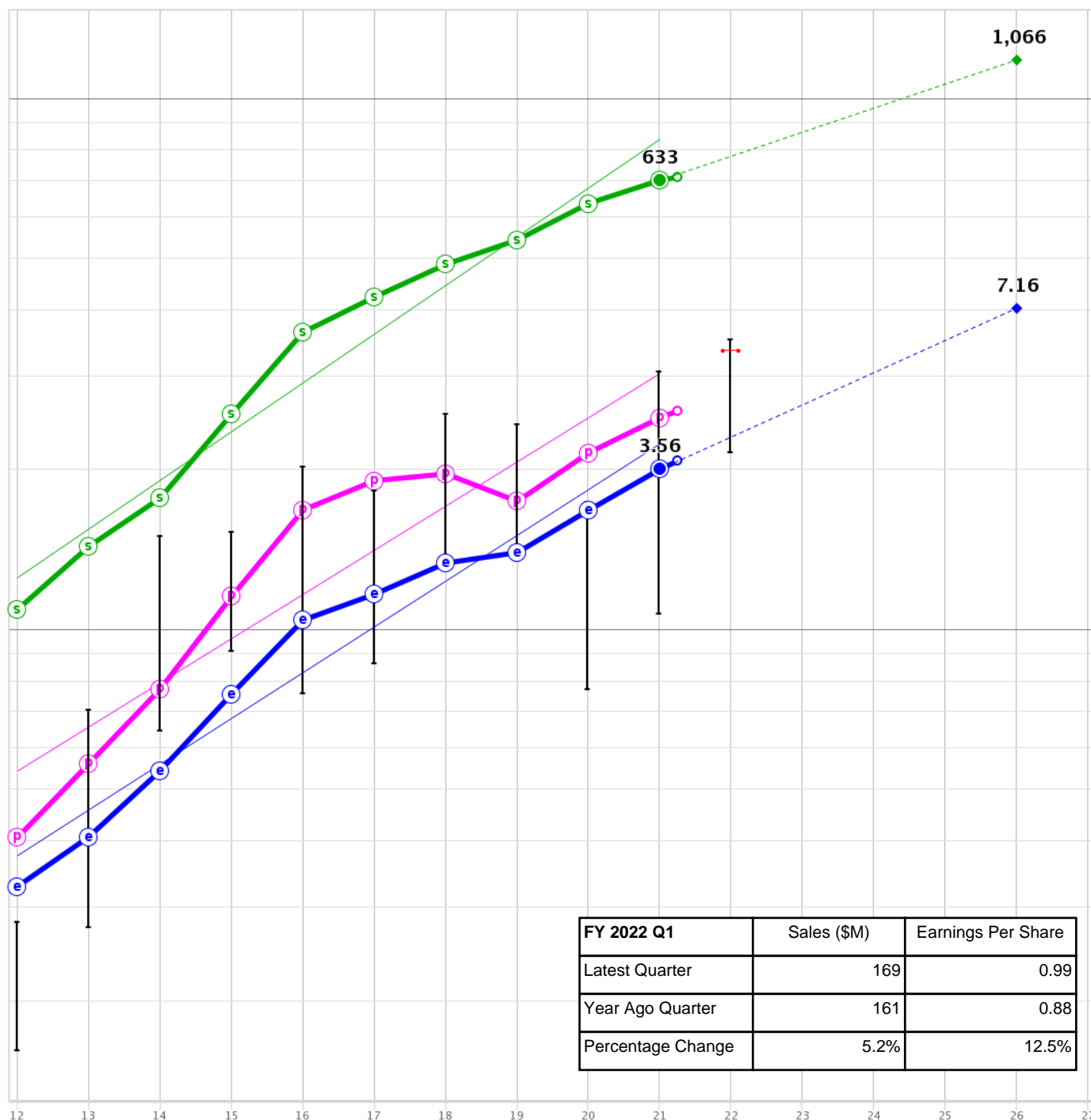


Stock Selection Guide

Company	Axos Financial		Date	01/10/22	
Prepared by	PATTERSON		Data taken from	BI Stock Data	
Where traded	NYS	Industry	Banks - Regional		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	60.6		9.7	63.2	
Debt (\$M)	413.4	% to Tot Cap	22.1	% Pot Dil	2.1

Symbol: AX

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 23.5% | (3) Historical Earnings Per Share Growth | 22.0% |
| (2) Estimated Future Sales Growth | 11.0% | (4) Estimated Future Earnings Per Share Growth | 15.0% |

