What the heck happened to Starbucks?

73.11 -1.82 (-2.43%) 73.42 +0.31 (+0.42%)
At close: May 3 at 4:00 PM EDT   After hours: May 3 at 7:59 PM EDT

Start Trading >>
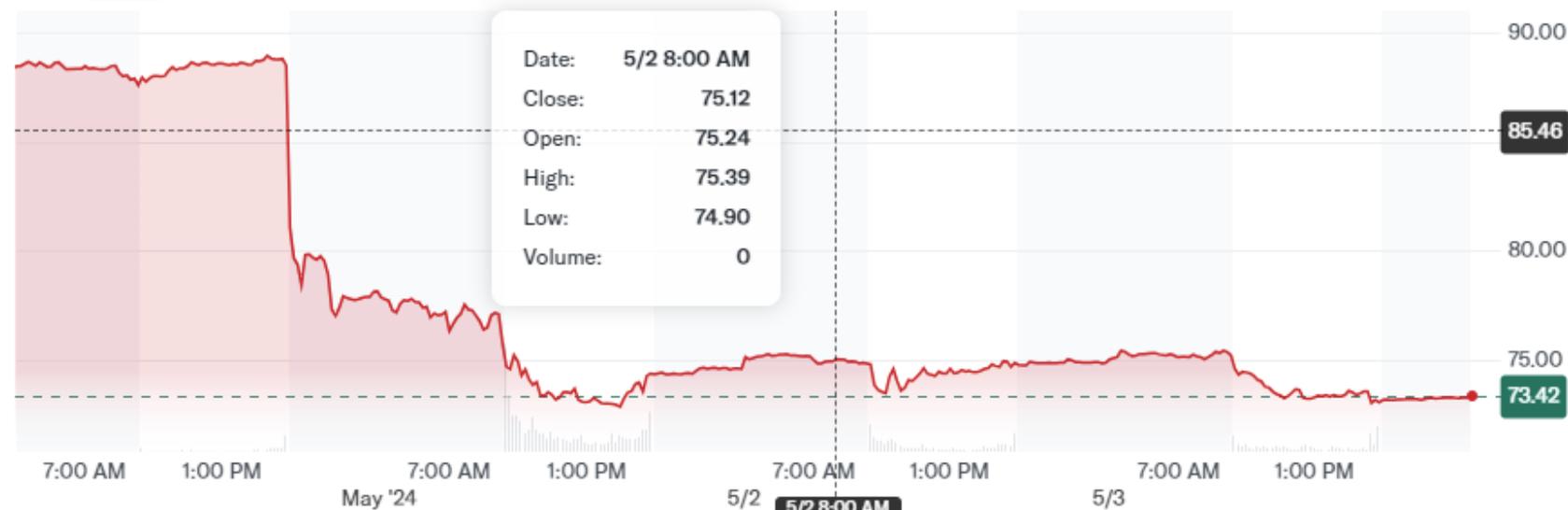Plus500 CFD Service. Your capital is at risk.

1D 5D 3M 6M YTD 1Y 5Y All   Key Events

Date:	5/2 8:00 AM
Close:	75.12
Open:	75.24
High:	75.39
Low:	74.90
Volume:	0

90.00
85.46
80.00
75.00
73.42

7:00 AM   1:00 PM   7:00 AM   1:00 PM   7:00 AM   1:00 PM   7:00 AM   1:00 PM
May '24   5/2   5/2 8:00 AM   5/3

Previous Close	74.93	Volume	22,153,770	Earnings Date	Jul 30, 2024 - Aug 5, 2024
Open	75.27	Avg. Volume	9,131,916	Forward Dividend & Yield	2.28 (3.12%)
Bid	73.11 x 600	Market Cap (intraday)	82.812B	Ex-Dividend Date	May 16, 2024
Ask	73.15 x 600	Beta (5Y Monthly)	0.97	1y Target Est	93.84

Andrew Stotz, PhD, CFA

This is not a recommendation or investment advice.

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Is it time to dump your Starbucks or fill up your cup?

- **What is the company's background?**
- What is its competitive strategy?
- Does that strategy lead to a competitive advantage?
- What does the valuation look like?

Began as a coffee bean company and evolved into a global coffee icon

★ The American multinational company was founded by Jerry Baldwin, Zev Siegl, and Gordon Bowker in 1971

- **Were teachers and a writer who all loved coffee**
- **At that time they only sold coffee beans and coffee-making equipment**

Source: A. Stotz Academy, starbucks.com

Andrew Stotz, PhD, CFA

Began as a coffee beans company and evolved into a global coffee icon

★ Then Howard Schultz Joined Starbucks in 1982 and transformed it into a global brand

★ Credited with popularizing the concept of the "third place" - a comfortable social gathering spot outside of home and work

★ Stepped down as CEO in 2000 but returned in 2008 to guide Starbucks through the global financial crisis, finally stepped down in 2022

- **He still owns around 2% of the company**

Andrew Stotz, PhD, CFA

Source: A. Stotz Academy, starbucks.com

The number of company-operated and licensed stores is roughly the same

Company operated

Licensed

82% of revenue

13%

Andrew Stotz, PhD, CFA

- About 38,000 stores
- Another 5% of revenue comes from other items

Source: A. Stotz Academy, Starbucks Annual Report 2023

Worldwide store distribution in 2023, with a main focus on the US, followed by China

