



Stock Analysis Essentials

Workshop

18 June 2024

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We would like to draw your attention to the following important investment warnings:

- The value of shares and investments and the income derived from them can go down as well as up
- Investors may not get back the amount they invested
- Past performance is not a guide to future performance

Please note that all data in this document is historic and dated when this document went to print in March 2024.

Welcome from your hosts



Megan Boxall
Head of Content



Keelan Cooper
Financial Analyst



Today's Agenda

Coming up today: BAE vs Rolls Royce

It has been a good few years for the defence sector in the UK, can it continue?



✈️ Coming up today: Jet2

This darling of AIM has made a lot of money for its shareholders over the last five years, but still looks cheap



🇬🇧 What is the outlook for British stocks?

There have been signs of renewed health in the UK this year...



🇬🇧 What is the outlook for British stocks?

... but the market is still comparatively cheap

Median historic PE ratio S&P500 vs FTSE All Share



🇬🇧 What is the outlook for British stocks?

... but the market is still comparatively cheap

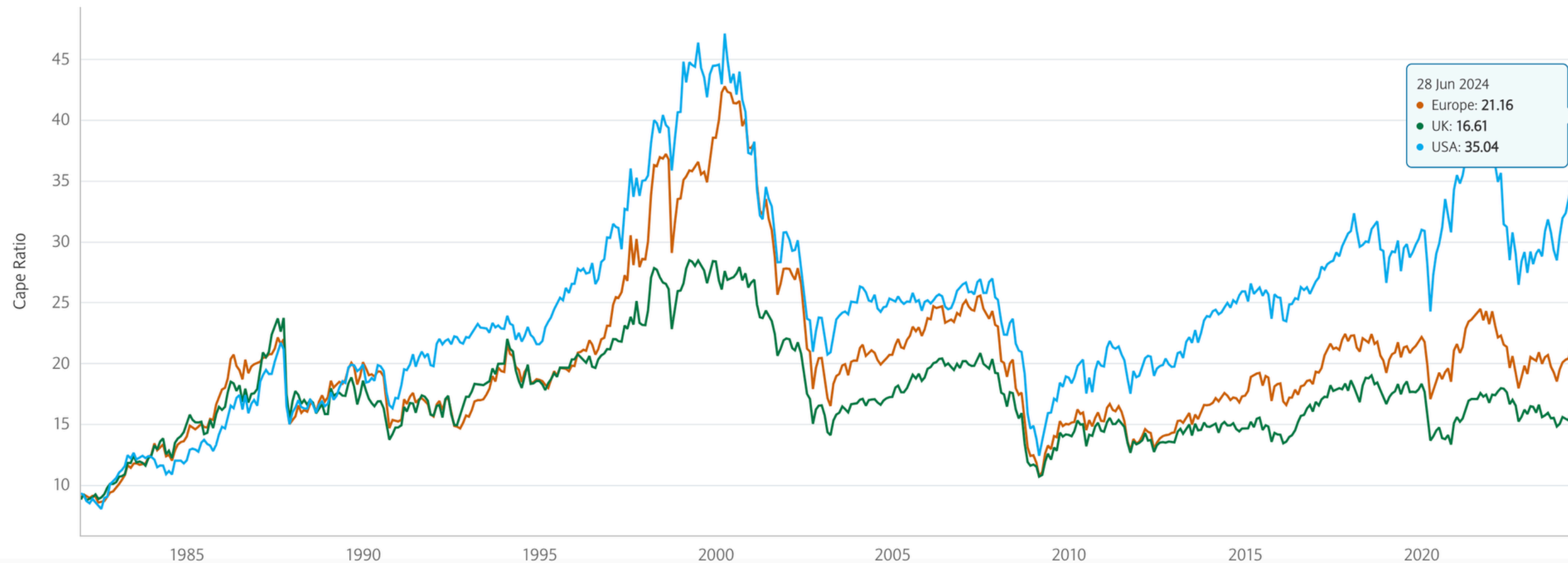


Historic CAPE[®] Ratio by country

View the historic CAPE[®] ratios for some of the largest economies in the world

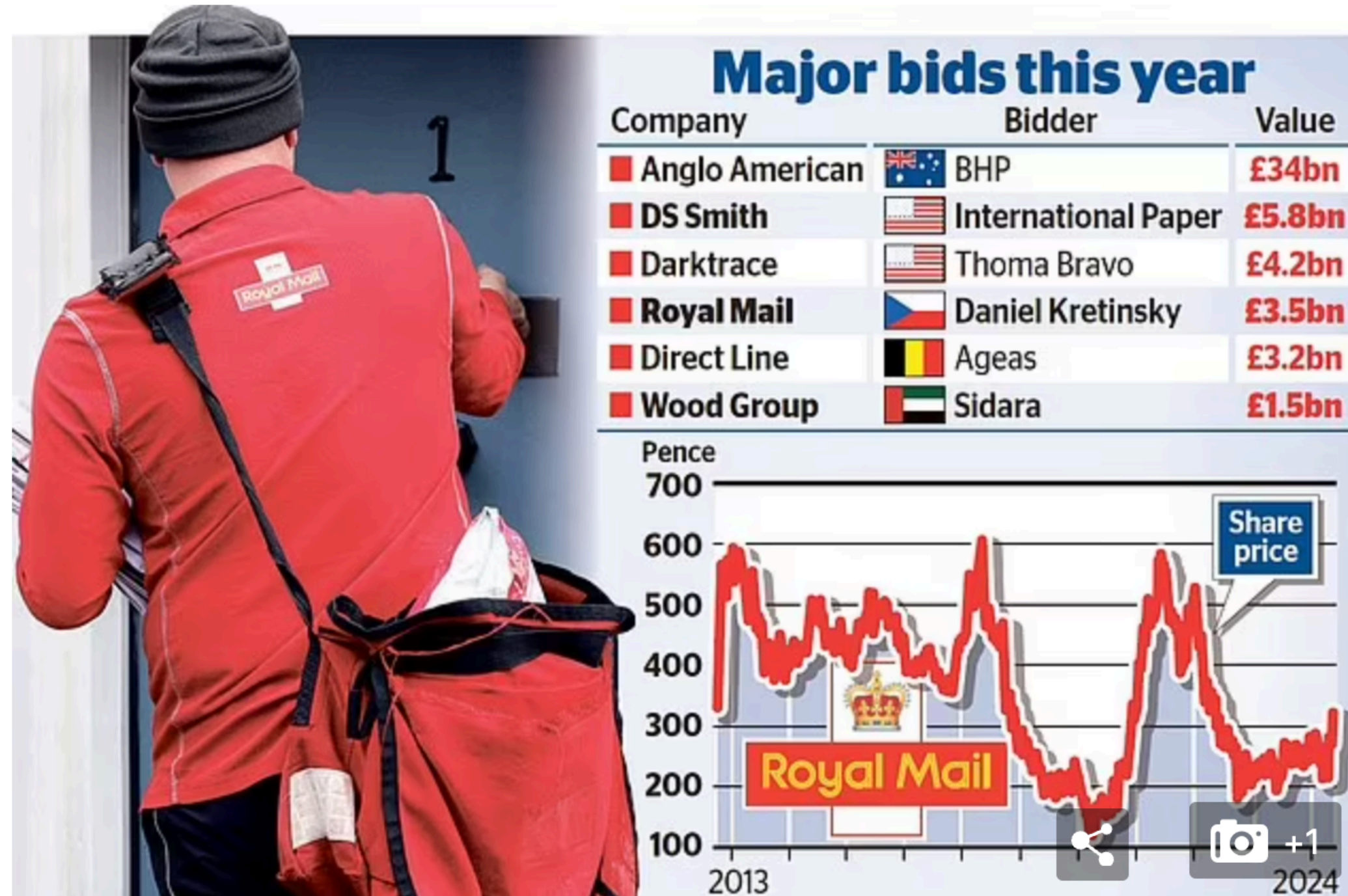


Select a country in the chart below to compare historic CAPE[®] ratios over time.



