




Using Morningstar as a Resource

- Shirley Pfister
- Rocky Mt. Board Member

1

1



2

Disclaimer

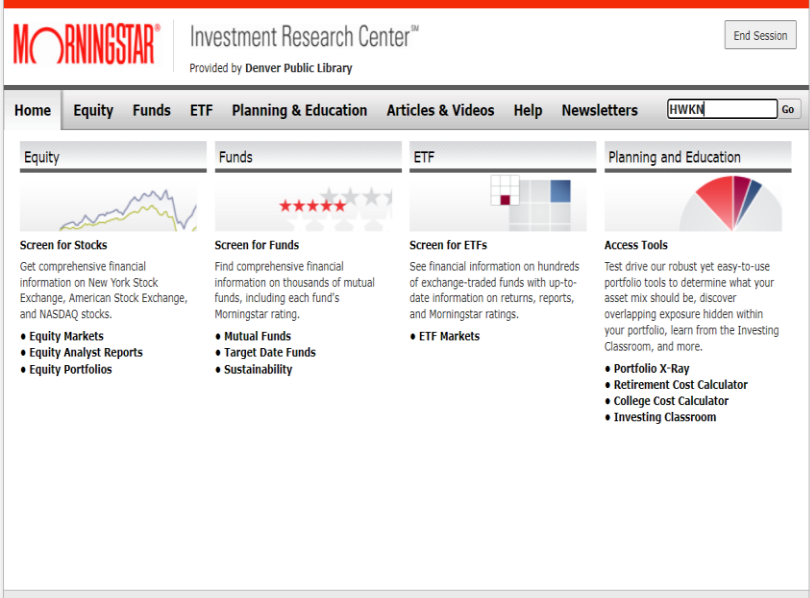
- The information in this presentation is for educational purposes only and is not intended to be a recommendation to purchase or sell any of the stocks, mutual funds, or other securities that may be referenced. The securities of companies referenced or featured in the seminar materials are for illustrative purposes only and are not to be considered endorsed or recommended for purchase or sale by BetterInvesting™ / National Association of Investors™. The views expressed are those of the instructors, commentators, guests and participants, as the case may be, and do not necessarily represent those of BetterInvesting. Investors should conduct their own review and analysis of any company of interest before making an investment decision.
- Securities discussed may be held by the instructors in their own personal portfolios or in those of their clients. BetterInvesting presenters and volunteers are held to a strict code of conduct that precludes benefitting financially from educational presentations or public activities via any BetterInvesting programs, events and/or educational sessions in which they participate. Any violation is strictly prohibited and should be reported to the CEO of BetterInvesting or the Director of Chapter Relations.
- This presentation may contain images of websites and products or services not endorsed by BetterInvesting. The presenter is not endorsing or promoting the use of these websites, products or services.
- National Association of Investors™, BetterInvesting™ and the BetterInvesting™ Icon are trademarks/registered trademarks. All rights reserved. © 2021 BetterInvesting™.
- **We may be recording this session for our future use.**

2

BETTERINVESTING™
Empowering Investors Since 1951

B

3



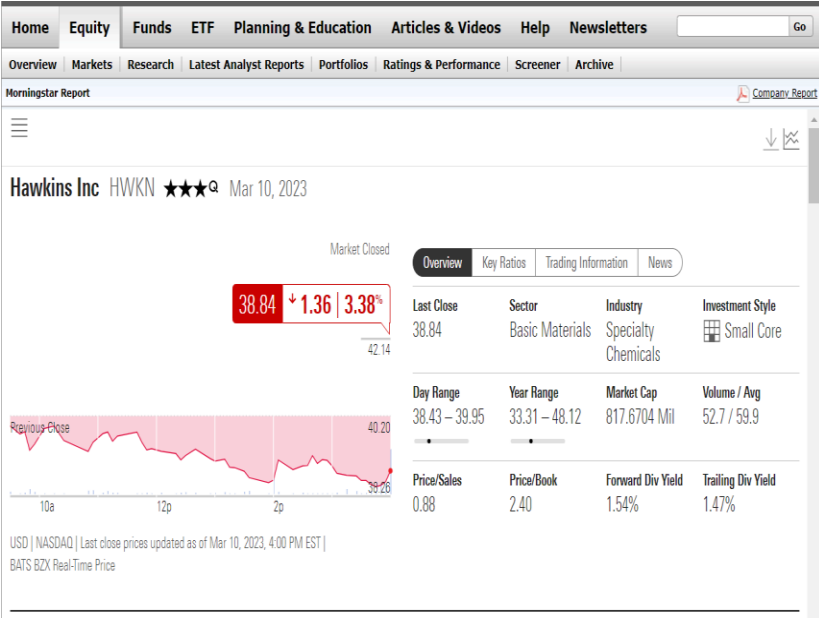
The screenshot shows the Morningstar Investment Research Center homepage. At the top, there is a navigation bar with links for Home, Equity, Funds, ETF, Planning & Education, Articles & Videos, Help, and Newsletters. A search bar contains the ticker 'HWKN'. Below the navigation bar, there are four main sections: 'Equity' with a line chart, 'Funds' with a star rating graphic, 'ETF' with a grid graphic, and 'Planning and Education' with a pie chart. Each section has a brief description and a list of related topics.

