



Capital Cube

www.CapitalCube.com



An analytixinsight service
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 **analytixinsight**

Comprehensive Company Analysis



We crunch a company's numbers to tell you what they really mean. Large-cap to small, domestic to international we cover more stocks than anyone else. We've used our expertise in equity analysis to make the process both transparent and consistent.

Every stock has a story



We tell it in straightforward language. Is a valuation driven by market expectation? Might a company have an operating advantage compared to others in its space? Our company scorecards rate a company's dividend and earnings qualities along with other performance characteristics. And companies are always scored relative to competitors so that their stories fit together. We let you dig deep with detailed analysis and statements.

Stories have multiple points of view

Sift, sort and screen the equities universe for over a hundred common business attributes or search across themes like high-quality dividends. Customize your own peer set to test new ideas in minutes and change focus to any peer with a click. Monitor your portfolio to determine if your investment strategies are working and if your earnings are sustainable.



Stock Screener

Zero-in on investment ideas using common business terms.

Screen 40,000+ global equities. Updated daily.

Screen for companies using insight rather than data.

Alerts

On peer-based attributes, changes in screening and portfolio themes



Peer Based Analysis

Gain multiple perspectives on a company's performance and outlook.

Take advantage of auto-suggested or customizable peers. Generated instantly.

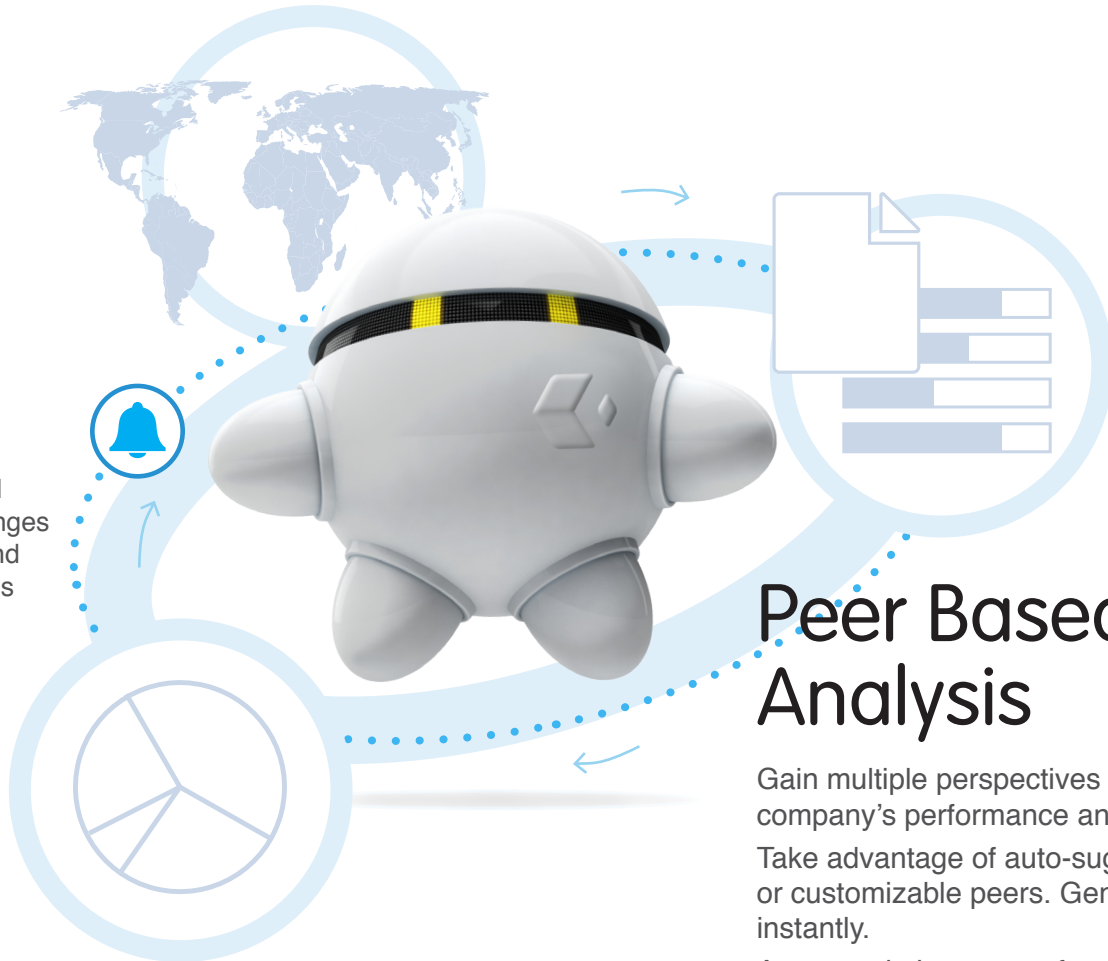
Access relative scores for Fundamental Performance, Earnings Quality, & Dividend Quality.

