

# INNPHOS HOLDINGS INC

NASDAQ: IPHS  
Industry: Chemicals

**SABRIENT**  
**STRONG**  
**BUY**  
**RATING**

## Stock Fundamentals as of July 6, 2009

Sabrient Rating	<b>Strong Buy</b>
Ticker	<b>IPHS</b>
Market Cap Designation	<b>Small-cap</b>
Market Capitalization (Millions)	<b>\$348.6</b>
Price	<b>\$16.41</b>
52-Week High/Low	<b>\$41.51/7.59</b>
EPS (TTM)	<b>\$10.48</b>
P/E Ratio (TTM)	<b>1.6</b>
Dividend Yield	<b>4.1%</b>
S&P 500 P/E Ratio	<b>20.7</b>
Price/Book Ratio	<b>1.3</b>
Price/Sales Ratio	<b>0.4</b>
30-Day Average Volume (Thousands)	<b>326.3</b>
Beta	<b>1.61</b>
Current Ratio	<b>2.8</b>
Short Interest Ratio	<b>1.2</b>
Shares Outstanding (Millions)	<b>21.2</b>

## Sabrient Ratings

Sabrient's Buy/Hold/Sell ratings are based on a combination of dynamic filters that determine which attributes of a stock are most predictive in the prevailing market and which stocks best reflect those attributes but are not yet rewarded.

Sabrient starts with an "extraction" process that uses the best performing filters to identify stocks having certain compelling attributes currently sought by the market. Then, a composite scoring process uses a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. As a result, the Buy/Hold/Sell rating may, in certain cases, seem inconsistent with a simple average of the scores cited in this analysis.

A BUY rating means the stock is expected to outperform its relevant benchmark substantially over the next 6 months. A SELL rating means the stock is expected to underperform its relevant benchmark substantially over the next 6 months. A HOLD rating means the stock is expected to perform in line with its relevant benchmark over the next 6 months.

If a stock is rated HOLD, the investor should review the stock's history of Sabrient ratings to see if it has recently changed to HOLD from BUY or SELL. If so, this indicates one of the following: (1) there has been a significant change in the stock's fundamentals, (2) the stock is already appropriately rewarded or punished by the market, or (3) there simply has been some recent price consolidation that warrants attention. A reading of Sabrient's analysis should identify which it is.

More about Sabrient on Page 4

## Sabrient's Market Cap Designations

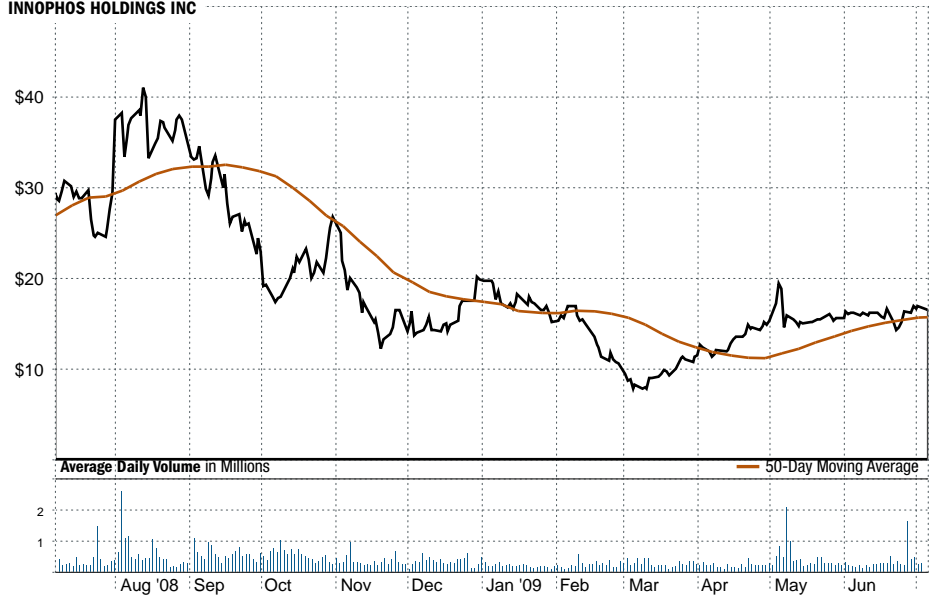
Large Cap	> \$5.0 Billion
Mid Cap	\$1.0 - \$5.0 Billion
Small Cap	\$150 Million - \$1.0 Billion
Micro Cap	< \$150.0 Million

Report prepared on July 7, 2009 Page 1

Please see important disclaimer on page 5 of this report.

