

Summary Page

Investor Name: Eric Stasak Date: May 20, 2020

Company Name:	The Home Depot, Inc.
Stock Ticker Symbol:	HD

S.I.M.P.L.E. Stock Investing Summary RATINGSCORE – Based on Your Ratings Identified from the Company Analyzer Sections / Categories

COMPONENT	Weighting	Component Category Rating	Weighting x Category Rating
S	1.0	5	5.0
I	.8	3	2.4
M	1.0	3	3.0
P	1.0	3	3.0
L	.7	5	3.5
E	1.0	2	2.0
Catalyst for Change NOW	1.0	3	3.0
Total Score		Each Category is Rated 1 - 5	21.9 out of 32.5 = 67%

Your Recommended Action = BUY, HOLD, SELL, **WAIT**

Your Recommended Action Details - The Home Depot stays in my watchlist as a possible investment, if :

1. The share price pattern develops into a very predictable "Cup with Handle" shape with a strong, high volume break out above all time high's. This would indicate to me that the dividend plus anticipated growth is attracting institutional participation, with possible share price appreciation ahead. 2. The overall market again melts-down (unlikely) and HD shares with it, resulting in the shares being again much cheaper to buy. 3. Something else happens that really attracts me to the shares. This could be very strong growth in homebuilding data...

Otherwise, shares of Home Depot at \$240/share are simply too expensive for me for the expected growth rate ahead.

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Investor Name: Eric Stasak **Date:** May 21, 2020

Company Overview – A few key points...

1	Company Name:	The Home Depot, Inc.
2	Stock Ticker Symbol:	HD
3	Website:	https://corporate.homedepot.com/
4	Description:	Home improvement retailer - All aspects
5	Sector:	Retail: Home Improvement
6	Industry:	Retail
7	Small Company?	Yes, if annual gross sales are LESS than \$500 million.
8	Medium Size Company?	Yes, if annual gross sales are MORE than \$500 million, but less than \$5 billion.
9	Large Company YES	Yes, if annual gross sales are MORE than \$5 billion.

Notes: World's largest home improvement retailer, serving the U.S., Canada, and Mexico.
2,200 stores with an average size of 105,000 square feet per store.

10. “S” is for Story – What is the STORY about this company that is encouraging you to make this analysis?

I went to my local The Home Depot store during the first phase of Covid-19 and then frequently during March and April 2020, and saw the parking lot full and customers waiting in line to enter the store. Customers were leaving the store with large purchases. I am very impressed how The Home Depot has handled the COVID 19 conditions and served customers, like me. The stores are clean and well organized. The environment is bright and there are less “frills”, compared to Lowes. Based on my own experience, customer service is very good.

I see many store items that are a HD brand.

I looked at the stock chart of The Home Depot and saw how the share price has demonstrated strong resilience in the face of the COVID 19 world-wide event. The share price is now back at February 2020 and All Time Highs.

The Home Depot offers a Dividend Yield of 2.52%, which is very strong. For astute investors, The Home Depot has offered both very strong share price appreciation AND a very good dividend yield.

I remember The Home Depot share price development in the first decade of the 2000’s and wondered at that time like many, why the HD CEO Bob Nardelli made so much money, when the share price wasn’t going anywhere. I was very turned off to the company during that time as an investment and reflected often on those industrial leaders like Bob Nardelli who had trained up at General Electric under Jack Welch. High CEO compensation at GE and HD was the opposite of the philosophy that had I learned and appreciated from working at Alcoa during Paul O’Neill’s tenure there.

The Home Depot leadership team is now built around a long term The Home Depot employee, Craig Menear, with strong retail experience. His annual compensation of approx. \$11.5 million in 2016 is much more appealing to me as an investor than the approx. \$100 million earned by Mr. Nardelli.

With the share price having risen from \$25/share to over \$230 / share since 2011, investors have been strongly rewarded for their commitment to The Home Depot. The purpose of this analysis is to determine if The Home Depot is still a good investment. Let’s get through this quickly to answer this for ourselves!

