

“Cash COWZ Index” Trailing FCF Trap Constituent Report

- How to Invest in Free Cash Flow Yield
- Avoiding Trailing Free Cash Flow Yield Traps
 - The Hawaiian Electric Predicament
- Appendix
- Disclosures

KellyIntel.com/COWS



KELLY

COWSETF Index:
Kelly US Cash Flow
Dividend Leaders
Index

Fourth Quarter - 2023



KELLY

COWSETF Index How to Invest in Free Cash Flow Yield

COWSETF Index Strategy Overview



Cash Flow Dividend Leaders: The power of dividend growth, coupled with the strength of high free cash flow (“FCF”) yield

KellyIntel.com/COWS

The Kelly US Cash Flow Dividend Leaders Index (COWSETF Index) comprises of at least 40 large-to-mid-cap publicly traded US companies exhibiting characteristics of high free cash flow and consistent dividend growth. Currently has 56 holdings. The COWSETF Index distinguishes itself by utilizing a **Forward FCF Yield** and **Trailing FCF Yield** ranking system. High quality FCFY indexes need to incorporate both FCF Yields as they are inextricably linked.



Date	Index	Index Ticker	Trailing FCF Yield	Forward FCF Yield	Trailing 12 Month Dividend
9/30/2023	Kelly US Cash Flow Dividend Leaders Index	COWSETF	8.19%	11.17%	2.21%

- FCF yield is a key fundamental metric that measures a company’s ability to generate cash, indicating financial health. It is important to see the trailing and forward health.
- Dividends may be the strongest signal a company can send about its ability to increase profits and cash flows into the future.

COWSETF Index: Cash Flow Dividend Leaders



How to Invest in Free Cash Flow Yield (“FCFY”)

By coupling both trailing and forward, COWSETF Index’s methodology demonstrates critical components on how to invest in free cash flow yield and dividends.

The three important aspects that should be adhered to before investing in a free cash flow strategy:

- **Incorporate Future Free Cash Flow Yield in Construction:** The value of a company is the present value of its FUTURE free cash flow. By only looking retrospectively at *trailing* FCF Yield, investors could end up owning negative FCF companies, or transient-FCF Yield companies that end up being “value traps,” because their businesses have been structurally altered.
- **Shareholder Return Policies – Paying Dividends:** Businesses are built to return money to shareholders. There are many ways companies can return money, but we believe dividends are one of the strongest signals a company can send about its ability to increase profits and cash flows into the future.
- **Risk Management & Industry Controls:** The COWSETF Index seeks to minimize idiosyncratic risks by implementing an industry cap of 24%. Sectors can fall out of favor making an entire industry trade at a discount to the overall equity market but that does not mean investors should over allocate any sector just because they have high FCF yield. The industry could also suffer from idiosyncratic risk that further exposes cash flow going forward.



**High Quality FCFY
Indexes need to
Incorporate Trailing and
Future FCF Yield as
Trailing and Future are
Inextricably Linked**

Importance of Shareholder Return Policies

The Significance of Dividends for Cash Flow Strategies

For investing in shareholder friendly companies, estimating future cash flow is important because the forecast shows how much cash a company is likely to have available in the coming period.

Important insights can be derived from management's conviction in distributing cash back to its owners.

- Retrospective financial metrics have proven to be a poor gauge of a company's future earnings performance as well as dividend sustainability as **Hawaiian Electric demonstrates (Slides 9 - 10)**.
- However, many dividend strategies still rely exclusively on screens for historical dividend payments or historical dividend growth.
- Selecting companies based on their history of paying is backward-looking and does not account for future prospects.

