

AlphaScreens: the quest for quality

4 April 2022

Conflicting quality signals

The holy grail for buy-and-hold investors is to find a business that is capable of generating a high return on capital and sustaining it while reinvesting profits. This screen looks for shares that display these quality characteristics and can potentially deliver significant compounded returns over time. The Alpha screens now use the Numis index family for their starting universe for UK large, mid and small-cap shares. We also now have a US screen of S&P 500 companies.

Comment by Alpha editor:

- Top of our UK large-cap screen is software and cybersecurity company **Avast (AVST)**, which saw its shares fall sharply in March on news the Competition and Markets Authority (CMA) wanted to refer the agreed merger with NortonLifeLock to a Phase 2 investigation. The parties involved in the merger expect it to complete in the second half of 2022, noting that other regulators in the USA, Germany and Spain have reviewed and cleared the merger.
- Other high ranking UK large-cap shares include miner **BHP Group (BHP)** and, representing another controversial sector, **British American Tobacco (BATS)**. In the case of BHP, the concern would be the cyclical nature of the industry and it fails our next year earnings per share growth test. Really, mining stocks wouldn't fit a textbook definition of 'quality' thanks to these cyclical risks. However, given the potential for stagflation (recession accompanied by inflation), miners that are exposed to rising commodity prices and have a track record of returning cash to shareholders via dividends and buybacks are a useful holding. In rare times of stagflation, tobacco stocks like BATS are also good for investors who don't have a moral issue with them. Low growth in much of the economy means dividends are a really important part of total returns, so the inelastic demand for tobacco products and the subsequent payouts from the manufacturers to shareholders are tempting.
- One company that made it into the list but **must be disregarded** for obvious reasons is Russian-linked steel manufacturer **Evrz (EVR)**. Although it passes seven out of nine tests, the reality of the international situation isn't shown by the numbers.
- Many very profitable quality companies are still expensive, both those listed on the UK and the US stock markets. Still, it is notable that the negative three-month share price momentum for names like **Diageo (DGE)** in the UK and **Apple (US:AAPL)** and **Microsoft (US:MSFT)** from our S&P 500 screen is in the single digits, despite the hawkish signals from

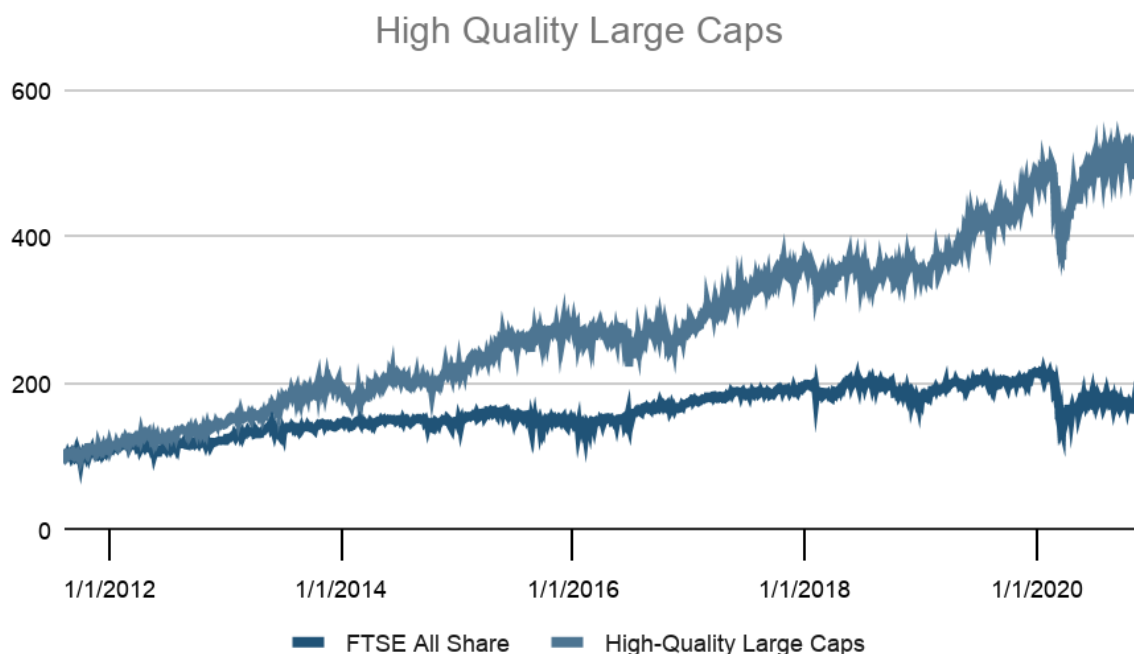
central banks (higher interest rates make profits made by these big earners not worth paying so much for). As aggressive rate hikes are better priced in, it will be worth looking to identify where the support level prices are for these businesses that have enduring quality characteristics.

