



Where to Our Get Credit Ratings

Members can get our Credit Ratings on the Portfolios, Ratings, and Screeners pages. Details on our Credit Rating methodology are [here](#).

Portfolios page: expand the ratings details the first column of any stock in your Portfolio, and then click the “Switch to Credit Rating” button. See Figure 1.

Figure 1: Credit Rating for All Stocks in Your Portfolio

The screenshot shows the 'Portfolios' page in the New Constructs interface. At the top, there is a navigation bar with 'Portfolios' highlighted. Below the navigation bar, there is a search box for tickers and several utility buttons like 'Gold Membership', 'Alerts', 'Download CSV', and 'Print All'. A table of stocks is displayed with columns for Ticker, Name, Type, Sector, Mkt Val, Div Yield, Risk/Reward Rating, ROIC, FCF Yield, Price to EBV, GAP, Analyst Notes, and Earnings Distortion Score. The first row is for 'AAON' (AAON Inc., Stock, Industrials). A red box highlights the 'AAON' ticker in the first column. A red arrow points from this box to a 'Switch to Credit Rating' button in the detailed view for AAON, which is also highlighted with a red box. Other details for AAON include a closing price of \$65.57, market value of \$3.4 billion, and an earnings distortion score of 'In-Line'.

Sources: New Constructs, LLC

Platinum and higher members also get our Credit Ratings on the Ratings and Screeners pages.

Ratings Page: enter any stock ticker and click the “Switch to Credit Rating” button to view the Credit Rating. See Figure 2.

Figure 2: Credit Ratings on the Ratings Page

The screenshot shows the 'Ratings' page in the New Constructs interface. At the top, there is a navigation bar with 'Ratings' highlighted. Below the navigation bar, there is a search box with the ticker 'B' entered and a 'View Ratings' button. A red box highlights the 'View Ratings' button. A red arrow points from this box to a 'Switch to Credit Rating' button in the detailed view for 'Barnes Group, Inc. (B)', which is also highlighted with a red box. Other details for Barnes Group, Inc. include a closing price of \$46.83, market value of \$2.4 billion, and an earnings distortion score of 'In-Line'.

Sources: New Constructs, LLC



You can also click “Credit Ratings” from the blue menu bar, enter a ticker and get our Credit Rating. See Figure 3.

Figure 3: Credit Ratings on the Ratings Page Menu Bar

Support | Tour | Dashboard | Logout

Upgrade Education Research Portfolios **Ratings** Screeners Data

Stocks, ETFs, & Mutual Funds **Credit Ratings** Screeners

Ticker: **View Ratings** Coverage Credit Ratings Methodology

Barnes Group, Inc. (B) Closing Price: \$46.83 (Nov 10, 2020)
Market Value: \$2.4 Billion
Dividend Yield: 1.4%
Sector: Industrials

Credit Rating Group : Other Mid Cap **Switch to Equity Rating**

Sources: New Constructs, LLC

Stock Screeners page: click the button in the Details column and then the “Switch to Credit Rating” button to view the Credit Rating. See Figure 4.

Figure 4: Credit Ratings on the Screeners Page

Support | Tour | Dashboard | Logout

Upgrade Education Research Portfolios Ratings **Screeners** Data

Stocks ETFs and Mutual Funds

Select criteria:

Price Dividend Yield % Sector

Market Value MM Index US 500 US 2000 US 1000 US 3000

> More **Filter**

Details	Ticker	Name	Sector	Price ¹	Mkt Val ²	Div Yield	Risk/Reward Rating ▲	ROIC	FCF Yield	Price to EBV	GAP	Analyst Notes Updated ³	Add To Portfolio + Add All
-	CFFI	C&F Financial Corp	Financials	\$35.78	\$131	4.2%	Very Attractive					Nov 05, 2020	+

Stock Ratings Methodology

C&F Financial Corp (CFFI) Closing Price: \$35.78 (Nov 10, 2020)
Market Value: \$131 Million
Dividend Yield: 4.2%
Sector: Financials

