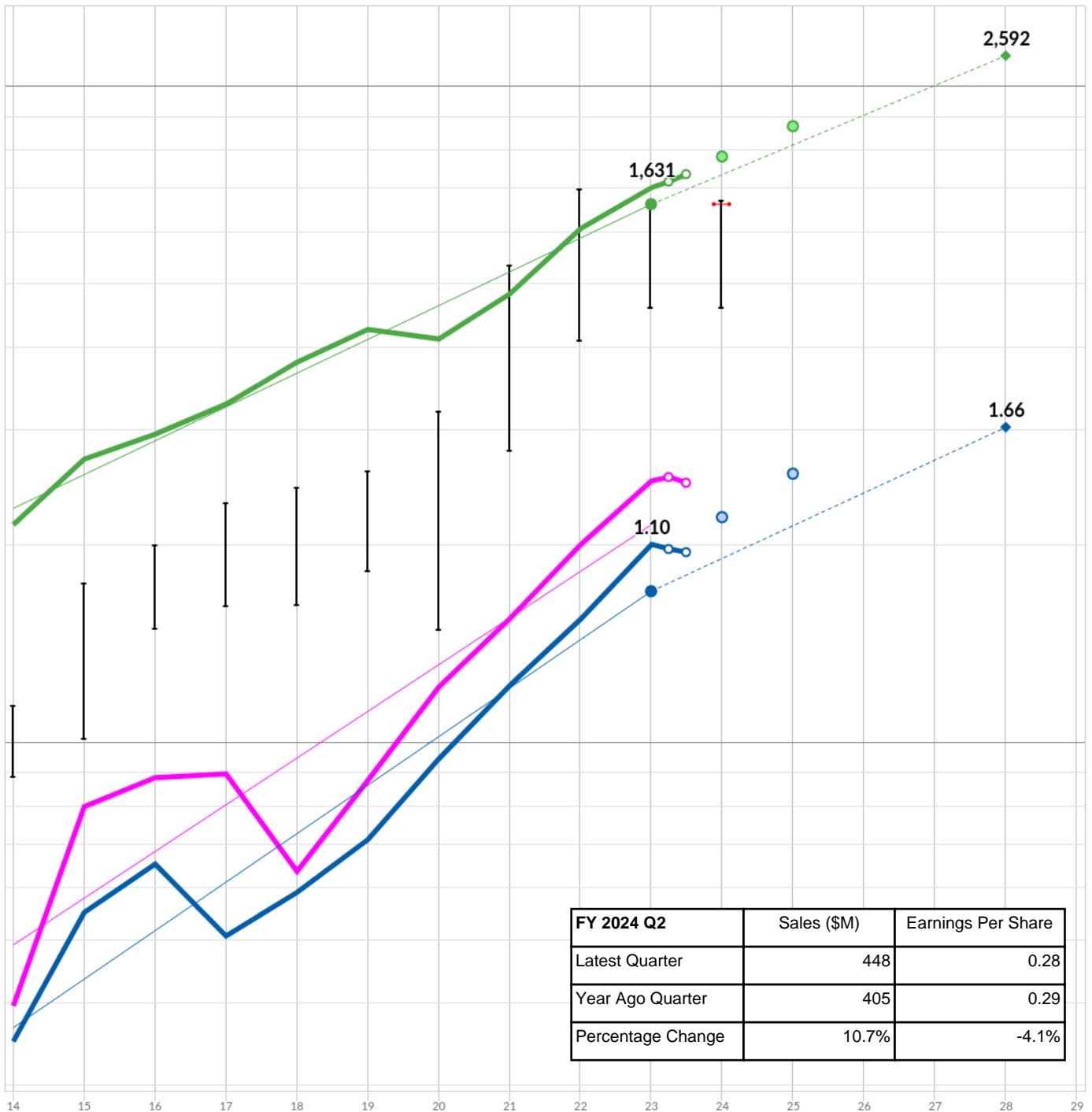


# Stock Selection Guide

Company	ExlService Holdings		Date	08/27/24	
Prepared by	Maskey		Data taken from	BI Stock Data	
Where traded	NAS		Industry	Information Technology Services	
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	164.0	2.1	75.1		
Debt (\$M)	414.8	% to Tot Cap	32.7	% Pot Dil	0.7

