

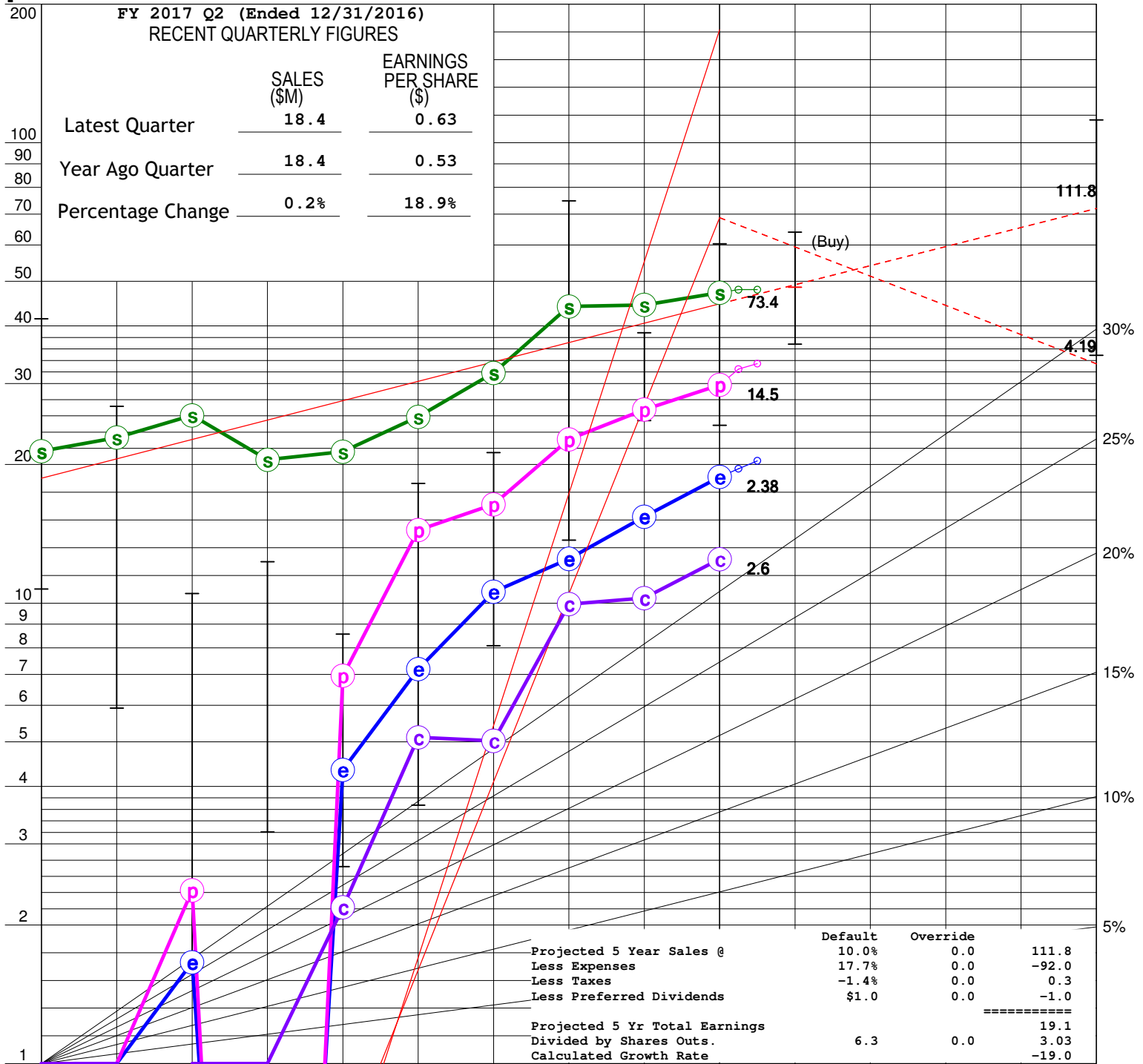


Stock Study

Company	Fonar	Price Date	03/15/17
Study by	pwoodring	Data Date	03/15/17
Sector	Healthcare	Last Judgment	03/16/17
Industry	Medical Devices	Data Source	BI
Preferred(\$M)	0.0	Reference	Morningstar
Diluted(M Shares)	6.3	% Insiders	1.7
Total Debt(\$M)	2.1	% Institutions	38.4
% Tot Debt to Tot Cap	3.2	Quality	

