| Stock                                      | Doc# | Thesis  | Current<br>Price | Target<br>Price |
|--|------|---|------------------|-----------------|
| Natus<br>Medical Inc<br>(BABY)             | 5    | My recommendation is a <u>LIMIT BUY</u> as of February 4, 2015 aat a price of \$33.00 as I see continued growth and developing products under an experienced, loyal management team. Natus is currently very accurately priced, and I expect the price to drop at sometime within the quarter to lower 30's, of which is when we shall buy. With their preexisting products continuing to grow within both U.S. and international facilities as well as two acquisitions in 2015 already, of two small cap companies each with developed products, Natus Inc. is expanding rapidly. The company is in a solid position financially after retiring all of their remaining debt they had in the last quarter of 2014 and also repurchasing \$1.2 million of their own shares. Margins are continuing to grow, with profitability especially growing, faster than the company's original expectations. | \$36.55          | \$37.90         |
| Flotek<br>Industries<br>Inc. (FTK)         | 6    | As the price of crude oil continues to trade between \$40-50, Flotek Industries is a company well positioned to survive the current storm. Flotek Industries is a buy at the current price of \$16.26 and has a target price of \$19.20, a potential upside of 18%. The stock is considered undervalued despite the good management team and the adequate strategy to tackle the volatile times. Flotek Industries is a company that has a strong balance sheet with positive free cash flow and increasing revenue. The firm continues to develop new products and define itself as a leader in green oilfield chemistry.  | S16.26           | \$19.20         |
| General<br>Finance<br>Corporation<br>(GFN) | 7    | I would recommend a BUY on General Finance Corporation at \$13.50. Ron's strong management and knowledge of the industry helps guide the company in the right direction and is making the next big step in growing the company. The potential growth vehicles with its recent acquisitions (Lone Star) will be a big impact in increasing its revenue and EBITDA. Along with its amazing strong trending growth displayed in the financials, the company foresees itself increasing its revenue and EBITDA. The company is still in the growing stage and the peak is nowhere close in the future as they continue to expand its network and potentially acquire more companies to further the value of General Finance Corporation.  | \$7.92           | \$13.50         |
| Kate Spade<br>& Company<br>(KATE)          | 8    | Kate Spade & Company is a buy because of their strategic partnerships, diversification in brand, and global expansion. Currently, their strategic partnerships will allow them to realize increased EBITDA margins. The diversification of their products and brand allows the company to have multiple sources of revenue, which have significant growth potential. The availability and plan to grow globally gives the company a greater potential for growth.   | \$32.32          | \$37.60         |
| Lannett Co<br>Inc (LCI)                    | 9    | Lannett has shown a consequent growth for the past few years in a competitive promising market. Lannett, thanks to its strategic partnerships, should be able to keep such high margins. With the increasing number of drugs' patents expiring in the years to come, Lannett will continue to expand its product selection and propose to its customer new generics. In a market environment where healthcare spending is a real concern for households, the demand for generics becomes crucial. With LCI's margin improvement and its upcoming product launches, the company should be able to keep improving its EBITDA and increase its shareholder value. With generics companies trading 12.6% below analyst price targets, I recommend LCI as a buy.   | \$51.70          | \$68.50         |
| Ligand<br>Pharmaceuti<br>cals<br>(LGND)    | 10   | Ligand is a BUY because of their highly diversified portfolio of products, both on the market, and in their pipeline. They are diversified across many different diseases. Their pipeline includes five major assets that are likely to produce important news catalysts in the next 6-24 months. They have financial strength, with revenues coming from three sources: Licensing, Royalties and Captisol., all of which have unlimited growth potential as new products in their pipeline will soon be commercially available. They are also the makers of Captisol, a formulation that improves product development for pharmaceutical companies. It allows Ligand to partner with many major drug companies to launch new, innovative products, generating more revenue.  | \$54.99          | \$88.70         |
| RPX<br>Corporation<br>(RPXC)               | 11   | RPX Corporation was founded in 2008 and is headquartered in San Francisco, California. The company provides patent risk management solutions on a subscription fee basis to companies operating within the technology industry in the US and internationally. RPX Corporation's services include "Defensive Patent Acquisitions", "Syndicated Acquisition", "Market Intelligence and Advisory Services", and "Litigation Insurance". Their purpose is to help companies protect, exchange, and be informed on the use and ownership of patents.   | \$12.81          | \$19.60         |
| SEI<br>Investments<br>Co. (SEIC)           | 12   | I am recommending a buy on SEI Investments Co. for their consistent financial growth that will continue to grow as they expand their market activity. The stock has surpassed its 52 week high during my analysis of it and based on analysis and estimates this value should only continue to rise and push the ceiling of this stock price higher. With their adaptability to market trends, plans to land jumbo clients in the near future, backed by solid financials, I am recommending a buy on SEI Investments Co. in belief that it will reach, if not exceed its one year target price of \$44.50.   | \$42.12          | \$44.50         |
| Taser<br>International<br>Inc. (TASR)      | 13   | Taser, a leading company in its sector providing mainly weapons has recently launched a new promising segment in its production and is investing into new markets. It seems that the company is at a point where it is on a track for better margins, global recognition, and constant significant sales' growth. For those reasons, everything is indicating that the stock's price will increase over the next  | \$26.98          | \$36.00         |

|                      |    | couple of years.  |         |         |
|----------------------|----|---|---------|---------|
| Trecora<br>Resources | 14 | I recommend a buy on Trecora Resources at a current price of \$13.71. The mean target price is \$17.23, which corresponds to a 25% growth from current price. The | \$13.71 | \$16.00 |
| (TREC)               |    | company has performed very well over the past five years, with increasing revenues and margins. With favorable macroeconomic conditions, high competitive         |         |         |
|                      |    | positioning, strong financial statement and high growth forecasts, Trecora Resources is expected to perform even better during the next fiscal year.              |         |         |

# **Macroeconomic Overview**

This past week, all major U.S. indices increased on a weekly basis after the recovery in oil prices and favorable earnings and economic reports caused stocks to record gains. In effect, the Dow Jones Industrial Average and the NASDAQ Composite gained 2.67% and 1.45% respectively, while the S&P 500 increased by 1.71% during the last week. Small cap stocks measured by the Russell 2000 index experienced higher returns throughout the week with an increase of 2.55%. The VIX week-to-date change of -11.01% indicates that volatility levels decrease at a faster rate during the past week compared to its year-to-date change of -2.81%. The yield on the 10-year

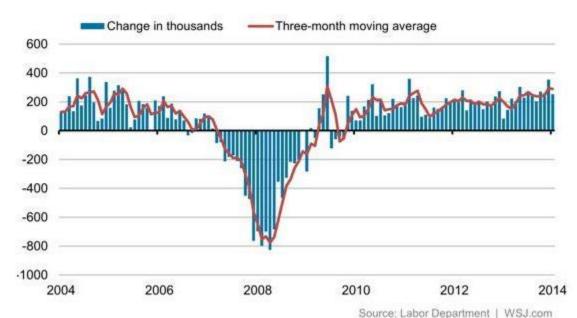
| U.S. Stocks      |                          |                          |  |  |  |  |  |
|------------------|--------------------------|--------------------------|--|--|--|--|--|
| Index            | % Change<br>Week-to-Date | % Change<br>Year-to-Date |  |  |  |  |  |
| mucx             | Week to bute             | Teal to Date             |  |  |  |  |  |
| DJIA             | 2.67%                    | 0.01%                    |  |  |  |  |  |
| S&P 500          | 1.71%                    | -0.17%                   |  |  |  |  |  |
| NASDAQ Composite | 1.45%                    | 0.18%                    |  |  |  |  |  |
| Russell 2000     | 2.55%                    | 0.01%                    |  |  |  |  |  |
| VIX              | -11.01%                  | -2.81%                   |  |  |  |  |  |

U.S. T-note increased by 27 basis points to 1.95%, indicating that investors' demand for safer investments decreased during the week. In addition, oil prices started to recover, being currently at a price of \$51.69.

This week's stock price momentum was primarily driven by positive U.S. economic data. The Labor Department reported a higher than expected increase in jobs, with 257,000 jobs added by employers in January. Reported employment data of previous months has been revised, stating additional job gains of 147,000. The unemployment rate decreased slightly in January to 5.7% and the labor force participation rate

increased by 2 basis points to 62.9%. The U.S. inflation rate decreased to 0.8% compared to 1.3% in the previous month, which keeps inflation below the Fed's 2% target for now 32 straight months. In addition to the improvement of the labor market, fourth-quarter

## Job Growth in the U.S. with large increases in 2014 Q4



earnings reports have had positive impacts on the market, contributing to the rally in stock prices in the past weeks. The analytics firm FactSet projected overall Q4 earnings to increase by 3% in the S&P 500.

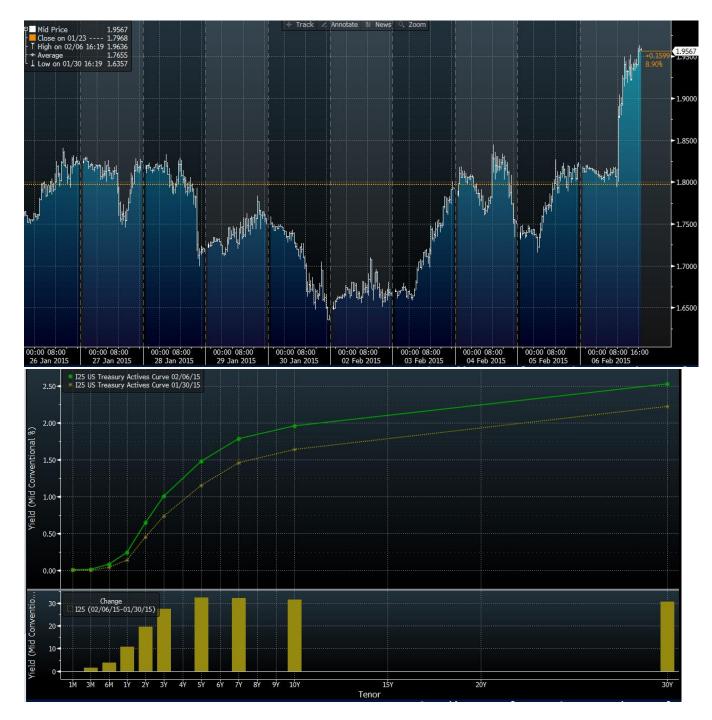
In the past week oil prices posted their largest one week percentage gain of 4.28% since 2011 after signals of temporarily reduced drilling activity in the U.S. The overall number of U.S. drilling rigs in operation experienced its largest weekly decrease since 1987, according to oil services firm Baker Hughes. However, analysts expect that continued oversupply in the global oil market will keep crude oil prices low in the near future. The auto market experiences positive impacts from the currently low gas prices. Auto sales, especially of high-value pickups and SUVs, increased significantly in January, beating expectations in a usually slow month of January. After recently reporting the slowest annual growth rate in 25 years, China's central bank announced on Wednesday that Chinese commercial banks will be able to loan out additional \$100 billion due to a lower amount of reserves banks will be required to hold. This signal worries analysts about the country's slowing economy and recently led to large amounts of investors' funds leaving the economy. Another indicator of capital flowing out of China is the country's fourth-quarter report about the largest deficit in its capital and financial account in more than a decade. Regarding the Eurozone, one of the European Central Bank's main goals in the following months will be to fight deflation, recently reporting an inflation rate of -0.4%. Retail sales in the Eurozone rose for a third straight month and at the economy's fastest annual growth rate in nearly eight years. This is an indicator that falling oil prices led to increased

consumer spending, boosting the economic growth in Europe. The European Union's official economist stated that lower oil prices and a weaker euro will boost growth in the Eurozone leading to improved growth forecasts for 2015.

Next week, investors will be looking forward to see data from different economic reports that will have an impact on the U.S. markets. On Monday 9th, China will release their Consumer Price Index (YoY). On Tuesday 10<sup>th</sup>, Great Britain will report on the economy's manufacturing production (MoM). The following day, Wednesday 11<sup>th</sup>, Australia will release the country's employment data. On Thursday 12<sup>th</sup>, Bank of England will release the economy's inflation report. On the same day, the U.S. Census Bureau will release U.S. retail sales numbers. At the end of the week on Friday 13<sup>th</sup>, Germany will release the country's Q4 GDP data. As we can see, next week's reports will be important for the global markets and their future outlooks.

# **Bond Report**

U.S. Treasury Yields have jumped this past week, most notably on Friday, with the subsequent yield curve flattening. This movement in treasury yields comes as a result of U.S. Government officials releasing a progressive labor market report. The report discloses resurgence in the job market and boosts in pay, which in turn raises the expectations of a rise in interest rates in mid-2015 by the Federal Reserve. Investors have responded to this report by selling off U.S. Treasuries which continues to send bond prices down and yields up. Approximately \$480 billion worth of Treasury Bonds were traded on Friday, as compared to the same time period a month before with an average of \$180 billion traded. The 10-year Treasury note yield rose from 1.68% in the beginning of this week, closing at 1.95% on Friday – a .27% increase and the highest percentage point increase since June 2013. The uncertain global outlook has put the Federal Reserve in a tough spot on deciding when to raise interest rates; this will continue to cause great volatility in the bond market. Even with the volatility and continuing low yields in the U.S. analysts state U.S. bonds will continue to see strong interest from investors due to the shoddy economic growth and even lower yields in Japan and Europe.



# What's Next & Key Earnings

On Tuesday, February 10th, the U.S. Bureau of Labor Statistics will release its data of JOLTS's Job Openings. This is a report of statistics compiled by surveyors who help to identify current job openings, recruitment opportunities, hires and separations at businesses. A reading that is stronger than forecasted is generally a bullish indication of the USD, while a weaker than forecasted will be seen as bearish.

On Wednesday, February 11th, FOMC member Richard Fisher is set to speak about "Monetary Policy and a Reflection on 10 years at the Fed." These speeches are closely watched by investors because FOMC members are responsible for setting the benchmark interest rate, as well as identifying indicators on possible changed in monetary policy in the future. He also speaks on Friday 2/13. Also on Wednesday, the Energy Information Administration will be releasing reports on inventory levels of U.S. crude oil, gasoline and petroleum distillates stocks. These numbers released tells us how much oil is available in storage, as well as an insight of the U.S. demand for petroleum. This can affect already very volatile U.S. oil securities as well as gas prices, which has effect on inflation. On Thursday, February 12th, the Census Bureau is releasing their Core Retail Sales Report and Retail Sales Report. Core Retail Sales measures the change in the total value of sales at the retail level in the U.S., excluding automobiles. Retail Sales measure the change in the total value of inflation-adjusted sales at the retail level. It is the foremost indicator of consumer spending, which accounts for the majority of overall economic activity. The forecast is set at -.5%, up from the previous -.9% in January.

| , .          | -                         |                  |                 |       | •                                |            |
|--------------|---------------------------|------------------|-----------------|-------|----------------------------------|------------|
| Symbol       | Company                   | Actual           | Forecast        | Prev. | Imp.                             | Period End |
|              | Mor                       | nday, February 9 | ), <b>201</b> 5 |       |                                  |            |
| E CSC        | Computer Sciences         |                  | 1.12            | -     | , a, a, a,                       | 12/2014    |
| <b>■</b> DO  | Diamond Offshore Drilling |                  | 0.65            | 0.96  | æ, æ, æ,                         | 12/2014    |
| ■ DNB        | Dun&Bradstreet            |                  | 2.63            | 1.85  | A A A                            | 12/2014    |
| <b>■</b> HAS | Hasbro                    |                  | 1.21            | 1.46  | A A A                            | 12/2014    |
| <u>■</u> L   | Loews                     |                  | 0.53            | 0.63  | A A A                            | 12/2014    |
| <b>MAS</b>   | Masco                     |                  | 0.2             | 0.31  | A A A                            | 12/2014    |
| <b>■</b> TE  | TECO Energy               |                  | 0.21            | 0.32  | <u>a</u> , <u>a</u> , <u>a</u> , | 12/2014    |
| <b>■</b> TTM | Tata Motors               |                  | -               | -     | A A A                            | 12/2014    |
|              |                           |                  |                 |       |                                  |            |

|                | Tuesday,                  | February 10, | 2015  |       |                                  |         |
|----------------|---------------------------|--------------|-------|-------|----------------------------------|---------|
| <b>GAS</b>     | AGL Resources             |              | 0.84  | 0.19  | <b>A. A. A.</b>                  | 12/2014 |
| <b>AKAM</b>    | Akamai                    |              | 0.63  | 0.62  | A.A.A.                           | 12/2014 |
| E CVS          | CVS Health Corp           |              | 1.2   | 1.15  | A, A, A,                         | 12/2014 |
| ERN CERN       | Cerner                    |              | 0.47  | 0.42  | A, A, A,                         | 12/2014 |
| <b>■</b> KO    | Coca-Cola                 |              | 0.42  | 0.53  | A, A, A,                         | 12/2014 |
| FTI            | FMC Technologies          |              | 0.78  | 0.78  | <b>A</b> , <b>A</b> , <b>A</b> , | 12/2014 |
| <b>■</b> FBR   | Fibria Celulose           | -0.23        | 0.23  | -0.09 | <b>A</b> , <b>A</b> , <b>A</b> , | 12/2014 |
| <b>GNW</b>     | Genworth                  |              | -0.13 | -0.64 | æ, æ, æ,                         | 12/2014 |
| <b>Ш</b> НСР   | HCP                       |              | 0.48  | 0.54  | <b>A</b> , <b>A</b> , <b>A</b> , | 12/2014 |
| <b>KGC</b>     | Kinross Gold              |              | 0.03  | 0.06  | <b>A A A</b>                     | 12/2014 |
| <b>■</b> MLM   | Martin Marietta Materials |              | 0.82  | 1.45  | <b>&amp; &amp; &amp;</b>         | 12/2014 |
| <b>TAP</b>     | Molson Coors Brewing      |              | 0.69  | 1.46  | <b>&amp; &amp; &amp;</b>         | 12/2014 |
| ■ OMC          | Omnicom                   |              | 1.26  | 0.95  | <b>&amp; &amp; &amp;</b>         | 12/2014 |
| <b>■</b> PCG   | Pacific Gas&Electric      |              | 0.53  | 1.73  | & & &                            | 12/2014 |
| ■ PXD          | Pioneer Natural Resources |              | 1     | 1.35  | & & &                            | 12/2014 |
| <b>REGN</b>    | Regeneron                 |              | 2.81  | 2.52  | & & &                            | 12/2014 |
| <b>■</b> RAI   | Reynolds American         |              | 0.87  | 0.95  | <b>&amp; &amp; &amp;</b>         | 12/2014 |
| <b>SEE</b> SEE | Sealed Air                |              | 0.47  | 0.52  | <b>&amp; &amp; &amp;</b>         | 12/2014 |
| <b>НОТ</b>     | Starwood Hotels&Resorts   |              | 0.76  | 0.66  | <b>A</b> , <b>A</b> , <b>A</b> , | 12/2014 |
| <b>™</b> TM    | Toyota Motor Ord          |              | -     | -     | <b>A</b> , <b>A</b> , <b>A</b> , | 12/2014 |
| ₩ WU           | Western Union             |              | 0.34  | 0.44  | A, A, A,                         | 12/2014 |
| <b>WYN</b>     | Wyndham                   |              | 0.84  | 1.67  | æ, æ, æ,                         | 12/2014 |

| ■ AEM Agnico Eagle Mines   |                | Wednesday, Febru    | ary 11, 2015 |       |                                  |         |
|--|----------------|---------------------|--------------|-------|----------------------------------|---------|
| ■ AMAT         Applied Materials         0.27         0.27         □ 1/2015           ■ BIDU         Baidu         1.6         1.76         □ □ □         12/2014           ■ CTL         CenturyLink         0.63         0.63         □ □ □         12/2014           ■ CSCO         Cisco         0.51         0.54         □ □ □         01/2015           ■ EFX         Equifax         1.02         1.01         □ □ □         12/2014           ■ HSIC         Henry Schein         1.51         1.34         □ □ □         12/2014           ■ LPSN         LivePerson         -0.06         -0.02         □ □ □         12/2014           ■ LO         Lorillard         0.93         0.9         □ □ □         12/2014           ■ MET         MetLife         1.36         1.6         □ □ □         12/2014           ■ MDLZ         Mondelez         0.43         0.5         □ □ □         12/2014           ■ MOS         Mosaic         0.83         0.56         □ □ □         12/2014           ■ NVDA         NVIDIA         0.28         0.31         □ □ □         12/2014           ■ NVDA         NVIDIA         0.28         0.31         □ □ □ <t< th=""><th><b>■</b> AEM</th><th>Agnico Eagle Mines</th><th>0.09</th><th>0.02</th><th>A, A, A,</th><th>12/2014</th></t<> | <b>■</b> AEM   | Agnico Eagle Mines  | 0.09         | 0.02  | A, A, A,                         | 12/2014 |
| BIDU Baidu 1.6 1.76 ▼▼ 12/2014  □ CTL CenturyLink 0.63 0.63 ▼▼ 01/2015  □ EFX Equifax 1.02 1.01 ▼▼ 12/2014  □ LPSN LivePerson -0.06 -0.02 ▼▼ 12/2014  □ LO Lorillard 0.93 0.9 ▼▼ 12/2014  □ MET MetLife 1.36 1.6 ▼▼ 12/2014  □ MOS Mosaic 0.83 0.56 ▼▼ 12/2014  □ NVDA NVIDIA 0.28 0.31 ▼▼ 01/2015  □ NTAP NetApp 0.77 0.7 ▼▼ 12/2014  □ TSLA Tesla 0.31 0.02 ▼▼ 12/2014  □ TSLA Tesla 0.31 0.02 ▼▼ 12/2014  □ TSLA Time Warner 0.94 0.97 ▼▼ 12/2014  □ TWX Time Warner 0.94 0.97 ▼▼ 12/2014  □ TWX Time Warner 0.94 0.97 ▼▼ 12/2014  □ TWX Time Warner 0.94 0.97 ▼▼ 12/2014  □ TRIP TripAdvisor 0.37 0.48 ▼▼ 12/2014  □ WEC Wisconsin Energy 0.56 0.56 ▼▼ 12/2014  □ WEC Wisconsin Energy 0.56 0.56 ▼▼ 12/2014   | <b>■</b> AMX   | America MovilB      | 0.39         | -     | æ, æ, æ,                         | 12/2014 |
| ECTL CenturyLink   | <b>AMAT</b>    | Applied Materials   | 0.27         | 0.27  | <b>ል</b> ል ል                     | 01/2015 |
| ECSCO Cisco  | BIDU           | Baidu               | 1.6          | 1.76  | ዹ ዹ ዹ                            | 12/2014 |
| EFX Equifax 1.02 1.01 ▼ ▼ 12/2014  ■ HSIC Henry Schein 1.51 1.34 ▼ ▼ 12/2014  ■ LPSN LivePerson -0.06 -0.02 ▼ ▼ 12/2014  ■ LO Lorillard 0.93 0.9 ▼ ▼ 12/2014  ■ MET MetLife 1.36 1.6 ▼ ▼ 12/2014  ■ MOS Mosaic 0.83 0.56 ▼ ▼ 12/2014  ■ NVDA NVIDIA 0.28 0.31 ▼ ▼ 01/2015  ■ NTAP NetApp 0.77 0.7 ▼ ▼ 01/2015  ■ NU Northeast Utilities 0.69 0.75 ▼ ▼ 12/2014  ■ PEP Pepsico 1.08 1.36 ▼ ▼ 12/2014  ■ TSLA Tesla 0.31 0.02 ▼ ▼ 12/2014  ■ TSUA Time Warner 0.94 0.97 ▼ ▼ 12/2014  ■ TRIP TripAdvisor 0.37 0.48 ▼ ▼ 12/2014  ■ WFM Whole Foods Market 0.45 0.35 ▼ ▼ 12/2014  ■ WEC Wisconsin Energy 0.56 0.56 ▼ ▼ 12/2014   | ETL            | CenturyLink         | 0.63         | 0.63  | A A A                            | 12/2014 |
| HSIC Henry Schein  1.51  1.34  ▼▼▼ 12/2014  LPSN LivePerson  -0.06 -0.02  ▼▼▼ 12/2014  LO Lorillard  0.93 0.9  ▼▼▼ 12/2014  MET MetLife  1.36 1.6  ▼▼▼ 12/2014  MOS Mosaic  0.83 0.56  ▼▼▼ 12/2014  NVDA NVIDIA  0.28 0.31  ▼▼▼ 01/2015  NU Northeast Utilities  0.69 0.77 0.7  ▼▼▼ 01/2015  NU Northeast Utilities  0.69 0.75  ▼▼ 12/2014  ▼ 12/2014  ▼ 12/2014  ▼ 12/2014  ▼ 12/2014  ▼ 12/2014  ▼ 12/2014  ▼ 12/2014  ▼ 12/2014  ▼ 12/2014  ▼ 12/2014  ▼ 12/2014  ▼ 12/2014  ▼ 12/2014  ▼ 13/2014  ▼ 15/2014  | E CSCO         | Cisco               | 0.51         | 0.54  | A A A                            | 01/2015 |
| ■ LPSN       LivePerson       -0.06       -0.02       ▼ ▼ ▼ 12/2014         ■ LO       Lorillard       0.93       0.9       ▼ ▼ 12/2014         ■ MET       MetLife       1.36       1.6       ▼ ▼ 12/2014         ■ MDLZ       Mondelez       0.43       0.5       ▼ ▼ 12/2014         ■ MOS       Mosaic       0.83       0.56       ▼ ▼ 12/2014         ■ NVDA       NVIDIA       0.28       0.31       ▼ ▼ 01/2015         ■ NTAP       NetApp       0.77       0.7       ▼ ▼ 01/2015         ■ NU       Northeast Utilities       0.69       0.75       ▼ ▼ 12/2014         ■ PEP       Pepsico       1.08       1.36       ▼ ▼ 12/2014         ■ TSLA       Tesla       0.31       0.02       ▼ ▼ 12/2014         ■ TSO       Tesoro       1.5       3.06       ▼ ▼ 12/2014         ■ TWX       Time Warner       0.94       0.97       ▼ ▼ 12/2014         ■ TRIP       TripAdvisor       0.37       0.48       ▼ ▼ 12/2014         ■ WFM       Whole Foods Market       0.45       0.35       ▼ ▼ 12/2014         ■ WEC       Wisconsin Energy       0.56       0.56       ▼ ▼ 12/2014   | <b>EFX</b>     | Equifax             | 1.02         | 1.01  | A.A.A.                           | 12/2014 |
| ■ LO       Lorillard       0.93       0.9       □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □  | <b>HSIC</b>    | Henry Schein        | 1.51         | 1.34  | A, A, A,                         | 12/2014 |
| ■ MET       MetLife       1.36       1.6       ▼ ▼ 12/2014         ■ MDLZ       Mondelez       0.43       0.5       ▼ ▼ 12/2014         ■ MOS       Mosaic       0.83       0.56       ▼ ▼ 01/2014         ■ NVDA       NVIDIA       0.28       0.31       ▼ ▼ 01/2015         ■ NTAP       NetApp       0.77       0.7       ▼ ▼ 01/2015         ■ NU       Northeast Utilities       0.69       0.75       ▼ ▼ 12/2014         ■ PEP       Pepsico       1.08       1.36       ▼ ▼ 12/2014         ■ TSLA       Tesla       0.31       0.02       ▼ ▼ 12/2014         ■ TSO       Tesoro       1.5       3.06       ▼ ▼ 12/2014         ■ TWX       Time Warner       0.94       0.97       ▼ ▼ 12/2014         ■ TRIP       TripAdvisor       0.37       0.48       ▼ ▼ 12/2014         ■ WFM       Whole Foods Market       0.45       0.35       ▼ ▼ 12/2014         ■ WEC       Wisconsin Energy       0.56       0.56       ▼ ▼ 12/2014         ■ AUY       Yamana Gold       0.04       -0.01       ▼ ▼ 12/2014  | LPSN           | LivePerson          | -0.06        | -0.02 | A.A.A.                           | 12/2014 |
| ■ MDLZ       Mondelez       0.43       0.5       ▼ ▼ ▼ 12/2014         ■ MOS       Mosaic       0.83       0.56       ▼ ▼ 12/2014         ■ NVDA       NVIDIA       0.28       0.31       ▼ ▼ 01/2015         ■ NU       NetApp       0.77       0.7       ▼ ▼ 01/2015         ■ NU       Northeast Utilities       0.69       0.75       ▼ ▼ 12/2014         ■ PEP       Pepsico       1.08       1.36       ▼ ▼ 12/2014         ■ TSLA       Tesla       0.31       0.02       ▼ ▼ 12/2014         ■ TSO       Tesoro       1.5       3.06       ▼ ▼ 12/2014         ■ TWX       Time Warner       0.94       0.97       ▼ ▼ 12/2014         ■ TRIP       TripAdvisor       0.37       0.48       ▼ ▼ 12/2014         ■ WFM       Whole Foods Market       0.45       0.35       ▼ ▼ 12/2014         ■ WEC       Wisconsin Energy       0.56       0.56       ▼ ▼ 12/2014         ■ AUY       Yamana Gold       0.04       -0.01       ▼ ▼ 12/2014   | <b>■</b> LO    | Lorillard           | 0.93         | 0.9   | æ, æ, æ,                         | 12/2014 |
| ■ MOS       Mosaic       0.83       0.56       ▼ ▼ ▼ 12/2014         ■ NVDA       NVIDIA       0.28       0.31       ▼ ▼ 01/2015         ■ NTAP       NetApp       0.77       0.7       ▼ ▼ 01/2015         ■ NU       Northeast Utilities       0.69       0.75       ▼ ▼ 12/2014         ■ PEP       Pepsico       1.08       1.36       ▼ ▼ 12/2014         ■ TSLA       Tesla       0.31       0.02       ▼ ▼ 12/2014         ■ TSO       Tesoro       1.5       3.06       ▼ ▼ 12/2014         ■ TWX       Time Warner       0.94       0.97       ▼ ▼ 12/2014         ■ TRIP       TripAdvisor       0.37       0.48       ▼ ▼ 12/2014         ■ WFM       Whole Foods Market       0.45       0.35       ▼ ▼ 12/2014         ■ WEC       Wisconsin Energy       0.56       0.56       ▼ ▼ 12/2014         ■ AUY       Yamana Gold       0.04       -0.01       ▼ ▼ 12/2014  | <b>■</b> MET   | MetLife             | 1.36         | 1.6   | æ, æ, æ,                         | 12/2014 |
| ■ NVDA       NVIDIA       0.28       0.31       ▼ ▼ ▼ 01/2015         ■ NTAP       NetApp       0.77       0.7       ▼ ▼ 01/2015         ■ NU       Northeast Utilities       0.69       0.75       ▼ ▼ 12/2014         ■ PEP       Pepsico       1.08       1.36       ▼ ▼ 12/2014         ■ TSLA       Tesla       0.31       0.02       ▼ ▼ 12/2014         ■ TSO       Tesoro       1.5       3.06       ▼ ▼ 12/2014         ■ TWX       Time Warner       0.94       0.97       ▼ ▼ 12/2014         ■ TRIP       TripAdvisor       0.37       0.48       ▼ ▼ 12/2014         ■ WFM       Whole Foods Market       0.45       0.35       ▼ ▼ 12/2014         ■ WEC       Wisconsin Energy       0.56       0.56       ▼ ▼ 12/2014         ■ AUY       Yamana Gold       0.04       -0.01       ▼ ▼ 12/2014   | ₩ MDLZ         | Mondelez            | 0.43         | 0.5   | A, A, A,                         | 12/2014 |
| NTAP       NetApp       0.77       0.7       ▼ ▼ ▼ 01/2015         NU       Northeast Utilities       0.69       0.75       ▼ ▼ 12/2014         PEP       Pepsico       1.08       1.36       ▼ ▼ 12/2014         TSLA       Tesla       0.31       0.02       ▼ ▼ 12/2014         TSO       Tesoro       1.5       3.06       ▼ ▼ 12/2014         TWX       Time Warner       0.94       0.97       ▼ ▼ 12/2014         TRIP       TripAdvisor       0.37       0.48       ▼ ▼ 12/2014         WFM       Whole Foods Market       0.45       0.35       ▼ ▼ 12/2014         WEC       Wisconsin Energy       0.56       0.56       ▼ ▼ 12/2014         AUY       Yamana Gold       0.04       -0.01       ▼ ▼ 12/2014   | <b>MOS</b>     | Mosaic              | 0.83         | 0.56  | A, A, A,                         | 12/2014 |
| NU Northeast Utilities   | <b>■■ NVDA</b> | NVIDIA              | 0.28         | 0.31  | A, A, A,                         | 01/2015 |
| ■ PEP       Pepsico       1.08       1.36       ▼ ▼ 12/2014         ■ TSLA       Tesla       0.31       0.02       ▼ ▼ 12/2014         ■ TSO       Tesoro       1.5       3.06       ▼ ▼ 12/2014         ■ TWX       Time Warner       0.94       0.97       ▼ ▼ 12/2014         ■ TRIP       TripAdvisor       0.37       0.48       ▼ ▼ 12/2014         ■ WFM       Whole Foods Market       0.45       0.35       ▼ ▼ 12/2014         ■ WEC       Wisconsin Energy       0.56       0.56       ▼ ▼ 12/2014         ■ AUY       Yamana Gold       0.04       -0.01       ▼ ▼ 12/2014   | <b>■ NTAP</b>  | NetApp              | 0.77         | 0.7   | <b>A</b> , <b>A</b> , <b>A</b> , | 01/2015 |
| TSLA Tesla 0.31 0.02 ▼ ▼ 12/2014  TSO Tesoro 1.5 3.06 ▼ ▼ 12/2014  TWX Time Warner 0.94 0.97 ▼ ▼ 12/2014  TRIP TripAdvisor 0.37 0.48 ▼ ▼ 12/2014  WFM Whole Foods Market 0.45 0.35 ▼ ▼ 12/2014  WEC Wisconsin Energy 0.56 0.56 ▼ ▼ 12/2014   | <b>■</b> NU    | Northeast Utilities | 0.69         | 0.75  | <b>A</b> , <b>A</b> , <b>A</b> , | 12/2014 |
| TSO Tesoro 1.5 3.06 ▼ ▼ 12/2014  TWX Time Warner 0.94 0.97 ▼ ▼ 12/2014  TRIP TripAdvisor 0.37 0.48 ▼ ▼ 12/2014  WFM Whole Foods Market 0.45 0.35 ▼ ▼ 12/2014  WEC Wisconsin Energy 0.56 0.56 ▼ ▼ 12/2014  AUY Yamana Gold 0.04 -0.01 ▼ ▼ 12/2014   | ₩ PEP          | Pepsico             | 1.08         | 1.36  | <b>&amp; &amp; &amp;</b>         | 12/2014 |
| ■ TWX       Time Warner       0.94       0.97       ▼ ▼ ▼ 12/2014         ■ TRIP       TripAdvisor       0.37       0.48       ▼ ▼ 12/2014         ■ WFM       Whole Foods Market       0.45       0.35       ▼ ▼ 12/2014         ■ WEC       Wisconsin Energy       0.56       0.56       ▼ ▼ 12/2014         ■ AUY       Yamana Gold       0.04       -0.01       ▼ ▼ 12/2014  | <b>TSLA</b>    | Tesla               | 0.31         | 0.02  | A A A                            | 12/2014 |
| ■ TRIP       TripAdvisor       0.37       0.48       ▼ ▼ ▼ 12/2014         ■ WFM       Whole Foods Market       0.45       0.35       ▼ ▼ 12/2014         ■ WEC       Wisconsin Energy       0.56       0.56       ▼ ▼ 12/2014         ■ AUY       Yamana Gold       0.04       -0.01       ▼ ▼ 12/2014  | ■ TSO          | Tesoro              | 1.5          | 3.06  | <b>A</b> A A                     | 12/2014 |
| WFM         Whole Foods Market         0.45         0.35         ▼ ▼ ▼ 12/2014           WEC         Wisconsin Energy         0.56         0.56         ▼ ▼ ▼ 12/2014           AUY         Yamana Gold         0.04         -0.01         ▼ ▼ ▼ 12/2014   | <b>TWX</b>     | Time Warner         | 0.94         | 0.97  | <b>&amp; &amp; &amp;</b>         | 12/2014 |
| ■ WEC Wisconsin Energy 0.56 0.56 ▼ ▼ 12/2014   ■ AUY Yamana Gold 0.04 -0.01 ▼ ▼ 12/2014  | <b>TRIP</b>    | TripAdvisor         | 0.37         | 0.48  | <b>&amp; &amp; &amp;</b>         | 12/2014 |
| ■ AUY Yamana Gold 0.04 -0.01 ▼ ▼ 12/2014   | ₩ WFM          | Whole Foods Market  | 0.45         | 0.35  | <b>A A A</b>                     | 12/2014 |
| 0.04 0.01 0 0 122014   | <b>WEC</b>     | Wisconsin Energy    | 0.56         | 0.56  | <b>A</b> , <b>A</b> , <b>A</b> , | 12/2014 |
| <b>■ ZTS</b> Zoetis Inc 0.36 0.41 ♥ ♥ 12/2014  | <b>AUY</b>     | Yamana Gold         | 0.04         | -0.01 | A, A, A,                         | 12/2014 |
|  | ZTS            | Zoetis Inc          | 0.36         | 0.41  | <b>.</b>                         | 12/2014 |

# Natus Medical Inc. (BABY: NASDAQ)

Financial Analysis By: Nicholas Luca- Healthcare

## Company Profile as of 2/6/2015

Market Price: \$36.55
Industry: Medical Appliances & Equipment
Market Cap: \$1.18B
52-Week: \$21.54 - \$39.12
Beta: 0.7

| Source        | Target Price | Recommendation |
|---------------|--------------|----------------|
| Yahoo Finance | \$41.33      | BUY            |
| Capital IQ    | \$42.00      | BUY            |
| Bloomberg     | \$41.33      | BUY            |



#### Thesis

- -Broadened business segments through recent acquisitions
- -Full retirement of debt last quarter
- -Continued margin expansion
- -Product development opportunities

My recommendation is a <u>LIMIT BUY</u> as of February 4, 2015 aat a price of \$33.00 as I see continued growth and developing products under an experienced, loyal management team. Natus is currently very accurately priced, and I expect the price to drop at sometime within the quarter to lower 30's, of which is when we shall buy. With their preexisting products continuing to grow within both U.S. and international facilities as well as two acquisitions in 2015 already, of two small cap companies each with developed products, Natus Inc. is expanding rapidly. The company is in a solid position financially after retiring all of their remaining debt they had in the last quarter of 2014 and also repurchasing \$1.2 million of their own shares. Margins are continuing to grow, with profitability especially growing, faster than the company's original expectations.

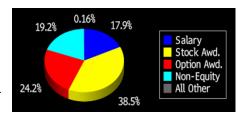
# **Company Overview**

Natus Medcial is a world-wide medical appliance and service provider for hospitals, NICUS, and other medically related facilities such as laboratories in over 100 countries today. The markets they currently tend to are Newborn Care, Neurology, Sleep, Hearing and Balance markets. Natus develops products aimed towards newborn babies from conception until 1 year of age. Through innovative

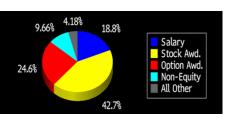
screening, running diagnostics, and other procedures involving their products, they seek to reduce and cure birth ailments, improve outcomes, and change the complicated, time consuming procedures these facilities run frequently.

#### **Management**

Natus Medical Inc. is led by President and CEO James B. Hawkins who started with the company in 2004 and provides company loyalty and true expertise in the medical device field. Hawkins serves as a director of the Digirad Corporation, a publicly traded company that provides diagnostic solutions with incorporating imaging, and also at IRIDEX Corp., a publicly traded company that provides laser systems, delivery devices and instrumentation to treat eye diseases. Jim Hawkins has 38.5% of his compensation endowed in stock awards, of which is almost double of his 17.9% in salary. Hawkins personal investment within Natus shows his concern in the price of the stock and supports my interest in holding Natus.



Jonathan Kennedy has served as Senior VP and CFO of Natus Inc. since April 2013. Mr. Kennedy holds a B.S in Business Administration and MBA in Accounting from the University of Central Florida, and also is a Certified Public Accountant. Along with Hawkins, Kennedy also holds a large stake in the company, roughly 43% of his compensation.



Adding to Hawkins and Kennedy's expertise of Natus Inc. is Steven Murphy, CPA and B.S. in Business Administration from California State University. Mr. Murphy has been with the company since 2002, holding the position of VP of Finance since 2003.

Their management team is conservative and truthful, and for 2015 high hopes for Natus. James Hawkins moves with the best interests of the company in mind and is personally involved as much as a president could. From the discussion in earnings calls you can hear the confidence within them, but yet there is no exaggeration or boasting involved. Belief in the company's success is stemmed from the decisions that management continues to make, and with the development and planning that took place in 2014, I can't see anything but success from this management in 2015.

#### **Recent Acquisitions**

My bullishness towards Natus Medical stems from their two acquisitions made in January of this year. Both of these acquisitions contain products that are already on the market in limited quantities, and have a lot of room to grow. They are currently in the beginning stages of producing revenue, which made them perfect targets for acquisitions. The research and development of these is essentially finished, and now Natus must implement these products in as many NICUs, hospitals, and other relative facilities as possible to receive the revenue they anticipate.

