Stock Selection Guide

Company	Community Bankers Tr		Date	11/02/20
Prepared by	SKY		Data taken from	BI Stock Data
Where traded	NAS	Industry	Banks - Regional	

Capitalization --- Outstanding Amounts		Reference	
Preferred ($M)	0.0	% Insiders	% Institution
Common (M Shares)	22.6	10.1	25.2
Debt ($M) 78.2	% to Tot Cap	32.0 % Pot Dil	0.0

Symbol: ESXB

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY 2020 Q3	Sales ($M)	Earnings Per Share
Latest Quarter	14	0.20
Year Ago Quarter	15	0.20
Percentage Change	-5.0%	0.0%
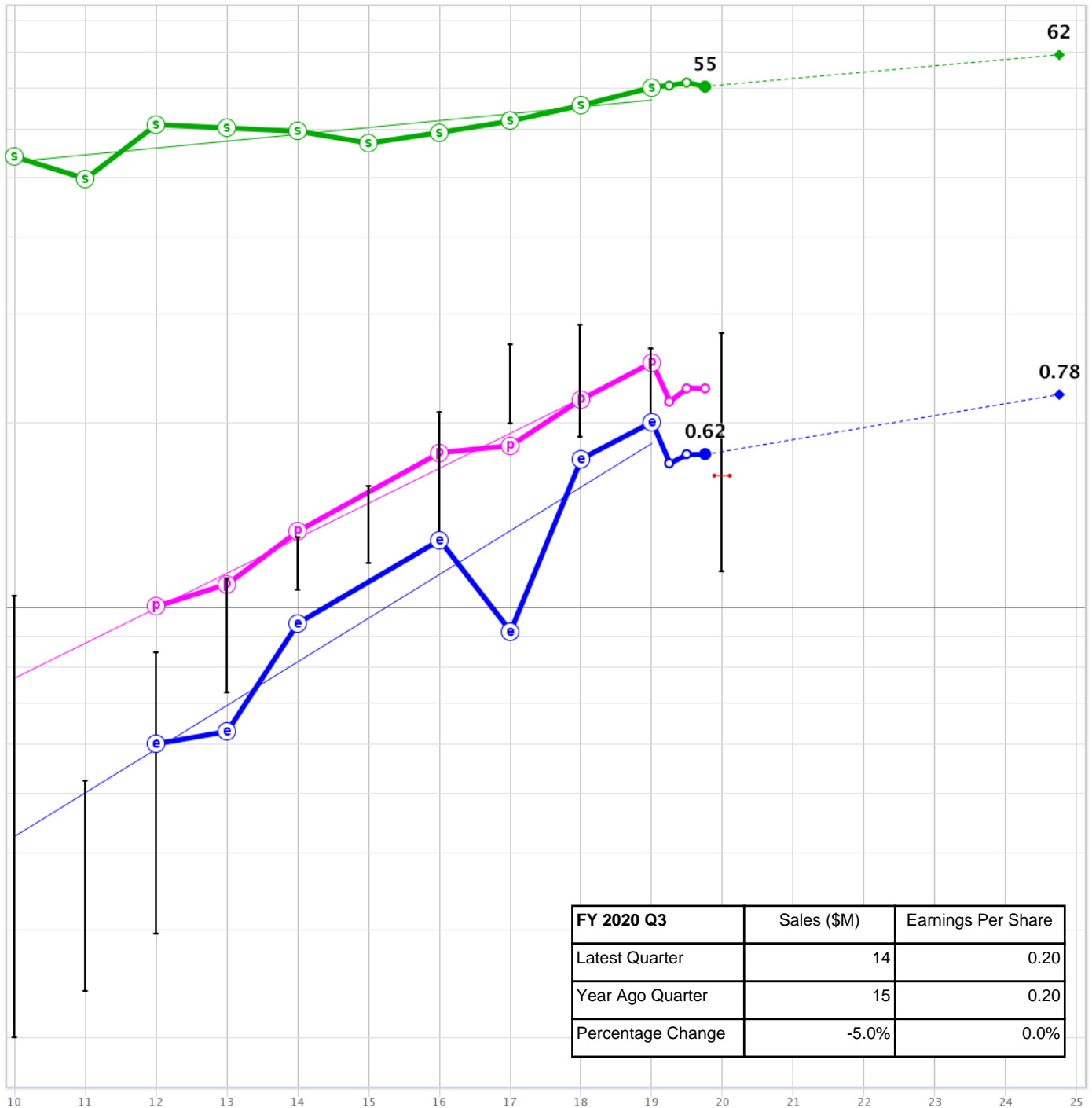
(1) Historical Sales Growth	2.6%	(3) Historical Earnings Per Share Growth	17.8%
(2) Estimated Future Sales Growth	2.4%	(4) Estimated Future Earnings Per Share Growth	4.6%