Portfolios

Evaluate your portfolio's alignment to your investing strategies.

Identify the key constituents of your portfolio performance across multiple fundamental attributes.

Generate aggregate scores and alerts for your portfolio. Easily monitor portfolio changes and re-balancing opportunities.



Screening tools

The screenshot displays the Capital Cube Stock Screener interface. The main heading is "Stock Screener / Dividend Increase". On the left, there is a sidebar with a search bar "Research a Stock" and a "Stock Screener" section containing "My Screens" (hostilew, tech outperforming, none) and "Themes" (Dividend Increase, Dividend Decrease, Share Buyback). The main area shows a search bar with the instruction "select region, industry and add criteria to begin your search". Below this are filters for "Region" (Select), "Industry" (Select), and "Dividend Action" (Dividend Increase selected, Dividend Decrease, Dividend Initiation). A modal window titled "Add Criteria" is open, showing a list of criteria categories: Peer-based Attributes, Company-specific Metrics, Relative Valuation, Share Price Performance, Valuation Characteristics, Operating Model, Earnings Leverage, Drivers of Margins, Growth Expectations, Capital Investment Strategy, Borrowing Capacity, Dividend Quality, Dividend Quality Trend, Dividend Action, Equity Action, M&A Action (highlighted), Accounting Quality, and Management of Reserves. The M&A Action section includes radio buttons for "Target" and "Acquirer", with explanatory text for each.

Zero-in on the right investment idea using common business terms

You now have the freedom to pick out the stock with the right story. We don't restrict your search to numbers like P/E ratios, Revenue Growth, Market Capitalization, etc. We've embedded the relationships between these numbers and what that implies into our searches. Say you're interested in finding companies that are potential acquisition targets. The factors to consider include companies with bloated cost structures, excess cash, below peer returns, and others – a fairly complex, multi-dimensional analysis. We've set it up so that you can simply search for 'M&A targets.' Or find companies that are likely acquisition targets and have tight cost controls with high-long term growth prospects! Or filter for those that made their quarterly numbers by using balance sheet reserves or changing their accounting!

You can screen 40,000+ global equities for dozens of attributes in these categories:

- Geographical Region, Country & Exchange
- Sector & Industry group
- Peer-based attributes like Relative Share Price Performance, Earnings Leverage, Sustainability of Returns, Dividend Quality etc.
- Company-Specific metrics like Market Cap, Dividend Yield, Net Profit Margin etc.

Simple but powerful, Stock Screener finds you the needle in the haystack.



