

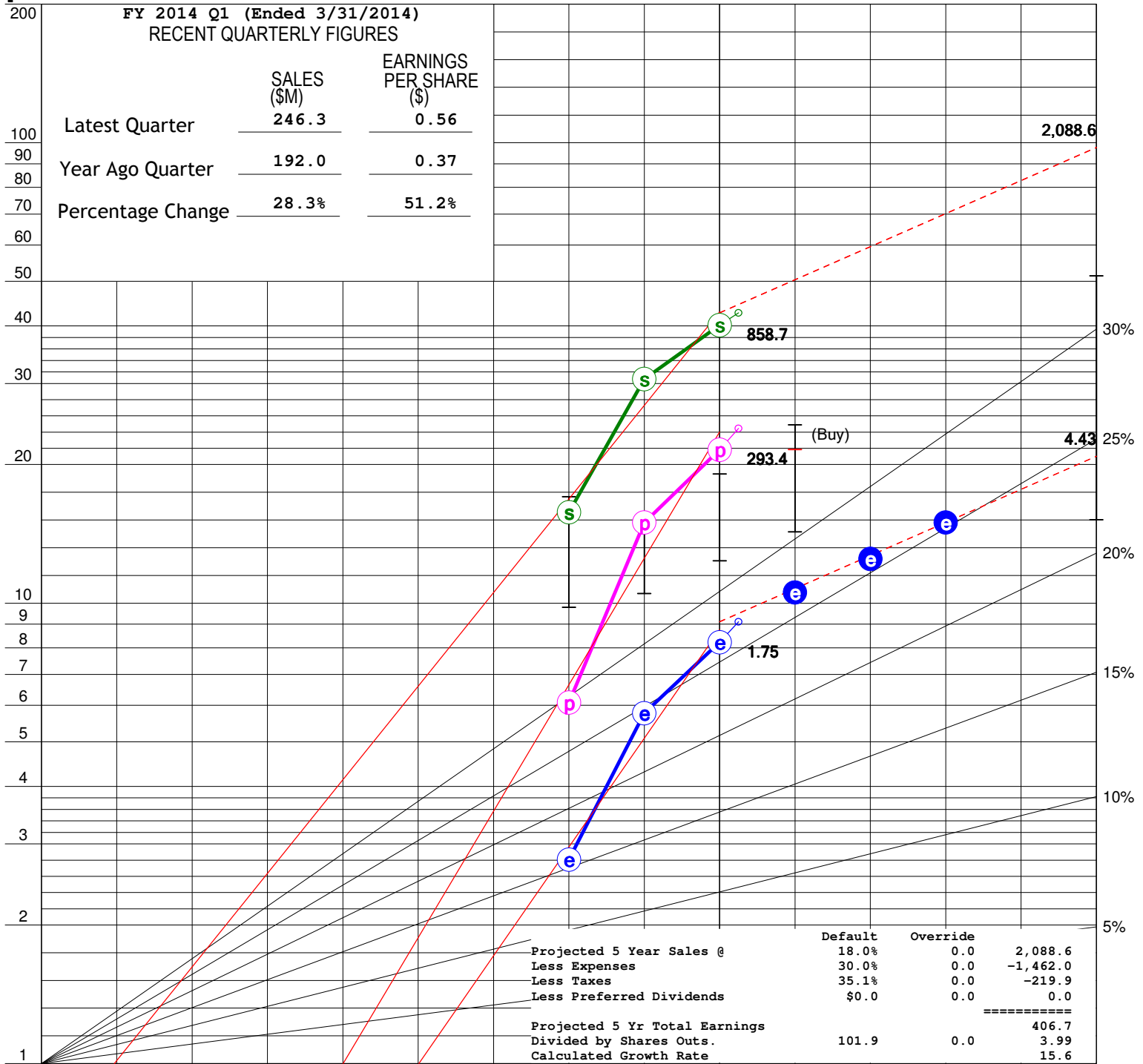


# Stock Study

Company	Air Lease SP 6-13-14	Price Date	06/13/14
Study by	SPatterson	Data Date	06/13/14
Sector	Industrials	Last Judgment	06/17/14
Industry	Rental & Leasing Service	Data Source	BI
Preferred(\$M)	0.0	Reference	Morningsta
Common(M Shares)	101.9	% Insiders	1.5
Debt(\$M)	5,943.1	% Institutions	94.8
% Debt to Tot.Cap.	70.2	Quality	

