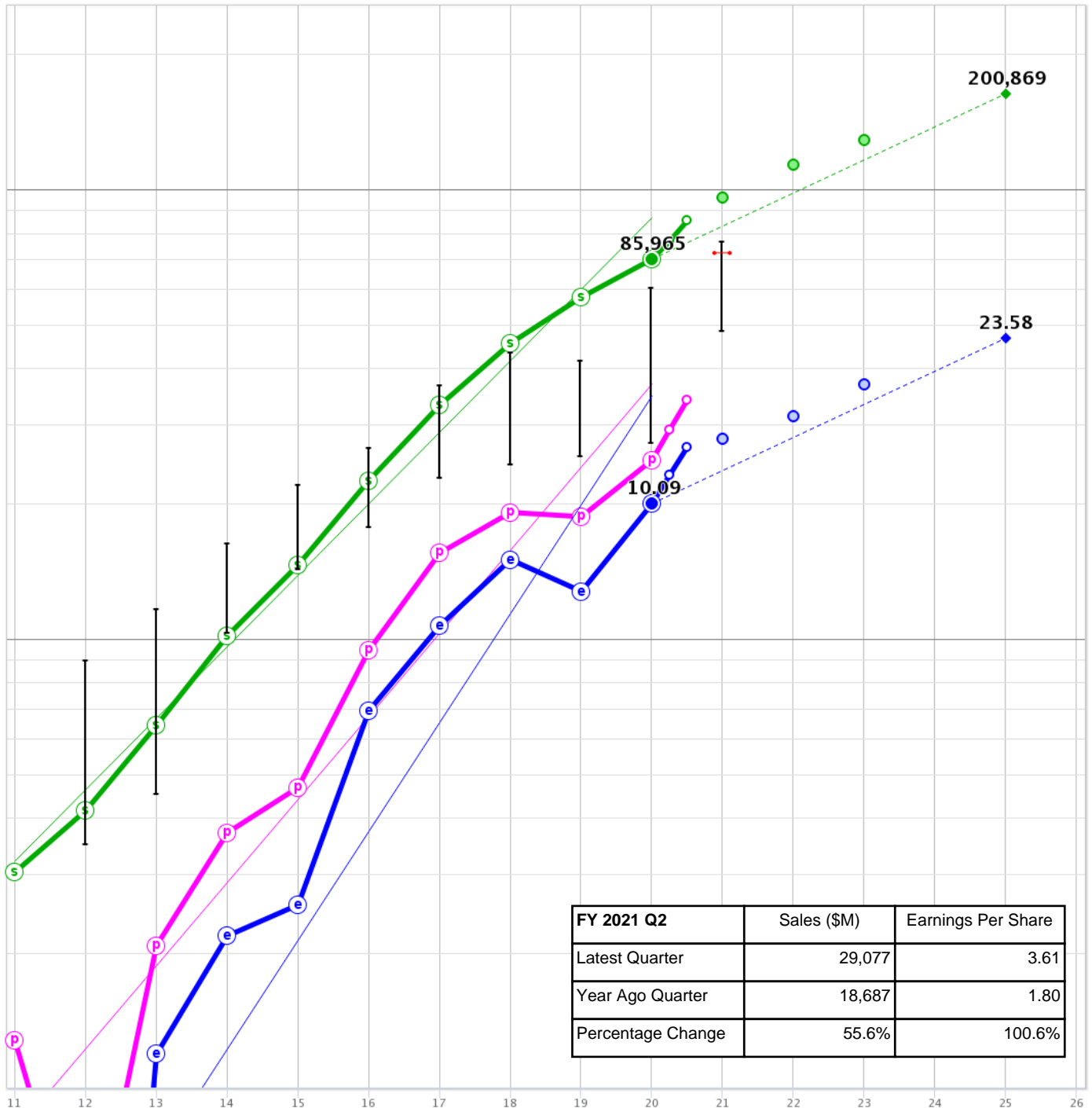


Company	Facebook	Date	09/17/21
Prepared by	NIXON	Data taken from	BI Stock Data
Where traded	NAS	Industry	Internet Content & Information
Capitalization --- Outstanding Amounts	Reference		
Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	2,877.0	0.2	72.2
Debt (\$M)	12,007.0	% to Tot Cap	8.0 % Pot Dil
			1.5

Stock Selection Guide

Symbol: FB

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 44.3% | (3) Historical Earnings Per Share Growth | 74.7% |
| (2) Estimated Future Sales Growth | 18.5% | (4) Estimated Future Earnings Per Share Growth | 18.5% |

2 EVALUATING Management

Facebook

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Last 5 Year Avg.
Pre-tax Profit on Sales	45.7%	9.7%	35.0%	39.4%	34.5%	45.3%	50.7%	45.4%	35.1%	38.6%	43.0%
% Earned on Equity		0.2%	11.7%	14.4%	8.8%	18.7%	22.0%	26.9%	19.5%	24.4%	22.3%
% Debt To Capital	12.1%	16.7%	3.0%	0.6%	0.7%	0.0%	0.0%	0.6%	9.5%	7.7%	3.6%

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.

CLOSING PRICE 364.72 (09/17/21)

HIGH THIS YEAR 384.33

LOW THIS YEAR 244.13

	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
2016	133.5	89.4	3.49	38.3	25.6	0.00	0.0	0.0
2017	184.3	115.1	5.39	34.2	21.3	0.00	0.0	0.0
2018	218.6	123.0	7.57	28.9	16.3	0.00	0.0	0.0
2019	208.9	128.6	6.43	32.5	20.0	0.00	0.0	0.0
2020	304.7	137.1	10.09	30.2	13.6	0.00	0.0	0.0
AVERAGE		118.6		32.8	19.4		0.0	
CURRENT/TTM			13.50			0.00	0.0	
AVERAGE PRICE EARNINGS RATIO: 26.1				CURRENT PRICE EARNINGS RATIO: 27.0				

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 32.8 X Estimate High Earnings/Share 23.58 = Forecasted High Price \$ 773.3

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 19.4 X Estimate Low Earnings/Share 13.50 = Forecasted Low Price \$ 261.9

(b) Avg. Low Price of Last 5 Years 118.6

(c) Recent Market Low Price 128.6

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

Selected Forecasted Low Price \$ 261.9

C ZONING using 25%-50%-25%

Forecasted High Price 773.3 Minus Forecasted Low Price 261.9 = 511.4 Range. 25% of Range 127.9

Buy Zone 261.9 to 389.8

Hold Zone 389.8 to 645.5

Sell Zone 645.5 to 773.3

Present Market Price of 364.72 is in the **BUY** Zone

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

$\frac{\text{High Price } 773.3 - \text{Present Price } 364.72}{\text{Present Price } 364.72} = \frac{408.60}{364.72} = 1.12$
 $\frac{\text{Present Price } 364.72 - \text{Minus Low Price } 261.9}{\text{Present Price } 364.72} = \frac{102.82}{364.72} = 0.28$
 Ratio = 4.0 To 1

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

$\frac{\text{High Price } 773.3}{\text{Closing Price } 364.72} = 2.1203 \times 100 = 212.03 - 100 = 112.0\%$ % 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 $\frac{\text{Indicated Annual Dividend } 0.00}{\text{Closing Price } 364.72} = 0.0000 = 0.0\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout } 0.0\%}{\text{Forecast High PE } 32.80} = 0.0\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout } 0.0\%}{\text{Forecast Average PE } 26.10} = 0.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 16.2 %
 Average Yield 0.0 %
 Annualized Rate of Return 16.2 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 11.0 %
 Average Yield 0.0 %
 Annualized Rate of Return 11.0 %