- Looking at our small-cap screen, which covers smaller Aim and main market UK shares, the outputs are better interpreted with a cyclical mindset rather than looking at stocks that can be bought and forgotten about. Mining companies are prominent, which underlines this point. It's also interesting to see companies that have experienced relatively heavy sell-offs in their shares scoring highly on quality metrics. The many small-cap screen results here definitely fall into the "investigate further" bucket, rather than being screaming "buys".

Screen results on pages 7, 8 and 9, at the end of this report

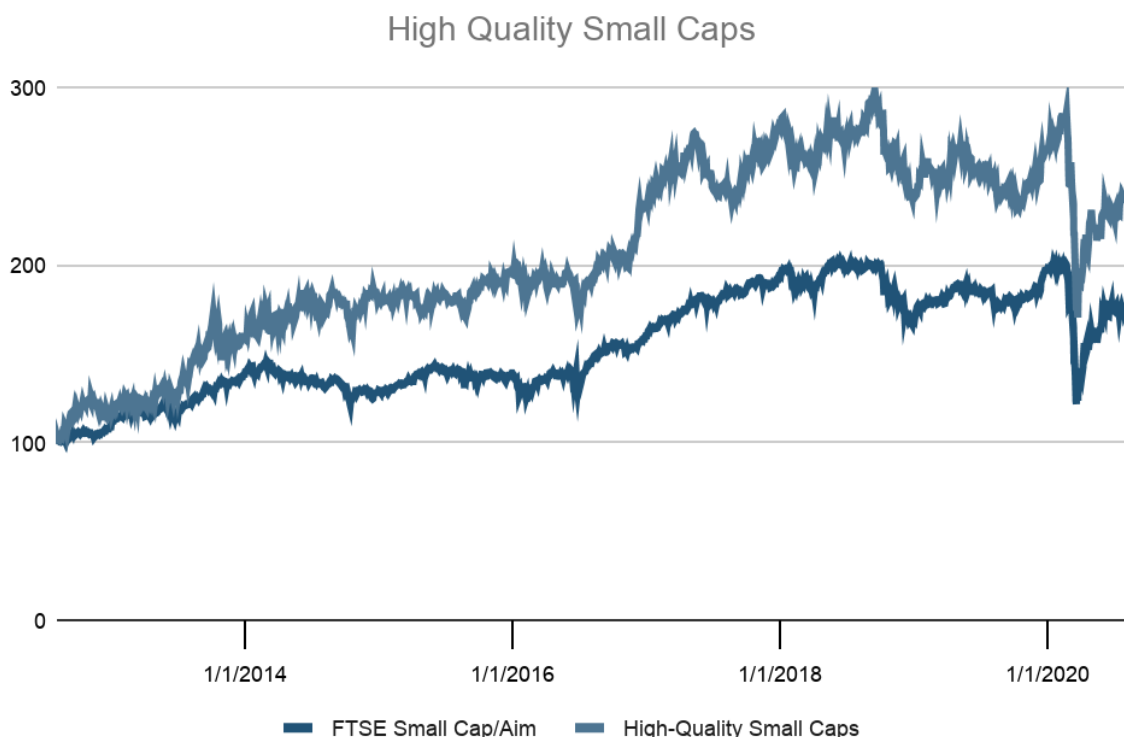
The dream company

The holy grail for buy-and-hold investors is to find a business that is capable of generating high returns on its capital and is able to reinvest all its profits for decades to come, while maintaining those returns. The compounding effect of such an investment is what every long-term investor's dreams should be made of. A company making a consistent 15 per cent post-tax return on its equity and reinvesting all its profits would experience a near-30-fold (28.6 to be precise) growth in its equity base over 25 years, and after 50 years it would be a mind-boggling 1,084 times bigger than when it started. For a patient investor convinced that they have found such a situation, valuation should not act as a major impediment to a purchase.



Source: Refinitiv, Investors' Chronicle

Unfortunately, this kind of dream company is extremely rare and stock screens are too crude to provide the depth of analysis needed to provide confidence that a business may be the real deal. In particular, it is inevitable that some of the shares highlighted by our Alpha Quality screen will be cyclical companies that are enjoying a good run rather than companies that are well placed to sustain high returns through many business cycles to come. What our screen does do, however, is attempt to find pointers for companies that may have the potential to go some way to filling the dream brief. What's more, buying shares in companies that look attractive based on quality metrics can often prove a profitable strategy, even if many of the shares picked fall short of the buy-and-hold ideal.



Source: Refinitiv, Investors' Chronicle

Alpha Quality screening criteria

Our Alpha Quality screen uses two key measures of quality, which are operating margins and return on equity (RoE). The advantage of using RoE to measure the quality of a company is that it focuses on the returns that are ultimately of most significance to shareholders: after-tax earnings. However, RoE can be boosted by a company if it increases the amount of debt it carries. That means a high and rising RoE can sometimes simply