3

BETTERINVESTING™
Empowering Investors Since 1951

B

4



The screenshot shows a detailed Morningstar report for Hawkins Inc (HWKN) as of March 10, 2023. The report includes a price chart showing a decline from 42.14 to 38.84, with a change of -1.36 (-3.38%). Key financial metrics are listed in a table:

Last Close	38.84	Sector	Basic Materials	Industry	Specialty Chemicals	Investment Style	Small Core
Day Range	38.43 - 39.95	Year Range	33.31 - 48.12	Market Cap	817.6704 Mil	Volume / Avg	52.7 / 59.9
Price/Sales	0.88	Price/Book	2.40	Forward Div Yield	1.54%	Trailing Div Yield	1.47%

Additional information includes 'Market Closed', 'Overview', 'Key Ratios', 'Trading Information', and 'News' tabs. The report is in USD on NASDAQ, with last close prices updated as of Mar 10, 2023, 4:00 PM EST.

4

BETTERINVESTING™
Empowering Investors Since 1951

5

Home Equity Funds ETF Planning & Education Articles & Videos Help Newsletters

Overview Markets Research Latest Analyst Reports Portfolios Ratings & Performance Screener Archive

Morningstar Report

Quote
Analysis
Price vs. Fair Value
Sustainability
Trailing Returns
Key Stats
Financials
Valuation
Dividends
Ownership
Executive
Profile

Mar 10, 2023
Market Closed
38.84 ↓ 1.36 | 3.38%
42.14
39.26
40.20
2p

Overview Key Ratios Trading Information News

Last Close	Sector	Industry	Investment Style
38.84	Basic Materials	Specialty Chemicals	Small Core
Day Range	Year Range	Market Cap	Volume / Avg
38.43 – 39.95	33.31 – 48.12	817.6704 Mil	52.7 / 59.9
Price/Sales	Price/Book	Forward Div Yield	Trailing Div Yield
0.88	2.40	1.54%	1.47%

00:44

5

BETTERINVESTING™
Empowering Investors Since 1951

6

Morningstar Rating for Stocks

±A X ⌂

Significantly Overvalued ★

Overvalued ★★

Fairly Valued ★★★

Undervalued ★★★★

Significantly Undervalued ★★★★★

00:44

6

BETTERINVESTING™
 Empowering Investors Since 1951

Hawkins Inc HWKN ★★★ Feb 21, 2023

40.74 ↑ 0.23 | 0.57%

Rev 3-Yr Growth	Net Income 3-Yr Growth	Operating Margin % TTM	Free Cash Flow 2022
11.66	28.25	9.13	3.5500 Mil
- Avg +	- Avg +	- Avg +	
ROA % TTM	ROE % TTM	Net Margin % TTM	
10.58	18.65	6.35	
- Avg +			
Debt/Equity			
0.38			

Key Ratios will be retired soon, please see Key Statistics for content.

7

BETTERINVESTING™
 Empowering Investors Since 1951

Hawkins Inc HWKN ★★★ Feb 24, 2023

Market Closed

40.25 ↓ 0.36 | 0.89%

Bid/Size	Ask/Size	Day Range	Year Range
40.17x5	64.17x2	39.63 - 40.33	33.31 - 48.12
Beta (5-Year)	Volume / Avg	Shares Outstanding	Float
0.84	43.1 / 58.1	21.05 Mil	15.94 Mil
Shares Short	Short % of Float	Short Ratio	Shares Short Change
155.27	0.97	2.76	4.36%
<small>As of Jan 31, 2023</small>			
<small>From Jan 13, 2023</small>			

8

BETTERINVESTING™
 Empowering Investors Since 1951

Hawkins Inc HWKN ★★★ Feb 21, 2023

40.74 ↑ 0.23 | 0.57%

40.94
40.51
40.08

10a 12p 2p

USD | NASDAQ | Prices updated as of Feb 22, 2023, 10:55 AM EST | BATS BXZ Real-Time Price

