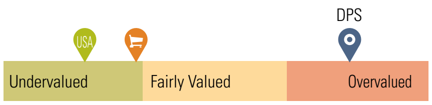
Dr Pepper Snapple Group Inc DPS (XNYS)

Morningstar Rating	Last Price	Fair Value Estimate	Price/Fair Value	Dividend Yield %	Market Cap (Bil)	Industry	Stewardship
★★ 24 Oct 2014	66.69 USD 24 Oct 2014	52.00 USD	1.39	2.40 24 Oct 2014	13.06 24 Oct 2014	Beverages - Soft Drinks	Standard

Morningstar Pillars	Analyst	Quantitative
Economic Moat	Narrow	Wide
Valuation	★★	Overvalued
Uncertainty	Medium	Medium
Financial Health	BBB+	Strong

Source: Morningstar Equity Research

Quantitative Valuation



	Current	5-Yr Avg	Sector	Country
Price/Quant Fair Value	1.18	1.05	0.94	0.86
Price/Earnings	18.5	14.9	19.3	20.0
Forward P/E	17.7	—	16.9	15.0
Price/Cash Flow	13.3	11.0	12.0	12.0
Price/Free Cash Flow	16.1	16.8	20.5	20.4
Dividend Yield %	2.40	2.47	1.97	2.08

Source: Morningstar

Bulls Say

- The majority of Dr Pepper's brands are number one or two in their category, including Dr Pepper, 7UP, A&W Root Beer, and Sunkist.
- Through its rapid continuous improvement program, Dr Pepper has driven best-in-class inventory turns, and operating profitability that surpasses rival PepsiCo.
- Dr Pepper faces lower reinvestment needs than peers due to its more limited geographic exposure, and enjoys higher free cash flow as a percentage of net income as a result.

Bears Say

- The U.S. makes up 88% of Dr Pepper Snapple's revenue, exposing the firm to a secularly declining carbonated soft drink end market.
- Roughly 12% of sales in 2013 were to Walmart, where Dr Pepper probably enjoys less ability to leverage its brands to increase price.
- Dr Pepper's noncarbonated portfolio, with brands such as Snapple and Hawaiian Punch, offers more limited pricing power and growth potential than similar still beverages offered by peers, in our opinion.

Dr Pepper's continued productivity initiatives should help offset end-market headwinds.

Adam Fleck, CFA, 24 October 2014

Investment Thesis

Dr Pepper Snapple's (DPS) brands enjoy solid positions within their particular markets, but limited geographic reach, partial reliance on competitors for bottling and distribution, and an overall trailing position constrain our moat rating to narrow.

Following its split from parent company Cadbury Schweppes in 2008, DPS retained the U.S., Canadian, Mexican, and Caribbean rights to its core brands; outside these regions, competitors such as Coca-Cola and PepsiCo own the rights. DPS enjoys strong market positions in flavored carbonated soft drinks, offering some brand power, but the firm overall is still a third-place player in the U.S. (where it garners 88% of its revenue). Moreover, domestic per-capita soda consumption has declined steadily over the past 10 years, and we don't expect this trend to reverse in the near term given continued health concerns. Noncarbonated beverages make up about 20% of DPS' volume, but we don't see outsize growth potential here, given lagging market share and limited pricing power.

That said, we're encouraged that DPS has focused on improving its operations; over the past few years, the firm instituted a rapid continuous improvement (RCI) program, focusing on better working capital management and lower costs. These efforts have boosted free cash flow and have pushed inventory turnover to levels higher than at Coke or Pepsi. To date, DPS has concentrated on its warehouse-direct products, but the company plans further changes in its direct-to-store offerings, which make up a larger portion of costs. As such, we expect widening profitability and continued robust free cash generation.

However, DPS remains reliant on third-party bottlers for distribution of about 40% of its volume (and more than 60% of brand Dr Pepper). While the company's own distribution assets offer a barrier to entry for new competition, we believe these relationships limit the firm's overall ability to carve competitive advantages. Still, we note that DPS has found success through innovation (such as its low-calorie TEN brand), and that the firm is committed to returning nearly all of its free cash flow to shareholders through dividends and repurchases.