43% United States

4% Canada

3% UK

18% China

5% Japan

Sources: ASIR, commons.wikimedia.org/wiki/File:World_map_with_equator.jpg

Andrew Stotz, PhD, CFA

Remainder from other locations

Sources: A. Stotz Academy, Starbucks Annual Report 2023

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The beverage segment is the revenue champion

Beverage	Food	Others

| 74% | 22% | 4% |

Source: A. Stotz Academy, Starbucks Annual Report 2023

Andrew Stotz, PhD, CFA

Starbucks succeeded in the online expansion

★ Around 26% of sales came from the mobile app alone

- **Customers liked the idea of "Order, pay, and skip the line"**

★ They managed to guide their customers to use the app by offering gift cards and free drinks

Andrew Stotz, PhD, CFA

Source: A. Stotz Academy, shyamfuture.com

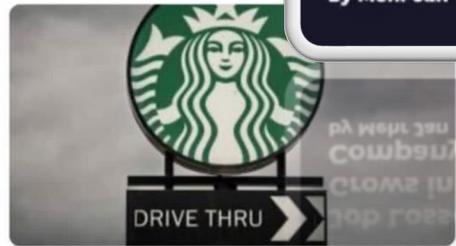# LATEST NEWS

Andrew Stotz, PhD, CFA

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The Hidden Dangers in China's GDP Numbers

Deflation and lack of consumption are big problems for Beijing.

By **Amit Kumar**, a research analyst with the Takshashila Institution's Indo-Pacific Studies Program.

AMT NEWS

Job Losses As Starbucks Boycott Grows in US and Middle East, De... Company Refuting Claims It Supp...
by Mehr Jan

Read more at: www.americ...

At Starbucks, truth and transparency are essential to fulfilling our mission, upholding our promises and living our values.

In response to misinformation, we're sharing the facts here

After Boycott Movements
Starbucks Founder Declares the Company Has Reached Point of Decline

Boycotting.

Yahoo Finance

Starbucks stock plunges 14% after badly missing its Q2 earnings estimates

1 hour ago

New York Post

Starbucks shares sink 12% after chain said it will underperform in 2024

39 minutes ago

Luckin challenger pushes China's coffee price war towards boiling point

05 Apr 2024

By **Caixin Global**
Caixin Global

Cotti appears to be struggling to sustain its rapid expansion, having already faced operational issues with franchisees and suffering a spate of store closures, as Luckin fights back. Meanwhile, as the two Chinese coffee chains duke it out at the cheap end of the market, China's largest international player, Starbucks Corp., is distancing itself from the competition and focusing instead on growing its foothold in the country's smaller cities.

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STARBUCKS COFFEE

FREE GAZA

BLACK BOX

Sources: Meta, X, Instagram, Megazettes, Caixin Global, Yahoo Finance, NY Post, AMT News

Quarterly results

(US$ m)	FY2Q23	FY3Q23	FY4Q23	FY1Q24	FY2Q24	YoY (%)	6M24	24E	% of 24E
Revenue	8,720	9,168	9,374	9,425	8,563	(1.8)	17,988	36,695	49.0
Cost of sales	(6,780)	(6,904)	(6,983)	(7,197)	(6,745)	(0.5)	(13,942)	(28,989)	48.1
Gross profit	**1,940**	**2,264**	**2,391**	**2,228**	**1,818**	**(6.3)**	**4,046**	**7,706**	**52.5**
SG&A	(620)	(604)	(636)	(648)	(655)	5.5	(1,303)	(2,569)	50.7
Other (exp)/inc	(126)	(139)	(145)	(150)	(133)	nm	(283)	(519)	54.6
EBIT	**1,194**	**1,521**	**1,610**	**1,430**	**1,031**	**(13.6)**	**2,460**	**4,619**	**53.3**
Finance cost	(136)	(141)	(143)	(140)	(141)	3.2	(281)	(575)	48.8
Other inc/(exp)	110	21	30	34	34	(68.9)	68	146	46.4
Earnings before taxes	**1,167**	**1,402**	**1,497**	**1,323**	**924**	**(20.8)**	**2,248**	**4,189**	**53.6**
Income tax	(301)	(322)	(374)	(355)	(220)	(27.0)	(575)	(1,089)	52.8
Earnings after taxes	**866**	**1,079**	**1,123**	**969**	**705**	**(18.6)**	**1,673**	**3,100**	**54.0**
Equity income	51	70	119	56	68	32.3	124	308	40.2
Minority interest	-	(0)	-	-	(0)	na	(0)	-	na
Earnings from cont. operations	**917**	**1,149**	**1,243**	**1,024**	**772**	**(15.8)**	**1,797**	**3,408**	**52.7**
Forex gain/(loss) & unusual items	(9)	(7)	(23)	-	-	nm	-	-	na
Net profit	**908**	**1,142**	**1,219**	**1,024**	**772**	**(15.0)**	**1,797**	**3,408**	**52.7**
Recurring profit	915	1,147	1,237	1,024	772	(15.6)	1,797	3,408	52.7
EBITDA	2,033	2,324	2,505	2,283	1,912	(6.0)	4,194	7,688	54.6
Recurring EPS (US$)	0.801	1.006	1.085	0.906	0.686	(14.3)	1.592	2.993	53.2
Reported EPS (US$)	0.798	1.005	1.075	0.909	0.688	(13.8)	1.594	3.009	53.0
Profits (%)	**FY2Q23**	**FY3Q23**	**FY4Q23**	**FY1Q24**	**FY2Q24**	**Diff (%)**	**6M24**	**24E**	**Diff (%)**
Gross margin	22.3	24.7	25.5	23.6	21.2	(1.0)	22.5	21.0	(1.5)
Operating margin	13.7	16.6	17.2	15.2	12.0	(1.6)	13.7	12.6	(1.1)
Net margin	10.4	12.5	13.0	10.9	9.0	(1.4)	10.0	9.3	(0.7)

