

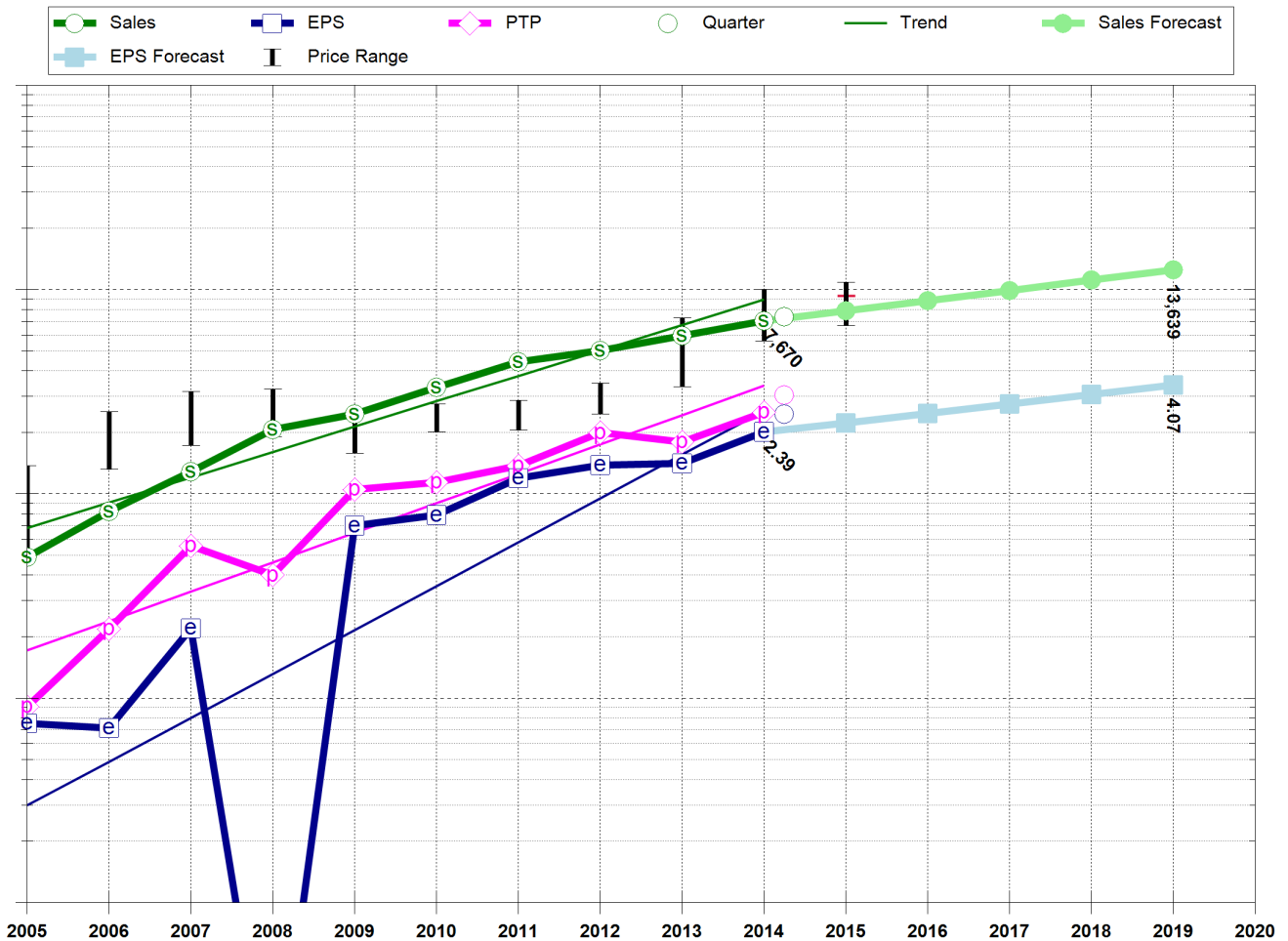
Company	Celgene Corp		Date	6/9/2015	
Prepared by	HARPER		Data taken from	BI Stock Data	
Where traded	NAS	Industry	Biotechnology		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Diluted Shares (M)	834.1		0.5	85.5	
Debt (\$M)	6,807.4	% to Tot Cap	50.2	% Pot Dil	4.4