reflect a reduction in the quality of the company's balance sheet and little improvement, or even a deterioration, in the quality of its operations. The screen attempts to counter this with its interest cover test, which should help it avoid companies with very aggressively 'geared' balance sheets. Focusing on operating margins also provides an assessment of quality at the operating level – i.e. before the impact of debt.

- An operating margin higher than the median average (mid-ranking) stock in each of the past three years (i.e. quality that shows some signs of persistence).
- A return on equity (RoE) higher than the median average (mid-ranking) stock in each of the past three years (i.e. again, quality that shows some signs of persistence).

- RoE higher than it was two years ago (i.e. quality is improving as well as persistent).
- Operating margin higher than it was two years ago (i.e. quality is improving as well as persistent).
- A dividend-and-debt adjusted price/earnings growth (PEG) ratio below the top fifth of stocks screened (ie stocks must not be too egregiously expensive for the growth on offer).
- A price/earnings (PE) ratio above the bottom 10 per cent of stocks screened and below the top 10 per cent (i.e. not a suspiciously cheap or dangerously expensive valuation).
- Interest cover of more than five (i.e. high RoE is not overly dependent on the use of debt).
- Forecast earnings growth for each of the next two financial years.
- Positive free cash flow.

Not many stocks pass such a stringent list of criteria. The ones that pass all the tests are listed at the top of the table, followed by those failing one test, then those failing two tests as detailed in the 'Tests passed' column. Ordinarily, all stocks must pass the test for three-year, higher-than-average RoE and margin to feature in the table, but these requirements have been relaxed due to the pandemic. While the primary ranking of the stocks is based on the number of tests they pass, inside each of these groupings stocks are ordered according to their attractiveness based on operating margin and three-month share price momentum.

New indices, a tighter set of ideas

Going forward, we're switching to screening in an equities universe inspired by the Numis family of UK indices. The aim is to give investors a true overview of genuine large-cap, mid-cap and small-cap quality shares.

We will also be excluding investment trusts from results. The purpose of these screens is to highlight individual companies that are worth investigating further. Including closed-end funds in the universe skews the results and distracts from that objective. Investment trusts are given their own, far more detailed, analysis in the regular Alpha Investment Trust report.