Managements Can Use Positive Free Cash Flow for:



Reinvest in
the Business



Pay
Dividends



Grow
Dividends



Pay
Debt



Buyback
Shares



Mergers /
Acquisitions

FREE CASH FLOW YIELD

Free Cash Flow Yield (FCFY)



Free Cash Flow

Enterprise Value (Market Cap + Debt + Cash)



Avoiding Trailing FCF Traps – COWZ Index

Cash COWZ Index – Rigid Trailing FCFY Troubles



Fiduciaries need to be aware of the exposure they have in investment portfolios and if those strategies are meeting mandates

Rigid FCF Yield strategies, like Pacer's COWZ Index (US Cash Cows 100 Index), can miss the mark in Free Cash Flow Yield investing because:

- **They only factor in *trailing* twelve months FCF Yield**
 - Not only does the COWZ Index hold negative forward FCF companies, but it also holds companies that have significant **declining** FCF, potential value traps as their “securities are ranked by their Free Cash Flow yield (trailing twelve month (TTM) Free Cash Flow /Enterprise Value),” COWZ Index methodology.
- **Mandated to hold a specific amount of positions**
 - “The 100 securities with the highest values are selected,” COWZ Index methodology.
 - No matter the degree of quality, or lack of quality, Pacer's index must hold 100 positions.
- **Have unlimited exposure to sectors**
 - Investing takes discipline and there should be a focus on risk exposure and diversification, especially to avoid idiosyncratic sector risks.
 - Getting in and out of the right sectors at the right times is difficult for several reasons, including the nature of rebalancing and the lag effect.

Cash COWZ Index Traps



Fiduciaries need to be aware of the exposure they have in investment portfolios and if those strategies are meeting mandates

Pacer COWZ Index hold **two constituents that are anticipated to have NEGATIVE free cash flow for 2023**

2023 Q4 - Pacer US Cash Cows 100 Index (COWZ Index) Constituent Traps - In Millions USD

Ticker	Company	2022 Year FCF	2023 Year FCF Estimates	YoY Percent Decline
HE	HAWAIIAN ELEC INDUSTRIES	\$110.44	Negative FCF	-703.13%
AR	ANTERO RESOURCES CORP	\$2,107.40	-	-101.31%
SWN	SOUTHWESTERN ENERGY CO	\$1,039.00	\$170.00	-83.64%
STLD	STEEL DYNAMICS INC	\$3,551.50	\$1,583.90	-55.40%
CHRW	C H ROBINSON WORLDWIDE INC	\$1,588.30	\$716.80	-54.87%
NUE	NUCOR CORP	\$8,124.20	\$3,930.90	-51.61%
TRIP	TRIPADVISOR INC	\$344.00	\$184.30	-46.42%

Source: Bloomberg - Free Cash Flow

Date: 10-14-2023

Pacer's rigid *trailing* methodology makes their investment in Hawaiian Electric and Antero unavoidable. **The COWSETF Index avoids ALL the above constituents because it incorporates forward / estimated FCF.**