Adam Fleck, CFA, 23 October 2014

Analyst Note

After reviewing narrow-moat Dr Pepper Snapple's third-quarter results, we will probably raise our $48 per share fair value estimate 5% to 10% to account for continued solid execution. Cost control remained strong in the quarter. Core operating margins rose 70 basis points year over year to 20.1%, and combined with a slightly lower expected tax rate and a beneficial raw material cost environment, management raised its full-year earnings per share outlook to $3.56 to $3.62 from earlier guidance of $3.43 to $3.51 and our current $3.49 forecast. While we don't project the current favorable cost environment over the long run, we expect continued benefit from the firm's productivity initiatives to keep operating margins lofty for the next several years—evidence of the firm's cost advantage moat source and the basis behind our planned fair value estimate increase.

We're also encouraged that, like its peers, DPS remained disciplined on price: Positive net pricing helped boost overall sales to a 3% increase from a year ago despite flat sales volume. Further strength in Penafiel in Mexico (volumes up 25%, partially due to new product introductions from a year ago) and Canada Dry (a high-single-digit increase) more than offset declines in the core Dr Pepper brand, where falling diet sales were a drag on the top line. Nonetheless, the company maintained its full-year 1% revenue growth outlook, in line with our expectations.

However, we'd continue to prefer more limited share repurchases since we think the stock is currently overvalued. The company has bought back $276 million of stock to date and plans to repurchase between $375 million and $400 million for the full year. Although DPS has ample free cash flow for such a strategy (the firm has used roughly 41% of free cash flow on buybacks year to date), we still believe the company's core earnings growth potential is lower than its more-diversified peers like Coca-Cola and PepsiCo.

Economic Moat

Adam Fleck 24 October 2014

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Close Competitors	Currency (Mil)	Market Cap	TTM Sales	Operating Margin	TTM/PE
Coca-Cola Co KO	USD	179,209	46,220	21.90	21.83
PepsiCo Inc PEP	USD	140,322	66,853	14.88	20.75
Monster Beverage Corp MNST	USD	16,321	2,355	27.64	42.02

We believe Dr Pepper Snapple has carved a narrow economic moat, based on its cost advantages and intangible brand assets. The firm enjoys a solid direct-to-store distribution network in North America, which bottles and transports about 40% of the company's internal volumes as well as third-party products such as AriZona tea and FIJI water; we think a similar network would be challenging for a new entrant to set up organically given the importance of scale and customer relationships. However, DPS also relies on outside bottlers--primarily those owned by rivals Coke and Pepsi--for another 40% of its product, particularly in its core Dr Pepper brand, where 63% of the volume is through these firms' networks. We're encouraged that both Coca-Cola and Pepsi have agreed to performance measurements surrounding Dr Pepper display and inventory, which should ensure support for the brand, but we nonetheless believe it leaves DPS at a competitive disadvantage to support the strength of the brand versus its larger, wide-moat peers.

We expect returns on invested capital to remain decent, however. We think the firm's brands offer intangible-asset-based advantages; 83% of DPS' volume is from brands that are number one or two in their categories, for instance. The company also isn't tasked with setting up new distribution in emerging and developing markets, lowering the capital spending needs of DPS versus Coke and Pepsi, and continued efforts in the company's RCI initiative (which has already led to best-in-class inventory turns and higher profitability than Pepsi's beverage business) should drive solid free cash flow. Over the past three years, ROICs (adjusted for one-time tax issues) have averaged about 13%, and we expect returns to climb into the high teens going forward, better than our estimated 8.7% weighted average cost of capital, supporting our narrow moat rating.

