



## Value Investing Checklist

### 1. Understand the Business

- Do I understand what the company does?
- Is the business model sustainable?
- Does it have a competitive advantage (moat)?

### 2. Check Financial Health

- Positive and growing revenue for last 5 years
- Consistent net profit margins
- Low or manageable debt levels
- Strong cash flow from operations

### 3. Evaluate Management

- Is management experienced and transparent?
- Are there signs of shareholder-friendly practices (dividends, buybacks)?
- Is insider ownership significant?

### 4. Valuation Metrics

- Price-to-Earnings (P/E) Ratio is below industry average or fair
- Price-to-Book (P/B) Ratio is reasonable
- PEG Ratio under 1 (if applicable)
- Dividend yield is sustainable (if applicable)

### 5. Calculate Intrinsic Value

- Have I used DCF or other valuation models?
- Is the current price at least 20-30% below intrinsic value?



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### 6. Review Qualitative Factors

- Industry outlook is strong or stable
- Company has strong brand or loyal customers
- No major red flags in recent news

### 7. Portfolio Fit & Risk

- Diversifies my portfolio
- Risk aligns with my goals
- Long-term potential outweighs short-term volatility

### 8. Final Questions Before Buying

- Would I still buy this stock if the market closed for 5 years?
- Am I comfortable holding this company long-term?
- Have I done my own research, not just followed someone else?