Twitter Thread by Brian Feroldi

Brian Feroldi
@BrianFeroldi

I asked, “What are the first metrics that you look at when evaluating a new stock?”

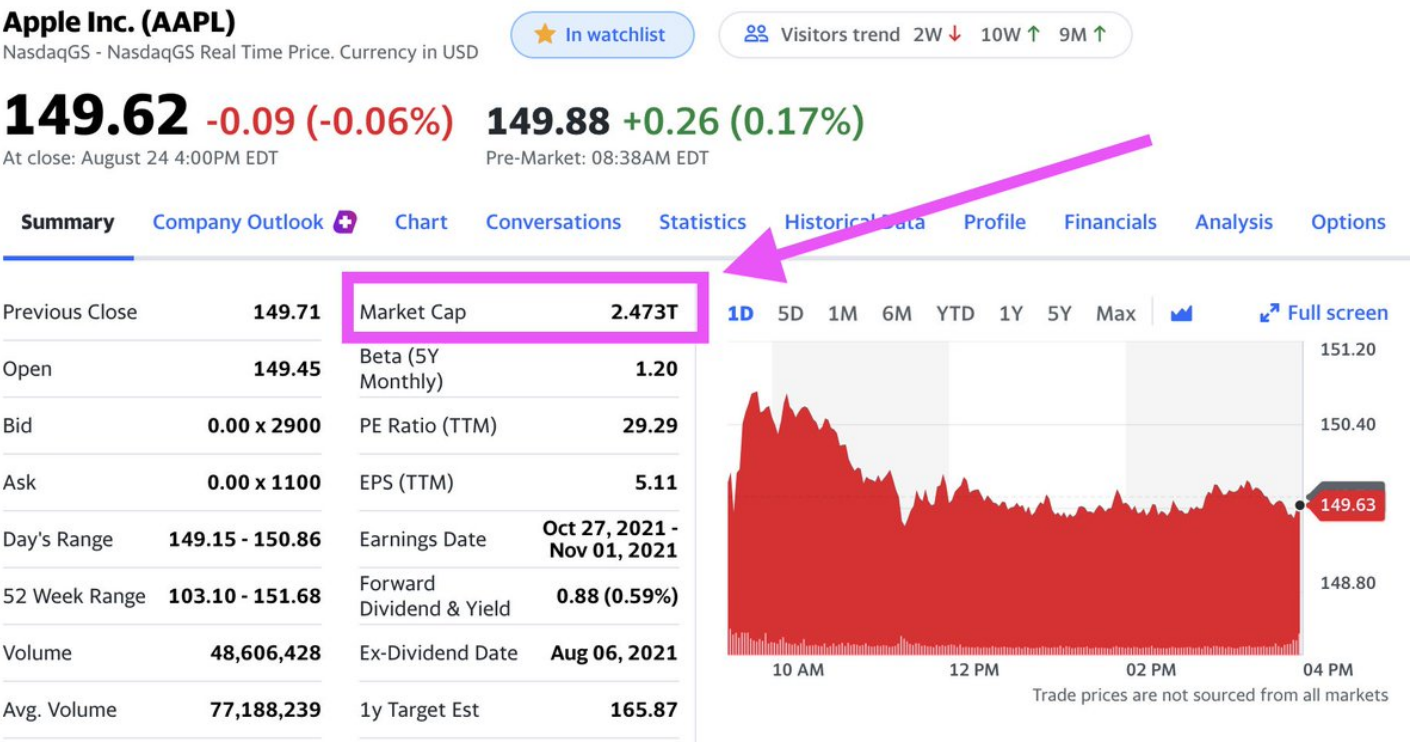
I received 322 replies

Here are 10 great metrics to look at first (and how to find them):