1 Growth Analysis

NAS: FONR



(1) Historical Sales Growth	10.2 %	(3) Historical Earnings Per Share Growth	156.2 %	www.iclub.com
(2) Estimated Future Sales Growth	10.0 %	(4) Estimated Future Earnings Per Share Growth	-13.6 %	
(5) Sales Growth R ²	0.77	(6) Earnings Per Share Growth R ²	0.70	

2 QUALITY ANALYSIS

Company **Fonar** (FONR)

03/15/17

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	5 YEAR AVG.	TREND UP / DOWN
A % Pre-tax Profit on Sales	-76.9	-38.0	2.9	-9.5	10.2	17.8	16.2	16.1	18.6	19.8	17.7	UP
B % ROE (Beginning Yr)	9.6	-83.7	NMF	104.5	NMF	NMF	239.3	103.9	57.4	45.0	111.4	DOWN
C % LT Debt to Equity	6.0	-19.2	31.3	29.4	129.5	23.5	139.8	40.7	17.5	4.3	45.1	DOWN

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 18.15 (7.0) 52-WEEK HIGH (P/E) 23.90 (9.3) 52-WEEK LOW (P/E) 13.65 (5.3)

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2012	6.8	1.4	0.91	7.5	1.5	0.000	0.0	0.0
2 2013	7.9	3.0	1.34	5.9	2.2	0.000	0.0	0.0
3 2014	28.0	5.1	1.58	17.7	3.2	0.000	0.0	0.0
4 2015	14.4	9.3	1.95	7.4	4.8	0.000	0.0	0.0
5 2016	22.6	9.1	2.38	9.5	3.8	0.000	0.0	0.0
6 AVERAGE		5.6		9.6	3.1		0.0	
AVERAGE P/E RATIO		6.4	PROJECTED P/E RATIO		8.1	TTM EPS		2.58
CURRENT P/E RATIO		7.0	PEG RATIO		-0.6	FTM EPS		2.23
RELATIVE VALUE		110.8%	PROJ. RELATIVE VALUE		128.2% 108.6%	AVG TTM + FTM EPS		2.40

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E ~~9.6~~ 10.0 X Estimated High Earnings/Share 4.19 = Forecast High Price \$ 41.9

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E ~~3.1~~ 5.0 (as adj.) X Estimated Low Earnings/Share ~~2.38~~ 2.58 = \$ 12.9

(b) Average 5-Year Low Price = 5.6

(c) Recent Severe Low Price = 9.1

(d) Price Dividend Will Support = Present Divd. + High Yield = 0.00 + 0.000 = 0.0

Selected Estimated Low Price = \$ 12.9

C PRICE RANGES

Forecast High Price 41.9 - Estimated Low Price 12.9 = Range 29.0 25% of Range = 7.3

BUY (Lower 25% of Range) = 12.9 to 20.2

MAYBE (Middle 50% of Range) = 20.2 to 34.6

SELL (Upper 25% of Range) = 34.6 to 41.9

Current Price 18.15 is in the Buy Range

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

(Forecast High Price 41.9 - Current Price 18.15) ÷ (Current Price 18.15 - Estimated Low Price 12.9) = 4.5 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend \$ 0.000 ÷ Current Price of Stock \$ 18.15 = 0.0 % Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 0.0 ÷ Forecast High P/E 10.0 = Avg. Yield 0.0

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 0.0 ÷ Forecast Avg P/E 7.5 = Avg. Yield 0.0

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

Average Yield 0.0 % + Annual Appreciation 18.2 % = Compound Annual Total Return 18.2 %

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

Average Yield 0.0 % + Annual Appreciation 11.6 % = Projected Average Total Return 11.6 %