Cash COWZ Index Trap: NEGATIVE FCF Firm



Hawaiian Electric – HE

Bloomberg

Financial Statement Analysis

Ticker: HE US Equity

Periodicity: Annuals

Currency: USD

Note: Years shown on the report are Fiscal Years

Company: Hawaiian Electric Industries Inc

Filing: Most Recent

BBG Adj Highlights

	Restated:2016 A	Restated:2017 A	Restated:2018 A	Original:2019 A	Original:2020 A	Original:2021 A	Original:2022 A	Current/LTM	Estimate:2023 A	Estimate:2024 A
For the period ending	2016-12-31	2017-12-31	2018-12-31	2019-12-31	2020-12-31	2021-12-31	2022-12-31	2023-6-30	2023-12-31	2024-12-31
Market Capitalization	3,590.85	3,932.68	3,987.16	5,106.49	3,863.92	4,536.44	4,581.35	1,348.22		
- Cash & Equivalents	1,394.85	1,717.30	1,709.57	1,577.52	2,547.47	3,412.44	2,907.85	2,925.24		
+ Preferred & Other	34.29	34.29	34.29	3.42	16.74	28.38	29.24	29.19		
+ Total Debt	1,811.64	1,992.60	2,063.67	2,539.76	2,572.61	2,601.00	3,427.98	3,606.65		
Enterprise Value	4,041.93	4,242.27	4,375.55	6,072.14	3,905.80	3,753.38	5,130.73	2,058.83		
Revenue, Adj	2,380.65	2,555.63	2,860.85	2,874.60	2,579.78	2,850.38	3,741.99	3,885.23	3,530.75	3,480.00
Growth %, YoY	-8.54	7.35	11.94	0.48	-10.26	10.49	31.28	21.12	-5.64	-1.44
Gross Profit, Adj	1,363.21	1,381.22	1,461.01	1,520.64	1,495.75	1,535.54	1,682.79	1,763.14	1,756.69	1,752.39
Margin %	57.26	54.05	51.07	52.90	57.98	53.87	44.97	45.38	49.75	50.36
EBITDA, Adj	471.42	568.23	588.99	700.37	676.79	742.51	740.21	686.06	615.00	669.67
Margin %	19.80	22.23	20.59	24.36	26.23	26.05	19.78	17.66	17.42	19.24
Net Income, Adj	190.06	165.30	201.77	217.88	190.50	245.75	234.72	228.76	214.50	240.50
Margin %	7.98	6.47	7.05	7.58	7.38	8.62	6.27	5.89	6.08	6.91
EPS, Adj	1.75	1.52	1.85	1.99	1.74	2.25	2.14	2.09	1.97	2.18
Growth %, YoY	6.35	-13.27	21.71	7.57	-12.41	28.87	-4.66	-1.95	-8.01	10.86
Cash from Operations	495.66	420.44	499.31	512.47	429.41	375.67	454.48			
Capital Expenditures	-330.04	-495.19	-506.77	-457.52	-383.89	-314.52	-344.04	Negative FCF	-412.33	-404.33
Free Cash Flow	165.62	-74.75	-7.46	54.95	45.51	61.15	110.44		-666.06	75.68

- Hawaiian Electric's future free cash flow is anticipated to be negative due to the Maui wildfires that killed at least 97 people.
- It is expected that their insurance is a fraction of the potential fire claims.

Year over Year Free Cash Flow:
-703.13%

Source: Bloomberg
Date: 10/14/2023

Cash COWZ Index Traps



Fiduciaries need to be aware of the exposure they have in investment portfolios – Especially in “High Quality” Strategies

UTILITIES

BARRON'S

August 25, 2023

Hawaiian Electric Suspends Dividend. Stock Drops on Legal, Cash Flow Troubles.

3 weeks later... September 15, 2023



 PACER **COWZ** Index Rebalance:

Adds new position, **Hawaiian Electric**, to “Cash Cows” portfolio that “focuses on high quality US large-cap companies”

Trailing only FCFY indexes can be exposed to companies that are anticipated to have **negative FCF** or won't have free cash flow going forward.