Capital Cube
Exxon Mobil Corp XOM-US
account

Research a Stock

Company Name or Ticker

Peers

- BP PLC ADS(BP)
- Chevron Corp.(CVX)
- ConocoPhillips(COP)
- ENI S.p.A.(ENI)
- Occidental Petroleum Corp.(OXY)
- PetroChina Co. Ltd.(857)
- Reliance Industries Ltd.(500325)

+ Add Peers

Section Snapshot

following this company Portfolios 2 Alerts 3

Previous Day Stock Price: **USD 85.62**

Industry Group: **Integrated Oil**

52 wk. Range: **USD 67.03 - USD 88.23**

Market Cap: **USD 405,325.00 MIL**

Filing Currency: **USD**

Latest Filing Dates: **2010-12-31**

Annual: **2010-12-31**

Semi Annual: **N/A**

Quarterly: **2011-09-30**

Scores

Fundamental Analysis: **86.1**

Earnings Quality: **75.0**

Dividend Quality: **37.5**

What's the company's score?

Scores

Fundamental Analysis **86.1**

Dividend Quality **75.0**

Earnings Quality **37.5**

[take a guided tour](#)

Fundamental Analysis

Valuation Exxon Mobil Corp. currently trades at a higher Price/Book ratio (2.6) than its peer median (1.7)

Drivers of Valuation ★★★★
Outperforming XOM-US outperforms its peers with a relatively high operating performance and the market also expects faster growth relative to its peers

Operations Diagnostic ★★★★ XOM-US's median net profit margins and relatively high asset efficiency give it some operating leverage.

Earnings Leverage ★★★★ Changes in the company's annual revenue and earnings are around the median among its peers.

Sustainability of Returns ★★★★
Sustainable XOM-US's return on assets currently and over the past five years suggest that its relatively high operating returns are sustainable.

[more](#) [view report](#)

Dividend Quality

Dividend Quality ★★★★ XOM-US has a high quality dividend.

High Quality

Dividend Quality Trend ★★★★ Dividend quality varied between high and low over the last five years.

[view report](#)

Earnings Quality

Accounting Quality ★☆☆☆ XOM-US's net income margin for the latest fiscal quarter is around peer median, which combined with relatively low accruals suggests a possible over-statement of its reported net income.

Management of Reserves ★★☆☆
Conservatively Building Reserves The company's accrual levels in this fiscal quarter are positive but less than the peer group median suggesting the company is not only building its reserves but doing so in a relatively conservative manner.

[view report](#)

Corporate Actions

Dividend Action While XOM-US has a high quality dividend and a moderate cash cushion, its relative operating performance is not strong enough to suggest an increase in the dividend.

Equity Action Since the company's current share price is not sufficiently lower than its 52-week high (currently about 3% below) we do not expect the company to buy back shares.

M&A Action While XOM-US's size alone will not prevent it from becoming a target in this peer group, its share price could make it a relatively expensive acquisition.

[view report](#)

Historical Values

Company numbers are TTM or fiscal year end dates. Share prices are as of previous day's close or fiscal year end dates.

Price To Sales

Price To Book

Price To Earnings

Customize peer set to your liking
 Dynamically change the analysis

Get a quick picture of a company's performance and outlook



- What are the drivers of the company's valuation?
- How is the current performance relative to peers?
- Does the company have any borrowing constraints?

Fundamental Analysis

Company numbers are TTM (trailing twelve months) or latest

Overview

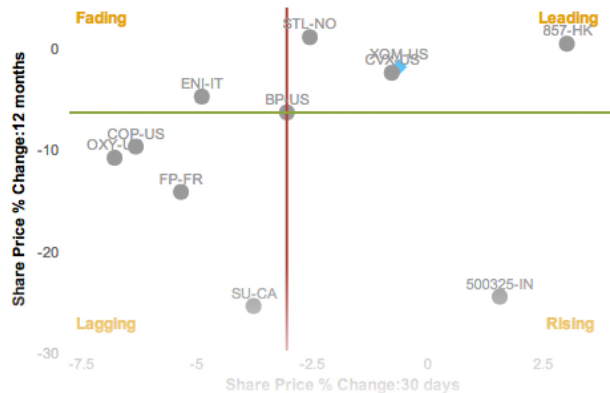
- Exxon Mobil Corp. currently trades at a higher Price/Book ratio (2.6) than its peer median (1.4).
- XOM-US's operating performance is relatively good compared to its peers. The market currently does not expect high earnings growth relative to its peers but seems to expect the company to maintain its relatively high rates of return.
- XOM-US has a successful operating model with relatively high net profit margins and asset turns.
- Compared with its chosen peers, changes in the company's annual earnings are better than the changes in its revenue, implying better than median cost control and/or some economies of scale.
- XOM-US's return on assets currently and over the past five years suggest that its relatively high operating returns are sustainable.
- The company's margins do not suggest any benefit from a pricing or an operating cost advantage versus peers.
- XOM-US's revenue growth in recent years and current PE ratio are both around their respective peer medians suggesting that historical performance and long-term growth expectations for the company are largely in sync.
- The company's level of capital investment seems appropriate to support the company's growth.
- XOM-US has the financial and operating capacity to borrow quickly.