Earnings Distortion Score : **In-Line** **Switch to Credit Rating**

Sources: New Constructs, LLC

More Credit Rating Research

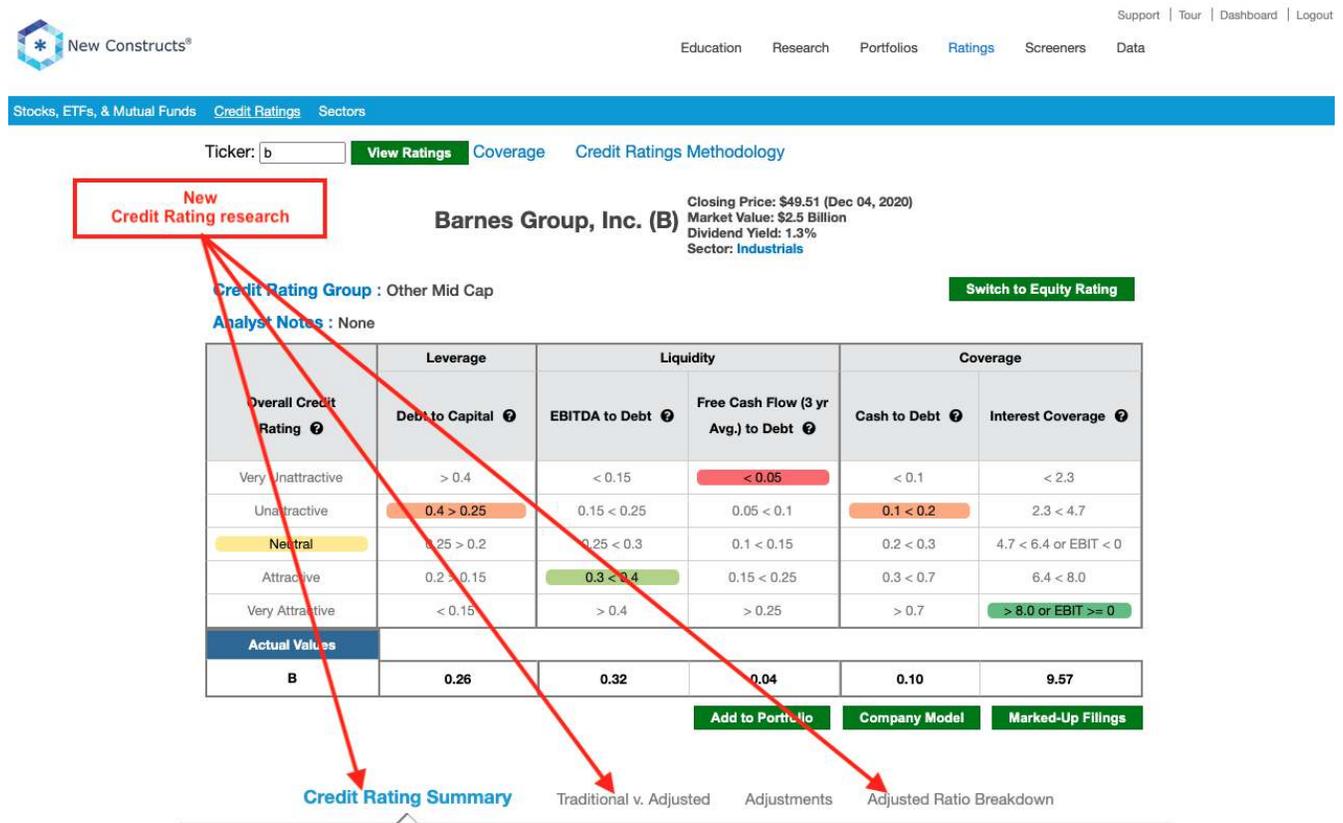
We provide additional Credit Rating research:

1. A Credit Rating Summary,
2. Comparison of Traditional v. Adjusted Ratios,
3. Adjusted Ratio Breakdown to show how we calculate each ratio.

This research is available to all members on their Portfolios page, to Platinum and higher members on the Ratings page, and to Unlimited and higher members on the Screeners pages.



