

## Control Panel - ABC Merger Model

(In USD millions except per share data)

### General Assumptions

Acquirer name	XYZ
Target name	ABC
XYZ stock price	\$10.10
Model currency	USD

### Sources & Uses

<b>Sources</b>	
XYZ's Cash	1.9
XYZ's Stock	138.2
Acquisition Financing	-
<b>Total Sources</b>	<b>140.1</b>
<b>Uses</b>	
Equity Purchase Price	138.2
Debt Issuance Fee	-
Equity Issuance Fee	1.4
Target Debt Retired	0.5
<b>Total Uses</b>	<b>140.1</b>

### Synergies

Revenue Synergies (USD)	-
COGS Savings (USD)	-
SG&A Savings (USD)	-
Synergy Realisation Year 1	100.0%
Synergy Realisation Year 2	50.0%
Synergy Realisation Year 3	100.0%

### D&A of Marked Up Assets

Depreciation as % of Beg. Balance	14.2%
Amortization of Acquired Intangibles	5 YR

### Tax Assumptions

XYZ's Tax Rate	32.0%
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### Purchase Price Assumptions

Entry Multiple	11.0x
Stock Consideration	100.0%

### Deal Financing Assumptions

XYZ's Existing Cash Used	50.0%
Interest on Acq. Financing	5.0%
Acq. Financing Repayment	10 YR
Debt Issuance Fee	0.8%
Amortization of Capitalized Fee	5 YR
Equity Issuance Fee	1.0%
Target Debt Repaid	Yes

### ABC's Assets and Liabilities Assumed

Cash	Yes
Current Assets exc. Cash	Yes
Non-Current Assets exc. G/W	Yes
Current Liabilities	Yes
Non-Current Liabilities	Yes
Debt	Yes

### Miscellaneous

Minimum Cash with XYZ Post-Close	5.0
Dividend Per Share	\$0.20

### Circ

1 = Circ on  
0 = Circ off

1

### Accretion / Dilution \$ for Fiscal Year 20XXE

		<b>Entry Multiple</b>			
		11.0x	12.0x	13.0x	14.0x
100% Stock	(\$0.12)	(\$0.13)	(\$0.15)	(\$0.17)	
50% Stock / 50% Cash	(\$0.04)	(\$0.06)	(\$0.08)	(\$0.10)	
100% Cash	\$0.04	\$0.03	\$0.01	(\$0.00)	

### Accretion / Dilution % for Fiscal Year 20XXE

		<b>Entry Multiple</b>			
		12.1x	13.1x	14.1x	15.1x
100% Stock	(18.2%)	(20.4%)	(22.5%)	(24.5%)	
50% Stock / 50% Cash	(8.6%)	(10.9%)	(13.1%)	(15.2%)	
100% Cash	3.3%	1.4%	(0.5%)	(2.4%)	

### Synergies/(Cushion) to Breakeven in 20XXE

		<b>Entry Multiple</b>			
		12.1x	13.1x	14.1x	15.1x
100% Stock	(\$8.7)	(\$10.0)	(\$11.4)	(\$12.7)	
50% Stock / 50% Cash	(\$3.4)	(\$4.4)	(\$5.4)	(\$6.3)	
100% Cash	\$1.0	\$0.4	(\$0.2)	(\$0.8)	

		<b>20XX</b>	<b>20XX</b>	<b>20XX</b>	<b>20XX</b>	<b>20XX</b>
Accretion/Dilution	(4.3%)	(15.6%)	(21.2%)	(20.7%)	(20.2%)	

### ABC Fair Value Adjustments

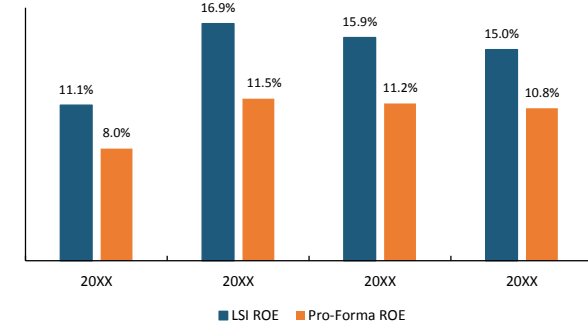
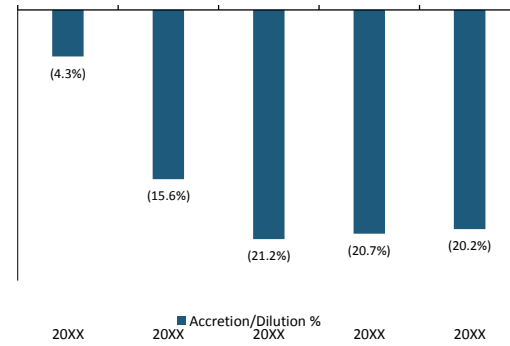
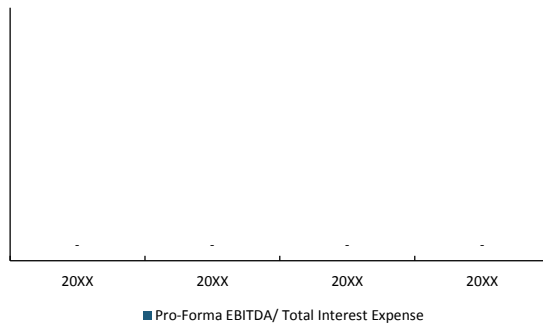
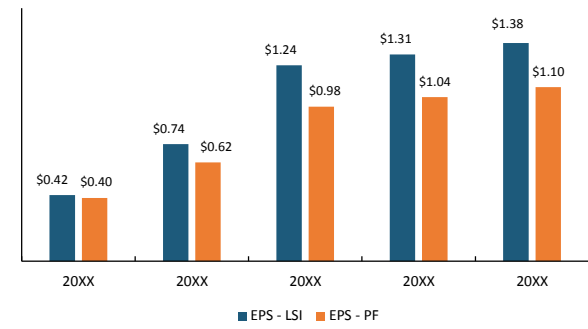
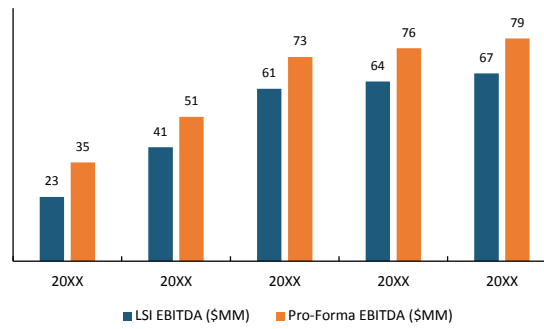
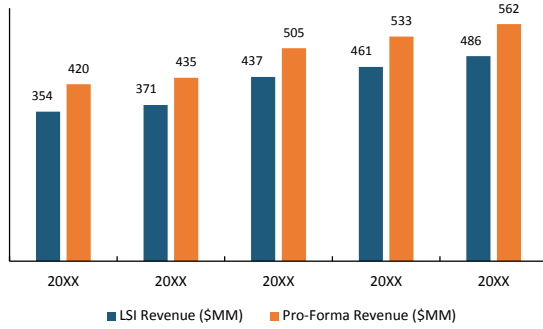
		<b>Mark-Up?</b>	<b>%</b>
Net PPE		Yes	500.0%
Excess offer value identifiable to intangibles		Yes	0.0%

### Operating Case

ABC	2
XYZ	2

## Control Panel - ABC Merger Model

### Output Charts



## Post-Transaction BS

(In USD millions except per share data)

Purchase Price	
Entry Multiple	11.0x
Stock Consideration	100.0%
LTM Ebitda - ABC	12.3
Enterprise Valuation	135.0
Net Debt	(3.2)
<b>Equity Purchase Price</b>	<b>138.2</b>

Pro-Forma Shares Outstanding - XYZ	
XYZ's Share Outstanding	27.410
Shares Issued (in million)	13.680
<b>Pro-Forma Shares Outstanding</b>	<b>41.090</b>
XYZ's Ownership	66.7%

