

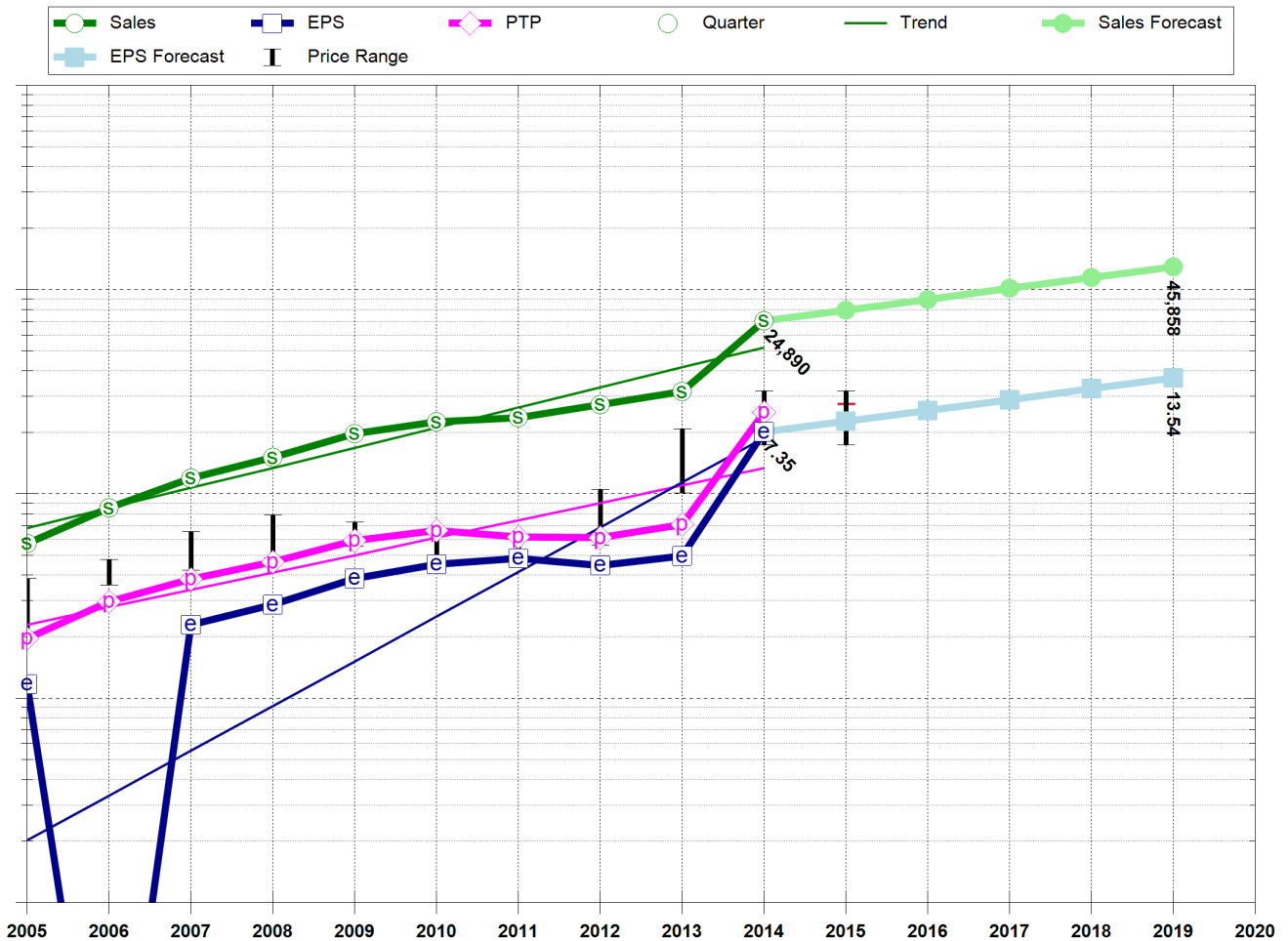
Company	Gilead Sciences Inc			Date	4/9/2015
Prepared by	Henrikson			Data taken from	BI Stock Data
Where traded	NAS	Industry	Biotechnology		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Diluted Shares (M)	1,601.2	0.6	89.1		
Debt (\$M)	12,404.0	% to Tot Cap	44.6	% Pot Dil	6.4

