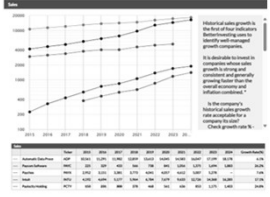


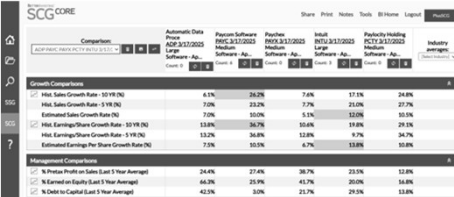
Finding the Industry Leader: Smart Stock Selection

Carol Theine



**Finding the Industry Leader:
Smart Stock Selection**

Carol Theine
Director, Puget Sound Chapter
Director, NAIC/BetterInvesting Board
November 1, 2025



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Today's Session:

An Overview of

- When to Do an Industry Study
- Tools for an Industry Study
- What is the Stock Comparison Guide (SCG)
- Key operations in the tool
 - Start a new SCG
 - Features of the SCG
 - Save, revise and re-open a SCG in the tool
 - SCGCore view versus the Plus view
 - Sharing, Notes and Printing

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When To Do an Industry Study

- Buy the Best – Is initial idea the best?
- Challenge an Existing Holding
- Portfolio Diversification

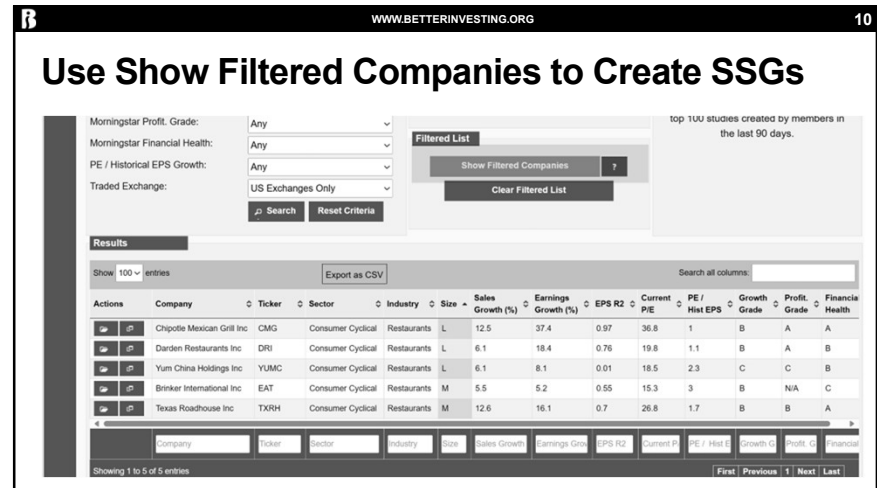
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Typical Comparison Usage

- The SCG works best when comparing stocks in the same or similar industry.
- **Prepare all the SSGs for the comparison in a similar manner.**
 - Don't compare a very aggressive SSG with a conservatively prepared SSG.
 - This can be an issue in clubs when the SSGs are completed by several different people.

A black and white photograph of three apples on a wooden surface. One apple is in the foreground, slightly to the left, and two are behind it, one to the right and one further back.

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Data for the SCG Comes from Completed SSGs

- The SSGs, complete with your judgments, generate the data on the SCG.

Be sure your SSGs are current!
Update for the most recent quarterly data and prices.
Review your judgments to make sure they are still reasonable.

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Stock Comparison Guide

The screenshot shows the SCG CORE interface with several comparison sections:

- Growth Comparisons:** Includes metrics like Sales Growth Rate, Sales Growth Rate (5 Year), Estimated Sales Growth Rate, Earnings Growth Rate, and Earnings Growth Rate (5 Year).
- Management Comparisons:** Includes metrics like % Profit on Sales, % Profit on Equity, and % Debt to Capital.
- Valuation Comparisons:** Includes metrics like Present Price, Average PE, Current PE, and P/E Ratio.
- Potential Return Comparisons:** Includes metrics like Present Yield, Avg. Percent Payoff, and Compound Annual Return.
- Other Comparisons:** Includes metrics like Sector, Industry, Total Sales Last FY, and Last Reported Quarter.

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Stock Comparison Guide Views

Two Views	SCGCore	SCGPlus
Criteria	25 Data Items	42 Data Items
Industry Averages	Yes	Yes
Ability to Save	Yes	Yes

Streamlined view (points to SCGCore)

Additional Bank Data (points to SCGPlus)

SCGPLUS

Share Print Notes Tools BI Home Logout SCGCore

SSGPlus Users Can Toggle between Views

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Compare up to 5 stocks side by side with the goal of selecting the best.