ABC Fair Value Adjustments					
Asset	Include	Mark-Up?	BV	FV	Mark-Up
Net PP&E	Yes	Yes	3.5	21.0	17.5
Identifiable intangible	Yes	Yes	-	-	-

Sources & Uses	
<b>Sources</b>	
XYZ's Cash	1.9
XYZ's Stock	138.2
Acquisition Financing	-
<b>Total Sources</b>	<b>140.1</b>

<b>Uses</b>	
Equity Purchase Price	138.2
Debt Issuance Fee	-
Equity Issuance Fee	1.4
Target Debt Retired	0.5
<b>Total Uses</b>	<b>140.1</b>

Purchase Price Allocation	
Purchase price	\$138.2
(-) Tangible Book Value Acquired	(17.5)
Excess purchase price to allocate	120.6
Fair value adjustments	17.5
<b>Goodwill created</b>	<b>\$103.1</b>

	Pro-Forma Balance Sheet												
			Purchase Accounting			Transaction & Restructuring		Third Party Financing			Pro-Forma		
	XYZ	ABC	Fair Value Adj.	Fair Value of Acquired	Adjustments	Acquired Incremental	Charges at Close	Balance Sheet Restructuring	Debt Issuance	Preferred Issuance	Common Issuance	Pro-Forma Incremental	Pro-Forma Consolidated
	6/30/20XX	5/25/20XX		Balance Sheet		Balance Sheet						Balance Sheet	Balance Sheet
<b>Current Assets</b>													
Cash & Equivalents	37.2	3.7	-	3.7	-	3.7	-	(0.5)	-	-	(\$1.4)	1.8	39.0
Accounts Receivable	41.7	7.4	-	7.4	-	7.4	-	-	-	-	-	7.4	49.1
Inventory	50.8	10.4	-	10.4	-	10.4	-	-	-	-	-	10.4	61.2
Other Current Assets	10.6	0.2	-	0.2	-	0.2	-	-	-	-	-	0.2	10.8
Total Current Assets	140.3	21.6	-	21.6	-	21.6	-	(0.5)	-	-	(1.4)	19.8	160.0
<b>Non-Current Assets</b>													
Net PP&E	52.2	3.5	17.5	21.0	-	21.0	-	-	-	-	-	21.0	73.2
Intangibles (excl. Goodwill)	6.3	-	-	-	-	-	-	-	-	-	-	-	6.3
Goodwill	11.6	-	-	-	103.1	103.1	-	-	-	-	-	103.1	114.7
Other Long-term Assets	4.3	0.1	-	0.1	-	0.1	-	-	-	-	-	0.1	4.4
Capitalised Debt / Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Long-term Assets	74.4	3.6	17.5	21.1	103.1	124.2	-	-	-	-	-	124.2	198.6
<b>Total Assets</b>	<b>214.6</b>	<b>25.2</b>	<b>17.5</b>	<b>42.7</b>	<b>103.1</b>	<b>145.8</b>	<b>-</b>	<b>(0.5)</b>	<b>-</b>	<b>-</b>	<b>(1.4)</b>	<b>144.0</b>	<b>358.6</b>
<b>Current Liabilities</b>													
Accounts Payable	12.9	4.8	-	4.8	-	4.8	-	-	-	-	-	4.8	17.8
Other Current Liabilities (excl. Debt)	30.2	2.3	-	2.3	-	2.3	-	-	-	-	-	2.3	32.6
Total Current Liabilities (excl. Debt)	43.2	7.2	-	7.2	-	7.2	-	-	-	-	-	7.2	50.3
<b>Long Term Liabilities</b>													
Revolver	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt	-	0.5	-	0.5	-	0.5	-	(0.5)	-	-	-	-	-
Other Long-term Liabilities	0.9	-	-	-	-	-	-	-	-	-	-	-	0.9
New Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Long-term Liabilities	0.9	0.5	-	0.5	-	0.5	-	(0.5)	-	-	-	-	0.9
Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Shareholders Equity</b>													
Common Stock & APIC	136.4	0.9	-	0.9	137.3	138.2	-	-	-	-	-	138.2	274.6
Retained Earnings	51.6	16.7	-	16.7	(16.7)	-	-	-	-	(1.4)	-	(1.4)	50.2
Total Shareholder's Equity	188.1	17.5	-	17.5	120.6	138.2	-	-	-	(1.4)	-	136.8	324.8
<b>Total Liabilities and Equity</b>	<b>232.1</b>	<b>25.2</b>	<b>-</b>	<b>25.2</b>	<b>120.6</b>	<b>145.8</b>	<b>-</b>	<b>(0.5)</b>	<b>-</b>	<b>-</b>	<b>(1.4)</b>	<b>144.0</b>	<b>376.1</b>
Check	(17.5)	-	-	17.5	-	-	-	-	-	-	-	-	(17.5)

## Pro-Forma - Financials

### Income Statement

(In USD millions except per share data)

	Fiscal Years Ending June						
	20XX	20XX	20XX	20XX	20XX		
Revenue			419.6	435.2	504.9	532.7	562.0
COGS			296.5	294.5	342.8	361.7	381.6
<b>Gross Profit</b>			<b>123.1</b>	<b>140.6</b>	<b>162.1</b>	<b>171.0</b>	<b>180.4</b>
SG&A excl. D&A			88.3	89.3	89.5	95.3	101.2
Existing D&A			8.0	9.7	9.6	9.2	9.0
Additional D&A			2.5	2.5	2.1	1.8	1.6
<b>Total SG&amp;A</b>			<b>98.8</b>	<b>101.5</b>	<b>101.2</b>	<b>106.3</b>	<b>111.8</b>
Other Operating Expenses			-	-	-	-	-
Other Operating (Income)			(0.3)	-	-	-	-
<b>EBIT</b>			<b>24.6</b>	<b>39.1</b>	<b>61.0</b>	<b>64.7</b>	<b>68.7</b>
<b>EBITDA</b>			<b>35.1</b>	<b>51.4</b>	<b>72.7</b>	<b>75.8</b>	<b>79.2</b>
Interest (Income)			(0.1)	-	-	-	-
Interest Expense			0.0	-	-	-	-
Amortization of Cap. Financing Fee			-	-	-	-	-
<b>Net Interest</b>			<b>(0.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-operating Expense / (Income)			-	-	-	-	-
<b>Pre-tax Income</b>			<b>24.6</b>	<b>39.1</b>	<b>61.0</b>	<b>64.7</b>	<b>68.7</b>
Taxes			7.9	12.5	19.5	20.7	22.0
Minority Interest Expense / (Income)			-	-	-	-	-
<b>Net Income</b>			<b>16.7</b>	<b>26.6</b>	<b>41.5</b>	<b>44.0</b>	<b>46.7</b>
Diluted Shares Outstanding			28.151	28.921	28.757	28.757	28.757
Shares Issued			13.680	13.680	13.680	13.680	13.680
<b>EPS - PF</b>			<b>\$0.40</b>	<b>\$0.62</b>	<b>\$0.98</b>	<b>\$1.04</b>	<b>\$1.10</b>
EPS - LSI			\$0.42	\$0.74	\$1.24	\$1.31	\$1.38
<b>Accretion/Dilution \$</b>			<b>(\$0.02)</b>	<b>(\$0.12)</b>	<b>(\$0.26)</b>	<b>(\$0.27)</b>	<b>(\$0.28)</b>
<b>Accretion/Dilution %</b>			<b>(4.3%)</b>	<b>(15.6%)</b>	<b>(21.2%)</b>	<b>(20.7%)</b>	<b>(20.2%)</b>

### Margins

COGS	70.7%	67.7%	67.9%	67.9%	67.9%
SG&A	23.6%	23.3%	20.0%	20.0%	19.9%
EBITDA	8.4%	11.8%	14.4%	14.2%	14.1%
EBIT	5.9%	9.0%	12.1%	12.2%	12.2%
Net Income	4.0%	6.1%	8.2%	8.3%	8.3%