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## INNPHOS HOLDINGS INC



## Company Profile

Innophos Holdings, Inc., together with its subsidiaries, produces specialty phosphates primarily in the North America.

**Earnings and Revenue Update:** For the quarter ended March 31, 2009, Innophos reported earnings of \$30.2 million or \$1.39 per share compared with \$59.0 million or \$2.71 per share for the prior quarter and \$9.3 million or \$0.43 per share for the same quarter one year ago. Revenues were \$190.8 million for the quarter ended March 31, 2009 compared with \$216.4 million for the prior quarter and \$162.5 million for the same quarter one year ago. Last twelve months' earnings were \$10.48 per share compared with \$0.25 per share a year ago. Last twelve months' revenues were \$963.0 million compared with \$604.8 million a year ago.

## Sabrient Analysis

Sabrient rates IPHS a Strong Buy based on its overall superior scores across a number of important metrics that indicate future market outperformance.

- **Growth:** IPHS scores very high for growth potential, with a Sabrient Growth Score of 95.2. This reflects the company's exceptional earnings performance and expectations and makes it an excellent candidate for the growth-minded investor.
- **Value:** With a Sabrient Value Score of 76.1, IPHS is a notable performer for the value investing style.
- **Momentum:** IPHS shows average momentum with a score of 63.6 for the Sabrient Momentum Score. This is a composite measure of price, earnings and group momentum.
- **Timeliness:** IPHS has a Sabrient Timeliness Score of 62.8. This measures technical strength based on short-term and long-term price performance and long-term group strength.

Sabrient Analysis continued on Page 3

**Sabrient**

Leaders In Investment Research

# INNPHOS HOLDINGS INC

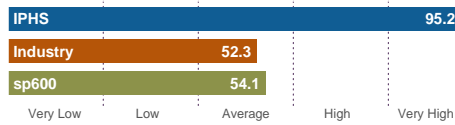
NASDAQ: **IPHS**  
Industry: **Chemicals**

**SABRIENT**  
**STRONG**  
**BUY**  
**RATING**

## Current Sabrient Scores Compared with Industry and Relevant Benchmark

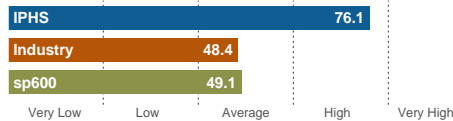
These Sabrient scores compare various aspects of INNPHOS HOLDINGS INC with its industry and relevant benchmarks. The scores are percentile rankings from 0 to 99.9. Higher scores are better. We use a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. Therefore, the Sabrient rating may seem inconsistent with a simple average of the scores cited in this analysis.

### Growth Score: 95.2



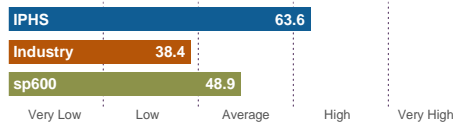
The Sabrient Growth Score reflects a company's historical and projected earnings growth, revenue and sales growth, projected cash flow, analyst activity, and changes in earnings estimates, each over various time periods. The higher the score, the better the combined performance of these key measures. With a Sabrient Growth Score of 95.2, Innophos is significantly higher than the average of its industry group, which has a Sabrient Growth Score of 52.3.

### Value Score: 76.1



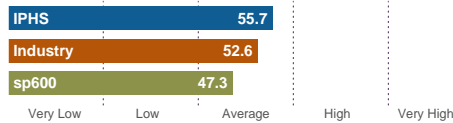
The Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. With a Sabrient Value Score of 76.1, Innophos is considerably higher than the average of its industry group, which has a Sabrient Value Score of 48.4.

### Momentum Score: 63.6



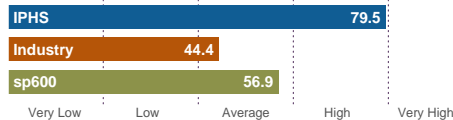
The Sabrient Momentum Score measures a company's earnings and price momentum, evenly weighted, and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. With a Sabrient Momentum Score of 63.6, Innophos is considerably higher than the average of its industry group, which carries a Sabrient Momentum Score of 38.4.