Symbol: EXLS

## 1 VISUAL ANALYSIS of Sales, Earnings, and Price



- |                                   |       |  |       |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth       | 12.6% | (3) Historical Earnings Per Share Growth       | 18.6% |
| (2) Estimated Future Sales Growth | 11.0% | (4) Estimated Future Earnings Per Share Growth | 12.2% |

## 2 EVALUATING Management

ExIService Holdings

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Last 5 Year Avg.
% Pre-tax Profit on Sales	7.5%	12.1%	12.2%	11.2%	6.8%	8.4%	12.0%	13.1%	13.5%	14.6%	12.3%
% Earned on Equity	7.7%	11.2%	11.6%	7.9%	9.7%	10.3%	12.2%	16.3%	20.0%	21.2%	16.0%
% Debt To Capital	10.9%	13.2%	7.9%	9.3%	31.6%	33.3%	31.5%	33.4%	29.3%	23.4%	30.2%

## 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.

**CURRENT PRICE** 36.34 (08/27/24)

**52-WEEK HIGH** 36.72

**52-WEEK LOW** 25.17

	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
2019	14.2	10.0	0.39	36.4	25.6	0.00	0.0	0.0
2020	17.5	8.1	0.52	33.8	15.7	0.00	0.0	0.0
2021	29.2	15.3	0.67	43.6	22.8	0.00	0.0	0.0
2022	38.2	22.4	0.85	45.2	26.5	0.00	0.0	0.0
2023	35.8	25.2	1.10	32.6	22.9	0.00	0.0	0.0
<b>AVERAGE</b>		<b>16.2</b>		<b>34.3</b>	<b>22.0</b>		<b>0.0</b>	
CURRENT/TTM			1.07	34.3	23.5	0.00	0.0	
<b>AVERAGE PRICE EARNINGS RATIO: 28.1</b>					<b>CURRENT PRICE EARNINGS RATIO: 34.0</b>			

## 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 34.3 X Estimate High Earnings/Share 1.66 = Forecasted High Price \$ 56.9

### B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 23.0 X Estimate Low Earnings/Share 1.08 = Forecasted Low Price \$ 24.8

(b) Avg. Low Price of Last 5 Years 16.2

(c) Recent Market Low Price 22.4

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

Selected Forecasted Low Price \$ 24.8

### C ZONING using 25%-50%-25%

Forecasted High Price 56.9 Minus Forecasted Low Price 24.8 = 32.1 Range. 25% of Range 8.0

Buy Zone 24.8 to 32.8

Hold Zone 32.8 to 48.9

Sell Zone 48.9 to 56.9

Present Market Price of 36.34 is in the **HOLD** Zone

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

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price} - \text{Low Price}} = \frac{56.9 - 36.34}{36.34 - 24.8} = \frac{20.60}{11.54} = 1.8$  To 1

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

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price}} = \frac{56.9 - 36.34}{36.34} = 1.5668 \times 100 = 156.68 - 100 = 56.7$  % 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**  $\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{0.00}{36.34} = 0.0000 = 0.0\%$  Current Yield

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

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{34.30} = 0.0\%$

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{28.65} = 0.0\%$

### C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

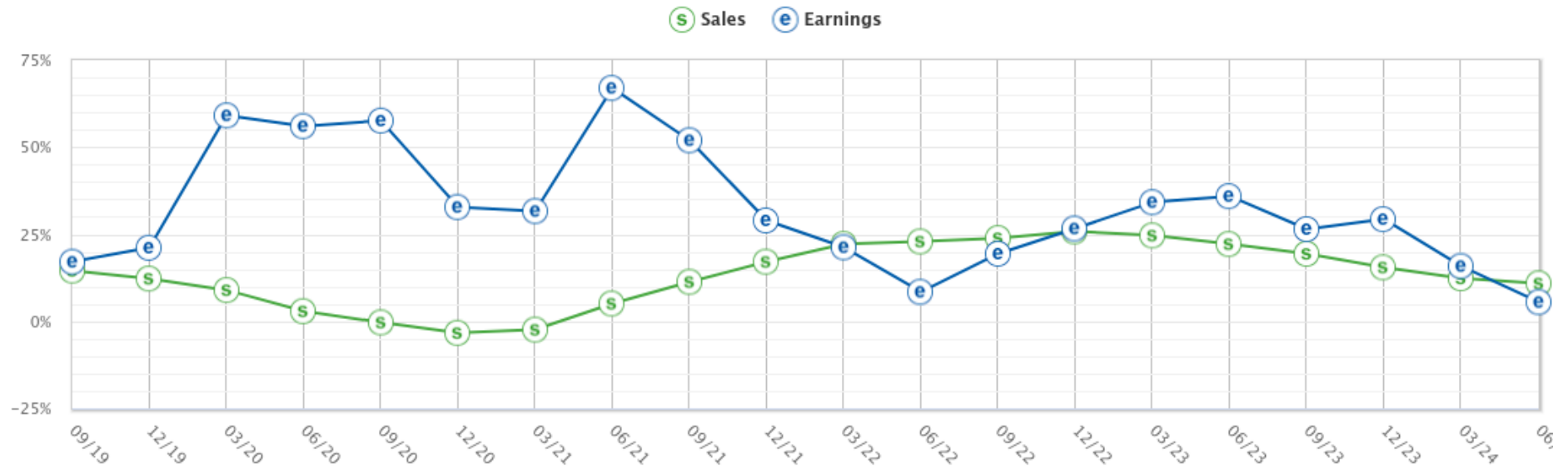
Annualized Appreciation 9.4 %  
Average Yield 0.0 %  
Annualized Rate of Return 9.4 %

### COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 5.5 %  
Average Yield 0.0 %  
Annualized Rate of Return 5.5 %

**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	
06/24	0.28	-4.1	59.7	13.3	-7.5	448.4	10.7	23.2	1.07	236.3	13.8	1,709.9	57.8	24.4	5.5	7.5	10.9
03/24	0.29	-4.0	62.5	14.3	5.4	436.5	9.0	22.0	1.08	241.2	14.5	1,666.5	59.5	24.7	15.8	19.3	12.3
12/23	0.24	27.7	56.1	13.5	25.8	414.1	10.5	28.1	1.09	237.9	14.6	1,630.7	53.7	22.6	29.3	25.2	15.5
09/23	0.26	12.1	58.0	14.1	12.8	411.0	13.7	24.4	1.04	226.5	14.2	1,591.3	51.4	22.7	26.5	23.3	19.4
06/23	0.29	37.7	64.6	15.9	37.9	405.0	16.8	24.1	1.01	219.9	14.3	1,541.7	49.8	22.6	35.9	35.0	22.2
03/23	0.30	41.1	59.3	14.8	25.5	400.6	21.7	13.6	0.93	202.2	13.6	1,483.5	45.6	22.6	34.2	32.2	24.7
12/22	0.19	13.3	44.6	11.9	17.0	374.7	26.8	28.7	0.85	190.1	13.5	1,412.0	47.7	25.1	26.6	29.7	25.8

