

How 'I' Evaluate a Company— going outside the box to augment judgment decisions

Bob Adams
bob.at.seattle@gmail.com
www.bob-adams.net

Copyright 2009-2013 Bob Adams
All Rights Reserved

Oct 2013

Going outside the box

- The company analysis requires "Judgment"
 - Augment Judgment with 2 key clicks
 - Be more assured of the Judgment items
- Use the internal Judgment help tool
 - ...a shortcut to becoming organized
- No recommendation is intended for any company discussed during this session

FIRST: "Don't Fight the Tape"

Is money flowing into the market?
Is money flowing out of the market?
[http://stockcharts.com/freecharts/gallery.html?\\$indu](http://stockcharts.com/freecharts/gallery.html?$indu)



First the SSG... 5 Sections

- 1 Quality of company
- 2 Quality of management
- 3 Price
- 4 Risk
- 5 Annualized Return (Bottom Line)

5

First... *"Judgment"*

- 1 Quality of company
 - 5 year Projected Sales and Earnings
- 2 Quality of management
 - Profits on Sales – ROE – Debt to Equity
- 3 Price
 - Compare PEG Ratio to Peer and Industry Average
- 4 Risk
 - Projected High Price – Projected Low Price – Intrinsic Value (Compounded Growth—in reverse)
- 5 Annualized Return (Bottom Line)

6

The screenshot shows a software interface with a sidebar on the left containing icons for 'Ticker...', 'Select View...', and a group of three people. The main area displays a list of analysis steps:

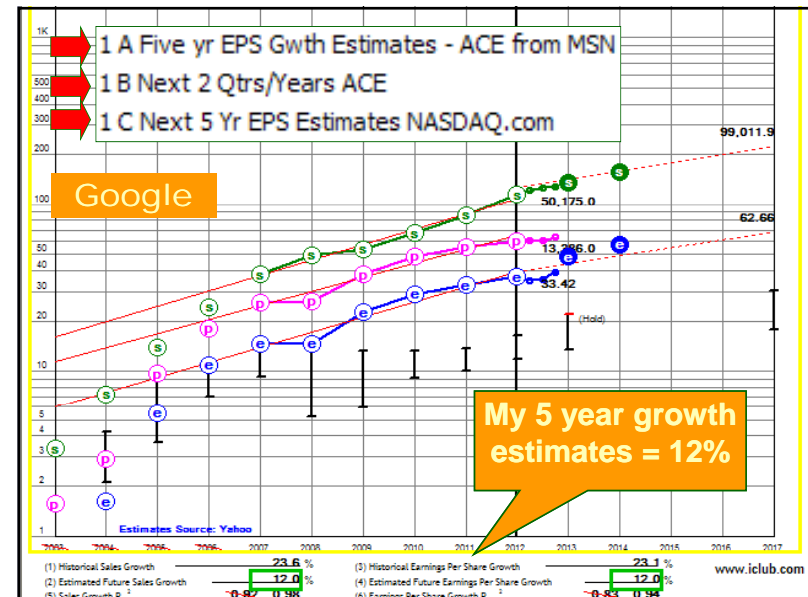
- 1 A Five yr EPS Gwth Estimates - ACE from MSN
- 1 B Next 2 Qtrs/Years ACE
- 1 C Next 5 Yr EPS Estimates NASDAQ.com
- 2 D Industry Averages 2A 2B 2C
- 2 Da Competitors
- 3 E Big Charts-buy sell decision helps
- 4 Fa Low Price chart - Yahoo
- 4 G P-F Chart-confirm low price
- 4 I Set Price Alert-Yahoo
- 4 Ia Intrinsic Value
- 4 K Company NEWS - MSN
- 4 L WHAT DOES THE COMPANY DO

Below the list is a 'Growth Analysis' chart showing a line graph with 'Latest Quarter', 'Year Ago Quarter', and 'Percentage Change' on the y-axis. An orange box on the right contains the text: 'Later—how to insert the URLs'.

7

First the SSG... 5 Sections

- Section 1: Judgment
 - Up – straight – parallel
 - 5 year Sales growth estimate
 - 5 year EPS growth estimate
 - Compare with ACE
 - Insert next two quarter estimates—Earnings and Sales
 - (TK6) Insert next 5 years estimated Earnings and Sales



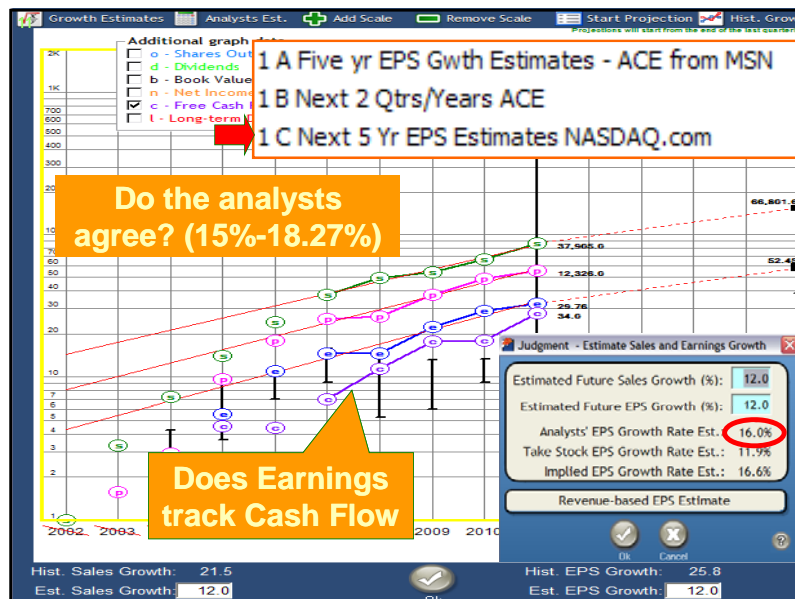
How "I" Evaluate a Company—using the analysis tools

Bob Adams

bob.at.seattle@gmail.com -- www.bob-adams.net

YAHOO! FINANCE				
Dow +0.21% Nasdaq +0.13%				
HOME INVESTING NEWS & OPINION PERSONAL FINANCE MY PORTFOLIOS TECH TICKER				
Earnings Est	Current Qtr. Dec 13	Next Qtr. Mar 14	Current Year Dec 13	Next Year Dec 14
Avg. Estimate	12.22	12.26	44.04	52.06
No. of Analysts	40.00	29.00	41.00	42.00
Low Estimate	10.15	10.47	42.29	43.35
High Estimate	13.67	13.81	45.50	58.10
Year Ago EPS	10.59	11.58	39.82	44.04
Revenue Est	Current Qtr. Dec 13	Next Qtr. Mar 14	Current Year Dec 13	Next Year Dec 14
Avg. Estimate	16.69B	16.25B	59.63B	69.36B
No. of Analysts	27	17	30	31
Low Estimate	15.69B	15.80B	58.46B	54.21B
High Estimate	18.46B	16.80B	61.42B	79.14B
Year Ago Sales	12.16B	13.97B	42.72B	59.63B
Sales Growth (year/est)	37.20%	16.30%	39.60%	16.30%