Morningstar Alert Dividend distribution-Hawkins Inc Feb 16, 2023, 11:00 PM

- Hawkins (HWKN) Surpasses Q3 Earnings and Revenue Estimates
- Hawkins, Inc. Reports Third Quarter Fiscal 2023 Results Feb 01, 2023, 4:10 PM
- Hawkins, Inc. Increases Quarterly Cash Dividend by 7% to \$0.15 Per Share
- Hawkins, Inc. to Release Third Quarter Fiscal 2023 Financial Results on

Show All News >>

9

BETTERINVESTING™
 Empowering Investors Since 1951

HWKN -0.26 | -0.65%

40.25

40.20
40.05
39.90
39.75
39.60

09:30 AM 10:30 AM 11:30 AM 12:30 PM 01:30 PM 02:30 PM 03:30 PM

Volume
10k

10

BETTERINVESTING™
 Empowering Investors Since 1951

Morningstar's Analysis Summary Competitors

Valuation Mar 10, 2023 Currency in USD

HWKN is at a 7% Discount.

★
★★
★★★
★★★★
★★★★★

Last Close
— 38.84

Fair Value
— 41.74

Uncertainty: High

1-Star Price ^α > 51.81

5-Star Price ^α < 33.63

Economic Moat ^α
⊖ None

About Quantitative Ratings ⓘ

Morningstar Quantitative ratings for equities (denoted on this page by ^α) are generated using an algorithm that compares companies that are not under analyst coverage to peer companies that do receive analyst-driven ratings. Companies with ^α ratings are not formally covered by a Morningstar analyst, but are statistically matched to analyst-rated companies, allowing our models to calculate a quantitative moat, fair value, and uncertainty rating. [Click here for more on how to use these ratings.](#)

Company Profile

Hawkins Inc manufactures and sells a variety of chemicals and ingredients. The firm organizes itself into three segments based on the product type. The industrial segment, which generates the majority of revenue, sells private label bleach, caustic soda, sulfuric acid, hydrochloric acid, phosphoric acid, potassium hydroxide, and aqua ammonia. The water treatment segment sells chemicals and equipment used to treat potable water, municipal and industrial wastewater, industrial process water, and non-residential swimming pool water. The health and nutrition segment sells ingredients to food, beverage, personal care, and dietary supplement producers. The vast majority of revenue comes from the United States.

11

BETTERINVESTING™
 Empowering Investors Since 1951

Morningstar's Analysis Summary Competitors

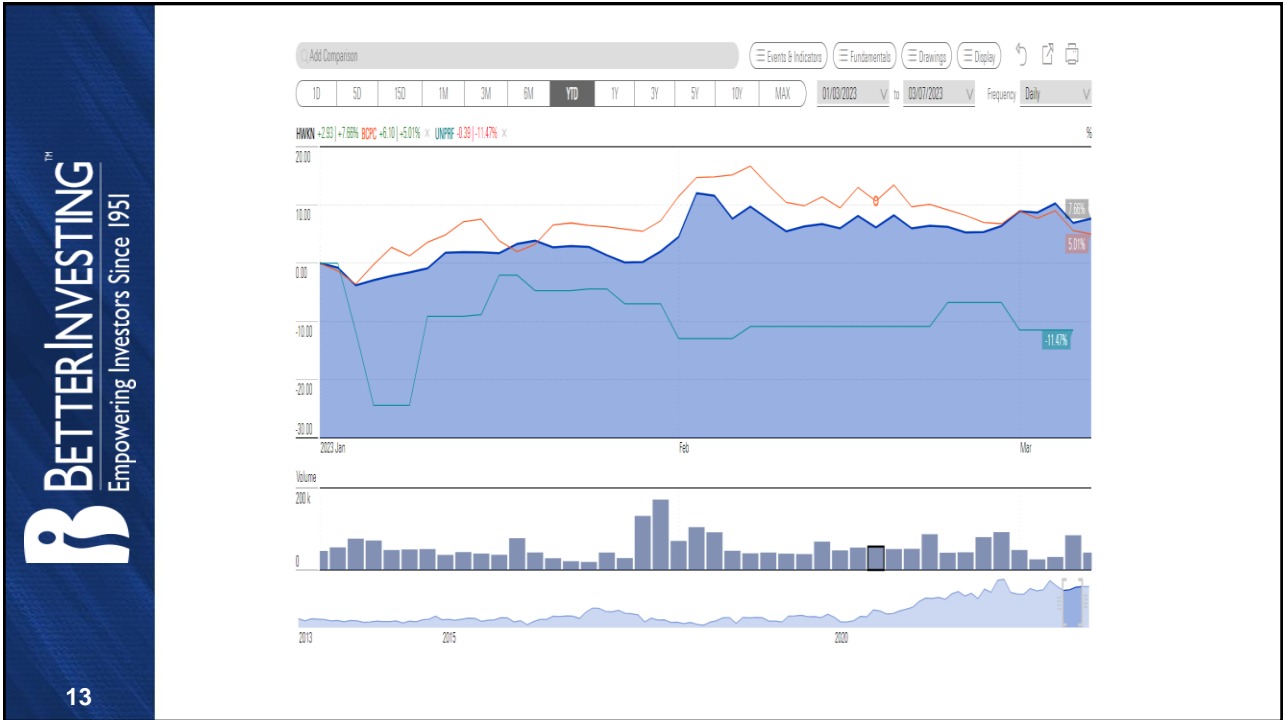
	Hawkins Inc HWKN	Balchem Corp BCPC	Unipar Carbocloro SA UNIP3
★	★	★	★
★★	★★	★★	★★
★★★	★★★	★★★	★★★
★★★★	★★★★	★★★★	★★★★
★★★★★	★★★★★	★★★★★	★★★★★
Last Close	— 38.84	— 124.82	— 74.51
Fair Value	— 41.74	— 122.64	— 88.74
Economic Moat ^α	⊖ None	⊕ Wide	⊖ None
Moat Trend	—	—	—
Currency	USD	USD	BRL
Price	38.84	124.82	—
Change	↓ 1.36 3.38%	↓ 2.43 1.91%	—
Fair Value	41.74 ^α Mar 10, 2023	122.64 ^α Mar 10, 2023	88.74 ^α Mar 10, 2023
Uncertainty	High ^α	Medium ^α	High ^α

