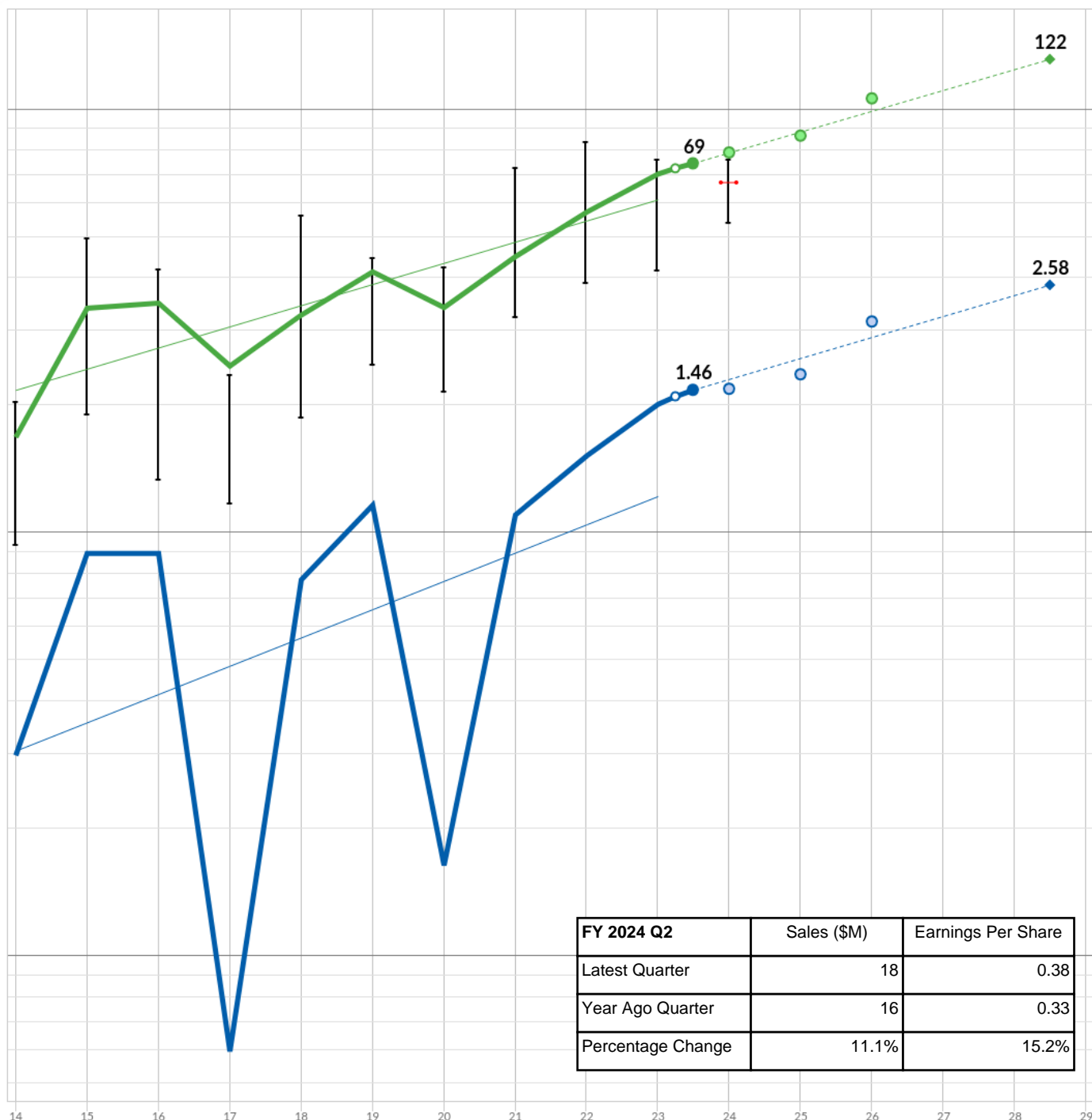


## Stock Selection Guide

|  |           |                 |                 |
|--|-----------|-----------------|-----------------|
| Company                                | iRadimed  | Date            | 09/06/24        |
| Prepared by                            | Ty H.     | Data taken from | BI Stock Data   |
| Where traded                           | NAS       | Industry        | Medical Devices |
| Capitalization --- Outstanding Amounts | Reference |                 |                 |
| Preferred (\$M)                        | 0.0       | % Insiders      | % Institution   |
| Common (M Shares)                      | 12.8      | 3.9             | 25.2            |
| Debt (\$M)                             | 0.4       | % to Tot Cap    | 0.5 % Pot Dil   |
|  |           |                 | 0.7             |