1/ Market Capitalization

Why: Shows the current size/scale of the business

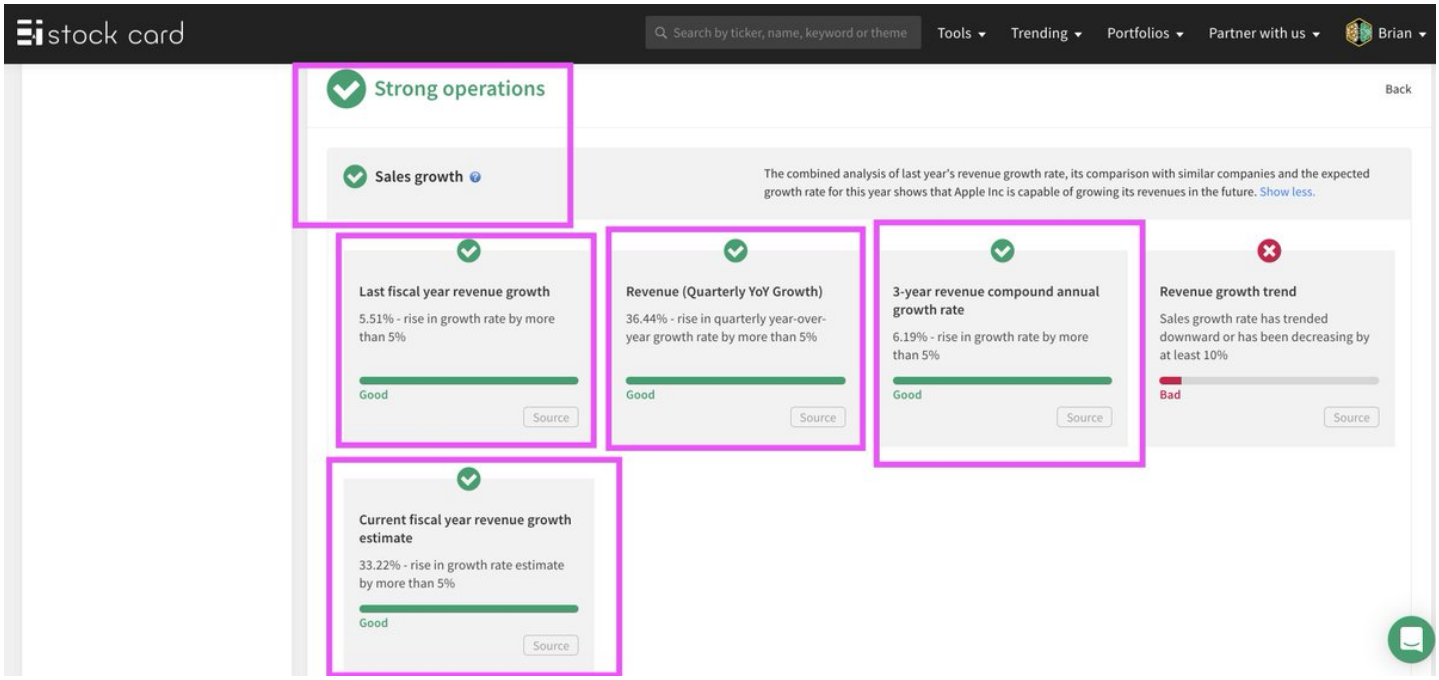
Where: @YahooFinance (image), @theTIKR , @KoyfinCharts ...etc



2/ Sales Growth Rate

Why: Shows the business model works & current growth rate

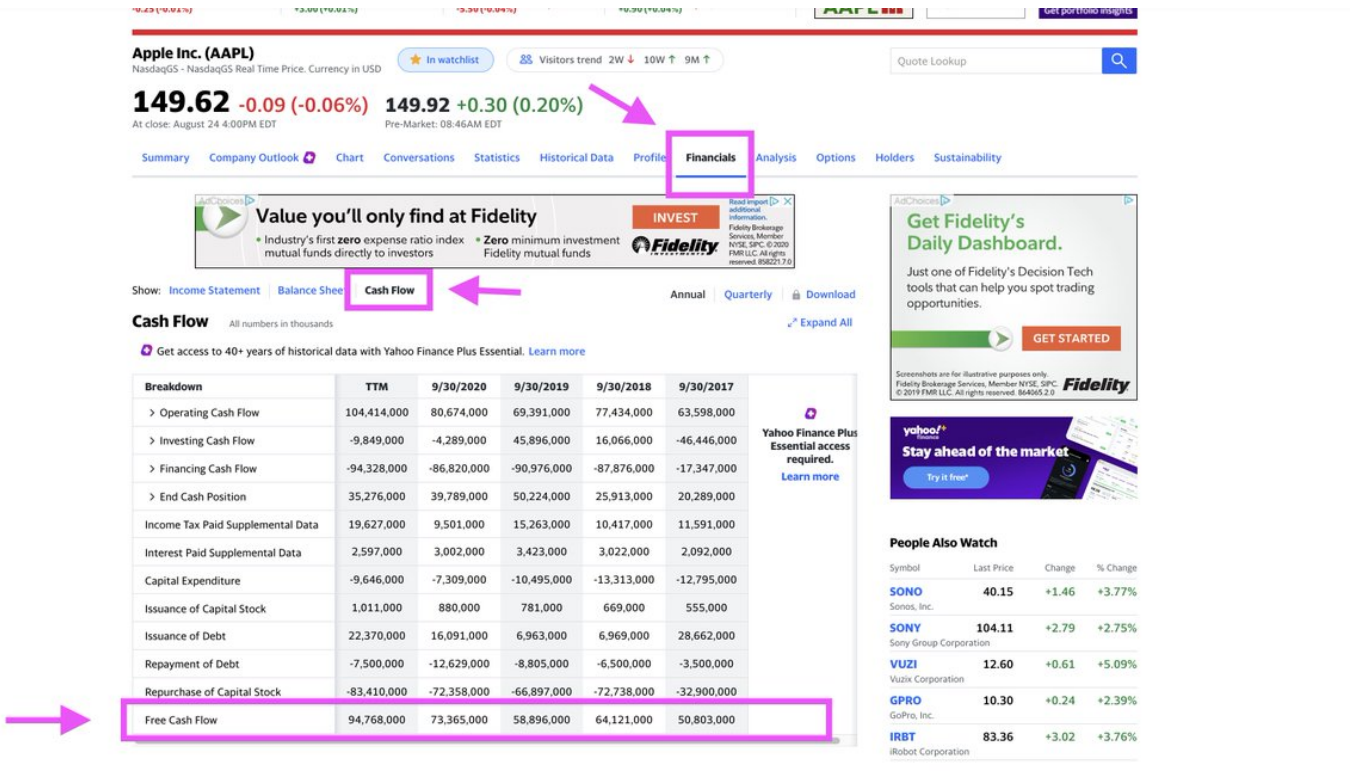
Where: @stockcardhq (image), SEC filings, @theTIKR...etc



