NATIONAL ASSOCIATION OF INVESTORS CORPORATION

BETTERINVESTING™

Empowering Investors Since 1951

Stock Selection Guide

Company	Five Below		Date	04/09/20
Prepared by	HAAS		Data taken from	BI Stock Data
Where traded	NAS	Industry	Specialty Retail	
Capitalization --- Outstanding Amounts		Reference		

Preferred ($M)		0.0	% Insiders	% Institution
Common (M Shares)		56.0	3.2	67.8
Debt ($M)	948.1	% to Tot Cap	55.5	% Pot Dil	0.6

Symbol: FIVE

1 VISUAL ANALYSIS of Sales, Earnings, and Price

3,255

1,847

5.28

3.12

FY 2019 Q4	Sales ($M)	Earnings Per Share
Latest Quarter	687	1.97
Year Ago Quarter	603	1.59
Percentage Change	14.0%	23.9%
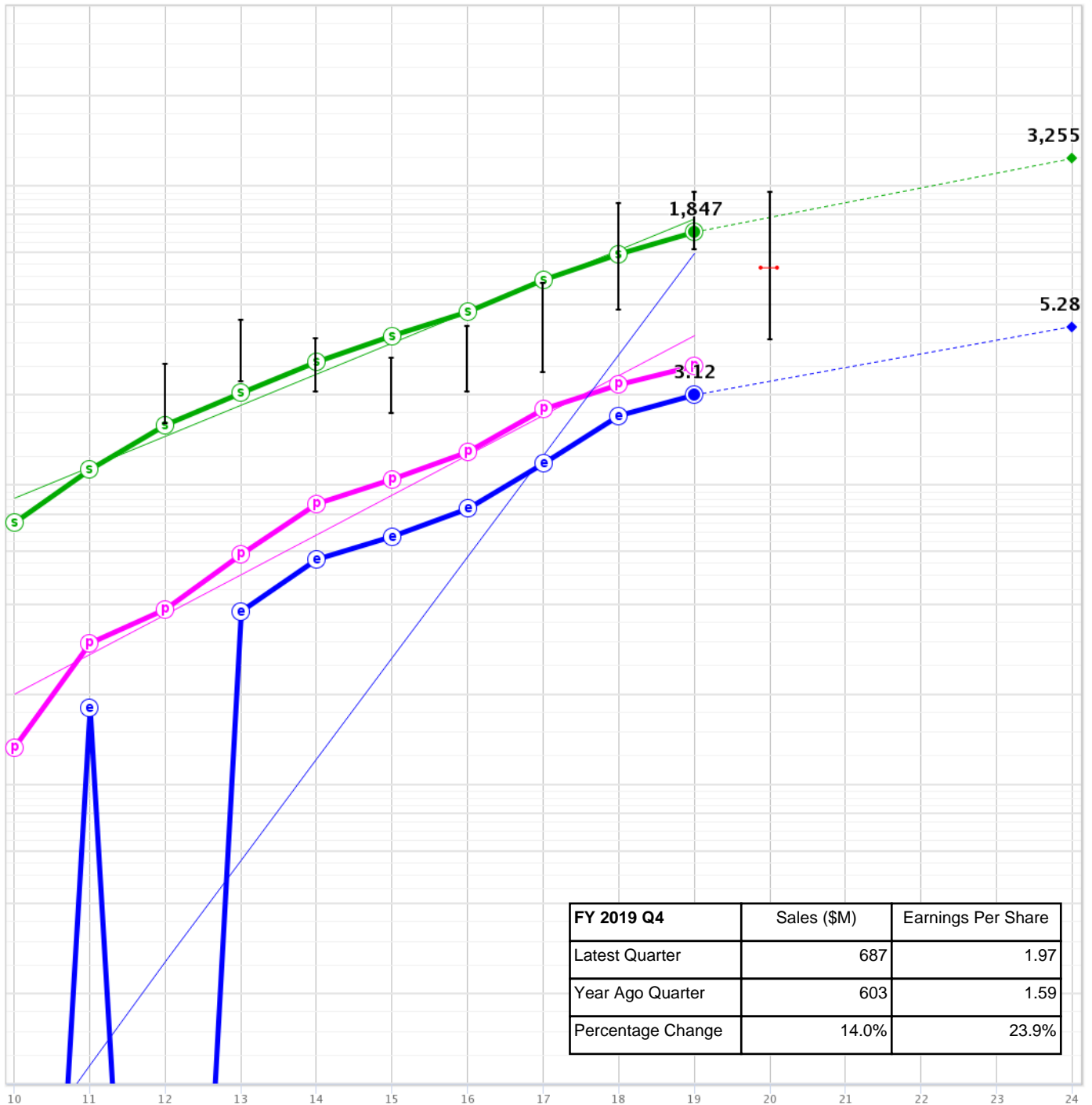
(1) Historical Sales Growth	27.0%	(3) Historical Earnings Per Share Growth	117.6%
(2) Estimated Future Sales Growth	12.0%	(4) Estimated Future Earnings Per Share Growth	11.1%

