

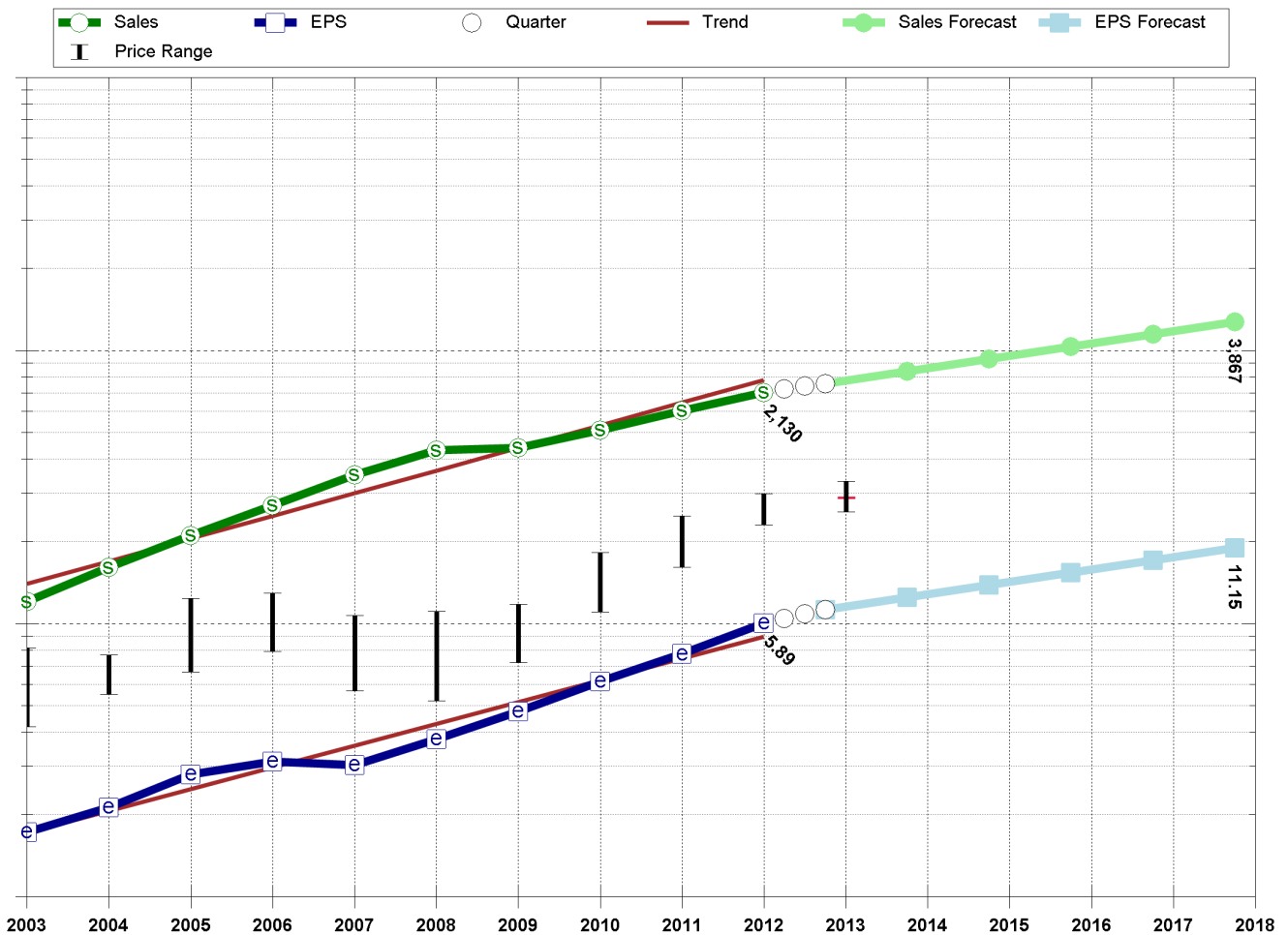
Company	Panera Bread Company		Date	12/13/2013	
Prepared by	HUNT		Data taken from	BI Stock Data	
Where traded	NAS	Industry	Restaurants		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	28.7	4.6	82.2		
Debt (\$M)	0.0	% to Tot Cap	0.0	% Pot Dil	0.5

