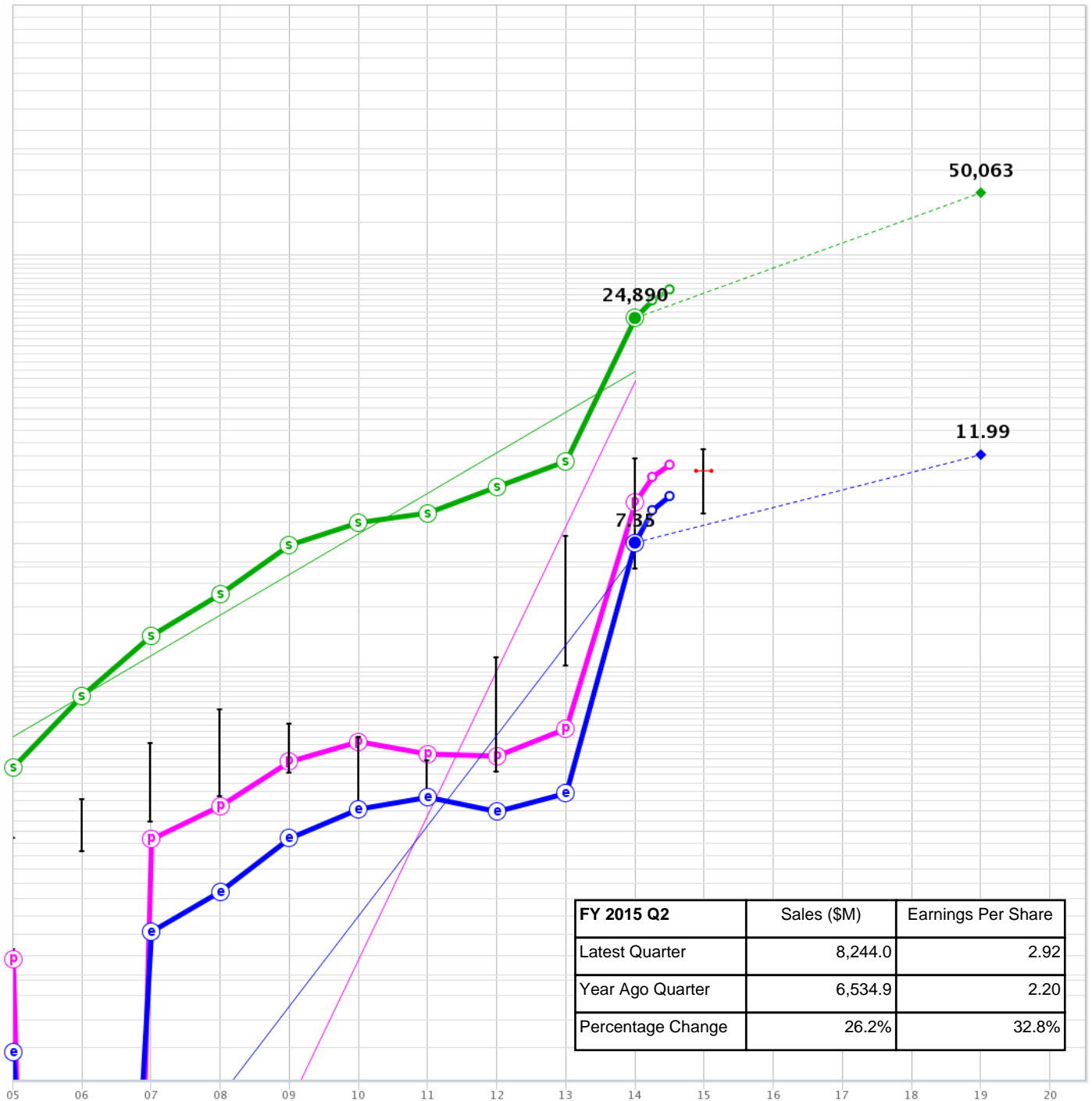


Company	Gilead Sciences		Date	09/11/15	
Prepared by	TAYLOR		Data taken from	BI Stock Data	
Where traded	NAS	Industry	Biotechnology		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	1,540.0	0.6	79.7		
Debt (\$M)	12,274.0	% to Tot Cap	43.0	% Pot Dil	4.6

Stock Selection Guide

Symbol: GILD

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 25.4% | (3) Historical Earnings Per Share Growth | 65.6% |
| (2) Estimated Future Sales Growth | 15.0% | (4) Estimated Future Earnings Per Share Growth | 10.3% |

2 EVALUATING Management

Gilead Sciences

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Last 5 Year Avg.
Pre-tax Profit on Sales	57.3%	-21.1%	53.7%	51.2%	49.9%	49.2%	43.5%	37.2%	37.6%	59.7%	45.4%
% Earned on Equity	30.1%	-36.2%	45.0%	46.0%	39.9%	45.4%	43.7%	26.7%	25.6%	81.2%	44.5%
% 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.

CLOSING PRICE 109.6 (9/11/2015)

HIGH THIS YEAR 123.37

LOW THIS YEAR 85.95

	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	
5 2010	24.8	15.9	1.66	14.9	9.6	0.00	0.0	0.0	
6 2011	21.7	17.2	1.77	12.3	9.7	0.00	0.0	0.0	
7 2012	38.6	20.5	1.64	23.5	12.5	0.00	0.0	0.0	
8 2013	76.1	36.9	1.81	42.0	20.4	0.00	0.0	0.0	
9 2014	116.8	63.5	7.35	15.9	8.6	0.00	0.0	0.0	
AVERAGE		30.8		21.7	12.2		2,341.1		
CURRENT/TTM			9.53			1.72	18.1		
AVERAGE PRICE EARNINGS RATIO 16.9				CURRENT PRICE EARNINGS RATIO 11.5					

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 16.9 X Estimate High Earnings/Share 11.99 = Forecasted High Price \$ 202.7

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 11.5 X Estimate Low Earnings/Share 7.35 = Forecasted Low Price \$ 84.5

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

(c) Recent Market Low Price 36.9

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

Selected Forecasted Low Price \$ 84.5

C ZONING using 25%-50%-25%

Forecasted High Price 202.7 Minus Forecasted Low Price 84.5 = 118.2 Range. 25% of Range 29.6

Buy Zone 84.5 to 114.1

Hold Zone 114.1 to 173.2

Sell Zone 173.2 to 202.7

Present Market Price of 109.63 is in the **BUY** Zone

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

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{202.7 - 109.63}{109.63 - 84.5} = \frac{93.1}{25.1} = 3.7$ To 1

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

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{202.7 - 109.63}{109.63} = 1.85$ X 100 = 184.90 - 100 = 84.9 % 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 $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.00}{109.63} = 0.02 = 1.6\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{16.90} = 0.0\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{14.20} = 0.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 13.1 %
Average Yield 0.0 %
Annualized Rate of Return 13.1 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 9.2 %
Average Yield 0.0 %
Annualized Rate of Return 9.2 %