YAHOO! FINANCE				
Dow +0.21% Nasdaq +0.13%				
HOME INVESTING NEWS & OPINION PERSONAL FINANCE MY PORTFOLIOS TECH TICKER				
Growth Est	GOOG	Industry	Sector	S&P 500
Current Qtr.	15.40%	19.50%	N/A	16.80%
Next Qtr.	5.90%	-2.80%	404.90%	16.10%
This Year	10.60%	-1.90%	5.90%	8.30%
Next Year	18.20%	28.50%	30.10%	12.50%
Past 5 Years (per annum)	18.39%	N/A	N/A	N/A
Next 5 Years (per annum)	16.40%	18.59%	17.97%	9.44%
Price/Earnings (avg. for comparison categories)	23.05	-12.49	9.36	16.33
PEG Ratio (avg. for comparison categories)	1.41	-1.34	0.42	1.71

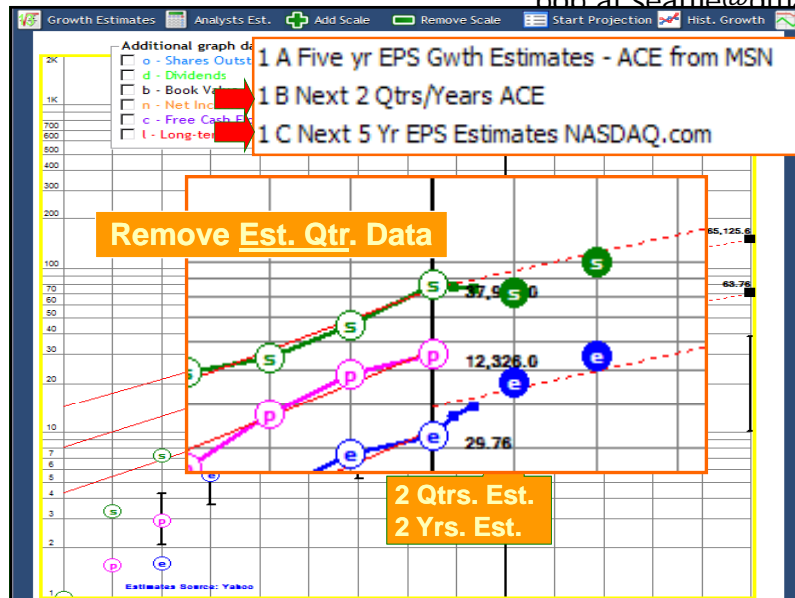


NASDAQ Fidelity ONEQ NASDAQ OMX						
Home My NASDAQ Tools Mobile Company List ETFs Real-Time Quotes Register Log In Site Search						
Yearly Earnings Forecasts						
Fiscal Year End	Consensus EPS* Forecast	High EPS* Forecast	Low EPS* Forecast	Number of Estimates	Over the Last 4 Weeks Number of Revisions	
Dec 2013	36.28	37.24	35.26	10	5	3
Dec 2014	43.46	44.42	42.50	14	9	4
Dec 2015	51.41	52.37	50.45	8	4	0
Dec 2016	59.82	60.78	58.86	2	2	0
Quarterly Earnings Forecasts						
Fiscal Quarter End	Consensus EPS* Forecast	High EPS* Forecast	Low EPS* Forecast			Weeks Revisions Down
Dec 2013	10.32	11.58	9.26			4
Mar 2014	10.4					0
Jun 2014	10.07	10.62	9.52			0
Sep 2014	10.72	11.38	10.14			0
Dec 2014	12.18	12.81	11.6	5	2	0

How "I" Evaluate a Company—using the analysis tools

Bob Adams

bob.at.seattle@gmail.com -- www.bob-adams.net



The Judgment—

- Section 2: *Evaluating Management*
- Compare your company with Industry Averages
- Compare your company with peer companies

2 QUALITY ANALYSIS Company Google, Incorporated (GOOG) 10/29/13

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	5 YEAR AVG	TREND UP/DOWN
A % Pre-tax Profit on Sales	23.6	20.4	34.9	37.8	34.2	26.9	35.4	36.8	32.5	26.7	31.7	DOWN
B % ROE (Beginning Yr)			46.9	31.2	23.9	18.4	22.8	23.2	20.7	18.7	20.7	DOWN
C % Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.2	4.3	1.9	UP

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 1,036.24 (2)

Fiscal Year	High Price	Low Price
1 2008	697.4	247.3
2 2009	626.0	282.8
3 2010	630.9	433.6
4 2011	646.8	473.0
5 2012	774.4	556.5
6 AVERAGE	398.6	

2 D Industry Averages 2A 2B 2C

2 Da Competitors

3 E Big Charts-buy sell decision helps

3 F Low Price -- MSN

3 fa Low Price chart - Yahoo

3 G P-F Chart-confirm low price

4 I Set Price Alert-Yahoo

	2008	2009	2010	2011	2012	5 YEAR AVG	TREND UP/DOWN
AVERAGE P/E RATIO	23.8	19.4	26.0	TTM EPS	35.55		
CURRENT P/E RATIO	29.1	PEG RATIO	2.2	FTM EPS	39.82		
RELATIVE VALUE	124.3%	150.0%	PROJ. RELATIVE VALUE	111.7%	134.2%	AVG TTM - FTM EPS	37.68

ICLUBcentral
Software and tools for investors and investment clubs

Home Products Support Learning Investing

IAS Complete Roster Stocks to Study Industry Averages

Industry Averages

Google Internet Content & Info.

2 D Industry Averages 2A 2B 2C

2 Da Competitors

3 E Big Charts-buy sell decision helps

3 F Low Price -- MSN

3 fa Low Price chart - Yahoo

3 G P-F Chart-confirm low price

4 I Set Price Alert-Yahoo

4 K Company NEWS - MSN

4 L WHAT DOES THE COMPANY DO

We have also provided averages for Debt/Equity, 5 Year Revenue Growth, and other sector and industry research in the Data section of the StockCentral.com web site. The data is refreshed weekly on the StockCentral.com site, and can be displayed, printed, and downloaded in various formats, as well.