Share Price Performance

Relative outperformance over the last year and the last month suggest a leading position.

XOM-US's share price performance of -1.9% over the last 12 months is above peer median of -6.4%. The 30-day trend in its share price performance of -0.6% is also above the peer median of -3.1% suggesting that this company is a leading performer relative to its peers.

Share Price Performance



Gain competitive insight into a company's performance, growth and operating capabilities relative to peers

We analyze companies by assessing several years of financial filings including latest filings data and market data as of last night. This comprehensive portrait of a company's history, operating performance, and competitive landscape has real depth and color:

- Does the company have a share price premium? Is it sustainable and justified?
- Is the current share price based on the company's operating performance or expectations of growth in its earnings?
- What strategy is the company following to generate margins?
- Is the company's capital investment program sufficient to support growth?
- How does the company score relative to peers across all of these factors?

Empowered with these insights about a company's current position, its growth and operating capabilities (and constraints), and its available strategic options you can now take action on your ideas.



Corporate Actions

Company numbers are TTM (trailing twelve months) or last

Overview

- While XOM-US has a high quality dividend, it is not enough to suggest an increase in the dividend.
- Since the company's current share price is high, we do not expect the company to buy back shares.
- XOM-US is one of the larger companies in this peer group and thus difficult to acquire.
- While XOM-US has the size (by book value) to acquire other firms within this peer group and may need to do so to meet the market's growth expectations, it may not be able to add more goodwill to the balance sheet.

- What are the company's strategic options?
- Should the company return capital to investors by increasing dividends or buying shares?
- Is the company a potential merger target or acquirer?

Dividend Action

Dividend cut, increase or initiate?

In this section, we try to identify whether the company is likely to cut, increase or initiate a dividend. In order to screen for these actions, we apply multiple tests to check whether the combination of operating performance, leverage, liquidity, growth expectations and share price performance is sufficient to permit such an action.

To check for a dividend increase or initiation at XOM-US, we look for outperformance relative to its peers in terms of pre-tax margin and operating cash flow. In addition, we also filter for relatively low leverage and good liquidity, which indicates sufficient support for debt servicing. We also look for a price to book value (P/B) that is positive, relatively low growth expectations (based on P/E) and a share price that has underperformed its peers. Overall, these conditions suggest that there is pressure on management to return money to the shareholders in the form of a dividend in order to increase their total returns. Finally, we overlay the dividend quality (medium or high) and ending cash dividend coverage (moderate or strong) to indicate that the company is likely to increase or initiate a dividend.

Dividend Increase/Initiate Conditions		XOM-US	Comparable	Pass/Fail	
Dividend payout	<=	100% (= 0% for initiate)	22.0	100	Pass
Pre-tax margin	>=	1.2 x Peer median*	13.4	19.2	Fail
Free cash flow (% revenue)	>=	1.2 x Peer median*	5.6	3.3	Pass
Interest coverage	>=	2.5x	64.4	2.5	Pass
Debt to market equity	<=	1.2 x Peer median*	4.2	29.0	Pass
% below 52-week high share price	>=	1.2 x Peer median*	2.3	11.9	Fail
Price to earnings (P/E)	<=	1.2 x Peer median*	10.2	10.7	Pass
Price to book (P/B)	>=	0	2.6	0	Pass
Dividend quality	=	Medium or High	High	Medium or High	Pass
Ending cash/dividend	>=	3 (Strong) or 1 (Moderate)	Moderate	Strong or Moderate	Pass

* We use a 20% tolerance (0.8-1.2x) around the median.