3/ Free Cash Flow

Why: Is business generating cash or burning cash?

Where: @YahooFinance (image), SEC Filings, @stockrow1...etc

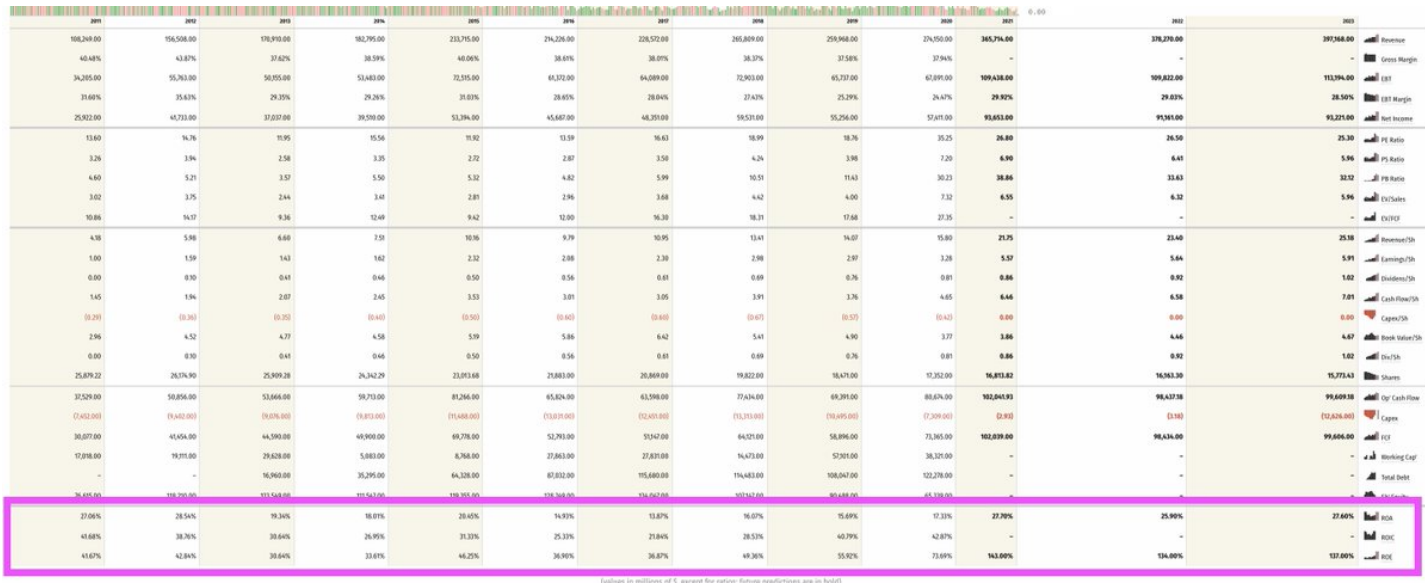


Breakdown	TTM	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Operating Cash Flow	104,414,000	80,674,000	69,391,000	77,434,000	63,598,000
Investing Cash Flow	-9,849,000	-4,289,000	45,896,000	16,066,000	-46,446,000
Financing Cash Flow	-94,328,000	-86,820,000	-90,976,000	-87,876,000	-17,347,000
End Cash Position	35,276,000	39,789,000	50,224,000	25,913,000	20,289,000
Income Tax Paid Supplemental Data	19,627,000	9,501,000	15,263,000	10,417,000	11,591,000
Interest Paid Supplemental Data	2,597,000	3,002,000	3,423,000	3,022,000	2,092,000