Breakdown of the Numis indices we have been inspired by:

Numis Large-Cap index (excluding investment companies/trusts): This includes the top 80 per cent of companies by market capitalisation that are listed on the UK main market. The lower size cut-off for 2022 is **£4.12bn** market cap.

Numis Mid-Cap index (excluding investment companies/trusts): This includes the 15 per cent of UK main market listed companies below the top 80 per cent but above the bottom five per cent by market capitalisation. The upper size cut-off is **£4.12bn** and the lower cut-off is **£880mn** market cap.

NSCI (Numis Small Companies Index), version excluding investment trusts: This includes the bottom 10 per cent of the UK main market by market capitalisation (so there is overlap with the Numis Mid Cap index). The upper size cut-off is **£1.64bn** market cap.

NSCI plus Aim, version excluding investment trusts: This adds all Aim companies below the **£1.64bn** market cap cut-off to the NSCI.

Performance tracking

Clearly, we won't be able to claim the back-tested performance of the Investors' Chronicle Quality screens, which are based on all the companies in the FTSE All-Share. The deconstructed performance of shares selected from that universe will be attributable to a different set of size and beta factors to the ones we will be exposed to.

Back-testing in general is a very dangerous tool. One needs to guard against survivorship bias in an index and look-ahead bias (factoring in data that although it relates to a period, wouldn't have been known at the time). Therefore, this is year zero for the performance tracking of the screens. Finally, it is worth reiterating the purpose is to flag ideas. What the screens do not do is generate off-the-shelf portfolios.

American adventure

One no-brainer addition to the Alpha screens is to add American companies to the mix. We've run our methodology against the S&P 500 and there are so many companies ranking well on the criteria we are only showing those that get full marks.

UK large-cap quality selection (passing at least 7 of 9 tests)

Name	Ticker	Share price (last close)	Mkt cap (£mn)	Fwd 12-mth PE	Trailing 12-mth DY	Fwd EPS gwth current FY	Fwd EPS gwth next FY	3-mth share price mom	Net cash (£mn)	Tests passed (out of 9)	Tests failed
Avast	AVST	562.6	5852	18.7	2.7%	7.0%	6.9%	-7%	-147.6	9	na
BHP	BHP	3019	151562	11.7	7.4%	23.1%	-19.0%	37%	-835.4	8	/EPS gwth/
British American Tobacco	BATS	3226	73669	8.9	6.8%	7.5%	9.2%	18%	-11879.0	8	/RoE grth/
Diageo	DGE	3870	89289	25.3	1.9%	20.1%	11.6%	-4%	-4272.0	8	/EBIT Up/
BAE Systems	BA	713.8	22496	13.9	3.5%	6.4%	6.7%	30%	-5585.0	8	/Margin grth/
Hikma Pharmaceuticals	HIK	2039	4636	12.4	2.0%	10.7%	9.7%	-8%	-417.9	8	/RoE up/
Experian	EXPN	2911	26845	27.2	1.2%	30.7%	13.3%	-20%	-1606.1	8	/EBIT Up/
Sage Group	SGE	717.8	7308	26.2	2.5%	12.7%	12.9%	-16%	-827.0	8	/EBIT Up/
IMI	IMI	1358	3540	13.0	1.7%	11.4%	8.1%	-22%	-630.4	8	/Margin grth/
Rio Tinto	RIO	6225	77764	7.6	9.3%	-9.6%	-27.8%	27%	1964.6	7	/Genuine value/EPS gwth/
GlaxoSmithKline	GSK	1656.6	84220	13.5	4.8%	6.3%	6.7%	3%	-19335.0	7	/RoE up/EBIT Up/
RELX	REL	2365	45659	23.2	2.1%	13.5%	10.8%	-2%	-3635.0	7	/RoE up/EBIT Up/
Auto Trader	AUTO	638.2	6019	23.6	1.2%	86.7%	9.6%	-14%	20.9	7	/RoE up/EBIT Up/
Rightmove	RMV	635	5359	26.5	1.2%	10.6%	6.3%	-20%	20.4	7	/RoE up/EBIT Up/
Burberry	BRBY	1673.5	6639	16.4	3.2%	37.3%	10.3%	-8%	558.5	7	/RoE grth/EBIT Up/
Entain	ENT	1652	9718	19.5	0.0%	46.5%	37.8%	-2%	-752.6	7	/Margin grth/RoE grth/
Intertek	ITRK	5214	8415	23.7	2.0%	13.1%	8.0%	-7%	-999.7	7	/RoE up/EBIT Up/
Spirax-Sarco Engineering	SPX	12700	9349	35.9	1.1%	3.2%	5.8%	-21%	-107.1	7	/Genuine value/PE/
Berkeley Group	BKG	3728	4178	9.7	0.3%	14.4%	0.9%	-22%	-253.8	7	/RoE up/EBIT Up/
Evraz	EVR	81	1182	0.8	151.4%	15.6%	-51.9%	-87%	-1080.9	7	/EPS gwth/PE/
Future	FUTR	2604	3145	16.0	0.1%	20.0%	6.0%	-32%	134.0	7	/Margin grth/RoE grth/