The first of the two acquisitions was Global Neuro-Diagnostics (GND) of which is a relatively small firm that generates roughly 7 million in revenue per year and was a customer of Natus prior to acquisition. GND's main focus is on electroencephalography or EEG, of which simplifies the complicated routine of EEG testing, and also the first ever to allow this procedure to be done anywhere, whether it's home, at the medical office, or halfway across the world, of which is all patented. The continued accreditation from well-known individuals within the field sparked a serious interest from Natus, as they saw the profits in the buyout of an 11 million dollar company. Although the buyout is a relatively small percentage of Natus, they see huge growth within the acquisition and look to offer their EEG testing device throughout the rest of the nation within a few months, as they are only currently operating in Texas businesses. The expansion nationwide, and then globally hopefully, will result in profits much larger than GND currently recorded. With operating margins at roughly 20% for GND, Natus seeks to obtain roughly \$75 – \$100 million in revenue from the nationwide distribution of GND.

The next acquisition of the New Year was also a medical device company named Nicview. Nicview develops cameras that are placed within the rooms of new born babies that allow parents, relatives, and other close friends to check in through live feed anywhere in the world through web streaming. Often times, whether traveling for business or having long distance relatives, you are unable to hold a presence with the newborn. With Nicview you are able to login anywhere and check in on the newborn. Natus looks to incorporate these cameras with their diagnostic testing in the future and also bring this device nationwide with GND. Nicview is used in only 9 of the top 50 children's hospitals in the U.S. (from

# Average Length of Stay in the NICU (Days) by gestational age



U.S. News Rankings), a number that will be over double of that come 2016 according to Natus president Jim Hawkins. People logged in from 31 countries from 2012-2014 to check on infants, from only 40 NICUs. With more than 1,500 NICUs in the U.S. alone, you can see the opportunity this product has to expand. Jim Hawkins also has the interest of pursuing these cameras in the elderly homes to. Although he doesn't see as much success as the NICUs, he sees more potential revenue generated from this low cost product. With the expansion of the newly acquired companies, Natus hopes to capitalize in new business segments such as newborn care and neurology.

#### **Product Development**

Natus Medical currently operates in 58 hospitals across the U.S. of which 19 of them were added to that number last quarter and 17 in the third quarter. Natus is signing contracts much quicker than they expected, and set their target at 3000 total hospitals. Along with these acquisitions comes one of Natus's newer products, the Peloton hearing screening test. Peleton basically runs the screening with the help of any practitioner and has the information collected and sent to an offsite Natus examiner. Response time is much quicker than the standard conducted hearing test and also puts less constraint on the practitioner, and allows he or she to focus on the care of the patient instead. The Peleton creates revenue of roughly \$100 per baby, of which is 10x the amount of revenue created prior to this product. Hawkins believes that on average they will generate \$150,000 in revenue per hospital signed. With expectations of adding 10 hospitals per quarter, there is clear future value created from this product.

Another developing product is the Vista Ultrasound System, of which is the first in their segment to develop ultrasound sound testing with an EMG workstations. This allows the practitioner, on a real – time basis to locate nerves that aid to the placing of needle electrodes to perform nerve studies. The ultrasound equipment was introduced in October of 2014 and is just starting to play a role in hospitals right now. This ultrasound advancement opens up a new market segment and adds to the portfolio of the types of screening Natus provides equipment for. No yet revenue has been generated, but yet all of the costs have already been endured, leading the reflection of revenue to be seen as early as the first quarter of this year.

#### **Financial Position**

#### Retirement of Debt

Natus, in the fourth quarter, increased cash by \$8.9 million and also managed to pay off the remaining \$8 million of bank debt. They had \$38 million in bank debt come the start of 2014, and were capable of paying it all off by 2015. With this cash they also bought back \$1.2 million of Natus stock in the fourth quarter.

#### Improving Margins

Natus improved operating and profitability margins yet again and reported a revenue increase of 3.2% year over year to \$94 million. Hawkins also expects a 3 to 5% jump in revenue for 2015 and by 2016 expects profitability margins to increase to 20%, of which they raised to 16.1% this most recent quarter.

#### Conclusion

From the number of new product launches and a developing pipeline through 2015 acquisitions, I have high expectations for continued growth for Natus Inc. for 2015. Management is speaking quite highly of the New Year, and is certainly making moves towards the growth they originally desired. I find their management, most importantly president James Hawkins, to be very conservative with their guidance each quarter, as they continue to beat almost every aspect of earnings each quarter. With that being said, their optimistic view on the increase of revenue and earnings per share for 2015 is very encouraging. Management understands that a lot of money went into investing into new products, products that are now completed and ready to hit the market. While they boast revenue with these new products, they are also expanding their contracts with clients rapidly. Their market segment poses very little risk as newborn care is always going to be present. Natus Inc. is the leader of their market and will continue to see growth in financials throughout 2015, much of which is rooted from excellent planning and investing accomplished in prior quarters. If margins continue to increase, more acquisitions come in 2015, and the products continue to develop as planned, Natus Inc. will very likely have another year of success.

| General In  | baby  | Analyst: [  | Rigolo des Bois  | Current  | Price: 36.55  | Lover Bound I<br>Value: \$33.4   | ntrinsic   | ±37.9   | d ly-1 arget:   | Dividend Yie  | eld: 0%                          | ly Upside (d                           | ownside):  |
|---|---|---|--|--|---|--|--|---|---|---|----------------------------------|--|--|
|   | to  |   | Market D   | ata  |   | Office AND   |  | 210   | Peers   |   |                                  | 3 DD2                                  |  |
| Sector  | Healthcare  |   | Enterprise value   |  | Symbol  | NAME   | Market Cap   | TEV/EBITDA  | P/B   | EBITDA Margir   | Total Debt/TEV                   | EBIT/Int. Exp.                         | Altman Z   |
| Industry  | Healthcare Equipment  | and Supplies  | Market Capitalization  | \$875.45   | NasdagGS:ICUI   | ICU Medicul, Inc.  | \$ 1,338.31  | 15.7x   | 2.7x  | 21%   | 0%                               |  | 18.10  |
| Description: Makes Medical homeporated presides conduct saver as  | d araralogy brallhours products   | worldwide. Haffren  | Daily volume   | 0.99875  | NasdaqGS:YOLC   | Volcano Corporatio   | \$926.40   | 74.3x   | 3.0x  | 4%  | 36%                              | (0.6x)                                 | 1.61   |
| And the companion and for the according defection, to character   | paritoring and transling of names   | n medical albertain   | Shares outstanding   |  | NasdaqGS:MASI   | Masimo Corporatio  | \$1,416.70   | 14.8x   | 5.0x  | 17%   | 3%                               |  | 5.73   |
| arabara nare, bearing impairment, armediqual dynfamilian, a<br>disorders. The company's product offerings include computerior   | d arrendingenella egolome for   | entirings, received   | Diluted shares outstandi   | 32.57<br>78.7%   | NasdaqGS:NUVA   | NuVasive, Inc.   | \$2,198.23   | 20.0x   | 3.5x  | 15%   | 16%                              | 2.1x                                   | 2.43   |
| polynomography, and around dupy) arodom over products, and as<br>the less durat of newhorn junction, head-moding products for the less  | bearing surreraing againme, pho   | hillionegy dealers for  | & charge held by institute   |  | NYSE:CFN  | CareFusion Corpora   | \$12,211.80  | 14.0x   | 2.3x  | 23%   | 16%                              | 7.4 x                                  | 2.85   |
| the treduced of maker specifies, brahending products for the tre<br>andred the archero's conferenced; and software against for ma   | altered of brain injurgiu arabar  | en, and insubstants to  | Short interest   |  | NasdagCM:NURO   | NeuroMetrix Inc.   | \$13.50  | NM  | 2.2x  | -1231   | 0%                               | 1141                                   | -15.09   |
| health laboratories. It granites \$1.50, \$9 cer, \$40 %, and Sahe Sara   | regard and transfer discoulant or<br>on newborn brazing merceness:  | of beginners in   | Days to cover short inter  | 4.76   | NasdaqGS:HOLX   | Hologic Inc.   | \$8,387.33   | 12.9x   | 4.0x  | 36%   | 34%                              | 1.9x                                   | 0.63   |
| anyply products that are need with anabara bracing accreaing de   | rainen. The nempora olan affice   | ra diagnostia braring   | 25 Accept gridge   |  | NasdaqGS:NXTM   | Nxstage Medical, In-   | \$1,085.99   | NM  | 5.8×  | -3%   | 2%                               | (28.0x)                                | 3.12   |
| announced product there, which include the Manigator Procession   |   |   |  |  | NasdaqGS:THOR   | Thoratec Corp  | \$1,976.70   | 18.1x   | 3.0x  | 20%   | 0%                               | 3,303.5x                               | 3.40   |
| StOX PRO; and diagonalis braving angula products. In addition, i<br>products, produce brain injury diagonalis products, licensergy  |   |   |  | 27,53%   | Peers' Median   |  | \$1,416.70<br>\$1,166.82   | 15.7x<br>18.0x  | 3.0x<br>3.3x  | 172<br>172  | 92                               | 2.0x                                   | 2.85   |
|   | Managemen   | et .  |  | 81.504   | Usby  |  | \$1,100.02   |   | rformance   |   |                                  |  |  |
| Professional  | Title   | mp. FY2012  |  |  |   |  |  | P   | ters  |   | estry                            | AII U.S                                |  |
| Hawking, James  |   | ========  |  | -  |   | Last   | 10y Med.   | Last  | 10y Med.  | Last  | 10y Med.                         | Last                                   | 10y Med.   |
| Moore, William  |   | \$ 158,011.00   |  |  | ROIC  | 10.0%  | 8.9%   | 5.49%   | 5.70%   | 9.33%   | 9.96%                            | 8.63%                                  | 11.95%   |
| Kennedy, Jonathan<br>Traverso, Kenneth  | Chief Financial   | 5 TOLOHOO   | \$ 1,858,380.00<br>\$ 172,312.00   |  | EBITA Margin<br>Imputed Rev./Invested cap   | 17.4%<br>o. 1.24   | 19.3%  | 23.5%   | 23.32%  | 16.24%<br>1.19  | 15.85%<br>1.27                   | 13.63%                                 | 13.61%   |
| Traverso, Kenneth<br>Chung, D.  |   | \$ 731,311.00<br>\$ 697,328.00  | \$ 726,437.00  | : :  | Excess Cash/Rev.  | 18.75%   | 16.71%   | 48.73%  | 35.15%  | 4150%   | 36.04%                           | 22.37%                                 | 18.66%   |
| Noll, Austin  |   | \$1,138,752.00  | \$ 834,485.00  | š .  | Total Cash /Rev.  | 18.75%   | 16,71%   | 48.73%  | 35.15%  | 48.87%  | 41.30%                           | 32.05%                                 | 29.10%   |
| Current Capital Structs   | II ¢  |   | Past Earni   | na Surprises   |   | Last Guidance  |  | Next earnings   |   |   | Call Transcript:                 | www.mates.com                          |  |
| Total debt/market cap   | 200.0   |   | Revenue  | EBITDA   | Norm. EPS   | Natur Medical Inc. repor   |  |   |   |   |                                  |  |  |
| Cost of Borrowing   |   | Last Quarter  | 0.0%   | 0.0%   | 2.6%  | \$94,010,000 campared to   |  |   |   |   |                                  |  |  |
| Interest Coverage<br>Debt Roting  |   | Last Quarter-1<br>Last Quarter -2   | 2.5%<br>1.3%   | -11.7%   | 6.5%<br>7.7%  | \$13,136,000 a year eqs. N<br>income textuar \$17,517,0  |  |   |   |   |                                  |  |  |
| Sy Beta   |   | Last Quarter -3   |  | 15.3%  | 13.0%   | a year ago. Hon-GAAP op  |  |   |   |   |                                  |  |  |
| WACC (based on market value weights)  |   | Last Guarter -4   | 0.6%   | 22.3%  | 19.4%   |  |  |   |   |   |                                  |  | -  |
|   |   | a Period Ass  |  |  |   | For the year, the compon   |  |   |   |   |                                  |  |  |
| Money market rate as of today   | 0.45%   | Risk-Free rate  | 2.3%   | LT Op. Costs/Rev   | 78.0%   | Income before tax war \$4  |  |   |   |   |                                  |  |  |
| Annual increase (decrease) in interest rates  | 0.10%   | Op. Cash/Rev.   | 0.00%  | LT WACC  | 3.0%  | year eqs. Non-GAAP inc   |  |   |   |   |                                  |  |  |
| Yield Spread acceleration   |   | Op. Cash/Cash   |  | LT Term ROIC   | 17.4%   | share compared to \$32,5<br>war 16.1% compared to 13   |  |   |   | Page 17 112 100 0   | ampered to \$41,014,01           | PP a year aga. Man-Gre                 | AP Operating margin  |
| Marginal Tax Rate   |   | LT Growth   |  |  | Follows Forward Rev. Gro  | 0  |  |   |   |   |                                  |  |  |
| : weights are either implied from the st  |   |   |  |  | l based on the "unique<br>LT Op. Cos  |  |  |   |   |   |                                  |  | Capitalization<br>perating Lease   |
|   | Rev./Cap<br>Last  | 10y Median  | LT Imputed G<br>Last   | 10y Median   | Li Op. Cos<br>Last  | 10y Median   | Unlevere<br>Last   | 10y Median  | TEV/Rev.  | Itiples (10Y Histo<br>TEV/EBITDA  | TEV/EBITA                        | TEY/UFCF                               | yes  |
| baby  | 0.80  | 0.68  | 2.5%   | 24.3%  | 82.8%   | 83.82%   | 1.02   | 1.20  | 2.1x  | 14.9x   | 16.2x                            | 16.9x                                  | Straightline   |
| Peers   | 0.71  | 0.63  | 4.7%   | 8.9%   | 76.2%   | 77.12%   | 0.69   | 0.78  | 2.8x  | 12.5x   | 14.8×                            | 34.7x                                  | 10 years   |
| Primary Industry  | 0.97  | 0.33  | 11.5%  | 13.6%  | 79.3%   | 78.36%   | 0.32   | 18.0  | 3.6x  | 14.6×   | 16.3x                            | 33.4x                                  | R&D Exp.   |
| Industry<br>Industry Group  | 0.93<br>1.73  | 1.00  | 11.4%<br>7.0%  | 14.1%  | 79.8%<br>83.9%  | 79.59%<br>83.52%   | 0.93   | 0.90  | 3.7x<br>3.0x  | 15.5x<br>13.6x  | 16.8x<br>17.4x                   | 37.0x<br>33.8x                         | Yes<br>Struightline  |
| Industry Group<br>Sector  | 1.13  | 1.01  | 3.4%   | 12.1%  | 81.0%   | 81.22%   | 0.35   | 0.84  | 3.0±<br>3.8±  | 13.6x<br>13.9x  | 17.4x                            | 34.8x                                  | 10 years   |
| All U.S. Firms  | 1.61  | 1.74  | 6.3%   | 8.0%   | 80.6%   | 81.40%   | 0.33   | 0.36  | 2.5×  | 12.5x   | 16.9x                            | 31.1x                                  | rpl./Drilling Ex   |
| GDP   | N/A   | N/A   | 3.9%   | 3.2%   | N/A   | N/A  | N/A  | N/A   | N/A   | N/A   | NA                               |  | No   |
| baby long-run estimate  | 1.00  |   |  |  | 78.00   | -  |  | 9.3   |   |   |                                  | N/A                                    | Phon Labitation  |
|   |   |   | 4.00%  |  |   |  | 0.3  | 32  | 2.0x  | 14.7x   | 16.2x                            | N/A<br>25.0x                           | Straightline   |
|   |   |   |  |  | Explicit Period Assu  | mptions  |  |   |   |   | 16,2x                            | 25.0x                                  | 10 years   |
| Growth  | FY2014  | FY2015<br>5.5%  | FY2016<br>6.02   | FY2017<br>5.5%   |   |  | FY2020<br>5.03   | FY2021<br>4.53  | 2.0x<br>FY2022<br>4.03  | 14.7x<br>FY2023<br>4.03   |                                  |  | 10 years<br>SG&A<br>No   |
| Op.Costs/Rev.   | FY2014<br>3.4%<br>82.8%   | FY2015<br>5.5%<br>83.0%   | FY2016<br>6.02<br>80.72  | FY2017<br>5.5%<br>78.5%  | Explicit Period Asset<br>FY2018<br>5.02<br>76.42  | motions<br>FY2019<br>5.02<br>74.62   | FY2020<br>5.02<br>73.12  | FY2021<br>4.5%<br>72.1%   | FY2022<br>4.02<br>71.62   | FY2023<br>4.02<br>71.62   | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>to =<br>4.0%<br>18.0%         | 10 years<br>SG&A<br>No<br>Straightline   |
|   | FY2014<br>3.4%<br>82.8%   | FY2015<br>5.5%  | FY2016<br>6.03   | FY2017<br>5.52<br>78.52<br>3.02  | Explicit Period Asse<br>FY2018<br>5.02<br>76.42<br>3.02   | FY2019<br>5.03   | FY2020<br>5.03   | FY2021<br>4.53  | FY2022<br>4.03  | FY2023  | 16.2x<br>FY2024<br>4.03          | 25.0x<br>to =<br>4.0%                  | 10 years<br>SG&A<br>No   |
| Op.Costs/Rev.   | FY2014<br>3.4%<br>82.8%<br>8.8%   | FY2015<br>5.52<br>83.02<br>3.03   | FY2016<br>6.02<br>80.72<br>3.02  | FY2017<br>5.52<br>78.52<br>9.02<br>Yalsa   | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion   | FY2019<br>5.02<br>74.62<br>3.02  | FY2020<br>5.02<br>73.12<br>9.02  | FY2021<br>4.52<br>72.12<br>9.02   | FY2022<br>4.02<br>71.62<br>9.02   | FY2023<br>4.02<br>71.62<br>3.02   | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>to =<br>4.0%<br>18.0%<br>3.0% | 10 years<br>SG&A<br>Mo<br>Straightline<br>10 years   |
| Op.Costs/Rev.   | FY2014<br>3.4%<br>82.8%<br>8.8%   | FY2015<br>5.5%<br>83.0%   | FY2016<br>6.02<br>80.72  | FY2017<br>5.52<br>78.52<br>3.02  | Explicit Period Asse<br>FY2018<br>5.02<br>76.42<br>3.02   | motions<br>FY2019<br>5.02<br>74.62   | FY2020<br>5.02<br>73.12  | FY2021<br>4.5%<br>72.1%   | FY2022<br>4.02<br>71.62   | FY2023<br>4.02<br>71.62   | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>to =<br>4.0%<br>18.0%<br>3.0% | 10 years<br>SG&A<br>No<br>Straightline   |
| Op.Costs/Rev.<br>VACC  NOPLAT  Invested capital   | FY2014<br>3.4%<br>82.8%<br>8.8%<br>LTM<br>\$44.3<br>\$44.21   | FY2015<br>5.52<br>83.02<br>9.02<br>LTM-1Y<br>\$42.3<br>\$474.2  | FY2016<br>6.02<br>80.72<br>9.02<br>LTM-2Y<br>\$49.2<br>\$486.3   | FY2017<br>5.52<br>78.52<br>3.02<br>Yalaa<br>LTM+3Y<br>\$57.0<br>\$499.1  | Explicit Period Assa<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM-4Y<br>165.1<br>1510.8  | FY2019<br>5.02<br>74.62<br>3.02<br>LTM-5Y<br>\$73.5<br>\$522.3   | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>\$815<br>\$536.7  | FY2021<br>4.52<br>72.12<br>5.02<br>LTM-7Y<br>\$88.5<br>\$549.3  | FY2022<br>4.03<br>71.62<br>3.02<br>LTM+8Y<br>133.9<br>1561.9  | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$97.7<br>\$575.4  | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>to =<br>4.0%<br>18.0%<br>3.0% | 10 years<br>SG&A<br>Mo<br>Straightline<br>10 years   |
| Op.Costs/Rev.  WACC  NOPLAT  Invested capital  ROIC   | FY2014<br>3.4%<br>82.8%<br>8.8%<br>LTM<br>\$44.3<br>\$44.21<br>10.0%  | FY2015<br>5.52<br>83.02<br>9.02<br>LTM-1Y<br>\$42.3<br>\$474.2<br>3.63  | FY2016<br>6.02<br>80.72<br>9.02<br>LTM-2Y<br>\$49.2<br>\$486.9<br>10.43  | FY2017<br>5.52<br>76.52<br>9.02<br>Yalua<br>LTM+3Y<br>\$57.0<br>\$439.1<br>11.73   | Exolicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM+4Y<br>465.1<br>\$510.8<br>13.04  | FY2019<br>5.02<br>74.62<br>3.02<br>LTM-5Y<br>\$73.5<br>\$522.3<br>14.43  | FY2020<br>5.02<br>73.12<br>9.02<br>LTM+6Y<br>\$815<br>\$536.7<br>15.62   | FY2021<br>4.52<br>72.12<br>9.02<br>LTM-TY<br>\$885<br>\$549.3<br>16.53  | FY2022<br>4.02<br>71.62<br>3.02<br>LTM+8Y<br>130.3<br>1561.9<br>17.12   | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>197.7<br>1575.4<br>17.41   | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>to =<br>4.0%<br>18.0%<br>3.0% | 10 years<br>SG&A<br>Mo<br>Straightline<br>10 years   |
| Op.Costs/Rev.  VACC  NOPLAT Invested capital ROIC UFCF  | FY2014 3.4% 52.8% 6.6%  LTM \$44.3 \$44.21 10.0% \$0.00   | FY2015<br>5.52<br>83.02<br>9.02<br>LTM-1Y<br>\$42.3<br>\$474.2<br>9.65<br>\$10.22   | FY2016<br>6.02<br>80.72<br>9.02<br>LTM-2Y<br>\$49.2<br>\$486.9<br>10.43<br>\$36.44   | FY2017<br>5.52<br>76.52<br>9.02<br>Yalaa<br>LTM+3Y<br>\$57.0<br>\$439.1<br>11.72<br>\$44.73  | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM-4Y<br>\$55.1<br>\$30.8<br>13.05<br>\$33.41   | FY2019 5.02 74.62 9.02  LTM-5Y \$70.5 \$522.3 14.42 \$52.04  | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>\$815<br>\$536.7<br>15.62<br>\$67.08  | FY2021<br>4.52<br>72.12<br>3.02<br>LTM-7Y<br>\$88.5<br>\$549.3<br>16.53<br>\$16.01  | FY2022<br>4.02<br>71.62<br>9.02<br>LTM-8Y<br>193.9<br>1961.9<br>17.15<br>181.33   | FY2023<br>4.02<br>71.62<br>3.02<br>LTM-9Y<br>\$37.7<br>\$375.4<br>17.42<br>\$64.20  | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>te =<br>4.0t<br>18.0t<br>9.0t | 10 years<br>SG&A<br>Mo<br>Straightline<br>10 years   |
| Op.Costs/Rev.  VACC  NOPLAT Invested capital  ROIC  UFCF  | FY2014 3.4% 52.8% 6.6%  LTM \$44.3 \$44.21 10.0% \$0.00   | FY2015<br>5.52<br>83.02<br>9.02<br>LTM-1Y<br>\$42.3<br>\$474.2<br>3.63  | FY2016<br>6.02<br>80.72<br>9.02<br>LTM-2Y<br>\$49.2<br>\$486.9<br>10.43  | FY2017<br>5.52<br>76.52<br>9.02<br>Yalua<br>LTM+3Y<br>\$57.0<br>\$439.1<br>11.73   | Exolicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM+4Y<br>465.1<br>\$510.8<br>13.04  | FY2019<br>5.02<br>74.62<br>3.02<br>LTM-5Y<br>\$73.5<br>\$522.3<br>14.43  | FY2020<br>5.02<br>73.12<br>9.02<br>LTM+6Y<br>\$815<br>\$536.7<br>15.62   | FY2021<br>4.52<br>72.12<br>9.02<br>LTM-TY<br>\$885<br>\$549.3<br>16.53  | FY2022<br>4.02<br>71.62<br>3.02<br>LTM+8Y<br>130.3<br>1561.9<br>17.12   | FY2023<br>4.02<br>71.62<br>3.02<br>LTM-9Y<br>\$97.7<br>\$375.4<br>17.42<br>\$84.20<br>\$48.25   | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>te =<br>4.0t<br>18.0t<br>9.0t | 10 years SGEA No Straightline 10 years   |
| Op.Costs/Rev.  VACC  NOPLAT Invested capital  ROIC  UFCF  EVA  Terminal valve   | FY2014 3.4% 82.8% 8.0% LTM \$44.3 \$44.21 10.0% \$0.00 \$5.04   | FY2015<br>5.52<br>83.02<br>9.02<br>LTM-1Y<br>\$42.3<br>\$474.2<br>3.63<br>\$10.22<br>\$2.74   | FY2016<br>6.02<br>80.72<br>9.02<br>LTM-2Y<br>\$49.2<br>\$486.9<br>10.43<br>\$36.44<br>\$6.68   | FY2017<br>5.52<br>76.52<br>9.02<br>Yalaa<br>LTM+3Y<br>\$57.0<br>\$439.1<br>11.72<br>\$44.73  | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM-4Y<br>\$55.1<br>\$30.8<br>13.05<br>\$33.41   | FY2019 5.02 74.62 3.02  LTM-5Y \$73.5 \$522.3 14.42 \$62.04 \$20.11  | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>\$815<br>\$536.7<br>15.62<br>\$67.08  | FY2021<br>4.52<br>72.12<br>3.02<br>LTM-7Y<br>188.5<br>1549.3<br>16.51<br>176.01<br>141.16   | FY2022<br>4.02<br>71.62<br>9.02<br>LTM-8Y<br>193.9<br>1961.9<br>17.15<br>181.33   | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$91.7<br>\$75.4<br>17.42<br>\$04.20<br>\$48.29<br>\$1589.73   | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>te =<br>4.0t<br>18.0t<br>9.0t | 10 years SGEA No Straightline 10 years   |
| Op.Costs/Rev.  VACC  NOPLAT Invested capital  ROIC  UFCF  | FY2014 3.4% 82.8% 9.8% 1.7M \$44.3 \$442.1 10.0% \$0.00 \$5.04 \$1,165.96 \$0.00  | FY2015<br>5.52<br>83.02<br>9.02<br>LTM-1Y<br>142.3<br>1474.2<br>3.62<br>110.22<br>12.74<br>11,257.17<br>10.00   | FY2016<br>6.02<br>80.72<br>9.02<br>LTM-2Y<br>\$49.2<br>\$486.9<br>10.43<br>\$36.44   | FY2017<br>5.52<br>78.52<br>3.02<br>Yalva<br>ETM-3Y<br>\$51.0<br>\$499.1<br>11.72<br>\$44.73<br>\$13.46<br>\$1,422.06<br>\$0.00   | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>Sion<br>LTM-4Y<br>\$65.1<br>\$50.8<br>13.04<br>\$53.41<br>\$20.65  | ### PY2019  5.02  74.62  3.02  ETM-5Y  \$73.5  \$522.3  14.45  \$62.04  \$20.11  \$1,573.34  \$0.00  | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>1815<br>1536.7<br>15.62<br>167.08<br>135.48   | FY2021<br>4.52<br>72.12<br>3.02<br>LTM-7Y<br>\$88.5<br>\$549.3<br>16.52<br>\$76.01<br>\$41.6<br>\$1,716.04<br>\$0.00  | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>\$30.9<br>\$561.9<br>17.12<br>\$81.33<br>\$45.50<br>\$1,784.01<br>\$0.00   | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$97.7<br>\$175.4<br>17.42<br>\$84.20<br>\$48.25<br>\$1689.73<br>\$1,857.53<br>\$0.00  | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>te =<br>4.0t<br>18.0t<br>9.0t | 10 years SGEA No Straightline 10 years   |
| Op.Costs/Rev.  VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority laterest   | FY2014 3.4% 82.8% 8.0%  LTM \$44.3 \$44.2 \$10.0% \$0.00 \$5.04  \$1,165.36 \$0.00 \$0.00   | FY2015<br>5.52<br>83.02<br>3.02<br>3.02<br>LTM-1Y<br>\$42.3<br>\$474.2<br>3.63<br>\$10.22<br>\$2.74<br>\$1,257.17<br>\$0,00<br>\$0,00   | FY2016<br>6.02<br>80.72<br>9.02<br>LTM-2Y<br>\$49.2<br>\$486.9<br>10.43<br>\$36.44<br>\$6.66<br>\$1.342.67<br>\$0.00<br>\$0.00   | FY2017<br>5.52<br>78.52<br>3.02<br>LTM-3Y<br>\$51.0<br>\$49.1<br>11.12<br>\$44.73<br>\$13.46<br>\$1,22.06<br>\$0.00<br>\$0.00  | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM-4Y<br>\$65.1<br>\$50.8<br>13.02<br>\$33.41<br>\$20.65<br>\$1,499.17<br>\$0.00<br>\$0.00  | FY2019 5.02 74.62 3.02  LTM-5Y \$73.5 \$522.3 14.42 \$52.04 \$20.11  \$1,573.34 \$0.00 \$0.00  | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>\$815<br>\$536.7<br>15.63<br>\$67.08<br>\$35.48<br>\$10.44.36<br>\$0.00<br>\$0.00   | FY2021<br>4.52<br>72.12<br>3.02<br>LTM-TY<br>\$88.5<br>\$49.3<br>16.52<br>\$76.01<br>\$41.16<br>\$1,716.04<br>\$0.00<br>\$0.00  | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>133.9<br>1561.9<br>17.12<br>181.33<br>145.50<br>\$1,784.01<br>\$0.00<br>\$0.00   | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$91.7<br>\$1575.4<br>17.42<br>\$44.20<br>\$46.29<br>\$1589.73<br>\$1,857.53<br>\$0.00<br>\$0.00   | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>te =<br>4.0t<br>18.0t<br>9.0t | 10 years SG&A No Straightline 10 years   |
| Op.Costs/Rev.  WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority laterest Preferred Equity  | FY2014 3.4% 82.8% 8.0%  LTM \$44.3 \$44.21 10.0% \$0.00 \$5.04  \$1,165.96 \$0.00 \$0.00 \$0.00   | FY2015<br>5.52<br>83.02<br>3.02<br>3.02<br>LTM-1Y<br>142.3<br>1474.2<br>3.65<br>10.22<br>12.74<br>\$1,257.17<br>\$0.00<br>\$0.00<br>\$0.00  | FY2016<br>6.02<br>80.72<br>3.02<br>LTM-2Y<br>\$49.2<br>\$496.9<br>10.42<br>\$56.44<br>\$6.68<br>\$1342.67<br>\$0.00<br>\$0.00<br>\$0.00  | FY2017<br>5.52<br>78.52<br>3.02<br>Yalta<br>157.0<br>1459.1<br>11.72<br>144.73<br>113.46<br>\$1.422.06<br>\$0.00<br>\$0.00<br>\$0.00   | Explicit Period Asse<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM-4Y<br>\$65.1<br>\$50.8<br>13.04<br>\$53.41<br>\$20.65<br>\$1,499.17<br>\$0.00<br>\$0.00  | FY2019 5.02 74.62 3.02  LTM-5Y 573.5 572.3 14.42 582.04 \$28.11  \$1,573.34 \$0.00 \$0.00 \$0.00   | FY2020<br>5.02<br>73.12<br>3.02<br>LTM-6Y<br>\$815<br>\$536.7<br>15.6%<br>\$67.08<br>\$35.48<br>\$1644.36<br>\$0.00<br>\$0.00<br>\$0.00  | FY2021<br>4.52<br>72.12<br>3.02<br>LTM-7Y<br>5885<br>5549.3<br>16.53<br>176.01<br>141.16<br>51,716.04<br>90.00<br>90.00<br>90.00  | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>133.3<br>1561.9<br>17.12<br>181.33<br>145.50<br>11,784.01<br>10.00<br>10.00<br>10.00   | FY2023<br>4.02<br>71.62<br>3.02<br>LTM-9Y<br>197.7<br>197.4<br>17.42<br>148.29<br>11689.73<br>11877.53<br>10.00<br>10.00<br>10.00   | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>te =<br>4.0t<br>18.0t<br>9.0t | 10 years SG&A No Straightline 10 years   |
| Op.Costs/Rev.  VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority laterest Preferred Equity Capitalized Operating leases   | FY2014 3.4% 82.8% 9.6%  LTM \$44.3 \$442.1 10.0% \$0.00 \$5.04  \$1,165.96 \$0.00 \$0.00 \$0.00 \$0.00  | FY2015 5.52 83.02 9.02 LTM-1Y 142.3 1474.2 9.62 110.22 12.74 11,257.17 10.00 10.00 10.00 10.00 10.00 10.00  | FY2016<br>6.02<br>80.72<br>9.02<br>LTM-2Y<br>\$49.2<br>\$486.9<br>10.42<br>\$36.44<br>\$6.68<br>\$1,342.67<br>\$0.00<br>\$0.00<br>\$10.00<br>\$16.20   | FY2017<br>5.52<br>78.52<br>3.02<br>ETM-3Y<br>\$51.0<br>\$499.1<br>11.72<br>\$44.73<br>\$13.46<br>\$1,422.06<br>\$0.00<br>\$0.00<br>\$15.34   | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>Sion<br>LTM-4Y<br>\$65.1<br>\$510.8<br>13.05<br>\$33.41<br>\$20.65<br>\$1,499.17<br>\$0.00<br>\$0.00<br>\$10.00  | FY2019 5.02 74.62 3.02  LTM-5Y \$73.5 \$522.3 14.45 \$62.04 \$28.11 \$1,573.34 \$0.00 \$0.00 \$13.43   | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>\$015<br>\$536.7<br>15.62<br>\$67.08<br>\$35.40<br>\$1,644.36<br>\$0.00<br>\$0.00<br>\$0.00<br>\$15.54  | FY2021<br>4.52<br>72.12<br>3.02<br>LTM-7Y<br>188.5<br>16.53<br>176.01<br>141.6<br>11,116.04<br>10.00<br>10.00<br>10.00<br>115.87  | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>\$30.9<br>\$561.9<br>17.12<br>\$81.33<br>\$45.50<br>\$1,784.01<br>\$0.00<br>\$0.00<br>\$10.00<br>\$16.10   | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$91.7<br>\$375.4<br>17.42<br>\$44.20<br>\$46.29<br>\$1,689.73<br>\$1,000<br>\$0.00<br>\$0.00<br>\$16.25   | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>te =<br>4.0t<br>18.0t<br>9.0t | 10 years SG&A No Straightline 10 years   |
| Op.Costs/Rev.  VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority laterest Preferred Equity Capitalized Operating leases V of Unfunded Pension Plan Liabilities  | FY2014 3.4% 82.8% 8.0%  LTM \$44.3 \$44.21 10.0% \$0.00 \$5.04  \$1,65.36 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00  | FY2015 5.52 83.02 3.02 5.02 LTM-1Y \$42.3 \$474.2 3.62 \$10.22 \$2.74 \$1,257.17 \$0.00 \$0.00 \$0.00 \$17.37 \$0.00  | FY2016 6.02 80.72 9.02  LTM-2Y \$49.2 \$486.9 10.43 \$36.44 \$6.66 \$1.342.67 \$0.00 \$0.00 \$1.00 \$1.00 \$1.00 \$1.00 \$1.00 \$1.00 \$1.00   | FY2017<br>5.52<br>78.52<br>3.02<br>LTM-3Y<br>\$57.0<br>\$49.1<br>11.72<br>\$44.73<br>\$13.46<br>\$1,422.06<br>\$0.00<br>\$0.00<br>\$0.00<br>\$15.34<br>\$0.00  | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM-4Y<br>\$65.1<br>\$50.8<br>13.02<br>\$53.41<br>\$20.65<br>\$1,499.17<br>\$0.00<br>\$0.00<br>\$0.00<br>\$14.41<br>\$0.00   | FY2019 5.02 74.62 3.02  LTM-5Y \$73.5 \$522.3 14.42 \$52.04 \$20.11  \$1,573.34 \$0.00 \$0.00 \$0.00 \$13.43 \$0.00  | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>\$815<br>\$536.7<br>15.63<br>\$67.08<br>\$35.48<br>\$10.44.36<br>\$0.00<br>\$0.00<br>\$0.00<br>\$15.54<br>\$0.00  | FY2021<br>4.52<br>72.12<br>3.02<br>LTM-TY<br>\$88.5<br>\$49.3<br>16.52<br>\$76.01<br>\$41.16<br>\$1,716.04<br>\$0.00<br>\$0.00<br>\$0.00<br>\$15.87<br>\$0.00   | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>\$33.9<br>\$56.9<br>17.12<br>\$81.33<br>\$45.50<br>\$1,784.01<br>\$0.00<br>\$0.00<br>\$10.00<br>\$16.10<br>\$0.00  | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$91.7<br>\$75.4<br>17.42<br>\$44.29<br>\$46.29<br>\$1,689.73<br>\$1,000<br>\$0.00<br>\$0.00<br>\$16.25<br>\$0.00  | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>te =<br>4.0t<br>18.0t<br>9.0t | 10 years SG&A No Straightline 10 years   |
| Op.Costs/Rev.  VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority laterest Preferred Equity Capitalized Operating leases   | FY2014 3.4% 82.8% 8.8% 8.8% LTM \$44.3 \$44.21 10.0% \$0.00 \$5.04  \$1,65.36 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00   | FY2015 5.52 83.02 9.02 LTM-1Y 142.3 1474.2 9.62 110.22 12.74 11,257.17 10.00 10.00 10.00 10.00 10.00 10.00  | FY2016<br>6.02<br>80.72<br>9.02<br>LTM-2Y<br>\$49.2<br>\$486.9<br>10.42<br>\$36.44<br>\$6.68<br>\$1,342.67<br>\$0.00<br>\$0.00<br>\$10.00<br>\$16.20   | FY2017<br>5.52<br>78.52<br>3.02<br>ETM-3Y<br>\$51.0<br>\$499.1<br>11.72<br>\$44.73<br>\$13.46<br>\$1,422.06<br>\$0.00<br>\$0.00<br>\$15.34   | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>Sion<br>LTM-4Y<br>\$65.1<br>\$510.8<br>13.04<br>\$53.41<br>\$20.65<br>\$1,499.17<br>\$0.00<br>\$0.00<br>\$10.00  | FY2019 5.02 74.62 3.02  LTM-5Y \$73.5 \$522.3 14.45 \$62.04 \$28.11 \$1,573.34 \$0.00 \$0.00 \$13.43   | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>\$015<br>\$536.7<br>15.62<br>\$67.08<br>\$35.40<br>\$1,644.36<br>\$0.00<br>\$0.00<br>\$0.00<br>\$15.54  | FY2021<br>4.52<br>72.12<br>3.02<br>LTM-7Y<br>188.5<br>16.53<br>176.01<br>141.6<br>11,116.04<br>10.00<br>10.00<br>10.00<br>115.87  | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>\$30.9<br>\$561.9<br>17.12<br>\$81.33<br>\$45.50<br>\$1,784.01<br>\$0.00<br>\$0.00<br>\$10.00<br>\$16.10   | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$91.7<br>\$375.4<br>17.42<br>\$44.20<br>\$46.29<br>\$1,689.73<br>\$1,000<br>\$0.00<br>\$0.00<br>\$16.25   | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>te =<br>4.0t<br>18.0t<br>9.0t | 10 years SG&A No Straightline 10 years   |
| Op.Costs/Rev.  VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases V of Unfunded Pension Plan Liabilities act of options, warrants, and converts Other claims on operating assets fon-operating cash and LT investments  | FY2014 3.4% 82.8% 8.0%  LTM \$44.3 \$44.21 10.0% \$0.00 \$5.04  \$1,65.36 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00  | FY2015 5.52 83.02 3.02 5.02 LTM-1Y \$42.3 \$474.2 3.63 \$10.22 \$2.74 \$1,257.17 \$0.00 \$0.00 \$0.00 \$17.37 \$0.00 \$0.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00   | FY2016 6.02 80.72 9.02  LTM-2Y \$49.2 \$486.9 10.43 \$36.44 \$6.66 \$1.342.67 \$0.00 \$0.00 \$10.00 \$10.00 \$0.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$145.71  | FY2017 5.52 78.52 3.02 LTM-3Y \$51.0 \$493.1 11.72 \$44.73 \$13.46 \$1,422.06 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$1534   | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM-4Y<br>\$65.1<br>\$50.8<br>13.02<br>\$53.41<br>\$20.65<br>\$1,499.17<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.0 | FY2019 5.02 74.62 3.02  LTM-5Y \$73.5 \$522.3 14.42 \$52.04 \$20.11  \$1,573.34 \$0.00 \$0.00 \$0.00 \$13.43 \$0.00 \$0.00 \$0.00 \$10.00 \$10.00 \$20.00 \$20.00 \$20.00 \$20.00 \$20.00 \$20.00 \$20.00 \$20.00 \$20.00 \$20.00 \$20.00 \$20.00 \$20.00  | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>\$815<br>\$536.7<br>15.63<br>\$67.08<br>\$35.48<br>\$1,644.36<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0. | FY2021<br>4.52<br>72.12<br>3.02<br>LTM-TY<br>\$88.5<br>\$43.3<br>16.52<br>\$76.01<br>\$41.16<br>\$1,716.04<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00  | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>\$33.9<br>\$561.9<br>17.12<br>\$81.33<br>\$45.50<br>\$1,784.01<br>\$0.00<br>\$0.00<br>\$10.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.0 | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$91.7<br>\$75.4<br>17.42<br>\$44.29<br>\$48.29<br>\$1589.73<br>\$1,000<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$681.36  | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>te =<br>4.0t<br>18.0t<br>9.0t | 10 years 3 GBA No Straightline 10 years  |
| Op.Costs/Rev.  WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal valve Enterprise value (mid-year adi.) Total Debt Minority laterest Preferred Equity Capitalized Operating leases V of Unfunded Pension Plan Liabilities act of options, warrants, and converts Other claims on operating assets fon-operating cash and LT investments Equity value   | FY2014 3.4% 82.8% 8.6%  LTM \$44.3 \$44.21 10.0% \$0.00 \$5.04  \$1,65.36 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$1. | FY2015 5.52 83.02 3.02 3.02 LTM-1Y 142.3 1474.2 3.63 110.22 12.74 11,257.17 10.00 10.00 10.00 177.37 10.00 10.00 10.00 110.31 11,341.71   | FY2016 6.02 80.72 3.02  LTM-2Y \$43.2 \$486.9 10.42 \$36.44 \$56.68  \$1,342.67 \$0.00 \$0.00 \$10.00 \$10.00 \$10.00 \$145.71 \$1,472.19  | FY2017 5.52 76.52 3.02 Yalva LTM-3Y 157.0 1499.1 1172 144.73 133.46  \$1,422.06 \$0.00 \$0.00 \$0.00 \$0.00 \$15.34 \$0.00 \$0.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00  | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM-4Y<br>165.1<br>13.04<br>13.04<br>13.04<br>13.04<br>13.05<br>13.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.0  | FY2019 5.02 74.62 3.02  LTM-SY \$73.5 \$522.3 14.42 \$62.04 \$20.11  \$1,573.34 \$0.00 \$0.00 \$0.00 \$13.43 \$0.00 \$0.00 \$13.43 \$1.000 \$0.00 \$13.43 \$1.000 \$13.43  | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>\$815<br>\$536.7<br>15.64<br>\$67.08<br>\$35.48<br>\$1,644.36<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0. | FY2021 4.52 72.12 3.02  LTM-TY 188.5 184.9.3 16.53 176.01 141.16 11,716.04 10.00 10.  | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>133.3<br>1561.9<br>17.15<br>181.33<br>145.50<br>\$1,784.01<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00  | FY2023<br>4.02<br>71.62<br>3.02<br>LTM-9Y<br>\$97.7<br>\$575.4<br>17.42<br>\$64.29<br>\$46.29<br>\$1689.73<br>\$1,687.53<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0 | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>te =<br>4.0t<br>18.0t<br>9.0t | 10 years 3 GBA No Straightline 10 years  |
| Op.Costs/Rev.  VACC  NOPLAT Invested capital ROIC UFCF EYAA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases Y of Unfunded Pension Plan Liabilities act of options, warrants, and converts Other claims on operating assets fon-operating cash and LT investments Equity value Shares outstanding   | FY2014 3.4% 82.8% 9.9% LTM \$44.3 \$44.21 10.0% \$0.00 \$5.04  \$1,955.96 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$1,000 \$1,   | FY2015 5.52 83.02 9.02 LTM-1Y 1423 3.62 110.22 12.74 11,257.17 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.11 10.  | FY2016 6.02 80.72 9.02  LTM-2Y \$49.2 \$486.3 10.42 \$56.44 \$6.68 \$11,342.67 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$16.20 \$0.00 \$0.00 \$145.71 \$1,472.19 \$31,32  | FY2017 5.52 78.52 3.02 Value LTM-3Y 151.0 14.99.1 11.72 144.73 13.46 10.00   | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM-4Y<br>\$65.1<br>\$50.8<br>13.05<br>\$53.41<br>\$20.65<br>\$1,499.17<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.0 | FY2019 5.02 74.62 3.02  LTM-5Y \$73.5 \$522.3 14.45 \$62.04 \$28.11  \$1,573.34 \$0.00 \$0.00 \$0.00 \$13.43 \$0.00 \$0.00 \$13.43 \$1.00 \$ | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>\$815<br>\$536.7<br>15.64<br>\$67.08<br>\$35.48<br>\$16.44.36<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0. | FY2021<br>4.52<br>72.12<br>3.02<br>LTM-7Y<br>\$88.5<br>\$549.3<br>16.53<br>\$16.01<br>\$41.16<br>\$1,716.04<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$15.87<br>\$0.00<br>\$0.00<br>\$0.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00   | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>\$33.3<br>\$561.9<br>17.12<br>\$61.93<br>\$45.50<br>\$1,784.01<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00 | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$91.7<br>\$17.4<br>\$44.20<br>\$48.29<br>\$1.689.73<br>\$1.000<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10  | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x<br>te =<br>4.0t<br>18.0t<br>9.0t | 10 years 3 GBA No Straightline 10 years  |
| Op.Costs/Rev.  WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal valve Enterprise value (mid-year adi.) Total Debt Minority laterest Preferred Equity Capitalized Operating leases V of Unfunded Pension Plan Liabilities act of options, warrants, and converts Other claims on operating assets fon-operating cash and LT investments Equity value   | FY2014 3.4% 82.8% 8.8% 8.8% 144.3 \$44.3 \$44.21 10.0% \$0.00  | FY2015 5.52 83.02 3.02 3.02 1474.2 3.65 \$10.22 \$2.74 \$1,257.17 \$0.00 \$0.00 \$17.37 \$0.00 \$0.00 \$10.01 \$1,341.71 \$31.32 \$42.57  | FY2016 6.02 80.72 3.02 LTM-2Y \$49.2 \$496.9 10.44 \$36.44 \$56.68 \$1,342.67 \$0.00 \$0.00 \$0.00 \$10.00 \$10.00 \$10.00 \$10.00 \$145.71 \$1,472.19 \$31.32 \$46.54   | FY2017 5.52 76.52 3.02 Yalva LTM-3Y 157.0 1499.1 1172 144.73 133.46  \$1,422.06 \$0.00 \$0.00 \$0.00 \$0.00 \$15.34 \$0.00 \$0.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00  | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM-4Y<br>165.1<br>13.04<br>13.04<br>13.04<br>13.04<br>13.05<br>13.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.0  | FY2019 5.02 74.62 3.02  LTM-5Y \$73.5 \$522.3 14.42 \$52.04 \$20.11  \$1,573.34 \$0.00 \$0.00 \$13.43 \$0.00 \$0.00 \$13.43 \$1,000 \$   | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>\$815<br>\$536.7<br>15.62<br>\$67.08<br>\$35.48<br>\$10.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00  | FY2021<br>4.52<br>72.12<br>9.02<br>LTM-TY<br>\$88.5<br>\$14.9.3<br>16.53<br>\$176.01<br>\$41.16<br>\$1,716.04<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0. | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>133.3<br>1561.9<br>17.15<br>181.33<br>145.50<br>\$1,784.01<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00<br>10.00  | FY2023<br>4.02<br>71.62<br>3.02<br>LTM-9Y<br>\$97.7<br>\$575.4<br>17.42<br>\$64.29<br>\$46.29<br>\$1689.73<br>\$1,687.53<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0 | 16.2x  FY2024 4.02 72.02 3.02    | 25.0x<br>te =<br>4.0t<br>18.0t<br>3.0t | 10 years 3 GRA No Straightline 10 years  |
| Op.Costs/Rev.  VACC  NOPLAT Invested capital ROIC UFCF EYAA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases V of Unfunded Pension Plan Liabilities act of options, warrants, and converts Other claims on operating assets fon-operating cash and LT investments Equity value Shares outstanding   | FY2014 3.4% 82.8% 9.9% LTM \$44.3 \$44.21 10.0% \$0.00 \$5.04  \$1,955.96 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$1,000 \$1,   | FY2015 5.52 83.02 3.02 3.02 1474.2 3.65 \$10.22 \$2.74 \$1,257.17 \$0.00 \$0.00 \$17.37 \$0.00 \$0.00 \$10.01 \$1,341.71 \$31.32 \$42.57  | FY2016 6.02 80.72 3.02 LTM-2Y \$49.2 \$496.9 10.44 \$36.44 \$56.68 \$1,342.67 \$0.00 \$0.00 \$0.00 \$10.00 \$10.00 \$10.00 \$10.00 \$145.71 \$1,472.19 \$31.32 \$46.54   | FY2017 5.52 78.52 3.02 Value LTM-3Y 151.0 14.99.1 11.72 144.73 13.46 10.00   | Explicit Period Assu<br>FY2018<br>5.02<br>76.42<br>3.02<br>tion<br>LTM-4Y<br>\$65.1<br>\$50.8<br>13.05<br>\$53.41<br>\$20.65<br>\$1,499.17<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.0 | ### PY2019  5.02  74.62  3.02  LTM-5Y  \$73.5  \$522.3  14.45  \$62.04  \$20.11  \$1,573.34  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00   | FY2020<br>5.02<br>73.12<br>9.02<br>LTM-6Y<br>\$815<br>\$536.7<br>15.64<br>\$67.08<br>\$35.48<br>\$16.44.36<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0. | FY2021<br>4.52<br>72.12<br>9.02<br>LTM-TY<br>\$88.5<br>\$14.9.3<br>16.53<br>\$176.01<br>\$41.16<br>\$1,716.04<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0. | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>\$33.3<br>\$561.9<br>17.12<br>\$61.93<br>\$45.50<br>\$1,784.01<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00 | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$91.7<br>\$17.4<br>\$44.20<br>\$48.29<br>\$1.689.73<br>\$1.000<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10  | 16.2x<br>FY2024<br>4.02<br>72.03 | 25.0x  to = 4.0t; 18.0t; 3.0t;         | 10 years 3 GRA No Straightline 10 years 167hs = 1625th  1 = 1625th = 1625th                    |
| Op.Costs/Rev.  VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases V of Unfunded Pension Plan Liabilities act of options, warrants, and converts Other claims on operating assets fon-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/77/2015  | FY2014 3.4% 82.8% 8.0%  LTM \$44.3 \$442.1 10.0% \$0.00 \$5.04  \$1,65.36 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$10   | FY2015 5.52 83.02 9.02 LTM-1Y \$42.3 \$474.2 3.62 \$10.22 \$2.74 \$1,257.17 \$0.00 \$0.00 \$0.00 \$17.37 \$0.00 \$0.00 \$10.03 \$1,341.71 \$31.92 \$42.57 \$3.642 \$42.57   | FY2016 6.02 80.72 3.02  LTM-2Y \$49.2 \$496.9 10.45 \$56.44 \$56.66  \$1,342.67 \$0.00 \$0.00 \$0.00 \$10.00 | FY2017 5.52 78.52 3.02 VAINA LTM-3Y \$57.0 \$493.1 11.72 \$44.73 \$13.46 \$1,000 \$0,000 \$0,000 \$0,000 \$15.34 \$0,000 \$0,000 \$15.34 \$0,000 \$1  | Explicit Period Assu FY2018 5.02 76.42 3.02 tion  LTM-4Y \$55.1 \$590.8 13.04 \$53.41 \$20.65 \$1,499.17 \$0.00 \$0.00 \$0.00 \$14.41 \$0.00 \$0.00 \$10.00 \$260.26 \$1,745.02 \$31.32 \$55.12  Distribution Normal  | ### PY2019  5.02  74.62  3.02  LTM-5Y  \$73.5  \$522.3  14.45  \$62.04  \$20.11  \$1,573.34  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00   | FY2020 5.02 73.12 9.02  LTM-6Y \$815 \$536.7 15.62 \$67.08 \$35.48 \$10.44.36 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$15.54 \$0.00 \$0.00 \$10.00 \$  | FY2021 4.52 72.12 3.02  LTM-TY 1885 1549.3 16.53 176.01 14116  \$1,716.04 \$0.00 \$0.00 \$0.00 \$15.87 \$0.00 \$0.00 \$15.87 \$0.00 \$15.87 \$0.00 \$15.87 \$1.76.70 \$13.92 \$1.76.70 \$13.92 \$1.76.70 \$13.92 \$1.76.70 \$   | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>\$33.3<br>\$561.9<br>17.12<br>\$61.93<br>\$45.50<br>\$1,784.01<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00 | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$91.7<br>\$17.4<br>\$44.20<br>\$48.29<br>\$1.689.73<br>\$1.000<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10  | 16.2x  FY2024 4.02 72.02 3.02    | 25.0x  to = 4.0t; 18.0t; 3.0t;         | 10 years 3 GRA No Straightline 10 years  10 years  10 years  10 years  10 years  10 years      |
| Op.Costs/Rev.  WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority laterest Preferred Equity Capitalized Operating leases V of Unfunded Pension Plan Liabilities act of options, warrants, and converts Other claims on operating assets fon-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/7/2015  Revenue Variation Op. Costs Variation                      | FY2014 3.4% 82.8% 9.6%  LTM \$44.3 \$442.1 10.0% \$0.00 \$5.04  \$1,65.56 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$10.   | FY2015 5.52 83.02 9.02 LTM-1Y 142.3 1474.2 9.63 110.22 12.74 11,257.17 90.00 10.00 177.37 90.00 10.00   | FY2016 6.02 80.72 9.02 LTM-2Y \$49.2 \$486.9 10.42 \$36.44 \$56.66 \$1,342.67 \$0.00 \$0.00 \$0.00 \$16.20 \$0.00 \$16.20 \$0.00 \$145.71 \$1,472.19 \$31.92 \$46.54 Assumptions Min NVA   | FY2017 5.52 78.52 3.02  LTM-3Y 157.0 1499.1 11.72 144.73 13.46  \$1,422.06 90.00 90.00 90.00 15.34 90.00 10.00 10.00 1138.50 11,605.23 131.32 150.73  Max N/A  | Exolicit Period Assu FY2018 5.02 76.42 3.02  Sion  LTM-4Y 165.1 1530.8 13.04 153.41 120.65  \$1,439.17 10.00  | ### PY2019  5.02  74.62  5.02  14.62  5.02  LTM-5Y  \$73.5  \$522.3  14.42  \$62.04  \$20.11  \$1,573.34  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  | FY2020 5.02 73.12 9.02  LTM-6Y \$815 \$536.7 15.6% \$67.08 \$35.48  \$1,644.36 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$15.54 \$0.00 \$0.00 \$15.54 \$0.00 \$10.00   | FY2021 4.52 72.12 3.02  LTM-TY \$08.5 \$549.3 16.55 \$76.01 \$44.16  \$1,716.04 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$15.87 \$0.00 \$0.00 \$15.87 \$0.00 \$2,156.70 \$31.32 \$36.53 \$2,156.70 \$31.32 \$1.56  | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>\$33.3<br>\$561.9<br>17.12<br>\$61.93<br>\$45.50<br>\$1,784.01<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00 | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$91.7<br>\$17.4<br>\$44.20<br>\$48.29<br>\$1.689.73<br>\$1.000<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10  | 16.2x  FY2024 4.02 72.02 3.02    | 25.0x  to = 4.0t; 18.0t; 3.0t; 3.0t;   | 10 years 3 GRA No Straightline 10 years 167hs - 151 17h  |
| Op.Costs/Rev.  WACC  NOPLAT Invested capital ROIC UFCF EYA  Terminal value Enterprise value (mid-year adj.) Total Debt Minority laterest Preferred Equity Capitalized Operating leases V of Unfunded Pension Plan Liabilities act of options, warrants, and converts Other claims on operating assets fon-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/7/2015  Revenue Variation Op. Costs Variation Market Risk Premium | FY2014 3.4% 32.8% 0.0%  LTM \$44.3 \$44.21 10.0% \$0.00 \$5.04  \$1,955.96 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 \$   | FY2015 5.52 83.02 9.02 LTM-1Y \$423 \$474.2 9.62 \$10.22 \$2.74 \$10.00 \$0.00 \$0.00 \$17.37 \$0.00 \$0.00 \$1 | FY2016 6.02 80.72 9.02  LTM-2Y \$49.2 \$486.9 10.43 \$36.44 \$6.68 \$1,342.67 \$0.00 \$0.00 \$0.00 \$0.00 \$16.20 \$0.00 \$10.00 \$145.71 \$1,472.19 \$31.32 \$46.54 Assumptions N/A N/A N/A S.03  | FY2017 5.52 78.52 78.52 9.02  ETM-3Y 151.0 \$499.1 11.72 \$44.73 \$13.46  \$0.00 \$0.00 \$0.00 \$0.00 \$15.34 \$0.00 \$0.00 \$15.34 \$0.00 \$10.00 \$15.34 \$1.00 \$1. | Exolicit Period Assu FY2018 5.02 76.42 3.02 tion  LTM-4Y \$65.1 \$59.41 \$20.65 \$1,499.17 \$0.00 \$0.00 \$0.00 \$10.00 \$0   | ### TY2019  5.02  74.62  3.02  ETM-5Y  \$73.5  \$522.3  14.45  \$62.04  \$28.11  \$1,573.34  \$0.00  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$13.071  \$1,830.62  \$33.371  \$1,830.62  \$33.85  ##eaa est.  \$\text{of(z)} } adjusted price  | FY2020 5.02 73.12 9.02  LTM-6Y \$815 \$536.7 15.64 \$67.08 \$35.48  \$1,644.36 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$10   | FY2021 4.52 72.12 3.02  LTM-TY 1885 1549.3 16.53 176.01 14116  \$1,716.04 \$0.00 \$0.00 \$0.00 \$15.87 \$0.00 \$0.00 \$15.87 \$0.00 \$15.87 \$0.00 \$15.87 \$1.76.70 \$13.92 \$1.76.70 \$13.92 \$1.76.70 \$13.92 \$1.76.70 \$   | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>\$33.3<br>\$561.9<br>17.12<br>\$61.93<br>\$45.50<br>\$1,784.01<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00 | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$91.7<br>\$17.4<br>\$44.20<br>\$48.29<br>\$1.689.73<br>\$1.000<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10  | 16.2x  FY2024 4.02 72.02 3.02    | 25.0x  to = 4.0t; 18.0t; 3.0t; 3.0t;   | 10 years 3 GRA No Straightline 10 years 167hs - 151 17h  1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |
| Op.Costs/Rev.  WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal valve Enterprise valve (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases V of Unfunded Pension Plan Liabilities act of options, warrants, and converts Other claims on operating assets fon-operating cash and LT investments Equity valve Shares outstanding Price per share as of 2/7/2015  Revenue Variation Op. Costs Variation                      | FY2014 3.4% 82.8% 8.8% 8.8%  LTM \$44.3 \$44.3 \$442.1 10.0% \$0.00 \$0 | FY2015 5.52 83.02 9.02 LTM-1Y 142.3 1474.2 9.63 110.22 12.74 11,257.17 90.00 10.00 177.37 90.00 10.00   | FY2016 6.02 80.72 9.02 LTM-2Y \$49.2 \$486.9 10.42 \$36.44 \$56.66 \$1,342.67 \$0.00 \$0.00 \$0.00 \$16.20 \$0.00 \$16.20 \$0.00 \$145.71 \$1,472.19 \$31.92 \$46.54 Assumptions Min NVA   | FY2017 5.52 78.52 3.02  LTM-3Y 157.0 1499.1 11.72 144.73 13.46  \$1,422.06 90.00 90.00 90.00 15.34 90.00 10.00 10.00 1138.50 11,605.23 131.32 150.73  Max N/A  | Exolicit Period Assu FY2018 5.02 76.42 3.02  Sion  LTM-4Y 165.1 1530.8 13.04 153.41 120.65  \$1,439.17 10.00  | ### PY2019  5.02  74.62  5.02  14.62  5.02  LTM-5Y  \$73.5  \$522.3  14.42  \$62.04  \$20.11  \$1,573.34  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  \$0.00  \$13.43  \$0.00  | FY2020 5.02 73.12 9.02  LTM-6Y \$815 \$536.7 15.6% \$67.08 \$35.48  \$1,644.36 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$15.54 \$0.00 \$0.00 \$15.54 \$0.00 \$10.00   | FY2021 4.52 72.12 3.02  LTM-TY \$08.5 \$549.3 16.55 \$76.01 \$44.16  \$1,716.04 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$15.87 \$0.00 \$0.00 \$15.87 \$0.00 \$2,156.70 \$31.32 \$36.53 \$2,156.70 \$31.32 \$1.56  | FY2022<br>4.02<br>71.62<br>3.02<br>LTM-8Y<br>\$33.3<br>\$561.9<br>17.12<br>\$61.93<br>\$45.50<br>\$1,784.01<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00 | FY2023<br>4.02<br>71.62<br>9.02<br>LTM-9Y<br>\$91.7<br>\$17.4<br>\$44.20<br>\$48.29<br>\$1.689.73<br>\$1.000<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10.00<br>\$10  | 16.2x  FY2024 4.02 72.02 3.02    | 25.0x  to = 4.0t; 18.0t; 3.0t; 3.0t;   | 10 years 3 GRA No Straightline 10 years 167hs - 151 17h  1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |

# Flotek Industries Inc. (FTK: NYSE)

Financial Analysis By: Issam Kaisse – Basic Materials

## Company Profile as of 01/26/2015

Market Price: \$16.26 Industry: Oil & Gas Equipment & Services Market Cap: \$877.03M 52-Week: \$15.15 - \$32.92 Beta: 1.42

| Source        | Target Price | Recommendation |
|---------------|--------------|----------------|
| Siena         | \$19.20      | BUY            |
| Bloomberg     | \$23.63      | BUY            |
| Capital IQ    | \$19         | OUTPERFORM     |
| Yahoo Finance | \$23.63      | BUY            |



#### **Thesis**

- -Strong Financials
- -Leader in green oilfield industry
- -Growth & Expansion in all three business Segments
- -Strong management team
- -International Expansion and Opportunities

As the price of crude oil continues to trade between \$40-50, Flotek Industries is a company well positioned to survive the current storm. Flotek Industries is a buy at the current price of \$16.26 and has a target price of \$19.20, a potential upside of 18%. The stock is considered undervalued despite the good management team and the adequate strategy to tackle the volatile times. Flotek Industries is a company that has a strong balance sheet with positive free cash flow and increasing revenue. The firm continues to develop new products and define itself as a leader in green oilfield chemistry.

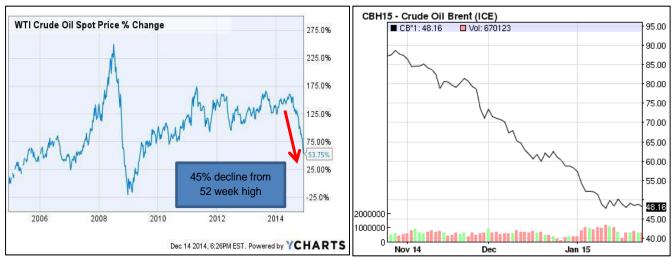
# **Company Overview**

Flotek Industries Inc. is specialized in oilfield chemicals and logistics, down-hole drilling tools and down-hole production tools used in the energy and mining industries in both the United States and internationally. The company operates in three segments: Energy Chemical Technologies, Drilling Technologies, and Production Technologies. The first segment adds value in the drilling, completion and production stages of oil and gas wells. The second segment provides downhold-drilling tools for use in oilfield, mining, water-well and industrial drilling activities. The third segment provides pumping system components and complimentary services in order to

address production challenges for oil and gas companies. The firm acquired Florida Chemical Co Inc. and SiteLark, LLC as it wants to enhance its position as a global developer and distributor of innovative specialty chemicals.

#### **Industry Outlook**

The oil and gas equipment and services industry is indirectly affected by commodity prices. Companies in this sector are dependent on the revenue from oil and gas producers' capital expenditures. The price of oil can have a direct impact on the players of this industry and their performance relies on its fluctuation. The oil and gas equipment and services industry can be qualified as cyclical and very few companies can survive this difficult environment. Recently the crude oil prices plunged to levels unexperienced since March 2009 because of the increase in US shale oil production and the decision by the top oil exporter Saudi Arabia to keep the same output. Also, OPEC does not want to intervene and prefer to let the market decide a more accurate price. Hence, the Brent crude oil, the global benchmark, is trading between \$40-50 and numerous American oil companies saw their share prices plunge. It has become the norm to see double digit declines for many oil companies and the markets continue to look for the new "normal" price for this commodity. Oil-related equities want to drive down operation and production costs in order to survive the current storm. This is where oilfield service companies start to play an important role because they will have to come up with advanced technologies and innovation to help oil companies in lowering overall cost of production.



Several factors lead us to say that Oilfield service companies can grow despite the difficult situation. First, there are still an important number of rigs searching for oil and gas in the U.S. According to the last report from the U.S. Energy Information administration, oil production per rig has increased even if oil prices are declining<sup>1</sup>. Second, oil companies should keep renewing their drilling activity in order to maintain their production level. Third, Berkshire Hathaway has recently acquired an oilfield chemical company because Warren Buffet spotted an opportunity in the midst of tough conditions. Overall, oil and gas equipment and services industry will benefit from tight oil production and will help to improve the efficiency of oil companies.

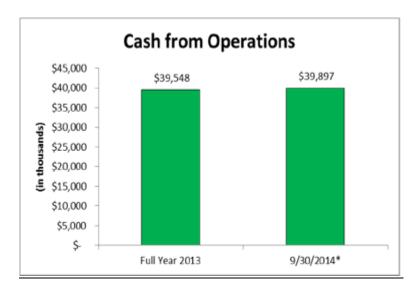
### Strong Financials

Flotek Industries Inc. is a company that remains undervalued because of the current downturn in crude oil prices. The firm has a strong balance sheet in comparison with its competitors. As of December 2014, Flotek increased its annual revenue by 21% from 2013 levels, which is considered a record for the company. The technology that the firm offers its clients drove the increase, mainly the sales of the Complex nano-Fluid as well as downhole technology called Stemulator. As a matter of fact, Flotek has announced through its 10K that the CnF chemistry has allowed the companies that adopted it to increase their value by nearly \$8 billion and the firm is planning to introduce it in Canada as demand for this technology is growing. Also, Flotek has introduced a new technology entitled Stemulator, which enables oil companies to accelerate their drillbit penetration and reducing their cost. This unique competitive advantage is crucial for Flotek because it allows them to prepare themselves for the future and capitalize on it. Thus, the company posted a net income that increased by nearly 44% from the 2013 levels and as the CEO of the company stated "there is little doubt that 2015 will present a plethora of challenges for the Flotek team<sup>2</sup>." The operational performance of Flotek continues to show the efforts made by the management team in order to improve the financial position of the company. For example, Flotek carried \$88 million after the acquisition of Florida Chemical, but reduced its debt by approximately 53% within 15 months. Regarding cash flow generation, the company makes about \$1 million per week and use the proceed to reduce its debt rapidly. As a matter of fact, Flotek

http://www.eia.gov/petroleum/drilling/pdf/dpr-full.pdf

<sup>&</sup>lt;sup>2</sup> http://finance.yahoo.com/news/flotek-industries-inc-announces-2014-210500181.html

generated approximately \$40 million in cash from operation within the first nine months of 2014 compared to \$39 million for the entire 2013.

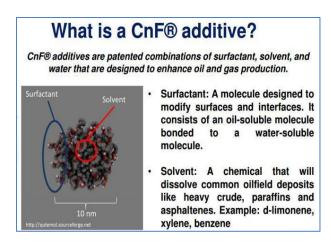


During the fourth quarter Flotek conducted a repurchase program of nearly 622,000 shares at a price of \$16.74 per share. This repurchase illustrates the belief of the management team that the share price of the company is undervalued. Also, the firm has been able to increase its earnings per share by 45% from 2013 and beaten the estimates for the fourth quarter by 1 cent.

# Leader in green oilfield industry

Flotek Industries Inc. operates in three segments, but recently the company has grown to be the leader in green oilfield chemistry. In 2013 Flotek acquired the world's largest processor of citrus oils Florida Chemical, with \$50 million in cash and 3.28 million shares of Flotek common stock, and this vertical integration will enable the company to use a key ingredient called Complex nano-Fluid technology (CnF). This innovation is important for a company like Flotek since the increasing environmental regulations are limiting the development of new technologies that could decrease the cost of production for oil companies. CnF is a biodegradable additive that enabled Flotek to grow its market share significantly. Thus, the company enables drilling firms to improve their performance with their greenest chemicals. Flotek has been able to avoid bankruptcy with patents on its developed chemicals and is determined to enhance the production for oil companies. Through its Research & Innovation Leadership Center, Flotek continues to develop the "next generation" Complex nano-Fluids as it believes that oil and natural gas exploration should respect the increasing environmental regulations. Thanks to its innovative product offerings such as CnF and other drilling fluids, Flotek can expect future positive cash flows if it continues to expand its three business segments. In a recent press release CEO John Chisholm declared "no company is completely sheltered from a sharp and sustained downturn in commodity prices and, as a result, oilfield activity. However, Flotek, with its innovative suite of customized oilfield chemistries that optimize well performance through maximizing production, is relatively well insulated from more difficult commodity price environments. ""

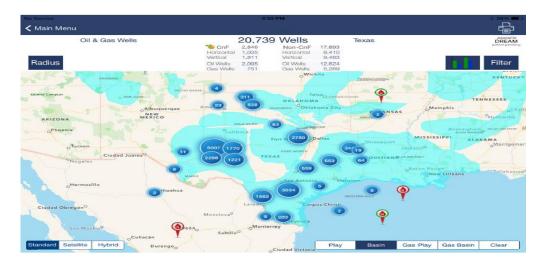
 $<sup>^3\</sup> http://finance.yahoo.com/news/flotek-industries-announces-presentation-cowen-120500968.html$ 



#### Growth & Expansion in all three business segments

Flotek Industries Inc. operates in three segments: Energy Chemical Technologies, Drilling Technologies and Production Technologies.

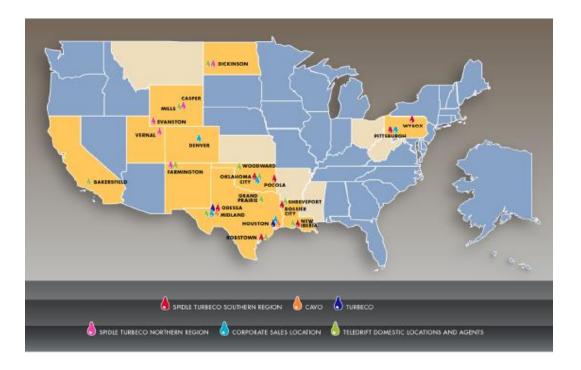
The first segment reported a revenue increase of approximately 34% from 2013 levels because the company sold more chemical additives than previous years. As a matter of fact, the firm introduced patent-pending mobile application entitled FracMax software that helps the oil companies to see the positive economic impact of CnF chemistries on the production. Thus, the software played a key role in the success of this segment because new projects have been accepted and have shown the benefits of the CnF technology. Flotek developed FracMax in order to collect public data and show quantitative results that CnF wells produce more than wells without the CnF technology. As you can see in the picture below<sup>4</sup>, the mobile app illustrates the benefit of new technology for oil companies as well as the positive correlation between CnF and high production.



The second segment generated revenue of nearly \$113 million for 2014 because Flotek rented more tools to drilling companies. Flotek uses this segment to design, manufacture, repair and install downhole tools for oilfield companies. In 2008 the company acquired Teledrift, a measurement while drilling (MWD) tool, in order to grow nationally and internationally. In fact, this drilling technology gives clients the ability to increase the rate of penetration during horizontal drilling. Flotek believes that this segment will provide growth in the future and mainly internationally wise because 40% of all Saudi partners are using this technology for their rigs. The firm also introduces new concepts entitled TelePulse and Stemulator in 2014 and according to the CEO these two technologies will "provide new added-value technologies will somewhat offset an expectation of reduced demand for commoditized tools as the rig count moderates"<sup>5</sup>. This comment shows the confidence of the management team that the drilling technologies will be a key for successful growth. As you can see on the map below, Flotek's drilling technologies are gaining territory in the United States.

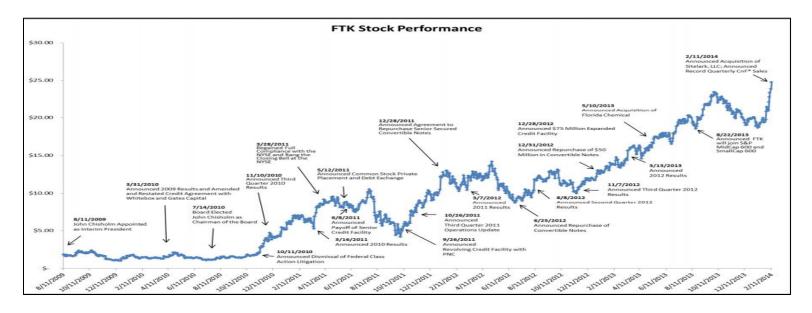
<sup>4</sup> http://www.ogfj.com/articles/print/volume-11/issue-12/features/oilfield-services-technology-a-special-report/innovation-from-smaller-service-firms.html

<sup>5</sup> http://www.marketwatch.com/story/flotek-industries-inc-announces-2014-results-provides-financial-and-operational-update-announces-year-end-2014-conference-call-details-2015-01-27



The third segment generated a revenue increase of nearly 8% from the 2013 levels because Flotek was able to sell more lifting units. In fact, the company tries to focus its efforts on niche, added value technologies that will give the firm a competitive advantage versus its competitors. This segment continues to expand internationally via the sale of PetroValve, a pumping system component, and will develop new business opportunities in the future. Last week Flotek decided to acquire International Artificial Lift for \$2.25 million in order to maximize production for oil and natural gas wells. As a matter of fact, this acquisition is crucial for Flotek as it creates a technology advantage and improves the company's reputation as a best-in-class hydraulic lift developer. The management team believes that this acquisition will enhance the services of Flotek and provide precision pumping as well as pumping equipment for oil and gas production. As the CEO stated "the technological advances seen in International Artificial Lift's hydraulics provide Flotek with an opportunity to become a difference maker in hydraulic lift in short order<sup>6</sup>."

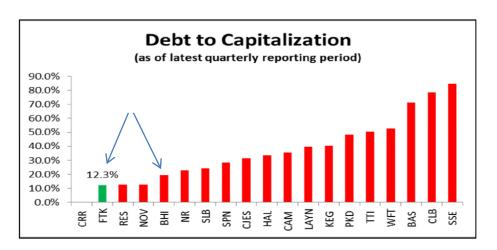
Overall, these business segments allowed Flotek to generate cash and improve productivity during 2014. The recent acquisitions enhance all the segments of Flotek and make the company's future more optimistic among its competitors. The firm is trying to create new opportunities to work with new customers as well as new industries. This recent initiative shows the willingness of Flotek to diversify in specialty chemicals as it wants to avoid its dependence on the oil and gas industry. The company continues to benefit from the acquisitions and there is a positive impact on the stock performance when it is announced.



# **Strong Management Team**

<sup>&</sup>lt;sup>6</sup> http://finance.yahoo.com/news/flotek-industries-inc-announces-acquisition-120500240.html

In 2009 Flotek Industries Inc. was on the brink of collapse and defaulted on its credit facility with only \$600,000 in cash. Their balance sheet was over-levered because of several acquisitions before the downturn and they could not make the payment for their next week's payroll. When the new CEO & president, John Chisholm, took over he motivated Flotek team and they were able to use operational cash flow and equity in order to reduce leverage. Hence, the company survived the global recession and reduced its debt by almost 64% thanks to its cash flow. The management team learnt from the past mistakes of the previous board and began using leverage in a conservative way. Thus, leverage will only be used for maximizing the value of the enterprise rather than value destruction. As you can see on the graph below, the company has reduced the amount of debt significantly compared to other competitors. As a matter of fact, the debt to capitalization is at approximately 12.3% compared to Baker Hughes (BHI), the world's largest oilfield service company, with 20%. The management team is doing a good job in restructuring Flotek because they reduced the size of the company and they were able to achieve high productivity with fewer employees. The high commitment of the management team led Flotek to be named top 10 NYSE performer for 2011 and 2012. Overall, Flotek Industries Inc. is determined in improving the firm's revenue and profitability as well as paying down the debt significantly. The management team has learnt how to deal with challenging environments and is prepared to keep developing technologies that will assist their clients in enhancing their exploration.



## International Expansion and Opportunities

Flotek provides its services across North America and through partnership internationally. In Canada, several companies are using Flotek products and the CnF market potential is believed to be in the range of \$125 million. Canadian customers are using more and more CnF because they discovered through their research that it maximizes efficiency. In November 2013, the company decided to enter into a joint venture with a subsidiary of Gulf Energy in order to target the Middle Easter and North African markets. According to the CEO of Flotek, "this partnership with Gulf Energy, which has been several months in process, is an important and significant step in establishing Flotek's leadership position in global oilfield chemistry.7"In the Middle East Flotek introduced its micro solution technologies to several companies and signed distribution agreement with countries such as Saudi Arabia and Oman. Also, the company will own 60% of two companies, a chemical production firm and a research and development laboratory, in Oman by the end of 2014. In Latin-South America Flotek is trying to implement the CnF technology and conducting several final validation tests.

7



Flotek Industries Inc. has several international clients and it illustrates the ability of the company to progress toward a strong market share. The firm is well positioned in key oilfield markets around the globe and no wonder why it was named one of the fastest growing companies in 2014 by Fortune 500.





# Best case/worst case



Regarding Flotek Industries share price, there are three outcomes that could occur:

I am being conservative if the company cannot use its recent acquisitions and its superior technology to improve the condition of oil companies in the current downturn. Thus, I believe that if the share price attains \$12-13\$ range in the next few months it means that the company was not able to deliver the promises that it stated in the latest earning calls or 10K.

I am being neutral if Flotek does not use the chemistry technology to remain a remarkable market leader and other competitors merge and acquire other players in oilfield chemicals and logistics. The neutral range is between \$14 and \$16 because I believe that the company has what it takes to improve its position within the industry.

I am being optimistic as Flotek has a strong balance sheet with strong cash flow and those elements enable the company to grow in green oilfield chemistry. Hence, oil companies will shift their spending to improve oil production and Flotek's products deliver just what is needed for the next upcoming years. I initiate my buy recommendation at the \$16 levels and according to my estimates and assumptions Flotek will attain at least \$19 through its innovation and research.