Show Full Comparison Chart Show Full Chart Show Comparison Chart Show Comparison Chart

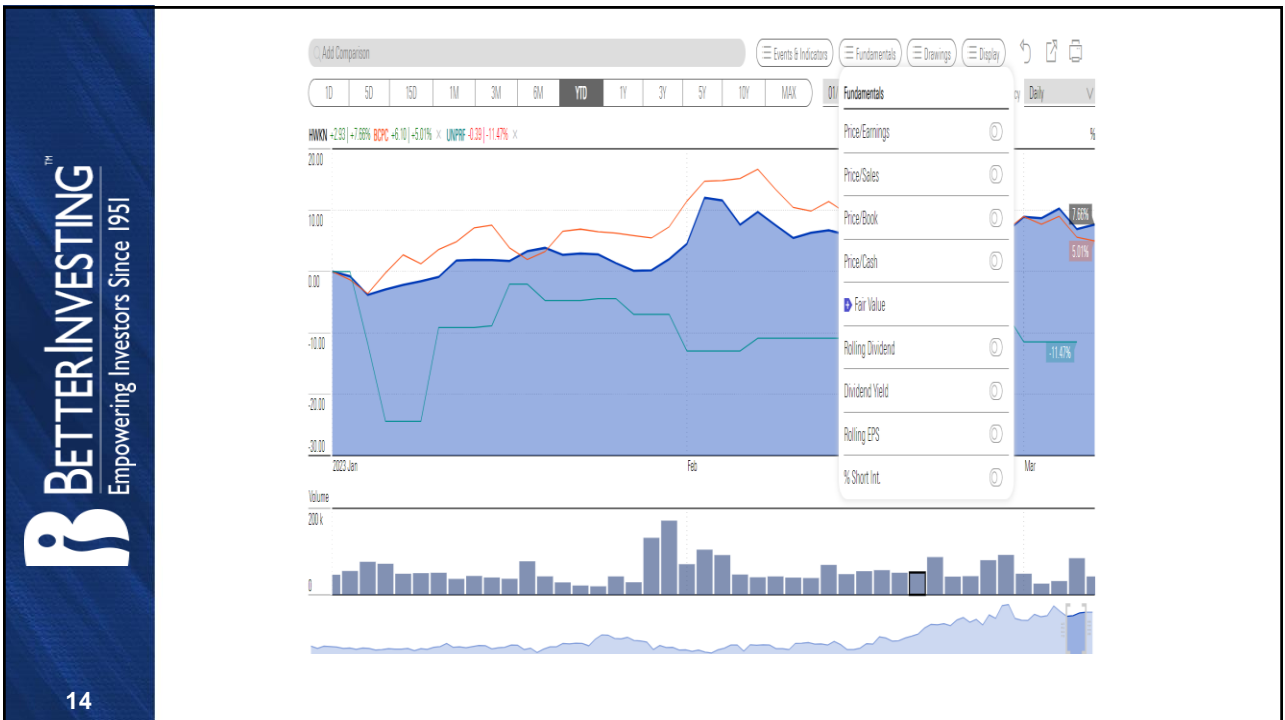
ESG Risk Rating Assessment

12

WWW.BETTERINVESTING.ORG



13



14

BETTERINVESTING™
Empowering Investors Since 1951

Price vs. Fair Value (Advanced Basic Logarithmic Linear)

