



## Watch our Earnings Recap on Cisco, CVS Health, Restaurant Brands, Krispy Kreme, and Kraft Heinz

Inflation up. Markets down. Buy the dip. Sell the (dead cat?) bounce.

Market timing, signals, and noise got your head spinning? You're not alone. But it doesn't have to be that way. When markets are volatile, it's important to get back to basics – the fundamentals.

Everyone wants to avoid the worst stocks and hold the best, and our superior fundamental research helps investors do just that. By digging beyond the headlines, we identify the true profitability of companies. Only then can we understand the actual risk/reward of a stock.

In our latest Live Earnings watch, we discuss the real fundamentals and valuation of Cisco (CSCO), CVS Health (CVS), Restaurant Brands International (QSR), Krispy Kreme (DNUT), and Kraft Heinz (KHC).

This is your chance to see how New Constructs views earnings – not a salesman posing as an analyst.

Topics covered include:

- A diagnosis on CVS Health – get insights into the true cash flows of the business and value of the stock.
- Old tech made new again – take a deep dive into Cisco's current risk/reward.
- Breakfast, lunch, or dinner? See what our model reveals when comparing Krispy Kreme and Restaurant Brands International.
- Bad company, good stock? Get the real fundamentals for Kraft Heinz and see if its stock looks cheap or expensive at current levels.

**Watch the Earnings Watch Party for CSCO, CVS, QSR, DNUT, KHC**

Get replays on all our training sessions, podcasts, reverse DCF case studies, and more in our online community. Its free to join – just complete [this form](#).

### Another Earnings Watch Party on Friday

Register [here](#).

1. Friday at 10:30 am ET

Request the stocks you want us to cover at [support@newconstructs.com](mailto:support@newconstructs.com).

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*Disclosure: David Trainer, Kyle Guske II, and Hakan Salt receive no compensation to write about any specific stock, style, or theme.*

*Questions on this report or others? Join our [online community](#) and connect with us directly.*



## ***It's Official: We Deliver the Best Fundamental Data in the World***

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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. The stock market is missing footnotes – and only we have that critical data.
2. Legacy fundamental datasets suffer from significant inaccuracies, omissions, and biases.
3. Our proprietary drives novel alpha. Our measures of [Core Earnings](#) and [Earnings Distortion](#) materially improve stock picking and forecasting of profits.

### **Best Fundamental Data in the World**

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, 1<sup>st</sup> 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, 2<sup>nd</sup> para.

### **Superior Models**

Ernst & Young 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, 5<sup>th</sup> 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, 2<sup>nd</sup> para.

### **Superior Stock Ratings**

Robo-Analysts’ stock ratings outperform those from human analysts as shown in this [paper](#) from Harvard Business School. 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, 3<sup>rd</sup> para.
- “Our results ultimately suggest that Robo-Analysts are a valuable, alternative information intermediary to traditional sell-side analysts.” – pp. 20, 3<sup>rd</sup> 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](#).



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