Figure 5: More Credit Rating Research Below Credit Rating Table

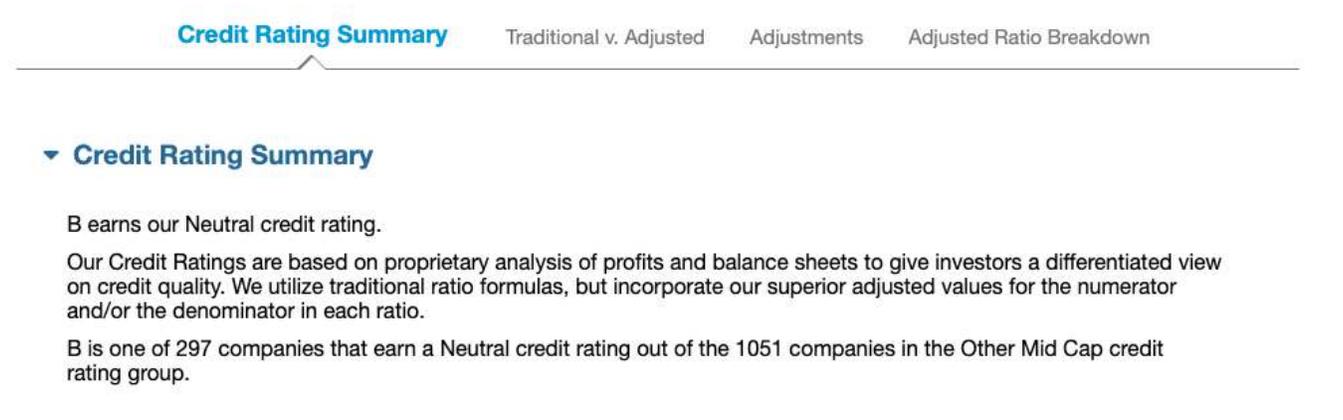


Sources: New Constructs, LLC

Credit Rating Summary Tab

Get a brief summary of our Overall Credit Rating and details on where each company ranks versus peers in its credit rating group.

Figure 6: Credit Ratings Summary Details



Sources: New Constructs, LLC

Traditional v. Adjusted Tab

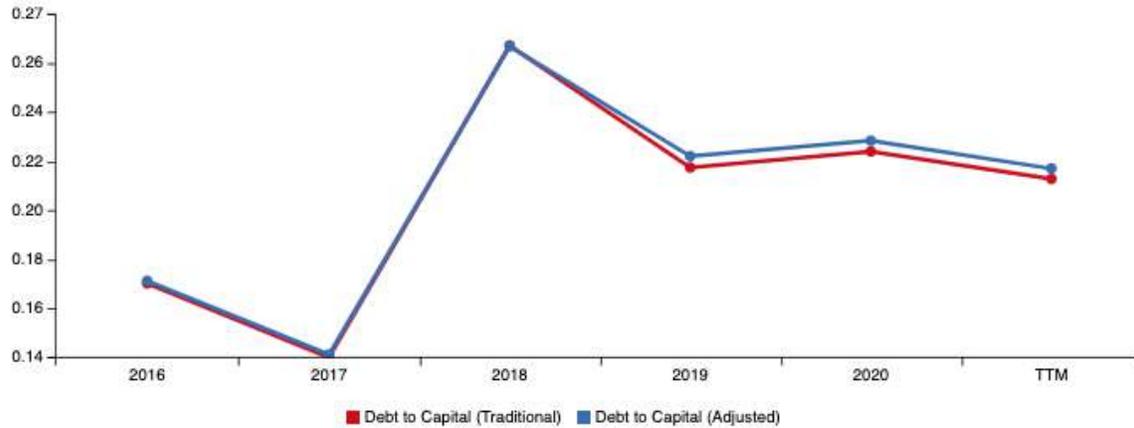
We compare the traditional and adjusted versions of our five Credit Rating ratios over the last five years in charts, and we highlight the biggest adjustments which differentiate our adjusted ratios from traditional ratios. See image below for a sample of this research for the Debt to Capital ratio.