Stock Selection Guide

Symbol: GILD

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY2014 Quarter Ending (12/14)	Sales (\$M)	Earnings Per Share
Latest Quarter	7,314.3	2.18
Year Ago Quarter	3,119.8	0.46
Percentage Change	134.4%	370.4%



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|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 25.4% | (3) Historical Earnings Per Share Growth | 65.6% |
| (2) Estimated Future Sales Growth | 13.0% | (4) Estimated Future Earnings Per Share Growth | 13.0% |

2 EVALUATING Management

Gilead Sciences Inc

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Last 5 Year Avg.
Pre-tax Profit on Sales	57.3%	58.0%	53.7%	51.5%	49.9%	49.2%	43.5%	37.2%	37.6%	59.7%	45.5%
% Earned on Equity	26.1%	-65.8%	45.0%	44.7%	39.9%	45.4%	39.7%	26.7%	24.5%	71.4%	41.5%
% Debt To Capital	9.0%	43.7%	27.5%	24.7%	16.4%	38.0%	53.0%	46.9%	36.9%	44.6%	43.9%

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 101.2

HIGH THIS YEAR 116.83

LOW THIS YEAR 63.50

		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	2010	24.8	15.9	1.66	14.9	9.6	0.00	0.0	0.0
2	2011	21.7	17.2	1.77	12.3	9.7	0.00	0.0	0.0
3	2012	38.6	20.5	1.64	23.5	12.5	0.00	0.0	0.0
4	2013	76.1	36.9	1.81	42.0	20.4	0.00	0.0	0.0
5	2014	116.8	63.5	7.35	15.9	8.6	0.00	0.0	0.0
	AVERAGE		30.8		21.7	12.2		0.0	
	CURRENT/TTM			7.37			0.00	0.0	
AVERAGE PRICE EARNINGS RATIO 16.9					CURRENT PRICE EARNINGS RATIO 13.7				

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 13.00 X Estimate High Earnings/Share 13.54 = Forecasted High Price \$ 176.0

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 12.00 X Estimate Low Earnings/Share 7.35 = Forecasted Low Price \$ 88.2

(b) Avg. Low Price of Last 5 Years 30.8

(c) Recent Market Low Price 36.94

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

Selected Forecasted Low Price \$ 88.2

C ZONING using 25%-50%-25%

Forecasted High Price 176.0 Minus Forecasted Low Price 88.2 = 87.8 Range. 25% of Range 22.0

Buy Zone 88.2 to 110.2

Hold Zone 110.2 to 154.1

Sell Zone 154.1 to 176.0

Present Market Price of 101.16 is in the **Buy** Zone

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

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price}} = \frac{176.0 - 101.16}{101.16} = 0.74$
 $\frac{\text{Present Price} - \text{Low Price}}{\text{Present Price}} = \frac{101.16 - 88.2}{101.16} = 0.12$
 Ratio = $\frac{0.74}{0.12} = 6.17$ To 1

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

$\frac{\text{High Price} - \text{Present Market Price}}{\text{Present Market Price}} \times 100 = \frac{176.0 - 101.16}{101.16} \times 100 = 74.0\%$ % 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 $\frac{\text{Present Full Year's Dividend \$}}{\text{Present Price of Stock}} = \frac{0.00}{101.16} = 0.00\%$ Present Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{13.00} = 0.0\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{12.50} = 0.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 11.7 %
 Average Yield 0.0 %
 Annualized Rate of Return 11.7 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 10.8 %
 Average Yield 0.0 %
 Annualized Rate of Return 10.8 %