The screenshot shows the SCG interface with several comparison sections:

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- Potential Return Comparisons:** Includes metrics like Present Yield, Avg. Percent Payoff, and Compound Annual Return.
- Other Comparisons:** Includes metrics like Sector, Industry, Total Sales Last FY, and Last Reported Quarter.

The SCG is divided into 5 sections – logically grouping various quality and valuation metrics.

Apply your judgment to select the "best" on the rows of the SCG. Multiple selections may be made on a row. Every row does not need to be compared.

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Set Up a New Comparison

Comparison: [New Comparison] [Add] [X]

Pick study or type
TICKER: [Add] [X]

Studies
ADP QD 7/29/18
ADP 3/17/2025

Tickers
ADP Automatic Data Processing
ADPT Adaptive

Type in the ticker to get a list of all your saved SSG studies for that company.

Click on the desired study to fill the SCG column with data taken directly from your saved SSG.

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SCG CORE

Share Print Notes Tools BI Home Logout PlusSCG

Comparison: ADP PAYC PAYX PCTY INTU 3/17/2025

Automatic Data Proce ADP 3/17/2025 Large Software - Ap... Count: 0

Paycom Software PAYC 3/17/2025 Medium Software - Ap... Count: 6

Paychex PAYX 3/17/2025 Medium Software - Ap... Count: 0

Intuit INTU 3/17/2025 Large Software - Ap... Count: 3

Paylocity Holding PCTY 3/17/2025 Medium Software - Ap... Count: 0

Industry averages: [Select Industry]

Growth Comparisons

	ADP	PAYC	PAYX	INTU	PCTY
Hist. Sales Growth Rate - 10 YR (%)	6.1%	26.2%	7.6%	17.1%	24.8%
Hist. Sales Growth Rate - 5 YR (%)	7.0%	23.2%	7.7%	21.0%	27.7%
Estimated Sales Growth Rate (%)	7.0%	10.0%	5.1%	12.0%	10.5%
Hist. Earnings/Share Growth Rate - 10 YR (%)	13.8%	36.7%	10.6%	19.8%	29.1%
Hist. Earnings/Share Growth Rate - 5 YR (%)	13.2%	36.8%	12.8%	9.7%	34.7%
Estimated Earnings Per Share Growth Rate (%)	7.5%	10.5%	6.7%	13.8%	10.8%

Management Comparisons

	ADP	PAYC	PAYX	INTU	PCTY
% Pretax Profit on Sales (Last 5 Year Average)	24.4%	27.4%	38.7%	23.5%	12.8%
% Earned on Equity (Last 5 Year Average)	66.3%	25.9%	41.7%	20.0%	16.8%
% Debt to Capital (Last 5 Year Average)	47.8%	3.0%	21.7%	70.5%	3.8%

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Header Information

Automatic Data Proce ADP 3/17/2025 Large Software - Ap...	Paycom Software PAYC 3/17/2025 Medium Software - Ap...	Paychex PAYX 3/17/2025 Medium Software - Ap...	Intuit INTU 3/17/2025 Large Software - Ap...	Paylocity Holding PCTY 3/17/2025 Medium Software - Ap...
Count: 0	Count: 6	Count: 0	Count: 3	Count: 0

- Company name
- SSG name (live link to open the SSG in SSGPlus or CoreSSG)
 - If the SSG name is in RED that is an alert that the price data is more than 7 days old
- Size of company
- Industry
- Count of the highlighted cells in the SCG (tally)
- Refresh Button– updates data in the SCG only, does not refresh company data in the SSG
- Trash Can Button - Delete company from the SCG – doesn't delete the study

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SCG CORE

Share Print Notes Tools BI Home Logout PlusSCG

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Hist. Earnings/Share Growth Rate - 5 YR (%)	13.2%	36.8%	12.8%	9.7%	34.7%
Estimated Earnings Per Share Growth Rate (%)	7.5%	10.5%	6.7%	13.8%	10.8%