11. How impressed are you really about this **STORY**(Circle Your Choice)?
Not Very Impressed 1 2 3 4 **5** Very Impressed

Catalysts for Change in the Stock Share Price ... NOW?!
(These items add depth to the “S” for Story, above)

12	Share Price Breaking OUT of Recent Range (Y/N + Price)	No
13	New 52 Week High or Low (Y/N + Price)	No, but very near All Time Highs
14	New Product Launch or Legislation Impacting Business?(Y/N)	No; COVID 19 Impacting Business Favorably
15	Breaking News Item (Please include in Story – Above) (Y/N)	No
16	New CEO (Y/N)	No
17	High Volume Move Higher or Lower (Y/N High or Low)	No
18	Significant Change in Quarterly Earnings (Y/N)	Yes; Lower due to COVID 19 Expenses
19	Insider Share Purchases (Y/N + Number of Shares + Dollar Value)	TBD
20	Shares bracing to move higher or lower (for a short)?	No. Resting just below all time highs, but not appearing ready to really spring higher.

21. Rate the current catalysts for change in the share price
Not Very Strong Catalyst **1 2 3 4 5** Very Strong Catalyst for Change

Notes: The recent catalyst for change has been the sudden drop in share price associated with the overall market Covid-19 meltdown and then buying opportunity for nimble investors at multi-year lows. Now that the “bottom fishing” of the market has taken place (for the time being), it’s not clear what the catalyst for upside is for the shares other than continued excellence in operations, modest earnings growth, and dividend yield.

“I” is for Institutional Investor Involvement – Study of daily and weekly stock price charts will reveal to you moves of institutional investors purchasing and selling stock.

These next questions will aid you in identifying key break-out and other accumulation days. Reverse these questions in your mind if considering a short position.

22	Average Daily Volume (3 months)	7.46 million shares
23	2-3 days of Accumulation in last 2 weeks? (Y/N)	2 days; not 3
24	Break-Out Date and Magnitude vs. Avg. Daily Volume (1.5x, 2x, or higher)	Not applicable.
25	Weekly chart shows strong increase in volume over last 6 months? (Y/N)	Yes ... only due to Covid 19 .
26	Accumulation seen at 200 MA or 50 Ma? (Y/N)	No
27	Share Price is above its 200 Day Moving Avg.? (Y/N)	Yes
28	Share Price is above its 50 Day Moving Avg.? (Y/N)	Yes
29	Overall WEEKLY Share Price Pattern Trending Up or Down? (Circle Your Choice)	☒ UP ☐ Down

30. **Rate the level of Institutional Investor Involvement**

Low Level 1 ☒ 3 4 5 High Level

Important Share Statistics –Stay focused now and keep it “simple”. This is not intended to be difficult, but it does take effort! If you get stuck on one item, move on to the next one and build your momentum! Go back and finish the item(s) you are stuck on, once you have your momentum in gear.

31	Number of Shares Outstanding	Total Shares Issued by Co.	1.09 Billion
32	Float	Total Shares Available to Public.	1.07 Billion
33	% Shares owned by Insiders		0.12%
34	% Shares owned by Institutions		72.2%
35	# of Shares Short		1%
36	Short % of Float	(Total Shares Short / Float) * 100	1%

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“M” is for Market – Is the stock market in a suitable condition for investing in individual stocks on the long side or short side?
You can dramatically improve your investment performance by understanding the condition of the broader market related to the stocks that you are interested in and the direction you are investing.

37	What is the Short Term Trend of Your Market (please circle)	Down / Flat / Up
38	What is the Intermediate Term Trend of Your Market (please circle)	Down / Flat / Up
39	What is the Long Term Trend of Your Market (please circle)	Down / Flat / Up
40	In the current Intermediate Term Trend, what date signals the Reversal Day (higher) or (Lower) (Enter Date)	2/24/2020
41	In the current Intermediate Term Trend, what date signals the Confirmation Day (higher) or (Lower) (Enter Date)	3/3/2020
42	How Many Distribution Days have there been in the last 6 weeks? (Please Count and Enter)	6

43	Have there been 4 or more distribution days in the last 6 weeks? (please circle)	Yes / No
44	Is the market above its 200 Day Moving Average in Price? (please circle)	Yes / No
45	What is the next point of significant resistance for the market? (please input number relevant to your market index)	SPY 300
46	Has the market hit significant resistance and begun pulling back? (please circle)	Yes / No
47	Has the market pushed up through important resistance, such that the previous resistance level now represents support? (please circle)	Yes / No
48	Did the most recent Federal Reserve Beige Book indicate growth or contraction for that last period? (please circle)	Growth / Contraction
49	During its most recent FOMC Meeting, what did the Federal Reserve do with short term interest rates? (please circle)	Increased / decreased / left unchanged
50	Based on the answers to the above questions #37 - #49 the background market appears _____ for investing on the long side or on the short side at this time? (please circle) (Advanced Investors can consider shorting).	Suitable / Unsuitable Long / Short

51. Rate the degree that you see the **MARKET** suitability for this investment at this time
Low MARKET Suitability **1 2 3 4 5** High MARKET Suitability

52. “P” is for Product and / or Person – Is there a key product or person or both (a product and a person) that is acting as the catalyst(s) for growth at the company? Is there a legislative, demographic, or market related event that is readily aligned with this company that will bring increased sales and earnings to the company?