2 EVALUATING Management

Axos Financial

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Last 5 Year Avg.
Pre-tax Profit on Sales	50.4%	52.7%	59.1%	61.4%	62.6%	61.0%	54.5%	43.6%	45.9%	48.3%	50.7%
% Earned on Equity	15.0%	16.7%	16.7%	17.0%	18.0%	16.5%	16.2%	14.7%	15.1%	15.7%	15.6%
% Debt To Capital	67.4%	68.9%	71.2%	58.7%	53.5%	45.4%	34.8%	36.9%	28.0%	29.1%	34.8%

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 59.59 (01/10/22)

HIGH THIS YEAR 62.44

LOW THIS YEAR 38.32

	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
2017	32.4	15.3	2.07	15.6	7.4	0.00	0.0	0.0
2018	45.2	23.3	2.37	19.1	9.8	0.00	0.0	0.0
2019	43.2	23.9	2.48	17.4	9.6	0.00	0.0	0.0
2020	30.9	13.7	2.98	10.4	4.6	0.00	0.0	0.0
2021	54.4	19.0	3.56	15.3	5.3	0.00	0.0	0.0
AVERAGE		19.0		15.5	7.4		0.0	
CURRENT/TTM			3.69			0.00		0.0
AVERAGE PRICE EARNINGS RATIO: 11.5					CURRENT PRICE EARNINGS RATIO: 16.1			

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 15.5 X Estimate High Earnings/Share 7.16 = Forecasted High Price \$ 111.0

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 7.4 X Estimate Low Earnings/Share 3.69 = Forecasted Low Price \$ 27.3

(b) Avg. Low Price of Last 5 Years 19.0

(c) Recent Market Low Price 13.7

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

Selected Forecasted Low Price \$ 48.0

C ZONING using 25%-50%-25%

Forecasted High Price 111.0 Minus Forecasted Low Price 48.0 = 63.0 Range. 25% of Range 15.7

Buy Zone 48.0 to 63.7

Hold Zone 63.7 to 95.2

Sell Zone 95.2 to 111.0

Present Market Price of 59.59 is in the **BUY** Zone

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

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{111.0 - 59.59}{59.59 - 48.0} = \frac{51.40}{11.59} = 4.4$ To 1

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

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{111.0 - 59.59}{59.59} = 1.8625$ X 100 = 186.25 - 100 = 86.3 % 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 $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.00}{59.59} = 0.0000 = 0.0\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{15.50} = 0.0\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{11.45} = 0.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 13.2 %
Average Yield 0.0 %
Annualized Rate of Return 13.2 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

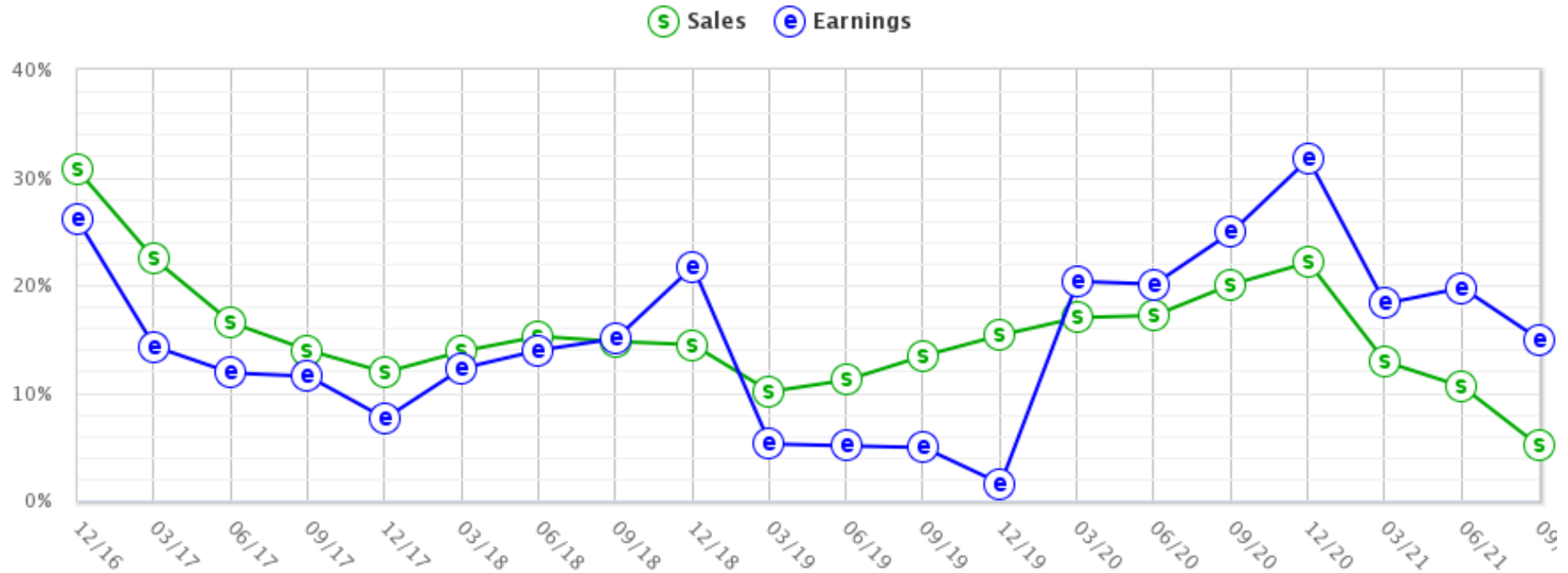
Annualized Appreciation 6.6 %
Average Yield 0.0 %
Annualized Rate of Return 6.6 %