#### Conclusion

Based on all of the above factors, I reiterate my Buy recommendation with a price target of \$19.20. Flotek Industries remains a company that is fairly undervalued in a downturn oil price environment. The market is full of uncertainty and investors are looking for companies that are able to continuously grow. The stock price have been experiencing severe pressure since oil prices started to fall, but Flotek is well positioned to survive the current turmoil with a strong balance sheet and line of new products. The company, with strong growth and technologies, has to provide its clients with value added services in order to sustain high returns and great revenue. I believe that Flotek is most likely to emerge in a more advantageous position than its peers because it operates in a niche segment of future importance. Throughout its acquisitions, Flotek keeps consolidating its position as a leader in green oilfield chemistry because clients are looking for cutting-edge innovation. The company is reducing the amount of debt while trying to grow organically through a series of acquisitions. Due to their key acquisitions and innovations in terms of chemicals, I believe that Flotek will growth between 20% and 15% until it establishes itself as a key player in its industry. Also, the firm will keep creating value for its shareholders and will maintain ROIC at 16% compared to WACC at 12%. In fact, Flotek expects that 2015 is the start of the growth of the business because the research & innovation is intelligently increasing for the benefit of the firm's new era. Overall, the future success of Flotek Industries depends on its ability to adapt to changing market environment and the efficient use of its new acquisitions.

|   |   | 111100   | yst: DJ SAM   | Cui   | rent Price: 16.3   | Lower Bound Intrin  | isic Value: \$15.9  | Lower Bound 1  | y-1 arget: \$19.2   | Dividend Yield:  | )%  |   | iside): 17.64%  |
|---|---|--|---|---|--|---|---|--|---|--|---|---|---|
| General Inf   |   |  | Market Da   |   |  |   |   |  | Peers   |  |   |   |   |
| ector   | Materials   |  | Enterprise value  | \$959.9   | 4 Symbol   | NAME  | Market Cap  | TEV/EBITDA   | P/B   | EBITDA Margin  | Total Debt/TEV  | EBIT/Int. Exp.  | Altman Z  |
| Industry  | Chemicals   |  | Market Capitalization   |   | NasdaqGS:HERO  | Hercules Offshore, Inc. \$  | 142.35  | 3.6x   | 0.2x  | 33%  | 104%  | 1.7x  | 0.28  |
| Description: Flotek Industries, Inc. develops and supplies oilfie   | d products, services, and equi  | pment to the oil, gas,   | Daily volume  | 0.7223  | 7 NYSE:ATW   | Atwood Oceanics, Inc.   | \$1,899.18  | 5.7x   | 0.7x  | 53%  | 50%   | 9.1x  |   |
| and mining industries in the United States and internationally. I   | s Energy Chemical Technolog   | gies segment designs,  | Shares outstanding  | 53.3  |  | Basic Energy Services, In   | \$302.28  | 3.9x   | 0.8x  | 21%  | 79%   | 1.2x  | 1.67  |
| develops, manufactures, packages, and markets specialty chemi-<br>completion, stimulation, and production. This segment also co   | rais used in oil and gas well<br>metricts and manages automat   | ed material handling   |   |   | NYSE:KEG   | Key Energy Services Inc.  | \$313.09  | 5.9x   | 0.3x  | 12%  | 75%   | (0.7x)  | 1.33  |
| facilities; and manages loading facilities and blending operation   |   |  | % shares held by institutions   | 78.2  |  | Geospace Technologies (   | \$373.48  | 4.5x   | 1.1x  | 30%  | 0%  | 114.2x  | 23.20   |
| Consumer and Industrial Chemicals Technologies segment  |   |  | % shares held by insiders   | 6.99  |  | Parker Drilling Co.   | \$385.59  | 3.4x   | 0.6x  | 28%  | 67%   | 2.7x  | 1.67  |
| products for the flavor and fragrance, and specialty chemical in  |   | and rood companies,  | Short interest  |   | % NYSE:PES   | Pioneer Energy Services   | \$304.63  | 3.0x   | 0.6x  | 25%  | 63%<br>35%  | 1.5x<br>5.0x  | 1.82  |
| and companies providing household and industrial cleaning<br>manufactures, sells, rents, and inspects down-hole drilling eq   |   |  |   |   | 5 NYSE:SPN<br>2 NasdaqGS:MIND  | Superior Energy Services<br>Mitcham Industries Inc.   | \$3,362.98<br>\$84.95   | 4.3x<br>20.3x  | 0.8x<br>0.5x  | 23%<br>6%  | 31%   | 5.0x<br>4.9x  | 2.14<br>3.55  |
| industrial drilling activities, as well as provides specialized equipr  |   |  |   |   | 1 NYSE:NE  | Noble Corp.   | \$4,527.92  | 4.3x   | 0.6x  | 49%  | 48%   | 9.3x  | 2.20  |
| over activities. This seement also rents tools, such as stabilize   | rs, drill collars, reamers, wip-  | ers, jars, shock subs.   | 5 P 4   |   | 7 Peers' Median  |   | \$343.28  | 4.3x   | 0.6x  | 26%  | 56%   | 3.8x  | 1.82  |
| wireless survey, measurement while drilling tools, stemulate  | r tools, and mud-motors; a  | nd sells equipment   | 6-month volatility  |   | % FTK  |   | \$916.81  | 9.7x   | 3.0x  | 22%  | 5%  | 50.4x   | 9.18  |
|   | Management  |  |   |   |  |   | V-25-02   |  | Performance   |  |   |   | 7.20  |
| Professional  | Title   | Comp. FY2012   | Comp. FY2013  | Comp. FY201   | 14   | FTE   | ζ   |  | Peers   | Indu   | ustry   | All U.  | S. firms  |
| Chisholm, John  | Chairman, Chief   | \$ 4,347,229.00  | \$ 2,797,269.00   | \$ -  |  | Last  | 10y Med.  | Last   | 10y Med.  | Last   | 10y Med.  | Last  | 10y Med.  |
| Walton, H.  | Chief Financial Officer,  | \$ -   | \$ 971,146.00   | \$ -  | ROIC   | 18.5%   | 26.2%   | 7.11%  | 11.02%  | 7.00%  | 14.17%  | 8.69%   | 11.95%  |
| Reeves, Steven  | Executive Vice President  | \$ 1,686,410.00  | \$ 1,228,626.00   | \$ -  | EBITA Margin   | 21.9%   | 20.4%   | 16.33%   | 19.24%  | 12.13%   | 11.44%  | 13.63%  | 13.61%  |
| Snively, Joshua   | Executive Vice President  | \$ -   | \$ 554,002.00   | \$ -  | Imputed Rev./Invested cap.   | 1.29  | 1.23  | 0.49   | 0.59  | 1.51   | 1.61  | 1.61  | 1.74  |
| Penny, Glenn  | Director of Technology  | \$ -   | \$ -  | \$ -  | Excess Cash/Rev.   | 0.28%   | 0.84%   | 6.25%  | 9.68%   | 15.50%   | 13.07%  | 22.37%  | 18.66%  |
| Bodnar, Robert  | Chief Information   | \$ -   | \$ -  | \$ -  | Total Cash / Rev.  | 0.28%   | 0.84%   | 6.25%  | 9.68%   | 16.52%   | 16.66%  | 32.05%  | 29.10%  |
| Current Capital Structure   |   |  |   | iing Surprises  |  | <u>Last Guidance</u> Ja   |   | Next earnings date   |   |  | ning Call Transcript:   |   |   |
| Total debt/market cap   | 4.59%   | L _  | Revenue   | EBITDA  | Norm. EPS  | Flotek Industries Inc. provid   |   |  |   |  |   |   | n addition, the comp  |
| Cost of Borrowing   |   | Last Quarter   | 1.2%  | 2.9%  | 3.6%   | expects Energy Chemical Tec   | ennologies revenues for th  | ie quarter to exceed \$7   | 4 million and quarterly Dri   | uing Lechnologies revenues   | to be greater than \$31 m   | illion.   |   |
| Interest Coverage   | 50.37   | Last Quarter-1   | 2.4%  | 4.8%  | 8.3%   |   |   |  |   |  |   |   |   |
| Debt Rating   |   | Last Quarter -2  | -2.1%   | -4.0%   | -16.7%   |   |   |  |   |  |   |   |   |
| 5y Beta   | 2.17<br>10.7%   | Last Quarter -3  | -0.1%<br>-0.8%  | 2.1%<br>18.3%   | 0.0%   |   |   |  |   |  |   |   |   |
| WACC (based on market value weights)  |   | Last Quarter -4<br>uing Period Assum   |   | 10.3%   | 11.1%  | 1   |   |  |   |  |   |   |   |
| No  |   | _  | =   | TO- C + /2  | 05.007   |   |   |  |   |  |   |   |   |
| Money market rate as of today   |   | Risk-Free rate   |   | LT Op. Costs/Rev  | 85.0%  |   |   |  |   |  |   |   |   |
| Annual increase (decrease) in interest rates  |   | Op. Cash/Rev.  |   | LT WACC   | 12.0%  |   |   |  |   |  |   |   |   |
| Yield Spread acceleration   |   | Op. Cash/Cash  |   | LT Term ROIC  | 16.0%  |   |   |  |   |  |   |   |   |
| Marginal Tax Rate   |   | LT Growth  |   | Growth in PPE   | Follows Forward Rev. Growth  |   |   |  |   |  |   |   | _   |
| LT convergence estimates: weig  |   |  |   |   |  |   |   |  | competitive rivalry, th   |  |   |   | Capitalization  |
|   | Rev./Capi<br>Last   | ital<br>10y Median   | LT Imputed G<br>Last  | rowth<br>10y Median   | LT Op. Cos<br>Last   | ts/Rev.<br>10y Median   | Unlevere<br>Last  | d Beta<br>10y Median   | TEV/Rev.  | Multiples (10Y Histor<br>TEV/EBITDA  | rical Median Value)<br>TEV/EBITA  | TEV/UFCF  | Operating Lease   |
| water.  |   | 1.23   | 16.2%   | 26.0%   | 78.0%  | 77.97%  | 1.94  | 1.47   |   | 12.1x  |   |   | No  |
| FTK<br>Peers  | 1.23<br>0.49  | 0.59   | 4.1%  | 15.4%   | 68.3%  | 66.37%  | 1.11  | 1.53   | 2.3x<br>2.8x  | 8.0x   | 13.6x<br>13.4x  | 15.1x<br>13.9x  | Straightline<br>10 years  |
| Primary Industry  | 1.64  | 1.64   | 5.3%  | 8.0%  | 83.9%  | 86.80%  | 1.18  | 1.09   | 2.0x<br>1.8x  | 10.7x  | 14.5x   | 29.5x   | R&D Exp.  |
| Industry  | 1.53  | 1.66   | 3.9%  | 7.9%  | 82.6%  | 85.13%  | 1.20  | 1.12   | 1.9x  | 11.0x  | 14.4x   | 33.1x   | Yes   |
| Industry Group  | 1.43  | 1.57   | 4.7%  | 8.1%  | 83.7%  | 84.23%  | 1.12  | 1.15   | 1.8x  | 11.3x  | 15.9x   | 31.5x   | Straightline  |
| _   |   |  |   |   | 83.7%  | 84.23%  | 1.12  | 1.15   | 1.8x  | 11.3x  | 15.9x   | 31.5x   | 10 years  |
| Sector  | 1.43  | 1.57   | 4./%  | 8.1%  |  |   |   |  |   |  |   |   |   |
| Sector<br>All U.S. Firms  | 1.43<br>1.61  | 1.57<br>1.74   | 4.7%<br>6.9%  | 8.1%<br>8.0%  | 80.6%  | 81.40%  | 0.99  | 0.96   | 2.5x  | 12.5x  | 16.9x   | 31.1x   | Expl./Drilling E  |
|   |   |  |   |   |  |   |   |  | 2.5x<br>N/A   | 12.5x<br>N/A   |   |   | Expl./Drilling E<br>Yes   |
| All U.S. Firms  | 1.61  | 1.74   | 6.9%  | 8.0%  | 80.6%  | 81.40%<br>N/A   | 0.99  | 0.96<br>N/A  |   |  | 16.9x   | 31.1x   |   |
| All U.S. Firms<br>GDP   | 1.61<br>N/A<br>1.50   | 1.74<br>N/A  | 6.9%<br>3.9%<br>5.00%   | 8.0%<br>3.2%  | 80.6%<br>N/A<br>80.000<br>Explicit Period Assum  | 81.40%<br>N/A<br>%<br>ptions  | 0.99<br>N/A<br>1.20   | 0.96<br>N/A  | N/A<br>1.8x   | N/A<br>11.0x   | 16.9x<br>N/A<br>13.0x   | 31.1x<br>N/A  | Yes<br>Straightline<br>10 years   |
| All U.S. Firms GDP FTK long-run estimate  | 1.61<br>N/A<br>1.50   | 1.74<br>N/A<br>FY2015  | 6.9%<br>3.9%<br>5.00%   | 8.0%<br>3.2%<br>FY2017  | 80.6%<br>N/A<br>80.00%<br>Explicit Period Assum<br>FY2018  | 81.40%<br>N/A<br>%<br>ptions<br>FY2019  | 0.99<br>N/A<br>1.20<br>FY2020   | 0.96<br>N/A  | N/A<br>1.8x<br>FY2022   | N/A<br>11.0x<br>FY2023   | 16.9x<br>N/A<br>13.0x   | 31.1x<br>N/A<br>20.0x   | Yes<br>Straightline<br>10 years<br>SG&A   |
| All U.S. Firms GDP FTK long-run estimate Growth   | 1.61<br>N/A<br>1.50<br>FY2014<br>21.0%  | 1.74<br>N/A<br>FY2015<br>20.0%   | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%  | 8.0%<br>3.2%<br>FY2017<br>18.0%   | 80.6%<br>N/A<br>80.00%<br>Explicit Period Assum<br>FY2018<br>15.0%   | 81.40%<br>N/A<br>%<br>ptions<br>FY2019<br>14.0%   | 0.99<br>N/A<br>1.20<br>FY2020<br>12.0%  | 0.96<br>N/A<br>)<br>FY2021<br>10.0%  | N/A<br>1.8x<br>FY2022<br>8.0%   | N/A<br>11.0x<br>FY2023<br>7.0%   | 16.9x<br>N/A<br>13.0x<br>FY2024<br>6.0%   | 31.1x<br>N/A<br>20.0x<br>to <sup>cos</sup><br>5.0%  | Yes<br>Straightline<br>10 years<br>SG&A<br>NO   |
| All U.S. Firms GDP FTK long-run estimate Growth Op.Costs/Rev.   | 1.61<br>N/A<br>1.50<br>FY2014<br>21.0%<br>78.0%   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%  | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%   | 8.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%  | 80.6%<br>N/A<br>80.009<br>Explicit Period Assum<br>FY2018<br>15.0%<br>85.0%  | 81.40%<br>N/A<br>/o<br>ptions<br>FY2019<br>14.0%<br>85.0%   | 0.99<br>N/A<br>1.20<br>FY2020<br>12.0%<br>85.0%   | 0.96<br>N/A<br>FY2021<br>10.0%<br>85.0%  | N/A<br>1.8x<br>FY2022<br>8.0%<br>85.0%  | N/A<br>11.0x<br>FY2023<br>7.0%<br>85.0%  | 16.9x<br>N/A<br>13.0x<br>FY2024<br>6.0%<br>85.0%                                | 31.1x<br>N/A<br>20.0x<br>to ==<br>5.0%<br>85.0%   | Yes Straightline 10 years SG&A NO Straightline  |
| All U.S. Firms GDP FTK long-run estimate Growth   | 1.61<br>N/A<br>1.50<br>FY2014<br>21.0%<br>78.0%   | 1.74<br>N/A<br>FY2015<br>20.0%   | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%  | 8.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%   | 80.6%<br>N/A<br>80.00°<br>Explicit Period Assum<br>FY2018<br>15.0%<br>85.0%<br>11.1%   | 81.40%<br>N/A<br>%<br>ptions<br>FY2019<br>14.0%   | 0.99<br>N/A<br>1.20<br>FY2020<br>12.0%  | 0.96<br>N/A<br>)<br>FY2021<br>10.0%  | N/A<br>1.8x<br>FY2022<br>8.0%   | N/A<br>11.0x<br>FY2023<br>7.0%   | 16.9x<br>N/A<br>13.0x<br>FY2024<br>6.0%   | 31.1x<br>N/A<br>20.0x<br>to <sup>cos</sup><br>5.0%  | Yes<br>Straightline<br>10 years<br>SG&A<br>NO   |
| All U.S. Firms GDP FTK long-run estimate Growth Op.Costs/Rev.   | 1.61<br>N/A<br>1.50<br>FY2014<br>21.0%<br>78.0%<br>10.7%  | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%   | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%  | 8.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%   | 80.6%<br>N/A<br>80.000<br>Explicit Period Assum<br>FY2018<br>15.0%<br>85.0%<br>11.1%   | 81.40%<br>N/A<br>%<br>Prions<br>FY2019<br>14.0%<br>85.0%<br>11.2%   | 0.99<br>N/A<br>1.20<br>FY2020<br>12.0%<br>85.0%<br>11.3%  | 0.96<br>N/A<br>PY2021<br>10.0%<br>85.0%<br>11.4%   | N/A<br>1.8x<br>FY2022<br>8.0%<br>85.0%<br>11.5%   | N/A<br>11.0x<br>FY2023<br>7.0%<br>85.0%<br>11.6%   | 16.9x<br>N/A<br>13.0x<br>FY2024<br>6.0%<br>85.0%<br>11.7%                       | 31.1x<br>N/A<br>20.0x<br>to ==<br>5.0%<br>85.0%   | Yes Straightline 10 years SG&A NO Straightline  |
| All U.S. Firms GDP FTK long-run estimate Growth Op.Costs/Rev. WACC  | 1.61<br>N/A<br>1.50<br>FY2014<br>21.0%<br>78.0%<br>10.7%<br>LTM   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y   | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y  | 8.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Valt<br>LTM+3Y   | 80.6%<br>N/A  80.00°  Explicit Period Assum FY2018 15.0% 85.0% 11.1% aution  LTM+4Y  | 81.40% N/A 6 prions FY2019 14.0% 85.0% 11.2% LTM+5Y   | 0.99<br>N/A<br>1.20<br>FY2020<br>12.0%<br>85.0%<br>11.3%<br>LTM+6Y  | 0.96<br>N/A<br>FY2021<br>10.0%<br>85.0%<br>11.4%   | N/A<br>1.8x<br>FY2022<br>8.0%<br>85.0%<br>11.5%<br>LTM+8Y   | N/A<br>11.0x<br>FY2023<br>7.0%<br>85.0%<br>11.6%   | 16.9x<br>N/A<br>13.0x<br>FY2024<br>6.0%<br>85.0%<br>11.7%                       | 31.1x<br>N/A<br>20.0x<br>to ==<br>5.0%<br>85.0%   | Yes Straightline 10 years SG&A NO Straightline  |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC   | 1.61<br>N/A<br>1.50<br>FY2014<br>21.0%<br>78.0%<br>10.7%<br>LTM<br>\$67.4   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7   | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y<br>\$63.8  | 8.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Yah<br>LTM+3Y<br>\$74.7  | 80.6%<br>N/A  80.009  Explicit Period Assum FY2018 15.0% 85.0% 11.1% aution  LTM+4Y \$66.9   | 81.40% N/A  // // // // // // // // // // // //   | 0.99<br>N/A<br>1.20<br>FY2020<br>12.0%<br>88.0%<br>11.3%<br>LTM+6Y<br>\$112.0   | 0.96<br>N/A<br>FY2021<br>10.0%<br>85.0%<br>11.4%<br>LTM+7Y<br>\$123.0  | N/A<br>1.8x<br>FY2022<br>8.0%<br>85.0%<br>11.5%<br>LTM+8Y<br>\$133.9  | N/A<br>11.0x<br>FY2023<br>7.0%<br>85.0%<br>11.6%<br>LTM+9Y<br>\$142.9  | 16.9x<br>N/A<br>13.0x<br>FY2024<br>6.0%<br>85.0%<br>11.7%                       | 31.1x<br>N/A<br>20.0x<br>to ==<br>5.0%<br>85.0%   | Yes Straightline 10 years SG&A NO Straightline  |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC   | 1.61<br>N/A<br>1.50<br>FY2014<br>21.0%<br>78.0%<br>10.7%<br>LTM<br>\$67.4<br>\$364.8  | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7  | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y<br>\$65.8<br>\$442.3   | 8.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Val<br>LTM+3Y<br>\$74.7<br>\$486.5   | 80.6%<br>N/A  80.000  Explicit Period Assum FY2018 15.0% 85.0% 11.1% 11.1% 11.1% 12.1% 13.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0%   | 81.40%<br>N/A  6  FY2019  14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2  | 0.99<br>N/A<br>1.20<br>FY2020<br>12.0%<br>85.0%<br>11.3%<br>LTM+6Y<br>§112.0<br>§621.0  | 0.96<br>N/A<br>PY2021<br>10.0%<br>85.0%<br>11.4%<br>LTM+7Y<br>\$123.0<br>\$663.3   | N/A  1.8x  FY2022 8.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8  | N/A<br>11.0x<br>FY2023<br>7.0%<br>85.0%<br>11.6%<br>LTM+9Y<br>\$142.9<br>\$738.5   | 16.9x N/A 13.0x  FY2024 6.0% 85.0% 11.7%  | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC   | 1.61<br>N/A<br>1.50<br>FY2014<br>21.0%<br>78.0%<br>10.7%<br>LTM<br>\$67.4<br>\$364.8<br>18.5%   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%   | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y<br>\$63.8<br>\$442.3<br>1.59%  | 8.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Valt<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%   | 80.6% N/A  80.00°  Explicit Period Assum FY2018 15.0% 85.0% 11.1%  LTM+4Y \$86.9 \$530.3 17.9%   | 81.40% N/A 6 prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7%   | 0.99<br>N/A<br>1.20<br>FY2020<br>12.0%<br>85.0%<br>11.3%<br>LTM+6Y<br>\$112.0<br>\$621.0<br>19.4%   | 0.96<br>N/A<br>FY2021<br>10.0%<br>85.0%<br>11.4%<br>LTM+7Y<br>\$123.0<br>\$663.3<br>19.8%  | N/A 1.8x  FY2022 8.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2%   | N/A<br>11.0x<br>FY2023<br>7.0%<br>85.0%<br>11.6%<br>LTM+9Y<br>\$142.9<br>\$738.5<br>20.4%  | 16.9x N/A 13.0x  FY2024 6.0% 85.0% 11.7%  | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline  |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC  NOPLAT Invested capital  | 1.61<br>N/A<br>1.50<br>FY2014<br>21.0%<br>78.0%<br>10.7%<br>LTM<br>\$67.4<br>\$364.8<br>18.5%<br>\$0.00   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79  | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y<br>\$63.8<br>\$442.3<br>15.9%<br>\$23.18   | 8.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Valt<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%<br>\$30.54  | 80.6% N/A  80.00°  Explicit Period Assum FY2018  15.0% 85.0% 11.1%  LTM+4Y \$86.9 \$330.3 17.9% \$43.11  | 81.40%<br>N/A  6  Prions  FY2019  14.0%  85.0%  11.2%  LTM+5Y  \$98.9  \$57.6.2  18.7%  \$53.0.3  | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13  | 0.96<br>N/A<br>FY2021<br>10.0%<br>85.0%<br>11.4%<br>LTM+7Y<br>\$123.0<br>\$663.3<br>19.8%<br>\$80.69   | N/A<br>1.8x<br>FY2022<br>8.0%<br>85.0%<br>11.5%<br>LTM+8Y<br>\$133.9<br>\$701.8<br>20.2%<br>\$95.46   | N/A<br>11.0x<br>FY2023<br>7.0%<br>85.0%<br>11.6%<br>LTM+9Y<br>\$142.9<br>\$738.5<br>20.4%<br>\$106.25  | 16.9x N/A 13.0x  FY2024 6.0% 85.0% 11.7%  | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCE  | 1.61<br>N/A<br>1.50<br>FY2014<br>21.0%<br>78.0%<br>10.7%<br>LTM<br>\$67.4<br>\$364.8<br>18.5%<br>\$0.00   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%   | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y<br>\$63.8<br>\$442.3<br>1.59%  | 8.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Valt<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%   | 80.6% N/A  80.00°  Explicit Period Assum FY2018 15.0% 85.0% 11.1%  LTM+4Y \$86.9 \$530.3 17.9%   | 81.40% N/A 6 prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7%   | 0.99<br>N/A<br>1.20<br>FY2020<br>12.0%<br>85.0%<br>11.3%<br>LTM+6Y<br>\$112.0<br>\$621.0<br>19.4%   | 0.96<br>N/A<br>FY2021<br>10.0%<br>85.0%<br>11.4%<br>LTM+7Y<br>\$123.0<br>\$663.3<br>19.8%  | N/A 1.8x  FY2022 8.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2%   | N/A<br>11.0x<br>FY2023<br>7.0%<br>85.0%<br>11.6%<br>LTM+9Y<br>\$142.9<br>\$738.5<br>20.4%  | 16.9x N/A 13.0x  FY2024 6.0% 85.0% 11.7%  | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev WACC  NOPLAT Invested capital ROIC UFCF EVA   | 1.61<br>N/A<br>1.50<br>FY2014<br>21.0%<br>78.0%<br>10.7%<br>LTM<br>\$67.4<br>\$364.8<br>18.5%<br>\$0.00   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79  | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y<br>\$63.8<br>\$442.3<br>15.9%<br>\$23.18   | 8.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Valt<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%<br>\$30.54  | 80.6% N/A  80.00°  Explicit Period Assum FY2018  15.0% 85.0% 11.1%  LTM+4Y \$86.9 \$330.3 17.9% \$43.11  | 81.40%<br>N/A  6  Prions  FY2019  14.0%  85.0%  11.2%  LTM+5Y  \$98.9  \$57.6.2  18.7%  \$53.0.3  | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13  | 0.96<br>N/A<br>FY2021<br>10.0%<br>85.0%<br>11.4%<br>LTM+7Y<br>\$123.0<br>\$663.3<br>19.8%<br>\$80.69   | N/A<br>1.8x<br>FY2022<br>8.0%<br>85.0%<br>11.5%<br>LTM+8Y<br>\$133.9<br>\$701.8<br>20.2%<br>\$95.46   | N/A<br>11.0x<br>FY2023<br>7.0%<br>85.0%<br>11.6%<br>LTM+9Y<br>\$142.9<br>\$738.5<br>20.4%<br>\$106.25<br>\$64.64   | 16.9x N/A 13.0x  FY2024 6.0% 85.0% 11.7%  | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value   | 1.61<br>N/A  1.50  FY2014  21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 18.5% \$0.00 \$29.06   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14   | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y<br>\$63.8<br>\$442.3<br>15.9%<br>\$23.18<br>\$22.14  | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>\$5.0%<br>11.0%<br>Valt<br>LTM+3Y<br>\$7.4.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77  | 80.6% N/A  80.00°  Explicit Period Assum FY2018 15.0% 85.0% 11.1%  LTM+4Y \$86.9 \$530.3 17.9% \$43.11 \$35.90   | 81.40% N/A 6 prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7% \$53.03 \$42.95   | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  | 0.96 N/A  FY2021 10.0% 85.0% 11.4%  LTM+7Y \$123.0 \$663.3 19.8% \$80.69 \$55.70   | N/A  1.8x  FY2022 8.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  | N/A<br>11.0x<br>FY2023<br>7.0%<br>85.0%<br>11.6%<br>LTM+9Y<br>\$142.9<br>\$738.5<br>20.4%<br>\$106.25<br>\$64.64<br>\$1,948.83   | 16.9x N/A 13.0x  FY2024 6.0% 85.0% 11.7%  | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.)  | 1.61 N/A  1.50  FY2014  21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 18.5% \$0.00 \$29.06  \$1,157.05 \$44.04  | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14   | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y<br>\$63.8<br>\$442.3<br>15.9%<br>\$22.14<br>\$1,339.08   | 8.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Vah<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77  | 80.6% N/A  80.00°  Explicit Period Assum FY2018  15.0% 85.0% 11.1%  LTM+4Y \$66.9 \$530.3 17.9% \$43.11 \$35.90  \$1,574.23  | 81.40% N/A  6  Prions  FY2019  14.0%  85.0%  11.2%  LTM+5Y  \$98.9  \$76.2  18.7%  \$53.03  \$42.95  \$1,694.96   | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 \$621.0 \$1,4% \$67.13 \$50.52   | 0.96<br>N/A<br>FY2021<br>10.0%<br>85.0%<br>11.4%<br>LTM+7Y<br>\$123.0<br>\$663.3<br>19.8%<br>\$80.69<br>\$55.70  | N/A  1.8x  FY2022 8.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  | N/A<br>11.0x<br>FY2023<br>7.0%<br>85.0%<br>11.6%<br>LTM+9Y<br>\$142.9<br>\$738.5<br>20.4%<br>\$106.25<br>\$64.64<br>\$1,948.83<br>\$2,172.14   | 16.9x N/A 13.0x 13.0x FY2024 6.0% 85.0% 11.7% 1000%                             | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt   | 1.61 N/A  1.50  FY2014  21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 18.5% \$0.00 \$29.06  \$1,157.05 \$44.04  | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14   | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y<br>\$63.8<br>\$442.3<br>15.9%<br>\$23.18<br>\$22.14  | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Vah<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77   | 80.6% N/A  80.009  Explicit Period Assum FY2018  15.0% 85.0% 11.1%  aution  LTM+4Y \$86.9 \$330.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04  | 81.40% N/A  **  **  **  **  **  **  **  **  **  | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 \$621.1 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04  | 0.96<br>N/A<br>FY2021<br>10.0%<br>85.0%<br>11.4%<br>LTM+7Y<br>\$123.0<br>\$665.3<br>19.8%<br>\$80.69<br>\$55.70  | N/A  1.8x  FY2022 8.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  | N/A 11.0x  FY2023 7.0% 85.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04  | 16.9x N/A 13.0x 13.0x  FY2024 6.0% 85.0% 11.7% 1000%                            | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP GTP Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debr  | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14<br>\$1,246.02<br>\$44.04<br>\$0.35  | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y<br>\$63.8<br>\$442.3<br>15.9%<br>\$23.18<br>\$22.14<br>\$1,339.08<br>\$44.04<br>\$0.35   | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>\$5.0%<br>11.0%<br>Valt<br>LTM+3Y<br>\$7.4.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77<br>\$1,456.36<br>\$44.04<br>\$0.35   | 80.6% N/A  80.00°  Explicit Period Assum FY2018 15.0% 85.0% 11.1%  LTM+4Y \$86.9 \$530.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35  | 81.40% N/A  6  prions FY2019 14.0% 85.0% 11.2%  LTM+SY \$98.9 \$576.2 18.7% \$33.03 \$42.95  \$1,694.96 \$44.04 \$0.35  | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.35   | 0.96<br>N/A<br>FY2021<br>10.0%<br>85.0%<br>11.4%<br>LTM+7Y<br>\$123.0<br>\$663.3<br>19.8%<br>\$80.69<br>\$55.70<br>\$1,934.03<br>\$44.04<br>\$0.35   | N/A  1.8x  FY2022 8.0% 85.0% 11.5%  LTM+SY \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$44.04 \$0.35   | N/A 11.0x  FY2023 7.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04 \$0.35   | 16.9x N/A 13.0x 13.0x FY2024 6.0% 85.0% 11.7% 1000%                             | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP GDP Growth Op.Costs/Rev WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity  | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14<br>\$1,246.02<br>\$44.04<br>\$0.35<br>\$0.00  | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y<br>\$65.8<br>\$442.3<br>15.9%<br>\$23.18<br>\$22.14<br>\$1,339.08<br>\$44.04<br>\$0.35<br>\$0.00   | 8.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Vah<br>LTM+3Y<br>\$74.7<br>\$46.5<br>16.9%<br>\$30.54<br>\$28.77   | 80.6% N/A  80.00°  Explicit Period Assum FY2018 15.0% 85.0% 11.1%  LTM+4Y \$86.9 \$530.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00   | 81.40% N/A  6  Prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7% \$53.03 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00   | 0.99 N/A  1.20  FY2020 12.0% 88.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.35 \$0.00  | 0.96<br>N/A<br>FY2021<br>10.0%<br>85.0%<br>11.4%<br>LTM+7Y<br>\$123.0<br>\$663.3<br>19.8%<br>\$80.69<br>\$55.70  | N/A  1.8x  FY2022 8.0% 85.0% 11.5%  LTM+SY \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$444.04 \$0.35 \$0.00 \$0.00 \$0.00   | N/A  11.0x  FY2023 7.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00   | 16.9x N/A 13.0x 13.0x  FY2024 6.0% 85.0% 11.7% 1000%                            | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP GTK long-run estimate  Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debr Minority Interest Preferred Equity Capitalized Operating leases   | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00 \$0.00  | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14<br>\$1,246.02<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00  | 6.9%<br>3.9%<br>5.00%<br>FY2016<br>19.0%<br>85.0%<br>10.9%<br>LTM+2Y<br>\$63.8<br>\$442.3<br>15.9%<br>\$22.18<br>\$22.14<br>\$1,339.08<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00   | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Vah<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77<br>\$1,456.36<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00  | 80.6% N/A  80.00°  Explicit Period Assum FY2018  15.0% 85.0% 11.1%  aution  LTM+4Y \$86.9 \$530.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$19.55  | 81.40% N/A  6  Prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7% \$53.03 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00 \$0.00  | 0.99 N/A  1.20  FY2020 12.0% 88.0% 11.3%  LTM+6Y \$112.0 \$621.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.35 \$0.00 \$0.00   | 0.96<br>N/A<br>FY2021<br>10.0%<br>85.0%<br>11.4%<br>LTM+7Y<br>\$123.0<br>\$663.3<br>19.8%<br>\$80.69<br>\$55.70<br>\$1,934.03<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00                               | N/A  1.8x  FY2022 8.0% 85.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$44.04 \$0.35 \$0.00 \$0.00   | N/A 11.0x  FY2023 7.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$1.728   | 16.9x N/A 13.0x 13.0x  FY2024 6.0% 85.0% 11.7% 1000%  -500%                     | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP GDP Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interes Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of option, warrants, and converts Other claims on operating assets  | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$20.88 \$0.00  | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14<br>\$1,246.02<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$20.59<br>\$0.00   | 6.9% 3.9% 5.00% FY2016 19.0% 85.0% 10.9% LTM+2Y \$63.8 \$442.3 15.59% \$23.18 \$22.14 \$1,339.08 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$20.28 \$0.00   | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Valt<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77<br>\$1,456.36<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00   | 80.6% N/A  80.00°  Explicit Period Assum FY2018  15.0% 85.0% 11.1%  aution  LTM+4Y \$86.9 \$330.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$19.55 \$0.00   | 81.40% N/A  6  Prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7% \$53.03 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$19.14 \$0.00  | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$1.8.69 \$0.00  | 0.96<br>N/A  FY2021 10.0% 85.0% 11.4%  LTM+7Y \$123.0 \$663.3 19.8% \$80.69 \$55.70  \$1,934.03 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$1,92.00 \$1,934.03   | N/A  1.8x  FY2022 8.0% 85.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$44.04 \$0.35 \$0.00 \$0.00 \$17.71 \$0.00                                    | N/A 11.0x  FY2023 7.0% 85.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.28 \$0.00                             | 16.9x N/A 13.0x 13.0x  FY2024 6.0% 85.0% 11.7% 1000%                            | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debr Minority Interest Perferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash and LT investments   | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 \$18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.00 \$1.27   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14<br>\$1,246.02<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$20.59<br>\$24.08  | 6.9% 3.9% 5.00%  FY2016 19.0% 85.0% 10.9%  LTM+2Y \$63.8 \$442.3 15.9% \$23.18 \$22.14  \$1,339.08 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$20.28 \$0.00 \$34.49   | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Valt<br>LTM+3Y<br>\$7.4.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77<br>\$1,456.36<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$0.00<br>\$1.99<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$  | 80.6% N/A  80.00°  Explicit Period Assum FY2018 15.0% 85.0% 11.1%  LTM+4Y \$86.9 \$530.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$10.00 \$19.55 \$0.00 \$77.21   | 81.40% N/A  6  prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7% \$53.03 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$11.14 \$0.00 \$111.94   | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.35 \$0.00 \$0.00 \$18.69 \$0.00 \$158.94   | 0.96 N/A  FY2021 10.0% 85.0% 11.4%  LTM+7Y \$123.0 \$663.3 19.8% \$80.69 \$55.70  \$1,934.03 \$4.04 \$0.35 \$0.00 \$0.00 \$18.21 \$0.00 \$217.77   | N/A  1.8x  FY2022 8.0% 85.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$0.03 \$2,052.02 \$44.04 \$0.35 \$0.00 \$0.00 \$17.71 \$0.00 \$290.03                             | N/A  11.0x  FY2023 7.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$17.28 \$0.00 \$372.03                                | 16.9x N/A 13.0x 13.0x  FY2024 6.0% 85.0% 11.7% 1000%  -500%                     | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash at LT investments Equity value  | 1.61 N/A  1.50  FY2014  21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$1.20.88 \$0.00 \$1.27 \$1,093.04   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14<br>\$1,246.02<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$0.00<br>\$20.59<br>\$0.00<br>\$24.08<br>\$1,205.12  | 6.9% 3.9% 5.00%  FY2016 19.0% 85.0% 10.9%  LTM+2Y \$63.8 \$442.3 15.9% \$23.18 \$22.14  \$1,339.08 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.000 \$10.000 \$34.49 \$1,308.91  | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>\$5.0%<br>11.0%<br>Yah<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77<br>\$1,456.36<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$50.49<br>\$1,442.53  | 80.6% N/A  80.00°  Explicit Period Assum FY2018  15.0% 85.0% 11.1%  aution  LTM+4Y \$86.9 \$530.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$19.55 \$0.00 \$77.21 \$1,587.49  | 81.40% N/A  6  Prions FY2019 14.0% 85.0% 11.2%  LTM+SY \$98.9 \$576.2 18.7% \$53.05 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$10.00 \$11.14 \$0.00 \$111.94 \$1,743.37                                  | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.00 \$0.00 \$18.69 \$0.00 \$18.69 \$0.00 \$15.94 \$1,911.43   | 0.96 N/A  FY2021 10.0% 85.0% 11.4%  LTM+7Y \$123.0 \$663.3 19.9% \$80.69 \$55.70  \$1,934.03 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$18.21 \$0.00 \$217.77 \$2,089.19                                  | N/A  1.8x  FY2022 8.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.71 \$0.00 \$290.03 \$2,279.95               | N/A 11.0x  FY2023 7.09% 85.09% 11.69%  LTM+9Y \$142.9 \$738.5 20.49% \$106.25 \$64.64 \$1.948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.28 \$0.00 \$372.03 \$2,482.50           | 16.9x N/A 13.0x 13.0x  FY2024 6.0% 85.0% 11.7%  1000%  -500% -1000%             | 31.1x N/A 20.0x  to \$\infty\$ 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years   |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROICI UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debr Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding   | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$1.27 \$1,093.04 \$53.36   | 1.74<br>N/A<br>PY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14<br>\$1,246.02<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$0.00<br>\$20.59<br>\$0.00<br>\$24.08<br>\$1,205.12<br>\$53.36   | 6.9% 3.9% 5.00% FY2016 19.0% 85.0% 10.9% LTM+2Y \$63.8 \$442.3 15.59% \$22.14 \$1,339.08 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.00 \$1,334.49 \$1,308.91 \$53.36   | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Vah<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77<br>\$1,456.36<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$0.00<br>\$1.993<br>\$0.00<br>\$1.993<br>\$0.00<br>\$1.933<br>\$1.42.53<br>\$50.49<br>\$1,44.53<br>\$50.49<br>\$1,44.53<br>\$50.49   | 80.6% N/A  80.00°  Explicit Period Assum FY2018  15.0% 85.0% 11.1%  aution  LTM+4Y \$86.9 \$330.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$19.55 \$0.00 \$77.21 \$1,587.49 \$53.36  | 81.40% N/A  6  Prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7% \$53.03 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00 \$0.00 \$10.00 \$11.194 \$1,743.37 \$53.36  | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 \$621.0 \$9.035 \$0.05 \$0.00 \$0.00 \$18.69 \$0.00 \$158.94 \$1,911.43 \$53.36  | 0.96 N/A  FY2021 10.0% 85.0% 11.4%  LTM+7Y \$123.0 \$663.3 \$19.8% \$80.69 \$55.70  \$1,934.03 \$44.04 \$0.35 \$0.00 \$0.00 \$18.21 \$0.00 \$217.77 \$2,089.19 \$353.36                              | N/A  1.8x  FY2022 8.0% 85.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.71 \$0.00 \$290.03 \$2,279.95 \$33.36 | N/A 11.0x  FY2023 7.0% 85.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.28 \$0.00 \$372.03 \$2,482.50 \$53.36 | 16.9x N/A 13.0x 13.0x  FY2024 6.0% 85.0% 11.7% 1000%  -500%                     | 31.1x N/A 20.0x  to == 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years  x + 246.79%  x = 13.85%x + 245.  |
| All U.S. Firms GDP GTP GTP Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCR Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value  | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 \$18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$1.27 \$1,093.04 \$53.36 \$20.70   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14<br>\$1,246.02<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$20.59<br>\$0.00<br>\$24.08<br>\$1,205.12<br>\$33.36<br>\$22.84  | 6.9% 3.9% 5.00%  FY2016 19,0% 85.0% 10.9%  LTM+2Y \$63.8 \$44.2 \$15.9% \$23.18 \$22.14  \$1,339.08 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.00 \$20.28 \$0.00 \$34.49 \$1,308.91 \$53.36 \$24.77  | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>\$5.0%<br>11.0%<br>Yah<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77<br>\$1,456.36<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$50.49<br>\$1,442.53  | 80.6% N/A  80.00°  Explicit Period Assum FY2018  15.0% 85.0% 11.1%  aution  LTM+4Y \$86.9 \$530.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$19.55 \$0.00 \$77.21 \$1,587.49  | 81.40% N/A  6  prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$57.6.2 18.7% \$53.03 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$11.194 \$1,743.37 \$53.36 \$33.07  | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.35 \$0.00 \$0.00 \$15.94 \$1,911.43 \$53.36 \$35.36 \$36.14  | 0.96 N/A  FY2021 10.0% 85.0% 11.4%  LTM+7Y \$123.0 \$663.3 19.8% \$80.69 \$55.70  \$1,934.03 \$44.04 \$0.35 \$0.00 \$0.00 \$18.21 \$0.00 \$217.77 \$2,089.19 \$33.36 \$39.49                         | N/A  1.8x  FY2022 8.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.71 \$0.00 \$290.03 \$2,279.95               | N/A 11.0x  FY2023 7.09% 85.09% 11.69%  LTM+9Y \$142.9 \$738.5 20.49% \$106.25 \$64.64 \$1.948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.28 \$0.00 \$372.03 \$2,482.50           | 16.9x N/A 13.0x 13.0x  FY2024 6.0% 85.0% 11.7%  1000%  -500% -1000%             | 31.1x N/A 20.0x  to ∞ 5.0% 85.0% 12.0%  | Yes Straightline 10 years SG&A NO Straightline 10 years  10 years  x + 246.79%  y = 13.85%x + 245.  |
| All U.S. Firms GDP GDP Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding  | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.00 \$1.27 \$1,093.04 \$53.36 \$20.70  Monte Car   | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14<br>\$1,246.02<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$0.00<br>\$20.59<br>\$0.00<br>\$20.59<br>\$30.00<br>\$22.84<br>\$40.8 \$1,295.12<br>\$33.36<br>\$22.84 | 6.9% 3.9% 5.00%  FY2016 19.0% 85.0% 10.9%  LTM+2Y \$63.8 \$442.3 15.9% \$23.18 \$22.14  \$1,339.08 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 \$34.49 \$1,308.91 \$33.36 \$24.77  | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Yah<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77<br>\$1,456.36<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$1,933<br>\$0.00<br>\$50.49<br>\$1,442.53<br>\$33.36<br>\$27.30  | 80.6% N/A  80.00°  Explicit Period Assum FY2018  15.0% 85.0% 11.1%  aution  LTM+4Y \$86.9 \$530.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.00 \$19.55 \$0.00 \$77.21 \$1,57.49 \$33.36 \$30.04                                  | 81.40% N/A  6  prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$57.6.2 18.7% \$53.03 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$11.194 \$1,743.37 \$53.36 \$33.07  | 0.99 N/A  1.20  FY2020 12.0% 88.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.35 \$0.00 \$0.00 \$1.8.69 \$0.00 \$1.8.69 \$0.00 \$1.8.94 \$1,911.43 \$53.36 \$3.314  Carlo Simulation Resi  | 0.96 N/A  FY2021 10.0% 85.0% 11.4%  LTM+7Y \$123.0 \$663.3 19.8% \$80.69 \$55.70  \$1,934.03 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$21,777 \$2,089.19 \$53.36 \$39.49                                 | N/A  1.8x  FY2022 8.0% 85.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.71 \$0.00 \$290.03 \$2,279.95 \$33.36 | N/A 11.0x  FY2023 7.0% 85.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.28 \$0.00 \$372.03 \$2,482.50 \$53.36 | 16.9x N/A 13.0x  FY2024 6.0% 85.0% 11.7%  1000%  -000%  -1000%  -2000%          | 31.1x N/A 20.0x  to == 5.0% 85.0% 12.0%   | Yes Straightline 10 years SG&A NO Straightline 10 years  10 years  y = 13.85%x + 245.79%  y = 13.85%x + 245.  |
| All U.S. Firms GDP GTP GTP Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/6/2015   | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 \$18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.00 \$1.27 \$1,093.04 \$53.36 \$20.70  Monte Cai   | 1.74 N/A  N/A  FY2015 20.0% 80.0% 10.9%  LTM+1Y \$70.7 \$401.7 19.4% \$33.79 \$34.14  \$1,246.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$20.59 \$0.00 \$24.08 \$1,205.12 \$53.36 \$2.284 \$10 Simulation Ass   | 6.9% 3.9%  5.00%  FY2016 19.0% 85.0% 10.9%  LTM+2Y \$63.8 \$442.3 15.5% \$22.14  \$1,339.08 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 \$34.49 \$1,308.91 \$53.36 \$24.77  umptions Min   | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>\$5.0%<br>11.0%<br>Vah<br>LTM+3Y<br>\$74.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77<br>\$1,456.36<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$0.00<br>\$1.93<br>\$0.00<br>\$1.93<br>\$0.40<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$1.456.36<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70<br>\$4.70   | 80.6% N/A  80.00°  Explicit Period Assum FY2018  15.0% 85.0% 11.1%  LTM+4Y \$86.9 \$530.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$19.55 \$0.00 \$77.21 \$1,587.49 \$53.36 \$30.04  Distribution                                  | 81.40% N/A  6  Prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7% \$53.03 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$10.00 \$111.94 \$1,743.37 \$53.36 \$33.07  Monte                          | 0.99 N/A  1.20  FY2020 12.0% 88.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.35 \$0.00 \$0.00 \$18.69 \$0.00 \$18.69 \$0.00 \$158.94 \$1,911.43 \$53.36 \$3.614  Carlo Simulation Rest  | 0.96 N/A  FY2021 10.0% 85.0% 11.4%  LTM+7Y \$123.0 \$663.3 19.8% \$80.69 \$55.70  \$1,934.03 \$44.04 \$0.35 \$0.00 \$0.00 \$1.021 \$0.00 \$217.77 \$2,089.19 \$33.36 \$33.49 alts 1y-Target          | N/A  1.8x  FY2022 8.0% 85.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.71 \$0.00 \$290.03 \$2,279.95 \$33.36 | N/A 11.0x  FY2023 7.0% 85.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.28 \$0.00 \$372.03 \$2,482.50 \$53.36 | 16.9x N/A 13.0x 13.0x  FY2024 6.0% 85.0% 11.7%  1000%  -500% -1000%             | 31.1x N/A 20.0x  to == 5.0% 85.0% 12.0%  y = 11.440  y = 4.6 Grow Ac. Grow  | Yes Stringhtline 10 years SG&A NO Straightline 10 years  x + 246.79%  y = 13.85%x + 245  y = 13.85%x + 245  |
| All U.S. Firms GDP GDP Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debr Minority Interest Perferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/6/2013  | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 \$18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$1.27 \$1,093.04 \$53.36 \$20.70  Monte Cai  | 1.74<br>N/A<br>FY2015<br>20.0%<br>80.0%<br>10.9%<br>LTM+1Y<br>\$70.7<br>\$401.7<br>19.4%<br>\$33.79<br>\$34.14<br>\$1,246.02<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$20.59<br>\$1,205.12<br>\$33.36<br>\$22.84<br>tlo Simulation Ass<br>Simulation Ass                     | 6.9% 3.9% 5.00%  FY2016 19.0% 85.0% 10.9%  LTM+2Y \$63.8 \$444.2 \$15.9% \$23.18 \$22.14  \$1,339.08 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 \$20.28 \$0.00 \$34.49 \$1,308.91 \$53.36 \$22.477  **********************************  | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>85.0%<br>11.0%<br>Valt<br>LTM+3Y<br>\$7.4.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77<br>\$1,456.36<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$0.00<br>\$1.993<br>\$0.00<br>\$1.993<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00      | 80.6% N/A  80.00°  Explicit Period Assum FY2018 15.0% 85.0% 11.1%  LTM+4Y \$86.9 \$330.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$19.55 \$0.00 \$77.21 \$1,587.49 \$33.36 \$30.04  Distribution Normal                            | 81.40% N/A  6  prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7% \$53.03 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$10.00 \$111.94 \$1,743.37 \$53.36 \$33.07  Monte !                        | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.35 \$0.00 \$0.00 \$1.8,94 \$1,911.43 \$53.36 \$36.14  Carlo Simulation Resilation Resilat   | 0.96 N/A  FY2021 10.0% 85.0% 11.4%  LTM+7Y \$123.0 \$663.3 19.8% \$80.69 \$55.70  \$1,934.03 \$44.04 \$0.35 \$0.00 \$0.00 \$15.21 \$0.00 \$217.77 \$2,089.19 \$33.49  ults  ly-Target \$22.84        | N/A  1.8x  FY2022 8.0% 85.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.71 \$0.00 \$290.03 \$2,279.95 \$33.36 | N/A 11.0x  FY2023 7.0% 85.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.28 \$0.00 \$372.03 \$2,482.50 \$53.36 | 16.9x N/A 13.0x  FY2024 6.0% 85.0% 11.7%  1000%  -000%  -1000%  -2000%          | 31.1x N/A 20.0x  to == 5.0% 85.0% 12.0%  y=11.44%  y=11.44%  Ac. Grow Ac. Grow Revenue (NOPLAT  | Yes Straightline 10 years SG&A NO Straightline 10 years  x + 245.79%  y = 13.85%x + 245.  y = 13.85%x + 245.  min Revenue then NoPLAT then then Grant Jowah Thend Growth Thend  |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/6/2015  Revenue Variation Op. Costs Variation                      | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$1.27 \$1,093.04 \$53.36 \$20.70  Monte Cai Base 0% 0%   | 1.74 N/A  FY2015 20.0% 80.0% 10.9% LTM+1Y \$70.7 \$401.7 19.4% \$33.79 \$34.14  \$1,246.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$20.59 \$0.00 \$24.08 \$1,205.12 \$53.36 \$22.84 clo Simulation Ass Stdev 1.4% 5.9%  | 6.9% 3.9%  5.00%  FY2016 19,0% 85,0% 10,9%  LTM+2Y \$63.8 \$442.3 15,9% \$23.18 \$22.14  \$1,339.08 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 \$10.00 \$20.28 \$0.00 \$34.49 \$1,308.91 \$35.36 \$24.77  **********************************  | \$.0% 3.2%  FY2017 18.0% \$5.0% 11.0%  Valt LTM+3Y \$74.7 \$446.5 16.9% \$30.54 \$28.77 \$1,456.36 \$44.04 \$0.05 \$0.00 \$0.00 \$19.93 \$0.00 \$50.49 \$1,442.53 \$53.36 \$27.30  Max N/A  | 80.6% N/A  80.00°  Explicit Period Assum FY2018 15.0% 85.0% 11.1%  LTM+4Y \$86.9 \$530.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$19.55 \$0.00 \$77.21 \$1,587.49 \$53.36 \$30.04  Distribution Normal                            | 81.40% N/A  6  prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7% \$33.03 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$11.14 \$0.00 \$111.94 \$1,743.37 \$53.36 \$33.07  Monte!  Mean est.  σ(s) | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.35 \$0.00 \$0.00 \$18.69 \$0.00 \$15.89 \$1,911.43 \$3.3.6 \$3.6.14  Carlo Simulation Resultation Resu | 0.96 N/A  FY2021 10.0% 85.0% 11.4%  LTM+7Y \$123.0 \$663.3 19.8% \$80.69 \$55.70  \$1,934.03 \$44.04 \$0.35 \$0.00 \$0.00 \$18.21 \$0.00 \$217.77 \$2,089.19 \$53.36 \$39.49  ults 1y-Target \$22.84 | N/A  1.8x  FY2022 8.0% 85.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.71 \$0.00 \$290.03 \$2,279.95 \$33.36 | N/A 11.0x  FY2023 7.0% 85.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.28 \$0.00 \$372.03 \$2,482.50 \$53.36 | 16.9x N/A 13.0x  FY2024 6.0% 85.0% 11.7%  1000%  -000%  -1000%  -2000%          | 31.1x N/A 20.0x  to == 5.0% 85.0% 12.0%  y=11.44%  y=11.44%  Ac. Grow Ac. Grow Revenue (NOPLAT  | Yes Straightline 10 years SG&A NO Straightline 10 years  10 years  y = 13.85%x + 245.79%  y = 13.85%x + 245.79%  thin Revenue thin NCPLAT thin Inverted Capital Joseph Train Line steed Capital Joseph Train                                  |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/6/2015  Revenue Variation Op. Costs Variation Market Risk Premium | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$1.27 \$1,093.04 \$53.36 \$20.70  Monte Car Base  0% 0% 7.0%  | 1.74 N/A  N/A  FY2015 20.0% 80.0% 10.9%  LTM+1Y \$70.7 \$401.7 19.4% \$33.79 \$34.14  \$1,246.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$20.59 \$0.00 \$20.59 \$0.00 \$21.20 \$33.36 \$22.84 40.8 Sizulation Ass Stdev 1.4% 5.9% N/A   | 6.9% 3.9%  5.00%  FY2016 19.0% 85.0% 10.9%  LTM+2Y \$63.8 \$442.3 15.9% \$23.18 \$22.14  \$1,339.08 \$44.04 \$0.35 \$0.00 | \$.0%<br>3.2%<br>FY2017<br>18.0%<br>\$5.0%<br>11.0%<br>Vah<br>LTM+3Y<br>\$7.4.7<br>\$486.5<br>16.9%<br>\$30.54<br>\$28.77<br>\$1,456.36<br>\$44.04<br>\$0.35<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$1.93<br>\$0.00<br>\$5.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0 | 80.6% N/A  80.00°  Explicit Period Assum FY2018  15.0% 85.0% 11.1%  aution  LTM+4Y \$86.9 \$530.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$19.55 \$0.00 \$77.21 \$1,587.49 \$33.36 \$30.04  Distribution Normal Normal Triangular | 81.40% N/A 6 prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7% \$53.03 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00 \$0.00 \$10.00 \$111.94 \$1,743.37 \$53.36 \$33.07  Mean est. σ(a) 3 σ(a) adjusted price    | 0.99 N/A  1.20  FY2020 12.0% 88.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.35 \$0.00 \$0.00 \$1.8.69 \$0.00 \$1.8.94 \$1,911.43 \$53.36 \$3.36 \$1.61 Carlo Simulation Rest Intrinsic Value \$20.70 \$1.59 \$15.92  | 0.96 N/A  FY2021 10.0% 85.0% 11.4%  LTM+7Y \$123.0 \$663.3 19.8% \$80.69 \$55.70  \$1,934.03 \$44.04 \$0.35 \$0.00 \$0.00 \$15.21 \$0.00 \$217.77 \$2,089.19 \$33.49  ults  ly-Target \$22.84        | N/A  1.8x  FY2022 8.0% 85.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.71 \$0.00 \$290.03 \$2,279.95 \$33.36 | N/A 11.0x  FY2023 7.0% 85.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.28 \$0.00 \$372.03 \$2,482.50 \$53.36 | 16.9x N/A 13.0x  FY2024 6.0% 85.0% 11.7%  1000%  500%  -500% -500% -200% -2500% | 31.1x N/A 20.0x  to == 5.0% 85.0% 85.0% 12.0%  y=11.44%  y=10.44% Ac. Grow | Yes Straightline 10 years SG&A NO Straightline 10 years  10 years  x + 246.79%  y = 13.85%x + 245.0  y = 13.85%x + 245.0  th in Revenue th in NCPLAT tim Interested Cipital Javoth Trend (Growth Trend  |
| All U.S. Firms GDP FTK long-run estimate  Growth Op.Costs/Rev. WACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/6/2015  Revenue Variation Op. Costs Variation                      | 1.61 N/A  1.50  FY2014 21.0% 78.0% 10.7%  LTM \$67.4 \$364.8 \$18.5% \$0.00 \$29.06  \$1,157.05 \$44.04 \$0.35 \$0.00 | 1.74 N/A  FY2015 20.0% 80.0% 10.9% LTM+1Y \$70.7 \$401.7 19.4% \$33.79 \$34.14  \$1,246.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$20.59 \$0.00 \$24.08 \$1,205.12 \$53.36 \$22.84 clo Simulation Ass Stdev 1.4% 5.9%  | 6.9% 3.9%  5.00%  FY2016 19,0% 85,0% 10,9%  LTM+2Y \$63.8 \$442.3 15,9% \$23.18 \$22.14  \$1,339.08 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 \$10.00 \$20.28 \$0.00 \$34.49 \$1,308.91 \$35.36 \$24.77  **********************************  | \$.0% 3.2%  FY2017 18.0% \$5.0% 11.0%  Valt LTM+3Y \$74.7 \$446.5 16.9% \$30.54 \$28.77 \$1,456.36 \$44.04 \$0.05 \$0.00 \$0.00 \$19.93 \$0.00 \$50.49 \$1,442.53 \$53.36 \$27.30  Max N/A  | 80.6% N/A  80.00°  Explicit Period Assum FY2018 15.0% 85.0% 11.1%  LTM+4Y \$86.9 \$530.3 17.9% \$43.11 \$35.90  \$1,574.23 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$19.55 \$0.00 \$77.21 \$1,587.49 \$53.36 \$30.04  Distribution Normal                            | 81.40% N/A  6  prions FY2019 14.0% 85.0% 11.2%  LTM+5Y \$98.9 \$576.2 18.7% \$33.03 \$42.95  \$1,694.96 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$11.14 \$0.00 \$111.94 \$1,743.37 \$53.36 \$33.07  Monte!  Mean est.  σ(s) | 0.99 N/A  1.20  FY2020 12.0% 85.0% 11.3%  LTM+6Y \$112.0 \$621.0 19.4% \$67.13 \$50.52  \$1,815.57 \$44.04 \$0.35 \$0.00 \$0.00 \$18.69 \$0.00 \$15.89 \$1,911.43 \$3.3.6 \$3.6.14  Carlo Simulation Resultation Resu | 0.96 N/A  FY2021 10.0% 85.0% 11.4%  LTM+7Y \$123.0 \$663.3 19.8% \$80.69 \$55.70  \$1,934.03 \$44.04 \$0.35 \$0.00 \$0.00 \$18.21 \$0.00 \$217.77 \$2,089.19 \$53.36 \$39.49  ults 1y-Target \$22.84 | N/A  1.8x  FY2022 8.0% 85.0% 85.0% 11.5%  LTM+8Y \$133.9 \$701.8 20.2% \$95.46 \$60.93  \$2,052.02 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.71 \$0.00 \$290.03 \$2,279.95 \$33.36 | N/A 11.0x  FY2023 7.0% 85.0% 85.0% 11.6%  LTM+9Y \$142.9 \$738.5 20.4% \$106.25 \$64.64 \$1,948.83 \$2,172.14 \$44.04 \$0.35 \$0.00 \$0.00 \$0.00 \$17.28 \$0.00 \$372.03 \$2,482.50 \$53.36 | 16.9x N/A 13.0x  FY2024 6.0% 85.0% 11.7%  1000%  -000%  -1000%  -2000%          | 31.1x N/A 20.0x  to == 5.0% 85.0% 85.0% 12.0%  y=11.44%  y=10.44% Ac. Grow | Yes Straightline 10 years SG&A NO Straightline 10 years  Yes SG&A NO Straightline 10 years  y = 13.85%x + 245.0  y = 13.85%x + 245.0 |