To check for a dividend cut at XOM-US, we look for underperformance relative to its peers in terms of pre-tax margin and operating cash flow. In addition, we filter for interest coverage that is somewhat light, which combined with a low dividend

Anticipate strategic actions a company might pursue

We identify multiple factors (including any operating constraints) that might compel a company to initiate strategic actions including possible changes to its dividend, buying back its shares, and pursuing acquisitions or becoming a target itself. We address the following questions:

- Is the company management under pressure to act? What are their strategic options?
- Should the Company reinvest? Should it return capital to investors by increasing dividends or buying back shares?
- Is the company a potential target for a merger? Might it make an acquisition?



Dividend Quality

Company numbers are TTM (trailing twelve months)

Overview

- Over the last twelve months, XOM-US
- Dividend quality trend has not been consistent over time. Of these 4 were high quality and 1 was medium quality.
- The ending cash balance, with a dividend reduction of cash flows in the future.

- Is the company's dividend quality high, medium or low?
- Has the Dividend Quality trend been consistent over time?
- Does the company have enough cash to pay full dividends if there is a crunch?

Dividend Yield and Payout

Cash flow coverage of the dividend paid is more relevant than dividend payout.

While traditional dividend analysis focuses on dividend payout from net income, we focus on the cash flow coverage of dividends in order to determine their quality and sustainability. We assess whether dividends are being paid from operating, investing and issuance cash flows or whether the beginning cash balance is needed to make this payment. We make the assumption that cash dividends are paid only after net debt repayments. We consider the cash outflow from share buybacks to be discretionary and thus ignore its impact on cash required to support the dividend policy.

Dividends that are fully covered from operating and investing cash flow net of any cash outflow from debt repayments and net of a decrease in deposits (for banks) are considered to be "high quality". Those that require an additional net cash inflow from issuance are categorized as "medium quality". If operating, investing and issuance cash flows are not sufficient to fund the dividend and the beginning cash balance is used, the dividend is referred to as "low quality".

This last category is most at risk of a dividend cut though we recognize that companies that have a large cash balance could continue to pay dividends even with a "low quality" dividend profile. For all these definitions, we assume the cash outlay for share buybacks is discretionary and can instead be used to support dividends.

High quality dividend is covered by

- Operating + investing cash flow
- Net debt repayment
- Net decrease in deposits (for banks)

Medium quality dividend needs the support of

- + Net issuance cash inflow
- + Net share buyback

Low quality dividend also uses the

- + Beginning cash balance
- + Net share buyback

XOM-US's dividend payout is similar to the peer median.

Of the 10 chosen peers for the company, dividends are paid by only 9 of the stocks (non-dividend paying peers include). XOM-US's current dividend yield of 2.2% and a dividend payout of 22.1% over the last twelve months compare to a peer median level of 3.3% and 24.1% respectively. Relative to its peers, the firm is generating a low dividend yield along with a median dividend payout, which suggests some dividend flexibility based on this traditional analysis.

Dividend Flexibility



Judge the quality of a company's dividend

Assess the quality of dividends and understand the risks associated with the current level of dividends being paid by a company.

- Is the company able to pay its dividends from its operating and investing cash flows? Or does it need to raise money to make its dividend payment?
- Has the dividend quality been consistently high and is that trend under pressure?
- Is the cash balance sufficient to cover its dividend in the event of a sudden deterioration in operating performance?
- How does the dividend quality of the company rate relative to its competition?



