

Five for Friday- Growth with Cheap Valuations

This week we use two well-followed growth and value calculations to deliver strong growth companies trading at cheap valuations. The scan is predicated on both a high Mohanram and Piotroski score.

The Mohanram G score, developed by Partha Mohanram, uses financial statement analysis to find high-growth companies with solid balance sheets. The criteria used to calculate the score are profitability, earnings predictability, and accounting conservatism. The scores range from 0 to 8, with eight being the best.

The Piotroski F score, developed by Joseph Piotroski, assesses the strength of the companies' financial position to find the best value stocks. The criteria used to calculate the score are profitability, leverage, and operating efficiency. The scores range from 0 to 9, with nine being the best.

In addition to the scores described above, we further stressed value by screening for low PEG and Forward P/E ratios.

Screen Criteria

- Mohanram >6
- Piotroski >8
- SimpleVisor fundamental rank = 1
- F P/E <10
- PEG ratio <1.0

Scan Results

The companies exhibiting both strong growth and value scores trade at low valuations, as shown below. As an example, DIOD (Diodes) is a semiconductor manufacturer, which is a high-growth industry. Although the company grew earnings at a steady 16% annualized rate over the last ten years, the stock trades at a P/E below ten, its lowest valuation in at least ten years. DIOD represents both growth and value in our eyes!

Ticker	Mohanram	Piotroski	SV Rank	F P/E	PEG
AA	6	8	1	5.04	0.02
CWK	6	9	1	5.51	0.55
DIOD	6	9	1	9.45	0.63
HUBG	6	9	1	9.41	0.33
RE	6	8	1	7.17	0.13

Company Summaries (Corporate Summaries Courtesy of Zacks)

Alcoa (AA)

Alcoa is a global industry leader in bauxite, alumina and aluminum products.



Cushman & Wakefield (CWK)

Cushman & Wakefield plc is a real estate services firm. The Company acquires and develops commercial properties as well as provides property leasing, facilities management, tenant representation and valuation services. Cushman & Wakefield plc is based in Chicago, United States.



Diodes, Inc. (DIOD)

Diodes Incorporated is a leading manufacturer and supplier of high-quality discrete and analog semiconductor products, primarily to the communications, computing, industrial, consumer electronics and automotive markets. The Company's corporate sales, marketing, engineering and logistics headquarters is located in Southern California, with two manufacturing facilities in Shanghai, China, a wafer fabrication plant in Kansas City, Missouri, engineering, sales, warehouse and logistics offices in Taipei, Taiwan and Hong Kong, and sales and support offices throughout the world. Diodes, Inc. recently acquired Anachip Corporation, a fabless analog IC company in Hsinchu Science Park, Taiwan. Its product focus is on subminiature surface-mount discrete devices, analog power management ICs and Hall-effect sensors all of which are widely used in

end-user equipment.



Hub Group, Inc. (HUBG)

Hub Group, Inc. is a transportation management company that provides multi-modal solutions throughout North America, including intermodal, truck brokerage, dedicated and logistics services. The company is one of the largest over-the-road brokers in North America. The Company arranges for the movement of its customers freight in containers and trailers over long distances. Hub Group operates through a nationwide network of hubs, located near significant concentrations of shipping customers and railheads. As a publicly traded company, Hub Group delivers innovative, customer-focused solutions and industry leading service to help customers better control supply chains and their costs. It operates through a nationwide network of hubs, located near significant concentrations of shipping customers and railheads. The company is headquartered in Cambridge, MA.



Everest RE Group (RE)

Everest Re Group Ltd. writes property and casualty, reinsurance and insurance in the U.S, Bermuda and international markets. The company also offers other innovative products like excess and surplus lines of insurance. Everest Re virtually underwrites all classes and categories of business in treaty, facultative, and specialty lines both through brokers and directly with ceding companies. Everest Re Group, Ltd contributed Everest Reinsurance Holdings, Inc. to its recently established Irish holding company, Everest Underwriting Group (Ireland) Limited. The company's operating subsidiaries are Everest Re, Everest National Insurance Company, Everest Indemnity Insurance Company, Everest Security Insurance Company, Everest Denali Insurance Company, Everest Premier Insurance Company, Everest International Assurance, Ltd. and Heartland Crop Insurance Company. The company reports through the following segments: Reinsurance,

Insurance, Workers compensation and International.