# **General Finance Corporation** (GFN: NASDAQ)

Financial Analysis By: Jacky Cheng - Services

# Company Profile as of 2/06/2015

Market Price: \$7.92 Industry: Rental & Leasing Market Cap: \$202.2M 52-Week: \$6.18-10.15 Beta: 0.63

 Source
 Target Price
 Recommendation

 Siena
 \$13.50
 BUY

 Capital IQ
 \$13.33
 BUY

 Yahoo Finance
 \$13.33
 BUY

\$13.33

**BUY** 



#### **Thesis**

-CEO strong management and knowledge of industry

Bloomberg

- -Utilization of Acquisition
- -Growing EBITDA Margin

I would recommend a BUY on General Finance Corporation at \$13.50. Ron's strong management and knowledge of the industry helps guide the company in the right direction and is making the next big step in growing the company. The potential growth vehicles with its recent acquisitions (Lone Star) will be a big impact in increasing its revenue and EBITDA. Along with its amazing strong trending growth displayed in the financials, the company foresees itself increasing its revenue and EBITDA. The company is still in the growing stage and the peak is nowhere close in the future as they continue to expand its network and potentially acquire more companies to further the value of General Finance Corporation.

#### **Company Overview**

General Finance Corporation sells and leases portable storage containers, portable container buildings, and freight containers in the Asia Pacific and North America. Their network in North America includes 20 states in the United States and one province in Canada. These containers range from general purpose units to hazardous goods containers and refrigerated containers. GFN recently acquired Lone Star Tank Rental Inc. which helped expand the company into Texas.

#### **Operating Companies**

General Finance Corporation runs under multiple family companies all over the world. This includes Royal Wolf, Pac-Van, Lone Star, and Southern Frac.

Royal Wolf leases and sells mobile storage containers, portable container building and freight containers in Australia and New Zealand. They currently operate 18 customer service centers in Australia and seven in New Zealand. Royal Wolf is the only portable container lease and sales company represented in all major business centers in Australia.

Pac-Van leases and sells modular buildings, mobile offices, portable storage containers and related services in the United States. There are 28 branch locations across 18 states and one province of Canada. It has seen improvements due to a number of key sectors including commercial, mining and energy, construction, and industrial.

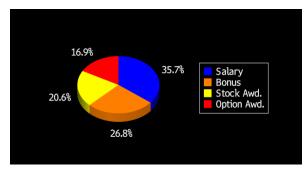
Lone Star, their recent acquisition, leases portable liquid storage tank containers, oil test tanks, acid tanks, related fluid management equipment, and containment products to the oil and gas industry in Texas. It has been the main catalyst in its recent earnings which they blown out of the water.

Southern Frac manufactures portable liquid storage tank containers in Texas. Their products consist of mainly frac tanks, mud tanks, acid tanks, and vacuum tank trailers. The revenue has increased by nearly 50% due to increased demand in the North American leasing operations.

## Management

General Finance Corporation is run by Chairman, President, and CEO Ronald F. Valenta who has been with the company since October 14, 2005. Ron co-founded Mobile Storage Group, Inc. in 1988 and served as CEO until 2003. Ron also served as Senior Vice President at Public Storage Group, Inc. from 1980 to 1985. This shows that Ron has been with the industry for a long time and his knowledge on the portable storage industry should not be in question.

Ron is committed to creating value for General Finance Corporation and growing the company. Over the years, Ron's compensation went from 100% salary to 35.7% in salary and 26.8% in bonus with stock award and option award of 20.6% and 16.9% respectively. This shows that there is an incentive for Ron to help the company to perform well and create value instead of sidelining and collecting his yearly salary.

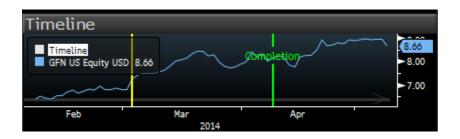


| Year | Salary (USD) | Bonus (USD) | Total (USD) |
|------|--------------|-------------|-------------|
| 2014 | 400,000      | 300,000     | 1,120,950   |
| 2013 | 325,000      | 225,000     | 880,565     |
| 2012 | 275,000      | 146,250     | 488,450     |
| 2011 | 200,000      | 97,000      | 309,800     |
| 2010 | 200,000      | N.A.        | 200,000     |

## **Acquisitions**

General Finance Corporation has made some recent acquisitions in expanding its company in North America, investing approximately \$20 million. These acquisitions helped generate more revenue for the company and overall increasing the value of the company. Ron plans on continuing to acquire more company in order to expand his network.

On 4/08/2014, GFN acquired Lone Star Tank Rental LP (also known as KHM Rentals LLC) in cash. The Lone Star Tank Rental was the main factor Q1 Earnings greatly exceeded estimated earnings, capitalizing on the strength in demand for portable liquid storage tank containers and related services. It is projected that Lone Star will be a main factor for the next several years, despite the current situation on crude oil.



#### **Financials**

General Finance Corporation has been growing over the past years and is forecasted to keep growing. The revenue and EBITDA has witnessed growth for 18 consecutive quarters. Out of the entire financials, EBITDA clearly stands out from the rest of the numbers, showing consistent increase in its margins from 15.9% to 26.4%. Ron expects the EDITDA to increase by 5% over the fiscal year of 2015 which does not take into account the impact of the current acquisitions.

Along with its excellent increase in EBITDA, the revenue has been growing at a slow rate from 16.6% to 17%. Cash from operations have also been increasing, drastically in FY 2014 which also translates to an increase in Free Cash Flow which nearly doubled from 2013 to 2014. With the excess cash, it can be foreseen that there will be acquisitions in the future.

| In Millions of USD    | FY 2011    | FY 2012    | FY 2013       | FY 2014    | Current/LTM | FY 2015 Est | FY 2016 Est |
|-----------------------|------------|------------|---------------|------------|-------------|-------------|-------------|
| 12 Months Ending      | 2011-06-30 | 2012-06-30 | 2013-06-30    | 2014-06-30 | 2014-09-30  | 2015-06-30  | 2016-06-30  |
| Revenue               | 182.3      | 212.2      | 245.5         | 287.1      | 301.8       | 333.7       | 365.3       |
| Growth %, YoY         | 16.6       | 16.4       | 15.7          | 16.9       | 17.0        | 16.2        | 9.5         |
| <b>Ⅲ</b> Gross Profit | 112.8      | 132.6      | 152.5         | 157.7      | 190.2       | 168.3       | 180.8       |
| ■ Margin %            | 61.9       | 62.5       | 62.1          | 54.9       | 63.0        | 50.4        | 49.5        |
| <b>EBITDA</b>         | 28.9       | 45.2       | 51.7          | 67.2       | 79.7        | 90.9        | 99.9        |
| ■ Margin %            | 15.9       | 21.3       | 21.1          | 23.4       | 26.4        | 27.3        | 27.4        |
| Cash from Operations  | 18.5       | 15.2       | 34.9          | 51.5       | 65.2        |             |             |
| Capital Expenditures  | -3.8       | -3.2       | -8 <b>.</b> 5 | -7.2       | -7.0        | -8.2        | -6.0        |
| Free Cash Flow        | 14.7       | 12.0       | 26.4          | 44.4       | 58.2        |             |             |
|                       |            |            |               |            |             |             |             |

#### **Conclusion**

I would recommend a BUY on General Finance Corporation at \$13.50. Ron's strong management and knowledge of the industry helps guide the company in the right direction and is making the next big step in growing the company. The potential growth vehicles with its recent acquisitions (Lone Star) will be a big impact in increasing its revenue and EBITDA. Along with its amazing strong growth displayed in the financials, the company foresees itself increasing its revenue and EBITDA. The company is still in the growing stage and the peak is nowhere close in the future as they continue to expand its network and potentially acquire more companies to further the value of General Finance Corporation.