### Growth Rate

Revenue		3.7%	16.0%	5.5%	5.5%
COGS		(0.7%)	16.4%	5.5%	5.5%
EBITDA		46.3%	41.5%	4.3%	4.5%
EBIT		59.2%	55.8%	6.2%	6.1%
Net Income		59.0%	55.8%	6.2%	6.1%
EPS		56.2%	56.4%	6.2%	6.1%
Effective Tax Rate	32.0%	32.0%	32.0%	32.0%	32.0%

### Profitability Ratios

ROA		7.2%	10.4%	10.0%	9.7%
ROE		8.0%	11.5%	11.2%	10.8%

## Pro-Forma - Financials

### Balance Sheet

(In USD millions except per share data)

	Fiscal Years Ending June				
	20XX	20XX	20XX	20XX	20XX
<b>Current Assets</b>					
Cash & Equivalents	39.0	64.1	90.1	124.2	159.9
Accounts Receivable	49.1	51.2	59.4	62.6	66.1
Inventory	61.2	57.0	66.4	70.0	73.9
Other Current Assets	10.8	13.0	15.1	15.9	16.8
Total Current Assets	160.0	185.4	230.9	272.8	316.6
<b>Non-Current Assets</b>					
Net PP&E	73.2	67.5	63.3	60.3	58.2
Intangibles (excl. Goodwill)	6.3	6.3	6.3	6.3	6.3
Goodwill	114.7	114.7	114.7	114.7	114.7
Other Long-term Assets	4.4	4.4	4.4	4.4	4.4
Capitalised Debt / Financing Fees	-	-	-	-	-
Total Long-term Assets	198.6	192.8	188.7	185.7	183.6
<b>Total Assets</b>	<b>358.6</b>	<b>378.2</b>	<b>419.6</b>	<b>458.5</b>	<b>500.2</b>
<b>Current Liabilities</b>					
Accounts Payable	17.8	14.5	16.9	17.8	18.8
Other Current Liabilities (excl. Debt)	32.6	37.3	43.4	45.8	48.3
Total Current Liabilities (excl. Debt)	50.3	51.8	60.3	63.7	67.2
<b>Long Term Liabilities</b>					
Revolver	-	-	-	-	-
Debt	-	-	-	-	-
Other Long-term Liabilities	0.9	0.9	0.9	0.9	0.9
New Debt	-	-	-	-	-
Total Long-term Liabilities	0.9	0.9	0.9	0.9	0.9
Minority Interest	-	-	-	-	-
<b>Shareholders Equity</b>					
Common Stock & APIC	274.6	274.6	274.6	274.6	274.6
Retained Earnings	50.2	68.3	101.3	136.8	175.0
Total Shareholder's Equity	324.8	342.9	375.9	411.4	449.6
<b>Total Liabilities and Equity</b>	<b>376.1</b>	<b>395.7</b>	<b>437.1</b>	<b>476.0</b>	<b>517.7</b>
Check	(17.0)	(17.0)	(17.0)	(17.0)	(17.0)

## Pro-Forma - Financials

### Cash Flow Statement

(In USD millions except per share data)

	Fiscal Years Ending June							
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
Net Income				26.6	41.5	44.0	46.7	
Plus: Depreciation				12.2	11.7	11.0	10.6	
Plus: Amortization				-	-	-	-	
Less: Increase in Working Capital				1.3	(11.1)	(4.4)	(4.7)	
<b>Cash From Operating Activities</b>				<b>40.1</b>	<b>42.0</b>	<b>50.6</b>	<b>52.6</b>	
Capital Expenditures, net				(6.5)	(7.6)	(8.0)	(8.4)	
Intangible Acquisitions				-	-	-	-	
Less: Increase in Other Long-term Assets/Liabilities				-	-	-	-	
<b>Cash From Investing Activities</b>				<b>(6.5)</b>	<b>(7.6)</b>	<b>(8.0)</b>	<b>(8.4)</b>	
Increase / (Decrease) in Revolver				-	-	-	-	
Increase / (Decrease) in Debt				-	-	-	-	
Less: Dividends				(8.5)	(8.5)	(8.5)	(8.5)	
<b>Cash From Financing Activities</b>				<b>(8.5)</b>	<b>(8.5)</b>	<b>(8.5)</b>	<b>(8.5)</b>	
Beginning Cash				39.0	64.1	90.1	124.2	
Free Cash Flow				33.7	34.4	42.6	44.1	
Plus: Cash From Financing Activities				(8.5)	(8.5)	(8.5)	(8.5)	
Change in Cash				25.2	25.9	34.1	35.6	
<b>Ending Cash Balance</b>				<b>64.1</b>	<b>90.1</b>	<b>124.2</b>	<b>159.9</b>	

### Working Capital Drivers and Ratios

(In USD millions except per share data)

	Fiscal Years Ending June							
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
Working Capital								
Days Receivable				42.9	42.9	42.9	42.9	
Days of Inventory				70.7	70.7	70.7	70.7	
Other Current Assets as a % of Revenue				3.0%	3.0%	3.0%	3.0%	
Days Payable				18.0	18.0	18.0	18.0	
Other Current Liabilities as a % of COGS				12.7%	12.7%	12.7%	12.7%	

## Pro-Forma - Financials

### Synergies

(In USD millions except per share data)

	Fiscal Years Ending June							
	20XX	20XX	20XX	20XX	20XX			
<b>Revenue</b>								
XYZ Revenue			354.4	370.5	436.7	460.7	486.1	
ABC Revenue			65.1	64.7	68.2	72.0	75.9	
Revenue Synergy			-	-	-	-	-	
<b>Pro Forma Revenue</b>	-	-	-	<b>419.6</b>	<b>435.2</b>	<b>504.9</b>	<b>532.7</b>	<b>562.0</b>
<b>COGS</b>								
XYZ COGS			262.4	259.4	305.7	322.5	340.3	
ABC COGS			34.1	35.2	37.1	39.1	41.3	
(-) COGS Savings			-	-	-	-	-	
<b>Pro Forma COGS</b>	-	-	-	<b>296.5</b>	<b>294.5</b>	<b>342.8</b>	<b>361.7</b>	<b>381.6</b>
<b>SG&amp;A</b>								
XYZ SG&A			76.2	79.7	78.6	82.9	87.5	
ABC SG&A			20.2	19.4	20.4	21.5	22.7	
(-) SG&A Savings			-	-	-	-	-	
<b>Pro Forma SG&amp;A</b>	-	-	-	<b>96.3</b>	<b>99.0</b>	<b>99.0</b>	<b>104.5</b>	<b>110.2</b>

### Amortization Schedule

(In USD millions except per share data)

	Fiscal Years Ending June						
	20XX	20XX	20XX	20XX	20XX		
<b>Amortization of Cap. Financing Fee</b>							
Beginning balance				-	-	-	-
(-) Amortization				-	-	-	-
Ending balance				-	-	-	-
Amortization							5YR
<b>Amortization of Acqrd. Intangibles ex. G/W</b>							
Beginning balance				-	-	-	-
(-) Amortization				-	-	-	-
Ending balance				-	-	-	-
Amortization							5YR
<b>Existing Amortization</b>							
XYZ Amortisation				-	-	-	-
ABC Amortisation				-	-	-	-
<b>Total Amortization (operating)</b>				-	-	-	-

## Pro-Forma - Financials

### Depreciation Schedule

(In USD millions except per share data)

	Fiscal Years Ending June						
	20XX	20XX	20XX	20XX	20XX		
<b>Marked Up Asset</b>							
Beginning balance				17.5	15.0	12.9	11.0
(-) Depreciation			-	(2.5)	(2.1)	(1.8)	(1.6)
Ending balance			17.5	15.0	12.9	11.0	9.5
Depreciation rate as % of Beg. Balan		14.2%					
<b>Existing Assets</b>							
XYZ Depreciation			7.0	9.1	8.9	8.6	8.4
ABC Depreciation			1.1	0.7	0.6	0.6	0.5
<b>Total Depreciation</b>			<b>8.0</b>	<b>12.2</b>	<b>11.7</b>	<b>11.0</b>	<b>10.6</b>

### Debt Schedule

(In USD millions except per share data)

