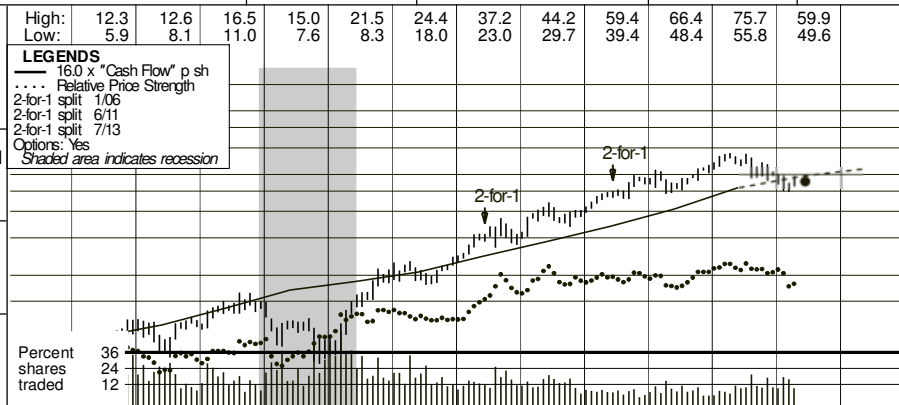


CERNER CORP. NDAQ-CERN

RECENT PRICE **55.61** P/E RATIO **23.7** (Trailing: 25.3; Median: 33.0) RELATIVE P/E RATIO **1.30** DIV'D YLD **Nil**

VALUE LINE

TIMELINESS 3 Lowered 3/18/16
SAFETY 2 Raised 3/13/15
TECHNICAL 4 Raised 5/20/16
BETA 1.00 (1.00 = Market)



Target Price	Range	
2019	2020	2021
160		
120		
100		
80		
60		
50		
40		
30		
20		
15		

2019-21 PROJECTIONS
 Ann'l Total
 High Price 95 Gain (+70%) Return 14%
 Low Price 70 Gain (+25%) Return 6%

Insider Decisions
 J A S O N D J F M
 to Buy 0 0 0 0 0 0 0 0 0 0
 Options 0 0 1 0 0 2 0 1 0
 to Sell 0 0 0 0 0 2 0 2 0

Institutional Decisions
 2Q2015 3Q2015 4Q2015
 to Buy 301 306 288
 to Sell 282 278 311
 Hlds(000) 278630 308874 277890

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1.45	1.92	2.65	2.98	3.16	3.70	4.39	4.74	5.08	5.06	5.56	6.50	7.74	8.47	9.94	13.02	14.75	16.20
.21	.29	.38	.40	.53	.64	.72	.87	1.06	1.16	1.29	1.53	1.80	2.12	2.57	3.24	3.70	4.00
.07	.12	.18	.15	.22	.27	.31	.38	.52	.58	.70	.88	1.13	1.32	1.65	2.11	2.35	2.65
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.06	.06	.21	.10	.15	.32	.42	.56	.33	.40	.31	.31	.53	1.03	.81	1.07	.75	.75
1.24	1.40	1.55	1.76	2.04	2.42	2.93	3.53	4.04	4.79	5.72	6.81	8.23	9.21	10.42	11.38	12.65	14.75
278.13	282.90	284.24	281.84	293.10	314.06	313.57	320.59	324.17	330.26	332.96	339.13	344.18	343.82	342.33	339.96	336.00	336.00
61.4	51.9	30.5	26.8	26.0	32.1	35.1	36.2	21.1	25.7	30.0	33.5	33.1	37.3	34.8	31.5	31.5	31.5
3.99	2.66	1.67	1.53	1.37	1.71	1.90	1.92	1.27	1.71	1.91	2.10	2.11	2.10	1.83	1.60	1.60	1.60
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2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1378.0	1519.9	1647.4	1671.9	1850.2	2203.2	2665.4	2910.7	3402.7	4425.3	4950	5450	5450	5450	5450	5450	5450	5450
21.1%	23.5%	26.0%	28.8%	29.9%	30.5%	29.8%	32.5%	33.6%	32.4%	32.8%	32.8%	32.4%	31.1%	32.5%	32.5%	32.8%	32.8%
125.3	152.8	170.5	189.6	193.3	212.6	222.6	263.5	302.4	360.7	425	450	425	450	425	450	425	450
102.0	127.1	173.1	193.5	237.3	306.6	397.2	466.4	576.4	740.8	810	900	810	900	810	900	810	900
39.1%	37.7%	33.6%	33.9%	34.5%	34.7%	32.4%	32.8%	32.4%	31.1%	32.5%	32.5%	32.4%	31.1%	32.5%	32.5%	32.8%	32.8%
7.4%	8.4%	10.5%	11.6%	12.8%	13.9%	14.9%	16.0%	16.9%	16.7%	16.4%	16.5%	16.4%	16.5%	16.4%	16.5%	16.4%	16.5%
444.7	530.5	517.7	788.2	840.2	1063.6	1210.4	1121.3	1714.5	1049.9	1250	1300	1250	1300	1250	1300	1250	1300
187.4	177.6	111.4	95.5	67.9	86.8	136.6	111.7	62.9	563.4	550	525	550	525	550	525	550	525
918.1	1132.4	1311.0	1580.7	1905.3	2310.7	2833.7	3167.7	3566.0	3870.4	4250	4950	4250	4950	4250	4950	4250	4950
9.8%	10.2%	12.5%	11.8%	12.2%	12.9%	13.5%	14.3%	15.9%	16.9%	17.0%	16.5%	17.0%	16.5%	17.0%	16.5%	17.0%	16.5%
11.1%	11.2%	13.2%	12.2%	12.5%	13.3%	14.0%	14.7%	16.2%	19.1%	19.0%	18.0%	19.0%	18.0%	19.0%	18.0%	19.0%	18.0%
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CAPITAL STRUCTURE as of 4/2/16
 Total Debt \$595.5 mill. Due in 5 Yrs \$130.0 mill.
 LT Debt \$553.7 mill. LT Interest \$17.0 mill.
 (12% of Cap'l)