Source: Numis Large Cap index, FactSet, Investors' Chronicle

UK mid-cap quality selection (passing at least 7 of 9 tests)

Name	Ticker	Share price (last close)	Mkt cap (£mn)	Fwd 12-mth PE	Trailing 12-mth DY	Fwd EPS gwth current FY	Fwd EPS gwth next FY	3-mth share price mom	Net cash (£mn)	Tests passed (out of 9)	Tests failed
Centamin	CEY	92	1063	12.4	7.3%	5.1%	15.1%	3%	93.9	8	/RoE grth/
Spirent Comm.	SPT	236	1446	17.7	2.1%	4.7%	7.7%	-14%	-1.3	8	/RoE up/
Britvic	BVIC	804	2152	14.1	3.0%	22.9%	8.7%	-13%	-493.7	8	/EBIT Up/
Morgan Sindall	MGNS	2390	1108	10.8	3.8%	0.2%	5.1%	-5%	-658.3	8	/Margin grth/
Games Workshop	GAW	7320	2404	18.7	3.6%	3.4%	2.5%	-27%	40.5	8	/Genuine value/
Oxford Instruments	OXIG	2105	1214	24.6	0.8%	8.9%	1.2%	-20%	-46.0	8	/EBIT Up/
Dunelm	DNLN	1077	2179	13.2	12.9%	29.8%	0.2%	-22%	-107.3	8	/RoE up/
Volution	FAN	411	813	17.4	1.6%	9.0%	4.7%	-26%	-52.6	8	/RoE grth/
888 Holdings	888	194	727	8.8	0.0%	5.4%	11.7%	-35%	-62.4	8	/Margin grth/
Indivior	INDV	285	2012	17.0	0.0%	19.9%	22.1%	11%	220.0	7	/RoE grth/EBIT Up/
Coats	COA	77	1123	12.7	2.1%	15.1%	14.4%	12%	-257.8	7	/RoE up/EBIT Up/
Ultra Electronics	ULE	3324	2375	24.0	0.0%	0.5%	5.5%	5%	-119.9	7	/Genuine value/RoE up/
Contour Global	GLO	192	1261	25.5	6.8%	14.1%	5.9%	0%	-626.2	7	/RoE grth/Int Cov/
Drax	DRX	776	3105	10.5	2.4%	198.0%	59.7%	28%	-1915.5	7	/Margin grth/RoE grth/
Clarkson	CKN	3700	1128	21.1	2.3%	7.9%	-4.4%	-5%	14.6	7	/RoE grth/EPS gwth/
Rotork	ROR	321	2765	24.3	2.0%	15.2%	9.6%	-10%	10.8	7	/RoE up/EBIT Up/
Moneysupermarket.com	MONY	187	1003	13.6	6.3%	9.2%	21.7%	-13%	-95.3	7	/RoE up/EBIT Up/
Cranswick	CWK	3526	1871	16.3	2.0%	6.2%	2.4%	-5%	-192.3	7	/Margin grth/EBIT Up/
Victrex	VCT	1822	1585	18.1	3.3%	15.3%	9.6%	-25%	56.4	7	/RoE up/EBIT Up/
Watches of Switzerland	WOSG	1141	2733	21.9	0.0%	71.1%	30.4%	-20%	-112.7	7	/Margin grth/RoE grth/
Spectris	SXS	2531	2806	15.5	2.8%	13.9%	7.6%	-31%	-225.9	7	/RoE grth/EBIT Up/
XP Power	XPP	3465	684	16.5	2.7%	16.3%	10.3%	-32%	-40.0	7	/RoE up/EBIT Up/