Andrew Stotz, PhD, CFA

- Reported FY2Q24 recurring EPS of US$0.69, which was -14.3% YoY and -24.3% QoQ

- The 6M24 result was 53.2% of our full-year EPS forecast

Sources: A. Stotz academy, company data, Refinitiv

Starbucks had its worst day in trading since June 2022
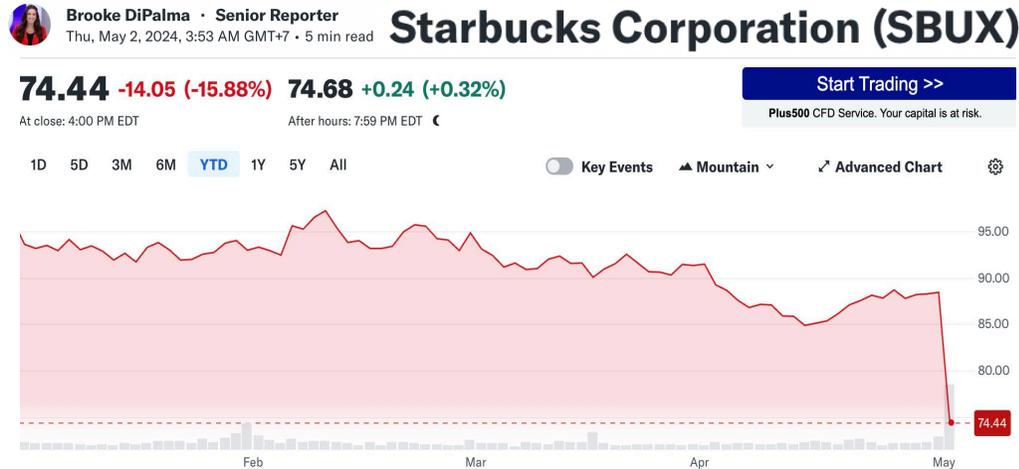
The coffee giant had its worst day in trading since March 2020, with shares down nearly 16% on Wednesday after reporting Q2 results that were hard to swallow. The company missed on all metrics (revenue, earnings, and same-store sales), with foot traffic declining across the globe.

Its CFO, Rachel Ruggeri, told Yahoo Finance the decline in revenue was due to "occasional customers" pulling back on spending, which the company didn't "respond fast enough" to.

She added that conflict in the Middle East and higher promotional environment in China also weighed on the quarterly performance.

When Yahoo Finance asked if Starbucks plans to lower prices, Ruggeri said, "We are not."

Andrew Stotz, PhD, CFA

- Starbucks share dropped nearly 16% on 1st May 2024
- Its CEO and CFO claimed the decline in revenue was due to occasional customers' weak spending, conflict in the Middle East, and a higher promotional environment in China

Source: A. Stotz Academy, Yahoo Finance

Would the action plans help in the upcoming quarters?