Valuation

Adam Fleck 24 October 2014

We've increased our fair value estimate to $52 per share from $48 to account for continued gains in the company's RCI program, which should lead to higher margins and returns on invested capital than we previously forecast. Our valuation implies a 2015 price/earnings ratio of 13.3 times and an enterprise value/EBITDA ratio of 8.3 times. These multiples are lower than rivals Coca-Cola and PepsiCo, but we believe that Dr Pepper's multiples should be slightly below the industry average because of its lack of exposure to faster-growing emerging markets.

We forecast revenue growing at a roughly 2.5% average clip over the next five years, led by low-single-digit price increases in all regions (given the mature and oligopolistic nature of the soft-drink industry) and climbing Latin American volumes; we project that U.S. and Canadian volumes will remain flat to slightly down annually. Management had previously outlined a top-line goal of 3% to 5% growth long-term before backing off this target (for the foreseeable future) in recent quarters; we believe the domestic environment will continue to challenge and ultimately prevent the company from achieving this level of sales growth.

That said, we believe DPS' RCI program can further improve profitability and efficiency. Although this program has already helped adjusted operating margins climb to roughly 18.5% in 2013 from 17.3% in 2011, we now believe margins in 2014 can increase north of 19.5%, up from our earlier forecast of 19%. Similarly, we now project long-run operating margins above 20% compared with just over 19% previously. We continue to expect free cash flow to remain above net income because of continued solid working capital management and limited capital investment needs, and with the company committed to sizable share repurchases, we forecast adjusted earnings per share over the long term increasing at a 7% to 8% average annual clip--in line with management's targets for high-single-digit EPS growth.

Risk

Adam Fleck 24 October 2014

We assign Dr Pepper Snapple's a medium uncertainty rating, versus low ratings for Coca-Cola and PepsiCo, as DPS is more heavily exposed to the U.S. market (at nearly 88% of 2013 revenue), a region that we believe will face continued secular declines in CSD consumption. While the company has made notable strides in its operational efficiency, product innovation, and market share in recent years, volumes declining at a greater rate than we project presents a key risk. Mexico recently instituted a tax on sugary drinks that has harmed volumes, and similar

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24 Oct 2014	24 Oct 2014			24 Oct 2014	24 Oct 2014		

government actions in other markets could move consumers further away from DPS' core carbonated beverages. Volatility in commodity prices, particularly for raw materials such as corn, juices, aluminum, and plastic resins, could also pinch the firm's sales and profitability. Finally, consumers' tastes could shift away from sugary beverages and move toward more healthful alternatives, an end market where Dr Pepper holds more limited sway than its competitors do.

Management

Adam Fleck 11 July 2014

CEO Larry Young joined Dr Pepper Snapple in 2006, but has over 25 years in the soft drink industry. He was named CEO in 2007, and led the spin-off from Cadbury Schweppes in 2008. Although Young and the rest of management and directors own less than 1% of DPS's shares outstanding, we are encouraged that stock awards have made up a substantial portion of executive pay over the past several years. Moreover, the company has stuck to its long-term performance targets, with award levels less than 100% when these goals were not met. Overall, we believe Young's pay package is in line with industry standards; his compensation is higher as a percentage of net income than the CEOs at Coke and Pepsi, but the absolute level trails these larger competitors.

We believe Dr Pepper's capital allocation has been prudent. The firm is limited compared with peers in its geographic expansion possibilities, but management has opted to return the vast majority of free cash flow to shareholders in the form of stock buybacks and dividends--a reasonable decision, in our opinion. In all, we assign Dr Pepper a Standard stewardship rating.

Dr Pepper Snapple Group Inc DPS (XNYS)

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24 Oct 2014	24 Oct 2014			24 Oct 2014	24 Oct 2014		

Analyst Notes Archive

Dr Pepper's Productivity Initiatives Continue to Drive Solid Earnings Growth in 3Q

Adam Fleck 23 October 2014

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We're also encouraged that, like its peers, DPS remained disciplined on price: Positive net pricing helped boost overall sales to a 3% increase from a year ago despite flat sales volume. Further strength in Penafiel in Mexico (volumes up 25%, partially due to new product introductions from a year ago) and Canada Dry (a high-single-digit increase) more than offset declines in the core Dr Pepper brand, where falling diet sales were a drag on the top line. Nonetheless, the company maintained its full-year 1% revenue growth outlook, in line with our expectations.

