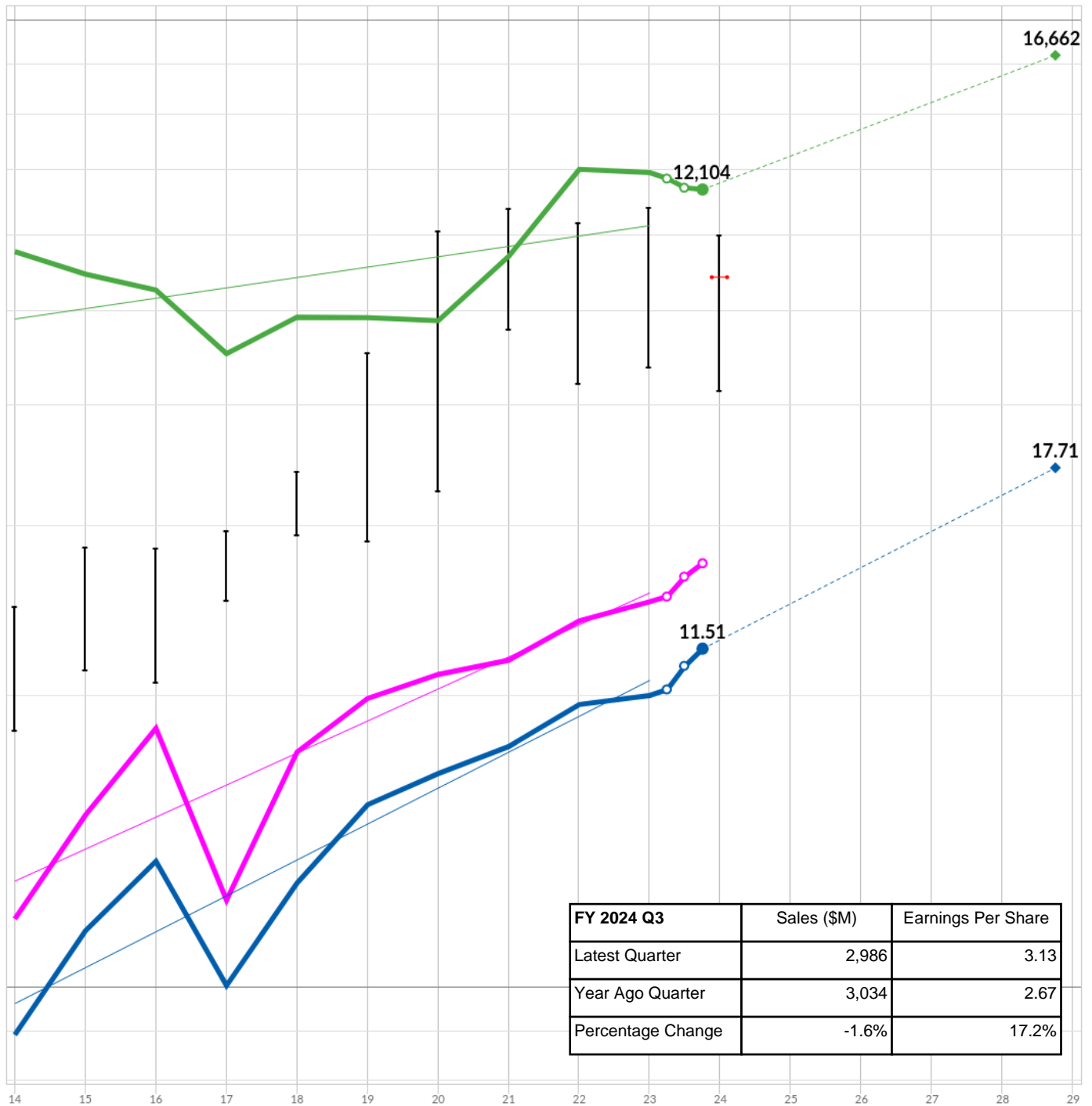


Stock Selection Guide

Company	Air Products & Chemi		Date	09/02/24	
Prepared by	MURPHY		Data taken from	BI Stock Data	
Where traded	NYS	Industry	Specialty Chemicals		
Capitalization ---	Outstanding Amounts	Reference			
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	222.8	0.8	53.1		
Debt (\$M)	14,672.0	% to Tot Cap	49.3	% Pot Dil	0.1

Symbol: APD

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|------|--|------|
| (1) Historical Sales Growth | 2.5% | (3) Historical Earnings Per Share Growth | 8.9% |
| (2) Estimated Future Sales Growth | 6.6% | (4) Estimated Future Earnings Per Share Growth | 9.0% |

2 EVALUATING Management

Air Products & Chemi

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Last 5 Year Avg.
% Pre-tax Profit on Sales	13.0%	17.5%	22.4%	17.3%	22.6%	25.7%	27.4%	24.3%	21.7%	22.9%	24.4%
% Earned on Equity	12.7%	16.7%	21.4%	12.0%	13.8%	15.4%	16.2%	15.4%	16.4%	16.2%	15.9%
% Debt To Capital	45.4%	44.8%	46.8%	28.2%	26.0%	23.1%	40.8%	37.8%	38.8%	43.5%	36.8%

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.

CURRENT PRICE 278.85 (09/02/24)

52-WEEK HIGH 307.71

52-WEEK LOW 212.24

	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
2019	232.5	148.4	7.94	29.3	18.7	4.58	57.7	3.1
2020	310.7	167.4	8.55	36.3	19.6	5.18	60.6	3.1
2021	327.9	245.8	9.12	36.0	26.9	5.84	64.0	2.4
2022	316.4	216.2	10.08	31.4	21.5	6.36	63.1	2.9
2023	328.6	224.8	10.30	31.9	21.8	6.87	66.7	3.1
AVERAGE		200.5		33.0	21.7		62.4	
CURRENT/TTM			11.51	26.7	18.4	7.08	61.5	
AVERAGE PRICE EARNINGS RATIO: 27.3					CURRENT PRICE EARNINGS RATIO: 24.2			

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 27.0 X Estimate High Earnings/Share 17.71 = Forecasted High Price \$ 478.2

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 21.7 X Estimate Low Earnings/Share 11.05 = Forecasted Low Price \$ 239.8

(b) Avg. Low Price of Last 5 Years 200.5

(c) Recent Market Low Price 212.2

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{7.08}{3.09\%} = 228.8$

Selected Forecasted Low Price \$ 200.5

C ZONING using 25%-50%-25%

Forecasted High Price 478.2 Minus Forecasted Low Price 200.5 = 277.6 Range. 25% of Range 69.4

Buy Zone 200.5 to 269.9

Hold Zone 269.9 to 408.8

Sell Zone 408.8 to 478.2

Present Market Price of 278.85 is in the **HOLD** Zone

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

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price} - \text{Low Price}} = \frac{478.2 - 278.85}{278.85 - 200.5} = \frac{199.32}{78.33} = 2.5$ To 1

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

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price}} = \frac{478.2 - 278.85}{278.85} = 1.7148 \times 100 = 171.48 - 100 = 71.5\%$ % 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 $\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{7.08}{278.85} = 0.0254 = 2.5\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{62.4\%}{27.00} = 2.3\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{62.4\%}{24.35} = 2.6\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 11.4 %
Average Yield 2.3 %
Annualized Rate of Return 13.7 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 9.1 %
Average Yield 2.6 %
Annualized Rate of Return 11.7 %