— Fair Value^o 41.80
— Last Close 40.51

Legend: Overvalued (Orange), Fairly Valued (Light Blue), Undervalued (Dark Blue)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	
	1.06	1.12	1.01	1.11	1.05	0.92	1.07	1.17	1.05	0.80	0.97	Price/Fair Value ^o
	-1.94	18.50	-15.05	53.12	-33.16	18.86	14.11	16.22	52.76	-0.74	5.34	Total Return %
	33.13	12.85	0.69	12.44	21.47	-5.05	31.22	20.90	25.78	-19.43	4.92	Index Total Return %

USD | As of Feb 21, 2023 | Index: Morningstar US Market TR USD

15

BETTERINVESTING™
Empowering Investors Since 1951

Sustainability

ESG Risk Rating Assessment

ESG Risk Rating: 29.39 (Medium)

Legend: Negligible (0-9.99), Low (10-19.99), Medium (20-29.99), High (30-39.99), Severe (40+)

Highest Controversy Level (1 = Low, 5 = Severe): **No Data**

Top 3 Material ESG Issues: Overall — Overall — Overall —

ESG Risk Rating is as of Feb 01, 2023. Highest Controversy Level is as of Feb 08, 2023. Sustainalytics Subindustry: Commodity Chemicals. Sustainalytics provides Morningstar with company ESG ratings and metrics on a monthly basis and as such, the ratings in Morningstar may not necessarily reflect current Sustainalytics' scores for the company. For the most up to date rating and more information, please visit: [sustainalytics.com/esg-ratings/](https://www.sustainalytics.com/esg-ratings/).

16

BETTERINVESTING™
Empowering Investors Since 1951

Trailing Returns (Daily | Monthly | Quarterly)

Total Return %	1-Month	3-Month	6-Month	YTD	1-Year	3-Year	5-Year	10-Year	15-Year
HWKN	-7.21	-0.64	7.91	-0.74	-0.74	20.55	18.45	8.33	12.61
Industry	-5.31	13.94	5.51	-17.33	-17.33	6.75	5.39	10.33	11.19
Index	-5.88	7.26	2.35	-19.43	-19.43	7.01	8.83	12.17	8.75

As of Dec 31, 2022 | Industry: Specialty Chemicals | Index: Morningstar US Market TR USD

17

BETTERINVESTING™
Empowering Investors Since 1951

Key Statistics (Overview | Growth | Operating and Efficiency | Financial Health | Cash Flow)

Valuation				Growth (3-Year Annualized)			
Price/Book	Price/Cash Flow	Price/Sales	Price/Earnings	Revenue %	Operating Income %	Net Income %	Diluted EPS %
2.55	17.89	0.94	14.73	11.66	24.58	28.25	28.87

As of Feb 17, 2023 | As of Mar 31, 2022 | Restated Data

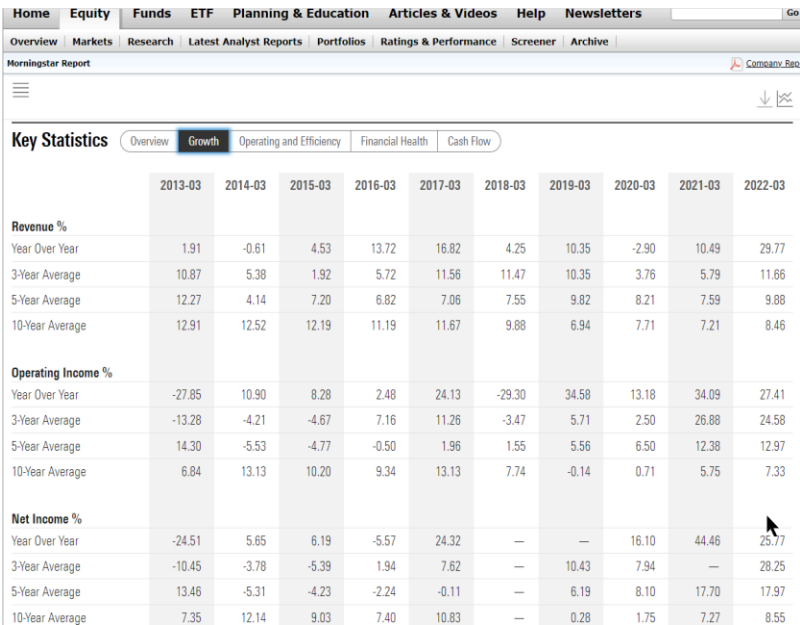
Financial Health				Profitability			
Quick Ratio*	Current Ratio*	Interest Coverage	Debt/Equity*	Return on Assets %	Return on Equity %	Invested Capital %	Net Margin %
1.55	2.83	19.63	0.41	10.58	18.65	13.80	6.35