### Earnings Score: 55.7



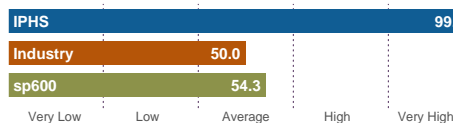
The Sabrient Earnings Score assesses a company's overall earnings performance and projected outlook. Time periods include an average look-back of three years with an emphasis on the past four quarters and a forward look of one to five years. With a Sabrient Earnings Score of 55.7, Innophos is marginally higher than the average of its industry group, which has a Sabrient Earnings Score of 52.6.

### Balance Sheet Score: 79.5



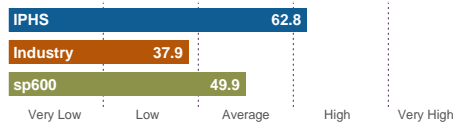
The Sabrient Balance Sheet Score measures a company's liquidity and debt issues, as well as receivables and inventory quality. This score is used to assess relative risk associated with a stock: the lower the score, most likely the higher the inherent risk. With a Sabrient Balance Sheet Score of 79.5, Innophos is substantially higher than the average of its industry group, which carries a Sabrient Balance Sheet Score of 44.4.

### Fundamental Score: 99.9



The Sabrient Fundamental Score is the broad measure of a company's financial health, including its balance sheet, cash flow, revenue, and earnings quality. With a Sabrient Fundamental Score of 99.9, Innophos is significantly higher than the average of its industry group, which carries a Sabrient Fundamental Score of 50.0.

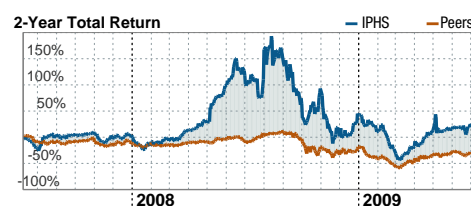
### Timeliness Score: 62.8



The Sabrient Timeliness Score is an assessment of a stock's short and long-term price strength as determined by various chart-based indicators and measures of group momentum and relative price performance. With a Sabrient Timeliness Score of 62.8, Innophos is considerably higher than the average of its industry group, which carries a Sabrient Timeliness Score of 37.9.

## Peer Analysis

This table compares IPHS with other similar-sized companies in the same industry group, focusing on Sabrient's growth, momentum and value scores, which represent the three main investing styles. The Peer Analysis chart compares IPHS's 2-year total return with the average 2-year total return of these companies.

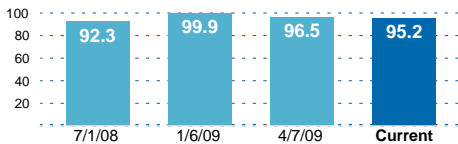


Symbol	Company	Growth Score	Momentum Score	Value Score	Market Cap.(M)
SHLM	Schulman	48.7	41.0	61.5	\$433.8
SCL	Stepan	66.8	75.2	63.1	\$425.4
<b>IPHS</b>	<b>INNPHOS HOLDINGS INC</b>	<b>95.2</b>	<b>63.6</b>	<b>76.1</b>	<b>\$348.6</b>
ZOLT	Zoltek	6.2	26.5	37.8	\$314.8
CPC	Chemspec International Ltd	71.2	27.0	74.3	\$312.8
ZEP	Zep Inc	39.9	37.7	51.4	\$304.7
POL	PolyOne	42.9	12.9	73.7	\$265.2

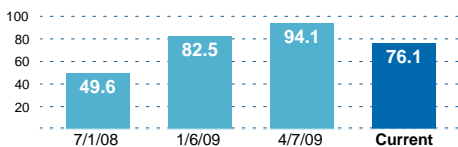
## Historical Sabrient Scores

The recent histories of key Sabrient scores provide insight into the stock's trends -- whether they are increasing or decreasing in strength in a particular area or simply holding steady. The Sabrient scores are percentile rankings from 0 to 99.9, with higher scores better. Keep in mind that Sabrient ratings may seem inconsistent with a simple average of these key scores because a weighted average of several key scores is used to quantify the relative likelihood of upside or downside price action.

