

Introducing THE PROFIT MAP™

February 3, 2025

Profit Map™: A Must-Have Tool for Every Registered Investment Advisor

As a SEC- or State-registered investment advisor, protecting your clients' assets and identifying high-quality investment opportunities is your top priority. Profit Map™ makes this process simpler, faster, and more effective than ever.

We'd be happy to demonstrate how it works and answer any and all questions you have. More importantly, we'll show you why Profit Map™ is an indispensable tool for fiduciaries—and how quick and easy it is to use every day.

Why You'll Use Profit Map™ Every Day

Because it delivers facts that help you:

- ✓ Avoid unnecessary losses
- ✓ Identify suitable investments for clients
- ✓ Find stocks with great upside potential

Fast, Simple, and Powerful

You'll learn to use **Profit Map™** in just 10 minutes—it's that easy.

- ✓ Check it for every stock you own
- ✓ Use it before buying any new stock
- ✓ Easily explain to clients how you manage and reduce their risk

See It in Action

Let us show you how Profit Map™ helps advisors make smarter investment decisions while fulfilling their fiduciary duty with confidence. Schedule a demo today.

The Profit Map™ may be the single most reliable and therefore most valuable technology every fiduciary can use to RELIABLY reduce, avoid and prevent significant investment losses.

The SEC has mandated, in their 42-page memo "[Commission Interpretation Regarding Standard of Conduct for Investment Advisers](#)", that fiduciaries must:

- A) *Independently measure and rate the probability and magnitude of stocks' potential loss; and*
- B) *Actively monitor changes in stocks' price and financial condition.*

Inside ERS's PROFIT MAP™: A Fiduciary's Essential Tool

Below is a look-alike of what you'd see when using ERS's Profit Map™ — a powerful yet easy-to-use tool designed specifically for fiduciaries.

How It Works:

- ✓ On the left side, you'll enter just four key inputs—that's it!
- ✓ The tool handles the logic and complex calculations for you.
- ✓ In seconds, you'll receive clear, data-driven analysis to make smarter, more defensible investment decisions.

Why Fiduciaries Rely on PROFIT MAP™:

- ✓ Quickly assess risk & return potential before buying any stock
- ✓ Use facts—not opinions—to avoid costly losses
- ✓ Identify high-probability, high-upside investments
- ✓ Easily explain to clients how you manage risk & maximize returns

It's that simple. No spreadsheets, no guesswork—just data-driven decision-making at your fingertips.

Want to See It in Action?

Let us show you why **PROFIT MAP™** is an invaluable tool for every SEC- or state-registered investment advisor.
Schedule a live demo today!

Symbol: **PLTR**

 Date: **01/31/2025**

Go!

New Profit Map ▼

[Current Financials](#)
[Historic Data](#)
[What Must Happen](#)
[WMH Manual Model](#)
[Future Return by P/S Ratio](#)
[Future Return by P/E Ratio](#)
[Compare 5 Dates](#)
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Assumptions

The fields below have been pre-filled with the current rates of growth, **but you can change them** to see what would happen under different circumstances.

 Desired Annual Return (%):

 Years Later:

 Annual Revenue Growth (%):

 Future Profit Margin (%):

Results

	Current	10-Year Median	Required Future	Explanation
Price	\$82.52		\$142.59	To produce a 20% gain per year for 3 years, PLTR's price must rise to \$142.59 .
Market Cap	\$187,982		\$324,833	To produce a 20% gain per year for 3 years, PLTR's market cap must rise to \$324.8 billion .
Revenue	\$2,646		\$4,572	If PLTR's revenues grow at 20% per year, in 3 years they will have \$4.6 billion in revenues.
P/S Ratio	71.04	20.98	71.04	If PLTR's revenues grow at 20% per year, to produce a 20% price gain per year , PLTR's P/S ratio must be 71.04 3 years from now.
P/E Ratio	394.09	240.40	355.22	If PLTR's revenues grow at 20% per year and their profit margin is 20% , to produce a 20% price gain per year , PLTR's P/E ratio must be 355.22 3 years from now.

This model provides professional advisors with a structured framework to assess the feasibility of achieving targeted investment returns based on revenue growth assumptions, valuation multiples, and profitability expectations. Below is an interpretation of the data and how an advisor can use this technology to improve decision-making.