For me, an investment in The Home Depot represents an opportunity in owning shares of a possible continued earnings growth story, with a decent dividend yield. There isn't a specific person that I believe acts as a catalyst for growth for the company.

The leadership team looks good, but I don't see a specific catalyst for big growth there.

I don't see special products or services offering big growth.

I DO see the ongoing strength in the building market. There is good business in the company supporting do-it-yourself and professional builders. The building industry is still working through a period of shortage in housing, which is driving the market strongly.

Do-it-yourselfers are investing in their current homes so that they can enjoy them more, without paying more for a new house. Others are purchasing homes and fixing them up to sell at higher prices.

Borrowing rates are low and people are refinancing and fixing up their homes.

So the possible catalyst for share price appreciation is continued significant strength in the housing and building markets and The Home Depot's excellent operations and ability to supply builders and do-it-yourselfers.

However, with the HD share price having risen from \$25/share to almost \$250 / share in the approx. 8 years, I would want to carefully evaluate how much I am interested in dividend returns and perhaps modest earnings / share appreciation vs. how much I am willing to be exposed to selling pressure (of HD shares) of those institutions that are rebalancing their portfolios and selling stocks (like HD) that have already advanced considerably in price.

I ask myself – “What is the likelihood of the share price of HD doubling FROM approx. \$250 / share TO \$500 / share driven by interested investors seeking dividend yield and earnings / share increases related to The Home Depot being able to supply the housing and do-it-yourself markets?”

53	Is this an industry or company specific opportunity? Both industry and company specific in terms of an excellent company.
54	If there is a key person involved, who is this person and what is their role at the Co.? Not that I am aware of, although the leadership team looks very stable and strong.
55	If there is a key PERSON involved, is this person's arrival to the company recent, and if so - is this event alone going to improve the company's overall position? <u>(Short Answer) - Not applicable. (see above).</u>
56	If there is a key PRODUCT or SERVICE related to this opportunity – Is there a competing product and how would you rate the competition (strong, not sure, not strong)? Can you name the competition? <u>(Short Answer)</u> <u>The Home Depot competes with Lowes and other retailers in its space, but this is nothing new. I believe that perhaps a disruptive competitor would be Harbor Freight stores, which would impact The Home Depot negatively in the market for tool sales. If Harbor Freight was publicly traded, I would be looking closely at it for investing opportunities. They have grown rapidly in the Pacific Northwest, where I live. So I rate the competition as strong, but nothing that the HD hasn't already shown that it can handle.</u> <u>The case for an investment in The Home Depot is based on the expectation for further growth resulting from the strength in the home building sector and nationwide shortage of housing, combined with the understanding that the company is well managed and offers an attractive dividend. A disruptive competitor could negatively impact this case. An acquisition or a decision by HD to make the company a global player, with lots of online ordering ability, would perhaps strengthen the case for investment.</u>

57. How strong or significant is the catalyst of the **PERSON** or **PRODUCT** now that you have taken a closer look.

Weak Person or Product 1 **2** 3 4 5 Strong Person or Product for Growth

58. “L” is for Leader or Laggard – Is the company a leader in its industry in terms of size (annual sales volume (\$))?; or maybe not in size, but in innovation? Is the company not an overall leader, but its product is a leader in its market (market share or growth rate of sales)? Other considerations?...

The Home Depot is definitely THE LEADER in the home improvement retail industry, with over \$100 billion in annual revenue vs. Lowes at approx. \$70 billion.

With the HD share price back near all time highs and having increased 10x since 2011, from approx. \$25 / share to approx. \$250 / share, the company is also a leader in share price performance. (Which may cause me to look elsewhere for growth, because the strong opportunity for big share price appreciation has perhaps already passed.)