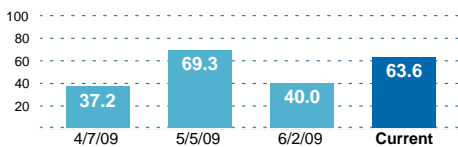
### Growth Score: 95.2



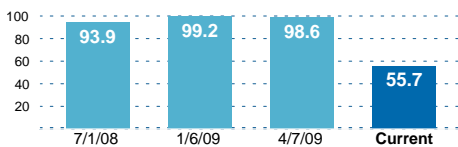
### Value Score: 76.1



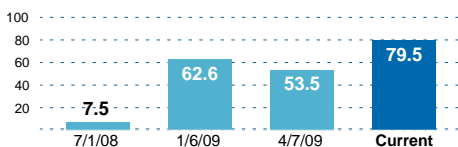
### Momentum Score: 63.6



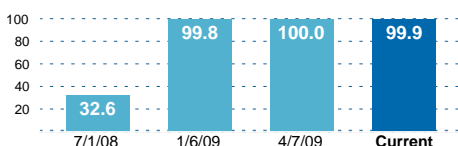
### Earnings Score: 55.7



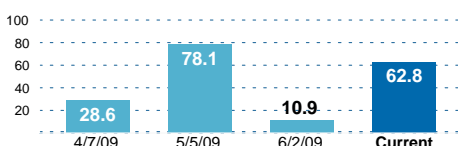
### Balance Sheet Score: 79.5



### Fundamental Score: 99.9



### Timeliness Score: 62.8



Sabrient Analysis continued from Page 1

- **Best Performing Filters:** To determine the likelihood of near-term performance, Sabrient builds and backtests "Smart Filters" to establish which caps, styles and attributes are drawing a premium in today's market. Currently, the three most predictive filters for the relevant segment are:

**Primary Value Filter:** The Primary Value Filter measures key growth and valuation ratios, both long-term and short-term. It is currently one of our best-performing filters, showing a significant premium to its small-cap benchmark for the past three months. IPHS scores 84.6 for this filter.

**Price Trend Filter:** The Price Trend Filter uses a sophisticated statistical analysis to evaluate a stock's current price with respect to its long-term trend and to compare the result to the stock's core growth characteristics. A high score means the stock is below its long-term trend, especially in light of its earnings performance. A low score means the stock is above its long-term trend and may likely fall back to or below the mean. As of last month, this filter showed a substantial premium to its small-cap benchmark. IPHS scores 51.8 for this filter.

**Turnaround Filter:** The Turnaround Filter gives high scores to stocks that exhibit low relative valuations and relatively stagnant EPS growth over the last three years, but have favorable EPS projections that have not yet been rewarded by the market. The filter dramatically outperformed its small-cap benchmark during the last three months. IPHS scores 32.6 for this filter.

In summary, IPHS's Strong Buy rating is based on a profile of forward-looking metrics which show this stock could significantly outperform the broader markets.

## What the Market Wants: July 2009

[Note: 'What the Market Wants' is based on the market behavior and Sabrient's filter backtesting results for the previous month.]

### TESTING MAJOR SUPPORT . . . AGAIN

By David Brown, Chief Market Strategist

(July 6, 2009 3:14 pm PST)

The recent bullish trend continued in June, albeit with much less vigor. To be sure, the micro-cap growth segment grew 5%, while the Nasdaq and the Russell 2000 Index grew over 3%, but the rest of the indices that we track were up less than or only slightly more than 1%. In fact, the large-cap, mid-cap and small-cap value indices were all down between 0.5% and 1%, and so was the Dow Jones! Nonetheless, most observers continued to believe that the market remains in a bullish mode.

In the last two weeks of June, economic news and corporate reports remained generally positive, and at times, quite positive, but the market reacted only with small up-days, a sign of a topping market. Indeed, the market retreated from its high of 950 and late in the month successfully tested support at 888.

As I write this (Monday, July 6), the market has once again tested recent support in the 880 area, obviously still nervous from the poor employment data released last week. The positive ISM report from early today appears to have prevented further erosion, so the important support level may indeed continue to hold.