Earnings Quality Report

Latest | Earnings Release

Company numbers are TTM (trailing twelve months) or latest available. Share p

Overview

- XOM-US's net income margin for the last twelve months is a accruals suggests a possible over-statement of its reported
- The company's accrual levels over the last twelve months at the company is not only building its reserves but doing so in
- Excluding the effects of change in revenue, the accounting of income from the prior period to the current period are Pensi

- Is the accounting policy conservative or aggressive?
- Is the company unlocking reserves to make its earnings?
- What accrual has the biggest impact on the company's earnings?

Earnings: From Accounting or Cash Flow?

Net Income = Net Operating Cash Flow - "Accruals"

Accruals are estimates by company management of non-cash expenses, assets and liabilities that are recognized before they are paid. They are calculated as net operating cash flow less net income.

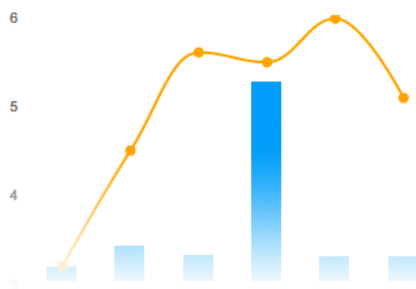
The analysis of accruals can help signal possible earnings management of reported net income and EPS results. For example, 'Over-Accrued' can signal under reported net income and/or the building of balance sheet reserve accounts, while 'Under-Accrued' can signal inflated Net Income results and/or release of balance sheet reserves to aid reported earnings.

Recent trend for XOM-US's accruals

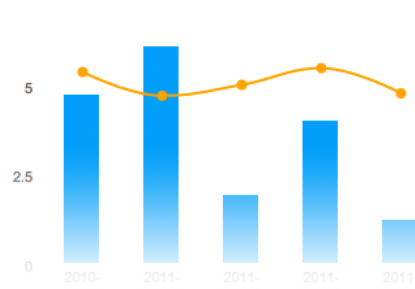
The annual trend suggests that XOM-US's accruals to revenue ratio has declined 2.0 percentage points from last year's high and is now close to its four-year average accruals to revenue ratio. Though its accruals to revenue ratio decreased to 3.3% from 5.3% (in 2010), its peer median remained relatively stable during this period at 6.0%. Relative to peers, accruals to revenue ratio fell 2.4 percentage points.

On a quarterly basis, XOM-US's accruals to revenue ratio is its lowest over the last five quarters and compares to a high of 6.1% in 2011-03-31. The decrease in its accruals to revenue ratio to 1.3% from 4.0% was also accompanied by a decrease in its peer median during this period to 4.8% from 5.5%. Relative to peers, accruals to revenue ratio fell 2.1 percentage points.

Annual Accruals (% Rev)



Quarterly Accruals (% Rev)