59	Does the company owe its leadership due to discount pricing? Some. The Home Depot does offer however lumber and other products at lower prices than smaller stores
60	Does the company owe its leadership due to innovation, quality, or service? Some. The Home Depot is very effective at serving large numbers of customers with the product that customers need, with minimal customer service required. The customer service that they do provide is very good, in my experience.
61	Does the company owe its leadership due to outstanding management and excellent products, or really due to the excellence of management with a mundane product? Some. The company appears to have outstanding management. To some investors, the product appears mundane. For me, I see the systems that they have developed and the excellent products. Those same products are offered elsewhere, however.

62	Does the company owe its leadership due to being first to the market with a product or service? If so, is the company maintaining its leadership or resting on its past successes? The Home Depot was very early in creating the big box store home improvement environment, meeting many needs for customers with “one stop shopping” for their do-it-yourself projects. The Home Depot does not appear at all to be resting on its past successes.
63	Is there a high or low barrier to entry in the market that competitors must overcome to participate? Yes. The capital requirement to be a new entry in this market is very high. However, The Home Depot needs to stay focused on its game. There are sufficient existing competitors like Lowes and others like ACE and other hardware stores in niche markets that are present and strong. There are also upcoming strong companies like Harbor Freight in specific product areas – power and hand tools.

64	New 52 Week High or Low for the share price? (Y/N + Price)	Yes; All time highs 4 days ago at \$245
65	Has the company share price stayed quiet while the rest of the market has been weak? (Y/N)	No; The shares dropped strongly with the rest of the market.
66	Over the last year, has the company’s share price been stronger than the overall market or at least just as strong, or suddenly taken on strength? (Y/N)	Yes. The share price has recovered to pre-crisis highs, whereas the market has not.

67. How strong is the company **LEADERSHIP** component in term of strength in the marketplace or strength in the stock market with its shares?

Weak Leadership 1 2 3 **4 5** Strong Leadership

68. “E” is for Earnings – Is the company making money – demonstrated by POSITIVE quarterly earnings? Please make some general comments here, AFTER you have completed as many of the details as you can in the questions about earnings on the next page...

The Home Depot is making money, demonstrated by its positive quarterly and annual earnings. In fact, annual earnings have grown 58% since 2016, advancing from \$6.50 to \$10.30/share. It was this earnings growth, combined with a comparatively strong dividend yield that has drawn investors to the stock and driving the share price to from \$125/share in January 2016 to \$234/share by the end of the 3rd quarter of 2019.

With \$10.30/share annual earnings, the trailing twelve month (TTM) Price / Earnings ratio for HD with the share price now at \$240.88 = 23.4. Year over Year (YoY) earnings growth was 5%. The Price Earnings Growth Ratio is now = $23.4 / .05 = 4.68$, if we use last year's YoY as a basis for estimating this 2020 growth. We don't have forward earnings guidance from the company, we have increasing recent quarterly sales for the company, but we also see higher personnel expenses related to Covid 19... PEG of 4.68 indicates that the share price is expensive.

If a company's forward earnings are really growing, I'm willing to pay up for the shares, with the intent of "buying high and selling when the shares higher". But with HD earnings based on last year's results at 5% and uncertainty with this upcoming year, I am going to rate the "Earnings" component of our SIMPLE model, low.

I also am surprised at how much debt The Home Depot carries. So far this debt hasn't been a problem and with the costs of borrowing low, it's probably not a big deal for the company in the near term.

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69. How highly do you rate the **EARNINGS** growth or **EARNINGS** strength of the company verses the current share price?

Low Opportunity **1 2 3 4 5** High Opportunity for Share Price Appreciation

70. Earnings (Actual + Forecast) – Take a Closer Look	
(See Instruction Outline on where to find this information easily)	
Next Quarterly Earnings Date	Most Recent Quarterly Earnings Date
August 18, 2020	May 19, 2020

71. QUARTERLY Earnings per Share = EPS (\$)					
Forecast (Guidance)	Recent Quarter	Q 4 19	Q 3 19	Q 2 19	Q 1 19
No guidance	2.08	2.3	2.5	3.2	2.27
Calculate the Forward Quarterly Earnings / Share GROWTH RATE = (Forecast-Recent Qtr.)/Recent Quarter x 100					
Answer = Not Applicable (NA), due to HD not providing earnings guidance this year (Covid19).					

72. Trailing 12 Months (TTM) Earnings Per Share (Add-Up Above Listed 4 Recent Past Quarterly Earnings #'s)	TTM EPS (\$) \$ 10.27	
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73. ANNUAL Earnings per Share = EPS (\$)					
Forecast	Recent Year	2018	2017	2016	
NA	10.30	9.80	7.30	6.50	
Calculate the Forward Annual EPS Growth Rate = (Forecast-Recent Year)/Recent Year x 100					
Answer = NA (No guidance given) Annual Earnings have grown 58% since 2016, helping drive share price appreciation.					

