



# Finding a company beta

## MIRC Update

**Beta is the measurement of a company’s common stock price volatility relative to the market. If you’re trying to find a current beta for a company there are a number of places to look. These include:**

- Thomson One (easiest place to start)
- Bloomberg
- Datastream
- Fame
- Factiva

Please bear in mind that the figures may vary slightly depending on the source although the trend should be the same. The differences will be due to the way in which the betas have been calculated. A methodology should be available within each database.

If you have any questions about betas or sourcing any other financial ratios, please ask any member of MIRC staff. Email us on [mirc@cranfield.ac.uk](mailto:mirc@cranfield.ac.uk) or come in and see us.

### Thomson One

To find the historical company beta on Thomson One for global companies:

- Select ‘Company Views’ on the top dark blue tool bar
- Enter the name of the company, e.g. BP, in the search box below the pale blue tool bar
- Press enter or click on ‘Go’
- The Company Overview is displayed and the beta can be found in the Market Data section. To see a definition of how the beta has been calculated click on the square icon (to the right of the words “Beta (Historical)”.

The screenshot shows the Thomson One interface for BP P.L.C. (New York:BP). The 'Market Data' section is visible at the bottom, with the 'Beta (Historical)' value of 1.88 circled in red. The 'Financial Summary' table provides data for the last twelve months as of 06/30/14 and for the years 12/31/13, 12/31/14, and 12/31/15.

	Last Twelve Months as of 06/30/14	12/31/13 (A)	12/31/14 (E)	12/31/15 (E)
Sales (MM)	375,188	379,136	379,289	370,146
Growth	0.3	0.9	0.0	(2.4)
Gross Profit (MM)	32,550	39,017	-	-
Margin	8.7	10.3	15.4	16.2
EBITDA (MM)	28,180	41,386	38,076	39,478
Margin	7.5	10.9	10.0	10.7
EBIT (MM)	12,659	27,876	23,961	25,338
Margin	3.4	7.4	6.3	6.8
Net Income (MM)	11,089	23,449	14,649	15,294
Margin	2.9	6.2	3.9	4.1
EPS	3.62	7.43	4.69	4.88
Growth	(55.7)	103.5	(36.9)	4.0
Free Cash Flow	-	(2,018)	-	-

Market Data	
Price (08/19/14*)	48.30 Change 0.00 (0.00%)
Volume	433 52 Wk Range 53.48-40.51
Consolidated Market Cap**	147,099 (MM) Dividend Yield 4.82%
1 Year Total Return	23.82% Beta (Historical) 1.88
Float as % of Shares Outstanding	100%

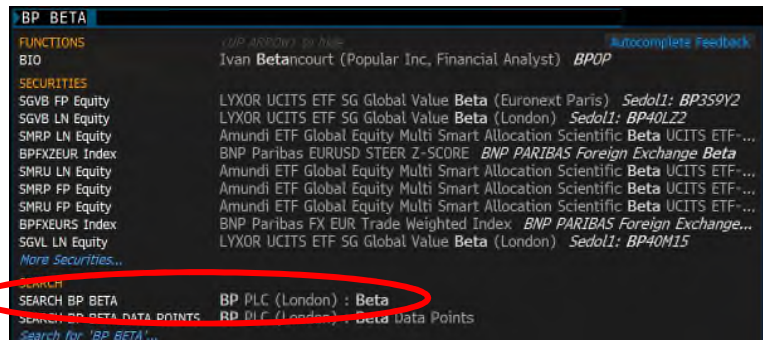
## Bloomberg

To find information about betas for quoted companies worldwide on Bloomberg:

- Type BETA at the command prompt. Do not hit enter.
- You will see Functions, Securities and Search information displayed. To see the full range of information and help about betas on Bloomberg, select '**Beta: Definition**' from within the Search area (at the bottom of the menus).

### Current beta:

To find the **current beta** for a specific company, eg BP, enter the name of the company you wish to view followed by beta eg **BP BETA**. Do not hit enter.