Notes: AX 1/11/22

Date	Subject	Description	Type
11/29/21	Business 11/21	M* - They have a narrow mote. They focuses on single and multifamily residences. The majority of the bank's mortgage exposure is titled toward the state of California, particularly its southern region. Net interest income is a majority of the bank's revenue. Their Rev growth for next 3 years is 12.9%. Finviz has 5yr P/E growth is 10%. Their current price is above the average relative strength meaning it is not an ideal time to purchase them if your SSG puts them in the buy zone. My SSG is in the hold zone.	Community
08/11/21	Latest SSG 8/11/21	M* FV is \$47.9 and close today was \$50.57. This is as close to the high price as possible. They have gone up an down without much discernible reason. Not an easy company to predict. I recommend we terminate our investment in them.	Community
02/05/20	EFBI removed from peer listing	The "Refresh Study Data" function removed EFBI from peer listing as of 02-05-2020 because it is no longer covered in the BetterInvesting stock data.	Study

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil		%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit
09/21	0.99	12.5	84.9	50.1	12.0	169.3	5.2	29.1	3.69	314.8	49.1	641.3	91.9	29.2	15.0	11.7	5.0
06/21	0.90	20.0	75.3	48.5	10.9	155.3	8.0	28.0	3.58	305.7	48.3	632.9	90.0	29.4	19.7	16.4	10.6
03/21	0.89	-2.2	76.0	48.7	-4.8	156.3	-12.2	29.5	3.43	298.3	48.0	621.4	91.8	30.8	18.3	19.3	12.9
12/20	0.91	35.8	78.5	49.0	35.0	160.4	25.5	30.2	3.45	302.1	47.0	643.1	93.2	30.9	31.7	34.5	22.1
09/20	0.88	33.3	75.8	47.1	33.8	160.9	31.0	30.1	3.21	281.8	46.2	610.5	86.1	30.6	24.9	28.0	20.0
06/20	0.75	13.6	67.9	47.2	22.8	143.8	17.9	33.3	2.99	262.6	45.9	572.4	78.9	30.0	20.1	23.4	17.2
03/20	0.91	44.4	79.9	44.9	46.7	178.0	15.4	29.8	2.90	250.0	45.4	550.5	70.9	28.3	20.3	20.2	17.0