🇬🇧 What is the outlook for British stocks?

... which makes it attractive for M&A

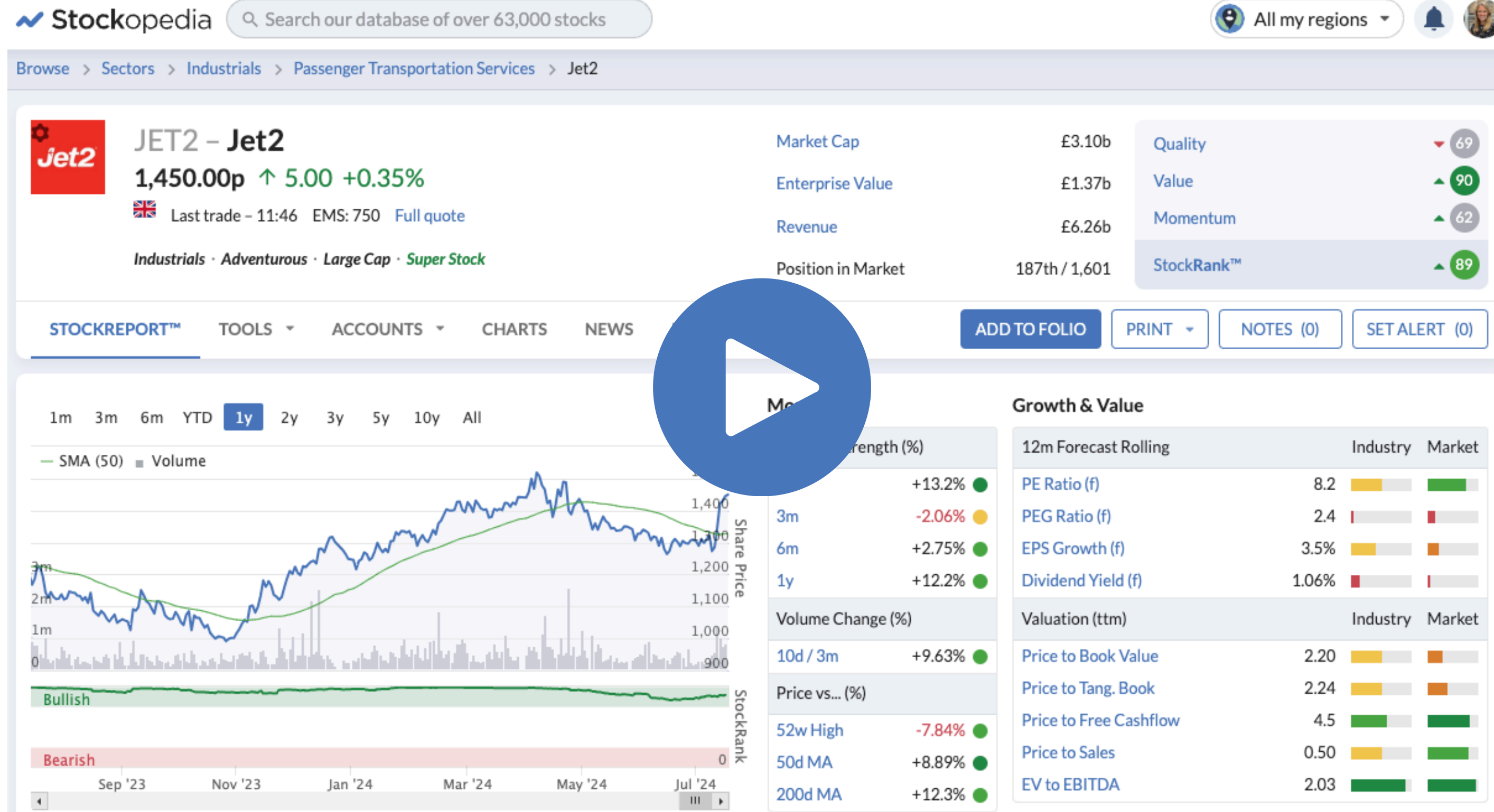


Takeover target: Royal Mail parent company International Distribution Services backed an offer from Czech billionaire Daniel Kretinsky of £3.5bn