Cash COWZ Index Trap: NEGATIVE FCF Firm



Antero Resources - AR

Bloomberg

Financial Statement Analysis

Ticker: AR US Equity

Periodicity: Annuals

Currency: USD

Note: Years shown on the report are Fiscal Years

Company: Antero Resources Corp

Filing: Most Recent

BBG Adj Highlights

	Original:2016 A	Restated:2017 A	Restated:2018 A	Original:2019 A	Original:2020 A	Original:2021 A	Original:2022 A	Current/LTM	Estimate:2023 A	Estimate:2024 A
For the period ending	2016-12-31	2017-12-31	2018-12-31	2019-12-31	2020-12-31	2021-12-31	2022-12-31	2023-6-30	2023-12-31	2024-12-31
Market Capitalization	7,446.84	6,011.20	2,897.69	843.43	1,464.26	5,493.77	9,215.16	8,359.68		
- Cash & Equivalents	31.61	28.44	0.00	0.00	0.00	0.00	0.00	0.00		
+ Preferred & Other	1,465.95	726.96	0.00	0.00	322.57	308.93	262.60	242.43		
+ Total Debt	4,703.97	4,800.09	3,532.93	6,647.87	5,616.40	5,545.91	4,629.97	4,757.96		
Enterprise Value	13,585.16	11,509.81	6,430.62	7,491.30	7,403.23	11,348.61	14,107.72	13,360.07		
Revenue, Adj	3,261.79	3,232.63	4,360.71	4,269.81	4,215.47	5,367.97	7,138.44	6,397.34	4,499.43	5,170.79
Growth %, YoY	34.23	-0.89	34.90	-2.08	-1.27	27.34	32.98	11.73	-36.97	14.92
Gross Profit, Adj	1,449.93	1,126.19	1,434.38	933.67	613.70	1,828.27	3,460.83	2,695.21		
Margin %	44.45	34.84	32.89	21.87	14.56	34.06	48.48	42.13		
EBITDA, Adj	1,421.05	1,327.39	1,541.02	2,065.76	2,496.45	3,251.42	4,990.72	4,386.22	1,100.00	1,821.50
Margin %	43.57	41.06	35.34	48.38	59.22	60.57	69.91	68.56	24.45	35.23
Net Income, Adj	146.74	250.83	513.26	-123.82	-205.94	563.52	1,769.31	693.50	186.50	726.50
Margin %	4.50	7.76	11.77	-2.90	-4.89	10.50	24.79	10.84	4.14	14.05
EPS, Adj	0.50	0.79	1.62	-0.40	-0.76	1.83	5.39	2.12	0.68	2.49
Growth %, YoY	46.94	59.14	105.42		-87.06		195.12	-44.33	-87.38	265.74
Cash from Operations	1,241.26	2,006.29	1,663.21	1,108.14	735.64	1,660.12	3,051.34			
Capital Expenditures	2,495.43	2,216.75	2,210.51	1,422.15	874.36	715.94	943.97		1,055.53	-933.06
Free Cash Flow	-1,254.17	-210.46	-547.30	-314.02	-138.72	944.18	2,107.37		-27.64	904.23

Negative FCF

- Antero Resources' free cash flow is anticipated to go negative because of the natural gas price decline and industry inflationary pressures.

Year over Year Free Cash Flow:

-101.31%

Cash COWZ Index: Potential Trailing FCF Trap



Southwestern Energy - SWN

Bloomberg

Financial Statement Analysis

Ticker: SWN US Equity

Periodicity: Annuals

Currency: USD

Note: Years shown on the report are Fiscal Years

Company: Southwestern Energy Co

Filing: Most Recent

BBG Adj Highlights

	Original:2016 A	Original:2017 A	Restated:2018 A	Restated:2019 A	Original:2020 A	Original:2021 A	Original:2022 A	Current/LTM	Estimate:2023 A	Estimate:2024 A
For the period ending	2016-12-31	2017-12-31	2018-12-31	2019-12-31	2020-12-31	2021-12-31	2022-12-31	2023-6-30	2023-12-31	2024-12-31
Market Capitalization	5,358.25	2,857.53	1,862.93	1,309.71	2,009.84	5,192.73	6,434.60	7,412.85		
- Cash & Equivalents	1,423.00	916.00	201.00	5.00	13.00	28.00	50.00	25.00		
+ Preferred & Other	1,725.00	1,725.00	0.00	0.00	0.00	0.00	0.00	0.00		
+ Total Debt	4,653.00	4,391.00	2,318.00	2,395.00	3,309.00	5,591.00	4,567.00	4,201.00		
Enterprise Value	10,313.25	8,057.53	3,979.93	3,699.71	5,305.84	10,755.73	10,951.60	11,588.85		
Revenue, Adj	2,470.00	3,174.00	3,768.00	3,218.00	2,308.00	6,667.00	15,002.00	11,308.00	5,814.31	6,473.63
Growth %, YoY	-25.94	28.50	18.71	-14.60	-28.28	188.86	125.02	-2.74	-61.24	11.34
Gross Profit, Adj	1,077.00	1,600.00	1,890.00	1,365.00	950.00	4,032.00	9,167.00	6,320.00	1,615.33	1,998.47
Margin %	43.60	50.41	50.16	42.42	41.16	60.48	61.11	55.89	27.78	30.87
EBITDA, Adj	682.00	1,207.00	1,465.00	1,017.00	424.00	3,318.00	8,622.00	7,041.00	2,357.00	2,991.96
Margin %	27.61	38.03	38.88	31.60	18.37	49.77	57.47	62.27	40.54	46.22
Net Income, Adj	-8.87	172.17	587.74	328.00	221.00	831.00	1,479.00	1,088.00	708.17	1,209.25
Margin %	-0.36	5.42	15.60	10.19	9.58	12.46	9.86	9.62	12.18	18.68
EPS, Adj	-0.02	0.35	1.02	0.61	0.39	1.05	1.33	0.98	0.64	1.06
Growth %, YoY			195.62	-40.46	-36.68	173.27	26.16	56.99	-51.64	65.42
Cash from Operations	498.00	1,097.00	1,223.00	964.00	528.00	1,363.00	3,154.00			
Capital Expenditures	-593.00	-1,268.00	-1,290.00	-1,099.00	-896.00	-1,032.00	-2,115.00		-2,150.43	-2,206.43
Free Cash Flow	-95.00	-171.00	-67.00	-135.00	-368.00	331.00	1,039.00	Declining FCF	170.00	454.28