Figure 7: Credit Ratings Traditional v. Adjusted Ratio Details

Credit Rating Summary **Traditional v. Adjusted** Adjustments Adjusted Ratio Breakdown

▼ **Debt to Capital - Traditional v. Adjusted**



	2016	2017	2018	2019	2020	Current/TTM
Debt to Capital (Traditional)	0.17	0.14	0.26	0.22	0.22	0.21
Debt to Capital (Adjusted)	0.17	0.14	0.26	0.22	0.23	0.22

Adjusted Debt to Capital is **Neutral**

Debt to Capital is a leverage ratio that measures how much debt a company has relative to its Total Capital. It equals a company's interest bearing debt divided by Total Capital. Total Capital equals all debt plus market value of equity and preferred stock. A high Debt to Capital suggests a company's credit quality is poor because it carries more debt relative to other capital sources than other companies. A low Debt to Capital ratio suggests the opposite.

Adjusted Debt to Capital leverages our proprietary analysis of debt and capital. Our adjusted debt calculation accounts for the fair value of debt, [off-balance sheet debt](#), and [management assumptions that distort reported debt](#).

B has an Adjusted Debt to Capital of 0.22 compared to a Traditional Debt to Capital of 0.21 over the trailing twelve months.

▶ **EBITDA to Debt - Traditional v. Adjusted**

▶ **Free Cash Flow (3yr avg.) to Debt - Traditional v. Adjusted**

▶ **Cash to Debt - Traditional v. Adjusted**

▶ **Interest Coverage - Traditional v. Adjusted**

Sources: New Constructs, LLC



Adjustments Tab

The research here is the same as what you see for our Stock Ratings.

Adjusted Ratio Breakdown Tab

We present the values and a five-year chart for each of the components of the Credit Rating ratios. For example, as shown in the picture below, we provide the values for adjusted debt and adjusted capital, which we use to calculate the Adjusted Debt to Capital ratio. We provide the same granularity for each Credit Rating ratio.

Figure 8: Credit Ratings Adjusted Ratio Breakdown Details



Adjusted Debt to Capital is **Neutral**

B's Adjusted Debt to Capital ratio is 0.22 based on Adjusted Debt of \$750 million and Adjusted Capital of \$3,479 million over the trailing twelve months.

- ▶ **Adjusted EBITDA to Debt**
- ▶ **Adjusted Free Cash Flow (3yr avg) to Debt**
- ▶ **Adjusted Cash to Debt**
- ▶ **Adjusted Interest Coverage Ratio**

Sources: New Constructs, LLC



This article originally published on [December 16, 2020](#).

Disclosure: David Trainer, Kyle Guske II, Alex Sword, and Matt Shuler receive no compensation to write about any specific stock, style, or theme.

Follow us on [Twitter](#), [Facebook](#), [LinkedIn](#), and [StockTwits](#) for real-time alerts on all our research.



It's Official: We Offer the Best Fundamental Data in the World

Many firms claim their research is superior, but none of them can prove it with independent studies from highly-respected institutions as we can. Three different papers from both the public and private sectors show:

1. Legacy fundamental datasets suffer from significant inaccuracies, omissions and biases.
2. Only our “novel database” enables investors to overcome these flaws and apply [reliable](#) fundamental data in their research.
3. Our proprietary measures of [Core Earnings](#) and [Earnings Distortion](#) materially improve stock picking and forecasting of profits.

Best Fundamental Data in the World

Forthcoming in [The Journal of Financial Economics](#), a top peer-reviewed journal, [Core Earnings: New Data & Evidence](#) proves our Robo-Analyst technology overcomes material shortcomings in legacy firms’ data collection processes to provide superior [fundamental data](#), [earnings](#) models, and [research](#). More [details](#).

Key quotes from the paper:

- “[New Constructs’] *Total Adjustments* differs significantly from the items identified and excluded from Compustat’s adjusted earnings measures. For example... 50% to 70% of the variation in *Total Adjustments* is not explained by S&P Global’s (SPGI) *Adjustments* individually.” – pp. 14, 1st para.
- “A final source of differences [between New Constructs’ and S&P Global’s data] is due to data collection oversights...we identified cases where Compustat did not collect information relating to firms’ income that is useful in assessing core earnings.” – pp. 16, 2nd para.

Superior Models

A top accounting firm features the superiority of our ROIC, NOPAT and Invested Capital research to Capital IQ & Bloomberg’s in [Getting ROIC Right](#). See the [Appendix](#) for direct comparison details.