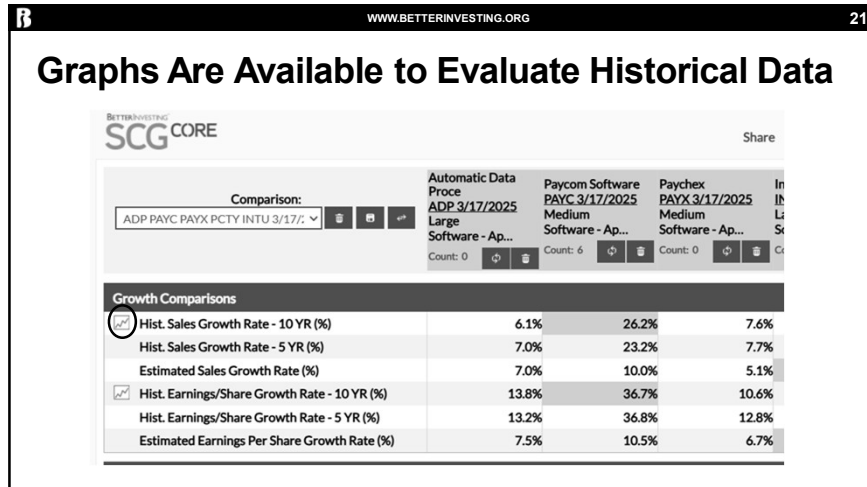
Apply your judgment to the SCG

- Click in the cell to highlight. Click again to remove highlighting.
- Count in the header keeps a running tally of the number of cells highlighted for each company.

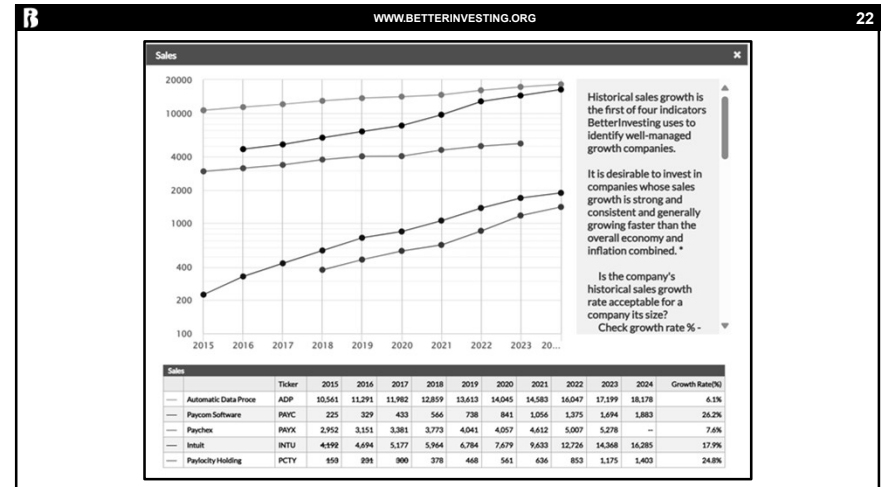
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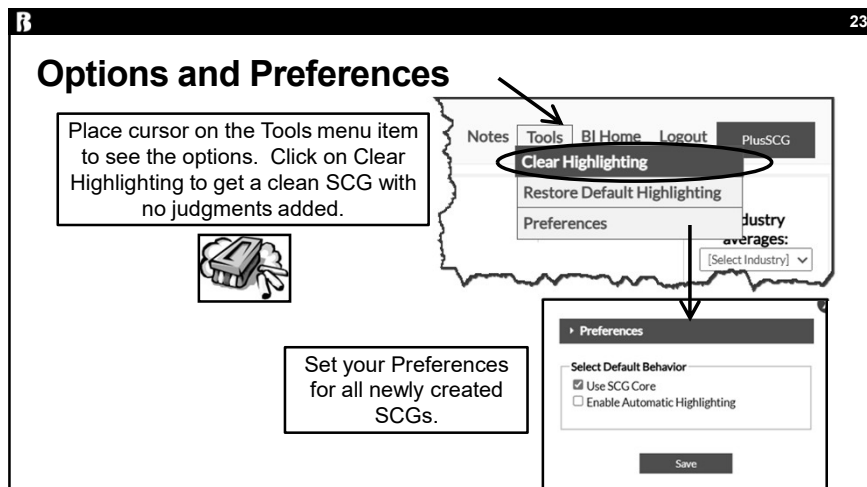
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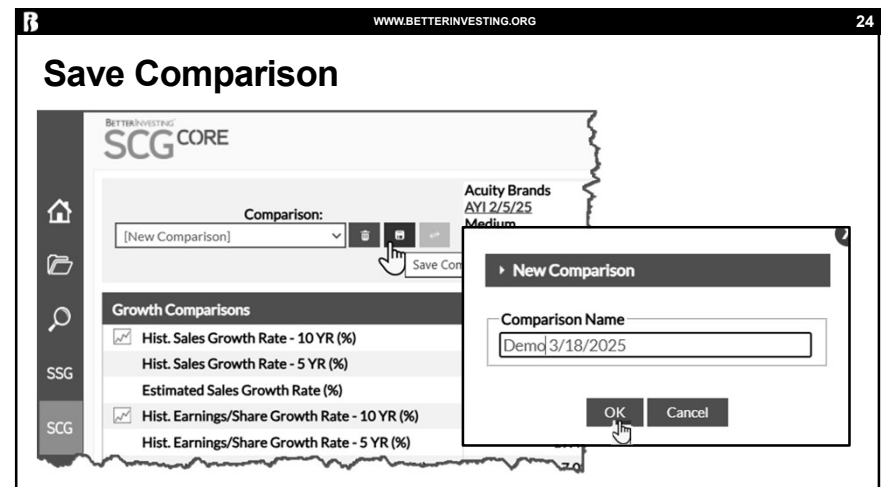
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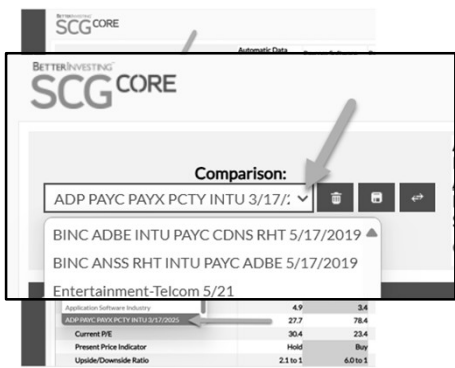
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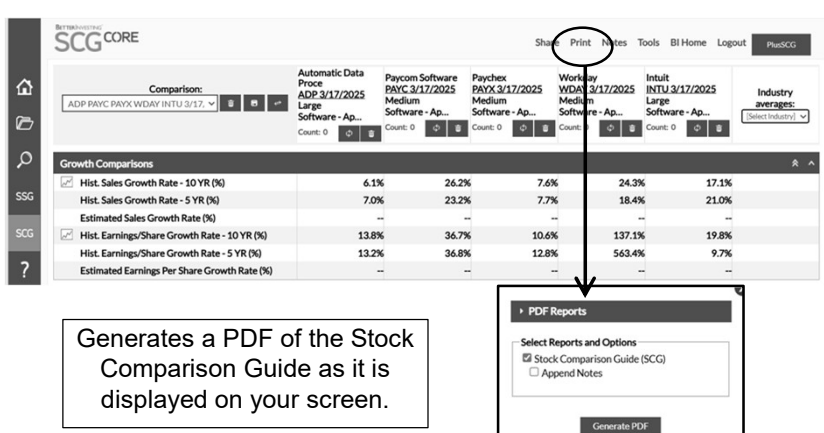
Access Saved Comparisons