Industry	Avg 5Yr PTP / Sales	Avg 5Yr ROE	Avg Debt / Equity	Avg 5Yr Rev Growth	Avg 5Yr EPS Growth	Avg PE	Avg EPS Pred (R')
Accident & Health Insurance	8.1	9.1	26.5	3.7	2	16	0.11
Advertising Agencies	20.2	16.3	38	3.6	0.3	46.2	0.24
Aerospace/Defense - Major Diversified	14.5	23.9	91.5	7.2	4.2	23.7	0.57
Aerospace/Defense - Products & Services	10.1	15.2	49.8	11	11.9	28.1	0.52
Agricultural Chemicals	22.7	33.4	118	7	14.5	23.5	0.5
Air Delivery & Freight Services	5.7	26.9	94.6	2.3	4.2	42.6	0.47
Air Services, Other	21	8.2	41	6.2	4.2	30.3	0.4

How "I" Evaluate a Company—using the analysis tools

Bob Adams

bob.at.seattle@gmail.com -- www.bob-adams.net

Industry	Avg 5Yr PTP / Sales	Avg 5Yr ROE	Avg Debt / Equity	Avg 5Yr Rev Growth	Avg 5Yr EPS Growth	Avg PE	Avg EPS Pred (R ²)
Industrial Electrical Equipment	203.6	14.9	91.2	11.4	4.4	36.7	0.41
Industrial Equipment	13.8	28.8	175.1	8.4	1.1	18.3	0.25
Industrial Machinery	10.1	17.1	10.1	10.1	4.2	17.4	0.32
Industrial Metals & Minerals	81.3	63.8	385.7	2.6	1	30.5	0.18
Information & Delivery Services	17.5	62.5	66.5	16.6	5.1	31.9	0.57
Information Technology Services	8.9	14.6	65.1	6.1	5.7	58.6	0.45
Insurance Brokers	13.4	11.7	57.9	8.2	6.3	22.7	0.44
Internet Information Providers	19.2	428	28.6	14.4	7.3	70.8	0.53
Internet Service Providers	130.5	51.9	64.2	15.5	0	51.7	0.22
Internet Software & Services	16.2	20.7	53.4	14.8	3.3	81.8	0.53
Investment Brokerage - National	25.2	13.6	96.6	11.8	2	26.3	0.34
Investment Brokerage - Regional	13.9	12.8	122.6	12.3	3.3	21.9	0.28
Jewelry Stores	8.3	8.6	52.2	11.1	1	34.1	0.48

Section: 2A, 2B, 2C (Alt-D for TK5)

Competitors					
Direct Competitor Comparison					
	GOOG	AOL			
Market Cap:	197.89B	1.66B			
Employees:	32,467	5,660			
Qtrly Rev Growth (yoy):	25.40%	-3.20%			
Revenue (ttm):	37.90B	2.20B			
Gross Margin (ttm):	65.21%	28.40%	N/A	69.85%	56.75%
EBITDA (ttm):	14.09B	354.70M	N/A	1.36B	5.73M
Operating Margin (ttm):	32.30%	4.62%	N/A	16.55%	4.06%
Net Income (ttm):	9.74B	13.10M	N/A	1.05B	N/A
EPS (ttm):	29.76	0.12	N/A	0.82	0.05
P/E (ttm):	20.45	146.25	N/A	17.95	23.05
PEG (5 yr expected):	0.79	4.30	N/A	1.56	1.20
P/S (ttm):	5.20	0.73	N/A	3.56	2.49

AOL = AOL, Inc.
Pvtl = MSN (privately held)
YHOO = Yahoo! Inc.
Industry = Internet Information Providers

Different from TK / NSA?

The Judgment—

- Section 3:
- Are the P/Es showing a trend?
If so, compensate—the trend is likely to continue
- Is the PEG Ratio reasonable (1 or less is good—up to 1.5 is considered somewhat acceptable)
 - Compare to:
 - Peer companies
 - Industry averages
- Intrinsic Value—Discounted Cash Flow
- an alternate method of valuing the price (a Warren Buffett-ism)

2 QUALITY ANALYSIS												
Company Google, Incorporated (GOOG)											10/29/13	
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	5 YEAR AVG	TREND UP/DOWN
A % Pre-tax Profit on Sales	23.6	20.4	34.9	37.8	34.2	26.9	35.4	36.8	32.5	26.7	31.7	DOWN
B % ROE (Beginning Yr)			46.9	31.2	23.9	18.4	22.8	23.2	20.7	18.7	20.7	DOWN
C % Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.2	4.3	1.9	UP

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS									
CURRENT PRICE (PE) 1,036.24 (29.1) 52-WEEK HIGH (PE) 1,036.24 (29.1) 52-WEEK LOW (PE) 636.00 (17.9)									
Fiscal Year	High Price	Low Price	EPS	High PE	Low PE	Dividend	% Payout	% High Yield	
1 2008	697.4	247.3	13.31	52.4	18.6	0.000	0.0	0.0	
2 2009	626.0	282.8	20.41	30.7	13.9	0.000	0.0	0.0	
3 2010	630.9	433.6	26.31	24.0	16.5	0.000	0.0	0.0	
4 2011	646.8	473.0	29.76	21.7	15.9	0.000	0.0	0.0	
5 2012	774.4	556.5	33.42	23.2	16.7	0.000	0.0	0.0	
6 AVERAGE		398.6		23.0	15.8		0.0		
AVERAGE P/E RATIO 23.8 19.4 PROJECTED P/E RATIO 26.0 TTM EPS 35.55									
CURRENT P/E RATIO 29.1 PEG RATIO 2.2 FTM EPS 39.82									
RELATIVE VALUE 124.9% 150.0% PROJ. RELATIVE VALUE 111.7% 134.2% AVG TTM + FTM EPS 37.68									

21

The Judgment—

Section 4: Avg. High P/E

- Start with 1.5 times the EPS Projected Growth Rate
- If historical growth has been stable and rising, increase Avg. High P/E up to 2 times the projected growth rate

(Up-Straight-Parallel)

28	AVERAGE	398.6	23.0	15.8	0.0
	AVERAGE P/E RATIO	23.0	19.4	26.0	35.55
	CURRENT P/E RATIO	29.1	2.2	FTM EPS	39.82
	RELATIVE VALUE	124.9%	150.0%	PROJ. RELATIVE VALUE	111.7%
				AVG TTM - FTM EPS	37.68

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS
 Selected High P/E 23.0 X Estimated High Earnings/Share 62.66 = Forecast High Price \$ 1,441.2

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS
 (a) Sel. Low P/E 15.8 X Estimated Low Earnings/Share 33.42 = 529.1
 (b) Average 5-Year Low Price 398.6
 (c) Recent Severe Market Low Price 473.0
 (d) Price Dividend Will Support - Present Divid. - High Yield - 0.000 - 0.000 = 0.0
 Selected Estimated Low Price 845.0

C PRICE RANGES
 Forecast High Price 1,441.2 - Estimated Low Price 845.0 = Range 596.2 25% of Range = 149.0
 BUY (Lower 25% of Range) = 845.0 to 994.0
 MAYBE (Middle 50% of Range) = 994.0 to 1,292.2
 SELL (Upper 25% of Range) = 1,292.2 to 1,441.2
 Current Price 1,036.240 is in the Hold Range

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)
 (Forecast High Price 1,441.2 - Current Price 1,036.240) ÷ (Current Price 1,036.240 - Estimated Low Price 845.0) = 2.1 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD
 Present Full Year's Dividend \$ 0.000 ÷ Current Price of Stock \$ 1,036.240 = 0.0% Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E
 Avg. % Payout 0.0 ÷ Forecast High P/E 23.0 = Avg. Yield 0.0

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E
 Average Yield 0.0% + Annual Appreciation 6.8% = Compound Annual Total Return 6.8%

5 year Estimated EPS Growth = 12%

23

The Judgment—

Section 4: Estimated Low Price

- Normally below the 52 week low
- Observe when low price occurred
- If the current price is too high set an alert to be notified when the price falls into the Buy zone

www.finance.yahoo.com

28	AVERAGE	398.6	23.0	15.8	0.0
	AVERAGE P/E RATIO	23.0	19.4	26.0	35.55
	CURRENT P/E RATIO	29.1	2.2	FTM EPS	39.82
	RELATIVE VALUE	124.9%	150.0%	PROJ. RELATIVE VALUE	111.7%
				AVG TTM - FTM EPS	37.68