Capital Expenditure	-9,646,000	-7,309,000	-10,495,000	-13,313,000	-12,795,000
Issuance of Capital Stock	1,011,000	880,000	781,000	669,000	555,000
Issuance of Debt	22,370,000	16,091,000	6,963,000	6,969,000	28,662,000
Repayment of Debt	-7,500,000	-12,629,000	-8,805,000	-6,500,000	-3,500,000
Repurchase of Capital Stock	-83,410,000	-72,358,000	-66,897,000	-72,738,000	-32,900,000
Free Cash Flow	94,768,000	73,365,000	58,896,000	64,121,000	50,803,000

4/ Returns on capital (ROE, ROIC, ROA)

Why: Shows capital efficiency of business

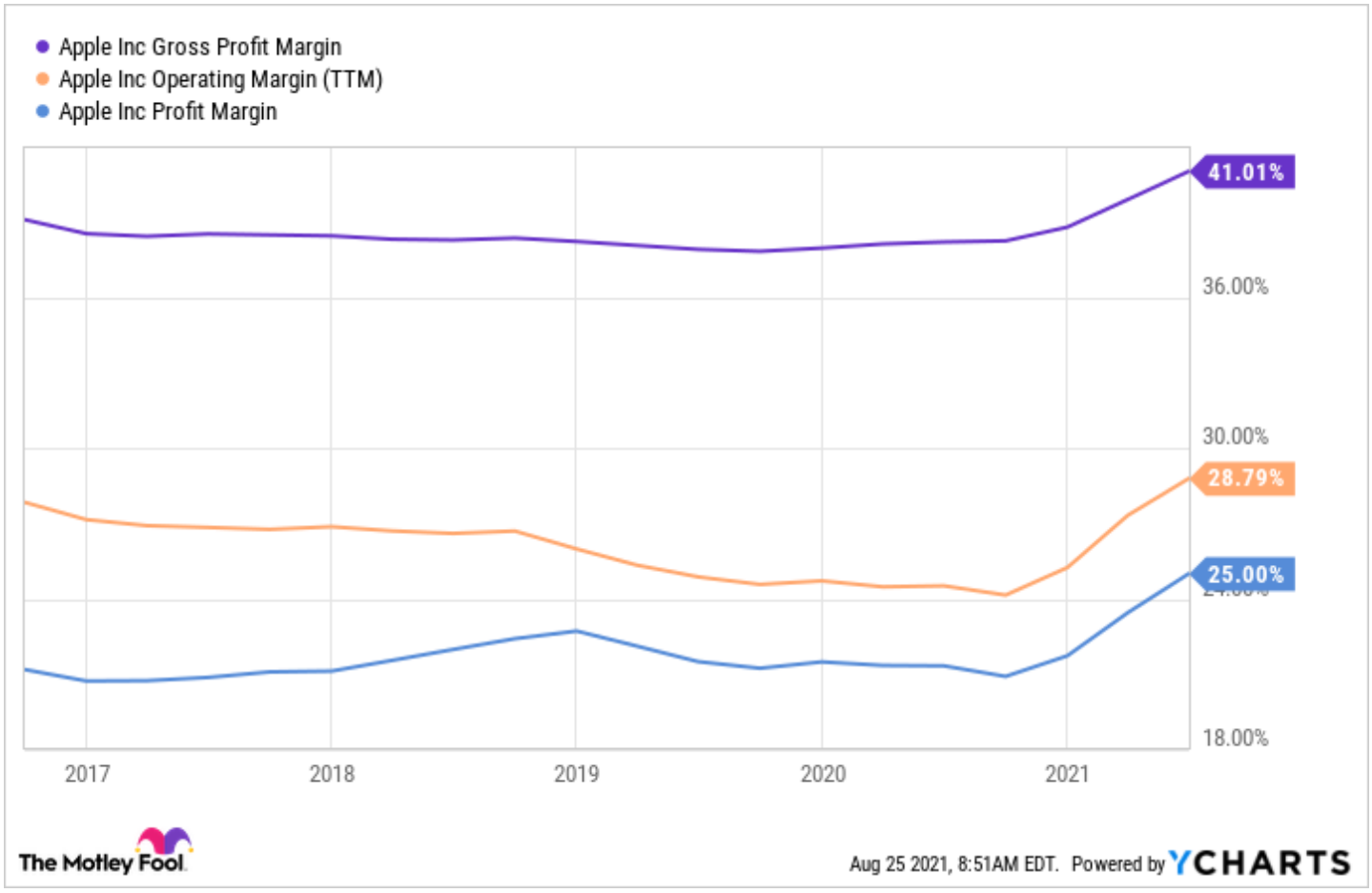
Where: @stockrow1 (image) , @ycharts , @YahooFinance...etc