## 1 Growth Analysis

NYSE: AL



(1) Historical Sales Growth	59.7 %	(3) Historical Earnings Per Share Growth	72.2 %	www.iclub.com
(2) Estimated Future Sales Growth	18.0 %	(4) Estimated Future Earnings Per Share Growth	18.0 %	
(5) Sales Growth R <sup>2</sup>	0.94	(6) Earnings Per Share Growth R <sup>2</sup>	0.96	

## 2 QUALITY ANALYSIS

Company Air Lease SP 6-13-14 (AL)

06/13/14

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % Pre-tax Profit on Sales								24.6	31.1	34.2	30.0	UP
<b>B</b> % ROE (Beginning Yr)									5.7	7.6	6.6	UP
<b>C</b> % Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	134.4	188.4	232.6	185.2	UP

## 3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 37.95 (19.6) 52-WEEK HIGH (P/E) 42.89 (22.1) 52-WEEK LOW (P/E) 25.13 (13.0)

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2009	0.0	0.0	NMF	NMF	NMF	0.000	NMF	0.0
2 2010	0.0	0.0	NMF	NMF	NMF	0.000	NMF	0.0
3 2011	29.9	17.2	0.59	50.8	29.2	0.000	0.0	0.0
4 2012	26.5	18.5	1.23	21.6	15.1	0.000	0.0	0.0
5 2013	33.6	21.7	1.75	19.2	12.4	0.105	6.0	0.5
6 AVERAGE (10 Years) :		19.1		20.4	13.8		6.0	
AVERAGE P/E RATIO	<del>24.7</del> 17.1		PROJECTED P/E RATIO	16.6		TTM EPS		1.94
CURRENT P/E RATIO	19.6		PEG RATIO	0.9		FTM EPS		2.29
RELATIVE VALUE	<del>79.4%</del> 114.6%		PROJ. RELATIVE VALUE	<del>67.1%</del> 96.9%		AVG TTM + FTM EPS		2.11

## 4 EVALUATING REWARD and RISK over the next 5 years

### A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E 20.4 X Estimated High Earnings/Share 4.43 = Forecast High Price \$ 90.4

### B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E 13.8 (as adj.) X Estimated Low Earnings/Share 1.75 = \$ 26.7

(b) Average 5-Year Low Price = 19.1

(c) Recent Severe Low Price = 18.5

(d) Price Dividend Will Support = Present Divd. ÷ High Yield = 0.120 ÷ 0.005 = 24.8

Selected Estimated Low Price = \$ 26.7

### C PRICE RANGES

Forecast High Price 90.4 - Estimated Low Price 26.7 = Range 63.7 25% of Range = 15.9

BUY (Lower 25% of Range) = 26.7 to 42.6

MAYBE (Middle 50% of Range) = 42.6 to 74.5

SELL (Upper 25% of Range) = 74.5 to 90.4

Current Price 37.950 is in the Buy Range

### D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 90.4 - Current Price 37.950) ÷ (Current Price 37.950 - Estimated Low Price 26.7) = 4.7 To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 0.120 ÷ Current Price of Stock \$ 37.950 = 0.3 % Present Yield or % Returned on Purchase Price

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

Avg. % Payout 6.0 ÷ Forecast High P/E 20.4 = Avg. Yield 0.3

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

Avg. % Payout 6.0 ÷ Forecast Avg P/E 17.1 = Avg. Yield 0.4

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

Average Yield 0.3 % + Annual Appreciation 19.0 % = Compound Annual Total Return 19.3 %

### D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 0.4 % + Annual Appreciation 14.8 % = Projected Average Total Return 15.2 %

Trailing 4 quarters

# Quarterly Trend Graph

Company Air Lease SP 6-13-14 (AL)