	Fiscal Years Ending June					
	20XX	20XX	20XX	20XX	20XX	
<b>New Debt</b>						
Beginning balance			-	-	-	-
(-) Mandatory repayment			-	-	-	-
(-) Optional repayment			-	-	-	-
Ending balance			-	-	-	-
Interest expense			-	-	-	-
Amortization		10YR				
Interest Rate		5.0%				
<b>Debt</b>						
Beginning balance			-	-	-	-
(-) Mandatory repayment			-	-	-	-
(-) Optional repayment			-	-	-	-
Ending balance			-	-	-	-
Interest expense			-	-	-	-
Amortization		10YR				
Interest Rate		5.0%				
<b>Revolver</b>						
Cash available before revolver			59.1	85.1	119.2	154.9
Beginning balance			-	-	-	-
Net Change during the year			-	-	-	-
Ending balance			-	-	-	-
Interest expense			-	-	-	-
Interest Rate		7.00%				
<b>Total Interest Expense</b>			-	-	-	-



## Pro-Forma - Financials

### Dividend Payout Ratio

(In USD millions except per share data)

	Fiscal Years Ending June							
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
Dividend Payout Ratio					32.0%	20.5%	19.3%	18.2%
Dividend Per Share					\$0.20	\$0.20	\$0.20	\$0.20
Total Dividend Paid					8.5	8.5	8.5	8.5

### Summary of Credit Metrics

(In USD millions except per share data)

	Fiscal Years Ending June							
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX

#### Capitalization

Total debt				-	-	-	-	-
Net debt				(39.0)	(64.1)	(90.1)	(124.2)	(159.9)
Senior debt				-	-	-	-	-
Total capitalization				324.8	342.9	375.9	411.4	449.6

#### Interest Expense

Senior interest expense				-	-	-	-	-
Total interest expense				-	-	-	-	-

#### Coverage

EBITDA				35.1	51.4	72.7	75.8	79.2
EBITDA / senior interest expense				NM	NM	NM	NM	NM
EBITDA / total interest expense				NM	NM	NM	NM	NM
EBITDA – capex				NA	44.9	65.1	67.8	70.8
(EBITDA – capex) / senior interest expense				NM	NM	NM	NM	NM
(EBITDA – capex) / total interest expense				NM	NM	NM	NM	NM
EBITDA – capex – Δ WC				NA	46.2	53.9	63.3	66.1
(EBITDA – capex – Δ WC) / senior interest expense				NM	NM	NM	NM	NM
(EBITDA – capex – Δ WC) / total interest expense				NM	NM	NM	NM	NM

#### Leverage

Senior debt / total capitalization				-	-	-	-	-
Net debt / total capitalization				(0.1x)	(0.2x)	(0.2x)	(0.3x)	(0.4x)
Debt/Equity				-	-	-	-	-
Senior debt / EBITDA				-	-	-	-	-
Total debt / EBITDA				-	-	-	-	-
Net debt / EBITDA				(1.1x)	(1.2x)	(1.2x)	(1.6x)	(2.0x)

ABC Operational Model

BASE CASE

Assumptions

Case:  1 Conservative  
 2 Base  
 3 Aggressive

	Historicals			Projections			
	20XX	20XX	20XX	20XX	20XX	20XX	20XX
<b>INCOME STATEMENT</b>							
Revenue Growth							
Conservative				4.4%	4.4%	4.4%	4.4%
Base				5.5%	5.5%	5.5%	5.5%
Aggressive				6.6%	6.6%	6.6%	6.6%
Revenue Growth	14.8%	5.9%		5.5%	5.5%	5.5%	5.5%
COGS Margin							
Conservative				66.0%	66.0%	66.0%	66.0%
Base				54.4%	54.4%	54.4%	54.4%
Aggressive				55.0%	55.0%	55.0%	55.0%
COGS Margin	58.0%	53.3%	51.9%	54.4%	54.4%	54.4%	54.4%
SG&A % of revenue							
Conservative				35.2%	35.2%	35.2%	35.2%
Base				29.9%	29.9%	29.9%	29.9%
Aggressive				33.9%	33.9%	33.9%	33.9%
SG&A % of revenue	28.4%	30.1%	31.3%	29.9%	29.9%	29.9%	29.9%
Other Operating Expense Margin							
Conservative				0.0%	0.0%	0.0%	0.0%
Base				0.0%	0.0%	0.0%	0.0%
Aggressive				0.0%	0.0%	0.0%	0.0%
Other Operating Expense Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Operating Income Margin							
Conservative				0.0%	0.0%	0.0%	0.0%
Base				0.0%	0.0%	0.0%	0.0%
Aggressive				0.0%	0.0%	0.0%	0.0%
Other Operating Income Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tax							
Conservative				0.0%	0.0%	0.0%	0.0%
Base				0.0%	0.0%	0.0%	0.0%
Aggressive				0.0%	0.0%	0.0%	0.0%
Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>BALANCE SHEET</b>							
Days Receivable							
Conservative				66.0	66.0	66.0	66.0
Base				59.5	59.5	59.5	59.5
Aggressive				55.0	55.0	55.0	55.0
Days Receivable	49.0	62.2	67.5	59.5	59.5	59.5	59.5
Days of Inventory							
Conservative				125.8	125.8	125.8	125.8
Base				120.8	120.8	120.8	120.8
Aggressive				115.8	115.8	115.8	115.8
Days of Inventory	105.5	123.0	133.9	120.8	120.8	120.8	120.8
Other Current Assets as a % of Revenue							
Conservative				0.3%	0.3%	0.3%	0.3%
Base				0.3%	0.3%	0.3%	0.3%
Aggressive				0.3%	0.3%	0.3%	0.3%
Other Current Assets as a % of Revenue	0.2%	0.5%	0.3%	0.3%	0.3%	0.3%	0.3%
Days Payable							
Conservative				64.3	64.3	64.3	64.3
Base				69.3	69.3	69.3	69.3
Aggressive				74.3	74.3	74.3	74.3
Days Payable	54.3	90.9	62.8	69.3	69.3	69.3	69.3
Other Current Liabilities as a % of COGS							
Conservative				15.8%	15.8%	15.8%	15.8%
Base				15.8%	15.8%	15.8%	15.8%
Aggressive				15.8%	15.8%	15.8%	15.8%
Other Current Liabilities as a % of COGS	15.8%	15.9%	15.9%	15.8%	15.8%	15.8%	15.8%
Capital Expenditure as a % Revenue							
Conservative				2.2%	2.2%	2.2%	2.2%
Base				0.6%	0.6%	0.6%	0.6%
Aggressive				1.1%	1.1%	1.1%	1.1%
Capital Expenditure as a % Revenue	0.0%	0.0%	0.0%	0.6%	0.6%	0.6%	0.6%
Depreciation as a % of Beginning PP&E							
Conservative				18.2%	18.2%	18.2%	18.2%
Base				18.2%	18.2%	18.2%	18.2%
Aggressive				16.5%	16.5%	16.5%	16.5%