As of Dec 31, 2022 | * Restated Data | As of Dec 31, 2022

18

BETTERINVESTING™
Empowering Investors Since 1951

19



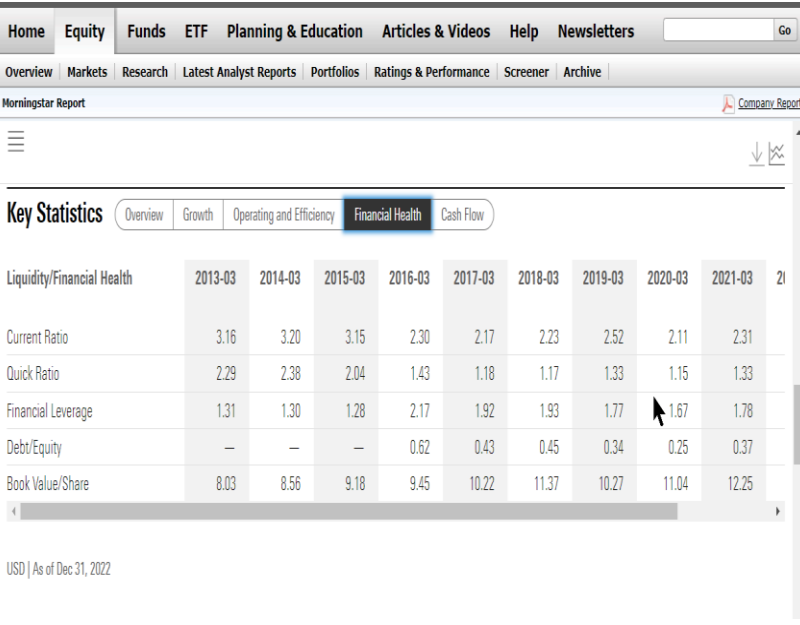
Key Statistics Overview Growth Operating and Efficiency Financial Health Cash Flow

	2013-03	2014-03	2015-03	2016-03	2017-03	2018-03	2019-03	2020-03	2021-03	2022-03
Revenue %										
Year Over Year	1.91	-0.61	4.53	13.72	16.82	4.25	10.35	-2.90	10.49	29.77
3-Year Average	10.87	5.38	1.92	5.72	11.56	11.47	10.35	3.76	5.79	11.66
5-Year Average	12.27	4.14	7.20	6.82	7.06	7.55	9.82	8.21	7.59	9.88
10-Year Average	12.91	12.52	12.19	11.19	11.67	9.88	6.94	7.71	7.21	8.46
Operating Income %										
Year Over Year	-27.85	10.90	8.28	2.48	24.13	-29.30	34.58	13.18	34.09	27.41
3-Year Average	-13.28	-4.21	-4.67	7.16	11.26	-3.47	5.71	2.50	26.88	24.58
5-Year Average	14.30	-5.53	-4.77	-0.50	1.96	1.55	5.56	6.50	12.38	12.97
10-Year Average	6.84	13.13	10.20	9.34	13.13	7.74	-0.14	0.71	5.75	7.33
Net Income %										
Year Over Year	-24.51	5.65	6.19	-5.57	24.32	—	—	16.10	44.46	25.77
3-Year Average	-10.45	-3.78	-5.39	1.94	7.62	—	10.43	7.94	—	28.25
5-Year Average	13.46	-5.31	-4.23	-2.24	-0.11	—	6.19	8.10	17.70	17.97
10-Year Average	7.35	12.14	9.03	7.40	10.83	—	0.28	1.75	7.27	8.55

19

BETTERINVESTING™
Empowering Investors Since 1951

20



Key Statistics Overview Growth Operating and Efficiency Financial Health Cash Flow