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS
 Selected High P/E 23.0 X Estimated High Earnings/Share 62.66 = Forecast High Price \$ 1,441.2

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS
 (a) Sel. Low P/E 15.8 X Estimated Low Earnings/Share 33.42 = 529.1
 (b) Average 5-Year Low Price 398.6
 (c) Recent Severe Market Low Price 473.0
 (d) Price Dividend Will Support - Present Divid. - High Yield - 0.000 - 0.000 = 0.0
 Selected Estimated Low Price 845.0

C PRICE RANGES
 Forecast High Price 1,441.2 - Estimated Low Price 845.0 = Range 596.2 25% of Range = 149.0
 BUY (Lower 25% of Range) = 845.0 to 994.0
 MAYBE (Middle 50% of Range) = 994.0 to 1,292.2
 SELL (Upper 25% of Range) = 1,292.2 to 1,441.2
 Current Price 1,036.240 is in the Hold Range

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)
 (Forecast High Price 1,441.2 - Current Price 1,036.240) ÷ (Current Price 1,036.240 - Estimated Low Price 845.0) = 2.1 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD
 Present Full Year's Dividend \$ 0.000 ÷ Current Price of Stock \$ 1,036.240 = 0.0% Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E
 Avg. % Payout 0.0 ÷ Forecast High P/E 23.0 = Avg. Yield 0.0

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E
 Average Yield 0.0% + Annual Appreciation 6.8% = Compound Annual Total Return 6.8%

52 week low = \$636

Judgment - Potential Low Stock Price Selection

Select a Potential Low Stock Price:

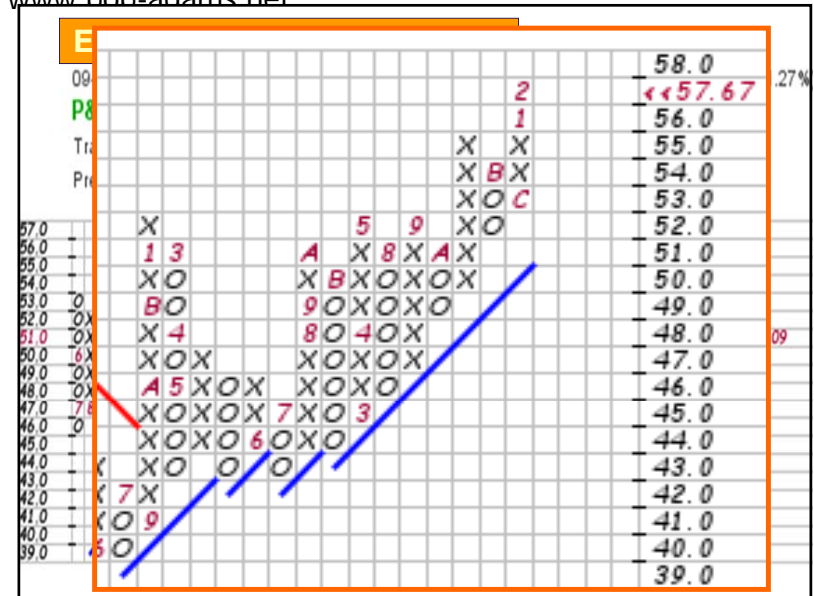
- ☐ Forecast Low Price 629.1
- ☐ Average Low Price for Last 5 Years 398.6
- ☐ Recent Severe Market Low Price 473.0
- ☐ Price Dividend Will Support 0.0
- ☐ Price Variant Quotient 611.92
- ☐ 80% of Current Price 828.99
- ☒ Other 845.0

Ok Cancel

How "I" Evaluate a Company—using the analysis tools

Bob Adams

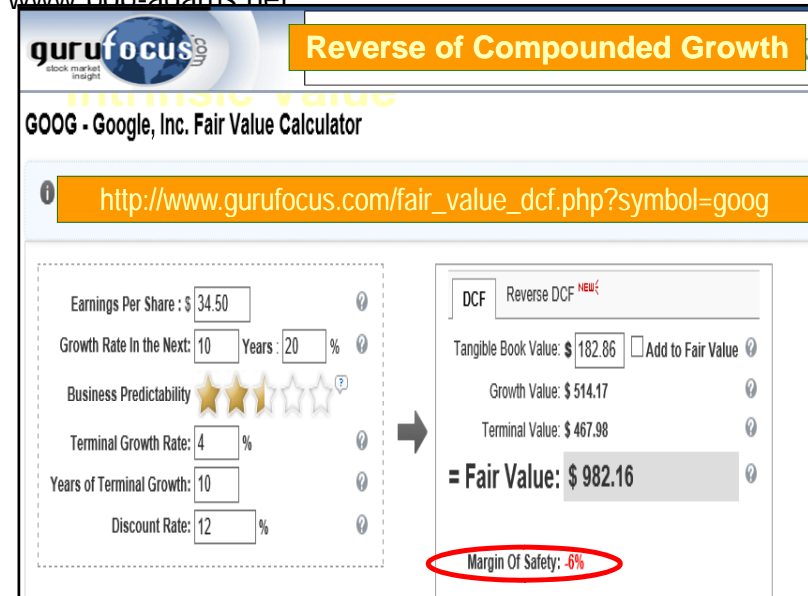
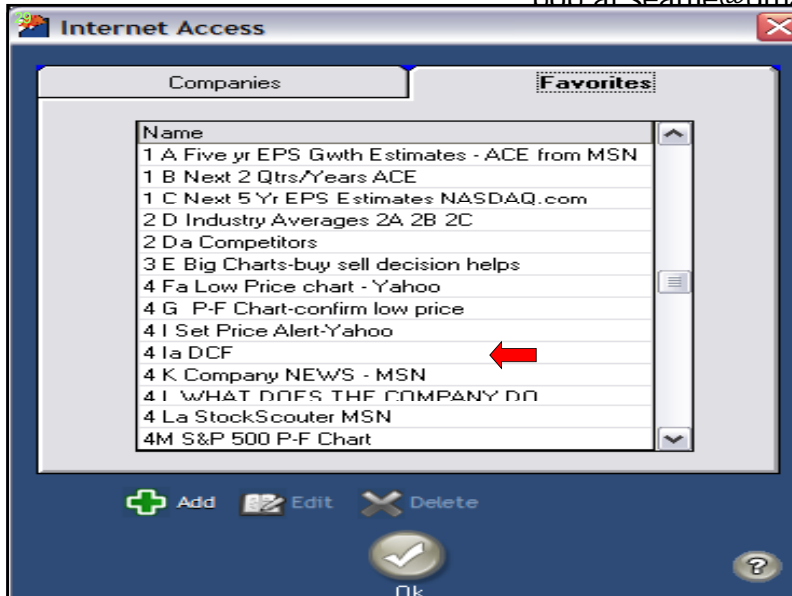
bob at seattle@gmail.com -- www.bob-adams.net