Sources: X, CNBC

Andrew Stotz, PhD, CFA
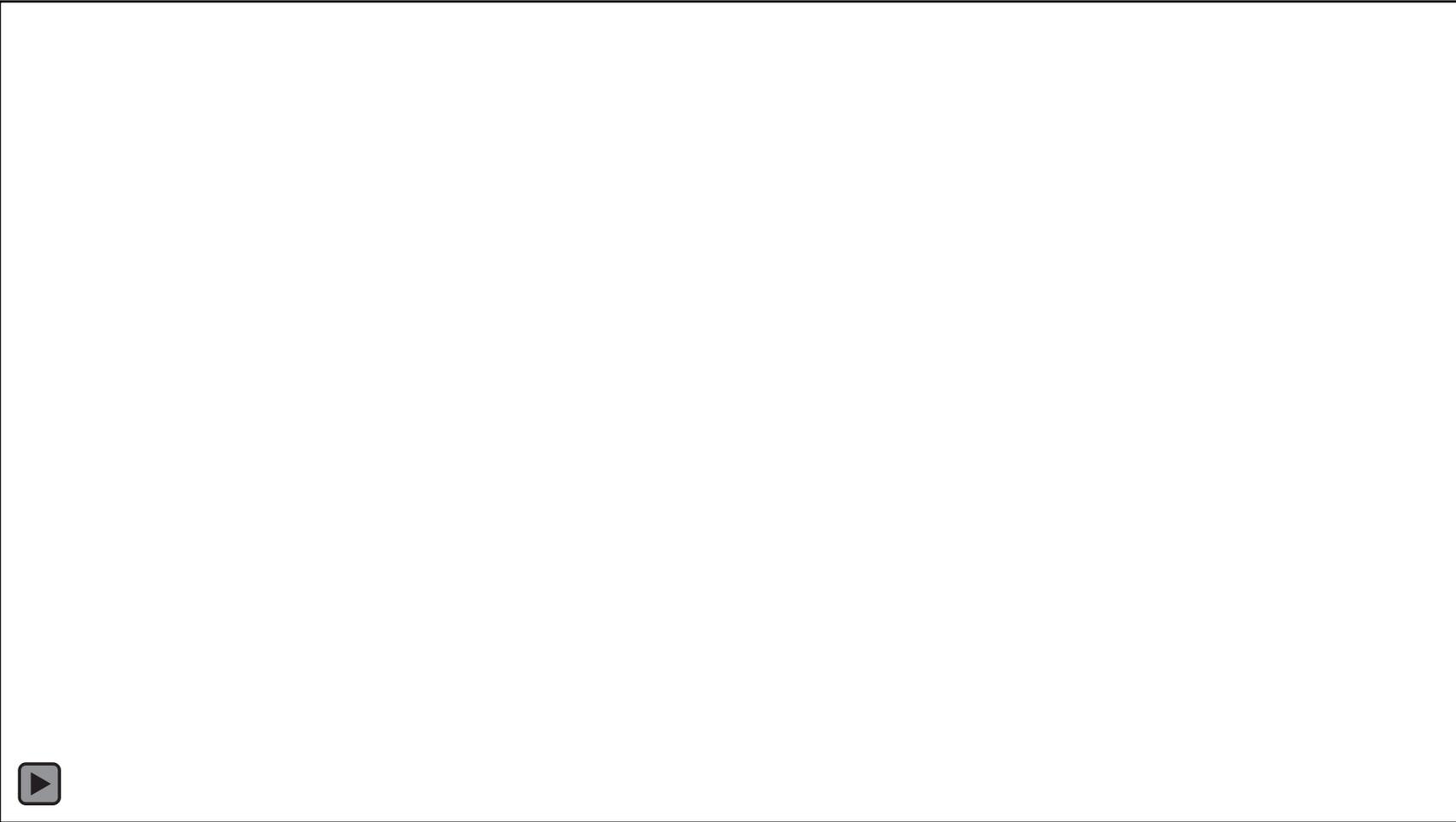
Starbucks continues to feel effects of Gaza war boycotts

May 1, 2024

US coffee and fast-food outlets Starbucks, McDonald's and KFC continue to see the boycotts over the Gaza war affect their businesses, with lower than expected financial performances and the shuttering of scores of struggling franchises.

Starbucks on Tuesday lowered its expectations for full-year sales and profits after a disastrous fiscal first quarter that saw a marked drop-off in customer traffic. Same-store sales (sales at cafes that have been open for at least one year) dropped 4% in the second financial quarter. Wall Street analysts polled by FactSet had predicted a 1% increase.

Starbucks said several issues impacted its sales. One of them was the ongoing boycott of its stores for its perceived support of Israel in the war in Gaza, with this being felt mainly in the Middle East but also in the United States and elsewhere. The company says it is nonpolitical and denies supporting the Israeli military or government.

Source: A. Stotz Academy, al-monitor.com

Andrew Stotz, PhD, CFA

- Starbucks lowered its full-year expected profits after a marked drop-off in customer traffic
- The ongoing boycott for its perceived support of Israel is one of the reasons for that
- 2,000 jobs had been cut in some of the Middle East franchises

Empty stores across Qatar and most of the Middle East

Sources: Doha News, Instagram

Andrew Stotz, PhD, CFA

Is it time to dump your Starbucks or fill up your cup?

🌐 What is the company's background?

🌐 **What is its competitive strategy?**

🌐 Does that strategy lead to a competitive advantage?

🌐 What does the valuation look like?

Starbucks - US - Founded 1971

Cons. Disc. sector, 381,000 employees, US$36bn revenue

Main segments/products/divisions/brands

- Starbucks Coffee beverages
- Frappuccino blended beverages
- Starbucks Reserve Roastery and Reserve stores

Its competitive advantage

Competitive advantage through strong brand loyalty, premium coffee experience, and global expansion.

How it achieved its competitive advantage

Achieved by creating a unique coffeehouse atmosphere, focusing on high-quality beans, providing personalized customer experiences, and building a strong global presence through franchising and company-owned stores.

Andrew Stotz, PhD, CFA

Sources: A. Stotz Academy, Starbucks Annual Report 2023, Starbucks.com

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Is it time to dump your Starbucks or fill up your cup?

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- **Does that strategy lead to a competitive advantage?**
- What does the valuation look like?

I use my **World Class Benchmarking** scorecard to measure if a company has a **competitive advantage**

A. Stotz ACADEMY

Andrew Stotz, PhD, CFA

22

I developed this scorecard ten years ago; here's how we construct it

★ My team gathers the yearly and quarterly financial data of 26,000 companies worldwide

★ We then calculate each company's **Profitable Growth** score

  • **Which is a composite measure of both profitability and growth**

Andrew Stotz, PhD, CFA

Is the company financially world class?