Source: Numis Mid Cap index, FactSet, Investors' Chronicle

Continued below

UK small-cap (including Aim-listed) quality selection (passing at least 8 of 9 tests)

Name	Ticker	Share price (last close)	Mkt cap (£mn)	Fwd 12- mth PE	Trailing 12- mth DY	Fwd EPS growth current FY	Fwd EPS growth next FY	3-mth share price mom	Net cash (£mn)	Tests passed (out of 9)	Tests failed
Centamin	CEY	91.88	1063	12.4	7.3%	5.1%	15.1%	3%	93.9	9	na
Macfarlane	MACF	130	205	11.5	2.5%	43.0%	0.0%	0%	-67.4	9	na
SDI	SDI	176.5	180	24.5	0.0%	20.6%	0.0%	-7%	-11.9	9	na
Fintel	FNTL	210.0	216	17.0	1.4%	17.1%	2.0%	-8%	-10.0	9	na
Alumasc	ALU	196	71	7.8	4.9%	1.2%	6.8%	-17%	-18.9	9	na
Aferian	AFRN	136	115	14.2	2.3%	10.0%	15.8%	-14%	-11.6	9	na
Tyman	TYMN	320	628	9.5	4.0%	3.7%	5.5%	-20%	-68.5	9	na
Keller	KLR	833	606	8.3	4.3%	11.7%	7.6%	-15%	-524.5	9	na
888 Holdings	888	194.2	727	8.8	0.0%	5.4%	11.7%	-35%	-62.4	9	na
Pan African Resources	PAF	23.15	517	4.9	3.7%	52.1%	14.2%	39%	-51.3	8	/PE/
Bloomsbury Publishing	BNY	411	335	16.5	4.5%	27.6%	3.8%	14%	-22.7	8	/EBIT Up/
Chemring	CHG	323.5	916	17.2	1.5%	12.5%	3.2%	9%	-96.7	8	/EBIT Up/
Devro	DVO	207.5	346	11.2	4.5%	2.4%	5.3%	1%	-18.3	8	/RoE grth/
EMIS	EMIS	1354	857	22.5	2.6%	7.3%	3.6%	0%	2.4	8	/Genuine value/
ContourGlobal	GLO	192.2	1261	25.5	6.8%	14.1%	5.9%	0%	-626.2	8	/Int Cov/
Clipper Logistics	CLG	875	908	26.6	1.3%	21.7%	22.9%	21%	-203.4	8	/Int Cov/
Franchise Brands	FRAN	159	201	21.9	0.9%	29.8%	14.6%	4%	-4.4	8	/RoE up/
Central Asia Metals	CAML	240	422	6.3	8.3%	11.1%	-9.8%	-7%	5.3	8	/EPS growth/
Watkin Jones	WJG	259	663	13.0	3.2%	5.3%	32.0%	-1%	26.8	8	/RoE up/
PZ Cussons	PZC	201	862	15.4	3.0%	4.5%	6.2%	-2%	-103.3	8	/Genuine value/
Somero Enterprises	SOM	490	275	10.2	7.8%	3.3%	-	-10%	17.9	8	/EPS growth/
RBG	RBGP	110	105	10.0	4.5%	24.9%	16.3%	-6%	8.0	8	/EBIT Up/
Fonix Mobile	FNX	152.5	152	17.8	3.6%	12.9%	11.4%	-8%	-20.5	8	/Margin grth/
Vitec	VTG	1360	629	15.4	2.6%	21.3%	15.8%	-4%	-105.4	8	/Margin grth/