| General Finance Corporation  | GFN   | Analyst: F  | Rigolo des Bois  | Curre  | nt Price: 7.95   | Lower Bound  <br>Value: \$11.9   | Intrinsic   | Lower Boun   | d 1g- I arget:   | Dividend Yie  | eld: 0%  | Ty Upside (d<br>86 272   | ownsidej:  |
|--|---|---|--|--|--|--|---|--|--|---|--|--|--|
| Generall   |   |   | Harket D   |  |  |  |   |  | Peers  |   |  | FB1711   |  |
| ector  | Industrials   |   | Enterprire value   |  | Symbol   | HAME   | Market Cap  | TET/EBITDA   | P/B  | E <u>BITDA Marqi</u> a  | T <u>etal Dabe/TE</u> T  | EBIT/Int. Exp.   | Altman Z   |
| durtry<br>-antiplian: George Piasane Corporalisa, Ibrangh ila :  |   |   | Market Capitalization  Daily unlume  | \$205.01<br>0.01912  |  |  |   |  |  |   |  |  |  |
| elaineen, poetable unutainee buildingu, and feeight unutain  | era. Il affera mabile alarage   | r analaiorra, including   | Sharar mutetandina   | 25.79  | HTSE:CAP   | CAlInternationalInc  | \$457.85  | 15.9×  | 1.1×   | 47%   | 75%  | 2.9×   | 0.66   |
| orral purpose usilo, duable pallel-side bigh usbe usil<br>olainees; puelable building usulainees, usub as uile uffi  | e, basardose geodo esolaio:<br>:dbibi   | ero, and refrigerated   | Dilutodsharos autstandir   | 26.06  |  |  |   |  |  |   |  |  |  |
| arequarementation units, realroom blanks, blankereints   | el esile, and aproialized off   | fier and infrantronlers   | Xsharos hold by institutio   | 15.5%  | HTSE:TAL   | TAL International Gr   | \$1,406.28  | 8.3×   | 2.0×   | 82%   | 69%  | 2.7×   | 0.83   |
| oorg soonwoodsline noile, reeleene bloobe, blackerniels<br>silre; sod feright oostsieres oonsieling of oortsierside oost   | laineen, kiranke mulaineen, p   | pallel-wide nontaineen,   | Xsharos hold by Insidors<br>Skart interest   | 44.2×<br>0.7×  |  |  |   |  |  |   |  |  |  |
| de opening door noolsineen, and holk noolsineen. The no<br>optimations, including celail and manufacturing incretory,  | mpung promidro ila producti   | le for earioss elerage  |  | 4.84   | Hardag65:HEES  | H&E Equipment Serv   | \$778.73  | 11.5×  | 6.2×   | 14%   | 55×  | 2.6×   | 1.87   |
| d croords, and bosorbold goods. It also Iranes and nells als   | rage trailers and other stor  | age aleaslaces, affiae  | 52 wook high   | \$10.15  |  |  | *******   |  |  |   |  |  |  |
| ulaineen, muhile offinen, puelable liguid ulurage laub uunl  |   |   |  | \$6.18   | :  | _  |   |  |  |   |  |  |  |
| raduala unmprining alepa, rampa, fornilare, puelable lail:<br>Hiller nalura, ler unnurulura, and alber ilema for unr in un   | rla, araarilg agalema, akelai<br>aaraliaa wilk ila raaiameel. l   | iisq, and pamps, bases,<br> - eddilias, lbs samessa   | 5y Bota  |  | Poors' Modian  |  | \$77\$.73   | 11.5x  | 2.0x   | 47×   | 69×  | 2.7±   | <b>0.</b> #3   |
|  | Hanasem   |   | b-month valatility   | 39.53%   | GFN  |  | \$205.01  | ‡.0x   | 1.‡x<br>rformance  | 27x   | 49×  | 3.4x   | 1.04   |
| refessional  | Title   | ump. FT2012   | Cump. FT2013   | Cump. FT2014   |  | GF   | H   | <u>P</u>   | ****   | lade  | urtry  | All U.S  | . firmr  |
| alenta, Ronald   | Chairman, Chiof   | \$ 488,450.00   | \$ 880,565.00  | \$ 1,120,950.00  |  | Lert   | 10y Had.  | Lert   | 10y Had.   | Lert  | 10y Had.   | Lert   | 10y Had  |
| arrantos, Charlos  | Chiof Financial   | \$ 385,800.00   | \$ 489,135.00  | \$ 566,300.00  | ROIC   | 5.4%   | 4.8%  | 8.19%  | 8.37×  | 8.56%   | 14.27%   | 8.92%  | 11.07%   |
| ilran, Christophor   | Vico Prosident,   | \$ 500,700.00   |  |  | EBITA Marqin   | 15.4%  | 10.6%   | 29.94%   | 22.54%   | 11.79%  | 12.65%   | 13.56%   | 13.62%   |
| luckman, Joffroy<br>Ilan, Robort   | Exocutivo Vico<br>Chiof Exocutivo   | \$ 199,650.00<br>\$ 809,043.00  |  | \$ 659,050.00  |  | o. 0.54<br>3.11%   | 0.51<br>N/A   | 0.32<br>8.66%  | 0.45<br>6.66%  | 1.89<br>8.01%   | 1.96<br>7.52%  | 1.76<br>23.19%   | 2.02<br>18.87%   |
| llan, nabers<br>Iourouzir, Theodore  | Provident of Pac-Var  |   |  |  | Excorr Carh/Rov.<br>Total Carh/Rov.  | 3.11%  | 2.49%   | 8.66%  | 6.66%  | 11.33%  | 8.59×  | 32.72×   | 30.13%   |
| Carrent Capital Struct   |   | 211,702.00  |  | ina Sarerirer  |  | _Lart Guidence_  |   | Hext earnings  |  |   | all Transcript:  |  |  |
| tal dobt/markot cap  | 49.37%  |   | Revesse  | EBITDA   | Horm. EPS  | General Finance Carp   | paration announced  |  |  | for the first quarter   | ondod Soptombor 3  | 0, 2014. Far the que   | irtor, tho cam   |
| art of Borrowing   | 5.84%   | Lart Quarter  | -5.7×  | 15.0%  | 133.3%   | roparted revenue of \$   |   |  |  |   |  |  |  |
| storost Covorago   | 3.35  | Lart Quarter-1  | 22.1%  | 30.6%  | -50.0%   | incomo taxos was \$10  |   |  |  |   |  |  |  |
| obt Rating<br>y Bota   | CCC<br>0.71   | Lart Quartor - 2<br>Lart Quartor - 3  | 1.2%<br>-3.9%  | -0.9%<br>12.4%   | 0.0%<br>75.0%  | against \$402,000 or \$<br>company had total del   |   |  |  |   | qainst \$12,833,000 a  | yoar aqu. At Sopti   | mber 30, 2014  |
| y pota<br> ACC (barod on markot valuo woightr)   | 8.8%  | Lart Quarter -4   | -1.8%  | -11.8%   | -50.0×   | Jampan, naatutal ast   | or ex decision minimum ci   | aparea aich \$506.7  | man at pune 50, E  | ***   |  |  |  |
|  |   | ing Perind Arc  |  |  |  | For the fireal 2015, the   | company's consolid  | dato d rovonuos woro   | oxpoctod to bo in the  | rango of \$320 million  | nta \$335 million and t  | that conrolidated a  | ljurtod EBITD  |
| lanoy markot rato ar of taday  | 0.37%   | Rirk-Froorato   | 2.4x   | LT Op. Cartr/Rov   | 66.02  | expected to increase i   | 28% <b>to</b> 33%.  |  |  |   |  |  |  |
| nnual increase (decrease) in interest rates  | 0.10×   | Op. Carh/Rov.   | 0.00%  | LTWACC   | \$.\$x   |  |   |  |  |   |  |  |  |
| iold Sproad accolaration   | 1.2   | Op.Carh/Carh  | 0.02   | LT Torm ROIC   | 11.2×  |  |   |  |  |   |  |  |  |
| larginal Tax Rato  | 37.5×   | LT Growth   | 2.5%   | Growth in PPE  | Fallour Forward Roy, Grou  | <u> </u>   |   |  |  |   |  |  |  |
| reights are either implied from the s  |   |   |  |  |  |  |   |  |  |   |  |  |  |
|  | Rav./Co<br>Last   | apital<br>10y Madian  | LT Imputed (<br>Lart   | irauth<br>107 Madian   | LT Op. Cart<br>Lart  | tr/Rav.<br>10y Hadian  | Unlaver.<br>Lart  | ed Beta<br>10y Hedian  | Hel<br>TET/Ray.  | tiplas (107 Histor<br>TEV/EBITDA  | rical Madian Tale<br>TET/EBITA                                       | TET/UFCF   | perating L   |
| iFN  | 0.45  | 0.51  | 9.0%   | 35.6%  | 76.2%  | 80.28%   | 0.13  | 0.43   | 1.5×   | 8.0×  | 15.5×  | 36.2×  | 100%<br>Straightlin  |
| oors   | 0.32  | 0.45  | 10.1%  | 6.4%   | 58.3%  | 66.83%   | 0.98  | 0.90   | 3.7×   | 9.8×  | 14.3×  | 23.0×  | 10 years   |
| rimary Industry  | 1.88  | 1.88  | 5.1%   | 7.9%   | 81.9%  | 81.05×   | 1.06  | 1.03   | 2.3×   | 12.7×   | 15.6×  | 30.2×  | R&D Exp  |
| durtry   | 1.88  | 1.88  | 5.1%   | 7.9%   | 81.9%  | 81.05×   | 1.06  | 1.03   | 2.3×   | 12.7×   | 15.6×  | 30.2×  | •×   |
| ndurtry Group  | 1.86  | 1.97  | 5.9%   | 7.3%   | 85.8%  | 86.43%   | 1.18  | 1.18   | 1.7×   | 11.7×   | 15.0×  | 30.1x  | Straightlin  |
| Sector   | 1.92  | 2.13  | 5.9%   | 6.9%   | 84.9%  | 85.58%   | 1.13  | 1.11   | 1.7×   | 11.7×   | 15.5×  | 28.6×  | 10 years   |
| ill U.S. Firma<br>iDP  | 1.76<br>N/A   | 2.02<br>N/A   | 5.9%<br>3.9%   | 6.6%<br>3.2%   | 80.8%<br>N/A   | 81.45%<br>N/A  | 0.99<br>N/A   | 0.96<br>A\A  | 2.5×<br>N/A  | 12.4×<br>N/A  | 16.7×<br>N/A   | 29.6×<br>N/A   | cpl./Drillin⊲<br>•z  |
| SFM long-run artimata  |   |   | 2.50×  |  | 30.00  |  | 1.0   |  | 2.0x   | 4.0x  | 7.0x   | 20.0x  | Straightlin  |
|  | 1.0   |   |  |  | Exelicit Perind Arra   | metinar  |   |  |  |   |  |  | 10 years   |
|  |   |   |  |  | EARLISTS FILES MAN   |  |   | FT2#21   | FT2022   | FT2023  | FT2024   | <b>t= "</b>  | SG&A   |
|  | FT2014  | FT2015  | FT2016   | FT2017   | FT201#   | FT2019   | FT2020  |  |  |   |  |  | •z<br>Straightlir  |
| Grauti   | FT2014<br>16.9%   | FT2015<br>16.2×   | 9.5×   | \$.5×  | FT201#<br>7.0×   | 5.5×   | 4.02  | 3.0×   | 2.5%   | 2.5%  | 2.5%   | 2.5%   |  |
| Op.Cartr/Rev   | FT2014<br>16.9%<br>. 76.2%  | FT2015<br>16.2×<br>73.0×  | 9.5×<br>70.0×  | \$.5×<br>6\$.0×  | FT201\$<br>7.0%<br>67.0%   | 5.5×<br>66.0×  | 4.02<br>66.02   | 3.0×<br>66.0×  | 66.0×  | 66.0×   | 66.0×  | 66.0%  |  |
|  | FT2014<br>16.9%<br>. 76.2%  | FT2015<br>16.2×   | 9.5×   | \$.5×<br>6\$.0×<br>\$.\$×  | FT201\$ 7.02 67.02 \$.\$2  | 5.5×   | 4.02  | 3.0×   |  |   |  |  |  |
| Op.Cartr/Rev   | FT2014<br>16.9%<br>. 76.2%  | FT2015<br>16.2×<br>73.0×  | 9.5×<br>70.0×  | \$.5×<br>6\$.0×  | FT201\$ 7.02 67.02 \$.\$2  | 5.5×<br>66.0×  | 4.02<br>66.02   | 3.0×<br>66.0×  | 66.0×  | 66.0×   | 66.0×  | 66.0%<br>8.8%  |  |
| Op.Casts/Rev<br>WACC   | FT2014 16.9% 76.2% 8.8% LTH \$34.5  | FT2015<br>16.2x<br>73.0x<br>\$.\$x<br>LTM+1T<br>\$43.0  | 9.5%<br>70.0%<br>\$.\$%<br>LTH+2T<br>\$52.1  | #.5×<br>6#.0×<br>#.#×<br>Fals:<br>LTH+3T<br>\$62.2   | FT2011<br>7.0%<br>67.0%<br>0.0%<br>0.0%<br>0.0%<br>0.0%<br>0.0%<br>0.0%<br>0.0%  | 5.5%<br>66.0%<br>\$.\$%<br>LTM+5T<br>\$75.1  | 4.0%<br>66.0%<br>\$.\$%<br>LTH+6T<br>\$76.9   | 3.0×<br>66.0×<br>\$.8×<br>LTM+7T<br>\$80.4   | 66.02<br>\$.82<br>LTH+#T<br>\$81.7   | 66.0%<br>\$.\$%<br>LTM+9T<br>\$85.1   | 66.0×  | 66.0%<br>8.8%  | 10 years   |
| Op.Casts/Rev<br>WACC<br>HOPLAT<br>Invested capital   | FT2014  16.9% - 76.2% 3.8%  LTM 5 \$34.5 1 \$639.6  | FT2015<br>16.2x<br>73.0x<br>\$.\$x<br>LTM+1T<br>\$43.0<br>\$678.4   | 9.5×<br>70.0×<br>\$.8×<br>LTM+2T<br>\$52.1<br>\$687.3  | \$.5%<br>6\$.0%<br>\$.\$%<br>Talus<br>LTM+3T<br>\$62.2<br>\$697.4  | FT2011<br>7.0%<br>67.0%<br>\$.8%<br>stime<br>LTM+4T<br>\$8.4<br>\$706.6  | 5.5%<br>66.0%<br>\$.8%<br>LTM+5T<br>\$75.1<br>\$719.7  | 4.0x<br>66.0x<br>\$.\$x<br>LTH+6T<br>\$76.9<br>\$743.7  | 3.0%<br>66.0%<br>\$.\$%<br>LTM+7T<br>\$80.4<br>\$751.4   | \$.8%<br>\$.8%<br>LTM+\$T<br>\$81.7<br>\$757.6   | 66.0%<br>\$.\$%<br>LTM+9T<br>\$85.1<br>\$766.3  | \$.\$X<br>\$.\$X   | 66.0%<br>8.8%  | 10 years   |
| Op.Carts/Rov<br>WACC<br>HOPLS1<br>Invested capital<br>ROIG   | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$639.6  5.4%  | FT2015 16.2× 73.0× \$.\$×  LTM+1T \$43.0 \$678.4 6.6×   | 9.5%<br>70.0%<br>8.8%<br>LTH+2T<br>\$52.1<br>\$687.3<br>7.7%   | \$.5%<br>6\$.0%<br>\$.\$%<br>Talus<br>LTM+3T<br>\$62.2<br>\$697.4<br>9.0%  | FT261# 7.0% 67.0% \$.8%  \$\$\text{stime}\$  LTH+4T \$\$\times\$4 \$706.6 9.8%   | 5.5%<br>66.0%<br>8.8%<br>LTM+5T<br>\$75.1<br>\$719.7<br>10.6%  | 4.0%<br>66.0%<br>\$.8%<br>LTH+6T<br>\$76.9<br>\$743.7<br>10.7%  | 3.0%<br>66.0%<br>\$.\$%<br>LTH+7T<br>\$30.4<br>\$751.4<br>10.8%  | \$6.0%<br>\$.\$%<br>LTM+\$T<br>\$81.7<br>\$757.6<br>10.9%  | \$.8x<br>LTH+9T<br>\$85.1<br>\$766.3<br>11.2x   | \$.\$2<br>\$.\$2<br>16004  | 66.0%<br>8.8%  | 10 years   |
| Op.Casts/Rev<br>WACC<br>HOPLAT<br>Invested capital   | FT2014  16.9%  76.2%  8.8%  LTM  F \$34.5  1 \$639.6  5.4%  F \$0.00  | FT2015<br>16.2x<br>73.0x<br>\$.\$x<br>LTM+1T<br>\$43.0<br>\$678.4   | 9.5×<br>70.0×<br>\$.8×<br>LTM+2T<br>\$52.1<br>\$687.3  | \$.5%<br>6\$.0%<br>\$.\$%<br>Talus<br>LTM+3T<br>\$62.2<br>\$697.4  | FT2011<br>7.0%<br>67.0%<br>\$.8%<br>stime<br>LTM+4T<br>\$8.4<br>\$706.6  | 5.5%<br>66.0%<br>\$.8%<br>LTM+5T<br>\$75.1<br>\$719.7  | 4.0x<br>66.0x<br>\$.\$x<br>LTH+6T<br>\$76.9<br>\$743.7  | 3.0%<br>66.0%<br>\$.\$%<br>LTM+7T<br>\$80.4<br>\$751.4   | \$.8%<br>\$.8%<br>LTM+\$T<br>\$81.7<br>\$757.6   | 66.0%<br>\$.\$%<br>LTM+9T<br>\$85.1<br>\$766.3  | \$.\$X<br>\$.\$X   | 66.0%<br>8.8%  | 10 years   |
| Op.Cartr/Rov<br>WACC<br>HOPLAT<br>Inverted capited<br>ROIC<br>UFCI   | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$639.6  5.4%  F \$0.00  -\$18.75  | FT2015 16.2× 73.0× \$.\$×  LTM+1T \$43.0 \$678.4 6.6× \$10.70   | 9.5×<br>70.0×<br>4.8×<br>LTH+2T<br>\$52.1<br>\$687.3<br>7.7×<br>\$43.24  | \$.5%<br>6\$.0%<br>\$.\$%<br>Tala:<br>LTH-3T<br>\$62.2<br>\$697.4<br>9.0%<br>\$52.04   | FT2011<br>7.0%<br>67.0%<br>4.0%<br>4.0%<br>ETH+4T<br>\$68.4<br>\$706.6<br>9.8%<br>\$59.25  | 5.5×<br>66.0×<br>\$.8×<br>LTH+5T<br>\$75.1<br>\$719.7<br>10.6×<br>\$61.94<br>\$13.17   | 4.0x<br>66.0x<br>\$.8x<br>LTH+6T<br>\$76.9<br>\$743.7<br>10.7x<br>\$52.92   | 3.0×<br>66.0×<br>8.8×<br>LTM+7T<br>\$80.4<br>\$751.4<br>10.8×<br>\$72.70   | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$81.7<br>\$757.6<br>10.9%<br>\$75.47  | \$6.0%<br>\$.8%<br>LTM+9T<br>\$85.1<br>\$766.3<br>11.2%<br>\$76.37  | \$.\$2<br>\$.\$2<br>16004  | 66.0%<br>8.8%  | 10 years   |
| Op.Cartr/Rev<br>WACC<br>HOPLAT<br>Inverted capita<br>ROIC<br>UFC!<br>EW<br>Terminal value<br>Enterprise value (mid-year adj.)  | FT2014  16.9%  76.2%  3.8%  LTM  534.5  \$639.6  5.4%  F\$0.00  \$18.75   | FT2015 16.2× 73.0× \$.8×  LTM+1T \$43.0 \$678.4 6.6× \$10.70 -\$14.74   | 9.5×<br>70.0×<br>8.8×<br>LTM+2T<br>\$52.1<br>\$607.3<br>7.7×<br>\$43.24<br>-\$7.65   | \$.5%<br>\$.\$%<br>Yels:<br>LTM+3T<br>\$62.2<br>\$697.4<br>9.0%<br>\$52.04<br>\$1.72<br>\$1,019.20   | FT2ett 7.0x 67.0x 6.0x 8.0x 8.0x 8.17H-4T \$68.4 \$706.6 9.8x \$59.25 \$7.08   | 5.5×<br>66.0×<br>4.8×<br>LTM+5T<br>\$75.1<br>\$719.7<br>10.6×<br>\$61.94<br>\$13.17<br>\$1,074.99  | 4.0%<br>66.0%<br>\$.8%<br>LTH+6T<br>\$76.9<br>\$743.7<br>10.7%<br>\$52.92<br>\$14.00<br>\$1,105.92  | 3.0%<br>66.0%<br>8.8%<br>LTM+7T<br>\$80.4<br>\$751.4<br>10.8%<br>\$72.70<br>\$15.15  | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$81.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66   | \$6.0×<br>\$.8×<br>LTM+9T<br>\$85.1<br>\$766.3<br>11.2×<br>\$76.37<br>\$18.60<br>\$1,044.64<br>\$1,174.25   | 66.62<br>\$.\$2<br>16006<br>16006                                    | 66.0%<br>8.8%<br>; = 18  | 10 years   |
| Op.Cartr/Rev<br>WACC<br>HOPLAT<br>Inverted capita<br>ROIC<br>UFCI<br>EVEC<br>Terminal value<br>Enterprire value (mid-year adj.)<br>Tatal Dabi  | FT2014  16.9%  76.2%  3.8%  LTM  \$34.5  \$\$59.6  5.4%  \$0.00  4.18.75  5.4%  \$319.95  | FT2015 16.2× 73.0× 4.8×  LTM+1T \$43.0 \$678.4 6.6× \$10.70 -\$14.74  \$918.54 \$319.95   | 9.5×<br>70.0×<br>8.8×<br>LTH+2T<br>\$52.1<br>\$687.3<br>7.7×<br>\$43.24<br>-\$7.65<br>\$981.87<br>\$319.95   | #.5%<br>#.#X<br>*.#X<br>***<br>***<br>***<br>***<br>***<br>***<br>***<br>*   | FT2011 7.0% 67.0% 4.0% 4.0% 1TH-4T \$68.4 \$706.6 9.0% \$59.25 \$7.08 \$1,049.84 \$319.95  | 5.5×<br>66.0×<br>\$.\$×<br>LTH+5T<br>\$75.1<br>\$719.7<br>10.6×<br>\$61.94<br>\$13.17<br>\$1,074.99<br>\$319.95  | 4.0×<br>6.0×<br>*.*×<br>LTM+6T<br>\$76.9<br>\$743.7<br>10.7×<br>\$52.92<br>\$14.00<br>\$1,105.92<br>\$319.95  | 3.0×<br>6.0×<br>\$.\$×<br>LTM+7T<br>\$0.4<br>\$751.4<br>10.8×<br>\$72.70<br>\$15.15<br>\$1,135.9\$<br>\$319.95   | \$6.0%<br>\$.8%<br>LTH+\$T<br>\$81.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.44<br>\$319.95   | \$6.0%<br>\$.8%<br>LTH+9T<br>\$85.1<br>\$766.3<br>11.2%<br>\$76.37<br>\$18.60<br>\$1,044.64<br>\$1,174.25<br>\$319.95   | 66.62<br>\$.\$2<br>16006<br>16006                                    | 66.0%<br>8.8%<br>; = 18  | 10 year.   |
| Op.Cartr/Rev<br>WAGG<br>HOPLAT<br>Invested capital<br>ROIG<br>UFG!<br>Eve<br>Terminal value<br>Enterprire value (mid-year adj.)<br>Tatal Dob<br>Minurity Interes!  | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$459.6  5.4%  \$0.00  4.518.75  \$341.40  \$341.40  \$321.95  \$42.38   | FT2015 16.2× 73.0× \$.\$×  ETM+1T \$43.0 \$678.4 6.6× \$10.70 -\$14.74  \$918.54 \$319.95 \$92.38   | 9.5×<br>70.0×<br>8.8×<br>LTM-2T<br>\$52.1<br>\$897.3<br>7.7×<br>\$43.24<br>-\$7.65<br>\$991.87<br>\$319.95<br>\$92.38  | #.5×<br>#.#×<br>Fals:<br>LTM+3T<br>\$62.2<br>\$697.4<br>9.0×<br>\$52.04<br>\$1.72<br>\$1,019.20<br>\$219.95<br>\$92.38   | FT2611 7.02 67.02 8.82  LTH+4T \$68.4 \$706.6 9.82 \$59.25 \$7.08  \$1,049.84 \$319.95 \$92.38   | 5.5×<br>66.0×<br>8.8×<br>LTH+5T<br>\$75.1<br>\$719.7<br>10.6×<br>\$61.94<br>\$13.17<br>\$1,074.99<br>\$319.95<br>\$92.30   | 4.0% 66.0% 8.8%  LTM+6T \$76.9 \$743.7 10.7% \$52.92 \$14.00  \$1,105.92 \$219.95 \$92.38   | 3.0×<br>6.0×<br>8.8×<br>LTM+7T<br>\$20.4<br>\$751.4<br>10.8×<br>\$72.70<br>\$15.15<br>\$1,135.98<br>\$219.95<br>\$92.38  | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$01.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.44<br>\$319.95<br>\$92.38  | \$6.0%<br>\$.0%<br>LTM-9T<br>\$85.1<br>\$766.3<br>11.2%<br>\$76.37<br>\$18.60<br>\$1,044.64<br>\$1,174.25<br>\$319.95<br>\$92.38  | 66.62<br>\$.\$2<br>16006<br>16006                                    | 66.0%<br>8.8%<br>; = 18  | 10 years   |
| Op.Cartr/Rev<br>WACC<br>HOPLAI<br>Inverted capita<br>ROIC<br>UFCI<br>Eve<br>Terminal value<br>Enterprire value (mid-year adj.)<br>Tatal Deb<br>Minurity Interest<br>Preferred Equity   | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$639.6  5.4%  \$0.00  \$18.75  \$319.95  \$92.38  \$40.10   | FT2015 16.2× 73.0× 4.8× LTM+1T \$42.0 \$678.4 6.6× \$10.70 -\$14.74  \$918.54 \$319.95 \$92.38 \$40.10  | 9.5× 70.0× 2.8×  LTM-2T \$52.1 \$687.3 7.7× \$43.24 -\$7.65  \$981.87 \$319.95 \$92.38 \$40.10   | \$.5%<br>\$.8%<br>Tale:<br>LTM+3T<br>\$62.2<br>\$697.4<br>9.0%<br>\$52.04<br>\$1.72<br>\$1,019.20<br>\$219.95<br>\$92.38<br>\$40.10  | FT2e11 7.02 67.02 6.02 8.02 8.02 8.10 8.04 \$706.6 9.82 \$59.25 \$7.08 \$1,049.84 \$319.95 \$92.38 \$40.10   | 5.5×<br>66.0×<br>8.8×<br>LTM+5T<br>\$75.1<br>\$719.7<br>10.6×<br>\$61.94<br>\$13.17<br>\$1,074.99<br>\$319.95<br>\$92.38<br>\$40.10  | 4.0% 66.0% 8.8%  LTM+6T \$76.9 \$743.7 10.7% \$52.92 \$14.00  \$1,105.92 \$319.95 \$92.38 \$40.10   | 3.0×<br>66.0×<br>2.2×<br>2.10+7T<br>\$0.4<br>\$751.4<br>10.8×<br>\$72.70<br>\$15.15<br>\$1,135.98<br>\$319.95<br>\$92.38<br>\$40.10  | \$6.0%<br>\$1.8%<br>LTM+\$T<br>\$81.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.44<br>\$319.95<br>\$92.38<br>\$40.10  | \$6.0%<br>\$1.0%<br>\$55.1<br>\$766.3<br>11.2%<br>\$76.37<br>\$10.60<br>\$1,044.64<br>\$1,174.25<br>\$319.95<br>\$92.38<br>\$40.10  | 66.0×<br>1800%<br>1600%<br>1600%                                     | 66.0%<br>8.8%<br>; = 18  | 10 year.   |
| Op.Cartr/Rev<br>WACC<br>HOPLAT<br>Inverted capital<br>ROIC<br>EFF<br>Terminal value<br>Enterprire value (mid-year adj.)<br>Tatal Debt<br>Minurity Interer<br>Preferred Equity<br>Capitalized Operating leares  | FT2014  16.9%  76.2%  8.8%  LTM  5 \$4.5  \$5.4%  \$0.00  \$18.75  \$241.40  \$241.40  \$239.95  \$40.10  \$79.91   | FT2015 16.2× 73.0× \$.\$×  ETM+1T \$43.0 \$678.4 6.6× \$10.70 -\$14.74  \$918.54 \$319.95 \$92.38   | 9.5×<br>70.0×<br>8.8×<br>LTM-2T<br>\$52.1<br>\$897.3<br>7.7×<br>\$43.24<br>-\$7.65<br>\$991.87<br>\$319.95<br>\$92.38  | #.5×<br>#.#×<br>Fals:<br>LTM+3T<br>\$62.2<br>\$697.4<br>9.0×<br>\$52.04<br>\$1.72<br>\$1,019.20<br>\$219.95<br>\$92.38   | FT2611 7.02 67.02 8.82  LTH+4T \$68.4 \$706.6 9.82 \$59.25 \$7.08  \$1,049.84 \$319.95 \$92.38   | 5.5×<br>66.0×<br>8.8×<br>LTH+5T<br>\$75.1<br>\$719.7<br>10.6×<br>\$61.94<br>\$13.17<br>\$1,074.99<br>\$319.95<br>\$92.30   | 4.0% 66.0% 8.8%  LTM+6T \$76.9 \$743.7 10.7% \$52.92 \$14.00  \$1,105.92 \$219.95 \$92.38   | 3.0×<br>6.0×<br>8.8×<br>LTM+7T<br>\$20.4<br>\$751.4<br>10.8×<br>\$72.70<br>\$15.15<br>\$1,135.98<br>\$219.95<br>\$92.38  | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$01.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.44<br>\$319.95<br>\$92.38  | \$6.0%<br>\$.0%<br>LTM-9T<br>\$85.1<br>\$766.3<br>11.2%<br>\$76.37<br>\$18.60<br>\$1,044.64<br>\$1,174.25<br>\$319.95<br>\$92.38  | 66.0×<br>1800%<br>1600%<br>1600%                                     | 66.0%<br>8.8%<br>; = 18  | 10 years   |
| Op.Cartr/Rev<br>WAGG<br>HOPLAI<br>Inverted capital<br>ROIG<br>UFG!<br>Terminal value<br>Enterprire value (mid-year adj.)<br>Tatal Debt<br>Minurity Interest<br>Preferred Equity<br>Capitalized Operating leares<br>of Unfunded Penrium Plan Liabilities  | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$639.6  5.4%  \$0.00  \$18.75  \$219.95  \$92.38  \$40.10  \$79.91  \$0.00  \$6.75  | FT2015 16.2× 73.0× 4.8×  LTM+1T \$42.0 \$678.4 6.6× \$10.70 -\$14.74  \$918.54 \$319.95 \$92.38 \$40.10 \$108.72 \$0.000 \$6.54   | 9.5× 70.0× 2.0× 2.0× 2.0× 2.0× 2.0× 2.0× 2.1 2.2.1 2.2.1 2.2.2.1 2.2.2.1 2.2.2.1 2.2.2.1 2.2.2.2.  | #.5×<br>#.8×<br>Tels:<br>LTH-3T<br>\$697.4<br>9.0×<br>\$52.04<br>\$1,72<br>\$1,019.20<br>\$319.95<br>\$92.38<br>\$40.10<br>\$116.80<br>\$0.00<br>\$6.06  | FT2e11 7.02 67.02 8.82 8.82 8.194 4706.6 9.82 \$59.25 \$7.08 \$1,049.84 \$319.95 \$92.38 \$40.10 \$120.29 \$0.00 \$5.79  | 5.5× 66.0× 8.8×  LTM+5T \$75.1 \$719.7 10.6× \$61.94 \$13.17  \$1,074.99 \$319.95 \$92.38 \$40.10 \$128.72 \$0.00 \$5.48   | 4.0× 6.0× 8.5× LTM+6T \$76.9 \$743.7 10.7× \$52.92 \$14.00 \$1,105.92 \$219.95 \$92.38 \$40.10 \$148.86 \$0.00 \$5,14   | 3.0×<br>66.0×<br>8.8×<br>LTM-7T<br>\$0.4<br>\$751.4<br>10.8×<br>\$72.70<br>\$15.15<br>\$1,135.98<br>\$319.95<br>\$92.38<br>\$40.10<br>\$153.37<br>\$0.00<br>\$4.74                             | \$6.0%<br>\$1.0%<br>\$1.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.44<br>\$319.95<br>\$92.38<br>\$40.10<br>\$156.53<br>\$0.00<br>\$4.27  | \$6.0%<br>\$1.0%<br>\$1.0%<br>\$766.3<br>11.2%<br>\$76.37<br>\$10.40.64<br>\$1,174.25<br>\$319.95<br>\$92.38<br>\$40.10<br>\$162.12<br>\$0.00<br>\$3.70                     | 66.0×<br>1800%<br>1600%<br>1600%<br>1000%                            | 66.0%<br>8.8%<br>; = 18  | 10 years   |
| Op.Cartr/Rev WAGG  HOPLAT Inverted capital ROIG UFGE Terminal value Enterprise value (mid-year adj.; Tatal Dabi Hinurity Interest Preferred Equity Capitalized Operating leares af Unfunded Pearinn Plan Liabilities et uf uptimar,uarrantr, and canvert   | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$59.6  5.4%  \$0.00  \$18.75  \$219.95  \$40.10  \$19.91  \$0.00  \$6.75  \$0.00  | FT2015 16.2× 73.0× 4.0× 4.0× 5678.4 6.6× \$10.70 -\$14.74  \$918.54 \$319.95 \$92.38 \$40.10 \$108.72 \$0.00 \$6.54 \$0.00  | 9.5× 70.0× \$.\$×  ETH+2T \$52.1 \$687.3 7.7× \$43.24 \$7.65  \$981.87 \$319.95 \$92.38 \$40.10 \$113.00 \$0.00 \$6.31 \$0.00  | #.5×<br>#.8×<br>#.8×<br>#.8×<br>#.8×<br>#.8×<br>#.80<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#.019<br>#. | FT2e11 7.0% 67.0% 4.0% 4.0% 4.0%  LTH+4T \$68.4 \$706.6 9.8% \$59.25 \$7.08  \$1,049.84 \$319.95 \$92.38 \$40.10 \$120.29 \$0.00 \$5.79 \$0.00   | 5.5× 66.0× 2.4× 2.4× 2.4× 2.75.1 2.719.7 10.6× 2.61.94 2.17 2.1074.99 2.38 2.40.10 2.28.72 2.0.00 2.5.48 2.0.00 2.48 2.0.00  | 4.0× 6.0× 8.8×  LTM+6T \$76.9 \$743.7 10.7× \$52.92 \$14.00  \$1,105.92 \$319.95 \$92.38 \$40.10 \$148.86 \$0.00 \$5.14 \$0.00  | 3.0×<br>6.0×<br>2.1×<br>2.1×<br>2.0.4<br>4751.4<br>10.8×<br>472.70<br>415.15<br>41,135.98<br>4319.95<br>492.38<br>440.10<br>4153.37<br>40.00<br>44.74<br>40.00                                 | 66.0% 1.7H+2T \$21.7 \$757.6 10.9% \$75.47 \$15.66 \$1,153.44 \$319.95 \$92.38 \$40.10 \$156.53 \$0.00 \$4.27 \$0.00   | 66.0% 1.27 1.27 476.3 11.22 476.37 418.60 1.044.64 41,174.25 4319.95 492.38 440.10 4182.12 40.00 43.70 43.70 40.00  | 66.0×<br>9.8×<br>16006<br>16006<br>10006<br>10006                    | 66.0%<br>8.8%<br>; = 18  | 10 years   |
| Op.Cartr/Rev<br>WAGG<br>HOPLAI<br>Inverted capital<br>ROIG<br>UFGI<br>Enterprire value (mid-year edj.)<br>Tatal Deb<br>Hinnrity latered<br>Preferred Equity<br>Capitalized Operating leared<br>of Unfunded Penrinn Plan Liabilities<br>to fi uptimar, warranty, and canverty<br>Other claims un uperating assets<br>n-uperating cark and LT invertments  | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$45.9,6  5.4%  \$5. | FT2015 16.2× 73.0× \$.8×  ETM+1T \$43.0 \$678.4 6.6× \$10.70 -\$14.74  \$918.54 \$319.95 \$92.38 \$40.10 \$108.72 \$0.00 \$6.54 \$0.00 \$19.72  | 9.5× 70.0× \$.8×  LTM-2T \$52.1 \$887.3 7.7× \$43.24 -\$7.65  \$991.87 \$319.95 \$92.38 \$40.10 \$113.00 \$0.00 \$6.31 \$0.00 \$45.45  | #.5×<br>#.8×<br>#.8×<br>***  ***  ***  ***  ***  ***  ***  *   | FT2611 7.0% 67.0% 8.8% ETH+4T \$88.4 \$706.6 9.8% \$59.25 \$7.08 \$1,049.84 \$319.95 \$92.38 \$40.10 \$120.29 \$0.00 \$5.79 \$0.00 \$120.20  | 5.5× 66.0× \$.8×  LTM+5T \$75.1 \$779.7 10.6× \$61.94 \$13.17  \$1,074.99 \$319.95 \$92.38 \$40.10 \$128.72 \$0.00 \$5.48 \$0.00 \$168.45  | 4.0× 6.0× 8.8×  LTM+6T \$76.9 \$743.7 10.7× \$52.92 \$14.00  \$1,105.92 \$219.95 \$92.38 \$40.10 \$148.86 \$0.00 \$5.14 \$0.00 \$219.89   | 3.0×<br>6.0×<br>2.1×<br>20.4<br>4751.4<br>10.8×<br>472.70<br>415.15<br>41,135.98<br>4319.95<br>492.38<br>440.10<br>4153.37<br>40.00<br>4.74<br>40.00<br>4.75.51                                | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$01.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.44<br>\$319.95<br>\$92.38<br>\$40.10<br>\$156.53<br>\$0.00<br>\$4.27<br>\$0.00<br>\$322.85                         | \$6.0% \$.8%  LTM-9T \$85.1 \$766.3 11.2% \$766.3 11.2% \$76.37 \$18.60 \$1,044.64 \$1,174.25 \$319.95 \$92.38 \$40.10 \$162.12 \$0.00 \$3.70 \$0.00 \$389.57               | 66.0×<br>1800%<br>1600%<br>1600%<br>1000%                            | 66.0%<br>8.8%<br>; = 18  | 10 years   |
| Op.Cartr/Rev<br>WACC<br>MOPLAI<br>Inverted capital<br>ROIG<br>UFCI<br>EVA<br>Terminal value<br>Enterprire value (mid-year adj.)<br>Tatal Deb<br>Minurity laterer<br>Preferred Equity<br>Capitalized Operating leares<br>of Unfunded Penrinn Plan Lishlities<br>et of aptimar, user cantre, and converte<br>Other claims on apperating arrets<br>- apperating carb and LT invertments   | FT2014  16.9%  76.2%  \$.8%  LTM  \$34.5  \$639.6  5.4%  \$0.00  \$18.75  \$40.10  \$79.91  \$0.00  \$6.75  \$0.00  \$9.39  \$311.70  | FT2015 16.2× 73.0× 4.8×  LTM+1T \$42.0 \$678.4 6.6× \$10.70 -\$14.74  \$918.54 \$319.95 \$92.38 \$40.10 \$108.72 \$0.00 \$6.54 \$0.00 \$19.10 \$369.95  | 9.5× 70.0× 2.0× 2.0× 2.0× 2.0× 2.1 2.2.1 2.2.1 2.2.1 2.2.2 2.3.2 2.3.2 2.3.2 2.3.2 2.3.3 2.0.0 2.0.0 2.0.00 2.0 | #.5×<br>#.8×<br>Tels:<br>LTH-3T<br>\$697.4<br>9.0×<br>\$52.04<br>\$1,72<br>\$1,019.20<br>\$319.95<br>\$92.38<br>\$40.10<br>\$116.80<br>\$0.00<br>\$6.06<br>\$0.00<br>\$79.22<br>\$523.13   | FT2e11 7.0x 67.0x 8.8x  8.1mm  LTM+4T \$68.4 \$706.6 9.8x \$59.25 \$7.08  \$1,049.84 \$319.95 \$92.38 \$40.10 \$120.29 \$0.00 \$5.79 \$0.00 \$120.20 \$591.53  | 5.5× 66.0× 8.8×  LTM+5T \$75.1 \$719.7 10.6× \$61.94 \$13.17  \$1,074.99 \$319.95 \$92.38 \$40.10 \$128.72 \$0.00 \$5.48 \$0.00 \$168.45 \$656.80  | 4.0× 6.0× 8.5× LTM+6T 576.9 \$743.7 10.7× \$52.92 \$14.00 \$1,105.92 \$219.95 \$92.38 \$40.10 \$148.86 \$0.00 \$5.14 \$0.00 \$219.89 \$719.38   | 3.0×<br>66.0×<br>2.2×<br>2.1×<br>2751.4<br>10.8×<br>4757.70<br>\$15.15<br>\$1,135.98<br>\$319.95<br>\$92.38<br>\$40.10<br>\$153.37<br>\$0.00<br>\$4.74<br>\$0.00<br>\$275.51<br>\$800.94       | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$81.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.444<br>\$319.95<br>\$92.38<br>\$40.10<br>\$156.53<br>\$0.00<br>\$4.27<br>\$0.00<br>\$322.85<br>\$873.06            | \$6.0% \$.8%  LTM+9T \$85.1 \$766.3 11.2% \$76.37 \$18.60 \$1,174.25 \$319.95 \$92.38 \$40.10 \$162.12 \$0.00 \$3.70 \$0.00 \$393.57 \$949.57                               | \$6.0×<br>1500%<br>1500%<br>1500%<br>1500%<br>1000%<br>500%          | 66.0%<br>8.8%<br>; = 18  | 10 years   |
| Op.Cartr/Rev WAGG  HOPLAT Inverted capita ROIG UFGE Terminal value Enterprire value (mid-year edj.; Tatal Dabi Minurity Interest Preferred Equity Capitalized Operating leares af Usfunded Pearinn Plan Liabilities et af aptimar, warrantr, and convertr Other claims man aperating arret n-aperating carh and LT invertment Equity value Sharer mutrtandine  | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$59.6  5.4%  \$0.00  \$18.75  \$219.95  \$22.38  \$40.10  \$179.91  \$0.00  \$6.75  \$0.00  \$5.75  \$10.00  \$6.75  \$10.00  \$6.75  \$25.79   | FT2015 16.2× 73.0× 4.0× 4.0× 5678.4 6.6× \$10.70 -\$14.74  \$910.54 \$319.95 \$92.38 \$40.10 \$108.72 \$0.00 \$6.54 \$0.00 \$19.10 \$369.95 \$25.79   | 9.5× 70.0× \$.\$×  ETM+2T \$52.1 \$687.3 7.7× \$43.24 \$7.65  \$981.87 \$319.95 \$92.38 \$40.10 \$112.00 \$0.00 \$6.31 \$0.00 \$45.45 \$455.58 \$25.79   | #.5×<br>#.8×<br>#.8×<br>#.8×<br>#.8×<br>#.80<br>#.019 20<br>#.019 20   | FT2e11 7.0% 67.0% 67.0% 4.8%  LTH+4T \$68.4 \$706.6 9.8% \$59.25 \$7.08  \$1,049.84 \$319.95 \$92.38 \$40.10 \$120.29 \$0.00 \$55.79 \$0.00 \$120.20 \$591.53 \$25.79  | 5.5× 66.0× 2.4× 2.4× 2.4× 2.75.1 2.719.7 10.6× 2.61.94 2.13.17  2.1,074.99 2.38 2.40.10 2.38 2.40.00 2.5.48 2.0.00 2.5.48 2.0.00 2.5.48 2.0.00 2.5.48 2.5.79   | 4.0× 6.0× 8.8×  LTM+6T \$76.9 \$743.7 10.7× \$52.92 \$14.00  \$1,105.92 \$319.95 \$92.38 \$40.10 \$148.86 \$0.00 \$5.14 \$0.00 \$219.99 \$719.38 \$25.79  | 3.0×<br>6.0×<br>2.1×<br>2.1×<br>2.0.4<br>4751.4<br>10.8×<br>472.70<br>415.15<br>41,135.98<br>4319.95<br>492.38<br>440.10<br>4153.37<br>40.00<br>44.74<br>40.00<br>4275.51<br>4800.94<br>425.79 | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$81.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.44<br>\$319.95<br>\$92.38<br>\$40.10<br>\$156.53<br>\$0.00<br>\$4.27<br>\$0.00<br>\$322.85<br>\$973.06<br>\$255.79 | 66.0%  1.7H-9T  \$85.1  \$766.3  11.2½  \$76.37  \$18.60  \$1,044.64  \$1,174.25  \$319.95  \$92.38  \$40.10  \$162.12  \$0.00  \$3.70  \$0.00  \$393.57  \$949.57  \$25.79 | 66.0×<br>9.8×<br>16006<br>16006<br>10006<br>10006                    | \$.8%<br>\$.8%<br>;= 15  | 10 years<br>17% + 125 12%<br>+ 116 12%   |
| Op.Cartr/Rev<br>WACC<br>MOPLAI<br>Inverted capital<br>ROIG<br>UFCI<br>EVA<br>Terminal value<br>Enterprire value (mid-year adj.)<br>Tatal Debt<br>Minurity laterar!<br>Preferred Equity<br>Capitalized Operating leares<br>of Unfunded Pearinn Plan Lishlities<br>ct of aptimar, user cantre, and converter<br>Other claims on apperating assets<br>- apperating carb and LT invertments<br>Equity value  | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$639.6  5.4%  F\$0.00  \$18.75  \$40.10  \$79.91  \$0.00  \$6.75  \$0.00  \$311.70  \$25.79  \$311.70  \$25.79  | FT2015 16.2× 73.0× \$.8×  \$43.0 \$678.4 6.6× \$10.70 -\$14.74  \$918.54 \$319.95 \$92.38 \$40.10 \$100.72 \$0.00 \$6.54 \$0.00 \$19.10 \$369.95  | 9.5× 70.0× 1.0× 1.0× 1.0× 1.0× 1.0× 1.0× 1.0×  | #.5×<br>#.8×<br>Tals:<br>LTH-3T<br>#.62.2<br>\$697.4<br>9.00;<br>\$52.04<br>\$1,72<br>\$1,019.20<br>\$319.95<br>\$92.38<br>\$40.10<br>\$116.80<br>\$0.00<br>\$79.22<br>\$52.79<br>\$21,22  | FY2e11 7.02 67.02 67.02 6.02 6.02 8.02 ETH+4T \$68.4 \$706.6 9.82 \$59.25 \$7.08 \$1,049.84 \$319.95 \$92.38 \$40.10 \$120.29 \$0.00 \$5.79 \$0.00 \$120.20 \$591.53 \$25.79 \$23.83                                 | 5.5× 66.0× \$.8×  LTM+5T \$75.1 \$779.7 10.6× \$61.94 \$13.17  \$1,074.99 \$319.95 \$92.38 \$40.10 \$128.72 \$0.00 \$5.48 \$0.00 \$168.45 \$6.56.80 \$25.79 \$26.39  | 4.0× 6.0× 8.8×  LTM+6T \$76.9 \$743.7 10.7× \$52.92 \$14.00  \$1,105.92 \$219.95 \$92.38 \$40.10 \$148.86 \$0.00 \$5.14 \$0.00 \$219.89 \$719.38 \$25.79 \$29.00  | 3.0× 6.0× 2.1× 2.1× 2.1× 2.0.4 2751.4 10.8× 472.70 \$15.15  \$1,135.98 \$319.95 \$92.38 \$40.10 \$153.37 \$0.00 \$4.74 \$0.00 \$275.51 \$800.94 \$25.79 \$32.03                                | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$81.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.444<br>\$319.95<br>\$92.38<br>\$40.10<br>\$156.53<br>\$0.00<br>\$4.27<br>\$0.00<br>\$322.85<br>\$873.06            | \$6.0% \$.8%  LTM+9T \$85.1 \$766.3 11.2% \$76.37 \$18.60 \$1,174.25 \$319.95 \$92.38 \$40.10 \$162.12 \$0.00 \$3.70 \$0.00 \$393.57 \$949.57                               | \$6.0×<br>1500%<br>1500%<br>1500%<br>1500%<br>1000%<br>500%          | \$8.8X<br>= 13<br>= 63106  | 10 years 15% + 115 42% + 116 42% + 116 522%  |
| Op.Cartr/Rev WAGG  HOPLAT Inverted capita ROIG UFGI EVA Terminal value Enterprire value (mid-year edj.; Tatal Debi Minurity Interest Preferred Equity Capitalized Operating leares af Unfunded Pearinn Plan Liabilities et af aptimar,uarrantr, and canvert Other claims man aperating arret n-uperating carh and LT invertment Equity value Sharer mutranding Price per share ar af 2/6/2015  | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$659.6  5.4%  \$0.00  \$18.75  \$219.95  \$40.10  \$19.91  \$0.00  \$6.75  \$0.00  \$19.39  \$311.70  \$25.79  \$12.89  Hante Carl  Bare  | FT2015 16.2× 73.0× 4.0× 4.0× 5678.4 6.6× \$10.70 -\$14.74  \$910.54 \$319.95 \$92.38 \$40.10 \$108.72 \$0.00 \$6.54 \$0.00 \$19.10 \$369.95 \$25.79   | 9.5× 70.0× \$.8×  LTH+2T \$52.1 \$687.3 7.7× \$43.24 \$7.65  \$981.87 \$319.95 \$92.38 \$40.10 \$113.00 \$0.00 \$6.31 \$0.00 \$45.45 \$4455.58 \$25.79 \$18.58   | #.5×<br>#.8×<br>#.8×<br>#.8×<br>#.8×<br>#.80<br>#.019 20<br>#.019 20   | FT2e11 7.0% 67.0% 67.0% 4.8%  LTH+4T \$68.4 \$706.6 9.8% \$59.25 \$7.08  \$1,049.84 \$319.95 \$92.38 \$40.10 \$120.29 \$0.00 \$55.79 \$0.00 \$120.20 \$591.53 \$25.79  | 5.5× 66.0× 8.8×  LTH+5T \$775.1 \$719.7 10.6× \$61.94 \$13.17  \$1,074.99 \$319.95 \$92.38 \$40.10 \$128.72 \$0.00 \$5.48 \$0.00 \$168.45 \$556.80 \$25.79 \$26.39  Hante Co   | 4.0× 6.0× 8.8×  LTM+6T \$76.9 \$743.7 10.7× \$52.92 \$14.00  \$1,105.92 \$319.95 \$92.38 \$40.10 \$148.86 \$0.00 \$5.14 \$0.00 \$219.99 \$719.38 \$25.79  | 3.0× 66.0× 2.1× 2.1× 2.0.4 4751.4 10.8× 472.70 415.15  \$1,135.98 4319.95 492.38 440.10 4153.37 40.00 4275.51 \$20.09 4275.51 \$20.09 425.79 432.03  Revalue 1y-Target                         | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$81.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.44<br>\$319.95<br>\$92.38<br>\$40.10<br>\$156.53<br>\$0.00<br>\$4.27<br>\$0.00<br>\$322.85<br>\$973.06<br>\$255.79 | 66.0%  1.7H-9T  \$85.1  \$766.3  11.2½  \$76.37  \$18.60  \$1,044.64  \$1,174.25  \$319.95  \$92.38  \$40.10  \$162.12  \$0.00  \$3.70  \$0.00  \$393.57  \$949.57  \$25.79 | \$6.0×<br>1500%<br>1500%<br>1500%<br>1500%<br>1000%<br>500%          | \$8.8X<br>= 13<br>= 2310a  | 10 years  10 years  10 years  110 42%  110 42%  110 42%  110 42%  110 42%  |
| Op.Cartr/Rev WACC  HOPLAI Inverted capital ROIC UFCI Eve Terminal value Enterprire value (mid-year adj.) Tutal Debi Minurity laterer Preferred Equity Capitalized Operating leares of Unfunded Pearinn Plan Liabilities et of uptimar, warrantr, and converter Other claims un uperating arrets a-uperating cark and LT invertments Equity value Shares untreanding Price per share as of 26672015   | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$45.9,6  \$5.4%  \$5.4%  \$5.4%  \$5.40  \$319.95  \$40.10  \$79.91  \$0.00  \$6.75  \$0.00  \$311.70  \$25.79  \$211.70  \$25.79  \$12.89  Hante Carl  Bare  0%  | FT2015 16.2× 73.0× \$.8×  \$43.0 \$678.4 6.6× \$10.70 -\$14.74  \$918.54 \$319.95 \$92.38 \$40.10 \$108.72 \$0.00 \$6.54 \$0.00 \$15.56 \$10.70 \$10.70 \$10.70   | 9.5× 70.0× \$.8×  LTM-2T \$52.1 \$687.3 7.7× \$43.24 -\$7.65  \$981.87 \$219.95 \$92.38 \$40.10 \$113.00 \$0.00 \$6.31 \$0.00 \$45.45 \$455.58 \$25.79 \$10.58   | #.5×<br>#.8×<br>#.8×<br>#.8×<br>#.8*<br>#.72<br>#.019.20<br>#.172<br>#.019.20<br>#.172<br>#.019.20<br>#.172<br>#.019.20<br>#.019.20<br>#.02.38<br>#.02.38<br>#.03<br>#.04.10<br>#.04.00<br>#.04.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00<br>#.05.00   | F726# 7.0% 67.0% 67.0% 4.8%  LTH+4T \$88.4 \$706.6 9.8% \$59.25 \$7.08 \$1,049.84 \$319.95 \$92.38 \$40.10 \$120.29 \$0.00 \$5.79 \$0.00 \$5.79 \$23.83  Distribution Hermal   | 5.5× 66.0× 8.8×  LTH+5T \$75.1 \$779.7 10.6× \$61.94 \$13.17  \$1,074.99 \$319.95 \$92.38 \$40.10 \$128.72 \$0.00 \$5.48 \$0.00 \$168.45 \$556.80 \$25.79 \$26.39  Henne Co  | 4.0× 66.0× 8.8×  LTM+6T \$76.9 \$743.7 10.7× \$52.92 \$14.00  \$1,105.92 \$219.95 \$92.38 \$40.10 \$148.86 \$0.00 \$5.14 \$0.00 \$219.89 \$719.38 \$25.79 \$29.00  LIN Simulation Intrinsic Fulue \$12.89                 | 3.0× 6.0× 2.1× 2.1× 2.1× 2.1× 2.1× 2.1× 2.1× 2.1   | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$81.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.44<br>\$319.95<br>\$92.38<br>\$40.10<br>\$156.53<br>\$0.00<br>\$4.27<br>\$0.00<br>\$322.85<br>\$973.06<br>\$255.79 | 66.0%  1.7H-9T  \$85.1  \$766.3  11.2½  \$76.37  \$18.60  \$1,044.64  \$1,174.25  \$319.95  \$92.38  \$40.10  \$162.12  \$0.00  \$3.70  \$0.00  \$393.57  \$949.57  \$25.79 | \$6.0×<br>\$.822<br>1600%<br>1600%<br>1000%<br>1000%<br>400%<br>400% | \$ 66.0%<br>\$ 8.8%<br>y = 4.0 Mag   | 10 years 105 51% + 115 51% + 116 51% |
| Op.Cartr/Rev WAGC  HOPLAI Inverted capital ROIG UFGI EYA Terminal value Enterprire value (mid-year adj.) Tatal Dobt Minurity laterer Preferred Equity Capitalized Operating leares af Unfunded Pearinn Plan Lishlities ct of optimar, warrantr, and convertr Other claims on operating arrett Equity value Shares nutrtanding Price per share as of 2/6/2015 Revenue Variation Op. Cartr Variation   | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$639.6  5.4%  \$0.00  \$18.75  \$40.10  \$79.91  \$0.00  \$6.75  \$0.00  \$4.170  \$25.79  \$311.70  \$25.79  \$41.40  \$25.79  \$311.70  \$25.79  \$40.10  \$30.00  \$6.75  \$0.00  \$6.75  \$0.00  \$6.75  \$0.00  \$6.75  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00  \$0.00   | FT2015 16.2× 73.0× 4.8×  LTM+1T 442.0 \$678.4 6.6× \$10.70 -\$14.74  \$918.54 \$319.95 \$92.38 \$40.10 \$108.72 \$0.00 \$6.54 \$0.00 \$19.72 \$0.00 \$5.54 \$0.00 \$19.55 \$25.79 \$15.56                     | 9.5× 70.0× 2.0× 2.0× 2.0× 2.0× 2.0× 2.1× 2.1 2.2 | #.5×<br>#.8×<br>Tals:<br>LTH-3T<br>\$697.4<br>9.0×<br>\$52.04<br>\$1,72<br>\$1,019.20<br>\$319.95<br>\$40.10<br>\$116.30<br>\$0.00<br>\$6.06<br>\$0.00<br>\$79.22<br>\$523.13<br>\$25.79<br>\$21.22<br>Hex<br>N/A  | F72ett 7.0x 67.0x 67.0x 6.7.0x 8.8x  LTM+4T \$68.4 \$706.6 9.8x \$59.25 \$7.08  \$1,049.84 \$319.95 \$92.38 \$40.10 \$120.29 \$0.00 \$5.79 \$0.00 \$120.20 \$591.53 \$25.79 \$23.83  Distribution Marmal             | 5.5× 66.0× 8.8×  LTH+5T \$75.1 \$719.7 10.6× \$61.94 \$13.17  \$1,074.99 \$319.95 \$92.38 \$40.10 \$128.72 \$0.00 \$5.48 \$0.00 \$168.45 \$5.56.80 \$25.79 \$26.39  Hante Ge   | 4.0× 6.0× 8.5× LTM+6T \$76.9 \$743.7 10.7× \$52.92 \$14.00 \$1,105.92 \$319.95 \$92.38 \$40.10 \$148.86 \$0.00 \$51.14 \$0.00 \$219.89 \$719.38 \$25.79 \$29.00  scin Simulation Intrinsic Talue \$12.89 \$0.32           | 3.0× 66.0× 2.1× 2.1× 2.1× 2.04 4751.4 10.8× 4751.70 415.15  \$1,135.98 \$219.95 \$92.38 \$40.10 \$153.37 \$0.00 \$4.74 \$0.00 \$275.51 \$800.94 \$25.79 \$32.03  Razultz 1y-Tarqat \$15.56     | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$81.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.44<br>\$319.95<br>\$92.38<br>\$40.10<br>\$156.53<br>\$0.00<br>\$4.27<br>\$0.00<br>\$322.85<br>\$973.06<br>\$255.79 | 66.0%  1.7H-9T  \$85.1  \$766.3  11.2½  \$76.37  \$18.60  \$1,044.64  \$1,174.25  \$319.95  \$92.38  \$40.10  \$162.12  \$0.00  \$3.70  \$0.00  \$393.57  \$949.57  \$25.79 | \$6.0×<br>\$.822<br>1600%<br>1600%<br>1000%<br>1000%<br>400%<br>400% | 66.0%<br>8.8%<br>y = 13<br>An Grand-<br>An Grand-<br>A | 10 years (5%) + 115 42% + 116 42% +  |
| Op.Cartr/Rev WAGC  HOPLAT Inverted capita ROIG UFGI Terminal value Enterprire value (mid-year edj.; Tatal Debi Minurity Interest Preferred Equity Capitalized Operating leares af Unfunded Pearinn Plan Liabilities ct of aptimar, userrante, and converter Other claims an apperating asset un-uperating carh and LT investment Equity value Shares mutrtanding Price per share as af 2/6/2019  Revenue Variation Op. Cartr Variation Harket Rick Premium | FT2014  16.9%  76.2%  \$.8%  LTM  \$34.5  \$59.6  \$5.4%  \$0.00  \$18.75  \$219.95  \$22.38  \$40.10  \$19.91  \$0.00  \$6.75  \$0.00  \$19.39  \$211.70  \$25.79  \$12.89  Hante Carl  Bare  0%  0%  7.0%   | FT2015 16.2× 73.0× \$.0× \$.0× \$.10.70 \$678.4 6.6× \$10.70 \$14.74 \$919.54 \$319.95 \$92.38 \$40.10 \$108.72 \$0.00 \$6.54 \$0.00 \$19.10 \$369.95 \$25.79 \$15.56  In Simplation & State 13.7× \$7.1× N/A | 9.5× 70.0× \$.8×  LTM+2T \$52.1 \$687.3 7.77 \$43.24 \$7.65  \$981.87 \$319.95 \$92.38 \$40.10 \$113.00 \$0.00 \$6.31 \$0.00 \$45.45 \$4455.58 \$25.79 \$18.58   | #.5×<br>#.8×<br>#.8×<br>***  ***  ***  ***  ***  ***  ***  *   | FT2e11 7.0x 67.0x 6.2x 67.0x 8.8x  LTH+4T \$68.4 \$706.6 9.8x \$59.25 \$7.08  \$1,049.84 \$319.95 \$92.38 \$40.10 \$120.29 \$0.00 \$5.79 \$0.00 \$120.20 \$591.53 \$25.79 \$23.83  Distribution Hermal Hermal Hermal | 5.5× 66.0× 2.4× 2.4× 2.4× 2.75.1 2.719.7 10.6× 2.61.94 2.13.17  \$1,074.99 2.38 2.40.10 2.32 2.40.00 2.5.48 2.0.00 2.0.00 2.0.00 2.0.00 2.0.00 2.00 | 4.0× 6.0× 8.8×  LTM+6T \$76.9 \$743.7 10.7× \$52.92 \$14.00  \$1,105.92 \$319.95 \$92.38 \$40.10 \$148.86 \$0.00 \$5,14 \$0.00 \$219.99 \$719.38 \$25.79 \$29.00 LIE Simulation 1  Intrinuic Value \$12.89 \$0.32 \$11.93 | 3.0× 6.0× 2.1× 2.1× 2.1× 2.1× 2.1× 2.1× 2.1× 2.1   | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$81.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.44<br>\$319.95<br>\$92.38<br>\$40.10<br>\$156.53<br>\$0.00<br>\$4.27<br>\$0.00<br>\$322.85<br>\$973.06<br>\$255.79 | 66.0%  1.7H-9T  \$85.1  \$766.3  11.2½  \$76.37  \$18.60  \$1,044.64  \$1,174.25  \$319.95  \$92.38  \$40.10  \$162.12  \$0.00  \$3.70  \$0.00  \$393.57  \$949.57  \$25.79 | \$6.0×<br>\$.822<br>1600%<br>1600%<br>1000%<br>1000%<br>400%<br>400% | 66.0%<br>8.8%<br>y = 13<br>An Grand-<br>An Grand-<br>A | 10 years 1255 5256 - 1255 525 525 - 1255 525 525 - 1255 525 525 - 1255 525 525 - 1255 525 525 525 - 1255 525 525 525 - 1255 525 525 525 - 1255 525 525 525 525 525 525 525 525 52  |
| Op.Cartr/Rev WAGC  HOPLAI Inverted capital ROIG UFGI EYA Torminal value Enterprire value (mid-year adj.) Tatal Dobt Minurity Interest Preferred Equity Capitalized Operating learest of Unfunded Poerrim Plan Liabilities out of mptimar, warrantr, and convertr Other claims on apperating arrett na-uperating carh and LT investments Equity value Shares mutrtandin Price per share ar of 2/6/2015 Revenue Variation Op. Cartr Variation                | FT2014  16.9%  76.2%  8.8%  LTM  \$34.5  \$45.9,6  \$5.4%  \$5.4%  \$5.4%  \$5.40,00  \$319.95  \$40.10  \$79.91  \$0.00  \$6.75  \$0.00  \$311.70  \$25.79  \$12.89  Hante Carl  Bare  0%  0%  7.0%  2.50%   | FT2015 16.2× 73.0× 4.8×  LTM+1T 442.0 \$678.4 6.6× \$10.70 -\$14.74  \$918.54 \$319.95 \$92.38 \$40.10 \$108.72 \$0.00 \$6.54 \$0.00 \$19.72 \$0.00 \$5.54 \$0.00 \$19.55 \$25.79 \$15.56                     | 9.5× 70.0× 2.0× 2.0× 2.0× 2.0× 2.0× 2.1× 2.1 2.2 | #.5×<br>#.8×<br>Tals:<br>LTH-3T<br>\$697.4<br>9.0×<br>\$52.04<br>\$1,72<br>\$1,019.20<br>\$319.95<br>\$40.10<br>\$116.30<br>\$0.00<br>\$6.06<br>\$0.00<br>\$79.22<br>\$523.13<br>\$25.79<br>\$21.22<br>Hex<br>N/A  | F72ett 7.0x 67.0x 67.0x 6.7.0x 8.8x  LTM+4T \$68.4 \$706.6 9.8x \$59.25 \$7.08  \$1,049.84 \$319.95 \$92.38 \$40.10 \$120.29 \$0.00 \$5.79 \$0.00 \$120.20 \$591.53 \$25.79 \$23.83  Distribution Marmal             | 5.5× 66.0× 8.8×  LTH+5T \$75.1 \$719.7 10.6× \$61.94 \$13.17  \$1,074.99 \$319.95 \$92.38 \$40.10 \$128.72 \$0.00 \$5.48 \$0.00 \$168.45 \$5.56.80 \$25.79 \$26.39  Hante Ge   | 4.0× 6.0× 8.5× LTM+6T \$76.9 \$743.7 10.7× \$52.92 \$14.00 \$1,105.92 \$319.95 \$92.38 \$40.10 \$148.86 \$0.00 \$51.14 \$0.00 \$219.89 \$719.38 \$25.79 \$29.00  scin Simulation Intrinsic Talue \$12.89 \$0.32           | 3.0× 66.0× 2.1× 2.1× 2.1× 2.04 4751.4 10.8× 4751.70 415.15  \$1,135.98 \$219.95 \$92.38 \$40.10 \$153.37 \$0.00 \$4.74 \$0.00 \$275.51 \$800.94 \$25.79 \$32.03  Razultz 1y-Tarqat \$15.56     | \$6.0%<br>\$.8%<br>LTM+\$T<br>\$81.7<br>\$757.6<br>10.9%<br>\$75.47<br>\$15.66<br>\$1,153.44<br>\$319.95<br>\$92.38<br>\$40.10<br>\$156.53<br>\$0.00<br>\$4.27<br>\$0.00<br>\$322.85<br>\$973.06<br>\$255.79 | 66.0%  1.7H-9T  \$85.1  \$766.3  11.2½  \$76.37  \$18.60  \$1,044.64  \$1,174.25  \$319.95  \$92.38  \$40.10  \$162.12  \$0.00  \$3.70  \$0.00  \$393.57  \$949.57  \$25.79 | \$6.0×<br>\$.822<br>1600%<br>1600%<br>1000%<br>1000%<br>400%<br>400% | 66.0%<br>8.8%<br>y = 13<br>An Grand-<br>An Grand-<br>A | 10 years  1270 + 1205 4206  - 11402276  in Revenues  in Wilder   1205 4206   |