Stock Analysis 1: Jet2

? How to analyse the Jet2 investment case

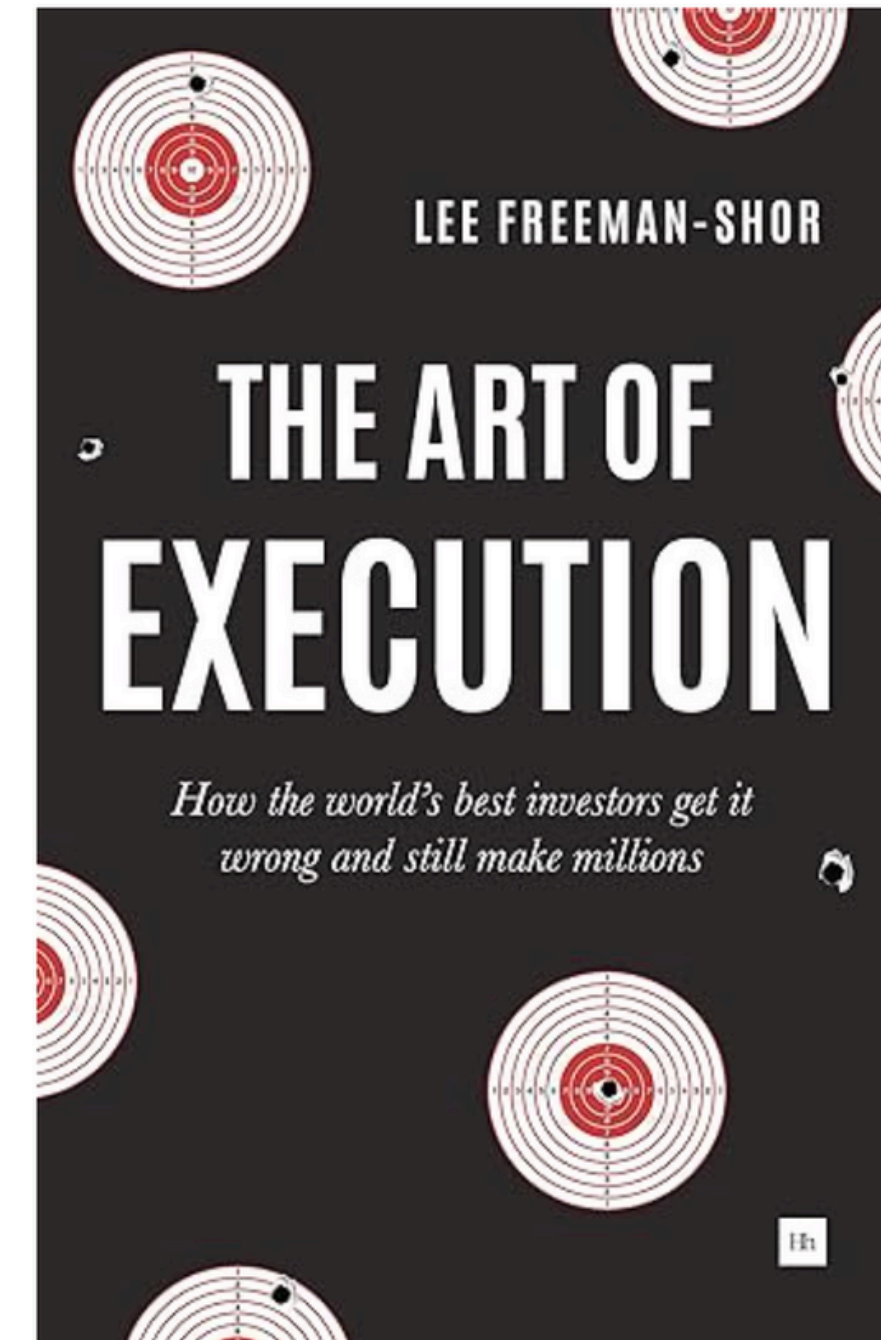




Your questions

💰 When to sell?