5/ Margins

Why: Shows current profit profile of products, spending rates, & potential for operating leverage

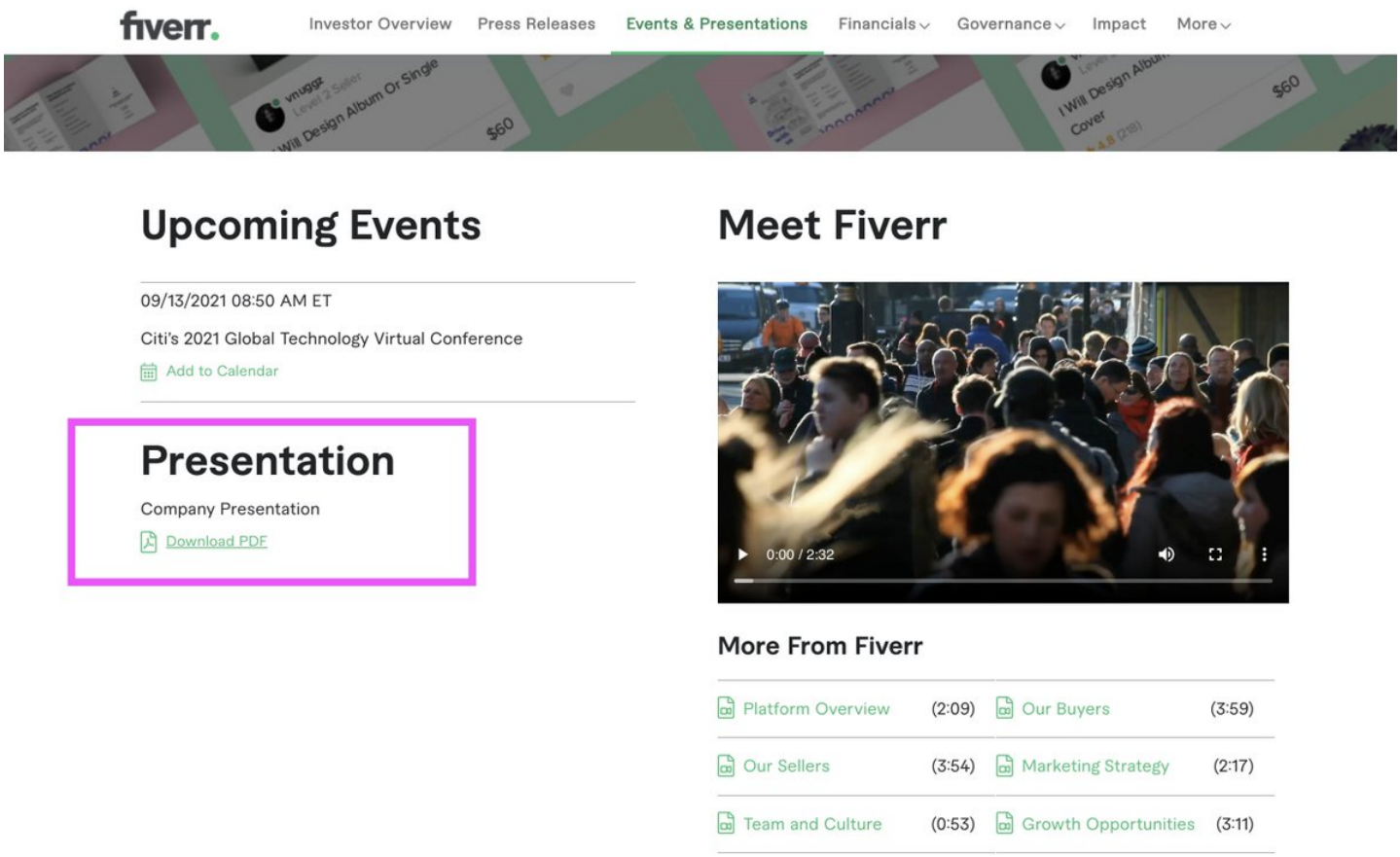
Where: @ycharts (image), @theTIKR, @stockrow1...etc