74. QUARTERLY Gross Sales (\$ Millions) (Annual Reports often have NET Sales=OK)					
Forecast (Guidance)	Latest Quarter	Q4 19	Q3 19	Q2 19	Q1 19
NA	28,260	25,782	27,223	30,839	26,381
Calculate the Forward Quarterly Gross Sales Growth Rate = (Guidance-Latest Qtr)/Latest Qtr. x 100					
Answer = ____ NA (No guidance given) YoY Growth Rate = +7%					

75. ANNUAL Gross Sales (\$ Millions) (Annual Reports often have NET Sales=OK)					
Co. Guidance	Last Year	2018	2017	2016	
NA	110,225	108,203	100,904	94,595	
Calculate the Forward Annual Gross Sales Growth Rate = (Guidance-Latest Yr.)/Latest Yr. x 100					
Answer = ____ NA (No guidance given) Compared to 2016, Gross Sales Have Grown 16.5%					

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Financials – QUICK and Essential Examination

76	Share Price (5/21/20)	(\$/share)	240.88
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77	Earnings per Share TTM (Annual) (add-up the last 4 quarters of earnings)	TTM EPS (From Above)	10.27
78	Price Earnings Ratio (TTM)	Share Price / EPS TTM	23.5
79	Price Earnings Ratio (Forecast)	Share Price / Foreword Annual Earnings Estimate	NA (No Guidance Given due to Covid 19)

80	Gross Sales (Total Revenue) for Most Recent Year (Year = 2019)	\$ BILLION	110.23
81	Gross Profit for Most Recent Year (Year = 2019)	\$ BILLION	37.57
82	Net Income for Most Recent Year (Year = 2019)	\$ BILLION	11.24
83	Net Profit Margin (%)	(Net Income / Gross Sales)*100	10.2%

84	Total Assets	\$ BILLION	51.24
85	Total Liabilities	\$ BILLION	54.35
86	Shareholders' Equity	Total Assets – Total Liabilities (\$)	-3,116
87	Return on Equity	(Net Income / Shareholder Equity)*100	NA

88	Total Debt (Long and Short Term)	\$ BILLION	37.38
89	Debt Ratio	Total Debt / Total Assets	73%
90	Total Current Assets	\$ BILLION	19.81
91	Total Current Liabilities	\$ BILLION	18.38
92	Current Ratio	Current Assets / Current Liabilities	1.08

93. Share Price History (Fluctuation)

Share Price (\$/Share) For Simplicity's Sake – Make Estimates from 5 Year Chart

Year	2019	2018	2017	2016	2015
High	239	212	193	138	134
Low	175	172	133	116	107

94. Price / Earnings Ratio History (Fluctuation)

Year	2019	2018	2017	2016	
High	23	22	26	21	
Low	17	18	18	18	

Earnings and Financial – Overview Evaluation (Questions to Ask Yourself)

95	Over the last 4 quarters, quarterly earnings are INCREASING or DECREASING or FLAT?	Decreasing
96	Has there been a sudden, positive change in quarterly earnings, signaling a possible fundamental shift in earnings and better times ahead? (Y/N)	No
97	In the most recent quarterly earnings release, earnings conference call or presentation, which DIRECTION has the company guided EARNINGS for the next quarter and upcoming year? (Higher, Flat, Lower)	No guidance (due to Covid 19)
98	When you look back over the last 2 years, are ANNUAL earnings INCREASING or DECREASING?	Increasing
99	REPEAT = Does there appear to be a fundamental shift in quarterly earnings? (Y/N) (+ “Higher” or “Lower”)	Perhaps lower, due to increasing personnel expenses related to Covid 19
100	Review the EARNINGS growth rate over the last 4 quarters. Is the earnings growth rate HIGHER than the companies P/E ratio? (Y/N)	No
101	Review the QUARTERLY Gross Sales Rate that You Calculated, are Gross Sales INCREASING or DECREASING or simply FLAT?	Mixed. Decreasing over 3 quarters and then jumping higher now in most recent quarter.
102	Are the company’s Profit Margins strong? Yes / No + %	Mediocre at 10%
103	Is the company’s Return on Equity above 15%?	No
104	Is the company highly indebted? Look at the Debt Ratio that you calculated above.	High debt
105	Is the company’s Current Ratio above 1.0? This means that the company has more current assets than liabilities = GOOD.	Yes, barely.