How "I" Evaluate a Company—using the analysis tools

Bob Adams

bob.at.seattle@gmail.com -- www.bob-adams.net



Comparable Companies					
(Assuming the same growth rates and discount rate)					
Symbol:	GOOG	FB	TCEHY	BIDU	YHOO
P/E:	29.40	230.90	42.50	32.10	28.40
P/S:	5.92	20.33	11.71	19.49	7.85
P/B:	4.30	9.70	12.90	11.00	2.70
Price:	\$ 1036.24	\$ 49.40	\$ 54.26	\$ 159.41	\$ 33.17
Fair Value:	\$ 982.16	\$ 1.42	\$ 35.02	\$ 140.35	\$ 98.22
Margin Of Safety:	-6%	-3379%	-55%	-14%	66%

The Judgment—

Section 5:

- 5 Year Potential
- Does the Annualized Return meet the needs of your portfolio?
- What are your portfolio needs:
 - Maximum growth
 - Maximum Dividends
 - Diversification

How "I" Evaluate a Company—using the analysis tools

Bob Adams

bob at seattle@gmail.com -- www.bob-adams.net

Example Company
What if price is too high?

Fiscal Year	High Price	Low Price	Dividend	% Payout	% High Yield
1	20.2	15.1	1.085	43.8	2.9
2	19.7	15.5	1.160	45.8	3.0
3	21.1	17.9	1.270	45.0	2.6
4	18.4	13.8	1.405	42.3	3.1
5	15.3	11.0	1.560	41.7	3.8

AVERAGE P/E RATIO 13.2
CURRENT P/E RATIO 13.4
RELATIVE VALUE 101.5%

PROJECTED P/E RATIO 12.3
PEG RATIO 1.4
PROJ. RELATIVE VALUE 93.1%

TTM EPS 3.93
FTM EPS 4.28

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS
Selected High P/E 15.3 X Estimated High Earnings/Share 5.75 = Forecast High Price \$ 88.0

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS
(a) Sel. Low P/E 11.0 X Estimated Low Earnings/Share 39.3 = 431.7
(b) Average 5-Year Low Price = 39.3
(c) Recent Severe Low Price = 41.3
(d) Price Dividend Will Support = Present Div. + High Yield = 1.760 + 0.038 = 45.6
Selected Estimated Low Price = 39.3

C PRICE RANGES
Forecast High Price 88.0
Estimated Low Price 39.3
Range 48.7
25% of Range = 12.2
BUY (Lower 25% of Range) = 39.3 to 51.5
MAYBE (Middle 50% of Range) = 51.5 to 63.7
SELL (Upper 25% of Range) = 63.7 to 88.0
Current Price 52.630 is in the Hold

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)
(Forecast High Price 88.0 - Current Price 52.630) = 35.37
(Current Price 52.630 - Estimated Low Price 39.3) = 13.33
2.7:1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD
Present Full Year's Dividend \$ 1.760
Current Price of Stock \$ 52.630
3.3%
Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS
Avg. EPS Next 5 Years 4.84 X Avg. % Payout 43.7 = 2.12
Current Price \$ 52.630 = 4.0%

C % COMPOUND ANNUAL TOTAL RETURN
Average Yield 2.9%
Annual Appreciation 10.8%
Compound Annual Total Return 13.7%

YAHOO! FINANCE

Search [] Web Search

Dow +0.63% Nasdaq +0.03%

streaming quotes: ON

HOME INVESTING NEWS & OPINION PERSONAL FINANCE MY PORTFOLIOS

TECH TICKER

Get Quotes Finance Search

Fr, Dec 11, 2009, 7:31PM ET - U.S. Markets closed

FEMX 22.49 +0.42 WOGSX 33.60 +0.16 FNMIX 15.24 +0.04 OAKMX 36.99 +0.22 FEMIX 12.87 +0.01

Almost Family Inc. (AFAM)

4:00pm ET: 39.18 +1.36 (3.60%)

More On AFAM

Quotes Summary Real-Time Options Historical Prices

Charts Interactive Basic Chart Basic Tech. Analysis

News & Info Headlines Financial Blogs Company Events Message Board

Company Profile Key Statistics SEC Filings

Scottrade Online Trades

EXTRADE

Trade Now Turn here Fidelity

AMERITRADE Trade free for 30 days

Almost Family Inc (NasdaqGS: AFAM)
After Hours: 37.82 +1.36 (3.47%) 5:00pm ET

Last Trade: 39.18 Days's Range: 37.31 - 39.25

Trade Time: 4:00pm ET 52wk Range: 14.91 - 47.80

Change: +1.36 (3.60%) Volume: 169,473

Prev Close: 37.82 Avg Vol (3m): 162,863

Open: 37.70 Market Cap: 358.34M

Bid: 38.10 x 100 P/E (ttm): 14.23

Ask: 40.00 x 400 EPS (ttm): 2.75

1y Target Est: 37.86 Div & Yield: N/A (N/A)

AFAM 11-Dec-2009 (C)Yahoo!

50 40 30 20 10

Mar May Jul Sep Nov

1d 5d 3m 6m 1y 2y 5y max customize chart

Add AFAM to Your Portfolio

Set Alert for ABT

Download Data

Download Toolbar

Add Quotes to Your Web Site

YAHOO! ALERTS

Search [] Web Search

Create an Alert My Alerts

Stock Watch Alert

- select from more alerts -

Customize your alert and delivery options. Save Alert

Stock watch

Get notified when a stock rises or falls according to criteria you specify.

U.S., Canadian, and Australian markets are supported.

Be sure to click Save Alert when you're done.

Symbol lookup | View portfolio

Symbol	Price falls to	Price rises to	Percent Decrease	Percent Increase
SYNT	35		--	--
ACN	33.25		--	--
RMD	30		--	--
SYK	63		--	--
ABT	51		--	--

Google

Current Price \$1,036

Fiscal Year	High Price	Low Price	EPS	Dividend	% Payout	% High Yield
1	247.3	13.31	52.4	18.6	0.000	0.0
2	282.8	20.41	30.7	13.9	0.000	0.0
3	433.6	26.31	24.0	16.5	0.000	0.0
4	473.0	29.76	21.7	15.9	0.000	0.0
5	556.5	33.42	23.2	16.7	0.000	0.0

AVERAGE P/E RATIO 23.9
CURRENT P/E RATIO 23.1
RELATIVE VALUE 124.9%

PROJECTED P/E RATIO 26.0
PEG RATIO 2.2
PROJ. RELATIVE VALUE 111.7%

TTM EPS 35.55
FTM EPS 39.82
AVG TTM - FTM EPS 37.68

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS
Selected High P/E 23.0 X Estimated High Earnings/Share 62.65 = Forecast High Price \$ 1,441.2

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS
(a) Sel. Low P/E 15.8 X Estimated Low Earnings/Share 133.42 = 2118.9
(b) Average 5-Year Low Price = 398.6
(c) Recent Severe Low Price = 473.0
(d) Price Dividend Will Support = Present Div. + High Yield = 0.000 + 0.000 = 0.0
Selected Estimated Low Price = 845.0