Trailing only FCFY indexes can be exposed to companies that are anticipated to have **negative FCF** or transient-FCF Yield companies that end up being “value traps.”

Year over Year Free Cash Flow:

-83.64%

Source: Bloomberg

Date: 10/14/2023

Cash COWZ Index: Potential Trailing FCF Trap



Steel Dynamics - STLD

Bloomberg

Financial Statement Analysis

Ticker: STLD US Equity

Periodicity: Annuals

Currency: USD

Note: Years shown on the report are Fiscal Years

Company: Steel Dynamics Inc

Filing: Most Recent

BBG Adj Highlights

	Original:2016 A	Original:2017 A	Original:2018 A	Original:2019 A	Original:2020 A	Original:2021 A	Original:2022 A	Current/LTM	Estimate:2023 A	Estimate:2024 A
For the period ending	2016-12-31	2017-12-31	2018-12-31	2019-12-31	2020-12-31	2021-12-31	2022-12-31	2023-6-30	2023-12-31	2024-12-31
Market Capitalization	8,673.89	10,238.93	6,767.18	7,301.67	7,776.41	12,103.52	16,895.86	17,543.40		
- Cash & Equivalents	841.48	1,028.65	1,057.00	1,643.63	1,368.62	1,243.87	2,256.63	2,087.06		
+ Preferred & Other	-38.32	-45.27	-47.84	-10.98	3.06	15.53	-34.55	-43.01		
+ Total Debt	2,356.83	2,381.94	2,376.72	2,809.77	3,192.99	3,205.95	3,181.22	3,067.70		
Enterprise Value	10,150.91	11,546.95	8,039.05	8,456.83	9,603.84	14,081.13	17,785.90	18,481.02		
Revenue, Adj	7,777.11	9,538.80	11,821.84	10,464.99	9,601.48	18,408.85	22,260.77	20,452.83	18,867.67	16,988.44
Growth %, YoY	2.41	22.65	23.93	-11.48	-8.25	91.73	20.92	-7.79	-15.24	-9.96
Gross Profit, Adj	1,334.86	1,577.19	2,322.81	1,530.98	1,434.73	5,362.42	6,117.83	4,814.96	4,118.62	2,403.86
Margin %	17.16	16.53	19.65	14.63	14.94	29.13	27.48	23.54	21.83	14.15
EBITDA, Adj	1,164.32	1,397.57	2,046.01	1,328.06	1,221.61	4,671.26	5,499.72	4,297.61	3,750.78	2,423.25
Margin %	14.97	14.65	17.31	12.69	12.72	25.38	24.71	21.01	19.88	14.26
Net Income, Adj	475.23	640.26	1,248.22	672.93	574.09	3,212.45	3,863.24	2,989.00	2,522.00	1,458.25
Margin %	6.11	6.71	10.56	6.43	5.98	17.45	17.35	14.61	13.37	8.58
EPS, Adj	1.94	2.65	5.31	3.05	2.70	15.55	20.92	17.09	14.92	8.75
Growth %, YoY	186.17	36.45	100.51	-42.56	-11.44	476.10	34.53	-23.99	-28.69	-41.33
Cash from Operations	852.77	739.61	1,415.47	1,396.29	987.03	2,204.14	4,460.40			
Capital Expenditures	-198.16	-164.94	-239.39	-451.94	-1,198.06	-1,006.24	-908.90		-1,556.00	-1,507.75
Free Cash Flow	654.61	574.67	1,176.08	944.35	-211.02	1,197.90	3,551.50	Declining FCF	1,583.91	326.48