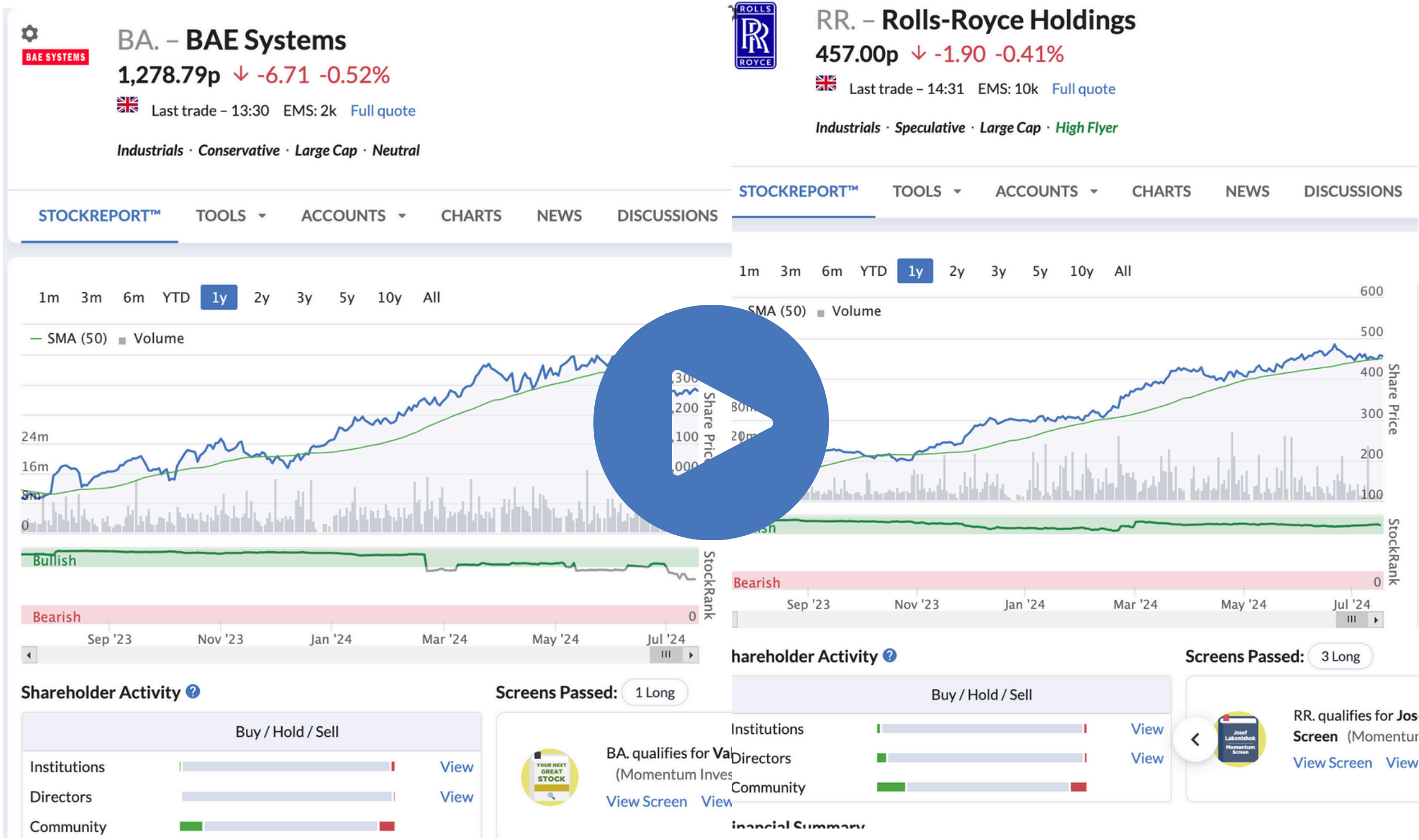
- Sticking to your rules - don't get spooked into selling too early (or holding too long)
- Checking the fundamental investment case - has anything changed from when you bought the shares?