Notes:

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Evaluate the current share price of the company verses historical norms for the company and for the market. This will tell you if the CURRENT SHARE PRICE of the company is high or low compared to the company's share price history.

106	Over the last 5 years, what has been the AVERAGE HIGH Price / Earnings ratio for the company?	23
107	Over the last 5 years, what has been the AVERAGE LOW Price / Earnings ratio for the company?	18
108	Enter the most recent annual Earnings/Share for the company. (\$)	10.3

109	Multiply your results from line 106 x line 108. This represents a historically possible HIGH price for the shares, based on current earnings.	237
110	Multiply your results from line 107 x line 108. This represents a historically possible LOW price for the shares, based on current earnings.	185

111	Enter the company's forecast for next year's annual Earnings/Share for the company. (\$)	Not Available
112	Multiply your results from line 106 x line 111. This represents a historically realistic HIGH price for the shares, based on NEXT YEAR'S EARNINGS FORECAST. (\$)	Not Available
113	Multiply your results from line 107 x line 111. This represents a historically realistic LOW price for the shares, based on NEXT YEAR'S EARNINGS FORECAST. (\$)	Not Available

114	Enter the company's CURRENT SHARE PRICE (\$)	240
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115	Perform this calculation = ((Value of Line 109) - (Value of Line 114)) / (Value of Line 114) x 100. Enter value here. (%)	-1.25%
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The answer in 115 represents the % value of today's share price verses the company's possible high share price based on HISTORIC Average HIGH Price / Earnings and current company earnings. This gives you an idea of the relative value of today's share price for the company. If the company's shares could possibly be selling for \$70/share, based on historic average HIGH Price/Earnings, and the shares are currently priced at \$40/share, then $((70-40)/40) \times 100 = 75\%$. This would mean that the shares would need to increase +75% in order to reach previous relative highs for the share price. This does NOT mean that the shares will increase 75%, it simply means that there was a time in the history of the share price of the company that supported this level of pricing.

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116	Perform this calculation = ((Value of Line 110) - (Value of Line 114)) / (Value of Line 114) x 100. Enter value here.	-23%
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The answer in 116 represents the % value of today's share price verses the company's possible LOW share price based on HISTORIC Average LOW Price / Earnings and current company earnings. This gives you an idea of the relative value of today's share price for the company. If the company's shares could possibly be selling for as low as \$20/share, based on historic average LOW Price/Earnings, and the shares are currently priced at \$40/share, then $((20-40)/40) \times 100 = -50\%$. This would mean that the shares would need to DECREASE -50% in order to reach previous relative LOWS for the share price. This does NOT mean that the shares will DECREASE -50%, it simply means that there was a time in the history of the share price of the company that supported this level of pricing.

117	Perform this calculation = ((Value of Line 112) - (Value of Line 114)) / (Value of Line 114) x 100. Enter value here. (%)	Not Available
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The answer in 114 represents the % value of today's share price verses the company's possible high share price based on HISTORIC Average HIGH Price / Earnings and FORECAST company earnings. This gives you an idea of the relative value of today's share price for the company. If the company's shares could possibly be selling for \$70/share, based on historic average HIGH Price/Earnings, and the shares are currently priced at \$40/share, then $((70-40)/40) \times 100 = 75\%$. This would mean that the shares would need to increase +75% in order to reach previous relative highs for the share price, based on FORECAST EARNINGS. This does NOT mean that the shares will increase 75%, it simply means that there was a time in the history of the share price of the company that supported this level of pricing.

118	Perform this calculation = ((Value of Line 113) - (Value of Line 114)) / (Value of Line 114) x 100. Enter value here.	Not Available
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The answer in 118 represents the % value of today's share price verses the company's possible LOW share price based on HISTORIC Average LOW Price / Earnings and FORECAST company earnings. This gives you an idea of the relative value of today's share price for the company. If the company's shares could possibly be selling for as low as \$20/share, based on historic average LOW Price/Earnings, and the shares are currently priced at \$40/share, then $((20-40)/40) \times 100 = -50\%$. This would mean that the shares would need to DECREASE -50% in order to reach previous relative LOWS for the share price. This does NOT mean that the shares will DECREASE -50%, it simply means that there was a time in the history of the share price of the company that supported this level of pricing.

Return now to Line #68 and #69 to begin your final wrap-up of your analysis! This is the last page of the Analyzer Form.