

## Stock Fundamentals as of April 22, 2019

Sabrient Rating	<b>Hold</b>
Ticker	<b>USG</b>
Market Cap Designation	<b>Mid-cap</b>
Market Capitalization (Billions)	<b>\$6.1</b>
Price	<b>\$43.50</b>
52-Week High/Low	<b>\$43.50/40.07</b>
EPS (TTM)	<b>\$1.28</b>
P/E Ratio (TTM)	<b>34.0</b>
Dividend Yield	<b>0.0%</b>
Price/Book Ratio	<b>3.3</b>
Price/Sales Ratio	<b>1.8</b>
30-Day Average Volume (Millions)	<b>1.3</b>
Beta	<b>0.33</b>
Current Ratio	<b>2.3</b>
Short Interest Ratio	<b>N/A</b>
Shares Outstanding (Millions)	<b>140.1</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.

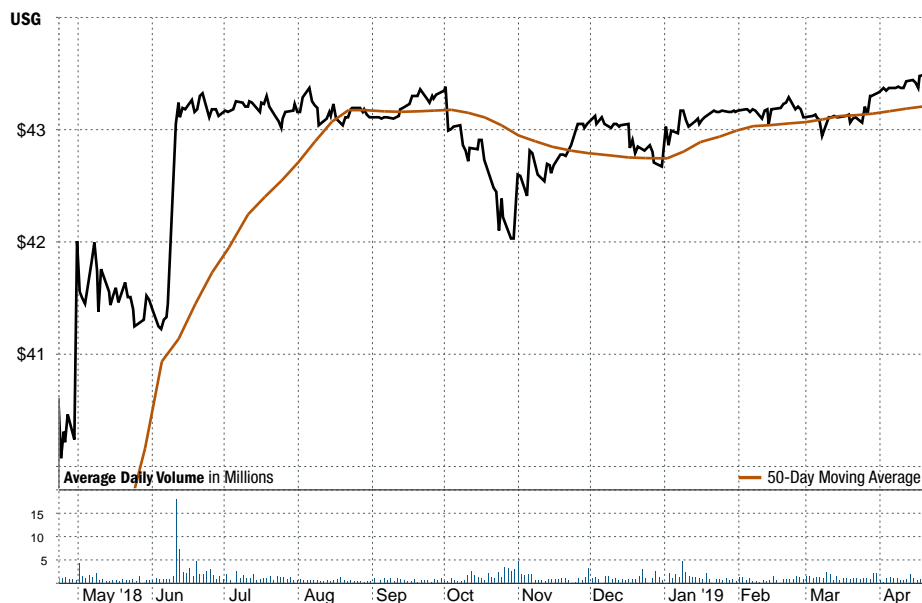
A BUY rating means the stock is expected to outperform its relevant benchmark substantially over the next 6 months. A SELL rating means the stock is expected to underperform its relevant benchmark substantially over the next 6 months. A HOLD rating means the stock is expected to perform in line with 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 3

### 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



## Company Profile

USG Corporation, through its subsidiaries, is a manufacturer and distributor of building materials. The Company's segments include Gypsum, Ceilings and USG Boral Building Products (UBBP). It produces a range of products for use in new residential, new nonresidential, and residential and nonresidential repair and remodel construction, as well as products used in certain industrial processes.

**Earnings and Revenue Update:** For the quarter ended December 31, 2018, USG Corp reported earnings of \$30.0 million or \$0.21 per share compared with \$58.0 million or \$0.41 per share for the prior quarter and \$75.0 million or \$0.53 per share for the same quarter one year ago. Revenues were \$819.0 million for the quarter ended December 31, 2018 compared with \$851.0 million for the prior quarter and \$831.0 million for the same quarter one year ago. Last twelve months' earnings were \$1.28 per share compared with \$1.77 per share a year ago. Last twelve months' revenues were \$3.3 billion compared with \$3.2 billion a year ago.

## Sabrient Analysis

USG earns a Hold rating for its weak profiles for value, growth and momentum.