However, we'd continue to prefer more limited share repurchases since we think the stock is currently overvalued. The company has bought back $276 million of stock to date and plans to repurchase between $375 million and $400 million for the full year. Although DPS has ample free cash flow for such a strategy (the firm has used roughly 41% of free cash flow on buybacks year to date), we still believe the company's core earnings growth potential is lower than its more-diversified peers like Coca-Cola and PepsiCo.

Dr Pepper Enjoys Improving Profitability in 2Q, but Shares Still Look Overvalued

Adam Fleck 24 July 2014

Narrow-moat Dr Pepper Snapple's second-quarter results largely met our expectations, and we plan to maintain our $48 per share fair value estimate. The firm reported 1% year-over-year bottler case sales gains in the quarter (compared with a 1% decline in the prior quarter), with strength in carbonated beverages (up 2%) such as Canada Dry and Penafiel (in Mexico) offsetting weakness in noncarbonated drinks (down 4%) and brand Dr Pepper (down 1%). Net sales improved at a similar 1% rate, as higher pricing and improved product mix couldn't overcome discounting in the company's concentrates segment. For the full year, management held its revenue outlook for flat to 1% gains, in line with our expectations.

The company's profitability is tracking toward our forecast, as well. Lower cost of goods and further improvements in the company's rapid continuous improvement project helped operating margins expand to 21.3% in the quarter from 17.7% a year ago, and to 20.0% from 16.2% in the first half. With this solid execution, DPS increased its estimated EPS to $3.43 to $3.51 compared with $3.38 to $3.46 previously, which brackets our current $3.49 projection. While we don't project the current favorable cost environment over the long run, we expect continued benefit from RCI to keep operating margins in the high teens for the next several years—evidence of the firm's cost advantage moat source.

Free cash flow through the first six months was also strong, increasing 71% to $367 million from $215 million in the comparable period last year, and was roughly 100% of net income over the first half. We forecast continued solid cash generation at a rate higher than net income over the rest of the year, and expect to see the company return substantially all of free cash to shareholders through dividends and stock buybacks. That said, given the current market quote is roughly 25% above our fair value estimate, we'd prefer to see higher dividends rather than share repurchases.

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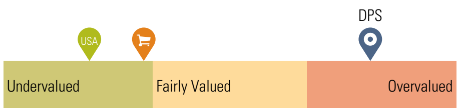
Dr Pepper Snapple Group Inc DPS

Last Close	Quantitative Fair Value Estimate	Market Cap (Mil)	Sector	Industry	Country of Domicile
66.95	56.54	13,063.7	Consumer Defensive	Beverages - Soft Drinks	United States

Dr Pepper Snapple Group, Inc., manufactures & distributes non-alcoholic beverages in the United States, Canada & Mexico. It products include carbonated soft drinks & non-carbonated beverages such as ready-to-drink teas, juice drinks, mixers & water.

Quantitative Scores

		Scores All	Rel Sector	Rel Country
Quantitative Moat	Wide	100	98	98
Valuation	Overvalued	1	1	1
Quantitative Uncertainty	Medium	97	96	94
Financial Health	Strong	79	75	79



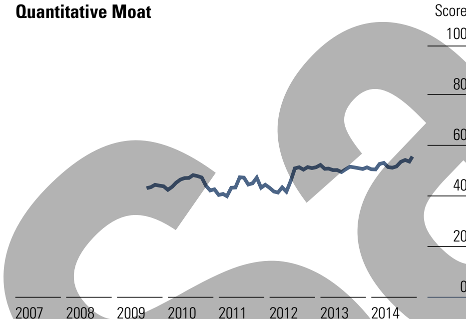
Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.18	1.05	0.94	0.86
Price/Earnings	18.5	14.9	19.3	20.0
Forward P/E	17.7	—	16.9	15.0
Price/Cash Flow	13.3	11.0	12.0	12.0
Price/Free Cash Flow	16.1	16.8	20.5	20.4
Dividend Yield %	2.40	2.47	1.97	2.08
Price/Book	5.8	3.5	1.8	2.3
Price/Sales	2.2	1.5	0.9	1.8