C PRICE RANGES
Forecast High Price 1,441.2
Estimated Low Price 845.0
Range 596.2
25% of Range = 149.0
BUY (Lower 25% of Range) = 845.0 to 994.0
MAYBE (Middle 50% of Range) = 994.0 to 1,143.2
SELL (Upper 25% of Range) = 1,143.2 to 1,441.2
Current Price 1,036.240 is in the Hold

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)
(Forecast High Price 1,441.2 - Current Price 1,036.240) = 404.96
(Current Price 1,036.240 - Estimated Low Price 845.0) = 191.24
2.1:1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD
Present Full Year's Dividend \$ 0.000
Current Price of Stock \$ 1,036.240
0.0%
Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E
Avg. % Payout 0.0%
Forecast High P/E 23.0
Avg. Yield 0.0%

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E
Average Yield 0.0%
Annual Appreciation 6.8%
Compound Annual Total Return 6.8%

How "I" Evaluate a Company—using the analysis tools

Bob Adams

bob.at.seattle@gmail.com -- www.bob-adams.net

37

Google

Current Price \$733.99

Fiscal Year	High Price	Low Price	EPS	High PE	Low PE	Dividend	% Payout	% High Yield
1 2007	437.0	13.29	56.2	32.9	0.000	0.0	0.0	0.0
2 2008	247.3	13.31	52.4	18.6	0.000	0.0	0.0	0.0
3 2009	282.8	20.41	30.7	13.9	0.000	0.0	0.0	0.0
4 2010	630.9	433.6	26.31	24.0	16.5	0.000	0.0	0.0
5 2011	646.8	473.0	29.76	21.7	15.9	0.000	0.0	0.0
6 AVERAGE	374.7	37.0	19.6			0.0		

AVERAGE P/E RATIO 23.8
CURRENT P/E RATIO 21.8
RELATIVE VALUE 76.9

SELECTED P/E RATIO 19.7
PEG RATIO 1.5
PROJ. RELATIVE VALUE 68.0

TTM EPS 33.73
FTM EPS 38.15
AVG TTM - FTM EPS 35.94

4 EVALUATING REWARD AND RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS
Selected High P/E 37.0 X Estimated High Earnings/Share 62.46 = Forecast High Price \$ 1,873.8

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS
(a) Sel. Low P/E 19.6 X Estimated Low Earnings/Share 29.76 = \$ 661.1
(b) Average 5-Year Low Price = 374.7
(c) Recent Severe Low Price = 433.6
(d) Price Dividend Will Support = Present Div. + High Yield = 0.000 + 0.000 = 0.0
Selected Estimated Low Price = \$ 433.6

C PRICE RANGES
Forecast High Price 1,873.8 - Estimated Low Price 433.6 = Range 1,440.2
BUY (Lower 25% of Range) = 433.6 to 793.6
MAYBE (Middle 50% of Range) = 793.6 to 1,513.8
SELL (Upper 25% of Range) = 1,513.8 to 1,873.8
Current Price 733.990 is in the Buy Range

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)
(Forecast High Price 1,873.8 - Current Price 733.990) / (Current Price 733.990 - Estimated Low Price 433.6) = 3.8 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD
Present Full Year's Dividend \$ 0.000 / Current Price of Stock \$ 733.990 = 0.0 % Present Yield or % Returned on Purchase Price

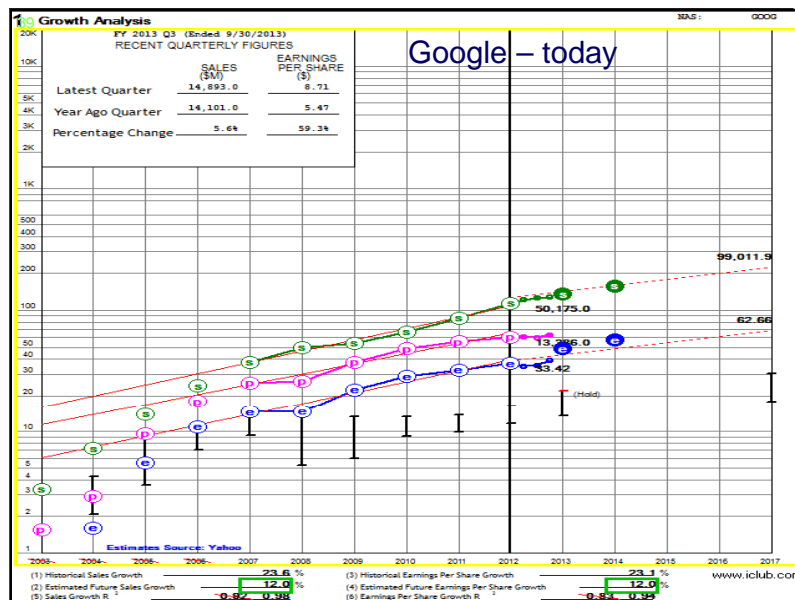
B AVERAGE YIELD -- USING FORECAST HIGH P/E
Avg. % Payout 0.0 / Forecast High P/E 30.0 = Avg. Yield 0.0

C % COMPOUND ANNUAL TOTAL RETURN -- USING FORECAST HIGH P/E
Average Yield 0.0 % + Annual Appreciation 20.6 % = Compound Annual Total Return 20.6 %

38

More to come...

- Let's update the SSG
- (Not in the handout)
- THEN: How do we insert those URLs?
- (See the last two pages in the handout)



42 QUALITY ANALYSIS

Company Google, Incorporated (GOOG) 10/29/13

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	5 YEAR AVG	TREND UP/DOWN
A % Pre-tax Profit on Sales	23.6	20.4	34.9	37.8	34.2	26.9	35.4	36.8	32.5	26.7	31.7	DOWN
B % ROE (Beginning Yr)	46.9	31.2	23.9	18.4	22.8	23.2	20.7	18.7	20.7	20.7	20.7	DOWN
C % Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.2	4.3	1.9	UP

3 PRICE, PRICE/EARNINGS RATIO AND DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 1,036.24 (29.1) 52-WEEK HIGH (P/E) 1,036.24 (29.1) 52-WEEK LOW (P/E) 636.00 (17.9)

Fiscal Year	High Price	Low Price	EPS	High PE	Low PE	Dividend	% Payout	% High Yield
1 2008	697.4	247.3	13.31	52.4	18.6	0.000	0.0	0.0
2 2009	626.0	282.8	20.41	30.7	13.9	0.000	0.0	0.0
3 2010	630.9	433.6	26.31	24.0	16.5	0.000	0.0	0.0
4 2011	646.8	473.0	29.76	21.7	15.9	0.000	0.0	0.0
5 2012	774.4	556.5	33.42	23.2	16.7	0.000	0.0	0.0
6 AVERAGE	398.6	30.8	15.8			0.0		

AVERAGE P/E RATIO 23.8
CURRENT P/E RATIO 29.1
RELATIVE VALUE 124.9

SELECTED P/E RATIO 26.0
PEG RATIO 2.2
PROJ. RELATIVE VALUE 111.7

TTM EPS 35.55
FTM EPS 39.82
AVG TTM - FTM EPS 37.68

4 EVALUATING REWARD AND RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS
Selected High P/E 37.0 X Estimated High Earnings/Share 62.66 = Forecast High Price \$ 1,441.2