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last 5 Year Avg.
Pre-tax Profit on Sales	-72.2%	3.9%	16.2%	17.9%	22.1%	-11.5%	29.7%	29.2%	32.8%	35.2%	31.7%
% Earned on Equity	-24.8%	0.5%	4.7%	5.0%	6.9%	-2.3%	8.6%	5.7%	10.2%	10.3%	8.7%
% Debt To Capital	25.7%	25.0%	31.9%	43.2%	50.6%	50.2%	43.4%	46.0%	31.6%	33.8%	41.0%

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 5.73 (11/02/20)　　　**HIGH THIS YEAR** 9.75　　　**LOW THIS YEAR** 4.00

	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
2015	5.5	4.1	-0.11	NMF	NMF	0.00	0.0	0.0
2016	7.3	4.5	0.45	16.1	9.9	0.00	0.0	0.0
2017	9.4	7.0	0.32	29.2	21.7	0.00	0.0	0.0
2018	10.1	6.6	0.61	16.5	10.9	0.00	0.0	0.0
2019	9.2	7.1	0.70	13.2	10.2	0.13	18.6	1.8
AVERAGE		5.9		15.2	10.3		3.7	
CURRENT/TTM			0.62			0.24	38.7	
AVERAGE PRICE EARNINGS RATIO: 12.8					CURRENT PRICE EARNINGS RATIO: 9.2			

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　　15.0　X Estimate High Earnings/Share　　0.78　=　Forecasted High Price $　　11.6

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E　　10.3　X Estimate Low Earnings/Share　　0.62　=　Forecasted Low Price $　　6.4

(b) Avg. Low Price of Last 5 Years　　5.9

(c) Recent Market Low Price　　4.0

(d) Price Dividend Will Support　　$\dfrac{\text{Indicated Dividend}}{\text{High Yield}} = \dfrac{0.24}{1.83\%} = 13.1$

Selected Forecasted Low Price $　　4.5

C ZONING　　using 25%-50%-25%

Forecasted High Price　11.6　Minus Forecasted Low Price　4.5　=　7.1　Range.　25% of Range　1.8

Buy Zone　　4.5　to　6.3

Hold Zone　　6.3　to　9.9

Sell Zone　　9.9　to　11.6

Present Market Price of　　5.73　　is in the　　**BUY**　　Zone

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

$\dfrac{\text{High Price} \quad 11.6 \quad \text{Minus Present Price} \quad 5.73}{\text{Present Price} \quad 5.73 \quad \text{Minus Low Price} \quad 4.5} = \dfrac{5.92}{1.23} = 4.8$　To 1

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

$\dfrac{\text{High Price} \quad 11.6}{\text{Closing Price} \quad 5.73} = 2.0323$ X 100 = 203.23 - 100 = 103.2 % 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　$\dfrac{\text{Indicated Annual Dividend} \quad 0.13}{\text{Closing Price} \quad 5.73} = 0.0419 = 4.2\%$　Current Yield

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

$\dfrac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \dfrac{20.0\%}{15.00} = 1.3\%$　　　　$\dfrac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \dfrac{20.0\%}{12.65} = 1.6\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E　　**COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E**

Annualized Appreciation	15.2 %	Annualized Appreciation	11.4 %
Average Yield	1.3 %	Average Yield	1.6 %
Annualized Rate of Return	16.6 %	Annualized Rate of Return	13.0 %