Trailing only FCFY indexes can be exposed to companies that are anticipated to have **negative FCF** or transient-FCF Yield companies that end up being “value traps.”

Year over Year Free Cash Flow:
-55.40%

Source: Bloomberg
Date: 10/14/2023

Cash COWZ Index: Potential Trailing FCF Trap



C.H. Robinson - CHRW

Bloomberg

Financial Statement Analysis

Ticker: CHRW US Equity

Periodicity: Annuals

Currency: USD

Note: Years shown on the report are Fiscal Years

Company: CH Robinson Worldwide Inc

Filing: Most Recent

BBG Adj Highlights

	Original:2016 A	Original:2017 A	Restated:2018 A	Original:2019 A	Original:2020 A	Original:2021 A	Original:2022 A	Current/LTM	Estimate:2023 A	Estimate:2024 A
For the period ending	2016-12-31	2017-12-31	2018-12-31	2019-12-31	2020-12-31	2021-12-31	2022-12-31	2023-6-30	2023-12-31	2024-12-31
Market Capitalization	10,348.56	12,431.80	11,544.21	10,548.79	12,606.55	13,904.29	10,650.53	9,780.86		
- Cash & Equivalents	247.67	333.89	378.62	447.86	243.80	257.41	217.48	210.16		
+ Preferred & Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
+ Total Debt	1,240.00	1,465.00	1,346.35	1,556.06	1,428.05	2,226.33	2,361.17	2,097.54		
Enterprise Value	11,340.90	13,562.91	12,511.95	11,656.99	13,790.80	15,873.21	12,794.22	11,668.25		
Revenue, Adj	13,144.41	14,869.38	16,631.17	15,309.51	16,207.11	23,102.14	24,696.63	20,115.72	17,930.65	18,615.78
Growth %, YoY	-2.46	13.12	11.85	-7.95	5.86	42.54	6.90	-23.75	-27.40	3.82
Gross Profit, Adj	1,212.59	1,188.52	1,361.69	1,287.78	1,169.39	1,608.48	1,870.20	1,381.27	2,665.39	2,783.25
Margin %	9.23	7.99	8.19	8.41	7.22	6.96	7.57	6.87	14.87	14.95
EBITDA, Adj	912.77	868.10	1,009.48	970.41	878.08	1,279.10	1,513.76	1,041.41	704.61	799.17
Margin %	6.94	5.84	6.07	6.34	5.42	5.54	6.13	5.18	3.93	4.29
Net Income, Adj	513.75	473.09	668.43	586.05	519.56	860.21	989.64	579.44	431.81	495.16
Margin %	3.91	3.18	4.02	3.83	3.21	3.72	4.01	2.88	2.41	2.66
EPS, Adj	3.59	3.35	4.76	4.26	3.82	6.43	7.79	4.72	3.59	4.20
Growth %, YoY	1.71	-6.89	42.24	-10.55	-10.32	68.46	21.11	-43.59	-53.84	16.86
Cash from Operations	529.41	384.00	792.90	835.42	499.19	94.96	1,650.17			
Capital Expenditures	-73.45	-40.12	-45.00	-36.29	-23.13	-34.20	-61.92		-75.90	-82.21
Free Cash Flow	455.96	343.88	747.90	799.13	476.06	60.76	1,588.26	Declining FCF	716.80	496.23

Trailing only FCFY indexes can be exposed to companies that are anticipated to have **negative FCF** or transient-FCF Yield companies that end up being “value traps.”

