dividend | Expected Return | Expected Portfolio Return | |
| 2022 | Large | 14.1% | 1.9% | 16.0% | | |
| | Medium | 19.3% | 0.0% | 19.3% | | |
| | Small | | 0.0% | 0.0% | | 13.6% |
| 2021 | Large | 8.0% | 1.9% | 9.9% | | |
| | Medium | 12.8% | 0.6% | 13.3% | | |
| | Small | 7.0% | 0.0% | 7.0% | | 10.9% |
| 2020 | Large | 12.0% | 2.3% | 14.3% | | |
| | Medium | 16.6% | 1.0% | 17.6% | | |
| | Small | 27.3% | 0.0% | 27.3% | | 19.2% |
| 2019 | Large | 9.4% | 2.2% | 11.6% | | |
| | Medium | 13.6% | 1.2% | 14.8% | | |
| | Small | 11.0% | 0.0% | 11.0% | | 13.1% |

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|---|--|----|
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| <p>To contact the Maryland Chapter send e-mail to contact@Maryland.BetterInvesting.net</p> | | |

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Questions and Comments

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