#### Lannett Co Inc (LCI: NYSE)

Financial Analysis By: Laura Pladys – Healthcare

## Company Profile as of 2/05/2015

Market Price: \$51.70 Industry: Drugs generic Market Cap: \$1.7B 52-Week: \$29.12-59.44

Beta: 2.08

| <u>Source</u> | <b>Target Price</b> | Recommendation |
|---------------|---------------------|----------------|
| Siena         | \$68.50             | BUY            |
| Bloomberg     | \$66.67             | BUY            |
| Capital IQ    | \$67.00             | BUY            |
| Yahoo Finance | \$63.25             | BUY            |



#### **Thesis**

- -Strong Financials: high and increasing profit margins, phenomenal EBITDA growth
- -Vertical Integration
- -Strong Focus on Product Development

Lannett has shown a consequent growth for the past few years in a competitive promising market. Lannett, thanks to its strategic partnerships, should be able to keep such high margins. With the increasing number of drugs' patents expiring in the years to come, Lannett will continue to expand its product selection and propose to its customer new generics. In a market environment where healthcare spending is a real concern for households, the demand for generics becomes crucial. With LCI's margin improvement and its upcoming product launches, the company should be able to keep improving its EBITDA and increase its shareholder value. With generics companies trading 12.6% below analyst price targets, I recommend LCI as a buy.

# **Company Overview**

Lannett Company, Inc. develops, manufactures, packages, markets, and distributes generic versions of branded pharmaceutical products in the United States. It offers solid oral, extended release, topical, and oral solution finished dosage forms of drugs that address a range of therapeutic areas. The company provides its products for various medical indications comprising glaucoma, migraine, antibiotic, pain management, anesthetic, endometriosis, anxiety, irritable bowel syndrome, obesity, congestive heart failure, antipsychotic, tuberculosis, thyroid deficiency, dryness of the mouth, epilepsy, gout, low sodium, bronchospasms, hypertension, and gallstone, as well as HIV. It also manufactures active pharmaceutical ingredients. Lannett Company, Inc. markets its products under the Diamox, Fioricet, Fiorinal, Fiorinal w/ Codeine #3, Cleocin, Danocrine, Valium, Bentyl, Tenuate, Dospan, Lanoxin, Adoxa, Periostat, Prolixin, Dilaudid, Niazid, Levoxyl, Synthroid, Loxitane, Adipex-P, Fastin, Salagen, Mysoline, Benemid, Rifadin, Brethine, Dyazide, Actigall, and Retrovir brands. The company sells its pharmaceutical products to generic pharmaceutical distributors, drug wholesalers, chain drug retailers, private label distributors, mail-order pharmacies, other pharmaceutical manufacturers, managed care organizations, hospital buying groups, governmental entities, and health maintenance organizations. It has development and supply agreements with Azad Pharma AG, Swiss Caps of Switzerland, Pharma 2B, the GC Group of Israel, and HEC Pharm Group, as well as with Jerome Stevens Pharmaceuticals, Inc., Cerovene, and Summit Bioscience LLC. The company was founded in 1942 and is based in Philadelphia, Pennsylvania.

## **Industry Outlook**

The manufacturing and distribution of generic pharmaceutical products is a highly competitive industry. Competition primarily arises from price and from the first-to-file generics. The Hatch-Waxman Act permits first-to-file generic maker to have the exclusivity of the product for 180 days when it first enters the market. The industry is seen bullish because of the global trend towards generics (86% of all the scripts written in the US are for generics), the ongoing patent cliff, as well as the Affordable Care Act that enable the industry to benefit from market expansion. The healthcare industry is seen as a defense sector as even in recession, people will still spend money on drugs. In addition, the world population is expected to grow by 1 billion in the next twelve years. People over 60 years of age are the demographics that grow the fastest. Their need for drugs on a regular basis is estimated to be 90%. The aging population is a long-term driver for the healthcare industry, including the drug generics sector. Moreover, in the last decade, generics helped to reduce healthcare spending by \$1.2 trillion in the US alone. When it comes to pharmerging countries, generic drugs' spending in their global healthcare spending is forecasted to increase by 5% by 2017, reaching 63%. It is a growth opportunity that developed countries could take advantage of. As you can see from the graph below showing the price of the ETF (white) following the pharmaceutical industry and Lannett Co Inc (green), it is clear that LCI follows the trend of the industry. LCI represents 3.29% of the SPDR S&P Pharmaceuticals ETF (XPH). With the positive outlook of the industry, there is an incentive that LCI stock price will increase.



#### Strength in Management

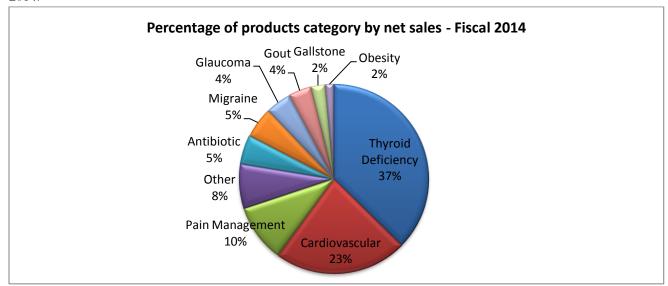
Lannett's asset Arthur P Bedrosian has been within the company for more than a decade. He has operated within the generics sector for many years. Since he took over as Chief Executive Officer in 2006, LCI's stock gained a total return of 22.80%. In addition to being the CEO of the company, Arthur Bedrosian serves as President. Over the past five years, LCI has experienced a 71% growth in net sales thanks to strategic partnerships and launches of additional generic thanks to FDA's approval. With the addition of Martin P Galvan in August 2011 as Chief Financial Officer, LCI met an impressive total return of 94.64%. Below is a chart showing the performance of LCI's stock under the different CFO's tenure. In December, Lannett welcomed Michael Bogda as President, leaving Arthur Bedrosian as CEO. Michael Bogda has been hired in order to help the company manage its rapid growth as well as their merger

and acquisitions program. Michael Bodga has decades of experience in the healthcare industry as VP of operations, Chief Operating Officer, and President in other companies.

|     | Char | t Name                  | Age | Start   | End     | Tenure | % TRA  |
|-----|------|-------------------------|-----|---------|---------|--------|--------|
|     |      | Chief Financial Officer |     |         |         |        |        |
| 10) | ~    | Martin P Galvan         | *62 | 08/2011 |         | 3.4    | 94.38  |
| 11) | ₩    | Keith R Ruck            |     | 03/2009 | 08/2011 | 2.4    | -6.68  |
| 12) | ~    | Brian J Kearns          | *48 | 03/2005 | 03/2009 | 4.0    | -7.50  |
| 13) | ₩    | Larry Dalesandro        |     | 06/2003 | 12/2004 | 1.6    | -33.00 |
|     |      |                         |     |         |         |        |        |

#### **Products Offered**

Lannett proposes drugs generic in different areas. Its top seller is a generic drug dealing with thyroid deficiency which represented 36% of LCI's net sales in the first quarter of fiscal year 2015, an increase of 13% from the previous fiscal year. Its second category generics is cardiovascular representing 20% and of its net sales in Q1 of fiscal 2015. See below a chart of the product mix for the fiscal year 2014.



In the second quarter of LCI's fiscal year 2015, the company launched the generic Oxycodore HCL oral solution, a narcotic pain relievers that can be used for acute or chronic pain. Since the beginning of fiscal 2015 in July 2014, LCI received its fouth product approval by the Food and Drug Administration with a combination of Dorzolamide Hydrochloride and Timolol Maleate Ophthalmic Solution. The company expects to launch the product in the following month. LCI currently manufactures and distributes 31 different products, has 15 product applications pending at the FDA, and has an additional 58 products at different stage of development.

## Strong Financials: high and increasing profit margins, phenomenal EBITDA growth

For the second quarter of their fiscal year 2015, LCI beat its estimates. It was the 9th consecutive quarter of record in net sales and the 12th consecutive quarter in which net sales and adjusted EPS exceeded the comparable prior-year period. LCI's strategy is focused towards research and development, strategic partnerships with domestics and international companies, purchase of ANDA's by other generic manufacturer, and market generic drugs under brand name. Over the past few years, LCI has delivered remarkable financials. For the fiscal year 2014, Lannett has passed the threshold of \$1 billion market cap. Its total revenues increased by 119% since FY 2010, with a CAGR of 21.6%. Its gross margin increased by 18.4% from FY2013 to reach 56.4% in FY 2014. The first quarter of its fiscal year 2015 increased as well from FY 2014: LCI's gross margin represented 77% of net sales, principally due to an increase in price. The higher margins also come from LCI's vertical integration. The company has direct control over its supply and can therefore avoid increasing costs linked to buying APIs from thrid-party manufacturers. Lannett's has shown one of the fastest growth in the industry with its sales more than doubling. EBITDA grew at a fantastic rate of 1.39K%. The EBITDA margin in 2014 was more than twice the margin of most of Lannett's biggest competitors. With \$146M in cash and cash equivalents and no debt, Lannett has a wide opportunity for further growth. With the two products that Lannett acquired in the last fiscal year and that should be sold in the next few months, Lannett has in its hands a potential sales booster. In addition, in FY 2014, its EBIT/interest expense ratio was 1,394.2 times. This is a phenomenal ratio for this industry. Operating income was \$54.7M for the first quarter of FY 2015, compared to a \$-

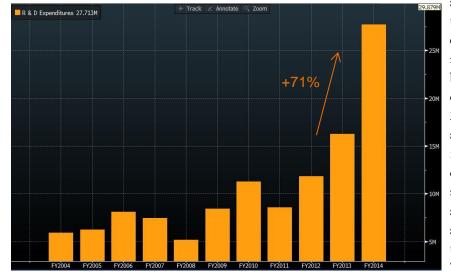
10.6 a year ago. Last but not least, Lannett's net income growth reached an impressive growth rate of 2.13K% from FY 2013 to FY 2014. It resulted from an increase in sales faster than the costs of sales with other components (tax and interest expenses) remaining the same. The EV/EBITDA of 10.13 times is comparatively lower than 11 out of its 12 direct peers.

#### **Vertical Integration**

Lannett first started by establishing a strategic partnership with Jerome Stevens Pharmaceutical. In May 2004, Lannett signed a 10-year contract that gave LCI an exclusive distribution rights in the US for JSP line of products since they do not distribute themselves. Before May 2004, Lannett was distributing JSP's products without any formal agreement. In May 2014, Lannett and JSP decided to renew this agreement. JSP line of products has become an integral part of LCI products, particularly Levothyroxine Sodium Tablets (treat thyroid disorders and second most prescribed molecule in the market) and Digoxin Oral (treat congestive heart failure), two of LCI's best sellers. With the exclusivity on these products, Lannett has the opportunity to increase prices, therefore improving margins. Lannett is now focused on controlled substances, and not a lot of companies are able to provide the supply for it. In 2007, LCI vertically integrated Cody Labs, an Active Pharmaceutical Ingredient (API) facility. Cody Labs delivers controlled substances to Lannett. LCI took the opportunity offered to them and the increase in price fastens their growth margin. Lannett is now concentrating on this area and expect to have 50% of its manufactured products in this area. In the near term, Lannett hopes to expand its vertical integration onto morphine sulfate (pain reliever), hydrocodone (analgesic), fentanyl (analgesic 100 times more potent than morphine), and oxycodone (narcotic analgesic). The company now has to wait for the FDA approvals. Lannett wants to be able to make all of the material they can themselves. One molecule can derive more than 48 different products. This would enable the company to expand its product line without having to manufacture a lot of different products. In the controlled substances area, LCI only has one vertically integrated competitor, leaving room for LCI to develop. Lannett is currently discussing its first acquisition and does not want to take great risk. It is the primary reason why it has been under discussion for so long but no acquisition has been signed yet.

#### Strong Focus on Product Development

Lannett works on expired patents to produce generics more accessible to patients. In the past few years, Lannett has increased its R&D expenses. The company heavy investments in research and development increased 249% since 2006. With Lannett's increasing pipeline



and the number of products approval pending at the FDA, the company's future growth depends on product development. In LCI's second quarter of FY 2015, R&D represented 41% of its operating expenses. In Lannett's books, research and development gathers all product related costs until FDA's approvals. The company may need up to 36 months or more for one of its product to be FDA approved, keeping the costs of every single generic as R&D for more than 3 years. As we can see on the chart provided on the left, R&D expenses have been increasing, especially starting in FY 2011. The \$10 million gap between FY 2013 and FY 2014 is mainly explained by the company efforts to achieve organic growth by relying on R&D. From FY 2013 to FY 2014, the company increased its R&D expenses by 71% as Lannett started to ask for more FDA approvals per

year, increasing the costs. With currently 21 ANDAs pending at the FDA and 5 FDA approvals expected by the end of the FY 2015, beginning of FY 2016, Lannett's R&D expenses are forecasted to slightly decrease.

#### Conclusion

I recommend a buy on Lannett at the current market price. If LCI were bought at \$51.70 per share, there would be a return of 32.5%. The company's impressive performances in the 9 last quarters in addition to its focus on product development and desire of vertical integration forecast a bright future for Lannett. There is a pipeline of companies with which LCI is in stage of negotiations for potential acquisitions, enabling LCI to expand its plan of vertical integration. LCI's recently approved ANDAs should let appear on the market a few products by the end of fiscal year 2015. The company's pending FDA approvals could result in first-to-file generics and therefore in high market shares in new launched products, increasing LCI's sales and margins within the next few years. The increasing demand of generic drugs in the Unites States as well as internationally should enable LCI to acquire important APIs in the drug industry, giving the company control on its suppliers. While the company has been profitable so far, it showed continued double, triple, or even quadruple digits in revenues, EBITDA, and net income growth. For these reasons, I recommend a buy on Lannett Co Inc.