ABC Operational Model	BASE CASE							
Depreciation as a % of Beginning PP&E	0.0%	27.8%	27.0%	18.2%	18.2%	18.2%	18.2%	18.2%
<b>Acquisition as a % of Beg. Intangibles</b>								
Conservative				0.0%	0.0%	0.0%	0.0%	0.0%
Base				0.0%	0.0%	0.0%	0.0%	0.0%
Aggressive				0.0%	0.0%	0.0%	0.0%	0.0%
Acquisition as a % of Beg. Intangibles				0.0%	0.0%	0.0%	0.0%	0.0%
<b>Amortization as a % of Beg. Intangibles</b>								
Conservative				0.0%	0.0%	0.0%	0.0%	0.0%
Base				0.0%	0.0%	0.0%	0.0%	0.0%
Aggressive				0.0%	0.0%	0.0%	0.0%	0.0%
Amortization as a % of Beg. Intangibles				0.0%	0.0%	0.0%	0.0%	0.0%
<b>EQUITY SCHEDULE</b>								
<b>Dividend Payout Ratio</b>								
Conservative				0.0%	0.0%	0.0%	0.0%	0.0%
Base				0.0%	0.0%	0.0%	0.0%	0.0%
Aggressive				0.0%	0.0%	0.0%	0.0%	0.0%
Dividend Payout Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>DEBT SCHEDULE</b>								
<b>Minimum Cash</b>								
Conservative				11.0	11.0	11.0	11.0	11.0
Base				11.0	11.0	11.0	11.0	11.0
Aggressive				11.0	11.0	11.0	11.0	11.0
Minimum Cash				11.0	11.0	11.0	11.0	11.0
<b>Debt Issued</b>								
Conservative				-	-	-	-	-
Base				-	-	-	-	-
Aggressive				-	-	-	-	-
Debt Issued				-	-	-	-	-
<b>Debt Repurchased</b>								
Conservative				-	-	-	-	-
Base				-	-	-	-	-
Aggressive				-	-	-	-	-
Debt Repurchased				-	-	-	-	-
<b>Interest Rate on Debt</b>								
Conservative				6.7%	6.7%	6.7%	6.7%	6.7%
Base				5.7%	5.7%	5.7%	5.7%	5.7%
Aggressive				4.6%	4.6%	4.6%	4.6%	4.6%
Interest Rate on Debt	6.1%	5.3%		5.7%	5.7%	5.7%	5.7%	5.7%
<b>Interest Rate on Revolver</b>								
Conservative				6.6%	6.6%	6.6%	6.6%	6.6%
Base				6.3%	6.3%	6.3%	6.3%	6.3%
Aggressive				5.5%	5.5%	5.5%	5.5%	5.5%
Interest Rate on Revolver				6.3%	6.3%	6.3%	6.3%	6.3%
<b>Interest Rate on Cash</b>								
Conservative				0.0%	0.0%	0.0%	0.0%	0.0%
Base				0.0%	0.0%	0.0%	0.0%	0.0%
Aggressive				0.0%	0.0%	0.0%	0.0%	0.0%
Interest Rate on Cash				0.0%	0.0%	0.0%	0.0%	0.0%

## Income Statement

(In USD millions except per share data)

	Fiscal Years Ending June - Calculated							
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
Revenue				65.1	64.7	68.2	72.0	75.9
COGS				34.1	35.2	37.1	39.1	41.3
<b>Gross Profit</b>				<b>31.1</b>	<b>29.5</b>	<b>31.1</b>	<b>32.8</b>	<b>34.6</b>
SG&A				20.2	19.4	20.4	21.5	22.7
Other Operating Expenses				-	-	-	-	-
Other Operating (Income)				(0.3)	-	-	-	-
<b>EBITDA</b>				<b>12.3</b>	<b>10.8</b>	<b>11.3</b>	<b>11.8</b>	<b>12.4</b>
Depreciation				1.1	0.7	0.6	0.6	0.5
Amortization				-	-	-	-	-
<b>EBIT</b>				<b>11.2</b>	<b>10.1</b>	<b>10.7</b>	<b>11.3</b>	<b>11.9</b>
Interest (Income)				-	-	-	-	-
Interest Expense				0.0	0.0	0.0	0.0	0.0
Net Interest				0.0	0.0	0.0	0.0	0.0
Non-operating Expense / (Income)				-	-	-	-	-
Pre-tax Income				11.2	10.1	10.7	11.3	11.9
Taxes				-	-	-	-	-
Minority Interest Expense / (Income)				-	-	-	-	-
<b>Net Income</b>				<b>11.2</b>	<b>10.1</b>	<b>10.7</b>	<b>11.3</b>	<b>11.9</b>

	Fiscal Years Ending December							
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
Revenue	49.1	56.3	59.7	62.9	66.4	70.0	73.9	78.0
COGS	28.4	30.0	31.0	34.2	36.1	38.1	40.2	42.4
<b>Gross Profit</b>	<b>20.6</b>	<b>26.3</b>	<b>28.7</b>	<b>28.7</b>	<b>30.3</b>	<b>31.9</b>	<b>33.7</b>	<b>35.6</b>
SG&A	13.9	17.0	18.7	18.8	19.9	21.0	22.1	23.3
Other Operating Expenses	-	-	-	-	-	-	-	-
Other Operating (Income)	-	-	-	-	-	-	-	-
<b>EBITDA</b>	<b>7.2</b>	<b>10.1</b>	<b>11.1</b>	<b>10.6</b>	<b>11.0</b>	<b>11.6</b>	<b>12.1</b>	<b>12.7</b>
Depreciation	0.4	0.7	1.1	0.7	0.6	0.6	0.6	0.5
Amortization	-	-	-	-	-	-	-	-
<b>EBIT</b>	<b>6.7</b>	<b>9.4</b>	<b>10.0</b>	<b>9.9</b>	<b>10.4</b>	<b>11.0</b>	<b>11.6</b>	<b>12.2</b>
Interest (Income)	-	-	-	-	-	-	-	-
Interest Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-operating Expense / (Income)	-	-	-	-	-	-	-	-
Pre-tax Income	6.7	9.3	10.0	9.8	10.4	11.0	11.6	12.2
Taxes	-	-	-	-	-	-	-	-
Minority Interest Expense / (Income)	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>6.7</b>	<b>9.3</b>	<b>10.0</b>	<b>9.8</b>	<b>10.4</b>	<b>11.0</b>	<b>11.6</b>	<b>12.2</b>
Diluted Shares Outstanding	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
EPS	\$0.06	\$0.08	\$0.09	\$0.09	\$0.09	\$0.10	\$0.11	\$0.11

## Margins

COGS	58.0%	53.3%	51.9%	54.4%	54.4%	54.4%	54.4%	54.4%
SG&A	28.4%	30.1%	31.3%	29.9%	29.9%	29.9%	29.9%	29.9%
Other Operating Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Operating Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA	14.6%	17.8%	18.5%	16.8%	16.6%	16.5%	16.4%	16.3%
EBIT	13.7%	16.6%	16.7%	15.7%	15.7%	15.7%	15.7%	15.7%
Net Income	13.7%	16.6%	16.7%	15.6%	15.6%	15.6%	15.6%	15.6%

## Growth Rate

Revenue	14.8%	5.9%	5.5%	5.5%	5.5%	5.5%	5.5%
COGS	5.5%	3.2%	10.5%	5.5%	5.5%	5.5%	5.5%
EBITDA	40.3%	10.0%	(4.4%)	4.5%	4.7%	4.9%	5.0%
EBIT	39.3%	6.7%	(1.2%)	5.5%	5.5%	5.5%	5.5%
Net Income	39.3%	6.7%	(1.2%)	5.6%	5.5%	5.5%	5.5%
EPS	39.3%	6.7%	(1.2%)	5.6%	5.5%	5.5%	5.5%
Effective Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

## Balance Sheet

(In USD millions except per share data)