Year over Year Free Cash Flow:
-54.87%

Source: Bloomberg
Date: 10/14/2023

Cash COWZ Index: Potential Trailing FCF Trap



Nucor Corp - NUE

Bloomberg

Financial Statement Analysis

Ticker: NUE US Equity

Periodicity: Annuals

Currency: USD

Note: Years shown on the report are Fiscal Years

Company: Nucor Corp

Filing: Most Recent

BBG Adj Highlights

	Restated:2016 A	Restated:2017 A	Original:2018 A	Original:2019 A	Original:2020 A	Original:2021 A	Original:2022 A	Current/LTM	Estimate:2023 A	Estimate:2024 A
For the period ending	2016-12-31	2017-12-31	2018-12-31	2019-12-31	2020-12-31	2021-12-31	2022-12-31	2023-7-1	2023-12-31	2024-12-31
Market Capitalization	18,971.23	20,216.47	15,832.72	16,985.98	16,076.41	31,095.83	33,412.91	36,577.13		
- Cash & Equivalents	2,195.96	999.10	1,398.89	1,834.64	3,047.68	2,617.86	4,857.80	5,381.04		
+ Preferred & Other	374.84	345.75	409.89	433.31	443.20	587.40	1,155.21	987.25		
+ Total Debt	4,357.10	3,795.07	4,291.15	4,560.76	5,526.64	5,958.62	6,984.81	6,679.11		
Enterprise Value	21,507.21	23,358.19	19,134.87	20,145.40	18,998.57	35,023.99	36,695.14	38,862.45		
Revenue, Adj	16,208.12	20,252.39	25,067.28	22,588.86	20,139.66	36,483.94	41,512.47	37,457.95	34,337.46	31,219.73
Growth %, YoY	-1.41	24.95	23.77	-9.89	-10.84	81.15	13.78	-12.82	-17.28	-9.08
Gross Profit, Adj	2,025.91	2,569.41	4,295.41	2,679.09	2,227.95	11,025.41	12,503.28	9,440.75	8,124.93	6,275.79
Margin %	12.50	12.69	17.14	11.86	11.06	30.22	30.12	25.20	23.66	20.10
EBITDA, Adj	2,138.80	2,641.24	4,106.22	2,829.06	2,523.39	10,337.86	11,841.64	9,128.25	7,407.70	5,392.10
Margin %	13.20	13.04	16.38	12.52	12.53	28.34	28.53	24.37	21.57	17.27
Net Income, Adj	808.33	1,148.19	2,436.82	1,398.42	1,277.71	6,946.96	7,851.68	5,851.51	4,515.60	2,939.80
Margin %	4.99	5.67	9.72	6.19	6.34	19.04	18.91	15.62	13.15	9.42
EPS, Adj	2.53	3.58	7.69	4.58	4.21	23.68	29.93	22.91	18.08	11.71
Growth %, YoY	184.67	41.84	114.63	-40.44	-8.10	462.61	26.39	-31.01	-39.58	-35.22
Cash from Operations	1,750.00	1,055.34	2,393.95	2,809.41	2,696.88	6,230.78	10,072.05			
Capital Expenditures	604.84	448.56	982.53	1,477.29	1,543.22	1,621.99	1,947.00		2,858.67	-3,162.67
Free Cash Flow	1,145.16	606.78	1,411.42	1,332.12	1,153.66	4,608.79	8,124.16	Declining FCF	3,930.90	990.16

Trailing only FCFY indexes can be exposed to companies that are anticipated to have **negative FCF** or transient-FCF Yield companies that end up being “value traps.”