**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
09/22	0.23	50.6	51.4	14.2	67.7	361.4	24.5	24.2	0.82	183.6	13.8	1,332.8	44.7	24.4	19.4	24.1	23.9	
06/22	0.21	30.9	46.8	13.5	27.0	346.8	26.1	23.8	0.75	162.9	12.9	1,261.8	35.4	21.7	8.4	7.0	22.9	
03/22	0.21	15.1	47.3	14.4	15.5	329.2	25.9	23.7	0.70	152.9	12.8	1,190.1	33.3	21.8	21.3	19.5	22.2	
12/21	0.17	-11.7	38.1	12.9	-3.5	295.5	18.7	25.8	0.67	146.6	13.1	1,122.3	31.3	21.4	29.0	27.1	17.1	
09/21	0.15	1.3	30.7	10.6	-12.3	290.3	20.5	13.7	0.69	147.9	13.8	1,075.8	28.8	19.5	52.0	48.1	11.3	
06/21	0.16	237.5	36.9	13.4	193.5	275.1	23.6	24.0	0.69	152.2	14.8	1,026.5	33.7	22.1	67.0	69.7	5.1	
03/21	0.19	43.1	40.9	15.7	44.5	261.4	6.3	21.9	0.57	127.9	13.1	973.9	31.0	24.2	31.7	38.4	-2.4	
12/20	0.19	51.6	39.5	15.9	64.2	249.0	-3.1	18.3	0.52	115.3	12.0	958.4	27.6	23.9	32.8	38.8	-3.3	
09/20	0.15	38.2	35.0	14.5	41.0	241.0	-4.1	24.3	0.45	99.9	10.3	966.4	22.0	22.0	57.6	67.6	-0.3	
06/20	0.05	-33.3	12.6	5.6	-17.8	222.5	-8.6	32.4	0.41	89.7	9.2	976.7	19.5	21.7	56.1	60.7	2.9	
03/20	0.13	54.8	28.3	11.5	49.4	246.0	2.7	20.7	0.44	92.5	9.3	997.8	16.6	18.0	59.1	52.6	9.0	
12/19	0.12	463.6	24.0	9.4	4,442.2	256.9	9.4	10.8	0.39	83.1	8.4	991.3	15.2	18.4	21.1	37.7	12.3	
09/19	0.11	27.9	24.8	9.9	17.9	251.4	8.8	23.0	0.29	59.6	6.1	969.4	-86.4	-145.0	17.1	-25.0	14.6	
06/19	0.07	-12.2	15.3	6.3	-23.6	243.5	15.9	17.5	0.26	55.8	5.9	949.1	-80.4	-143.9	-5.7	-32.1	17.6	
03/19	0.08	-36.4	19.0	7.9	1.1	239.6	15.8	22.2	0.27	60.6	6.6	915.7	-85.6	-141.4	-12.7	-27.4	16.5	
12/18	0.02	140.7	0.5	0.2	-97.3	234.9	18.7	-642.5	0.32	60.4	6.8	883.1	-92.3	-152.9	15.8	-29.0	15.8	
09/18	0.09	-28.3	21.1	9.1	-11.9	231.1	20.2	27.3	0.25	79.4	9.4	846.1	35.5	44.7	-41.7	-6.0	14.1	
06/18	0.08	-29.3	20.0	9.5	-5.5	210.1	11.1	27.5	0.28	82.3	10.2	807.3	33.6	40.8	-28.9	-0.1	12.0	
03/18	0.13	37.5	18.8	9.1	-7.8	207.0	13.1	-23.7	0.31	83.4	10.6	786.3	29.1	34.9	-15.6	-1.3	12.0	
12/17	-0.05	-160.0	19.6	9.9	2.6	197.9	11.6	147.8	0.28	85.0	11.2	762.3	38.5	45.2	-21.9	1.4	11.1	
09/17	0.12	30.4	23.9	12.4	10.1	192.3	12.4	11.8	0.42	84.5	11.4	741.7	11.0	13.0	19.9	0.1	10.0	
06/17	0.12	23.4	21.2	11.2	-9.3	189.1	10.9	3.9	0.39	82.3	11.4	720.6	13.6	16.6	13.2	-3.7	8.1	
03/17	0.10	20.0	20.3	11.1	3.2	183.0	9.6	17.5	0.37	84.5	12.0	702.0	19.5	23.1	14.8	6.0	7.7	
12/16	0.09	4.7	19.1	10.8	-2.9	177.3	6.9	18.9	0.36	83.9	12.2	686.0	22.0	26.2	18.7	10.7	9.1	
09/16	0.09	4.5	21.7	12.7	-4.5	171.2	4.7	26.0	0.35	84.5	12.5	674.6	23.4	27.7	36.4	31.5	12.8	
06/16	0.09	34.3	23.4	13.7	32.8	170.5	9.5	30.0	0.35	85.5	12.8	666.9	25.2	29.5	68.9	75.9	19.8	
03/16	0.08	42.9	19.7	11.8	24.9	167.0	16.4	29.9	0.32	79.7	12.2	652.0	23.8	29.9	78.0	110.8	25.1	
12/15	0.09	95.5	19.7	11.9	141.9	165.9	22.6	24.9	0.30	75.8	12.1	628.5	24.4	32.3	56.3	101.3	25.9	
09/15	0.09	144.4	22.7	13.9	221.1	163.5	33.5	33.3	0.26	64.2	10.7	597.9	18.0	28.1				
06/15	0.07	52.2	17.6	11.3	158.2	155.6	30.0	31.4	0.21	48.6	8.7	556.9	11.3	23.3				
03/15	0.06	-15.2	15.8	11.0	1.1	143.5	17.8	39.4	0.18	37.8	7.3	521.0	4.5	12.0				

**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
12/14	0.04		8.1	6.0		135.3		8.2									
09/14	0.04		7.1	5.8		122.5		14.2									
06/14	0.05		6.8	5.7		119.7		-13.9									
03/14	0.07		15.6	12.8		121.8		28.6									