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last 5 Year Avg.
Pre-tax Profit on Sales	6.0%	8.8%	8.1%	9.7%	11.3%	11.1%	11.4%	12.4%	12.3%	12.0%	11.8%
% Earned on Equity			-139.8%	35.9%	34.5%	28.7%	25.7%	26.7%	28.3%	26.9%	27.2%
% Debt To Capital	-0.2%	-0.2%	32.8%	14.3%	0.0%	0.0%	0.0%	0.0%	0.0%	55.5%	11.1%

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 82.98 (04/09/20)   **HIGH THIS YEAR** 148.22   **LOW THIS YEAR** 47.53

	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	41.5	27.0	1.05	39.5	25.7	0.00	0.0	0.0
2016	52.7	32.0	1.30	40.5	24.6	0.00	0.0	0.0
2017	73.6	37.1	1.84	40.0	20.2	0.00	0.0	0.0
2018	136.1	60.0	2.66	51.2	22.6	0.00	0.0	0.0
2019	148.2	95.5	3.12	47.5	30.6	0.00	0.0	0.0
AVERAGE		50.3		41.9	23.3		0.0	
CURRENT/TTM			3.12			0.00	0.0	
AVERAGE PRICE EARNINGS RATIO: 32.6				CURRENT PRICE EARNINGS RATIO: 26.6				

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   30.0   X Estimate High Earnings/Share   5.28   =   Forecasted High Price $ 158.4

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E   20.0   X Estimate Low Earnings/Share   2.66   =   Forecasted Low Price $ 53.2

(b) Avg. Low Price of Last 5 Years   50.3

(c) Recent Market Low Price   47.5

(d) Price Dividend Will Support $\dfrac{\text{Indicated Dividend}}{\text{High Yield}}$ = $\dfrac{0.00}{0.00\%}$ = 0.0

Selected Forecasted Low Price $ 47.5

C ZONING   using 25%-50%-25%

Forecasted High Price   158.4   Minus Forecasted Low Price   47.5   =   110.9   Range.   25% of Range   27.7

Buy Zone   47.5   to   75.3
Hold Zone   75.3   to   130.7
Sell Zone   130.7   to   158.4

Present Market Price of   82.98   is in the   **HOLD**   Zone

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

$\dfrac{\text{High Price} \quad 158.4 \quad \text{Minus Present Price} \quad 82.98}{\text{Present Price} \quad 82.98 \quad \text{Minus Low Price} \quad 47.5}$ = $\dfrac{75.45}{35.45}$ = 2.1   To 1

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

$\dfrac{\text{High Price} \quad 158.4}{\text{Closing Price} \quad 82.98}$ = 1.9093   X   100   =   190.93   -   100   =   90.9   % 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 $\dfrac{\text{Indicated Annual Dividend} \quad 0.00}{\text{Closing Price} \quad 82.98}$ = 0.0000   =   0.0 %   Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E   **AVERAGE YIELD - USING FORECAST AVERAGE P/E**

$\dfrac{\text{Avg. \% Payout}}{\text{Forecast High PE}}$ = $\dfrac{0.0 \%}{30.00}$ = 0.0 % $\dfrac{\text{Avg. \% Payout}}{\text{Forecast Average PE}}$ = $\dfrac{0.0 \%}{25.00}$ = 0.0 %

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E   **COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E**

Annualized Appreciation	13.8 %	Annualized Appreciation	9.7 %
Average Yield	0.0 %	Average Yield	0.0 %
Annualized Rate of Return	13.8 %	Annualized Rate of Return	9.7 %