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data									
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
12/19	0.67	8.1	58.2	45.5	8.3	127.8	16.6	29.0	2.62	224.6	42.6	526.7	63.1	28.1	1.6	-2.9	15.3	
09/19	0.66	13.8	56.7	46.1	15.0	122.8	19.5	28.0	2.57	220.2	43.3	508.5	61.1	27.8	4.9	-6.0	13.4	
06/19	0.66	13.8	55.3	45.4	9.7	121.9	17.2	26.6	2.49	212.8	43.6	488.5	57.6	27.1	5.1	-11.2	11.2	
03/19	0.63	-21.3	54.5	35.3	-30.1	154.2	10.0	28.7	2.41	207.9	44.2	470.6	56.2	27.0	5.2	-15.2	10.1	
12/18	0.62	26.5	53.7	49.0	-4.9	109.6	8.2	27.7	2.58	231.4	50.7	456.7	65.7	28.4	21.7	-3.1	14.5	
09/18	0.58	16.0	49.3	47.9	-10.2	102.8	9.5	25.3	2.45	234.1	52.2	448.4	76.0	32.5	15.0	-1.6	14.7	
06/18	0.58	16.0	50.5	48.5	-9.7	104.0	13.0	26.4	2.37	239.7	54.5	439.4	87.2	36.4	13.9	3.0	15.2	
03/18	0.80	27.0	77.9	55.5	9.0	140.2	25.5	34.2	2.29	245.1	57.3	427.5	98.6	40.2	12.3	7.5	13.8	
12/17	0.49	-2.0	56.5	55.8	1.5	101.3	8.9	44.0	2.12	238.7	59.8	399.0	101.0	42.3	7.6	9.4	11.9	
09/17	0.50	11.1	54.9	58.4	10.3	93.9	11.1	41.0	2.13	237.8	60.9	390.7	99.5	41.8	11.5	12.7	13.9	
06/17	0.50	8.7	55.9	60.7	9.0	92.1	6.8	41.8	2.08	232.7	61.0	381.4	97.9	42.1	11.8	13.6	16.5	
03/17	0.63	12.5	71.4	63.9	16.2	111.7	20.3	42.6	2.04	228.1	60.7	375.5	96.1	42.1	14.3	16.7	22.4	
12/16	0.50	13.6	55.7	59.8	14.7	93.1	17.2	42.0	1.97	218.1	61.2	356.6	91.3	41.9	26.0	28.4	30.7	
09/16	0.45	12.5	49.7	58.8	14.1	84.5	22.6	41.9	1.91	211.0	61.5	342.9	88.4	41.9	32.8	36.8	38.1	
06/16	0.46	19.5	51.3	59.5	22.3	86.2	31.4	42.0	1.86	204.9	62.6	327.4	85.6	41.8	39.0	45.5	42.6	
03/16	0.56	65.7	61.5	66.2	71.7	92.9	57.3	41.6	1.79	195.5	63.7	306.8	81.6	41.7	45.6	55.0	46.6	
12/15	0.44	39.7	48.5	61.1	47.2	79.4	44.9	42.0	1.56	169.9	62.2	272.9	70.7	41.6	37.3	47.3	42.9	
09/15	0.40	33.3	43.6	63.3	44.5	68.9	37.5	41.5	1.44	154.3	62.1	248.3	63.9	41.4	36.8	47.8	42.2	
06/15	0.39	41.0	41.9	63.9	54.1	65.6	45.0	41.8	1.34	140.9	61.4	229.5	58.1	41.3	38.8	49.4	43.9	
03/15	0.34	35.2	35.8	60.6	43.6	59.0	44.4	41.1	1.23	126.1	60.3	209.2	51.8	41.1	38.4	46.5	39.3	
12/14	0.32	38.2	33.0	60.2	49.4	54.8	42.8	41.3	1.14	115.3	60.3	191.0	47.5	41.2	38.6	46.4	34.2	
09/14	0.30	40.8	30.2	60.2	50.3	50.1	42.9	40.9	1.05	104.4	59.8	174.6	42.7	41.0	36.8	42.8	29.2	
06/14	0.27	40.0	27.2	60.2	43.0	45.2	26.1	41.2	0.96	94.3	59.1	159.6	38.2	40.6	33.3	38.2	23.4	
03/14	0.25	35.1	24.9	61.0	41.9	40.9	23.7	41.4	0.89	86.1	57.3	150.2	35.0	40.6	28.2	35.3	24.9	
12/13	0.23	30.3	22.1	57.5	34.1	38.4	23.0	40.4	0.82	78.7	55.3	142.4	31.9	40.5	26.1	33.3	26.4	
09/13	0.21	26.8	20.1	57.2	32.4	35.1	20.0	39.3	0.77	73.1	54.1	135.2	29.6	40.5	25.7	35.7	29.7	
06/13	0.20	19.6	19.0	53.0	31.7	35.9	33.7	41.5	0.72	68.2	52.7	129.3	27.9	40.9	23.0	37.7	31.5	
03/13	0.19	27.6	17.6	53.2	35.1	33.0	30.1	40.8	0.69	63.6	52.9	120.3	25.9	40.7				
12/12	0.18	29.6	16.5	52.8	46.0	31.2	36.9	40.6	0.65	59.1	52.4	112.7	24.0	40.7				
09/12	0.17	15.9	15.2	51.8	40.0	29.2	25.3	40.7	0.61	53.9	51.7	104.3	21.9	40.7				
06/12	0.16		14.4	53.8		26.8		40.7										

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Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change	\$		\$ Mil	%Sales	\$ Mil		%Rate	EPS	Pre-Tax Profit	Sales	
03/12	0.15		13.0	51.2		25.4		40.6										
12/11	0.14		11.3	49.4		22.8		40.9										
09/11	0.15		10.8	46.4		23.3		39.7										