Key quotes from the paper:

- “...an accurate calculation of ROIC requires more diligence than often occurs in some of the common, off-the-shelf ROIC calculations. Only by scouring the footnotes and the MD&A [as New Constructs does] can investors get an accurate calculation of ROIC.” – pp. 8, 5th para.
- “The majority of the difference...comes from New Constructs’ machine learning approach, which leverages technology to calculate ROIC by applying accounting adjustments that may be buried deeply in the footnotes across thousands of companies.” – pp. 4, 2nd para.

Superior Stock Ratings

Robo-Analysts’ stock ratings outperform those from human analysts as shown in this [paper](#) from Indiana’s Kelley School of Business. Bloomberg features the paper [here](#).

Key quotes from the paper:

- “the portfolios formed following the buy recommendations of Robo-Analysts earn abnormal returns that are statistically and economically significant.” – pp. 6, 3rd para.
- “Our results ultimately suggest that Robo-Analysts are a valuable, alternative information intermediary to traditional sell-side analysts.” – pp. 20, 3rd para.

Our mission is to provide the best fundamental analysis of public and private businesses in the world and make it affordable for all investors, not just Wall Street insiders.

We believe every investor deserves to know the whole truth about the profitability and valuation of any company they consider for investment. More details on our cutting-edge technology and how we use it are [here](#).



DISCLOSURES

New Constructs®, LLC (together with any subsidiaries and/or affiliates, "New Constructs") is an independent organization with no management ties to the companies it covers. None of the members of New Constructs' management team or the management team of any New Constructs' affiliate holds a seat on the Board of Directors of any of the companies New Constructs covers. New Constructs does not perform any investment or merchant banking functions and does not operate a trading desk.

New Constructs' Stock Ownership Policy prevents any of its employees or managers from engaging in Insider Trading and restricts any trading whereby an employee may exploit inside information regarding our stock research. In addition, employees and managers of the company are bound by a code of ethics that restricts them from purchasing or selling a security that they know or should have known was under consideration for inclusion in a New Constructs report nor may they purchase or sell a security for the first two days after New Constructs issues a report on that security.

DISCLAIMERS

The information and opinions presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or solicitation of an offer to buy or sell securities or other financial instruments. New Constructs has not taken any steps to ensure that the securities referred to in this report are suitable for any particular investor and nothing in this report constitutes investment, legal, accounting or tax advice. This report includes general information that does not take into account your individual circumstance, financial situation or needs, nor does it represent a personal recommendation to you. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about any such investments or investment services.

Information and opinions presented in this report have been obtained or derived from sources believed by New Constructs to be reliable, but New Constructs makes no representation as to their accuracy, authority, usefulness, reliability, timeliness or completeness. New Constructs accepts no liability for loss arising from the use of the information presented in this report, and New Constructs makes no warranty as to results that may be obtained from the information presented in this report. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information and opinions contained in this report reflect a judgment at its original date of publication by New Constructs and are subject to change without notice. New Constructs may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them and New Constructs is under no obligation to insure that such other reports are brought to the attention of any recipient of this report.

New Constructs' reports are intended for distribution to its professional and institutional investor customers. Recipients who are not professionals or institutional investor customers of New Constructs should seek the advice of their independent financial advisor prior to making any investment decision or for any necessary explanation of its contents.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would be subject New Constructs to any registration or licensing requirement within such jurisdiction.

This report may provide the addresses of websites. Except to the extent to which the report refers to New Constructs own website material, New Constructs has not reviewed the linked site and takes no responsibility for the content therein. Such address or hyperlink (including addresses or hyperlinks to New Constructs own website material) is provided solely for your convenience and the information and content of the linked site do not in any way form part of this report. Accessing such websites or following such hyperlink through this report shall be at your own risk.

All material in this report is the property of, and under copyright, of New Constructs. None of the contents, nor any copy of it, may be altered in any way, copied, or distributed or transmitted to any other party without the prior express written consent of New Constructs. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of New Constructs. Copyright New Constructs, LLC 2003 through the present date. All rights reserved.