

# Is Red Hat Destined for Greatness?

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Investors love stocks that consistently beat the Street without getting ahead of their fundamentals and risking a meltdown. The best stocks offer sustainable market-beating gains, with robust and improving financial metrics that support strong price growth. Does Red Hat (NYSE: RHT ) fit the bill? Let's take a look at what its recent results tell us about its potential for future gains.

## What we're looking for

The graphs you're about to see tell Red Hat's story, and we'll be grading the quality of that story in several ways:

- \* Growth: Are profits, margins, and free cash flow all increasing?
- \* Valuation: Is share price growing in line with earnings per share?
- \* Opportunities: Is return on equity increasing while debt to equity declines?
- \* Dividends: Are dividends consistently growing in a sustainable way?

## [What the numbers tell you](#) [2]

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[Linux](#)

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### Links:

[1] <http://www.tuxmachines.org/taxonomy/term/63>

[2] <http://www.fool.com/investing/general/2013/07/31/is-red-hat-destined-for-greatness.aspx>