23

I developed this scorecard ten years ago; here's how we construct it

★ After that, we rank the company relative to sector peers of similar size

- **A decile ranking of 1 or 2 is financially world class, while 10 is the worst**

★ We assess the company's performance over the prior four years and the past 12 months (PTM)

Andrew Stotz, PhD, CFA

Starbucks: A. Stotz Profitable Growth

A. Stotz ACADEMY

Andrew Stotz, PhD, CFA

Profitable Growth

'20	'21	'22	'23	PTM
4	2	2	2	1

Profitability						Growth				
'20	'21	'22	'23	PTM		'20	'21	'22	'23	PTM
4	2	2	1	1		7	2	7	5	4

Asset efficiency						Expense control						Revenue growth						Expense direction				
'20	'21	'22	'23	PTM		'20	'21	'22	'23	PTM		'20	'21	'22	'23	PTM		'20	'21	'22	'23	PTM
5	6	5	4	4		4	2	2	3	2		6	4	6	3	3		9	2	8	4	3
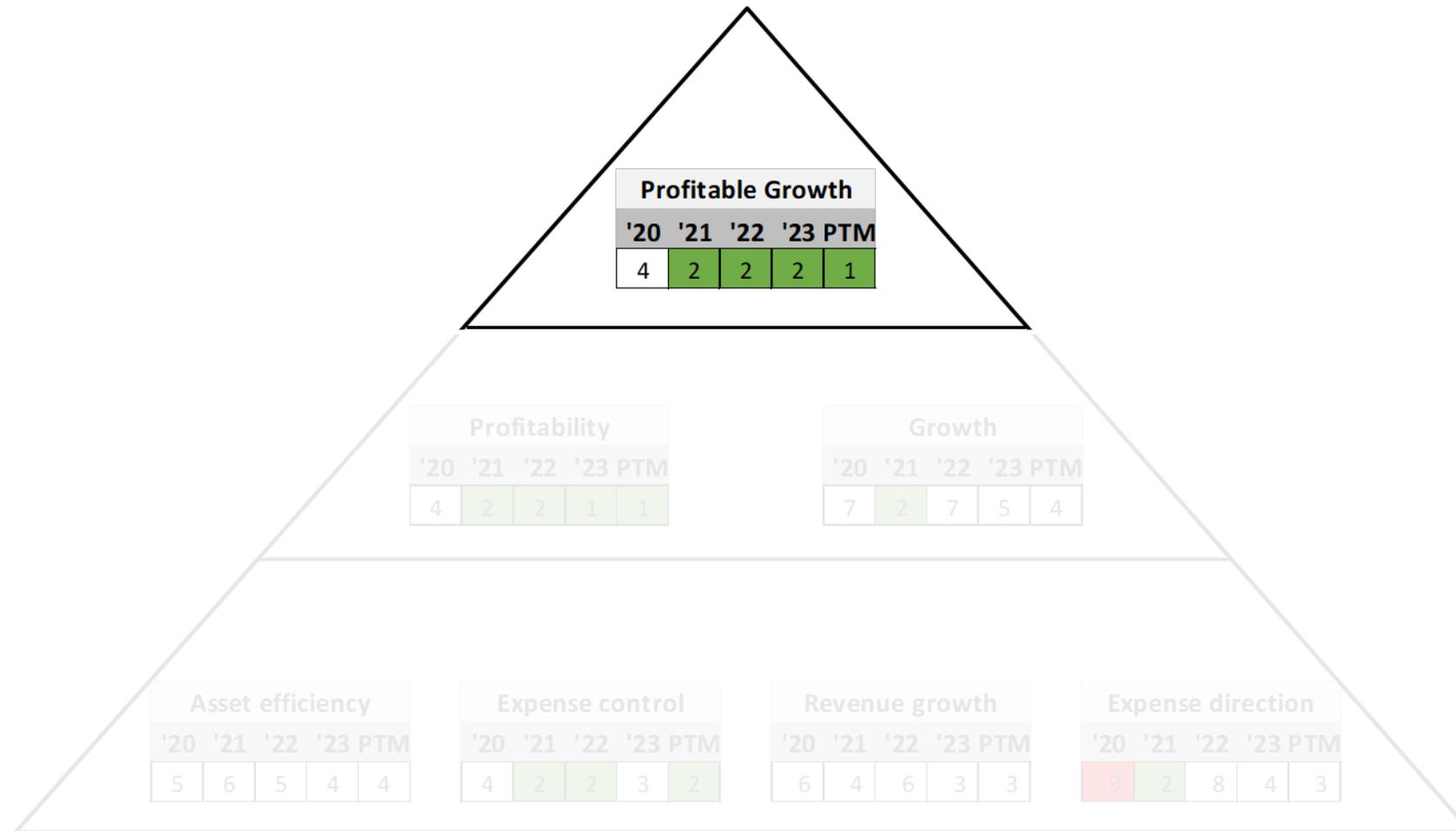
Benchmarked against 920 large Cons. Disc. companies worldwide.

Source: A. Stotz Investment Research. Notes: 1 = top ranking and 10 = worst. Most recent year's data is based on the past 12 months (PTM) of published data

Is it time to dump your Starbucks or fill up your cup?