Key Insights from the Data:

1. Required Price for Targeted Returns:

- To achieve a **20% annual return** over **3 years**, the stock price must increase from **\$82.52 to \$142.59**.
- This suggests that for the investment to be worthwhile, advisors must assess whether such price appreciation is realistic based on revenue growth and valuation trends.

2. Market Cap Expansion:

- The company's market cap must increase from **\$187.98 billion to \$324.83 billion** in 3 years.

- Advisors should critically evaluate whether such market cap expansion is feasible given industry trends, competitive positioning, and macroeconomic conditions.

3. Revenue Growth Requirements:

- The company must grow revenues from **\$2.65 billion to \$4.57 billion** at a **20% annual growth rate**.
- If revenue growth is slower, achieving the projected price target will require **higher valuation multiples**, which may be unsustainable.

4. Valuation Considerations (P/S & P/E Ratios):

- The current **Price-to-Sales (P/S) ratio is 71.04**, and to sustain a **20% annual price increase**, it must remain at this elevated level.
- Historically, the **10-year median P/S ratio is 20.98**, suggesting that if the ratio normalizes towards historical levels, price growth could be constrained.
- The **Price-to-Earnings (P/E) ratio must be 355.22** in 3 years for the stock to meet return expectations, assuming a **20% profit margin**.
- These high valuation multiples indicate a **high-risk, high-expectation investment**, where any shortfall in revenue growth or margin expansion could lead to significant downside risk.

How Professional Advisors Can Use This Model:

1. Scenario Testing & Stress Analysis:

- Advisors can **adjust key assumptions** (revenue growth, margin expansion, valuation multiples) to test the **sensitivity** of the stock's potential returns.
- For example, if revenue grows at **15% instead of 20%**, how would this affect the required valuation multiples?

2. Risk-Adjusted Decision Making:

- The tool highlights potential **valuation risks** if multiples revert to historical norms.
- If an advisor believes the P/S ratio will **revert to its 10-year median (20.98)** instead of staying at **71.04**, the **future stock price would be significantly lower than \$142.59**.

- This helps advisors **determine whether current valuation levels are sustainable** or reflect speculative excess.

3. Investment Selection & Portfolio Construction:

- By comparing multiple stocks using similar models, advisors can **identify opportunities where projected returns are achievable with reasonable growth assumptions**.
- It also helps in **avoiding overvalued stocks** where expected growth assumptions are **too aggressive** to justify current prices.

4. Improved Communication with Clients & Stakeholders:

- The technology simplifies complex financial projections, allowing **advisors and fund managers to communicate expectations more clearly** to clients.
- It provides a **quantitative justification for buy/sell decisions**, enhancing transparency and trust in portfolio management strategies.

Final Assessment: This model is **highly useful for professional advisors** looking to quantify **return expectations** based on revenue growth and valuation sustainability. However, the results highlight **potential risks**, particularly in high-valuation stocks where achieving long-term price targets **requires aggressive growth assumptions and sustained high multiples**. Advisors using this technology can **stress-test scenarios, refine investment theses, and enhance portfolio risk management strategies**.

The Future of Investment Advisory Excellence

Equity Risk Sciences (ERS) empowers investment professionals, fiduciaries, and financial institutions with **proprietary, highly predictive analytics** built on **advanced data science and AI**.

With **26 specialized products, tools, models, and compliance solutions**, ERS helps advisors:

Transform Investment Outcomes:

- ✓ **Reduce & prevent investment losses significantly**
- ✓ **Increase investment profits with greater safety and confidence**
- ✓ **Accelerate AUM growth while minimizing risk**

Strengthen Client Trust & Differentiate Your Firm:

- ✓ **Prove your diligence & trustworthiness**—stand out from competitors with **data-driven insights**
- ✓ **Build deeper, long-term client relationships**

Enhance Compliance & Firm Profitability:

- ✓ **Improve firm-wide profitability through superior risk management**
- ✓ **Satisfy SEC requirements**, including:
 - **Documenting independent research performance**
 - **Providing continuous oversight of investment suitability for each client**

The ERS Competitive Edge
Scientific Investing Has Begun

Schedule a demo today.

See how ERS revolutionizes investment decision-making and helps advisors build safer, more profitable portfolios while meeting compliance requirements effortlessly.