	Historicals			Projections				
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
Cash & Equivalents	3.7	3.4	-	12.4	22.5	33.1	44.2	55.9
Accounts Receivable	6.6	9.6	11.0	10.3	10.8	11.4	12.1	12.7
Inventory	8.2	10.1	11.4	11.3	11.9	12.6	13.3	14.0
Other Current Assets	0.1	0.3	0.2	0.2	0.2	0.2	0.2	0.3
Total Current Assets	18.6	23.4	22.6	34.2	45.5	57.4	69.8	82.9
PP&E	2.5	4.0	3.9	3.5	3.2	3.0	2.9	2.8
Intangibles (excl. Goodwill)	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Other Long-term Assets	-	-	-	-	-	-	-	-
Total Long-term Assets	2.5	4.0	3.9	3.5	3.2	3.0	2.9	2.8
Total Assets	21.2	27.4	26.4	37.7	48.7	60.4	72.7	85.6
Accounts Payable	4.2	7.5	5.3	6.5	6.9	7.2	7.6	8.1
Other Current Liabilities (excl. Debt)	4.5	4.8	4.9	5.4	5.7	6.0	6.4	6.7
Total Current Liabilities (excl. Debt)	8.7	12.2	10.2	11.9	12.6	13.3	14.0	14.8
Revolver	-	-	0.3	-	-	-	-	-
Debt	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other Long-term Liabilities	-	-	-	-	-	-	-	-
Total Long-term Liabilities	0.1	0.3	0.6	0.3	0.3	0.3	0.3	0.3
Minority Interest	-	-	-	-	-	-	-	-
Common Stock & APIC	12.3	14.8	15.6	15.6	15.6	15.6	15.6	15.6
Retained Earnings	-	-	-	9.8	20.2	31.2	42.7	54.9
Total Shareholder's Equity	12.3	14.8	15.6	25.5	35.8	46.8	58.4	70.6
Total Liabilities and Equity	21.2	27.4	26.4	37.7	48.7	60.4	72.7	85.6
Check	-	-	-	-	-	-	-	-
<b>Ratios</b>								
Revenue	49.1	56.3	59.7	62.9	66.4	70.0	73.9	78.0
COGS	28.4	30.0	31.0	34.2	36.1	38.1	40.2	42.4
Working Capital								
Days Receivable	49.0	62.2	67.5	59.5	59.5	59.5	59.5	59.5
Days of Inventory	105.5	123.0	133.9	120.8	120.8	120.8	120.8	120.8
Other Current Assets as a % of Revenue	0.2%	0.5%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Days Payable	54.3	90.9	62.8	69.3	69.3	69.3	69.3	69.3
Other Current Liabilities as a % of COGS	15.8%	15.9%	15.9%	15.8%	15.8%	15.8%	15.8%	15.8%
PP&E								
Capital Expenditures	-	-	-	0.3	0.4	0.4	0.4	0.4
Capital Expenditures as a % of Revenue	0.0%	0.0%	0.0%	0.6%	0.6%	0.6%	0.6%	0.6%
Depreciation	0.4	0.7	1.1	0.7	0.6	0.6	0.6	0.5
Depreciation as a % of Beg. PP&E		27.8%	27.0%	18.2%	18.2%	18.2%	18.2%	18.2%
Intangibles								
Acquisition of Intangibles	-	-	-	-	-	-	-	-
Acquisition as a % of Beg. Intangibles				0.0%	0.0%	0.0%	0.0%	0.0%
Amortization	-	-	-	-	-	-	-	-
Amortization as a % of Beg. Intangibles				0.0%	0.0%	0.0%	0.0%	0.0%

**Cash Flow Statement***(In USD millions except per share data)*

	Projections				
	20XX	20XX	20XX	20XX	20XX
Net Income	9.8	10.4	11.0	11.6	12.2
Plus: Depreciation	0.7	0.6	0.6	0.6	0.5
Plus: Amortization	-	-	-	-	-
Less: Increase in Working Capital	2.5	(0.5)	(0.6)	(0.6)	(0.6)
Cash From Operating Activities	13.0	10.5	11.0	11.5	12.1
Capital Expenditures, net	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)
Intangible Acquisitions	-	-	-	-	-
Less: Increase in Other Long-term Assets/Liabilities	-	-	-	-	-
Cash From Investing Activities	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)
Increase / (Decrease) in Revolver	(0.3)	-	-	-	-
Increase / (Decrease) in Debt	-	-	-	-	-
Less : Dividends	-	-	-	-	-
Cash From Financing Activities	(0.3)	-	-	-	-
Beginning Cash	-	12.4	22.5	33.1	44.2
Free Cash Flow	12.6	10.1	10.6	11.1	11.7
Plus: Cash From Financing Activities	(0.3)	-	-	-	-
Change in Cash	12.4	10.1	10.6	11.1	11.7
Ending Cash Balance	12.4	22.5	33.1	44.2	55.9

**Equity Schedule***(In USD millions except per share data)*

	Historicals			Projections				
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
Common Stock & APIC	12.3	14.8	15.6	15.6	15.6	15.6	15.6	15.6
Retained Earnings	-	-	-	9.8	20.2	31.2	42.7	54.9
Total Shareholder's Equity	12.3	14.8	15.6	25.5	35.8	46.8	58.4	70.6
EPS	\$0.06	\$0.08	\$0.09	\$0.09	\$0.09	\$0.10	\$0.11	\$0.11
Dividend Payout Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend per Share	-	-	-	-	-	-	-	-
Beginning Retained Earning	-	-	-	-	9.8	20.2	31.2	42.7
Plus: Net Income	6.7	9.3	10.0	9.8	10.4	11.0	11.6	12.2
Less: Dividends Paid	-	-	-	-	-	-	-	-
Ending Retained Earning	-	-	-	9.8	20.2	31.2	42.7	54.9
Avg. Diluted Shares Outstanding	110.000	110.000	110.000	110.000	110.000	110.000	110.000	110.000

## Debt Schedule

(In USD millions except per share data)

	Historicals			Projections				
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
Beginning Cash				-	12.4	22.5	33.1	44.2
Plus: FCF				12.6	10.1	10.6	11.1	11.7
Less: Dividends Paid				-	-	-	-	-
Less: Minimum Cash				(11.0)	(11.0)	(11.0)	(11.0)	(11.0)
Cash Available from Debt Paydown				1.6	11.5	22.1	33.2	44.9
Beginning Debt				0.3	0.3	0.3	0.3	0.3
Plus: Issuances				-	-	-	-	-
Less: Repurchases				-	-	-	-	-
Ending Debt Balance	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Interest Rate on Debt				5.7%	5.7%	5.7%	5.7%	5.7%
Interest Expense on Debt				0.0	0.0	0.0	0.0	0.0
Cash Available for Revolver				1.6	11.5	22.1	33.2	44.9
Beginning Revolver				0.3	-	-	-	-
Plus: Revolver Drawdown / (Paydown)				(0.3)	-	-	-	-
Ending Revolver Balance	-	-	0.3	-	-	-	-	-
Interest Rate on Revolver				6.3%	6.3%	6.3%	6.3%	6.3%
Interest Expense on Revolver				0.0	-	-	-	-
Total Debt	0.1	0.3	0.6	0.3	0.3	0.3	0.3	0.3
Total Interest Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Effective Interest Rate		6.1%	5.3%	5.9%	5.7%	5.7%	5.7%	5.7%
Beginning Cash		3.7	3.4	-	12.4	22.5	33.1	44.2
Ending Cash	3.7	3.4	-	12.4	22.5	33.1	44.2	55.9
Interest Rate on Cash		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Income		-	-	-	-	-	-	-