Stock Analysis 2: BAE vs Rolls Royce

? How do BAE and Rolls Royce compare?

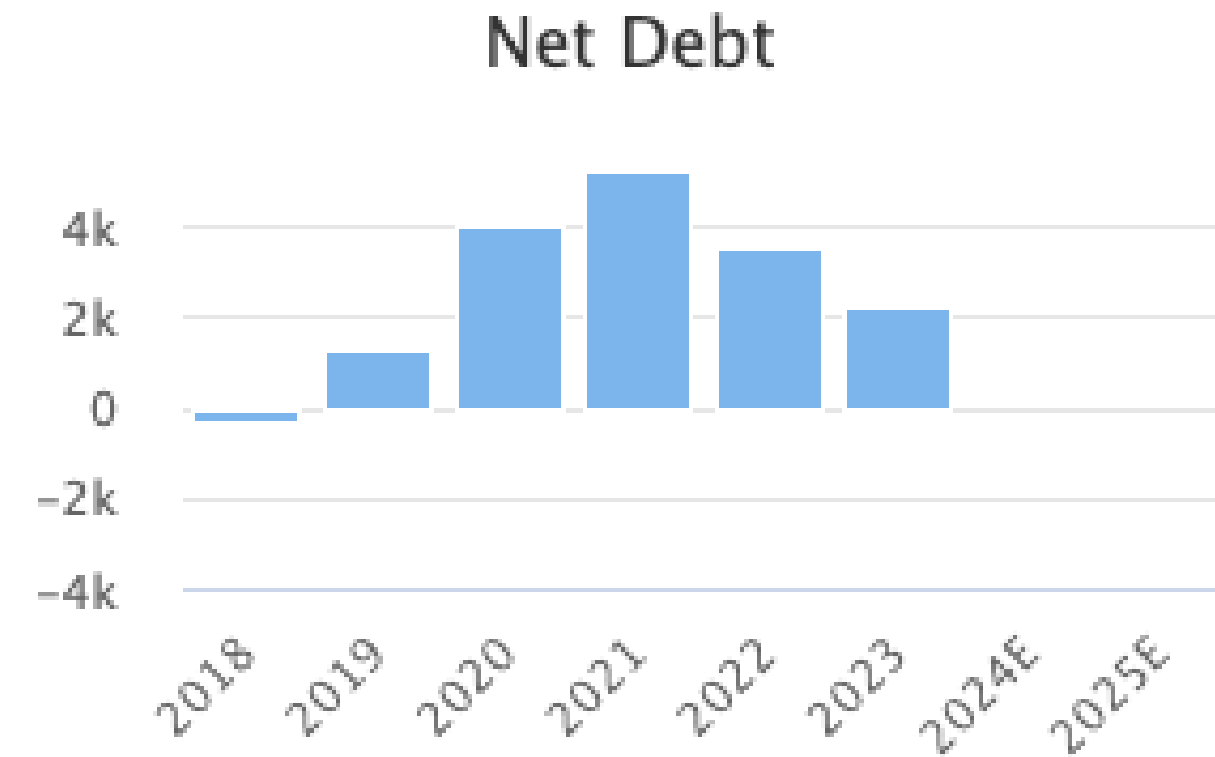




Appendix

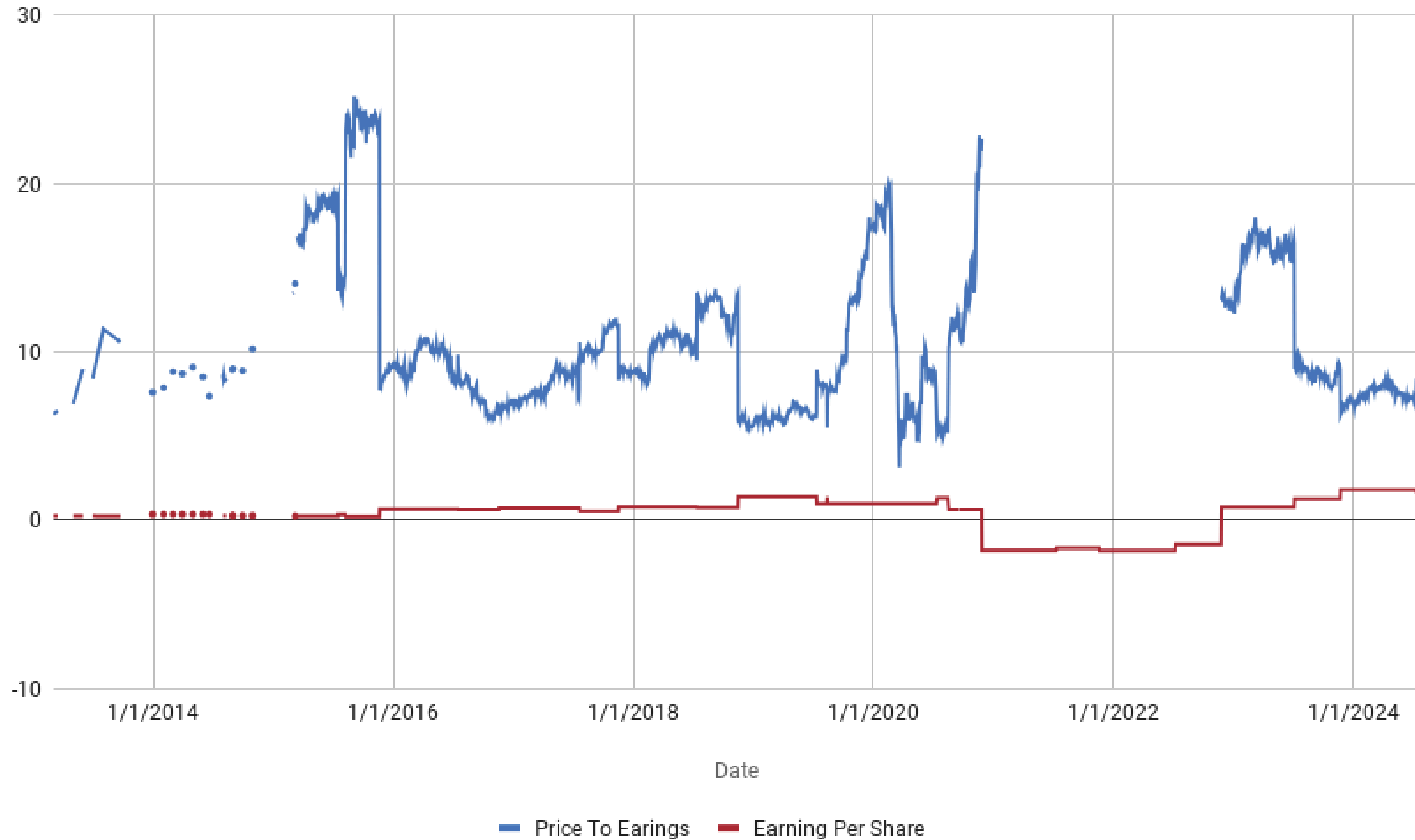
Rolls Royce falling debt

	Net Debt (£bn)	Total Equity	Net Gearing
2019	1.26	-3.38	-37%
2020	4.02	-4.90	-83%
2021	5.24	-4.66	-112%
2022	3.57	-6.05	-59%
2023	2.25	-3.61	-62%



Roll Royce has falling debt, but total equity (assets minus liabilities) is still negative.

✈️ Jet2 looks decent value



BAE Systems income growth