Liquidity/Financial Health	2013-03	2014-03	2015-03	2016-03	2017-03	2018-03	2019-03	2020-03	2021-03	21
Current Ratio	3.16	3.20	3.15	2.30	2.17	2.23	2.52	2.11	2.31	
Quick Ratio	2.29	2.38	2.04	1.43	1.18	1.17	1.33	1.15	1.33	
Financial Leverage	1.31	1.30	1.28	2.17	1.92	1.93	1.77	1.67	1.78	
Debt/Equity	—	—	—	0.62	0.43	0.45	0.34	0.25	0.37	
Book Value/Share	8.03	8.56	9.18	9.45	10.22	11.37	10.27	11.04	12.25	

USD | As of Dec 31, 2022

20

BETTERINVESTING™
Empowering Investors Since 1951

USD | As of Dec 31, 2022

Financial Statements

Income Statement | Balance Sheet | Cash Flow | Annual | As Originally Reported

Summary

	2020	2021	2022	TTM	3-Yr Trend
Revenue (Mil)	540.20	596.87	774.54	929.93	
Operating Income (Mil)	41.67	55.88	71.19	84.88	
Net Income (Mil)	28.37	40.98	51.54	59.01	
EBITDA (Mil)	63.05	79.99	95.51	110.42	
Diluted EPS	1.33	1.93	2.44	2.81	
Normalized Diluted EPS	1.33	1.93	2.44	2.81	

21

BETTERINVESTING™
Empowering Investors Since 1951

USD in Mil except per share data

Financial Statements

Income Statement | Balance Sheet | Cash Flow | Annual | As Originally Reported

Summary

	2020	2021	2022	TTM	3-Yr Trend
Operating (Mil)	58.90	43.79	42.84	48.67	
Investing (Mil)	-24.20	-71.43	-49.76	-63.67	
Financing (Mil)	-39.62	26.36	7.42	-2.30	
Capital Expenditure (Mil)	-24.55	-20.79	-28.51	-16.12	
Free Cash Flow (Mil)	34.35	23.00	14.33	3.55	

Expand Detail View

22

BETTERINVESTING™
Empowering Investors Since 1951

Valuation

Calendar

	2013	2014	2015	2016	2017	2018	2019	2020
Price/Sales	1.11	1.30	1.02	1.21	0.76	0.81	0.89	1.02
Price/Earnings	24.79	23.05	19.55	27.67	19.89	—	18.11	16.77
Price/Cash Flow	14.67	15.64	12.04	12.99	17.57	9.16	9.76	10.79
Price/Book	2.21	2.41	1.89	2.69	1.66	2.00	2.11	2.15

USD | As of Feb 21, 2023 | Index: Morningstar US Market TR USD

[More Valuation Data](#)

23

BETTERINVESTING™
Empowering Investors Since 1951

Operating Performance

Fiscal

	2013	2014	2015	2016	2017	2018	2019	2020
Return on Assets %	8.04	7.88	7.91	5.30	5.28	-2.27	6.29	7.32
Return on Equity %	10.48	10.26	10.21	9.19	10.77	-4.37	11.63	12.57
Return on Invested Capital %	10.48	10.27	10.20	5.70	7.44	-2.30	8.88	9.99

USD | Index: Morningstar US Market TR USD.

Operating Performance will be retired soon, please see Key Statistics for content.

[More Operating Performance Data](#)

24

BETTERINVESTING™
 Empowering Investors Since 1951

Dividends & Splits

Calendar	2013	2014	2015	2016	2017	2018	2019	2020
Dividend Per Share	0.35	0.37	0.39	0.41	0.43	0.45	0.46	0.47
Trailing Dividend Yield %	1.88	1.71	2.18	1.52	2.44	2.17	2.01	1.78
Buyback Yield %	-	0.17	1.31	-	-	-	1.48	0.11
Total Yield %	1.88	1.88	3.49	1.52	2.44	2.17	3.49	1.89
Payout Ratio %	46.67	39.36	42.62	42.05	48.59	-	36.17	29.73

Upcoming Dividends

Ex-Dividend Date	Declaration Date	Record Date	Payable Date	Dividend Type	Amount
Feb 16, 2023	Feb 01, 2023	Feb 17, 2023	Mar 03, 2023 *	Cash Dividend	0.1500