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Free cash flow

(YE Oct, US$ m)	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
EBIT	4,757	4,507	5,594	4,619	5,655	6,244	6,850	7,230
Est tax rate (%)	23	24	25	26	26	26	26	26
NOPAT	3,650	3,437	4,194	3,418	4,185	4,620	5,069	5,350
Add: Depre & amort	1,524	3,150	3,002	2,761	2,948	3,142	3,344	3,560
Cash NOPAT	5,175	6,588	7,196	6,179	7,133	7,762	8,413	8,910
Chg in A/R	(74)	(133)	61	(243)	(73)	(97)	(96)	(93)
Chg in inventory	(53)	(573)	370	(690)	156	(136)	(132)	(143)
Chg in oth curr asst	162	8	54	(117)	(43)	(34)	(33)	(32)
Chg in A/P	484	234	65	232	264	217	210	228
Chg in oth curr liabs	1,011	(159)	200	141	396	312	307	298
Less: Chg in work cap	1,530	(622)	751	(677)	701	261	256	258
Less: CAPEX	(1,470)	(1,841)	(2,224)	(1,831)	(1,866)	(1,934)	(2,060)	(2,194)
Less: Chg in invest cap								
Free cash flow to firm	5,235	4,124	5,723	3,670	5,968	6,089	6,609	6,974
FCF per share (US$)	4.5	3.6	5.0	3.2	5.2	5.3	5.8	6.1
NOPAT growth (%)	204.1	(5.8)	22.0	(18.5)	22.4	10.4	9.7	5.5
FCF growth (%)	1,097.6	(21.2)	38.8	(35.9)	62.6	2.0	8.5	5.5

Andrew Stotz, PhD, CFA

Sources: A. Stotz academy, company data, Refinitiv

Discounted cash flow analysis

Calculation of cost of equity (COE, %)	Estimate
Market: United States of America	
Market risk-free rate	3.5
Market equity risk premium	10.0
Market return	**13.5**
Company beta (x)	1.0
COE	**13.5**

Calculation of WACC	Average
Cost of debt	3.8
Average tax rate	26.7
After tax cost of debt	**2.8**
Cost of preferred stock	**-**
Debt as a % of total capital	18.9
Preferred stock as a % of total capital	-
Equity market value as a % of total capital	81.1
Weighted average cost of capital	**11.5**

SBUX: Valuation (US$ m)	DDM	%	FCFF	%	FCFE	%
PV of cash flow in years 2024-28	10,116	34	20,702	22	19,367	20
PV of fade period	12,387	42	41,229	44	38,547	41
PV of terminal value	7,256	24	42,721	46	32,270	34
Present value of future cash flows	**29,760**	**100**	**104,652**	**112**	**90,184**	**95**
Add: Cash & ST investments	na*	-	3,953	4	3,953	4
Add: Long-term investments	na	-	440	0	440	0
Corporate value	**29,760**	**100**	**109,045**	**116**	**94,577**	**100**
Less: Total debt, preferred stock & minorities	na	-	(15,407)	(16)	na	-
Shareholder value	**29,760**	**100**	**93,638**	**100**	**94,577**	**100**
Number of shares (m)	1,139		1,139		1,139	
Equity value per share (US$)	**26**		**82**		**83**	

Chart legend:
- Equity value per share (US$)
- Current stock price (US$)

DDM: 26, FCFF: 82, FCFE: 83, Current stock price: 74

Sources: A. Stotz academy, company data, Refinitiv

Andrew Stotz, PhD, CFA
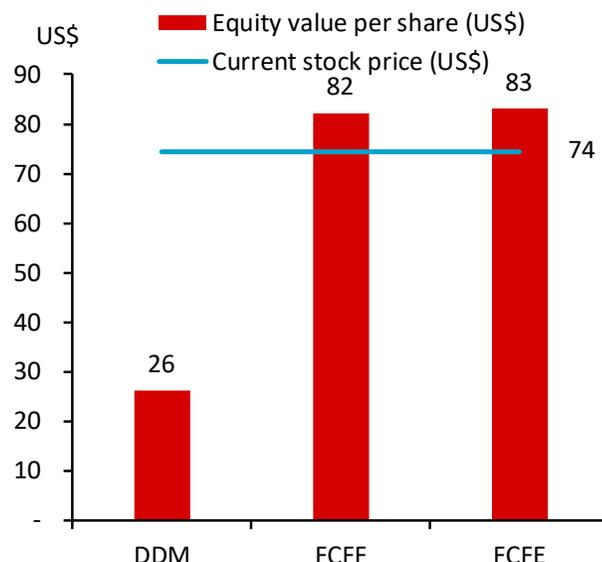
I use my **FVMR** methodology to determine the **attractiveness** of the company