Leases, Uncapitalized Annual rentals \$26.4 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 338,081,824 shs.
 as of 4/28/16
MARKET CAP: \$18.8 billion (Large Cap)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1.45	1.92	2.65	2.98	3.16	3.70	4.39	4.74	5.08	5.06	5.56	6.50	7.74	8.47	9.94	13.02	14.75	16.20
.21	.29	.38	.40	.53	.64	.72	.87	1.06	1.16	1.29	1.53	1.80	2.12	2.57	3.24	3.70	4.00
.07	.12	.18	.15	.22	.27	.31	.38	.52	.58	.70	.88	1.13	1.32	1.65	2.11	2.35	2.65
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	Nil	Nil
.06	.06	.21	.10	.15	.32	.42	.56	.33	.40	.31	.31	.53	1.03	.81	1.07	.75	.75
1.24	1.40	1.55	1.76	2.04	2.42	2.93	3.53	4.04	4.79	5.72	6.81	8.23	9.21	10.42	11.38	12.65	14.75
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CURRENT POSITION 2014 2015 4/2/16 (\$MILL.)

Cash Assets 1420.9 513.2 503.4
 Receivables 672.8 1034.1 941.8
 Inventory (FIFO) 23.8 15.8 22.6
 Other 231.3 264.7 260.8
 Current Assets 2348.8 1827.8 1728.6
 Accts Payable 160.3 215.5 209.4
 Debt Due 67.5 41.8 41.8
 Deferred Revenue 209.7 278.4 279.9
 Other 196.8 242.2 244.8
 Current Liab. 634.3 777.9 775.9

BUSINESS: Cerner Corp. designs, develops, markets, installs, and supports clinical and management information systems. Cerner's systems are designed and developed using a single, unified information architecture: *Cerner Millennium*. Cerner's software and systems are focused on the clinical side of healthcare and are targeted at hospitals and integrated delivery networks. System sales, 29% of '15 revs.; Support & consulting, 69%. R&D expense: 12.0% of '15 revs. Employed about 22,200 (1/2/16). Stock owners: Offs. & dirs., 13.2%; three fin'l inst., 21.2% (4/16 proxy). Chrmn. & CEO: Neal Patterson; Pres.: Zane Burke; COO: Michael Nil, Inc.: DE. Addr.: 2800 Rockcreek Pkwy., North Kansas City, MO 64117. Tel.: (816) 201-1024. Internet: www.cerner.com.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15
of change (per sh)	12.5%	15.0%	12.5%
Revenues	17.5%	17.5%	12.0%
"Cash Flow"	23.0%	23.0%	13.5%
Earnings	---	---	Nil
Dividends	---	---	---
Book Value	17.5%	16.5%	13.5%

Cerner's financial results for the first quarter were pretty much as expected. That said, the vendor of clinical information systems and services continued to have trouble meeting its revenue forecast, which has been endemic to the company since it acquired its Health Services business last year. True, it seems that Cerner has gotten a better grip on the prospects for its Health Services group, with the revenue shortfall in the March period coming primarily from reduced demand for technology resale (low-margined, third-party hardware). Still, the misses on the top line have become a persistent theme at Cerner, and investors were not particularly enthused by the company's latest financial performance. **At this juncture, contracting activity seems to be somewhat fluid.** Bookings came in at \$1.17 billion in the first quarter, a modest decline as expected. The forecast for the June period is for \$1.35 billion-\$1.48 billion, a 9.7% advance measured from the midpoint. Although quite respectable on its own, the target falls short of the mid-teens progress to which investors have grown accustomed.

Cal-endar	QUARTERLY REVENUES (\$ mill.) ^A	Full Year
	Mar.Per Jun.Per Sep.Per Dec.Per	Year
2013	680.0 707.6 727.8 795.3	2910.7
2014	784.8 851.8 840.2 926.0	3402.7
2015	996.1 1126.0 1127.9 1175.3	4425.3
2016	1138.1 1200 1275 1336.9	4950
2017	1275 1350 1400 1425	5450

What about Cerner stock? The company is well-positioned in the clinical information systems and services business. It is having good success against competitors, and is adapting to the requirements of its targeted markets. Although growth may moderate some from here, our sense is this is reflected in the stock's recent valuation, providing a respectable entry point for patient accounts. *Charles Clark* June 10, 2016

Cal-endar	EARNINGS PER SHARE ^{ABC}	Full Year
	Mar.Per Jun.Per Sep.Per Dec.Per	Year
2013	.31 .32 .33 .36	1.32
2014	.37 .40 .42 .47	1.65
2015	.45 .52 .54 .61	2.11
2016	.53 .57 .61 .64	2.35
2017	.60 .65 .68 .72	2.65

Cal-endar	QUARTERLY DIVIDENDS PAID	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	Year
2012		
2013		
2014		
2015		
2016		

(A) Fiscal year ends on the Saturday closest to December 31st.
 (B) Fully-diluted earnings; non-GAAP EPS from 2014. Excl. items: '00, \$1.20; '01, d\$1.05;
 (C) Quarters may not sum to annual figure, due to rounding or to changes in diluted shares outstanding.

'02, d5c; '05, 1c; '06, 5c; '08, 10c; '13, d19c; '14, d15c; '15, d57c.
 Next earnings report due early August.
 (D) In millions, adjusted for stock splits.