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	30.4	23.7	11.4	12.4
Return on Assets %	8.7	6.6	5.7	5.0
Revenue/Employee (K)	319.7	305.9	517.0	299.4

Quantitative Moat



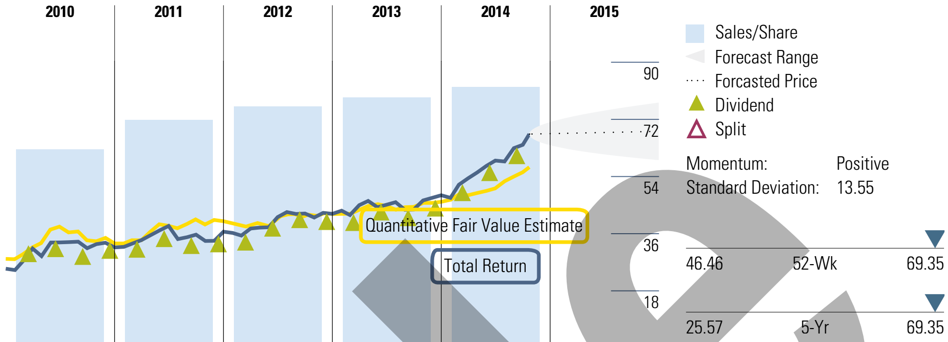
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.7	0.7	0.6	0.6
Solvency Score	440.3	—	477.4	547.0
Assets/Equity	3.6	3.6	1.8	1.6
Long-Term Debt/Equity	0.0	0.7	0.2	0.3

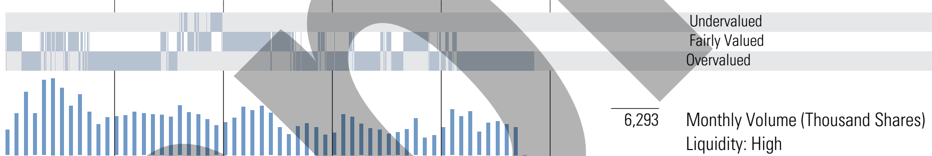
Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	0.0	2.1	1.0	—
Operating Income %	-4.2	0.7	—	—
Earnings %	3.0	11.9	—	—
Dividends %	11.8	19.1	—	—
Book Value %	3.6	1.6	2.3	—
Stock Total Return %	47.5	21.2	21.5	—

Price Versus Quantitative Fair Value



2010	2011	2012	2013	2014	2015	
27.4	15.7	15.3	13.7	39.9		Total Return %
10.6	14.1	-0.9	-19.4	33.5		+/– Market (Morningstar US Index)
2.56	3.06	3.08	3.12	2.40		Dividend Yield %
16.2	14.4	14.9	16.0	18.5		Price/Earnings
1.5	1.5	1.6	1.7	2.2		Price/Revenue