Andrew Stotz, PhD, CFA

Simplified FVMR Scorecard

A. Stotz FVMR Methodology		Mcap	F (%)	V (x)	M (% chg)		R (x)		FVMR Rank
Sector/Company	Country	US$bn	ROA	PE	EPS	Price	TIE	Beta	Out of 127
Cons. Disc.		**5,194**	**10.6**	**41.2**	**2,120.7**	**15.5**	**2.2**	**1.3**	**71**
PDD Holdings	USA	173	23.2	19.4	69.4	24.9	NA	0.4	1
Industria de	Spain	143	17.2	24.8	30.3	19.7	1.8	0.9	8
Airbnb	USA	99	30.7	18.4	204.7	14.4	0.7	0.8	10
Amazon	USA	1,861	6.1	61.7	5,900.0	38.3	3.6	1.1	22
McDonald's	USA	198	16.4	23.0	18.2	6.5	1.4	0.6	41
Starbucks	USA	84	14.2	21.0	19.6	(18.3)	1.8	0.7	50
Mercedes-Benz	Germany	81	5.6	5.3	(0.7)	4.3	NA	0.8	57
Volkswagen	Germany	42	2.8	4.2	7.7	(4.1)	3.1	1.4	62
BYD	China	85	5.1	21.2	80.7	(21.0)	2.7	1.0	63
Hermes	France	253	22.8	54.7	27.3	16.7	1.5	1.5	75
BMW	Germany	70	4.5	5.8	(35.3)	4.1	2.4	1.0	86
Home Depot	USA	329	19.8	22.0	(9.5)	10.7	1.6	1.5	98
Toyota	Japan	378	3.5	20.0	(12.6)	34.2	1.9	1.6	99
LVMH Moet	France	415	10.9	25.5	8.2	2.1	1.8	2.5	115
Alibaba	Hong Kong	184	8.4	10.1	3.5	(5.5)	1.2	1.2	118
Nike	USA	136	13.0	28.0	(13.9)	(4.5)	1.3	0.8	120
Tesla Inc	USA	574	11.5	57.7	(23.3)	(28.5)	1.5	1.7	126
Prosus	Netherlands	87	3.5	39.0	(8.9)	(17.1)	(0.3)	2.0	127

This is not a recommendation or investment advice.

Sources: A. Stotz Academy, Refinitiv

A. Stotz ACADEMY

Andrew Stotz, PhD, CFA

🌐 Click the link in the description to get this report and the Simplified FVMR Scorecard

A. Stotz FVMR Methodology		Mcap	F (%)	V (x)	M (% chg)		R (x)		FVMR Rank
Sector/Company	Country	US$bn	ROA	PE	EPS	Price	TIE	Beta	Out of 127
Comm. Serv.		**4,834**	**14.8**	**26.3**	**42.4**	**23.8**	**1.9**	**0.8**	**33**
Meta	USA	1,114	18.8	29.5	73.1	43.1	1.9	0.7	4
T-Mobile US	USA	194	4.0	23.9	236.4	18.8	3.5	0.1	5
China Mobile	China	196	6.8	16.7	4.6	10.9	2.6	0.3	12
Verizon	USA	165	2.2	8.3	(9.1)	23.4	2.4	0.3	15
AT&T	USA	121	4.3	7.0	(6.2)	15.3	2.5	0.4	17
Alphabet	USA	2,035	19.2	28.3	27.2	22.1	1.6	1.0	20
Comcast	USA	150	6.3	9.6	9.3	(14.1)	2.3	0.4	25
Walt Disney	USA	203	3.4	29.4	6.5	35.3	2.4	1.0	65
Cons. Staples		**2,999**	**12.3**	**27.1**	**6.7**	**5.7**	**1.6**	**0.5**	**70**
Altria Group	USA	75	23.4	8.9	2.3	5.4	1.5	0.2	13
Philip Morris	USA	149	14.7	16.0	0.5	5.1	1.5	0.1	29
Walmart	USA	474	7.3	26.5	5.7	10.3	2.2	0.2	31
PepsiCo	USA	241	10.9	23.0	12.2	3.5	1.6	0.1	38
Coca-Cola	USA	267	12.2	23.0	8.5	11.6	1.2	0.2	59
Procter & Gamble	USA	386	12.3	27.7	1.5	12.5	1.4	0.2	69
Kweichow Moutai	China	296	28.4	28.7	19.1	(8.9)	1.4	0.7	73
Costco Wholesale	USA	320	9.5	51.0	7.8	26.4	1.6	0.7	75

A. Stotz FVMR Methodology		Mcap	F (%)	V (x)	M (% chg)		R (x)		FVMR Rank
Sector/Company	Country	US$bn	ROA	PE	EPS	Price	TIE	Beta	Out of 127
Energy		**3,903**	**13.2**	**75.2**	**(21.1)**	**(1.1)**	**2.0**	**0.3**	**43**
Petroleo Brasileiro	USA	109	13.5	4.1	(21.0)	15.4	1.9	(0.0)	6
PetroChina	China	250	5.9	11.7	7.3	20.5	3.1	1.3	18
TotalEnergies	France	175	7.9	7.3	(32.6)	9.5	2.2	(0.1)	18
Conocophillips	USA	146	11.2	14.2	(35.1)	6.2	2.4	0.1	23
Exxon Mobil	USA	459	10.3	12.2	(32.3)	0.3	1.9	(0.1)	28
Schlumberger	USA	67	6.0	15.8	36.7	(18.6)	1.9	0.4	32
Chevron	USA	295	9.5	12.2	(30.3)	(4.1)	NA	0.2	49
Financials		**4,515**	**6.5**	**38.8**	**16.6**	**21.1**	**0.4**	**0.7**	**52**
Wells Fargo	USA	208	1.0	11.3	70.8	50.3	NA	0.2	2
JPMorgan Chase	USA	551	1.3	11.8	34.4	33.4	NA	0.8	9
American Express	USA	166	3.4	20.6	13.8	54.8	NA	0.8	14
China Construction Bank	China	166	0.9	5.4	2.3	12.0	NA	0.3	26
Berkshire Hathaway	USA	862	3.7	23.4	23.0	14.0	NA	0.5	30
Ind. & Com. Bank of China	China	263	0.9	5.5	1.0	10.7	NA	0.3	35
Bank of China	China	191	0.8	6.2	1.4	13.5	NA	0.4	43
Agri. Bank of China	China	208	0.7	6.1	4.3	16.5	1.7	0.4	47
PayPal	USA	70	7.0	13.0	23.5	12.9	1.3	0.9	51