**XYZ Operational Model**

**BASE CASE**

Base					12.7%	12.7%	12.7%	12.7%
Aggressive					7.7%	7.7%	7.7%	7.7%
Other Current Liabilities as a % of COGS	6.3%	6.7%	9.5%	11.5%	12.7%	12.7%	12.7%	12.7%
<b>Capital Expenditure as a % Revenue</b>								
Conservative					2.2%	2.2%	2.2%	2.2%
Base					1.7%	1.7%	1.7%	1.7%
Aggressive					0.6%	0.6%	0.6%	0.6%
Capital Expenditure as a % Revenue	105.2%	1.8%	1.5%	1.5%	1.7%	1.7%	1.7%	1.7%
<b>Depreciation as a % of Beginning PP&amp;E</b>								
Conservative					19.8%	19.8%	19.8%	19.8%
Base					17.3%	18.2%	18.2%	18.2%
Aggressive					13.2%	13.2%	13.2%	13.2%
Depreciation as a % of Beginning PP&E	0.0%	13.7%	14.3%	14.7%	17.3%	18.2%	18.2%	18.2%
<b>Acquisition as a % of Beg. Intangibles</b>								
Conservative					0.0%	0.0%	0.0%	0.0%
Base					0.0%	0.0%	0.0%	0.0%
Aggressive					0.0%	0.0%	0.0%	0.0%
Acquisition as a % of Beg. Intangibles	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Amortization as a % of Beg. Intangibles</b>								
Conservative					0.0%	0.0%	0.0%	0.0%
Base					0.0%	0.0%	0.0%	0.0%
Aggressive					0.0%	0.0%	0.0%	0.0%
Amortization as a % of Beg. Intangibles		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EQUITY SCHEDULE</b>								
<b>Dividend Payout Ratio</b>								
Conservative					0.0%	0.0%	0.0%	0.0%
Base					49.2%	31.2%	29.7%	28.3%
Aggressive					0.0%	0.0%	0.0%	0.0%
Dividend Payout Ratio			44.4%	50.0%	49.2%	31.2%	29.7%	28.3%
<b>DEBT SCHEDULE</b>								
<b>Minimum Cash</b>								
Conservative					\$11.0	\$11.0	\$11.0	\$11.0
Base					\$11.0	\$11.0	\$11.0	\$11.0
Aggressive					\$11.0	\$11.0	\$11.0	\$11.0
Minimum Cash					\$11.0	\$11.0	\$11.0	\$11.0
<b>Debt Issued</b>								
Conservative					-	-	-	-
Base					-	-	-	-
Aggressive					-	-	-	-
Debt Issued					-	-	-	-
<b>Debt Repurchased</b>								
Conservative					-	-	-	-
Base					-	-	-	-
Aggressive					-	-	-	-
Debt Repurchased					-	-	-	-
<b>Interest Rate on Debt</b>								
Conservative					5.5%	5.5%	5.5%	5.5%
Base					5.5%	5.5%	5.5%	5.5%
Aggressive					6.1%	6.1%	6.1%	6.1%
Interest Rate on Debt					5.5%	5.5%	5.5%	5.5%
<b>Interest Rate on Revolver</b>								
Conservative					8.5%	8.5%	8.5%	8.5%
Base					7.7%	7.7%	7.7%	7.7%
Aggressive					7.7%	7.7%	7.7%	7.7%
Interest Rate on Revolver					7.7%	7.7%	7.7%	7.7%
<b>Interest Rate on Cash</b>								
Conservative					0.0%	0.0%	0.0%	0.0%
Base					0.0%	0.0%	0.0%	0.0%
Aggressive					0.0%	0.0%	0.0%	0.0%
Interest Rate on Cash					0.0%	0.0%	0.0%	0.0%

## XYZ Operational Model

## BASE CASE

## Income Statement

(In USD millions except per share data)

	Historicals				Projections			
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
Revenue	308.9	329.4	338.6	354.4	370.5	436.7	460.7	486.1
COGS	242.4	257.6	256.7	262.4	259.4	305.7	322.5	340.3
<b>Gross Profit</b>	<b>66.5</b>	<b>71.8</b>	<b>81.9</b>	<b>92.0</b>	<b>111.2</b>	<b>131.0</b>	<b>138.2</b>	<b>145.8</b>
SG&A	63.1	68.4	73.4	76.7	79.7	78.6	82.9	87.5
Other Operating Expenses	-	-	-	-	-	-	-	-
Other Operating (Income)	-	-	-	-	-	-	-	-
EBITDA	8.9	9.5	15.3	22.3	40.5	61.4	63.9	66.8
<b>EBITDA Adjusted</b>	<b>8.9</b>	<b>10.3</b>	<b>17.8</b>	<b>22.8</b>	<b>40.5</b>	<b>61.4</b>	<b>63.9</b>	<b>66.8</b>
Depreciation	7.9	6.8	7.0	7.0	9.1	8.9	8.6	8.4
Amortization	-	-	-	-	-	-	-	-
EBIT	0.9	2.6	8.3	15.4	31.5	52.4	55.3	58.3
<b>EBIT Adjusted</b>	<b>0.9</b>	<b>3.4</b>	<b>10.8</b>	<b>15.9</b>	<b>31.5</b>	<b>52.4</b>	<b>55.3</b>	<b>58.3</b>
Interest (Income)	(0.1)	(0.0)	(0.0)	(0.1)	-	-	-	-
Interest Expense	0.1	0.1	0.0	-	-	-	-	-
Net Interest	0.0	0.1	0.0	(0.1)	-	-	-	-
Non-operating Expense / (Income)	-	-	-	-	-	-	-	-
Pre-tax Income	0.9	2.6	8.3	15.4	31.5	52.4	55.3	58.3
Taxes	0.8	1.5	2.6	5.0	10.1	16.8	17.7	18.7
Minority Interest Expense / (Income)	-	-	-	-	-	-	-	-
Net Income	0.1	1.1	5.7	10.4	21.4	35.6	37.6	39.7
<b>Net Income Adjusted</b>	<b>(0.3)</b>	<b>2.0</b>	<b>7.4</b>	<b>10.8</b>	21.4	35.6	37.6	39.7
Diluted Shares Outstanding	26.744	27.001	27.102	28.151	28.921	28.757	28.757	28.757
EPS Reported	\$0.00	\$0.04	\$0.21	\$0.37	\$0.74	\$1.24	\$1.31	\$1.38
<b>EPS Adjusted</b>	<b>(\$0.01)</b>	<b>\$0.08</b>	<b>\$0.30</b>	<b>\$0.42</b>	\$0.74	\$1.24	\$1.31	\$1.38
<b>Margins</b>								
COGS	78.5%	78.2%	75.8%	74.0%	70.0%	70.0%	70.0%	70.0%
SG&A - Adjusted	20.4%	20.5%	20.9%	21.5%	21.5%	18.0%	18.0%	18.0%
Other Operating Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Operating Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA	2.9%	3.1%	5.3%	6.4%	10.9%	14.0%	13.9%	13.7%
EBIT	0.3%	1.0%	3.2%	4.5%	8.5%	12.0%	12.0%	12.0%
Net Income	(0.1%)	0.6%	2.2%	3.0%	5.8%	8.2%	8.2%	8.2%
<b>Growth Rate</b>								
Revenue		6.7%	2.8%	4.7%	4.5%	17.9%	5.5%	5.5%
COGS		6.3%	(0.3%)	2.2%	(1.2%)	17.9%	5.5%	5.5%
EBITDA		16.2%	72.9%	28.4%	77.6%	51.3%	4.2%	4.5%
EBIT		267.7%	215.0%	46.6%	98.5%	66.4%	5.5%	5.5%
Net Income		(740.4%)	272.0%	45.9%	98.7%	66.4%	5.5%	5.5%
EPS		(800.0%)	285.7%	40.7%	77.1%	67.4%	5.5%	5.5%
Effective Tax Rate	88.5%	57.1%	31.4%	32.3%	32.0%	32.0%	32.0%	32.0%
<b>Profitability Ratios</b>								
ROA					9.7%	14.6%	13.7%	13.0%
ROE					11.1%	16.9%	15.9%	15.0%

## XYZ Operational Model

## BASE CASE

## Balance Sheet

(In USD millions except per share data)