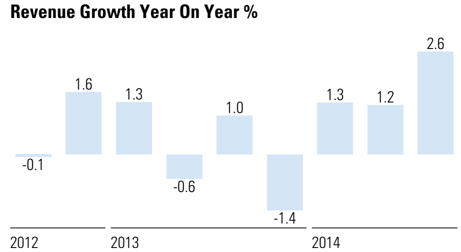


2009	2010	2011	2012	2013	TTM	**Financials** (Fiscal Year in Mil)
5,531	5,636	5,903	5,995	5,997	6,075	Revenue
-3.1	1.9	4.7	1.6	0.0	1.3	% Change
1,085	1,025	1,024	1,092	1,046	1,188	Operating Income
—	-5.5	-0.1	6.6	-4.2	13.6	% Change
555	528	606	629	624	709	Net Income
865	2,535	760	458	866	1,019	Operating Cash Flow
-317	-246	-218	-200	-184	-172	Capital Spending
548	2,289	542	258	682	847	Free Cash Flow
9.9	40.6	9.2	4.3	11.4	13.9	% Sales
2.17	2.17	2.74	2.96	3.05	3.57	EPS
—	0.0	26.3	8.0	3.0	17.0	% Change
2.15	9.44	2.45	1.22	3.34	4.17	Free Cash Flow/Share
0.15	0.90	1.21	1.36	1.52	1.61	Dividends/Share
12.54	10.98	10.67	11.11	11.50	11.63	Book Value/Share
223,936	212,130	205,293	197,980	194,409	194,409	Shares Outstanding (K)
						Profitability
19.2	18.7	25.7	27.7	27.4	30.4	Return on Equity %
6.4	6.0	6.7	6.9	7.3	8.7	Return on Assets %
10.0	9.4	10.3	10.5	10.4	11.7	Net Margin %
0.64	0.64	0.65	0.66	0.70	0.74	Asset Turnover
2.8	3.6	4.1	3.9	3.6	3.5	Financial Leverage
59.6	60.2	57.9	58.3	58.3	59.5	Gross Margin %
19.6	18.2	17.4	18.2	17.4	19.6	Operating Margin %
2,960	1,687	2,256	2,554	0	—	Long-Term Debt
3,187	2,459	2,263	2,280	2,277	2,363	Total Equity
5.3	5.0	5.1	5.1	5.1	5.4	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2014	1,398.0	1,631.0	1,583.0	—	—
2013	1,380.0	1,611.0	1,543.0	1,463.0	5,997.0
2012	1,362.0	1,621.0	1,528.0	1,484.0	5,995.0
2011	1,331.0	1,582.0	1,529.0	1,461.0	5,903.0
Earnings Per Share					
2014	0.78	1.06	0.96	—	—
2013	0.51	0.76	1.01	0.77	3.05
2012	0.48	0.83	0.84	0.81	2.96
2011	0.50	0.77	0.71	0.77	2.74

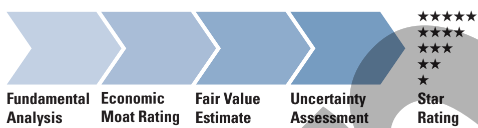
Revenue Growth Year On Year %



Morningstar Equity & Credit Research Methodology

Fundamental Analysis

At Morningstar, we believe buying shares of superior businesses at a discount and allowing them to compound over time is the surest way to create wealth in the stock market. The long-term fundamentals of businesses, such as cash flow, competition, economic cycles, and stewardship, are our primary focus. Occasionally, this approach causes our recommendations to appear out of step with the market, but willingness to be contrarian is an important source of outperformance and a benefit of Morningstar's independence. Our analysts conduct primary research to inform our views on each firm's moat, fair value and uncertainty.



Economic Moat

The economic moat concept is a cornerstone of Morningstar's investment philosophy and is used to distinguish high-quality companies with sustainable competitive advantages. An economic moat is a structural feature that allows a firm to sustain excess returns over a long period of time. Without a moat, a company's profits are more susceptible to competition. Companies with narrow moats are likely to achieve normalized excess returns beyond 10 years while wide-moat companies are likely to sustain excess returns beyond 20 years. The longer a firm generates economic profits, the higher its intrinsic value. We believe lower-quality no-moat companies will see their returns gravitate toward the firm's cost of capital more quickly than companies with moats. We have identified five sources of economic moats: intangible assets, switching costs, network effect, cost advantage, and efficient scale.