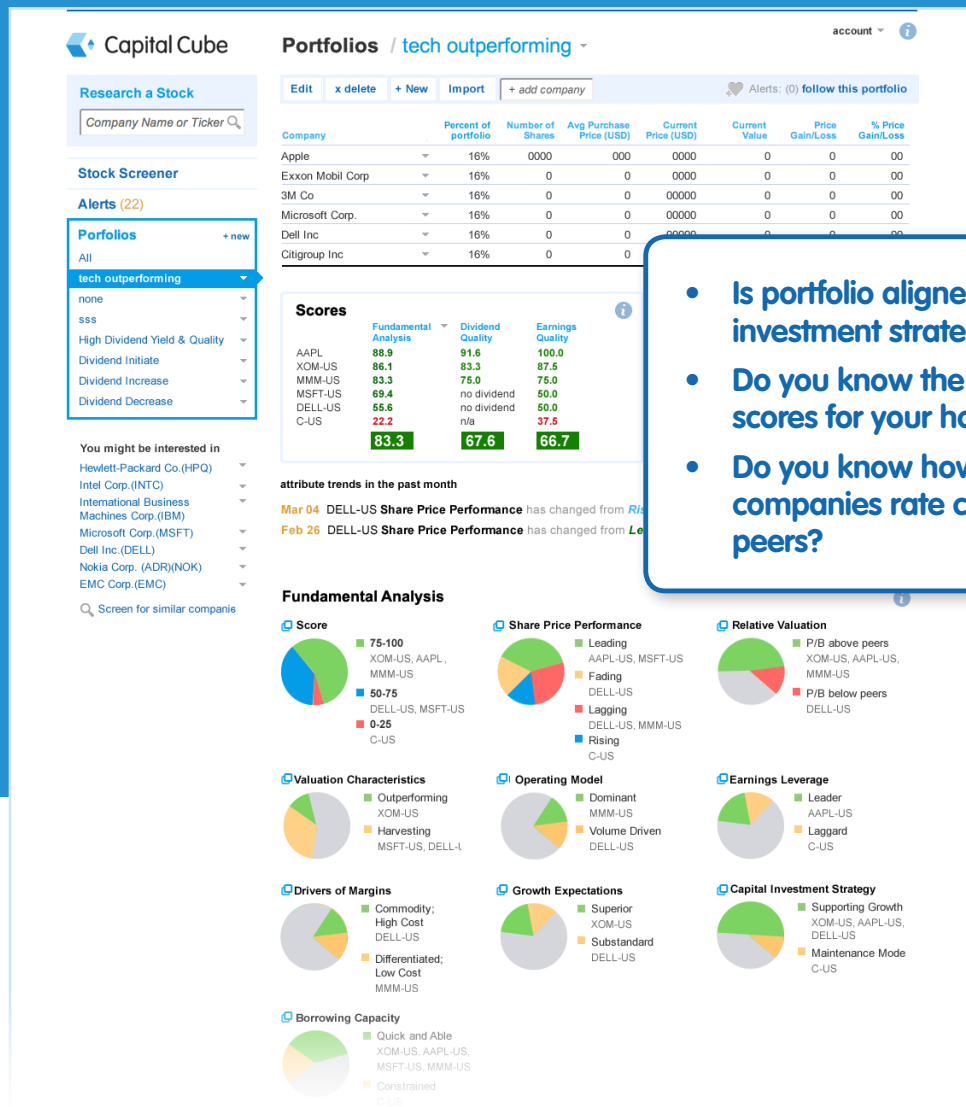
Evaluate the quality of a company's earnings and uncover potential accounting irregularities

Examine a company's financial statements to determine the quality of its operating performance and the soundness of its declared earnings.

Our unique earnings quality reports help you uncover:

- If the company is making its earnings numbers from sound operating results or by temporarily unlocking reserves
- If the company is being more conservative or aggressive in its accounting policies compared to the industry; or if the company has off-balance sheet issues
- The items that have the biggest impact on the company's declared earnings
- Rating for the company's earnings quality compared to peers





- Is portfolio aligned with your investment strategy?
- Do you know the aggregate scores for your holdings?
- Do you know how your companies rate compared to peers?

Analyze your investment strategies with portfolio-tracking tools

Do the companies in your portfolio align with your investment goals?

- Every stock in the portfolio is analyzed with respect to its peers and scored giving you an aggregated view that is consistent.
- What share of the stocks in your portfolio has a capital investment strategy that supports growth? Is there a company with substandard growth expectations (relative to peers, as always) that's undermining your investment goals?
- Re-balance and try out an alternative scenario in seconds.