Stock Selection Guide

Symbol: CELG

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY2015 Quarter Ending (03/15)	Sales (\$M)	Earnings Per Share
Latest Quarter	2,080.8	0.86
Year Ago Quarter	1,730.0	0.33
Percentage Change	20.3%	160.4%



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|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 33.1% | (3) Historical Earnings Per Share Growth | 63.9% |
| (2) Estimated Future Sales Growth | 12.2% | (4) Estimated Future Earnings Per Share Growth | 11.2% |

2 EVALUATING Management

Celgene Corp

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Last 5 Year Avg.
Pre-tax Profit on Sales	15.7%	22.6%	36.8%	16.5%	36.3%	29.2%	26.4%	33.6%	25.6%	30.3%	29.0%
% Earned on Equity	10.6%	7.6%	7.4%	-45.5%	17.4%	14.7%	22.2%	24.4%	23.4%	33.2%	23.6%
% Debt To Capital	38.6%	17.6%	7.2%	0.0%	0.0%	17.3%	24.6%	35.1%	45.9%	51.3%	34.8%

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 110.7

HIGH THIS YEAR 129.06

LOW THIS YEAR 79.42

	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	32.9	24.0	0.94	35.1	25.6	0.00	0.0	0.0	
2 2011	34.1	24.5	1.42	24.0	17.2	0.00	0.0	0.0	
3 2012	41.4	29.3	1.65	25.1	17.7	0.00	0.0	0.0	
4 2013	86.9	39.9	1.69	51.6	23.7	0.00	0.0	0.0	
5 2014	119.8	66.9	2.39	50.1	27.9	0.00	0.0	0.0	
AVERAGE		36.9		37.2	22.4		0.0		
CURRENT/TTM			2.93			0.00	0.0		
AVERAGE PRICE EARNINGS RATIO 29.8					CURRENT PRICE EARNINGS RATIO 37.8				

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 37.83 X Estimate High Earnings/Share 4.07 = Forecasted High Price \$ 154.0

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 22.40 X Estimate Low Earnings/Share 2.39 = Forecasted Low Price \$ 53.5

(b) Avg. Low Price of Last 5 Years 36.9

(c) Recent Market Low Price 39.88

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

Selected Forecasted Low Price \$ 36.9

C ZONING using 25%-50%-25%

Forecasted High Price 154.0 Minus Forecasted Low Price 36.9 = 117.1 Range. 25% of Range 29.3

Buy Zone 36.9 to 66.2

Hold Zone 66.2 to 124.7

Sell Zone 124.7 to 154.0

Present Market Price of 110.72 is in the **Hold** Zone

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

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{154.0 - 110.72}{110.72 - 36.9} = \frac{43.25}{73.83} = 0.6$ To 1

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

$\frac{\text{High Price} - \text{Present Market Price}}{\text{Present Market Price}} = \frac{154.0 - 110.72}{110.72} = 1.39$ X 100 = 139.06 - 100 = 39.1 % 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 $\frac{\text{Present Full Year's Dividend \$ } 0.00}{\text{Present Price of Stock } 110.72} = 0.00 = 0.0\%$ Present Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout } 0.0\%}{\text{Forecast High PE } 37.83} = 0.0\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout } 0.0\%}{\text{Forecast Average PE } 30.12} = 0.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 6.8 %
Average Yield 0.0 %
Annualized Rate of Return 6.8 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 2.1 %
Average Yield 0.0 %
Annualized Rate of Return 2.1 %