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS
(a) Sel. Low P/E 15.8 X Estimated Low Earnings/Share 33.42 = \$ 629.1
(b) Average 5-Year Low Price = 374.7
(c) Recent Severe Low Price = 473.0
(d) Price Dividend Will Support = Present Div. + High Yield = 0.000 + 0.000 = 0.0
Selected Estimated Low Price = \$ 845.0

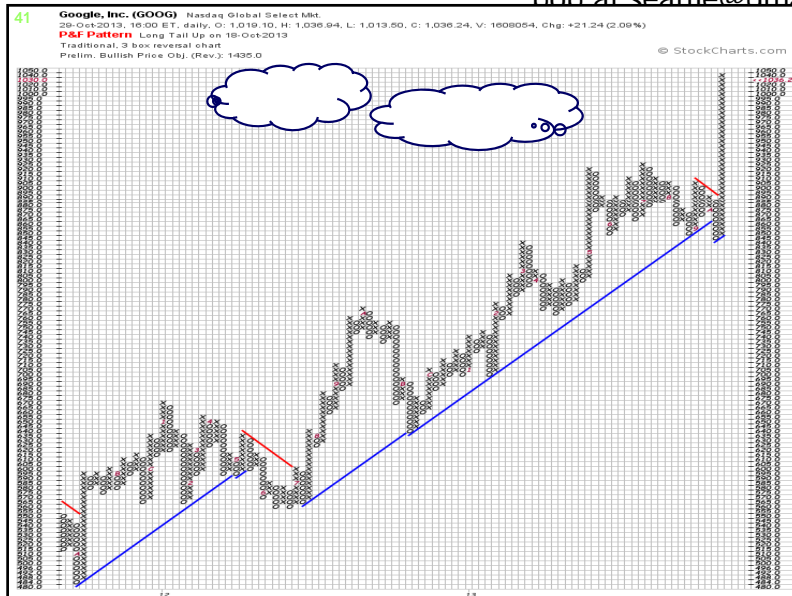
C PRICE RANGES
Forecast High Price 1,441.2 - Estimated Low Price 845.0 = Range 596.2
BUY (Lower 25% of Range) = 845.0 to 994.0
MAYBE (Middle 50% of Range) = 994.0 to 1,292.2
SELL (Upper 25% of Range) = 1,292.2 to 1,441.2
Current Price 1,036.240 is in the Hold Range

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)
(Forecast High Price 1,441.2 - Current Price 1,036.240) / (Current Price 1,036.240 - Estimated Low Price 845.0) = 2.1 To 1

How "I" Evaluate a Company—using the analysis tools

Bob Adams

bob at seattle@aol.com -- www.bob-adams.net



42 InvestEd
Investor Education at Its Best™

www.bob-adams.net

HOME About Quick Analysis Analyze Banks Analyze Mfg Annualize Portfolio Follow Your Stocks M Funds

PAGES

- Book Recommendations
- Class Handouts & Info
- Help for Club Officers
- Helpful Web Sites
- Misc Tools & URLs
- When to Sell

RECENT POSTS

- Welcome to Bobsite...

ARCHIVES

- March 2012

Welcome to Bobsite...

Misc. Tools & URLs

Welcome... This is the new site. Looks different, but contains the same information. Please look around and get acquainted. Again, my great thanks to Brad Taylor of Churr.com for not only offering his server to host the site but moved the old site here. Thanks Brad. What is Churr.com? Churr produces stock analysis software written specifically for the Mac, the only analysis software I'm aware of that is specific to the Mac. Identical software is available for the PC as well. A generous free trial period is offered.

Something new! On the "About" page a blog has been set up. Make comments or ask questions and a response will follow as soon as practical. Take it easy on the compliments though—my ego can only stand so much. <grin> —Bob

HOME About Quick Analysis Analyze Banks Analyze Mfg Annualize Portfolio Follow Your Stocks M Funds

PAGES

- Book Recommendations
- Class Handouts & Info
- Help for Club Officers
- Helpful Web Sites
- Misc Tools & URLs
- When to Sell

Misc Tools & URLs

Miscellaneous Websites—useful for the SSG

Below are Web addresses that can be installed in your SSG software.
Instructions are included

These websites are useful when installed within the Stock Selection Guide (SSG) analysis program. Quickly and easily see data for the company you have open in the SSG program. Instructions for adding this function are contained on the sheet that is downloaded. Additional descriptive information is below.

Note: be sure to download the file below that matches the analysis software you are using.

Useful websites for Toolkit Download this file to install the website addresses (URLs)

RECENT POSTS

- Welcome to Bobsite...

ARCHIVES

- March 2012

CATEGORIES

44 Useful Web Addresses for Toolkit

Below are website Addresses (URL) which can be placed in Toolkit. Once these URLs are installed the data for any company you have open will appear on your computer screen and can be used to further analyze the company. The URLs listed below are specific to Toolkit.

URLs for Toolkit

To use these Sites, open the company you want to study in Toolkit, then click on a URL. The data for that item and company will appear on your computer screen. (You must be online if using a dial-up modem.)

Instructions:

Highlight a URL below, copy (Ctrl-C) then paste (Ctrl-V) each one into Toolkit, in the area where it allows URLs to be placed. How? — Step by step instructions:

Highlight the URL below (blue font) and press Ctrl-C. Open Toolkit and click on the "Web" icon at the top of the screen, select "Manage Web Links". Click on Favorites, then on "Add a site". Paste the URL (press Ctrl-V) where it asks for a Web address. Then type a description or copy and paste the description as well as the URL. Put them in "Favorites" instead of Companies. You may want to delete the URLs already there if using Toolkit 4 or 5 as most are outdated. In Toolkit 6, those preceded by an asterisk cannot be removed or edited.

By adding a number in front of the description the sort will be by number.
Example of a description: 1 Five year EPS Growth Estimates or 2 F

1A Five year EPS Growth Estimates — ACE from MSN — I normally use the establishing the EPS growth for the next 5 years, I look to see if the Analysts Co than my estimate. I like to project a little less than the analyst estimates.
[http://moneycentral.msn.com/investor/investor/analyst/earnest.asp?Page=EarningsGrowthRates&Symbol=\\$](http://moneycentral.msn.com/investor/investor/analyst/earnest.asp?Page=EarningsGrowthRates&Symbol=$)

1B EPS & Sales — Yahoo — ACE — Quarterly and Yearly estimated data for EPS and Sales are available.
1. Insert the Quarterly data as actual quarterly data and see where they fall on the SSG graph (Part 1), as an aid to predicting your next 5 years trend line.
2. Enter the Annual data for the next two years as actual annual data and observe if the historical trend continues. Use both EPS and Sales data. These data must be typed into the appropriate area of Toolkit — Click on "Data" then enter the numbers. If you want to save the information, save it as another copy of the SSG for the company.
[http://finance.yahoo.com/q/a?s=\\$](http://finance.yahoo.com/q/a?s=$)

Internet Access

Companies Favorites

Name

- 1A Five yr EPS Growth Estimates — ACE from MSN
- 1B Next 2 Qtrs/Years ACE — Yahoo Alert
- 1C Next 5 Yr EPS Estimates NASDAQ.com
- 1D Industry Averages 2A, 2B, 2C
- 1E Big Chart-buy sell decision helps
- 1F Low price — Yahoo
- 1G P/F Chart-confirm low price
- 1H Competitors — your company the best
- 1I Set Price Alert-Yahoo
- 1J Intrinsic Value
- 1K Company NEWS — MSN
- 1La StockScouter MSN
- 1L What does the company do
- 1M SSG 1000 P/F Chart

Step by step instructions

How "I" Evaluate a Company—using the analysis tools

Bob Adams

bob.at.seattle@gmail.com -- www.bob-adams.net

45 Useful Web Addresses for Toolkit

Below are website Addresses (URL) which can be placed in Toolkit. Once these URLs are installed the data for any company and listed in the Toolkit.