Cerillion	CER	780	230	23.7	0.9%	11.4%	32.0%	-12%	2.8	8	/Genuine value/
Mattioli Woods	MTW	780	398	13.8	2.8%	24.2%	12.9%	-10%	-3.5	8	/RoE up/
Anpario	ANP	555	132	23.4	1.8%	1.3%	6.4%	-10%	10.3	8	/Genuine value/
Animalcare	ANCR	335	201	26.1	1.3%	4.3%	10.1%	-3%	-8.8	8	/Genuine value/
Kape Technologies	KAPE	390	1384	11.7	0.0%	85.5%	11.3%	-14%	-319.9	8	/Int Cov/
Morgan Sindall	MGNS	2390	1108	10.8	3.8%	0.2%	5.1%	-5%	-658.3	8	/Margin grth/
Gateley	GTL	201	240	13.0	5.2%	6.5%	11.4%	-13%	-13.4	8	/RoE up/
Begbies Traynor	BEG	117	179	12.6	2.6%	26.5%	10.3%	-13%	-31.4	8	/RoE up/
Beximco Pharm. Ltd Sponsored GDR RegS	BXP	99	695	8.3	2.4%	31.7%	-10.9%	-19%	-73.9	8	/EPS growth/
Breedon	BREE	80.2	1355	12.6	2.0%	28.7%	1.5%	-16%	-195.2	8	/RoE up/
SThree	STEM	406	543	11.7	2.7%	8.4%	10.6%	-13%	-160.9	8	/RoE up/
Bakkavor	BAKK	109	632	9.6	6.1%	9.5%	6.6%	-14%	-385.0	8	/EBIT Up/
Sureserve	SUR	82	135	9.7	0.0%	14.5%	7.2%	-14%	-36.4	8	/Margin grth/
K3 Capital	K3C	260	191	11.6	3.9%	7.8%	23.2%	-24%	-	8	/RoE up/
Water Intelligence	WATR	863	150	32.9	0.0%	64.6%	16.9%	-22%	-2.9	8	/EBIT Up/
NCC	NCC	184.8	573	14.8	2.5%	212.5%	16.9%	-21%	15.4	8	/RoE up/
Renew	RNWH	697	550	12.6	2.3%	8.1%	2.5%	-17%	-230.3	8	/RoE up/
Volution	FAN	410.5	813	17.4	1.6%	9.0%	4.7%	-26%	-52.6	8	/Genuine value/
CVS	CVSG	1714	1218	20.1	0.4%	9.7%	5.7%	-23%	-64.8	8	/Genuine value/
Craneware	CRW	1690	601	23.6	1.7%	34.9%	8.3%	-30%	134.8	8	/RoE up/
Eckoh	ECK	38	111	18.8	1.6%	41.1%	35.4%	-28%	-7.3	8	/EBIT Up/
MTI Wireless Edge	MWE	57.5	51	18.1	3.7%	0.3%	9.7%	-25%	0.0	8	/Genuine value/
Vesuvius	VSVS	344.2	934	8.0	6.2%	18.3%	14.6%	-24%	-353.9	8	/EBIT Up/
Luceco	LUCE	200	322	9.8	4.1%	0.7%	8.0%	-43%	-63.3	8	/Genuine value/
Up Global Sourcing	UPGS	130	116	8.9	3.9%	31.6%	6.8%	-36%	-39.3	8	/RoE up/

Source: NSC plus Aim index, FactSet, Investors' Chronicle

Continued below

US S&P 500 quality selection (passing 9/9 tests)