From the bottom of the menus, select 'Search BP Beta'.

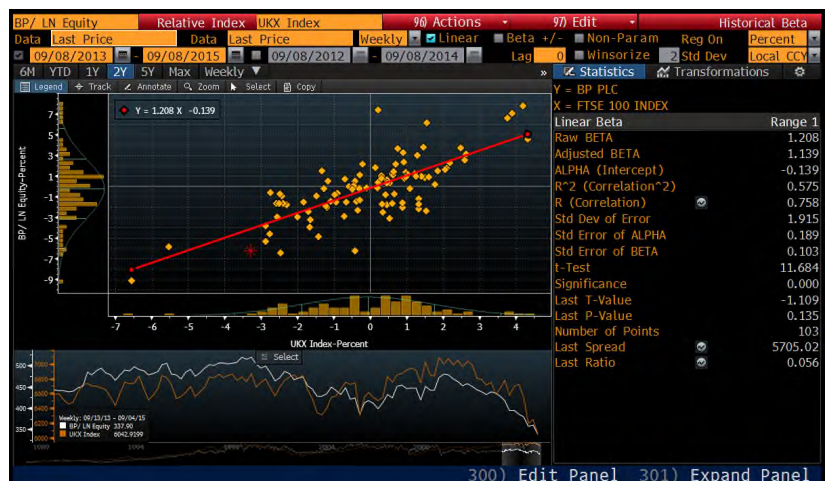
The adjusted beta of BP will be displayed and links are given to the historical beta and regression analysis.



### Historical beta:

Clicking on **Historical Beta** takes you to a screen displaying a graph and additional data including the raw beta.

Using the orange boxes on this screen you can change the date range, company, index, lag etc.



## Datastream

Datastream provides current betas and pre-formatted expressions to calculate historical betas for quoted companies around the world. In order for Datastream to display beta calculations, at least 2½ years of data are required. Data is not held historically although it is possible to use formulae to calculate historic betas (see below).

### Current beta

To obtain the current beta you should access Datastream through Excel. To do this – open Excel and click on the ‘Datastream’ tab at the top of the Excel screen (If this is not visible, click on ‘Add-ins’ and select ‘Datastream’).

- From the menu options choose ‘Static Request’. A search form will appear.
- Click on the orange ‘Find Series’ button beside the top search box. This will take you into the Navigator where you can search for the company you want. Type the name of the company in the search box, eg. BP, and select the correct company from the options displayed.
- Next click on the ‘Datatypes’ button. Ensure ‘Equities’ is displaying in the drop down box to the left of search box and type in “Beta”
- Click on ‘Search’ and from the options displayed select ‘Beta (WS) – WC09802’
- Leave the date box empty
- Click on Submit and the latest beta value will be displayed.
- Results can be transferred to Excel.

	A	B
1	Date	11/08/2015
2	Type	WC09802
3	BP.	0.94

## Historical betas

To find historical betas, access Datastream as outlined above.

- Select 'Time Series Request'
- Click on the orange 'Find Series' button and follow the steps above to find the company you need.
- Then click on the 'Expression Builder' icon – below the orange Datatypes button. You will be taken to the Expressions page.



Title	Code	Expression
T VALUE OF REGB COEFFICIENT	097E	841E(X)/POW#(1-POW#(841E(X),2),0.5)*POW#(58,0.5)
DS HISTORICAL BETA LOCAL INDEX	897E	REGB#(LN#(X(LI)/LAG#(X(LI),1M)),LN#(X/LAG#(X,1M)),60M)
EXPONENTIAL WEIGHTED BETA	517E	REGB#(PCH#(JAPDOWA,1D)/100,PCH#(X,1D)/100,50D,0.91)
UNGEARED BETA	552E	897E(X)*551E(X)
BETA, MONTHLY, 5 YEARS	458E	REGB#(PCH#(FTALLSH,1M),PCH#(X~E,1M),60M)

- Make sure that Expression Picker tab in the top left hand corner is selected.
- In the Search For boxes choose 'Any' and then enter beta. A list of relevant expressions will be displayed.
- Select BETA, MONTHLY, 5 YEARS by clicking on the code '458E'
- Enter your time period, eg. -2Y, and frequency eg. Quarterly.
- Click on 'Submit' and your values will be displayed.
- Results can be transferred to Excel.