Alerts / All

+ New

124 results

Date▼	Subject	Criteria		Delete All
Yesterday	Apple Inc.	Share Price Performance	Fading	×
Yesterday	Apple Inc.	Management of Reserves	Exited	×
Yesterday	Apple Inc.	Accounting Quality	Exited	×
Yesterday	Apple Inc.	Share Price Performance	Fading	×
Yesterday	19 Existing Companies	High Dividend Yield & Quality	Exited	×
Yesterday	59 New Companies	High Dividend Yield & Quality	Entered	×
Yesterday	Visa Inc.	hostilew	Exited	×
Yesterday	Citigroup Inc.	hostilew	Entered	×
Yesterday	Citigroup Inc.	hostilew	Entered	×
Yesterday	British American Tobacco PLC	hostilew	Entered	×
Yesterday	British American Tobacco PLC	hostilew	Entered	×
Yesterday	British American Tobacco PLC	hostilew	Entered	×

Respond to meaningful movement of companies in the market.

Has a company's share price performance gone from leading to lagging with respect to its peers? Did a company cut its dividend or increase it? Set up complex alerts with a click and stay on top of game. Our data is as of last nights close and trends over 5 years.

- Company-based alerts
- Portfolio alerts
- Stock-screener alerts based on your screening filters
- Peer-relative attribute alerts including dividend quality, earnings quality, growth expectations and dozens of other factors

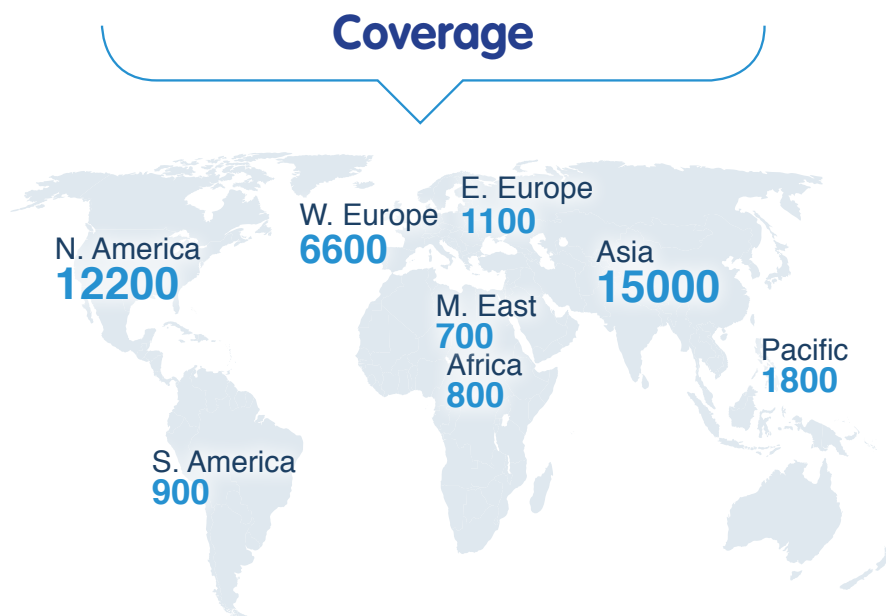


Why we're unique

Because numbers aren't enough: We apply financial analysis algorithms and business rule methodologies to company filings and financial markets data and produce comprehensive reports. Reports that capture not just the performance characteristics and market movements of stock but the relationships between these numbers over time. Each company is then compared and contrasted with its peers using the same rigor and the same consistent framework. Our approach embeds many decades of Sell side analyst, Consulting, Investment Banking and Technology experience. You now have instantaneous access to meaningful actionable information that normally takes weeks to put together and scrutinize.

Unparalleled coverage of global securities: tens of thousands more than any other provider! International securities are analyzed with the same thoroughness as domestic ones and we give you multiple-currency views.

Patent-pending concepts and tools: no one thought an equity research report with this level of granularity could be automated but we did it. Big data meets business rules to tell a story.



Objective

A systematic, algorithmic approach applied consistently to analyze all companies.



Transparent

Our reports are backed by commonly understood metrics and supporting charts. There are no "black box" computations.



Customizable

Customize and compare the peer set for the level of detail you require.



Multiple Perspectives

Equity analysis, corporate actions, dividend quality, and earnings quality – all in one place give you a full picture.



Current

All reports are derived from the latest company filings and latest share valuations – no stale information or old reports.