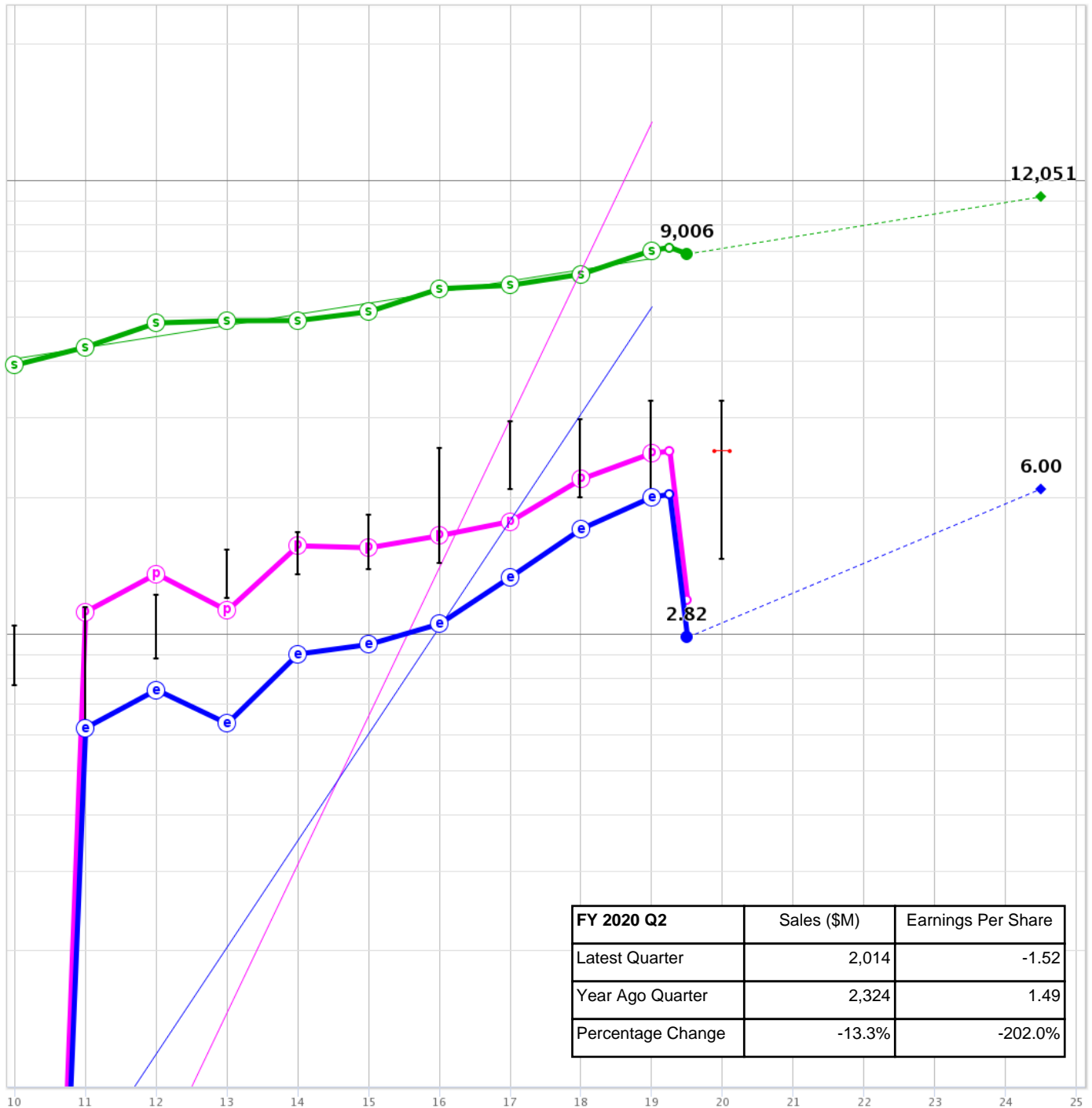


Company	EMCOR Gr		Date	08/06/20	
Prepared by	Madabhushi		Data taken from	BI Stock Data	
Where traded	NYS		Industry	Engineering & Construction	
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	54.9	3.6	76.9		
Debt (\$M)	561.4	% to Tot Cap	22.4	% Pot Dil	0.0

Stock Selection Guide

Symbol: EME

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|------|--|-------|
| (1) Historical Sales Growth | 5.8% | (3) Historical Earnings Per Share Growth | 71.9% |
| (2) Estimated Future Sales Growth | 6.0% | (4) Estimated Future Earnings Per Share Growth | 16.3% |

2 EVALUATING Management

EMCOR Gr

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last 5 Year Avg.
Pre-tax Profit on Sales	-0.6%	3.6%	3.8%	3.2%	4.4%	4.1%	3.9%	4.1%	4.9%	4.9%	4.4%
% Earned on Equity	-7.6%	9.5%	10.8%	8.6%	10.8%	11.0%	11.4%	13.9%	15.4%	16.4%	13.6%
% Debt To Capital	23.8%	11.1%	10.4%	19.5%	19.2%	17.8%	21.6%	15.6%	14.5%	21.7%	18.2%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 72.77 (08/06/20)

HIGH THIS YEAR 93.54

LOW THIS YEAR 41.85

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2015	52.4	39.8	2.72	19.3	14.6	0.32	11.8	0.8
2016	73.4	41.0	3.02	24.3	13.6	0.32	10.6	0.8
2017	84.1	59.8	3.83	22.0	15.6	0.32	8.4	0.5
2018	85.1	57.3	4.89	17.4	11.7	0.32	6.5	0.6
2019	93.5	58.1	5.75	16.3	10.1	0.32	5.6	0.6
AVERAGE		51.2		19.8	13.1		8.6	
CURRENT/TTM			2.82			0.32	11.3	
AVERAGE PRICE EARNINGS RATIO: 16.5				CURRENT PRICE EARNINGS RATIO: 25.8				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 26.0 X Estimate High Earnings/Share 6.00 = Forecasted High Price \$ 156.0

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 13.1 X Estimate Low Earnings/Share 2.82 = Forecasted Low Price \$ 36.9

(b) Avg. Low Price of Last 5 Years 51.2

(c) Recent Market Low Price 41.9

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.32}{0.80\%} = 39.8$

Selected Forecasted Low Price \$ 41.9

C ZONING using 25%-50%-25%

Forecasted High Price 156.0 Minus Forecasted Low Price 41.9 = 114.1 Range. 25% of Range 28.5

Buy Zone 41.9 to 70.4

Hold Zone 70.4 to 127.5

Sell Zone 127.5 to 156.0

Present Market Price of 72.77 is in the **HOLD** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price}} = \frac{156.0 - 72.77}{72.77} = 1.1437$
 $\frac{\text{Present Price} - \text{Low Price}}{\text{Present Price}} = \frac{72.77 - 41.9}{72.77} = 0.3832$
 Ratio = $\frac{1.1437}{0.3832} = 2.98$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{156.0 - 72.77}{72.77} = 1.1437$
 $1.1437 \times 100 = 114.37\%$ - 100 = 14.37% Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.32}{72.77} = 0.0044 = 0.4\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{8.6\%}{26.00} = 0.3\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{8.6\%}{19.55} = 0.4\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 16.5 %
 Average Yield 0.3 %
 Annualized Rate of Return 16.8 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 10.0 %
 Average Yield 0.4 %
 Annualized Rate of Return 10.5 %