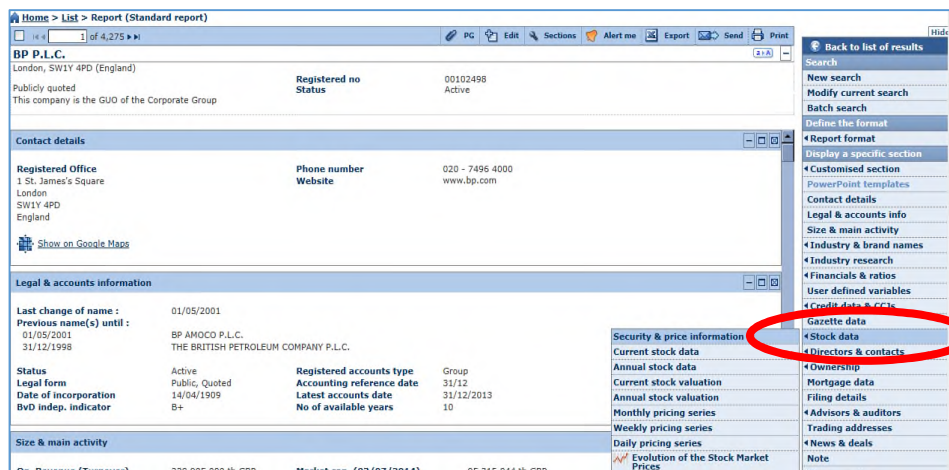
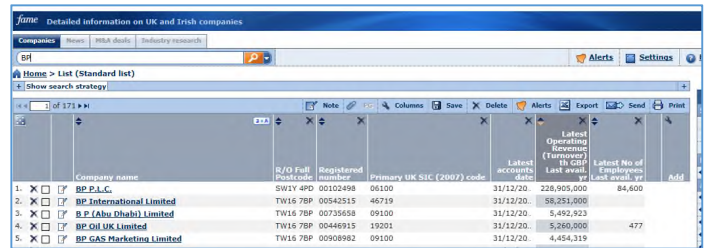
	A	B	C
1	Start	Q3 2013	
2	End	Q3 2015	
3	Frequency	Q	
4	Name	BETA, MONTHLY, 5 YEARS	
5	Code	458E(BP.)	
6	Q3 2013	1.15	
7	Q4 2013	1.17	
8	Q1 2014	1.17	
9	Q2 2014	1.26	
10	Q3 2014	1.33	
11	Q4 2014	1.33	
12	Q1 2015	1.36	
13	Q2 2015	1.38	
14	Q3 2015	1.21	

# FAME

FAME provides company betas for UK and Irish companies only. The betas are calculated with reference to five key UK indices: FTSE 100, FTSE 250, FTSE 350, FTSE AIM 100 and FTSE All-Share. Figures are given for 1 and 3 months and 1, 3 and 5 years.

To find the figures:

- Search for the company name you need, eg BP, and then click on the magnifying glass or press enter.
- Select the company you require from the list and the standard report for that company will be displayed.
- From the right hand menu select 'Stock data' >'Security and Price Information'.



- This will only display that section of the report. Scroll down to find the betas.