A. Stotz FVMR Methodology		Mcap	F (%)	V (x)	M (% chg)		R (x)		FVMR Rank
Sector/Company	Country	US$bn	ROA	PE	EPS	Price	TIE	Beta	Out of 127
Health Care		**4,604**	**12.2**	**127.7**	**(7.5)**	**13.9**	**1.0**	**0.5**	**68**
HCA Healthcare	USA	82	9.7	16.6	10.5	25.2	2.5	0.8	7
Novartis	Switzerland	212	13.2	12.9	12.7	7.4	1.7	0.3	10
Amgen Inc	USA	149	12.4	14.9	5.4	4.2	1.7	0.1	15
Gilead	USA	82	13.5	9.7	(7.4)	(11.6)	NA	0.2	24
Johnson & Johnson	USA	364	14.3	15.2	(2.3)	(2.6)	NA	0.4	27
Unitedhealth Group	USA	445	9.1	19.3	13.2	(5.9)	1.5	(0.6)	40
Novo Nordisk	Denmark	437	30.1	48.2	52.4	38.0	1.3	1.4	41
Eli Lilly	USA	739	10.1	122.9	(20.4)	44.3	NA	0.2	48
AbbVie	USA	286	14.5	14.6	(19.3)	9.1	1.3	0.1	53
Becton Dickinson	USA	68	6.7	19.1	7.6	(9.3)	1.9	0.5	55
Industrials		**1,227**	**8.0**	**33.7**	**38.1**	**32.4**	**1.5**	**1.1**	**60**
Caterpillar	USA	162	12.9	15.6	48.9	21.8	NA	0.6	3
Eaton Corp.	USA	125	10.0	34.2	20.5	48.4	NA	1.6	37
General Electric	USA	175	1.8	56.8	7.3	84.1	3.0	0.6	38
Siemens	Germany	151	5.4	17.7	115.9	19.9	1.7	1.7	55
Uber	USA	141	5.3	77.9	118.7	48.4	2.1	2.2	59
Airbus	France	131	4.3	24.3	10.2	15.8	1.6	0.5	77

A. Stotz FVMR Methodology		Mcap	F (%)	V (x)	M (% chg)		R (x)		FVMR Rank
Sector/Company	Country	US$bn	ROA	PE	EPS	Price	TIE	Beta	Out of 127
Info. Tech.		**12,531**	**26.6**	**38.3**	**62.5**	**29.4**	**1.4**	**1.4**	**81**
Cisco	USA	190	16.3	12.0	15.8	(13.9)	1.2	0.2	34
IBM	USA	151	6.8	17.1	5.4	16.8	1.6	0.4	36
SAP	Germany	223	12.0	33.7	23.8	40.0	1.7	1.2	44
Tata Consultancy Ser.	India	166	31.6	30.4	9.3	15.9	1.4	0.9	45
NVIDIA	USA	2,076	60.5	64.1	288.0	85.4	1.2	2.0	51
Oracle	USA	315	11.6	22.4	4.5	7.4	1.9	1.0	59
Salesforce	USA	260	8.1	32.7	56.9	31.9	1.8	1.7	69
Broadcom	USA	576	25.2	29.4	12.2	48.9	1.3	2.1	69
Microsoft	USA	2,935	18.9	40.3	6.5	22.7	1.4	0.9	79
Materials		**528**	**9.1**	**141.5**	**(9.8)**	**10.7**	**2.0**	**0.8**	**79**
Linde	USA	213	8.7	31.2	15.5	19.6	1.7	0.3	32
L'Air Liquide	France	103	6.3	31.2	11.7	15.4	2.3	1.0	66
Real Estate		**149**	**2.6**	**60.9**	**6.0**	**4.1**	**4.4**	**1.1**	**100**
Equinix	USA	66	3.1	67.4	34.4	(2.4)	3.8	0.6	78
American Tower	USA	83	2.2	55.6	(16.8)	9.4	4.8	1.5	122
Utilities		**161**	**3.0**	**18.2**	**8.2**	**7.4**	**2.8**	**0.5**	**34**
Southern	USA	82	2.9	20.4	1.4	18.8	2.6	0.2	21
Iberdrola	Spain	79	3.1	16.0	15.2	(4.3)	3.0	0.8	46