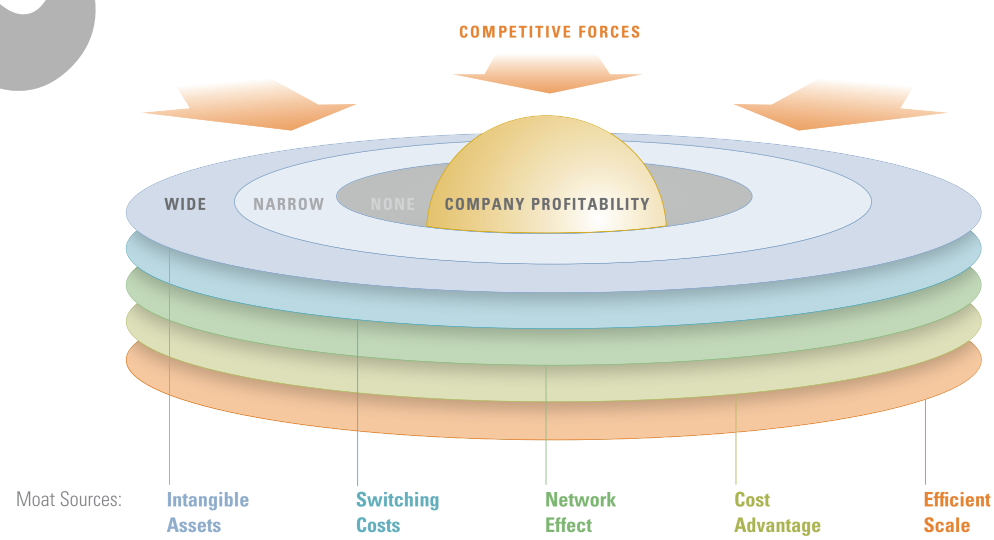
Fair Value Estimate

Our analyst-driven fair value estimate is based primarily on Morningstar's proprietary three-stage discounted cash flow model. We also use a variety of supplementary fundamental methods to triangulate a company's worth, such as sum-of-the-parts, multiples, and yields, among others. We're looking well beyond next quarter to determine the cash-generating ability of a company's assets because we believe the market price of a security will migrate toward the firm's intrinsic value over time. Economic moats are not only an important sorting mechanism for quality in our framework, but the designation also directly contributes to our estimate of a company's intrinsic value through sustained excess returns on invested capital.

Uncertainty Rating

The Morningstar Uncertainty Rating demonstrates our assessment of a firm's cash flow predictability, or valuation risk. From this rating, we determine appropriate margins of safety: The higher the uncertainty, the wider the margin of safety around our fair value estimate before our recommendations are triggered. Our uncertainty ratings are low, medium, high, very high, and extreme. With each uncertainty rating is a corresponding set of price/fair value ratios that drive our recommendations: Lower price/fair value ratios (<1.0) lead to positive recommendations, while higher price/fair value

Economic Moat



Morningstar Equity & Credit Research Methodology

ratios (>1.0) lead to negative recommendations. In very rare cases, the fair value estimate for a firm is so unpredictable that a margin of safety cannot be properly estimated. For these firms, we use a rating of extreme. Very high and extreme uncertainty companies tend to have higher risk and volatility.

Credit Rating

The Morningstar Corporate Credit Rating measures the ability of a firm to satisfy its debt and debtlike obligations. The higher the rating, the less likely we think the company is to default on these obligations.

Quantitatively Driven Valuations

To complement our analysts' work, we produce Quantitative Ratings for a much larger universe of companies. These ratings are generated by statistical models that are meant to divine the relationships between Morningstar's analyst-driven ratings and key financial data points. Consequently, our quantitative ratings are directly analogous to our analyst-driven ratings.

Quantitative Fair Value Estimate (QFVE): The QFVE is analogous to Morningstar's fair value estimate for stocks. It represents the per-share value of the equity of a company. The QFVE is displayed in the same currency as the company's last close price.

Valuation: The valuation is based on the ratio of a company's quantitative fair value estimate to its last close price.

Quantitative Uncertainty: This rating describes our level of uncertainty about the accuracy of our quantitative fair value estimate. In this way it is analogous to Morningstar's fair value uncertainty ratings.