**BETA**

Date of current beta calculation 27/06/2014

Reference index 1: FTSE 100

Ref. index 1 - Beta - 1 month	1.21
Ref. index 1 - Beta - 3 months	1.24
Ref. index 1 - Beta - 1 year	0.86
Ref. index 1 - Beta - 3 years	0.95
Ref. index 1 - Beta - 5 years	0.91
Ref. index 1 - Correlation coefficient - 1 month	0.69
Ref. index 1 - Correlation coefficient - 3 months	0.72
Ref. index 1 - Correlation coefficient - 1 year	0.62
Ref. index 1 - Correlation coefficient - 3 years	0.73
Ref. index 1 - Correlation coefficient - 5 years	0.61

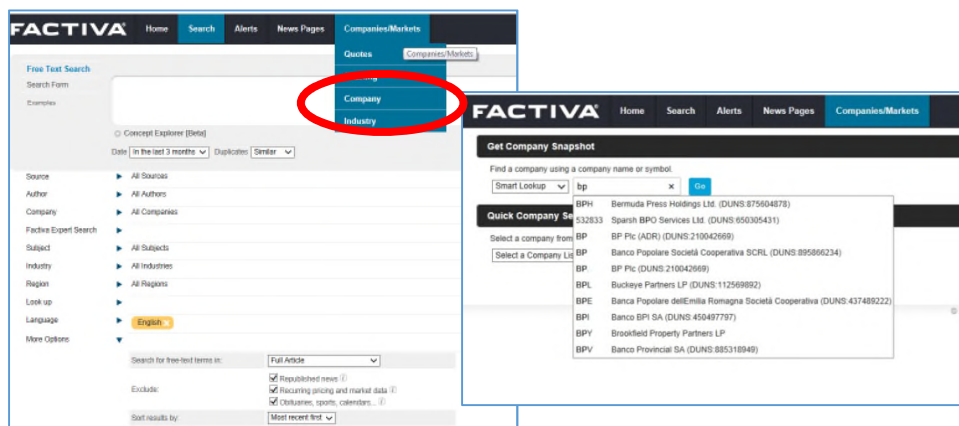
- This section can then be exported into Excel using the 'Export' button on the Blue menu bar.

## Factiva

Factiva is primarily a source of world-wide news but also includes a section on Companies/Markets which provides financial information for public companies globally and some private companies. Using this part of Factiva you can find both company and industry betas.

To find the company and industry beta for BP:

- Hover over the Companies/Markets section on the top tool bar and then select Company.
- Type your company name in the search box beside.
- Select your company from the options, in this case BP plc. You will be taken to the company overview page.




- From the overview page, select 'Reports' from the left hand menu and then choose Ratio Comparison Report. You can choose to view this in either html or PDF format.

	Company	Industry (Integrated Oil)	Sector (Energy Minerals)	S&P 500
<b>Valuation Ratios</b>				
Beta, 5 Years	0.93	1.17	1.17	1.04
<b>Dividend Yields</b>				
Dividend Yield	4.73	6.79	6.42	1.95
Dividend 5-Yr Growth rate	-6.53%	16.78%	15.73%	8.45%
<b>Growth Rates</b>				
Revenue TTM vs. TTM 1 Yr Ago	-3.76%	5.39%	6.06%	6.66%
Revenue, 5-Yr Growth	4.25%	15.48%	15.22%	7.87%
EPS Percent change trailing 12 months over trailing 12 months	-56.61%	-8.61%	55.10%	-5.37%
EPS, 5-Yr Growth	5.23%	1.83%	1.95%	11.90%
Capital Spending, 5-Yr Growth	4.88%	3.88%	4.34%	7.35%
<b>Profitability Ratios</b>				
Gross Margin, 5-Yr Average	17.05%	36.19%	34.67%	45.19%
Operating Margin, 5-Yr Average	7.36%	31.48%	29.31%	20.25%
Pre-Tax Margin, 5-Yr Average	5.06%	29.30%	27.06%	18.13%
Net Profit Margin, 5-Yr Average	4.36%	19.43%	17.81%	12.98%
Tax Rate, 5-Yr Average	37.74%	32.06%	31.22%	25.61%
<b>Management Effectiveness</b>				

## Contacting us

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