6/ Total Addressable Market

Why: Shows market size & long-term growth potential of business

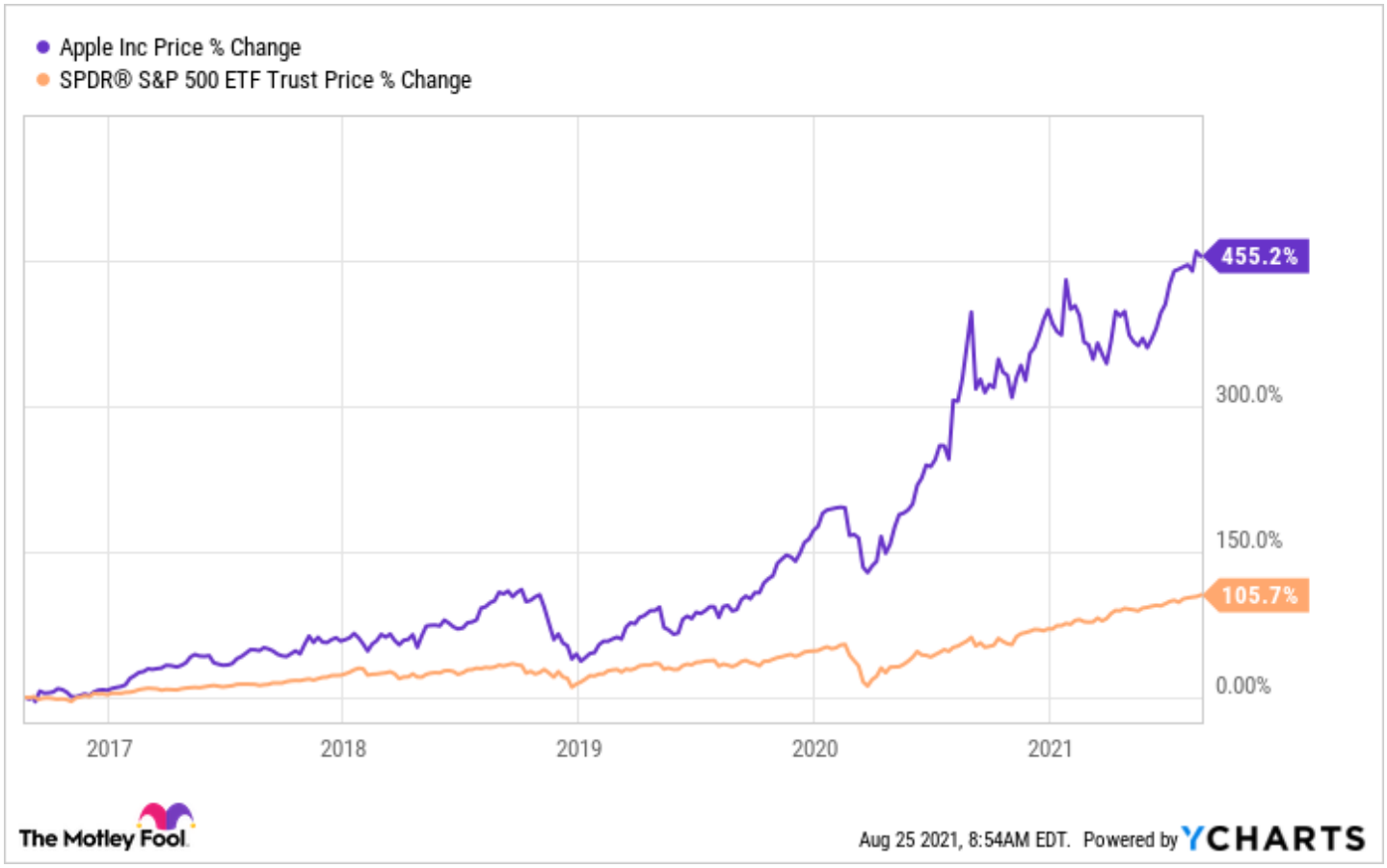
Where: Investor presentation (images from $FVRR), 10k, @Gartner_inc



7/ Long-term (5-year+) Stock Performance vs. market

Why: Has the stock created or destroyed value so far?

Where: @ycharts (image), @YahooFinance, @stockrow1....etc



8/ Current Valuation (Price to sales / Price to earnings)

Why: How expensive is the stock?