25

25

BETTERINVESTING™
 Empowering Investors Since 1951

Ownership

Name	Morningstar Rating	% Total Shares Held	% Total Assets	Trend Prev. 8 Qtrs	Current Shares	Change Amount
iShares Core S&P Small-Cap ETF	★★★★	6.68	0.08		1,406,819	0
T. Rowe Price Small-Cap Value	★★★	3.03	0.24		637,186	↓ -24,500
Vanguard Instl Ttl Stock Mkt Idx Tr	★★★	2.64	0.00		555,705	0
Vanguard Total Stock Mkt Idx Inv	★★★	2.64	0.00		555,705	0
iShares Russell 2000 ETF	★★★	1.99	0.03		419,277	↓ -936
Total (for Top 5)		16.98			3,574,692	↓ -25,436

26

26

BETTERINVESTING™
Empowering Investors Since 1951

27

Executive Team | Key Executives | Board of Directors

Name (Age)	5-Year Trend	2022	2021	2020	2019	2018
Patrick H. Hawkins (51) Director, Chief Executive Officer and President		2,119,465	2,157,581	1,873,926	1,516,737	1,049,203
Jeffrey P. Oldenkamp (49) Principal Accounting Officer, Executive Vice President, Chief Financial Officer and Treasurer		1,379,044	1,214,510	932,360	968,449	958,280
Drew M. Grahek (52) Vice President, Operations		820,757	679,629	—	—	—
Richard G. Erstad (58) Vice President, General Counsel and Secretary		789,023	791,609	720,005	720,802	576,530
Shirley A. Rozeboom (60) Vice President, Health and Nutrition		687,258	763,157	—	—	—
Theresa R. Moran (59) Vice President, Purchasing, Logistics and Sales Support		—	—	—	—	—
Douglas A. Lange (52) Vice President, Water Treatment Group		—	—	—	—	—
David J. Mangine (64) Vice President, Industrial Group		—	—	—	—	—

27

BETTERINVESTING™
Empowering Investors Since 1951

28

Executive Team | Key Executives | Board of Directors

Name (Age) | 5-Year Trend | 2022 | 2021 | 2020 | 2019 | 2018

Patrick H. Hawkins (51)
Director, Chief Executive Officer and President

Total Compensation		2022	Recent Transactions			
Component	Value	Value	Transaction Type	Transaction Initial Date	Shares	Value
Salary	515,000		Acquisition	May 18, 2022	24,336	0
Bonus	—		Disposition	Apr 06, 2022	14,940	635,986
Annual Other Income	—		Acquisition	May 20, 2021	40,137	0
Restricted Stock Award	514,950		Disposition	Apr 06, 2021	13,908	449,646
Securities Options	—		Acquisition	May 20, 2020	20,241	0
LTIP Payout	—					
Non-Equity Compensation	1,030,000					

28

Rocky Mountain Chapter
Model Investment Club

3/15/2023

BETTERINVESTING™
 Empowering Investors Since 1951

Company Profile

<p>Business Description Hawkins Inc manufactures and sells a variety of chemicals and ingredients. The firm organizes itself into three segments based on the product type. The industrial segment, which generates the majority of revenue, sells private label bleach, caustic soda, sulfuric acid, hydrochloric acid, phosphoric acid, potassium hydroxide, and aqua ammonia. The water treatment segment sells chemicals and equipment used to treat potable water, municipal and industrial wastewater, industrial process water, and non-residential swimming pool water. The health and nutrition segment sells ingredients to food, beverage, personal care, and dietary supplement producers. The vast majority of revenue comes from the United States.</p>	<p>Contact 2381 Rosegate, Roseville, MN 55113 T +1 612 331-6910 Jeff.Oldenkamp@Hawkinsinc.com www.hawkinsinc.com</p>	<p>Sector Basic Materials</p> <p>Most Recent Earnings Dec 31, 2022</p> <p>Employees 813 As of Apr 03, 2022</p>	<p>Industry Specialty Chemicals</p> <p>Fiscal Year End Apr 03, 2023</p>
---	--	---	---

BETTERINVESTING™
 Empowering Investors Since 1951

The screenshot shows the Morningstar Investment Research Center interface. At the top, there's a navigation bar with 'Home', 'Equity', 'Funds', 'ETF', 'Planning & Education', 'Articles & Videos', 'Help', and 'Newsletters'. Below this, there are two main sections: 'Help & Database Trainings' and 'Database Guides'. The 'Help & Database Trainings' section lists several 'Monthly Training Sessions' with dates, times, and meeting details. The 'Database Guides' section offers to click and download guides for 'User's Guide', 'Quick Guide', 'How to Read a Stock Analyst Report', and 'How to Read a Fund Analyst Report'. There is also a 'Tutorial Center' section with a video icon and a list of tutorial videos.



31



32