While most observers seem to agree that the worst is over, we remain in a recession. Although it appears that the worst fears of the banking infrastructure are behind us, there are still possible shake-ups ahead if employment continues to decline, which may well happen. The first employment report of July showed an unexpected large jump in new jobless claims, challenging the prevailing view that unemployment would begin to ease this summer or by early fall.

Despite market apathy in the past few weeks and the sharp downturn in the jobless claims, there are economic indicators that point toward the end of the recession by late 2009 or early 2010. Among the positive signs, consumer spending has bottomed, as has retail sales, and factory orders have been consistently up. Nevertheless, this is still a time for caution and prudent investing. Even though the market has discounted much of the recovery, valuations remain attractive, in general, with only a few pockets of overvaluation spurred by the sharp rise in the market from March 6, 2009.

So what kinds of stocks should the prudent investor try to add to his portfolio in this market?

Frankly, the environment is not too different from last month. The market continues to reward momentum stocks, as well as growth stocks that are reasonably valued (relying on the GARP concept -- growth at a reasonable price). The market also continues to reward turnaround stocks, but as I pointed out last month, it can be somewhat of a challenge for the individual investor to sort out which is a true turnaround and which is a wanna-be.

One new focus during the past 30 days -- and particularly in the negative market of the past week or ten days -- is earnings quality. The best place to look seems to be either small-cap or micro-cap growth stocks, and within these two style/cap segments, concentrating on GARP stocks that have at least some momentum and a good Sabrient Earnings Score.

With regard to momentum, I would caution against chasing after stocks that have become too highly valued based on a strong run. To make sure you don't overpay, compare the stock's P/E with the P/Es of other stocks in the same industry. Overvalued stocks have P/Es that are considerably higher than comparable stocks.

Next update: First week in August.

## Company Description

Innophos Holdings, Inc., together with its subsidiaries, produces specialty phosphates primarily in the North America. Its products include specialty salts, which are used in food, beverage, and pharmaceutical applications; specialty acids that are used in industrial applications, such as asphalt modification and petrochemical catalysis; technical grade sodium tripolyphosphate (STPP), which is used in detergent applications, including automatic dishwashing, commercial/industrial detergents, and home laundry detergents; and other products, such as phosphate fertilizers that are used as co-products of manufacturing purified phosphoric acid. Innophos Holdings also offers purified phosphoric acid (PPA) that is used as an input to specialty salts, specialty acids, and STPP, as well as in water and metal treatment applications. The company's customers include consumer goods manufacturers, distributors, and specialty chemical manufacturers in food, bakery, beverage, pharmaceutical, and cleaning product markets. Innophos Holdings was incorporated in 2004 and is headquartered in Cranbury, New Jersey.

## About Sabrient

Sabrient Systems is an independent research firm providing statistical analysis of a company's fundamental data to investment professionals. We use a computer-driven, quantitative methodology to identify stocks that appear poised to outperform or underperform the market.

The Sabrient methodology was developed by an experienced research team led by David Brown, a former NASA scientist and retired CEO of Telescan and designer of its premier stock search program, ProSearch. The research team employs a scientific approach to the creation and testing of multi-factor filters. Each filter targets a key area of traditional stock analysis, including value, growth, momentum, fundamentals, earnings, balance sheet, and group strength. Using an adaptive process, filters are continually tested and monitored to ensure that only the best performing filters are at work.

Sabrient's ratings begin with an extraction process in which each of the few best-performing filters scans the universe of equities to identify stocks having certain compelling attributes sought, but not sufficiently rewarded, by the current market. Then, a composite scoring system employs a broader set of "weighting" filters to rank the extracted stocks. To support individual investors, Sabrient uses the same sophisticated methodology to provide individual stock reports on a universe of approximately 5,600 stocks.

Sabrient regularly tests the performance of its stock selections, using its primary list of published rankings and statistical techniques it believes appropriate. These recommendations have consistently outperformed relevant benchmarks across a broad range of investing styles, market caps, time frames and market conditions, demonstrating the robustness of Sabrient's proprietary methodology. While past performance is no guarantee of future results, Sabrient believes it can maintain its strong performance through its rigorous, scientific approach to filter construction and ongoing backtesting within a dynamic and adaptive composite scoring system.

For more information on Sabrient and its performance, go to [www.sabrient.com](http://www.sabrient.com)

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