- Use the drop-down menu to access a saved comparison or to start a new comparison
- Additional options
 - Delete a saved comparison
 - Rename a saved comparison

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Generates a PDF of the Stock Comparison Guide as it is displayed on your screen.

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Comparison Strategies

Typical/Best Usage - Compare companies in the same industry using completed SSGs – highlighting one or more positive numbers – to help select the best.

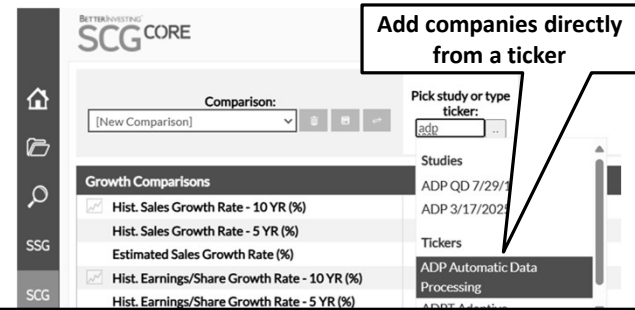
Helpful Filter – Add companies in the same industry or sector directly to the SCG (without completing judgments on the SSGs) to narrow down an industry list for further study.

Contrarian - Compare companies in the same industry or sector – highlight negative factors to find companies to remove.

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No Saved Studies Required!



Add companies directly from a ticker

Data-only SSGs are created on the fly when the ticker option is selected. Judgment-related items on the SCG are left blank.

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Today's Companies and Judgments

- DRI, YUMC, CMG, TXRH, WING
- The forecast values used are sample numbers determined by me.

	DRI (L)	YUMC (L)	CMG (L)	TXRH (M)	WING (S)
Sales Forecast	6%	5%	10%	10%	15%
Earnings Forecast	6.4%	6.3%	14.8%	7.2%	15%
High PE Forecast	22	25	45	30	45
Low PE Forecast	15	18	30	19	30
Low Price Forecast	\$39.9	\$28.5	\$24	\$278.1	\$180
Payout Forecast	61.1%	25%	0%	41.7%	35%

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More Information on Stock Comparison Guide Concepts

February 2020 StockUp - "Selecting the Best Using the SCG"
December 2021 TickerTalk - "Using the SCG - Live Demo"

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Questions and Comments

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