# Side-by-Side Stock Comparison Outline

## Overview

- Webinar goals
- Choosing the industry/sector
- Efficiency and Management Screener
- Valuation and Growth Screener

## Webinar Goals

The goals of this webinar are to illustrate how to use SR to analyze stocks side by side, and at the same time determine which stock between Comcast and Dish is a better pick.

## Picking an industry/sector

Comcast and Dish are in the Pay TV industry and Communication Services Sector. I discussed the industry in this article last week. Generally, it is preferable to invest in a booming industry/sector and not one that is underperforming the economy. We'll use the charting tool to show:

- Industry performance
- Sector performance
- S&P 500.

But there are exceptions to the rule i.e. one, the stock you are picking is in a changing market and you think it is better positioned to take advantage or benefit from the change, and two; the stock has wide economic moat. To see what economic moat looks like in SR, we will:

- Use Industry Vs. Sector Vs S&P 500 view
- Use historical return metrics

## Efficiency and Management Screener

The efficiency and management screener will show us which company is more efficient and has better management, at least according to quantitative factors. Under efficiency, our goal is find out which company is more efficient at running its business (operational efficiency) and which is a better employer of capital (capital efficiency). Under management, we will attempt to gauge which company has better management i.e. which management's interests are better aligned with those of shareholders. The screener will be equally weighted between efficiency and management metrics.

| Weight Distribution | |
|---|---|
| Efficiency Metrics | 50% |
| Management Metrics | 50% |
| Total | 100% |

Screener details are shown below:

## Efficiency & Management

**Criteria:**

Buyback Yield > 0
Payout Ratio < 50
Quick Ratio > 1
Shareholder Yield > 0

**Rankings:**

| | | |
|---|---|---|
| Highest | Buyback Yield | 10% |
| Highest | EBITDA Margin | 5% |
| Highest | Equity | 5% |
| Highest | Gross Margin | 5% |
| Highest | Interest Coverage | 5% |
| Highest | Net Margin | 5% |
| Highest | Operating Margin | 10% |
| Highest | Payout Ratio | 5% |
| Highest | Quick Ratio | 5% |
| Highest | ROIC | 10% |
| Highest | Return on Assets | 10% |
| Highest | Return on Equity | 10% |
| Highest | Shareholder Yield | 10% |
| Lowest | Days Sales Outstanding | 5% |

We will use this screener ranking and table metrics to analyze operational and capital efficiency metrics and charts to show trends over time.

# Valuation and Growth Screener

Similar to the Efficiency and Management screener, the Valuation and Growth screener will be equally weighted between valuation and growth metrics as shown below.

| Weight Distribution | |
|---|---|
| Valuation Metrics | 50% |
| Growth Metrics | 50% |
| Total | 100% |

With this screener, our aim is to find out which company, between Dish and Comcast, is not only undervalued but also has significant growth potential. The specific weights of the individual metrics are shown below:

**Valuation & Growth**

**Criteria:**
Country
Exchange: AMEX, NASDAQ, NYSE, NYSE Arca
Industry: Pay TV

**Rankings:**

| | | |
|---|---|---|
| Highest | EPS 1-Year Chg (%) | 5% |
| Highest | EPS Next Year (Est.) | 10% |
| Highest | EV / FCF | 5% |
| Highest | Forward Dividend Growth | 5% |
| Highest | Operating Income 1-Year Chg (%) | 5% |
| Highest | Sales 1-Year Chg (%) | 5% |
| Highest | Sales 3-Year Avg (%) | 5% |
| Highest | Sustainable Growth Rate | 10% |
| Lowest | Debt / Equity | 4% |
| Lowest | EV / EBITDA | 5% |
| Lowest | EV / EBIT | 5% |
| Lowest | EV / Sales | 5% |
| Lowest | PEG Forward | 5% |
| Lowest | Payout Ratio | 5% |
| Lowest | Price / Book | 4% |
| Lowest | Price / Cash Flow | 4% |
| Lowest | Price / Earnings | 4% |
| Lowest | Price / Free Cash Flow | 5% |
| Lowest | Price / Sales | 4% |

We will then use metric packages and charting to analyze valuation metrics.

## Additional Resources

For more examples of comparison in Stock Rover and program tutorials, see:

- [March Midness! A Mid Cap Stock Tournament](#) (video and blog post)
- [KORS vs. COH vs. KATE: The Battle of the Brands](#) (blog post)
- [Panera vs. Chipotle: Where Should an Investor Dine?](#) (blog post)
- [Stock Rover Help Pages](#)
- [Stock Rover Video Library](#)

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