## Stock Selection Guide

Symbol: PNRA

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

FY2012 Quarter Ending (09/13)	Sales (\$M)	Earnings Per Share
Latest Quarter	572.5	1.48
Year Ago Quarter	529.3	1.24
Percentage Change	8.2%	19.4%



- |                                   |       |  |       |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth       | 21.0% | (3) Historical Earnings Per Share Growth       | 20.2% |
| (2) Estimated Future Sales Growth | 11.0% | (4) Estimated Future Earnings Per Share Growth | 11.0% |

## 2 EVALUATING Management

Panera Bread Company

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Last 5 Year Avg.
Pre-tax Profit on Sales (Net Before Taxes/Sales)	13.6%	12.7%	12.8%	11.2%	8.3%	8.4%	10.3%	11.7%	12.1%	13.3%	11.2%
% Earned on Equity (E/S / Book Value)	14.6%	15.0%	16.2%	14.6%	12.1%	13.7%	14.8%	18.4%	20.6%	21.2%	17.8%

## 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.

PRESENT PRICE 169.5

HIGH THIS YEAR 194.77

LOW THIS YEAR 150.33

	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
1 2008	65.0	30.6	2.22	29.3	13.8	0.00	0.0	0.0
2 2009	68.9	42.3	2.80	24.6	15.1	0.00	0.0	0.0
3 2010	106.9	64.9	3.61	29.6	18.0	0.00	0.0	0.0
4 2011	145.5	94.6	4.55	32.0	20.8	0.00	0.0	0.0
5 2012	175.3	135.2	5.89	29.8	22.9	0.00	0.0	0.0
6 TOTAL		367.6		145.3	90.6		0.0	
7 AVERAGE		73.5		29.1	18.1		0.0	
8 AVERAGE PRICE EARNINGS RATIO 23.6					9 CURRENT PRICE EARNINGS RATIO 25.6			

## 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 27.00 X Estimate High Earnings/Share 11.15 = Forecasted High Price \$ 301.1

### B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 18.12 X Estimate Low Earnings/Share 6.62 = Forecasted Low Price \$ 120.0

(b) Avg. Low Price of Last 5 Years 73.5

(c) Recent Market Low Price 94.62

(d) Price Dividend Will Support  $\frac{\text{Present Dividend}}{\text{High Yield}} = \frac{0.000}{0.00\%} = 0.0$

Selected Forecasted Low Price 125.0

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

Forecasted High Price 301.1 Minus Forecasted Low Price 125.0 = 176.1 Range. 25% of Range 44.0

Buy Zone 125.0 to 169.0

Hold Zone 169.0 to 257.0

Sell Zone 257.0 to 301.1

Present Market Price of 169.52 is in the **Hold** Zone

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

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{301.1 - 169.52}{169.52 - 125.0} = \frac{131.53}{44.52} = 3.0$  To 1

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

$\frac{\text{High Price} - \text{Present Market Price}}{\text{Present Market Price}} = \frac{301.1 - 169.52}{169.52} = 1.78$  X 100 = 177.59 - 100 = 77.6 % 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  $\frac{\text{Present Full Year's Dividend \$}}{\text{Present Price of Stock}} = \frac{0.00}{169.52} = 0.00 = 0.0\%$  Present Yield

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

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{27.00} = 0.0\%$

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

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{22.56} = 0.0\%$

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

Annualized Appreciation 12.2 %  
Average Yield 0.0 %  
Annualized Rate of Return 12.2 %

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

Annualized Appreciation 8.2 %  
Average Yield 0.0 %  
Annualized Rate of Return 8.2 %