	Historicals				Projections			
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
Cash & Equivalents	8.7	9.9	29.0	37.2	51.7	67.4	91.0	115.8
Accounts Receivable	50.6	47.0	48.0	41.7	43.6	51.4	54.2	57.2
Inventory	46.3	49.9	47.4	50.8	50.2	59.2	62.5	65.9
Other Current Assets	7.6	9.8	7.7	10.6	11.1	13.0	13.8	14.5
Total Current Assets	113.2	116.7	132.1	140.3	156.6	191.0	221.4	253.4
PP&E	49.9	48.7	47.5	52.2	49.3	47.5	46.5	46.1
Intangibles (excl. Goodwill)	9.4	7.9	6.7	6.3	6.3	6.3	6.3	6.3
Goodwill	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6
Other Long-term Assets	2.0	2.0	2.0	4.3	4.3	4.3	4.3	4.3
Total Long-term Assets	72.9	70.2	67.7	74.4	71.4	69.7	68.6	68.2
Total Assets	186.1	186.9	199.9	214.6	228.0	260.7	290.1	321.6
Accounts Payable	13.7	15.0	16.2	12.9	12.8	15.1	15.9	16.8
Other Current Liabilities (excl. Debt)	15.2	17.2	24.3	30.2	32.9	38.7	40.9	43.1
Total Current Liabilities (excl. Debt)	28.8	32.2	40.5	43.2	45.6	53.8	56.8	59.9
Revolver	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-
Other Long-term Liabilities	1.4	2.4	2.8	0.9	0.9	0.9	0.9	0.9
Total Long-term Liabilities	1.4	2.4	2.8	0.9	0.9	0.9	0.9	0.9
Minority Interest	-	-	-	-	-	-	-	-
Common Stock & APIC	112.7	114.5	117.0	136.4	136.4	136.4	136.4	136.4
Retained Earnings	43.1	37.8	40.3	51.6	62.5	87.0	113.5	141.9
Total Shareholder's Equity	155.9	152.3	157.2	188.1	199.0	223.5	249.9	278.3
Total Liabilities and Equity	186.1	186.9	200.6	232.1	245.5	278.2	307.6	339.1
Check	-	-	(0.8)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)
<b>Ratios</b>								
Revenue	308.9	329.4	338.6	354.4	370.5	436.7	460.7	486.1
COGS	242.4	257.6	256.7	262.4	259.4	305.7	322.5	340.3
Working Capital								
Days Receivable	59.8	52.1	51.8	42.9	42.9	42.9	42.9	42.9
Days of Inventory	69.7	70.8	67.4	70.7	70.7	70.7	70.7	70.7
Other Current Assets as a % of Revenue	2.5%	3.0%	2.3%	3.0%	3.0%	3.0%	3.0%	3.0%
Days Payable	20.6	21.3	23.0	18.0	18.0	18.0	18.0	18.0
Other Current Liabilities as a % of COGS	6.3%	6.7%	9.5%	11.5%	12.7%	12.7%	12.7%	12.7%
PP&E								
Capital Expenditures	8.3	5.8	5.2	5.2	6.1	7.2	7.6	8.0
Capital Expenditures as a % of Revenue	105.2%	1.8%	1.5%	1.5%	1.7%	1.7%	1.7%	1.7%
Depreciation	7.9	6.8	7.0	7.0	9.1	8.9	8.6	8.4
Depreciation as a % of Beg. PP&E		13.7%	14.3%	14.7%	17.3%	18.2%	18.2%	18.2%
Intangibles								
Acquisition of Intangibles	-	-	-	-	-	-	-	-
Acquisition as a % of Beg. Intangibles		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortization	-	-	-	-	-	-	-	-
Amortization as a % of Beg. Intangibles		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**XYZ Operational Model**
**BASE CASE**
**Cash Flow Statement**
*(In USD millions except per share data)*

	Projections			
	20XX	20XX	20XX	20XX
Net Income	21.4	35.6	37.6	39.7
Plus: Depreciation	9.1	8.9	8.6	8.4
Plus: Amortization	-	-	-	-
Less: Increase in Working Capital	0.7	(10.6)	(3.8)	(4.0)
Cash From Operating Activities	31.2	34.0	42.4	44.1
Capital Expenditures, net	(6.1)	(7.2)	(7.6)	(8.0)
Intangible Acquisitions	-	-	-	-
Less: Increase in Other Long-term Assets/Liabilities	-	-	-	-
Cash From Investing Activities	(6.1)	(7.2)	(7.6)	(8.0)
Increase / (Decrease) in Revolver	-	-	-	-
Increase / (Decrease) in Debt	-	-	-	-
Less : Dividends	(10.5)	(11.1)	(11.2)	(11.2)
Cash From Financing Activities	(10.5)	(11.1)	(11.2)	(11.2)
Beginning Cash	37.2	51.7	67.4	91.0
Free Cash Flow	25.1	26.8	34.8	36.0
Plus: Cash From Financing Activities	(10.5)	(11.1)	(11.2)	(11.2)
Change in Cash	14.5	15.7	23.6	24.8
Ending Cash Balance	51.7	67.4	91.0	115.8

**Equity Schedule**
*(In USD millions except per share data)*

	Historicals				Projections			
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
Common Stock & APIC	112.7	114.5	117.0	136.4	136.4	136.4	136.4	136.4
Retained Earnings	43.1	37.8	40.3	51.6	62.5	87.0	113.5	141.9
Total Shareholder's Equity	155.9	152.3	157.2	188.1	199.0	223.5	249.9	278.3
EPS - Adjusted	(0.01)	0.08	0.30	0.42	0.74	1.24	1.31	1.38
Dividend Payout Ratio	(3600.0%)	342.9%	44.4%	50.0%	49.2%	31.2%	29.7%	28.3%
Dividend per Share	0.40	0.26	0.13	0.21	0.36	0.39	0.39	0.39
Beginning Retained Earning					51.6	62.5	87.0	113.5
Plus: Net Income	0.1	1.1	5.7	10.4	21.4	35.6	37.6	39.7
Less: Dividends Paid					(10.5)	(11.1)	(11.2)	(11.2)
Ending Retained Earning	43.1	37.8	40.3	51.6	62.5	87.0	113.5	141.9
Avg. Diluted Shares Outstanding	26.744	27.001	27.102	28.151	28.921	28.757	28.757	28.757

## XYZ Operational Model

## BASE CASE

## Debt Schedule

(In USD millions except per share data)

	Historicals				Projections			
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
Beginning Cash					37.2	51.7	67.4	91.0
Plus: FCF					25.1	26.8	34.8	36.0
Less: Dividends Paid					(10.5)	(11.1)	(11.2)	(11.2)
Less: Minimum Cash					(11.0)	(11.0)	(11.0)	(11.0)
Cash Available from Debt Paydown					40.7	56.4	80.0	104.8
Beginning Debt					-	-	-	-
Plus: Issuances					-	-	-	-
Less: Repurchases					-	-	-	-
Ending Debt Balance					-	-	-	-
Interest Rate on Debt					5.5%	5.5%	5.5%	5.5%
Interest Expense on Debt					-	-	-	-
Cash Available for Revolver					40.7	56.4	80.0	104.8
Beginning Revolver					-	-	-	-
Plus: Revolver Drawdown / (Paydown)					-	-	-	-
Ending Revolver Balance					-	-	-	-
Interest Rate on Revolver					7.7%	7.7%	7.7%	7.7%
Interest Expense on Revolver					-	-	-	-
Total Debt					-	-	-	-
Total Interest Expense	0.1	0.1	0.0	-	-	-	-	-
Effective Interest Rate		NA	NA	NA	NA	NA	NA	NA
Beginning Cash		8.7	9.9	29.0	37.2	51.7	67.4	91.0
Ending Cash	8.7	9.9	29.0	37.2	51.7	67.4	91.0	115.8
Interest Rate on Cash		0.2%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%
Interest Income		(0.0)	(0.0)	(0.1)	-	-	-	-

## XYZ Operational Model

## BASE CASE

## Summary of Credit Metrics

(In USD millions except per share data)

	Fiscal Years Ending June							
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX
<b>Capitalization</b>								
Total debt				-	-	-	-	-
Net debt				(37.2)	(51.7)	(67.4)	(91.0)	(115.8)
Senior debt				-	-	-	-	-
Total capitalization				188.1	199.0	223.5	249.9	278.3
<b>Interest Expense</b>								
Senior interest expense				-	-	-	-	-
Total interest expense				-	-	-	-	-
<b>Coverage</b>								
EBITDA				22.8	40.5	61.4	63.9	66.8
EBITDA / senior interest expense				NM	NM	NM	NM	NM
EBITDA / total interest expense				NM	NM	NM	NM	NM
EBITDA – capex				17.6	34.4	54.1	56.3	58.8
(EBITDA – capex) / senior interest expense				NM	NM	NM	NM	NM
(EBITDA – capex) / total interest expense				NM	NM	NM	NM	NM
EBITDA – capex – Δ WC				NA	35.1	43.6	52.5	54.7
(EBITDA – capex – Δ WC) / senior interest expense				NM	NM	NM	NM	NM
(EBITDA – capex – Δ WC) / total interest expense				NM	NM	NM	NM	NM
<b>Leverage</b>								
Senior debt / total capitalization				-	-	-	-	-
Net debt / total capitalization				(0.2x)	(0.3x)	(0.3x)	(0.4x)	(0.4x)
Debt/Equity				-	-	-	-	-
Senior debt / EBITDA				-	-	-	-	-
Total debt / EBITDA				-	-	-	-	-
Net debt / EBITDA				(1.6x)	(1.3x)	(1.1x)	(1.4x)	(1.7x)