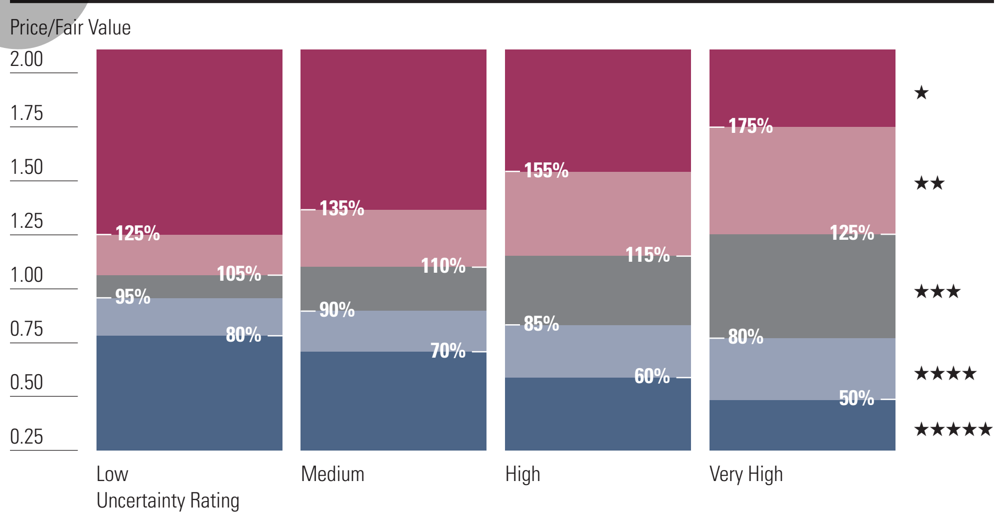
Quantitative Economic Moat: The quantitative moat rating is analogous to Morningstar's analyst-driven economic moat rating in that both are meant to describe the strength of a firm's competitive position.

Financial Health: Financial health is based on Morningstar's proprietary Distance to Default calculation.

Understanding Differences Between Analyst and Quantitative Valuations

If our analyst-driven ratings did not sometimes differ from our quantitative ratings, there would be little value in producing both. Differences occur because our quantitative ratings are essentially a highly sophisticated analysis of the analyst-driven ratings of comparable companies. If a company is unique and has few comparable companies, the quantitative model will have more trouble assigning correct ratings, while an analyst will have an easier time recognizing the true characteristics of the company. On the other hand, the quantitative models incorporate new data efficiently and consistently. Empirically, we find quantitative ratings and analyst-driven ratings to be equally powerful predictors of future performance. When the analyst-driven rating and the quantitative rating agree, we find the ratings to be much more predictive than when they differ. In this way, they provide an excellent second opinion for each other. When the ratings differ, it may be wise to follow the analyst's rating for a truly unique company with its own special situation, and follow the quantitative rating when a company has several reasonable comparable companies and relevant information is flowing at a rapid pace.

Uncertainty Rating



Dr Pepper Snapple Group Inc DPS (XNYS)

Morningstar Rating	Last Price	Fair Value Estimate	Price/Fair Value	Dividend Yield %	Market Cap (Bil)	Industry	Stewardship
★★ 24 Oct 2014	66.69 USD 24 Oct 2014	52.00 USD	1.39	2.40 24 Oct 2014	13.06 24 Oct 2014	Beverages - Soft Drinks	Standard

The Morningstar Rating for stocks identifies stocks trading at a discount or premium to their intrinsic value. Five-star stocks sell for the biggest risk-adjusted discount whereas one-star stocks trade at premiums to their intrinsic value. Based on a fundamentally focused methodology and a robust, standardized set of procedures and core valuation tools used by Morningstar's Equity Analysts, four key components drive the Morningstar Rating: 1. Assessment of the firm's economic moat, 2. Estimate of the stock's fair value, 3. Uncertainty around that fair value estimate and 4. Current market price. Further information on Morningstar's methodology is available from http://global.morningstar.com/equitydisclosures.

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