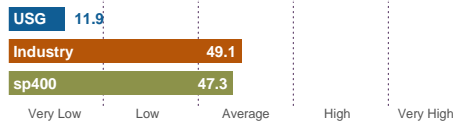
- **Momentum:** At 18.8, USG ranks near the bottom of the market for the Sabrient Momentum Score. The Sabrient model has found that such a score is generally predictive of underperformance in the near term. The score reflects price, earnings, and group momentum.
- **Value:** The stock is likely to be considered overvalued based on its Sabrient Value Score of 16.1.
- **Growth:** With a Sabrient Growth Score of 11.9, USG ranks among the weakest of all stocks for our composite measure of earnings performance and expectations.
- **Timeliness:** This stock has a Sabrient Timeliness Score of 72.8. This measures technical strength based on short-term and long-term price performance and long-term group strength.

Sabrient Analysis continued on Page 3

## Current Sabrient Scores Compared with Industry and Relevant Benchmark

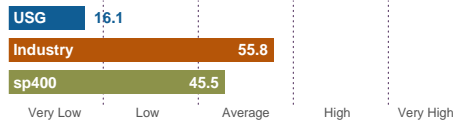
These Sabrient scores compare various aspects of USG with its industry and relevant benchmarks. The scores are percentile rankings from 0 to 99.9. Higher scores are better. We use a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. Therefore,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

### Growth Score: 11.9



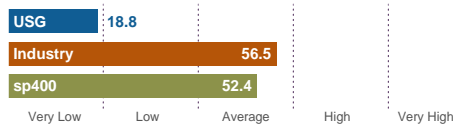
The Sabrient Growth Score reflects a company's historical and projected earnings growth, revenue and sales growth, projected cash flow, analyst activity, and changes in earnings estimates, each over various time periods. The higher the score, the better the combined performance of these key measures. With a Sabrient Growth Score of 11.9, USG Corp is well below the average of its industry group, which has a Sabrient Growth Score of 49.1.

### Value Score: 16.1



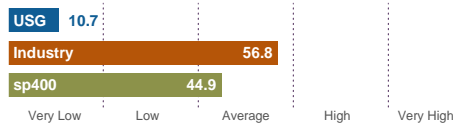
The Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. With a Sabrient Value Score of 16.1, USG Corp is well below the average of its industry group, which has a Sabrient Value Score of 55.8.

### Momentum Score: 18.8



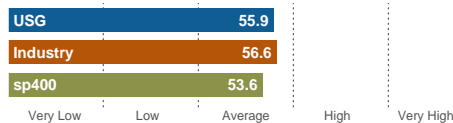
The Sabrient Momentum Score measures a company's earnings and price momentum, evenly weighted, and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. With a Sabrient Momentum Score of 18.8, USG Corp is well below the average of its industry group, which carries a Sabrient Momentum Score of 56.5.

### Earnings Score: 10.7



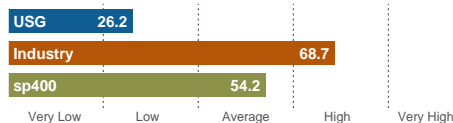
The Sabrient Earnings Score assesses a company's overall earnings performance and projected outlook. Time periods include an average look-back of three years with an emphasis on the past four quarters and a forward look of one to five years. With a Sabrient Earnings Score of 10.7, USG Corp is significantly lower than the average of its industry group, which has a Sabrient Earnings Score of 56.8.

### Balance Sheet Score: 55.9



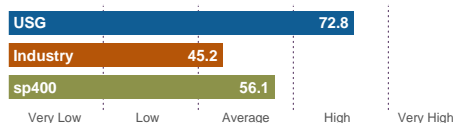
The Sabrient Balance Sheet Score measures a company's liquidity and debt issues, as well as receivables and inventory quality. This score is used to assess relative risk associated with a stock: the lower the score, most likely the higher the inherent risk. With a Sabrient Balance Sheet Score of 55.9, USG Corp is in line with the average of its industry group, which carries a Sabrient Balance Sheet Score of 56.6.

### Fundamental Score: 26.2



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 26.2, USG Corp is significantly lower than the average of its industry group, which carries a Sabrient Fundamental Score of 68.7.

### Timeliness Score: 72.8



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 72.8, USG Corp is considerably higher than the average of its industry group, which carries a Sabrient Timeliness Score of 45.2.