Symbol: IRMD

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



|                                   |       |  |       |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth       | 12.2% | (3) Historical Earnings Per Share Growth       | 16.6% |
| (2) Estimated Future Sales Growth | 12.0% | (4) Estimated Future Earnings Per Share Growth | 12.1% |

## 2 EVALUATING Management

iRadimed

|                           | 2014  | 2015  | 2016  | 2017 | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | Last 5 Year Avg. |
|---------------------------|-------|-------|-------|------|-------|-------|-------|-------|-------|-------|------------------|
| % Pre-tax Profit on Sales | 19.3% | 36.8% | 33.7% | 6.0% | 20.4% | 23.5% | -1.9% | 23.5% | 30.4% | 33.2% | 21.7%            |
| % Earned on Equity        | 10.7% | 23.9% | 21.0% | 1.3% | 14.3% | 17.7% | 2.2%  | 13.7% | 18.4% | 22.9% | 15.0%            |
| % Debt To Capital         | 0.0%  | 0.0%  | 0.0%  | 0.0% | 0.0%  | 5.1%  | 4.2%  | 3.3%  | 2.9%  | 2.8%  | 3.7%             |

## 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** 45.10 (09/06/24)

**52-WEEK HIGH** 50.93

**52-WEEK LOW** 36.12

|   | 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                                      | 29.8  | 16.7        | 0.78      | 38.2                 | 21.4                                      | 0.00      | 0.0         | 0.0          |
| 2020                                      | 28.4  | 14.4        | 0.11      | 258.5                | 131.0                                     | 0.00      | 0.0         | 0.0          |
| 2021                                      | 48.8  | 21.7        | 0.74      | 65.9                 | 29.3                                      | 0.00      | 0.0         | 0.0          |
| 2022                                      | 55.9  | 26.0        | 1.02      | 54.8                 | 25.5                                      | 0.00      | 0.0         | 0.0          |
| 2023                                      | 51.0  | 27.9        | 1.35      | 37.8                 | 20.6                                      | 0.15      | 11.1        | 0.5          |
| <b>AVERAGE</b>                            |       | <b>21.3</b> |           | <b>49.2</b>          | <b>24.2</b>                               |           | <b>2.2</b>  |              |
| CURRENT/TTM                               |       |             | 1.46      | 34.9                 | 24.7                                      | 0.60      | 41.1        |              |
| <b>AVERAGE PRICE EARNINGS RATIO: 36.7</b> |       |             |           |                      | <b>CURRENT PRICE EARNINGS RATIO: 30.9</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 40.0 X Estimate High Earnings/Share 2.58 = Forecasted High Price \$ 103.2

### B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 24.0 X Estimate Low Earnings/Share 1.36 = Forecasted Low Price \$ 32.6

(b) Avg. Low Price of Last 5 Years 21.3

(c) Recent Market Low Price 26.0

(d) Price Dividend Will Support  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.60}{0.54\%} = 111.5$

Selected Forecasted Low Price \$ 32.6

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

Forecasted High Price 103.2 Minus Forecasted Low Price 32.6 = 70.6 Range. 25% of Range 17.7

Buy Zone 32.6 to 50.3

Hold Zone 50.3 to 85.6

Sell Zone 85.6 to 103.2

Present Market Price of 45.10 is in the **BUY** Zone

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

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price} - \text{Low Price}} = \frac{103.2 - 45.10}{45.10 - 32.6} = \frac{58.10}{12.50} = 4.6$  To 1

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

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price}} = \frac{103.2 - 45.10}{45.10} = 2.2882 \times 100 = 228.82 - 100 = 128.8$  % 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**  $\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{0.60}{45.10} = 0.0133 = 1.3\%$  Current Yield

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

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{11.1\%}{40.00} = 0.3\%$

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

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{11.1\%}{32.00} = 0.3\%$

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

Annualized Appreciation 18.0 %  
Average Yield 0.3 %  
Annualized Rate of Return 18.3 %

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

Annualized Appreciation 12.9 %  
Average Yield 0.3 %  
Annualized Rate of Return 13.2 %