Name	Ticker	Share price (last close)	Mkt cap \$mn	Fwd 12- mth PE	Trailing 12- mth DY	Fwd EPS gwrh cur FY	Fwd EPS gwrh next FY	3-mth share price mom	Net cash (\$mn)	Tests passed (out of 9)	Sector
Vertex Pharm. Inc.	VRTX	266.15	67756	18.1	0.0%	11.3%	6.2%	21%	5388.0	9	Pharmaceuticals: Major
FLEETCOR Tech, Inc.	FLT	249.6	19440	15.7	0.0%	16.5%	13.8%	12%	-3039.7	9	Miscellaneous Commercial Services
Jack Henry & Associates, Inc.	JKHY	200.42	14596	39.1	0.9%	16.7%	9.0%	20%	-469.9	9	Information Technology Services
FMC Corp	FMC	131.13	16508	16.4	1.5%	11.7%	13.1%	19%	-3003.5	9	Chemicals: Agricultural
Union Pacific Corp	UNP	259.96	163355	21.8	1.7%	16.8%	10.9%	3%	-4719.0	9	Railroads
Johnson & Johnson	JNJ	178.19	468571	16.7	2.4%	7.8%	4.5%	4%	-13618.0	9	Pharmaceuticals: Major
Texas Instruments Inc	TXN	182.08	168038	19.9	2.3%	10.3%	2.3%	-3%	7170.0	9	Semiconductors
Apple Inc.	AAPL	174.31	2844642	27.4	0.5%	9.7%	6.8%	-2%	-62842.0	9	Telecommunications Equipment
CSX Corp	CSX	35.51	77500	19.4	1.1%	6.8%	9.2%	-6%	83.0	9	Railroads
Verisk Analytics Inc	VRSK	214.12	34534	35.6	0.5%	10.2%	10.7%	-6%	-1547.3	9	Data Processing Services
Microsoft Corp	MSFT	309.42	2319681	29.7	0.8%	17.3%	15.0%	-8%	41677.0	9	Packaged Software
Automatic Data Processing, Inc.	ADP	233.5	98081	31.6	1.6%	13.3%	11.2%	-5%	-35509.2	9	Data Processing Services
O'Reilly Automotive, Inc.	ORLY	667.43	44451	19.5	0.0%	7.2%	10.9%	-5%	-5512.5	9	Specialty Stores
Cintas Corp	CTAS	423.88	43412	34.8	0.8%	11.2%	8.5%	-4%	-1440.4	9	Other Consumer Services
Nordson Corp	NDSN	227.93	13206	24.4	0.8%	16.9%	7.8%	-11%	-145.4	9	Industrial Machinery
KLA Corp	KLAC	360.27	54298	15.5	1.1%	40.8%	17.6%	-16%	391.3	9	Semiconductors
Skyworks Solutions, Inc.	SWKS	132.03	21345	10.8	1.6%	10.1%	11.0%	-15%	361.6	9	Semiconductors
Fastenal Company	FAST	59.67	34343	32.3	1.9%	13.0%	8.2%	-7%	-446.0	9	Wholesale Distributors
Applied Materials, Inc.	AMAT	127.41	112553	14.7	0.8%	19.0%	15.8%	-19%	-885.0	9	Industrial Machinery
Mettler-Toledo Int'l Inc.	MTD	1371.63	31185	34.9	0.0%	12.3%	11.1%	-19%	-1048.0	9	Medical Specialties
Lam Research Corp	LRCX	525.45	73300	14.1	1.1%	21.1%	17.5%	-27%	2201.3	9	Electronic Production Equipment
Old Dominion Freight Line, Inc.	ODFL	278.5	31990	24.8	0.3%	22.7%	11.1%	-22%	252.8	9	Trucking
Agilent Technologies, Inc.	A	133.97	40206	26.3	0.6%	12.4%	10.3%	-16%	-133.0	9	Medical Specialties
Generac Holdings Inc.	GNRC	301	19199	24.8	0.0%	20.0%	20.0%	-14%	-1008.6	9	Electrical Products
Keysight Technologies Inc	KEYS	158.4	28825	21.9	0.0%	12.6%	7.9%	-23%	743.0	9	Electronic Equipment/Instruments

Source: S&P 500 index, FactSet, Investors' Chronicle

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