Highlight the URL below (blue font) and press Ctrl-C. Open Toolkit and click on the "Web" icon at the top of the screen, select "Manage Web Links". Click on "Add a site".

Paste the URL (press Ctrl-V) where it asks for a Web address. Then type a description or copy and paste the description as well as the URL. Put them in "Favorites". Do not enter a ticker symbol.

You may want to delete the URLs already there if using Toolkit 4 or 5 as most are outdated. In Toolkit 6, those preceded by an asterisk cannot be removed or edited.

1B EPS & Sales -- Yahoo -- ACE -- Quarterly and Yearly estimated data for EPS and Sales are available.

1. Insert the Quarterly data as actual quarterly data and see where they fall on the SSG graph (Part 1), as an aid to predicting your next 5 years trend line.

2. Enter the Annual data for the next two years and observe if the historical trend continues. Use both EPS and Sales data. These data must be typed into the appropriate area of Toolkit -- Click on "Data" then enter the numbers. If you want to save the information, save it as another copy of the SSG for the company.

http://finance.yahoo.com/q/aq?s=*

Company/ Favorite Websites

Company: APPLEBEES INTL INC. - Company Web Site

- 1 Yahoo - Est - Industry comparison - 5 yr. proj
- 2 MSN - INSIDER owner & TRADING
- 3 Yahoo - 50 & 200 day Moving Avg.
- 4 Quicken - Scoreboard
- 5 Earnings.com -- click on calendar
- 6 ExDividend date from Yahoo -- Key Statistics
- 7 NAIC - Company report
- 7 Yahoo annual & quarterly data

Buttons: Help, Add site, Edit site, Delete site

Company/ Favorite Websites

Add new site

Group: Company

Site name: 3 50-200 day moving average

Internet URL: <http://finance.yahoo.com/q/ta?t=1y&s=<symbol>

Buttons: OK, Cancel

Stock Study

Google, Incorporated (From the Stock Library)

1 Growth Analysis

	SALES (\$M)	EARNINGS PER SHARE (\$)
Latest Quarter	12,214.0	8.42
Year Ago Quarter	9,026.0	7.68
Percentage Change	35.3%	9.6%

Manage Web Links

ICLUBcentral

Empty

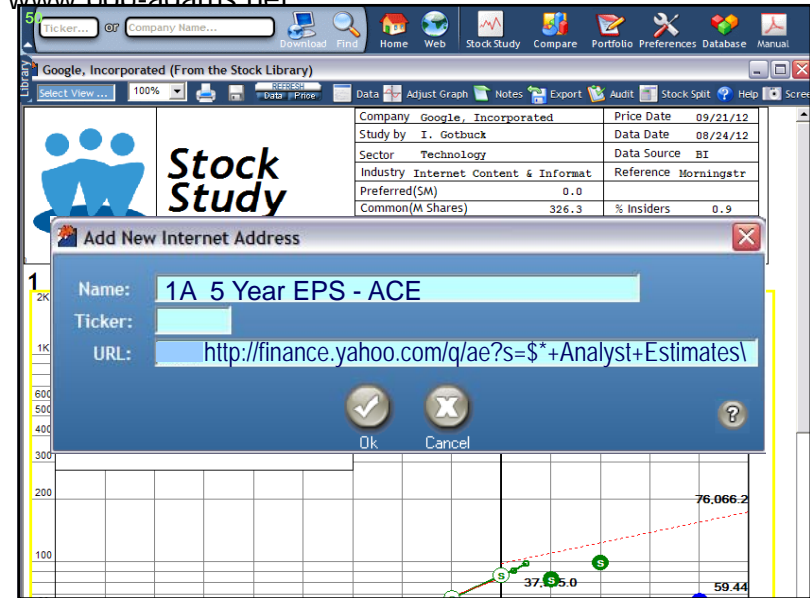
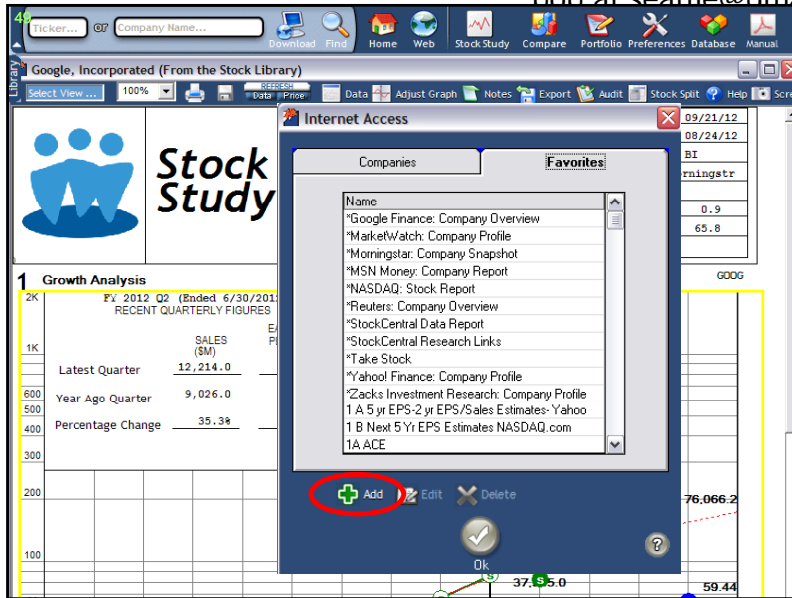
Open Company URL

- *Google Finance: Company Overview
- *MarketWatch: Company Profile
- *Morningstar: Company Snapshot
- *MSN Money: Company Report
- *NASDAQ: Stock Report
- *Reuters: Company Overview
- *StockCentral Data Report
- *StockCentral Research Links
- *Take Stock

How "I" Evaluate a Company—using the analysis tools

Bob Adams

bob.at.seattle@gmail.com -- www.bob-adams.net



51

Going outside the box

- For questions not answered here—
- Email: bob.at.seattle@gmail.com
- My website: www.bob-adams.net

No recommendation is intended for any company discussed during this session

52

Going outside the box

- For questions not answered here—
- Email: bob.at.seattle@gmail.com
- My website: www.bob-adams.net

No recommendation is intended for any company discussed during this session

Questions/Comments