Where: @YahooFinance (image), @stockcardhq, @KoyfinCharts...etc

Apple Inc. (AAPL)
NasdaqGS - NasdaqGS Real Time Price. Currency in USD

In watchlist | Visitors trend 2W ↓ 10W ↑ 9M ↑

149.62 -0.09 (-0.06%)
At close: August 24 4:00PM EDT

149.93 +0.31 (0.21%)
Pre-Market: 08:55AM EDT

Summary | Company Outlook | Chart | Conversations | **Statistics** | Historical Data | Profile | Financials | Analysis | Options | Ho

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Valuation Measures

Currency in USD
Annual | Quarterly | Monthly | Download

	Current	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Market Cap (intraday) [5]	2.47T	2.27T	2.04T	2.23T	1.97T	1.56T
Enterprise Value [3]	2.53T	2.32T	2.07T	2.25T	1.99T	1.58T
Trailing P/E	29.24	30.64	32.92	40.45	35.12	28.52
Forward P/E [1]	26.88	25.77	28.49	33.44	30.12	24.33
PEG Ratio (5 yr expected) [1]	2.05	2.12	2.71	3.33	2.86	2.02
Price/Sales (ttm)	7.34	7.23	7.21	8.47	7.50	6.12
Price/Book (mrq)	38.50	32.78	30.78	34.16	27.20	19.93
Enterprise Value/Revenue [3]	7.30	28.48	23.15	20.22	30.69	26.44
Enterprise Value/EBITDA [7]	22.15	83.24	65.87	61.11	108.89	95.15

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9/ Mission Statement

Why: Why does this company exist??? What is it trying to do?

Where: Investor Relations Page ($SHOP image), 10K, Glassdoor, company presentation

shopify Home | Financials | News & Events | Stock Information | Governance | Media Center | Resources | Sustainability

OUR MISSION

Making commerce better for everyone

We help people achieve independence by making it easier to start, run, and grow a business. We believe the future of commerce has more voices, not fewer, so we're reducing the barriers to business ownership to make commerce better for everyone.

