



Mastering The Common Sense Investing!



The Most Uncommon Way To Create Wealth

Stock Investing Checklist

A Value based Investment Checklist

Business

- What is the nature of the company?
- How long has the business been on the market?
- Is the business straightforward?

Financial Performance

- Examine the cash conversion cycle's trend.
- Financial performance during a period of at least 7 years
- If it's cyclical, see if it's at a low or high point.

- What is the company's standing in the industry?
- What is the industry's future growth potential?

- Look out for sales, margin, profitability, and return ratio increases.
- PAT should be matched to operating cash flows.
- Examine the history of equity dilution.

Management

- How long has the management team been in this industry?
- Examine transactions involving connected parties
- In earlier crises, how did it fare?
- Do they have a stake in the outcome?
- Is the pay structure based on performance?

Value

- In the case of cyclical organisations, Mcap to sale and Price to book value are more important than price to earnings.
- Pay no more than 30-35 times your earnings.