## Peer Analysis

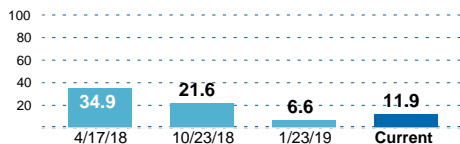
This table compares USG with other similar-sized companies in the same industry group, focusing on Sabrient's growth, momentum and value scores, which represent the three main investing styles. The Peer Analysis chart compares USG's 2-year total return with the average 2-year total return of these companies.



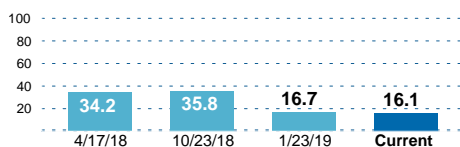
## Historical Sabrient Scores

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.

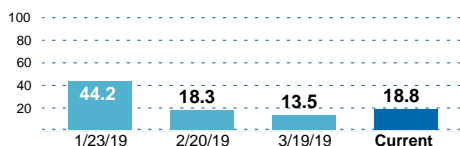
### Growth Score: 11.9



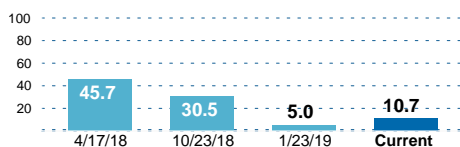
### Value Score: 16.1



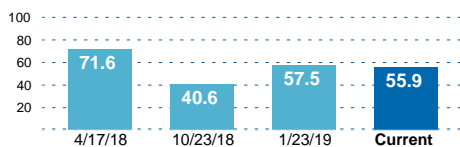
### Momentum Score: 18.8



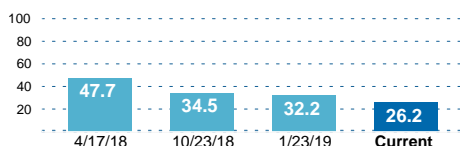
### Earnings Score: 10.7



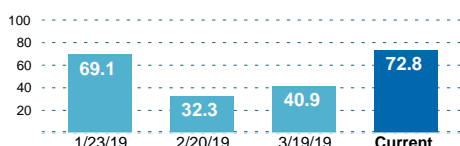
### Balance Sheet Score: 55.9



### Fundamental Score: 26.2



### Timeliness Score: 72.8



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:

**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 performed on par with its mid-cap benchmark. USG scores 0.9 for this filter.

**Momentum Rank Change Filter:** The Momentum Rank Change Filter measures short-term changes among key momentum measures, including earnings, price and group momentum. During the past 90 days, the filter significantly outperformed its mid-cap benchmark. USG scores 13.6 for this filter.

**Analysts Change Filter:** The Analysts' Change Filter assesses recent revisions in the analysts' earnings estimates. At the end of last month, the filter posted an exceptional premium to its mid-cap benchmark. USG scores 12.8 for this filter.

In summary, USG gets a Hold rating because the stock lacks the key winning attributes of today's market. This analysis should be considered in light of the recent behavior of the market, discussed below.

## What the Market Wants: July 2015

To read this week's "What the Market Wants" go to the Sabrient Blog at [www.sabrient.com/blog/](http://www.sabrient.com/blog/)

## Company Description

USG Corporation, through its subsidiaries, is a manufacturer and distributor of building materials. The Company's segments include Gypsum, Ceilings and USG Boral Building Products (UBBP). It produces a range of products for use in new residential, new nonresidential, and residential and nonresidential repair and remodel construction, as well as products used in certain industrial processes. Its products are distributed through building materials dealers, home improvement centers and other retailers, specialty wallboard distributors, and contractors. Gypsum segment manufactures and markets gypsum and related products in the United States, Canada, Mexico and Latin America. Ceilings segment manufactures and markets interior systems products in the United States, Canada, Mexico and Latin America. The UBBP segment manufactures, distributes and sells certain building products, mines raw gypsum and sells natural and synthetic gypsum throughout Asia, Australasia and the Middle East.

## 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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