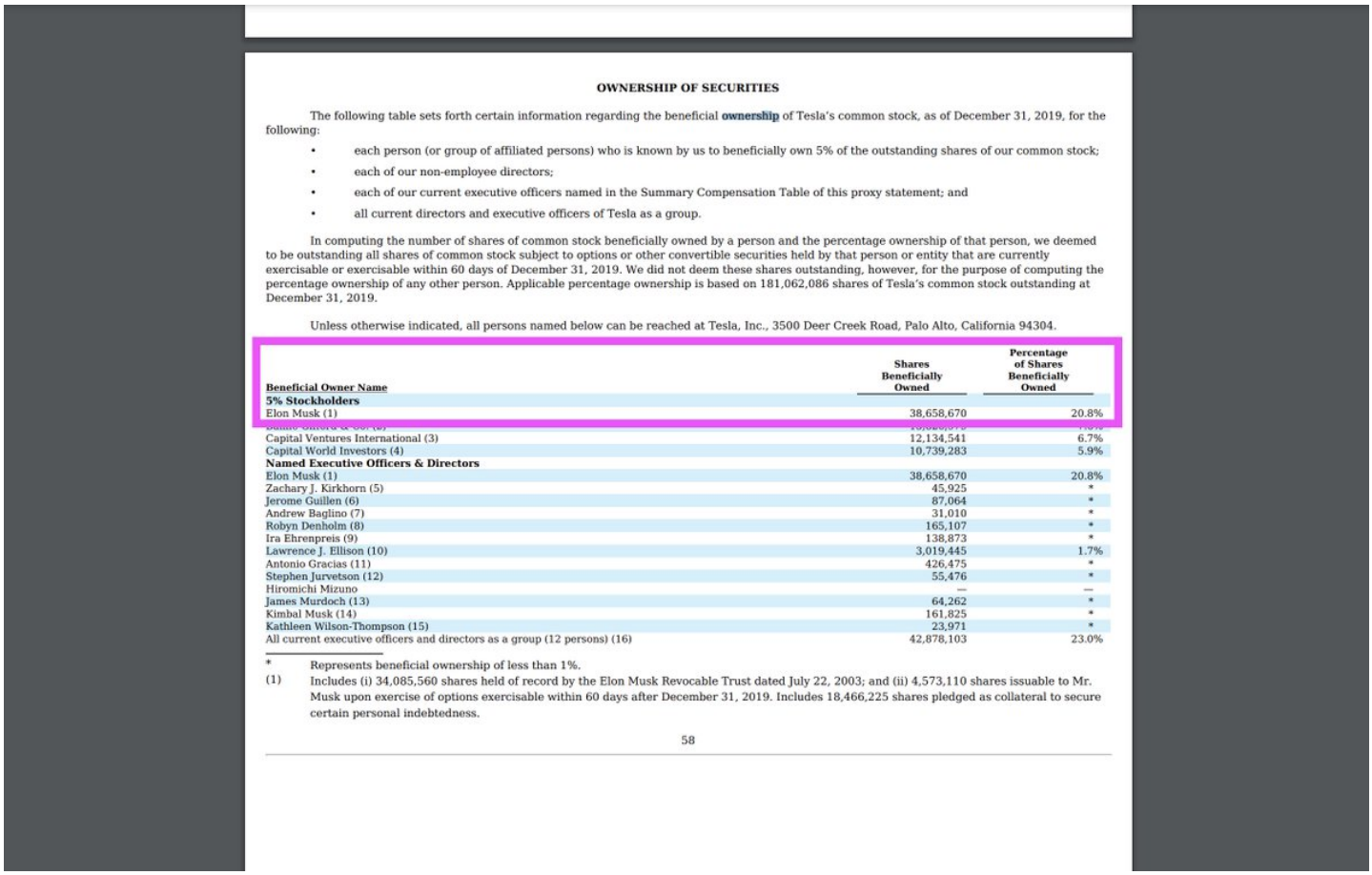


Featured merchant - Prelude & Dawn

10/ Inside Ownership

Why: Do insiders have skin in the game?

Where: SEC Filings (Proxy statement -- form DEF 14A -- search “ownership” -- image shows @elonmusk ownership of $TSLA)



OWNERSHIP OF SECURITIES

The following table sets forth certain information regarding the beneficial ownership of Tesla's common stock, as of December 31, 2019, for the following:

- each person (or group of affiliated persons) who is known by us to beneficially own 5% of the outstanding shares of our common stock;
- each of our non-employee directors;
- each of our current executive officers named in the Summary Compensation Table of this proxy statement; and
- all current directors and executive officers of Tesla as a group.

In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed to be outstanding all shares of common stock subject to options or other convertible securities held by that person or entity that are currently exercisable or exercisable within 60 days of December 31, 2019. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Applicable percentage ownership is based on 181,062,086 shares of Tesla's common stock outstanding at December 31, 2019.

Unless otherwise indicated, all persons named below can be reached at Tesla, Inc., 3500 Deer Creek Road, Palo Alto, California 94304.

Beneficial Owner Name	Shares Beneficially Owned	Percentage of Shares Beneficially Owned
5% Stockholders		
Elon Musk (1)	38,658,670	20.8%
Capital Ventures International (3)	12,134,541	6.7%
Capital World Investors (4)	10,739,283	5.9%
Named Executive Officers & Directors		
Elon Musk (1)	38,658,670	20.8%
Zachary J. Kirkhorn (5)	45,925	*
Jerome Guillen (6)	87,064	*
Andrew Baglino (7)	31,010	*
Robyn Denholm (8)	165,107	*
Ira Ehrenpreis (9)	138,873	*
Lawrence J. Ellison (10)	3,019,445	1.7%
Antonio Gracias (11)	426,475	*
Stephen Jurvetson (12)	55,476	*
Hiromichi Mizuno	—	—
James Murdoch (13)	64,262	*
Kimbal Musk (14)	161,825	*
Kathleen Wilson-Thompson (15)	23,971	*
All current executive officers and directors as a group (12 persons) (16)	42,878,103	23.0%

* Represents beneficial ownership of less than 1%.

(1) Includes (i) 34,085,560 shares held of record by the Elon Musk Revocable Trust dated July 22, 2003; and (ii) 4,573,110 shares issuable to Mr. Musk upon exercise of options exercisable within 60 days after December 31, 2019. Includes 18,466,225 shares pledged as collateral to secure certain personal indebtedness.

58

I received a TON of great replies to this thread

but this one by @OphirGottlieb stood out:

https://t.co/RNna2KxaRv

> Put fin statements down, they're known, offer no alpha for discovering new company.
>
> Put scanners, charts down.
>
> Figure out:
>
> 1. What is changing
> 2. What is not changing
> 3. Is there an underappreciation for either
>
> Do that well, move on #3, you're the best investor in the world

— Ophir Gottlieb (@OphirGottlieb) July 21, 2021

Enjoy this thread?

Follow me @BrianFeroldi

I tweet about money, personal finance, & investing

Want to learn more about how to find & use these metrics?

@brian_stoffel_ and I teach people how to invest on my YouTube Channel

Subscribe here: https://t.co/lWwcb1JdD1

You can read all of the answers to the thread here:

https://t.co/eJLFzsW8UV

> What are the first metrics that you look at when evaluating a new stock?
>
> — Brian Feroldi (@BrianFeroldi) July 21, 2021

Summary:

1: Market Cap
2: Sales Growth
3: FCF
4: Returns on Capital
5: Margins
6: TAM
7: Stock Performance
8: Current Valuation
9: Mission Statement
10: Inside Ownership