Year over Year Free Cash Flow:
-51.61%

Cash COWZ Index: Potential Trailing FCF Trap



Tripadvisor, Inc. - TRIP

Bloomberg

Financial Statement Analysis

Ticker: TRIP US Equity

Periodicity: Annuals

Currency: USD

Note: Years shown on the report are Fiscal Years

Company: TripAdvisor Inc

Filing: Most Recent

BBG Adj Highlights

	Restated:2016 A	Restated:2017 A	Restated:2018 A	Restated:2019 A	Restated:2020 A	Original:2021 A	Original:2022 A	Current/LTM	Estimate:2023 A	Estimate:2024 A
For the period ending	2016-12-31	2017-12-31	2018-12-31	2019-12-31	2020-12-31	2021-12-31	2022-12-31	2023-6-30	2023-12-31	2024-12-31
Market Capitalization	6,682.43	4,787.97	7,438.40	4,173.66	3,877.55	3,839.49	2,532.43	2,171.93		
- Cash & Equivalents	746.00	735.00	670.00	319.00	418.00	723.00	1,021.00	1,141.00		
+ Preferred & Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
+ Total Debt	171.00	237.00	0.00	167.00	634.00	953.00	929.00	922.00		
Enterprise Value	6,107.43	4,289.97	6,768.40	4,021.66	4,093.55	4,069.49	2,440.43	1,952.93		
Revenue, Adj	1,480.00	1,556.00	1,615.00	1,560.00	604.00	902.00	1,492.00	1,678.00	1,742.56	1,911.00
Growth %, YoY	-0.80	5.14	3.79	-3.41	-61.28	49.34	65.41	37.20	16.79	9.67
Gross Profit, Adj	1,409.00	1,484.00	1,529.00	1,466.00	549.00	828.00	1,376.00	1,546.00	1,601.22	1,756.57
Margin %	95.20	95.37	94.67	93.97	90.89	91.80	92.23	92.13	91.89	91.92
EBITDA, Adj	267.00	235.00	420.00	335.00	-4.00	107.00	206.00	187.00	297.38	364.88
Margin %	18.04	15.10	26.01	21.47	-0.66	11.86	13.81	11.14	17.07	19.09
Net Income, Adj	120.00	55.38	116.26	127.56	-274.09	-150.34	16.30	-21.12	136.05	201.00
Margin %	8.11	3.56	7.20	8.18	-45.38	-16.67	1.09	-1.26	7.81	10.52
EPS, Adj	0.82	0.39	0.83	0.90	-2.03	-1.10	0.11	-0.16	0.95	1.37
Growth %, YoY	-35.85	-52.28	112.94	8.14		45.95		50.47	728.52	44.32
Cash from Operations	321.00	238.00	405.00	424.00	-194.00	108.00	400.00			
Capital Expenditures	-72.00	-64.00	-61.00	-83.00	-55.00	-54.00	-56.00		-64.59	-70.83
Free Cash Flow	249.00	174.00	344.00	341.00	-249.00	54.00	344.00	Declining FCF	184.30	270.20

Trailing only FCFY indexes can be exposed to companies that are anticipated to have **negative FCF** or transient-FCF Yield companies that end up being “value traps.”

Year over Year Free Cash Flow:

-46.42%

Source: Bloomberg

Date: 10/14/2023



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Appendix

Free Cash Flow Definitions

Free Cash Flow (FCF): A company's cash flow from operations minus capital expenditures (expenses, interest, taxes, and long-term investments)

Trailing Free Cash Flow Yield (%) measures the amount of cash generated from the core operations of a company relative to its valuation. defined as trailing-12-month free cash flow divided by enterprise value.

Forward Free Cash Flow Yield: Defined as estimated forward-year free cash flow per share divided by share price.

Enterprise Value (EV): A company's market capitalization adjusted to eliminate any capital structure bias (i.e. by adding debt and subtracting cash or cash equivalents)

Free Cash Flow Yield (FCF/EV): Measures a company's total free cash flow relative to its enterprise value. This is an internal statistic and does not constitute investor yield.

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KELLY COWSETF Index

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