| Lannett Company, Inc.  | LCI  | Analyst:   | Laura Pladys  | Curi  | rent Price: 51.7  | Lower Bound Intrins   | sic Value: \$63.9   | Lower Bound 1y-   | Target: \$68.5  | Dividend Yield: 0   | 1%   |   | nside): 32.55%   |
|--|--|--|---|---|---|---|---|---|---|---|--|---|--|
| General Inf  | _  |  | Market D  |   |   |   |   |   | Peers   |   |  |   |  |
| Sector   | Healthcare   |  | Enterprise value  | - /   | 6 Symbol  | NAME  | Market Cap  | TEV/EBITDA  | P/B   | EBITDA Margin   | Total Debt/TEV   | EBIT/Int. Exp.  | Altman Z   |
| Industry<br>Description: Lannett Company, Inc. develops, manufactures, pa  | Pharmaœuticals   |  | Market Capitalization   | . ,   | 0 NasdaqGS:SGNT   | Sagent Pharmaceuticals, 1 \$  | 807.32  | 22.1x   | 3.2x  | 9%  | 0%   | 13.4x   | 7.92   |
| pranded pharmaceutical products in the United States. It offers so   |  |  | Daily volume<br>Shares outstanding  | 1.0903<br>35.76   |   | Impax Laboratories Inc.   | \$2,661.13  | 18.8x   | 2.9x  | 21%   | 0%   | 2,141.0x  | 7.23   |
| inished dosage forms of drugs that address a range of therape  | atic areas. The company pro-   | vides its products for   | Diluted shares outstanding  | 36.93   | NasdaqGS:IFAL   | impax Laboratories inc.   | \$2,001.13  | 10.0X   | 2.9X  | 2170  | 070  | 2,141.0x  | 1.23   |
| arious medical indications comprising glaucoma, migraine, ant  |  | sthetic, endometriosis,  | % shares held by institutions   | 51.7%   | 6   |   |   |   |   |   |  |   |  |
| nxiety, irritable bowel syndrome, obesity, congestive heart fail-<br>lryness of the mouth, epilepsy, gout, low sodium, bronchospasn  |  |  | % shares held by insiders   | 13.9%   | 6   |   |   |   |   |   |  |   |  |
| nanufactures active pharmaceutical ingredients. Lannett Comp   |  |  | Short interest  | 11.6%   |   |   |   |   |   |   |  |   |  |
| Foricet, Fiorinal, Fiorinal w/ Codeine #3, Cleocin, Danocrine,   |  |  | Days to cover short interest  | 0.0   |   |   |   |   |   |   |  |   |  |
| Periostat, Prolixin, Dilaudid, Niazid, Levoxyl, Synthroid, Loxit<br>Rifadin, Brethine, Dyazide, Actigall, and Retrovir brands. The o   |  |  | i2 week high  | \$59.4  |   | m   | 24 045 74   | 27.0  | 2.0   | 70/   | 4.07   | 0.5   | 4.07   |
| pharmaceutical distributors, drug wholesalers, chain drug retaile  |  |  | 52-week low<br>5y Beta  |   | 2 NasdaqGS:MDCO<br>5 Peers' Median  | The Medicines Company   | \$1,845.71<br>\$1,845.71  | 37.9x<br>22.1x  | 2.0x<br>2.9x  | 7%<br><b>9%</b>   | 14%<br><b>0%</b>   | 0.5x<br>13.4x   | 7.23   |
| other pharmaceutical manufacturers, managed care organizations   |  |  | iy beta<br>i-month volatility   | 53.18%  |   |   | \$1,743.20  | 7.1x  | 4.6x  | 60%   | 0%   | 1,566.7x  | 7.23   |
|  | Managemen  | t ·  | month volumey   | 33.107  | 22,02   |   | V1,7 10120  |   | Performance   | 0070  | 070  | 1,0001711   |  |
| Professional   | Title  | Comp. FY2012   | Comp. FY2013  | Comp. FY201   | 4   | LCI   |   |   | eers  | Indu  |  | All U   | J.S. firms   |
| Bedrosian, Arthur  | Chief Executive Officer,   | \$ 838,111.00  | \$ 1,264,994.00   | \$ 3,134,061.00   | )   | Last  | 10y Med.  | Last  | 10y Med.  | Last  | 10y Med.   | Last  | 10y Med.   |
| Galvan, Martin   | Chief Financial Officer,   | \$ 474,134.00  |   |   |   | 85.4%   | 11.9%   | 3.20%   | -8.79%  | 10.91%  | 10.95%   | 8.92%   | 11.07%   |
| Schreck, William   |  | \$ 589,875.00  |   |   | EBITA Margin  | 70.9%   | 18.2%   | 13.00%  | 20.24%  | 19.29%  | 18.28%   | 13.56%  | 13.62%   |
| Smith, Kevin   | Senior Vice President of   |  |   |   | Imputed Rev./Invested cap.  | 1.88  | 0.78  | 1.17  | 2.57  | 0.74  | 0.93   | 1.76  | 2.02   |
| Bogda, Michael<br>andis, G.  | President<br>Chief Accounting Officer  | \$ -   |   | \$ -<br>\$ -  | Exœss Cash/Rev.<br>Total Cash /Rev.   | 50.14%<br>50.14%  | 19.99%<br>19.99%  | 65.51%<br>65.51%  | 70.60%<br>70.60%  | 61.12%<br>81.19%  | 48.03%<br>59.49%   | 23.19%<br>32.72%  | 18.87%<br>30.13%   |
| Current Capital Structure  | Ciner Accounting Other   |  |   | ing Surprises   | 1 Otal Casii / KeV.   | 50.14%<br>Last Guidance Fel   |   | Next earnings date  |   |   | ning Call Transcript:  |   | 30.13%   |
| Total debt/market cap  | 0.07%  |  | Revenue   | EBITDA  | Norm, EPS   |   |   |   |   | r and six months ended De   |  |   | ny announced net sales   |
| Cost of Borrowing  | 11.30%   | Last Quarter   | -0.2%   | 0.0%  | 10.0%   | \$114,822,000 compared to \$  | 67,326,000 for the sa   | me period a year ago. C   | perating income was \$  | \$66,543,000 compared to \$2  | 5,367,000 for the same   | period a year ago. Inco   | ome before income tax v  |
| Interest Coverage  | 1566.67  | Last Quarter-1   | 0.2%  | 15.9%   | 16.0%   | \$67,256,000 compared to \$26   |   |   |   |   |  |   |  |
| Debt Rating  | AAA  | Last Quarter -2  | -0.2%   | 15.1%   | 3.2%  | \$44,811,000 compared to \$16.  | ,566,000 for the same   | period a year ago. Earning  | s per common share att  | ributable to the company, dil   | uted were \$1.21 compare   | d to \$0.46 for the same  | period a year ago.   |
| by Beta  | 1.25   | Last Quarter -3  | -5.0%   | 1.2%  | 3.3%  | For the six months, the compa   | any announced set oil-  | s of \$208 200 000  | red to \$113 155 000 f  | r the same period a room ac-  | Operating income were 84   | 21 194 000 200020-1 -   | o \$14 749 000 for the   |
| WACC (based on market value weights)   | 10.1%  | Last Quarter -4  | 8.2%  | 20.1%   | 31.4%   | period a year ago. Income bef   |   |   |   |   |  |   |  |
| ,  |  | uing Period Assum  |   |   |   | ago. Net income attributable t  |   |   |   |   |  |   |  |
| Money market rate as of today  | 0.47%  | Risk-Free rate   |   | LT Op. Costs/Rev  | 87.8%   | to \$0.31 for the same period a   | year ago. Adjusted net  | income, which excludes  | the impact of the JSP of  | contract renewal charge equa  | l to \$12.6 million after-ta   | ix, was \$23.2 million, or  | r \$0.69 per diluted share,  |
| Annual increase (decrease) in interest rates   | 0.10%  | Op. Cash/Rev.  | 0.00%   | LT WACC   | 15.2%   | the first six months of fiscal 20   | 014.  |   |   |   |  |   |  |
| Yield Spread accelaration  | 1.2  | Op. Cash/Cash  |   | LT Term ROIC  | 20.0%   | 77  | 11 6 4 6 9  | 65 10045 77   | 1.15.6  | 1 11 6 1 6 1000   | (4 n . 1 1   | .1 Ceans III  | 6405 311 6   |
| Marginal Tax Rate  | 37.5%  | LT Growth  |   | Growth in PPE   | Follows Forward Rev. Growth   | The company revised earnings  |   |   |   | Ů.  |  | the range of \$395 millio   |  |
| LT convergence estimates: weig   |  |  | ch time-series"-i.e., media<br>LT Imputed (   |   |   |   |   |   | ompetitive rivalry, t   | hreat of substitution, and<br>Multiples (10Y Histor   |  |   | Capitalization   |
|  |  |  |   |   |   |   |   |   |   |   |  |   | Operating Leases   |
|  | Rev./Cap   |  |   |   | LT Op. Cos  |   | Unlever   |   | TEV/Rev.  |   |  | TEV/UFCF  |  |
| ICI  | Last   | 10y Median   | Last  | 10y Median  | Last  | 10y Median  | Last  | 10y Median  | TEV/Rev.  | TÉV/EBITDA  | TEV/EBITA  | TEV/UFCF  | 100%   |
|  | 1.01   | 0.78   | 78.8%   | 10y Median<br>17.7%   | Last 58.3%  | 10y Median<br>87.83%  | 1.11  | 10y Median<br>0.73  | 1.6x  | TÊV/EBITDA<br>12.0x   | TEV/EBITA 14.5x  | 26.6x   | 100%<br>Straightline   |
| Peers  | Last   | 10y Median   | Last  | 10y Median  | Last  | 10y Median  | Last  | 10y Median  |   | TÉV/EBITDA  | 14.5x<br>34.6x   |   | 100%<br>Straightline<br>10 years   |
| Peers<br>Primary Industry  | 1.01<br>1.17   | 0.78<br>2.57   | 78.8%<br>2.8%   | 10y Median<br>17.7%<br>8.4%   | Last<br>58.3%<br>89.7%  | 10y Median<br>87.83%<br>91.13%  | 1.11<br>1.15  | 0.73<br>0.94  | 1.6x<br>2.8x  | 12.0x<br>32.5x  | TEV/EBITA 14.5x  | 26.6x<br>21.0x  | 100%<br>Straightline   |
| LCI<br>Peers<br>Primary Industry<br>Industry<br>Industry Group   | 1.01<br>1.17<br>0.68   | 0.78<br>2.57<br>0.88   | 78.8%<br>2.8%<br>14.1%  | 10y Median<br>17.7%<br>8.4%<br>15.3%  | Last 58.3% 89.7% 77.5%  | 10y Median<br>87.83%<br>91.13%<br>77.01%  | 1.11<br>1.15<br>1.00  | 0.73<br>0.94<br>0.92  | 1.6x<br>2.8x<br>4.2x  | 12.0x<br>32.5x<br>12.5x   | 14.5x<br>34.6x<br>13.2x  | 26.6x<br>21.0x<br>31.2x   | Straightline 10 years R&D Exp.   |
| Peers<br>Primary Industry<br>Industry<br>Industry Group<br>Sector  | 1.01<br>1.17<br>0.68<br>0.68<br>0.54<br>1.07   | 0.78<br>2.57<br>0.88<br>0.88<br>0.75<br>1.22   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0%   | 10y Median<br>17.7%<br>8.4%<br>15.3%<br>15.1%<br>12.2%  | Last<br>58.3%<br>89.7%<br>77.5%<br>77.5%<br>74.2%<br>80.8%  | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%  | 1.11<br>1.15<br>1.00<br>1.00<br>1.02<br>0.95  | 0.73<br>0.94<br>0.92<br>0.92<br>1.03<br>0.94  | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x  | 12.0x<br>32.5x<br>12.5x<br>12.5x<br>13.6x<br>13.5x  | 14.5x<br>34.6x<br>13.2x<br>13.2x<br>17.7x<br>16.7x   | 26.6x<br>21.0x<br>31.2x<br>31.2x<br>34.7x<br>32.6x  | 100%<br>Straightline<br>10 years<br>R&D Exp.<br>100%<br>Straightline<br>10 years   |
| Peers<br>Primary Industry<br>Industry<br>Industry Group<br>Sector<br>All U.S. Firms  | 1.01<br>1.17<br>0.68<br>0.68<br>0.54<br>1.07<br>1.76   | 0.78<br>2.57<br>0.88<br>0.88<br>0.75<br>1.22<br>2.02   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9%  | 10y Median<br>17.7%<br>8.4%<br>15.3%<br>15.3%<br>15.1%<br>12.2%<br>6.6%   | Last 58.3% 89.7% 77.5% 77.5% 74.2% 80.8%  | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%  | 1.11 1.15 1.00 1.00 1.02 0.95 0.99  | 10y Median<br>0.73<br>0.94<br>0.92<br>0.92<br>1.03<br>0.94<br>0.96  | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x  | 12.0x<br>32.5x<br>12.5x<br>12.5x<br>13.6x<br>13.5x<br>12.4x   | 14.5x<br>34.6x<br>13.2x<br>13.2x<br>17.7x<br>16.7x   | 26.6x<br>21.0x<br>31.2x<br>31.2x<br>34.7x<br>32.6x<br>29.6x   | 100%<br>Straightline<br>10 years<br>R&D Exp.<br>100%<br>Straightline<br>10 years<br>Expl./Drilling Exp   |
| Peers Primary Industry Industry Industry Industry Sector All U.S. Firms GDP  | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  | 0.78<br>2.57<br>0.88<br>0.88<br>0.75<br>1.22   | Last 78.8% 2.8% 14.1% 14.1% 10.0% 5.9% 3.9%   | 10y Median<br>17.7%<br>8.4%<br>15.3%<br>15.1%<br>12.2%  | Last 58.3% 89.7% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%<br>N/A   | Last 1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A   | 10y Median<br>0.73<br>0.94<br>0.92<br>0.92<br>1.03<br>0.94<br>0.96<br>N/A   | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x<br>N/A   | 12.0x<br>32.5x<br>12.5x<br>12.5x<br>13.6x<br>13.5x<br>12.4x<br>N/A  | 14.5x<br>34.6x<br>13.2x<br>13.2x<br>17.7x<br>16.7x<br>16.7x<br>N/A   | 26.6x<br>21.0x<br>31.2x<br>31.2x<br>34.7x<br>32.6x<br>29.6x<br>N/A  | 100%<br>Straightline<br>10 years<br>R&D Exp.<br>100%<br>Straightline<br>10 years<br>Expl./Drilling Exp   |
| Peers<br>Primary Industry<br>Industry<br>Industry Group<br>Sector<br>All U.S. Firms  | 1.01<br>1.17<br>0.68<br>0.68<br>0.54<br>1.07<br>1.76   | 0.78<br>2.57<br>0.88<br>0.88<br>0.75<br>1.22<br>2.02   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9%  | 10y Median<br>17.7%<br>8.4%<br>15.3%<br>15.3%<br>15.1%<br>12.2%<br>6.6%   | Last 58.3% 89.7% 77.5% 77.5% 74.2% 80.8%  | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%<br>N/A   | 1.11 1.15 1.00 1.00 1.02 0.95 0.99  | 10y Median<br>0.73<br>0.94<br>0.92<br>0.92<br>1.03<br>0.94<br>0.96<br>N/A   | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x  | 12.0x<br>32.5x<br>12.5x<br>12.5x<br>13.6x<br>13.5x<br>12.4x   | 14.5x<br>34.6x<br>13.2x<br>13.2x<br>17.7x<br>16.7x   | 26.6x<br>21.0x<br>31.2x<br>31.2x<br>34.7x<br>32.6x<br>29.6x   | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline  |
| Peers Primary Industry Industry Industry Industry Sector All U.S. Firms GDP  | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  | 0.78<br>2.57<br>0.88<br>0.88<br>0.75<br>1.22<br>2.02   | Last 78.8% 2.8% 14.1% 14.1% 10.0% 5.9% 3.9%   | 10y Median<br>17.7%<br>8.4%<br>15.3%<br>15.3%<br>15.1%<br>12.2%<br>6.6%   | Last 58.3% 89.7% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%<br>N/A   | Last 1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A   | 10y Median<br>0.73<br>0.94<br>0.92<br>0.92<br>1.03<br>0.94<br>0.96<br>N/A   | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x<br>N/A   | 12.0x<br>32.5x<br>12.5x<br>12.5x<br>13.6x<br>13.5x<br>12.4x<br>N/A  | 14.5x<br>34.6x<br>13.2x<br>13.2x<br>17.7x<br>16.7x<br>16.7x<br>N/A   | 26.6x<br>21.0x<br>31.2x<br>31.2x<br>34.7x<br>32.6x<br>29.6x<br>N/A  | 100%<br>Straightline<br>10 years<br>R&D Exp.<br>100%<br>Straightline<br>10 years<br>Expl./Drilling Exp   |
| Peers Primary Industry Industry Industry Industry Sector All U.S. Firms GDP  | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  | 0.78<br>2.57<br>0.88<br>0.88<br>0.75<br>1.22<br>2.02<br>N/A  | Last 78.8% 2.8% 14.1% 14.1% 16.0% 5.9% 3.99%  | 10y Median<br>17.7%<br>8.4%<br>15.3%<br>15.3%<br>15.1%<br>12.2%<br>6.6%<br>3.2%   | Last 58.3% 89.7% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%<br>N/A   | Last 1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A   | 10y Median<br>0.73<br>0.94<br>0.92<br>0.92<br>1.03<br>0.94<br>0.96<br>N/A   | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x<br>N/A<br>1.6x   | 12.0x<br>32.5x<br>12.5x<br>12.5x<br>12.5x<br>13.6x<br>13.5x<br>12.4x<br>N/A   | 14.5x<br>34.6x<br>13.2x<br>13.2x<br>17.7x<br>16.7x<br>16.7x<br>N/A<br>13.2x  | 26.6x<br>21.0x<br>31.2x<br>31.2x<br>34.7x<br>32.6x<br>29.6x<br>N/A<br>28.9x                                   | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years   |
| Peers Primary Industry Industry Industry Industry Industry Industry Group Sector All U.S. Firms GDP LCT long-run estimate  Growth Op.Costs/Rev   | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A 0.88  FY2014 81.2% 58.3%   | 10y Median 0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0%  | Last 78.8% 2.8% 14.1% 14.1% 16.0% 5.9% 3.9% FY2016 40.0% 70.0%  | 10y Median<br>17.7%<br>8.4%<br>15.3%<br>15.3%<br>15.3%<br>15.1%<br>12.2%<br>6.6%<br>3.2%<br>FY2017<br>35.0%<br>73.0%  | Last 58.3% 89.7% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  87.83% FY2018 30.0% 74.0%   | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%<br>N/A   | Last 1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0%  | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 11  FY2021 15.0% 80.0%  | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x<br>N/A<br>1.6x<br>FY2022<br>10.0%  | TEV/EBITDA  12.0x  32.5x  12.5x  12.5x  13.6x  13.5x  12.4x  N/A  12.0x  FY 2023  8.0%  85.0%   | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 17.7x 16.7x 16.7x 14.7x 15.7x 15.7x 15.7x 17.4x 17.4x 18.7x 19.7x 1 | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x  to ∞ 3.9% 87.8%  | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years Straightline 10 years   |
| Peers Primary Industry Industry Industry Industry Sector All U.S. Firms GDP LCI long-run estimate Growth   | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A 0.88  FY2014 81.2%   | 0.78<br>2.57<br>0.88<br>0.88<br>0.75<br>1.22<br>2.02<br>N/A<br>FY2015<br>55.0%   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.9% FY2016 40.0%  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.1% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%   | East 58.3% 89.7% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  FY2018 30.0% 74.0% 12.1%  | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%<br>N/A   | Last 1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A 1.1  FY2020 20.0%   | 0.73<br>0.94<br>0.92<br>0.92<br>1.03<br>0.94<br>0.96<br>N/A   | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x<br>N/A<br>1.6x<br>FY2022<br>10.0%  | 12.0x 12.5x 12.5x 12.5x 12.5x 12.5x 12.4x N/A 12.0x  FY2023 8.0%  | TEV/EBITA  14.5x  34.6x  13.2x  13.2x  17.7x  16.7x  16.7x  N/A  13.2x  FY2024  5.0%   | 26.6x<br>21.0x<br>31.2x<br>31.2x<br>34.7x<br>32.6x<br>29.6x<br>N/A<br>28.9x<br>to ∞<br>3.9%                   | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38%  |
| Peers Primary Industry Industry Industry Industry Industry Industry Group Sector All U.S. Firms GDP LCT long-run estimate  Growth Op.Costs/Rev   | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A 0.88  FY2014 81.2% 58.3% 10.1%   | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.9% FY2016 40.0% 70.0% 11.1%  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.1% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6% Valu  | Last  | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%<br>N/A<br>6<br>FY2019<br>25.0%<br>75.0%<br>12.6%   | Last 1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A 1.1  FY2020 20.0% 78.0% 13.1%   | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 1  FY2021 15.0% 80.0% 13.6%   | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x<br>N/A<br>1.6x<br>FY2022<br>10.0%<br>82.0%<br>14.1%  | TEV/EBITDA  12.0x  32.5x 12.5x 12.5x 12.5x 13.0x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 14.6%   | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 17.7x 16.7x 16.7x 14.7x 15.7x 15.7x 15.7x 17.4x 17.4x 18.7x 19.7x 1 | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x  to ∞ 3.9% 87.8%  | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline   |
| Peers Primary Industry Industr | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A 0.88  FY2014 81.2% 58.3% 10.1%   | 10y Median<br>0.78<br>2.57<br>0.88<br>0.88<br>0.75<br>1.22<br>2.02<br>N/A<br>FY2015<br>55.0%<br>66.0%<br>10.6%   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.9% FY2016 40.0% 70.0% LTM+2Y   | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.1% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6% Valu LTM+3Y   | Last 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  87.83%  FY2018 30.0% 74.0% 12.1% LTM+4Y   | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%<br>N/A<br>FY2019<br>25.0%<br>75.0%<br>12.6%  | Last 1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y  | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 11  FY2021 15.0% 80.0% 13.6% LTM+7Y   | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y   | TEV/EBITDA  12.0x  32.5x  12.5x  12.5x  13.6x  13.5x  12.4x  N/A  12.0x  FY2023  8.0%  85.0%  14.6%  LTM+9Y   | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 17.7x 16.7x 16.7x 14.7x 15.7x 15.7x 15.7x 17.4x 17.4x 18.7x 19.7x 1 | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x  to ∞ 3.9% 87.8%  | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline   |
| Peers Primary Industry Industr | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A   FY2014 81.2% 58.3% 10.1%  LTM \$230.9  | 10y Median 0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2  | Last 78.8% 2.8% 14.1% 14.1% 16.0% 5.9% 3.99% FY2016 40.0% 70.0% LTM+2Y \$179.9  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.1% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6% Valu LTM+3Y \$217.7   | Last 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  FY2018 30.0% 74.0% 12.1% tation LTM+4Y \$263.2  | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%<br>N/A<br>6<br>FY2019<br>25.0%<br>75.0%<br>12.6%   | Last 1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4  | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6   | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x<br>N/A<br>1.6x<br>FY2022<br>10.0%<br>82.0%<br>14.1%  | TEV/EBITDA  12.0x  32.5x  12.5x  12.5x  13.6x  13.5x  12.4x  N/A  12.0x  FY2023  8.0%  85.0%  14.6%  LTM+9Y  \$330.8  | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 17.7x 16.7x 16.7x 14.7x 15.7x 15.7x 15.7x 17.4x 17.4x 18.7x 19.7x 1 | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x  to ∞ 3.9% 87.8%  | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline   |
| Peers Primary Industry Invested capital Invested capital   | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A 0.88  FY2014 81.2% 58.3% 10.1%  LTM \$220.9 \$288.4  | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 5.9% 3.9%  FY2016 40.0% 70.0% LTM+2Y \$179.9 \$510.1  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.1% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6% Yalu LTM+3Y \$217.7 \$639.9   | Last  | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%<br>N/A<br>6<br>FY2019<br>25.0%<br>75.0%<br>12.6%<br>LTM+5Y<br>\$300.0<br>\$945.4   | Last 1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3  | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 1  FY2021 15.0% 80.0% 13.6% LTM+7Y \$341.6 \$1,267.0  | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x<br>N/A<br>1.6x<br>FY2022<br>10.0%<br>82.0%<br>14.1%<br>LTM+8Y<br>\$341.0<br>\$1,415.7  | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 44.6%  LTM+9Y \$330.8 \$1,552.7  | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 17.7x 16.7x 16.7x 14.7x 15.7x 15.7x 15.7x 17.4x 17.4x 18.7x 19.7x 1 | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  |
| Peers Primary Industry Industr | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A 0.88  FY2014 81.2% 58.3% 10.1%  LTM \$220.9 \$288.4  | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 5.9% 3.99% FY2016 40.0% 70.0% LTM+2Y \$179.9  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.1% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6% Valu LTM+3Y \$217.7   | Last 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  FY2018 30.0% 74.0% 12.1% tation LTM+4Y \$263.2  | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%<br>N/A<br>6<br>FY2019<br>25.0%<br>75.0%<br>12.6%   | Last 1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4  | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6   | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x<br>N/A<br>1.6x<br>FY2022<br>10.0%<br>82.0%<br>14.1%  | TEV/EBITDA  12.0x  32.5x  12.5x  12.5x  13.6x  13.5x  12.4x  N/A  12.0x  FY2023  8.0%  85.0%  14.6%  LTM+9Y  \$330.8  | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 17.7x 16.7x 16.7x 14.7x 15.7x 15.7x 15.7x 17.4x 17.4x 18.7x 19.7x 1 | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline   |
| Peers Primary Industry Invested capital Invest | Last  1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  0.88  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00   | 10y Median 0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6% LTM+1Y \$152.2 \$400.5 47.7%   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 5.9% 3.9%  FY2016 40.0% 70.0% LTM+2Y \$179.9 \$510.1 45.1%  | 10y Median  17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6% Valu LTM+3Y \$217.7 \$639.9 42.8%  | Last 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  87.83%  FY2018 30.0% 74.0% 12.1% LTM+4Y \$263.2 \$786.4 41.2%   | 10y Median<br>87.83%<br>91.13%<br>77.01%<br>77.01%<br>75.25%<br>80.95%<br>81.45%<br>N/A<br>FY2019<br>25.0%<br>75.0%<br>12.6%<br>LTM+5Y<br>\$300.0<br>\$945.4<br>38.3%   | Last 1.11 1.15 1.00 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6%   | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 11  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9%  | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0%   | TEV/EBITDA  12.0x  32.5x  12.5x  12.5x  13.6x  13.5x  12.4x  N/A  12.0x  FY2023  8.0%  85.0%  44.6%  LTM+9Y  \$330.8  \$1,552.7  23.4%  | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 17.7x 16.7x 16.7x 14.7x 15.7x 15.7x 15.7x 17.4x 17.4x 18.7x 19.7x 1 | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  |
| Peers Primary Industry Industry Industry Industry Group Sector MI U.S. Firms GDP LCI long-run estimate  Growth Op.Costs/Rev WACC  NOPLAT Invested capital ROIC UFCE  | Last  1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  0.88  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00   | 10y Median 0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62  | Last 78.8% 2.8% 14.1% 14.1% 16.0% 5.9% 3.9% FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6% Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90   | East 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% 80.8% N/A  FY2018 30.0% 74.0% 12.1% tation  LTM+4Y \$263.2 \$786.4 41.2% \$116.64  | 10y Median  87.83% 91.13% 77.01% 77.01% 75.25% 80.95% 81.45% N/A  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00   | Last 1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46   | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97  | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x<br>N/A<br>1.6x<br>FY2022<br>10.0%<br>82.0%<br>14.1%<br>LTM+8Y<br>\$341.0<br>\$1,415.7<br>27.0%<br>\$192.26   | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY 2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83  | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 17.7x 16.7x 16.7x 14.7x 15.7x 15.7x 15.7x 17.4x 17.4x 18.7x 19.7x 1 | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  |
| Peers Primary Industry Industry Industry Industry Industry Industry Group Sector Vall U.S. Firms GDP LCI long-run estimate  Growth Op.Costs/Rev WACC  NOPLAT Invested capital ROIC UFCE EVA Terminal value Enterprise value (mid-year adj.)  | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A 0.88  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$175.16  | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.9%  FY2016 40.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90  \$2,457.32  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.22% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6% Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79   | Last 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  87.83%  FY2018 30.0% 74.0% 12.1%  LTM+4Y \$263.2 \$786.4 41.2% \$116.64 \$225.84  \$2,786.06  | 10y Median  87.83% 91.13% 77.01% 77.01% 75.25% 80.95% 81.45% N/A  6  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12   | Last  1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06   | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.99% \$183.97 \$214.21  | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24   | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76  | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 17.7x 16.7x 16.7x 16.7x 15.7y 15.1% 15.1% 15.1%   | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  |
| Peers Primary Industry Invested capital ROIC UPCE EVA Terminal value Enterprise value (mid-year adj.) Total Debr  | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$175.16  | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,299.02 \$1.07   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.99%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90  \$2,457.32 \$1.07  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.1% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79   | Last 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% 80.8% N/A  FY2018 30.0% 74.0% 12.1% tation  LTM+4Y \$263.2 \$786.4 41.2% \$116.64 \$225.84   | 10y Median  87.83% 91.13% 77.01% 77.01% 75.25% 80.05% 81.45% N/A  6  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07  | Last  1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07  | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21   | 1.6x<br>2.8x<br>4.2x<br>4.2x<br>5.1x<br>3.7x<br>2.5x<br>N/A<br>1.6x<br>FY2022<br>10.0%<br>82.0%<br>14.1%<br>LTM+8Y<br>\$341.0<br>\$1,415.7<br>27.0%<br>\$192.26<br>\$177.24   | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76 \$1.07   | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 17.7x 16.7x 16.7x 14.7x 15.7x 15.7x 15.7x 17.4x 17.4x 18.7x 19.7x 1 | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  |
| Peers Primary Industry Invested capital Invested capital ROIC UFCE EVA Terminal value Enterprise value (mid-year adj.) Industry I | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A 0.38  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$175.16  \$2,180.00 \$1,07 \$0.32  | 10y Median 0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,29.02 \$1.07 \$0.32  | Last 78.8% 2.8% 14.1% 14.1% 16.0% 5.9% 3.9%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90 \$2,457.32 \$1.07 \$0.32   | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.19% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$19.6.79 \$2,622.15 \$1.07 \$0.32  | Last 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  87.83°  FY2018 30.0% 74.0% 12.1%  tation  LTM+4Y \$265.2 \$786.4 41.2% \$116.64 \$225.84  \$2,786.06 \$1.07 \$0.32  | 10y Median  87.83% 91.13% 77.01% 77.01% 77.01% 75.25% 80.95% 81.45% N/A  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70 \$1.07 \$0.032  | Last 1.11 1.15 1.00 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.32   | 10y Median  0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A  1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21  \$3,238.54 \$1.07 \$0.32   | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32   | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 41.6% LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76 \$1.07 \$0.32   | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 17.7x 16.7x 16.7x 16.7x 15.7y 15.1% 15.1% 15.1%   | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  |
| Peers Primary Industry Invested Invested capital Invested capital ROIC UFCE EVA Terminal value Enterprise value (mid-year adj.) Total Debi Minority Interess Minority Interess Industry Interess Interprise value (mid-year adj.) Interess Interprise value (mid-y | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  0.88  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$175.16  \$2,180.00 \$1.07 \$0.32 \$0.00  | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,299.02 \$1.07 \$0.32 \$0.00   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.9%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90 \$2,457.32 \$1.07 \$0.32 \$0.00  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.3% 15.22% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6% Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79 \$2,622.15 \$1.07 \$0.32 \$0.00   | Last  58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  87.83%  FY2018 30.0% 74.0% 12.1%  LTM+4Y \$263.2 \$786.4 41.2% \$116.64 \$225.84  \$2,786.06 \$1.07 \$0.32 \$0.00  | 10y Median  87.83% 91.13% 77.01% 77.01% 77.01% 75.25% 80.95% 81.45% N/A  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07 \$0.32 \$0.00  | Last  1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.32 \$0.00  | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A  1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21  \$3,238.54 \$1.07 \$0.32 \$0.00   | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32 \$0.00  | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76 \$1.07 \$0.32 \$0.00   | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 17.7x 16.7x 16.7x 16.7x 15.7y 15.1% 15.1% 15.1%   | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  |
| Peers Primary Industry Invested capital ROIC UPCE EVA Terminal value Enterprise value (mid-year adj.) Total Deb Minority Interest Preferred Equity Capitalized Operating leases   | Last  1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A   | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,299.02 \$1.07 \$0.32 \$0.00 \$0.00  | Last 78.8% 2.8% 14.1% 14.1% 16.0% 5.9% 3.99%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90  \$2,457.32 \$1.07 \$0.32 \$0.00 \$0.00   | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.1% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79  \$2,622.15 \$1.07 \$0.32 \$0.00 \$0.00   | East 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% 80.8% N/A  FY2018 30.0% 74.0% 12.1%  Eation  LTM+4Y \$263.2 \$786.4 41.2% \$116.64 \$225.84  \$2,786.06 \$1.07 \$0.32 \$0.00 \$0.00  | 10y Median  87.83% 91.13% 77.01% 77.01% 75.25% 80.95% 81.45% N/A   FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07 \$0.32 \$0.00 \$0.00   | Last  1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A   FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.02 \$0.00 \$0.00   | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 11 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21  \$3,238.54 \$1.07 \$0.32 \$0.00 \$0.00  | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 41.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$0.32 \$0.00 \$0.00  | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 88.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76 \$1.07 \$0.32 \$0.00 \$0.00  | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 17.7x 16.7x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.1%  | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Ex 0% Straightline 10 years SG&A 38% Straightline 10 years   |
| Peers Primary Industry Invested capital ROIG UFCE EVA Terminal value Enterprise value (mid-year adj.) Total Deb Minority Interess Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities   | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A 0.38  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$175.16  \$2,180.00 \$1,07 \$0.32 \$0.00 \$0.00 \$0.00   | 10y Median 0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,29.02 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00   | Last 78.8% 2.8% 14.1% 14.1% 14.1% 10.0% 5.9% 3.9% 3.90%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90 \$2,457.32 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.19% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79 \$2,622.15 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00  | Last   58.3%   89.7%   77.5%   77.5%   77.5%   77.5%   74.2%   80.8%   80.8%   80.8%   80.8%   87.83  | 10y Median  87.83% 91.13% 77.01% 77.01% 77.01% 75.25% 80.95% 81.45% N/A  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00   | Last  1.11 1.15 1.00 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$11,19.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00   | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21  \$3,238.54 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00  | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00   | TEV/EBITDA  12.0x  32.5x  12.5x  12.5x  13.6x  13.5x  12.4x  N/A  12.0x  FY2023  8.0%  85.0%  14.6%  LTM+9Y  \$330.8  \$1,552.7  23.4%  \$193.83  \$131.56  \$3,184.19  \$3,559.76  \$1.07  \$0.32  \$0.00  \$0.00  \$0.00                      | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 17.7x 16.7x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.1%  | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Ex 0% Straightline 10 years SG&A 38% Straightline 10 years   |
| Peers Primary Industry Invested capital ROIC UPCE EVA Terminal value Enterprise value (mid-year adj.) Total Deb Minority Interest Preferred Equity Capitalized Operating leases   | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  0.88  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$1.75.16  \$2,180.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$60.36   | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,299.02 \$1.07 \$0.32 \$0.00 \$0.00  | Last 78.8% 2.8% 14.1% 14.1% 16.0% 5.9% 3.99%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90  \$2,457.32 \$1.07 \$0.32 \$0.00 \$0.00   | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.1% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79  \$2,622.15 \$1.07 \$0.32 \$0.00 \$0.00   | East 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% 80.8% N/A  FY2018 30.0% 74.0% 12.1%  Eation  LTM+4Y \$263.2 \$786.4 41.2% \$116.64 \$225.84  \$2,786.06 \$1.07 \$0.32 \$0.00 \$0.00  | 10y Median  87.83% 91.13% 77.01% 77.01% 75.25% 80.95% 81.45% N/A   FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07 \$0.32 \$0.00 \$0.00   | Last  1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.02 \$0.00 \$0.00   | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 11 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21  \$3,238.54 \$1.07 \$0.32 \$0.00 \$0.00  | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 41.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$0.32 \$0.00 \$0.00  | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 88.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76 \$1.07 \$0.32 \$0.00 \$0.00  | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 17.7x 16.7x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.1%  | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Ex 0% Straightline 10 years SG&A 38% Straightline 10 years   |
| Peers Primary Industry Invested capital Invested capital ROIC UFCE EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interess Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts   | Last  1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  0.88  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$1.75.16  \$2,180.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$60.36 \$0.00  | 10y Median  0.78  2.57  0.88  0.88  0.75  1.22  2.02  N/A   FY2015  55.0%  66.0%  10.6%  LTM+1Y  \$152.2  \$400.5  47.7%  \$62.62  \$146.79  \$2,299.02  \$1.07  \$0.32  \$0.00  \$0.00  \$0.00  \$59.95   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.9%  3.90%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90 \$2,457.32 \$1.07 \$0.32 \$0.00 \$0.00 \$50.00 \$50.00 \$59.52  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.1% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79  \$2,622.15 \$1.07 \$0.32 \$0.00 \$0.00 \$5.000 \$5.000 \$5.000 \$5.000   | Last 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  87.83%  FY2018 30.0% 74.0% 12.1%  LTM+4Y \$263.2 \$786.4 41.2% \$116.64 \$225.84  \$2,786.06 \$1.07 \$0.32 \$0.00 \$0.00 \$50.00 \$50.00 \$58.59  | 10y Median  87.83% 91.13% 77.01% 77.01% 77.01% 75.25% 80.95% 81.45% N/A   FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$50.00 \$58.12   | Last  1.11 1.15 1.00 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.32 \$0.00 \$0.00 \$0.000 \$57.65  | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21  \$3,238.54 \$1.07 \$0.32 \$0.00 \$0.00 \$50.00 \$57.21   | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32 \$0.00 \$0.00 \$56.84   | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$13.56 \$3,184.19 \$3,559.76 \$1.07 \$0.32 \$0.00 \$0.00 \$56.55                                       | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 17.7x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.1%  1000%   | 26.6x<br>21.0x<br>31.2x<br>31.2x<br>34.7x<br>32.6x<br>29.6x<br>N/A<br>28.9x<br>to ∞<br>3.9%<br>87.8%<br>15.2% | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  Years  10 years  10 years   |
| Peers Primary Industry Industry Industry Industry Industry Primary Industry Industry Industry Industry Industry Industry Industry Industry Industry Invested capital Invested capital ROIC UFCE EVA Terminal value Enterprise value (mid-year adj.) Total Debi Minority Interess Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets  | Last  1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$175.16  \$2,180.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 \$184.94  | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,299.02 \$1.07 \$0.32 \$0.00 \$0.00 \$55.95 \$0.00   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.99%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90  \$2,457.32 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$50.00 \$59.52 \$0.00   | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.3% 15.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79  \$2,622.15 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$59.00 \$59.00 \$59.00  | Last  58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% 80.8% N/A  FY2018 30.0% 74.0% 12.1%  attion  LTM+4Y \$263.2 \$786.4 41.2% \$116.64 \$225.84  \$2,786.06 \$1.07 \$0.32 \$0.00 \$0.00 \$5.00 \$5.00 \$5.00 \$5.00   | 10y Median  87.83% 91.13% 77.01% 77.01% 75.25% 80.95% 81.45% N/A   FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$5.00 \$5.8.12 \$0.00   | Last  1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$57.65 \$0.00   | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 11 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21 \$3,238.54 \$1.07 \$0.32 \$0.00 \$0.00 \$5.00 \$5.00 \$5.00  | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$50.68 \$50.68 \$0.00   | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY 2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,3559.76 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$56.55 \$0.00                      | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.1%  1000%  -500%  -500%   | 26.6x<br>21.0x<br>31.2x<br>31.2x<br>34.7x<br>32.6x<br>29.6x<br>N/A<br>28.9x<br>to ∞<br>3.9%<br>87.8%<br>15.2% | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  |
| Peers Primary Industry Invested capital  | Last  1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  0.88  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 \$5.4% \$0.00 \$175.16  \$2,180.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07   | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,299.02 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$55.95 \$0.00 \$211.21 \$2,448.88 \$355.76   | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.9%  3.90%  FY2016 40.0% 40.0% 41.1% LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90 \$2,457.32 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$5.000 \$5.000 \$5.000 \$5.72.12 \$2,668.53 \$3.55.76   | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.3% 15.3% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  LTM+3Y \$217.7 \$639.9 \$42.8% \$87.90 \$196.79  \$2,622.15 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$50.00 | Last 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% 80.8% N/A  FY2018 30.0% 74.0% 12.1%  attion  LTM+4Y \$263.2 \$786.4 41.2% \$116.64 \$225.84  \$2,786.06 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$5.00 \$5.55 \$0.00 \$468.90 \$3,194.97 \$35.76  | 10y Median  87.83% 91.13% 77.01% 77.01% 75.25% 80.95% 81.45% N/A  6  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$58.12 \$0.00 \$564.73 \$3,483.34 \$35.76   | Last  1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$57.65 \$0.00 \$57.65 \$0.00 \$756.64 \$3,783.65 \$35.76   | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A  1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21  \$3,238.54 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$57.21 \$0.00 \$924.24 \$4,104.17 \$33.76  | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$1,248.98 \$4,750.79 \$355.76 | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 17.7x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.1%  1000%   | 26.6x<br>21.0x<br>31.2x<br>31.2x<br>34.7x<br>32.6x<br>29.6x<br>N/A<br>28.9x<br>to ∞<br>3.9%<br>87.8%<br>15.2% | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  Years  10 years  10 years   |
| Peers Primary Industry Industry Industry Industry Industry Primary Industry Invested capital ROIC UFCE EVA Terminal value Enterprise value (mid-year adj.) Total Deb Minority Interess Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value   | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  0.38  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$175.16  \$2,180.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$184.94 \$2,303.17 \$35.76 \$64.81  | 10y Median 0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,29.02 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$5.000 \$5.000 \$2,11.21 \$2,448.88 \$35.76 \$69.28  | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.9%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90 \$2,457.32 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$59.52 \$0.00 \$0.00 \$59.52 \$0.00 \$272.12 \$2,668.55 \$35.76 \$75.29   | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.3% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79  \$2,622.15 \$1.07 \$0.02 \$0.00 \$0.00 \$59.06 \$0.00 \$59.06 \$0.00 \$3555.59 \$2,917.28  | Last  58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  87.83°  FY2018 30.0% 74.0% 12.1%  LTM+4Y \$263.2 \$786.4 41.2% \$116.64 \$225.84  \$2,786.06 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$50.00 \$468.90 \$3,194.97  | 10y Median  87.83% 91.13% 77.01% 77.01% 75.25% 80.95% 81.45% N/A   FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$50.00 \$0.00 \$58.12 \$0.00 \$604.73 \$3,483.34 \$35.76 \$98.49  | Last  1.11 1.15 1.00 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.032 \$0.00 \$0.00 \$0.00 \$57.65 \$0.000 \$75.64 \$3,783.65 \$35.76 \$106.65  | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 1 1 1 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21  \$3,238.54 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$57.21 \$0.00 \$924.24 \$4,104.17 \$35.76 \$115.66  | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32 \$0.00 \$0.00 \$56.84 \$0.00 \$1,091.11 \$4,443.24  | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 44.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$13.156 \$3,184.19 \$3,559.76 \$1.07 \$0.32 \$0.00 \$0.00 \$56.55 \$0.00 \$1,248.98 \$4,750.79         | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.1%  1000%  -500%  -500%   | 26.6x<br>21.0x<br>31.2x<br>34.7x<br>32.6x<br>29.6x<br>N/A<br>28.9x<br>to ∞<br>3.9%<br>87.8%<br>15.2%          | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Ex 0% Straightline 10 years SG&A 38% Straightline 10 years  years  28.4 38% Straightline 10 years  |
| Peers Primary Industry Invested capital Invested capital ROIC UFCE EVA Terminal value Enterprise value (mid-year adj.) Total Deby Minority Interess Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding   | Last 1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A 0.88  FY2014 81.2% 58.3% 10.1% \$23.09 \$2288.4 85.4% \$0.00 \$1.75.16  \$2,180.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.0 | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,299.02 \$1.07 \$0.32 \$0.00 \$0.00 \$5.000 \$5.000 \$5.000 \$5.000 \$5.000 \$21.121 \$2,448.88 \$35.76 \$69.28                                | Last  78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.9%  3.90%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90  \$2,457.32 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$59.52 \$0.00 \$272.12 \$2,668.53 \$35.76 \$75.29  imptions  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.3% 15.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79  \$2,622.15 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$59.06 \$0.00 \$59.06 \$0.00 \$335.59 \$2,917.28 \$35.76 \$82.33  | Last 58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% N/A  87.83%  FY2018 30.0% 74.0% 12.1%  LTM+4Y \$263.2 \$786.4 41.2% \$116.64 \$225.84  \$2,786.06 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$58.59 \$0.00 \$468.90 \$3,194.97 \$35.76 \$90.12   | 10y Median  87.83% 91.13% 77.01% 77.01% 77.01% 75.25% 80.95% 81.45% N/A  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$604.73 \$3,3483.34 \$35.76 \$98.49  Monte Ce  | Last  1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$3325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$57.65 \$0.00 \$75.64 \$3,783.65 \$35.76 \$10.65 sarlo Simulation Res  | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A 11  FY2021 15.0% 80.0% 13.6% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21  \$3,238.54 \$1.07 \$0.32 \$0.00 \$0.00 \$5.7.21 \$0.00 \$9.000 \$57.21 \$0.00 \$9.000 \$57.21 \$0.00 \$9.000 \$57.21 \$0.00 \$15.66     | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$1,248.98 \$4,750.79 \$355.76 | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 16.7x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.11%  1000%  500%  -500%500%   | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/A 28.9x  to ∞ 3.0% 87.8% 15.2%                                    | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Ex 0% Straightline 10 years SG&A 38% Straightline 10 years  Years  10 years  10 years  10 years  10 years  10 years  10 years  |
| Personary Industry Invested capital Invested capital ROIC UFCE EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interess Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/5/2015  | Last  1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  0.88  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$175.16  \$2,180.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$60.36 \$0.00 \$184.94 \$2,303.17 \$35.76 \$64.81  Monte Ca  | 10y Median   0.78   2.57   0.88   0.88   0.88   0.75   1.22   2.02   N/A   | Last   78.8%   2.8%   2.8%   14.1%   14.1%   16.0%   10.0%   5.9%   3.90%   FY2016   40.0%   70.0%   11.1%   LTM+2Y   \$179.9   \$510.1   45.1%   \$70.30   \$170.90   \$2,457.32   \$1.07   \$0.32   \$0.00   \$0.00   \$59.52   \$0.00   \$59.52   \$0.00   \$272.12   \$2,668.53   \$35.76   \$75.29   mptions   Min   | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.3% 15.3% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79  \$2,622.15 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$55.06 \$0.00 \$55.06 \$0.00 \$3355.59 \$2,917.28 \$35.76 \$82.33 Max  | Last  58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% 80.8% N/A  87.83%  FY2018 30.0% 74.0% 12.1%  ation  LTM+4Y \$263.2 \$786.4 41.2% \$116.64 \$225.84  \$2,786.06 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$5.00 \$3.194.97 \$35.76 \$90.12  Distribution  | 10y Median  87.83% 91.13% 77.01% 77.01% 77.01% 75.25% 80.95% 81.45% N/A  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07 \$0.32 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$604.73 \$3,483.34 \$35.76 \$98.49  Monte C.  | Last  1.11 1.15 1.00 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$57.65 \$0.00 \$57.65 \$0.00 \$756.64 \$3,783.65 \$35.76 \$106.65 arlo Simulation Resilations Res  | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A  1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21  \$3,238.54 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$57.21 \$0.00 \$924.24 \$4,104.17 \$35.76 \$115.66 \$ults  ly-Target                           | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$1,248.98 \$4,750.79 \$355.76 | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.1%  1000%  -500%  -500%   | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Ex 0% Straightline 10 years SG&A 38% Straightline 10 years  10 years 10 years 10 years 10 years 10 years 10 years 10 years 10 years 10 years 10 years 10 years 10 years 10 years   |
| Peers Primary Industry Invested capital ROIC UPCE EVA Terminal value Enterprise value (mid-year adj.) Total Deb Minority Interes Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/5/2015   | Last  1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  0.88  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$175.16  \$2,180.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07 \$0.32 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$184.94 \$2,303.17 \$33.576 \$64.81  Monte Ca Base   | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,299.02 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$59.95 \$0.00 \$211.21 \$2,448.88 \$355.76 \$69.28  rlo Simulation Assu Stdev 5.3%                       | Last  78.8% 2.8% 14.1% 16.0% 10.0% 5.9% 3.99%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% 45.1% \$70.30 \$170.90  \$2,457.32 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$59.52 \$0.00 \$272.12 \$2,668.53 \$355.76 \$75.29  imptions Min N/A  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.1% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79  \$2,622.15 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$59.06 \$0.00 \$59.06 \$0.00 \$555.59 \$2,917.28 \$335.76 \$82.33  Max N/A  | Last   58.3%   89.7%   77.5%   77.5%   77.5%   77.5%   77.5%   78.2%   80.8%   80.8%   80.8%   80.8%   80.8%   80.8%   87.83%  | 10y Median  87.83% 91.13% 77.01% 77.01% 75.25% 80.95% 81.45% N/A  6  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$5.812 \$0.00 \$604.73 \$3,483.34 \$35.76 \$98.49  Monte C.  Mean est.  | Last  1.11 1.15 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$57.65 \$0.00 \$756.64 \$3,783.65 \$35.76 \$106.65 arlo Simulation Res   | 109 Median  | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$1,248.98 \$4,750.79 \$355.76 | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 16.7x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.11%  1000%  500%  -500%500%   | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  |
| Pers Pers Pémay Industry Invested capital ROIG UFCE EVA Terminal value Enterprise value (mid-year adj.) Total Deb Minority Interes Perferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating asset Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/5/2011 Revenue Variation Op. Costs Variation  | Last  1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  0.88  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$2288.4 85.4% \$0.00 \$175.16  \$2,180.00 \$1.07 \$0.32 \$0.00 \$0.00 \$60.36 \$0.00 \$50.00 \$1.07 \$35.76 \$64.81  Monte Ca Base  0% 0%   | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,299.02 \$1.07 \$0.32 \$0.00 \$0.00 \$55.95 \$0.00 \$0.00 \$55.95 \$0.00 \$211.21 \$2,448.88 \$35.76 \$69.28 rlo Simulation Assu Stelev 5.3% \$32.2% | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.9%  3.90%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90  \$2,457.32 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$59.52 \$0.00 \$0.00 \$59.52 \$0.00 \$10.00 \$59.52 \$1.07 \$0.52 \$1.07 \$1.07 \$1.52 \$1.07 \$1.52 \$1.07 \$1.52 \$1.07 \$1.52 \$1.07 \$1.53 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1. | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.3% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$633.9 42.8% \$87.90 \$196.79  \$2,622.15 \$1.07 \$0.02 \$0.00 \$0.00 \$59.06 \$0.00 \$59.06 \$0.00 \$59.06 \$82.335.76 \$82.33  Max N/A  | Last   58.3%   89.7%   77.5%   77.5%   77.5%   77.5%   74.2%   80.8%   80.9%   80.0%   80.2   80.00   80.00   80.00   80.00   \$0.00   \$0.00   \$0.00   \$0.00   \$0.00   \$0.00   \$0.00   \$0.6%   \$0.90   \$0.00 | 10y Median  87.83% 91.13% 77.01% 77.01% 77.01% 75.25% 80.95% 81.45% N/A  6  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2.938.12 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$0.00 \$58.12 \$0.00     | Last  1.11 1.15 1.00 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.32 \$0.00 \$0.00 \$57.65 \$0.00 \$57.65 \$0.00 \$57.65 \$3.086.06 \$1.07 \$0.32 \$1.0665 \$106.65 \$3,783.65 \$35.76 \$106.65 \$106.65 \$2105.50 \$30.00 \$51.65 \$30.00 \$51.65 \$30.00 \$51.664 \$3,783.65 \$35.76 \$106.65 \$3106.65 \$3106.65 \$3106.65 \$3106.65 \$3106.65 \$30.32   | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A  1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21  \$3,238.54 \$1.07 \$0.32 \$0.00 \$0.00 \$57.21 \$0.00 \$57.21 \$0.00 \$924.24 \$4,104.17 \$35.76 \$115.66 \$115.66 \$115.66 \$115.66 \$115.66 | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$1,248.98 \$4,750.79 \$355.76 | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 16.7x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.11%  1000%  500%  -500%500%   | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  |
| Pers Primary Industry Invested capital Invested capital ROIC UFCE EVA Terminal value Enterprise value (mid-year adj.) Total Deb Minority Interest Perferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/5/2012  Revenue Variation Op. Costs Variation Market Risk Premium  | Last  1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  0.88  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$175.16  \$2,180.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$50.36 \$50.00 \$50.36 \$50.00 \$1.07 \$0.31 \$2,180.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$1.07 \$0.35 \$0.00 \$0.   | 10y Median   0.78   2.57   0.88   0.88   0.88   0.75   1.22   2.02   N/A   | Last  78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.9%  3.90%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90  \$2,457.32 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$59.52 \$0.00 \$59.52 \$0.00 \$59.52 \$2,668.53 \$35.76 \$75.29  imptions  Min N/A N/A 5.0%  | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.3% 15.3% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$639.9 42.8% \$87.90 \$196.79  \$2,622.15 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$5.006 \$0.00 \$5.006 \$0.00 \$55.06 \$0.00 \$355.76 \$82.33  Max N/A N/A N/A 9.0%   | Last  58.3% 89.7% 77.5% 77.5% 77.5% 74.2% 80.8% 80.8% 80.8% N/A  87.83%  FY2018 30.0% 74.0% 12.1%  12.1%  14.2% \$116.64 \$225.84  \$2,786.06 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$5.85 \$9 \$0.00 \$468.90 \$3,194.97 \$355.76 \$90.12  Distribution Normal Normal Triangular  | 10y Median  87.83% 91.13% 77.01% 77.01% 77.01% 75.25% 80.95% 81.45% N/A  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2,938.12 \$1.07 \$0.32 \$0.00 \$0. | Last   1.11   1.15   1.00   1.00   1.00   1.00   1.00   1.02   0.95   0.99   N/A   1.1   FY2020   20.0%   78.0%   13.1%   LTM+6Y   \$325.4   \$1,109.3   34.6%   \$161.46   \$233.16   \$3,086.06   \$1.07   \$0.32   \$0.00   \$0.00   \$57.65   \$0.00   \$57.65   \$0.00   \$756.64   \$3,783.65   \$35.76   \$35.76   \$35.76   \$35.76   \$35.76   \$106.65   \$ato Simulation Res Intrinsic Value   \$64.81   \$0.32   \$63.85   \$0.32   \$63.85   \$0.32   \$0.32   \$0.32   \$0.32   \$0.32   \$0.32   \$0.32   \$0.32   \$0.32   \$0.32   \$0.32   \$0.32   \$0.32   \$0.32   \$0.32   \$0.385   \$0.32   \$0.385   \$0.32   \$0.385   \$0.32   \$0.385   \$0.32   \$0.385   \$ | 109 Median  | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$1,248.98 \$4,750.79 \$355.76 | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 16.7x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.11%  1000%  500%  -500%500%   | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years  10 years 10 years 10 years 10 years 10 years 10 years 10 years 10 years   |
| Peers Primary Industry Invested capital ROIG UFCE EVA Terminal value Enterprise value (mid-year adj.) Total Deb Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options,warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/5/2015 Revenue Variation Op. Costs Variation   | Last  1.01 1.17 0.68 0.68 0.54 1.07 1.76 N/A  0.88  FY2014 81.2% 58.3% 10.1%  LTM \$230.9 \$288.4 85.4% \$0.00 \$175.16  \$2,180.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$50.36 \$50.00 \$50.36 \$50.00 \$1.07 \$0.31 \$2,180.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$1.07 \$0.35 \$0.00 \$0.   | 10y Median  0.78 2.57 0.88 0.88 0.75 1.22 2.02 N/A  FY2015 55.0% 66.0% 10.6%  LTM+1Y \$152.2 \$400.5 47.7% \$62.62 \$146.79  \$2,299.02 \$1.07 \$0.32 \$0.00 \$0.00 \$55.95 \$0.00 \$0.00 \$55.95 \$0.00 \$211.21 \$2,448.88 \$35.76 \$69.28 rlo Simulation Assu Stelev 5.3% \$32.2% | Last 78.8% 2.8% 14.1% 14.1% 16.0% 10.0% 5.9% 3.9%  3.90%  FY2016 40.0% 70.0% 11.1%  LTM+2Y \$179.9 \$510.1 45.1% \$70.30 \$170.90  \$2,457.32 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$59.52 \$0.00 \$0.00 \$59.52 \$0.00 \$10.00 \$59.52 \$1.07 \$0.52 \$1.07 \$1.07 \$1.52 \$1.07 \$1.52 \$1.07 \$1.52 \$1.07 \$1.52 \$1.07 \$1.53 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1.55 \$1.07 \$1. | 10y Median 17.7% 8.4% 15.3% 15.3% 15.3% 15.3% 15.3% 12.2% 6.6% 3.2%  FY2017 35.0% 73.0% 11.6%  Valu LTM+3Y \$217.7 \$633.9 42.8% \$87.90 \$196.79  \$2,622.15 \$1.07 \$0.02 \$0.00 \$0.00 \$59.06 \$0.00 \$59.06 \$0.00 \$59.06 \$82.335.76 \$82.33  Max N/A  | Last   58.3%   89.7%   77.5%   77.5%   77.5%   77.5%   74.2%   80.8%   80.9%   80.0%   80.2   80.00   80.00   80.00   80.00   \$0.00   \$0.00   \$0.00   \$0.00   \$0.00   \$0.00   \$0.00   \$0.6%   \$0.90   \$0.00 | 10y Median  87.83% 91.13% 77.01% 77.01% 77.01% 75.25% 80.95% 81.45% N/A  6  FY2019 25.0% 75.0% 12.6%  LTM+5Y \$300.0 \$945.4 38.3% \$141.00 \$238.70  \$2.938.12 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$58.12 \$0.00 \$0.00 \$0.00 \$58.12 \$0.00     | Last  1.11 1.15 1.00 1.00 1.00 1.02 0.95 0.99 N/A  1.1  FY2020 20.0% 78.0% 13.1%  LTM+6Y \$325.4 \$1,109.3 34.6% \$161.46 \$233.16  \$3,086.06 \$1.07 \$0.32 \$0.00 \$0.00 \$57.65 \$0.00 \$57.65 \$0.00 \$57.65 \$3.086.06 \$1.07 \$0.32 \$1.0665 \$106.65 \$3,783.65 \$35.76 \$106.65 \$106.65 \$2105.50 \$30.00 \$51.65 \$30.00 \$51.65 \$30.00 \$51.664 \$3,783.65 \$35.76 \$106.65 \$3106.65 \$3106.65 \$3106.65 \$3106.65 \$3106.65 \$30.32   | 10y Median 0.73 0.94 0.92 0.92 1.03 0.94 0.96 N/A  1  FY2021 15.0% 80.0% 13.6%  LTM+7Y \$341.6 \$1,267.0 30.9% \$183.97 \$214.21  \$3,238.54 \$1.07 \$0.32 \$0.00 \$0.00 \$57.21 \$0.00 \$57.21 \$0.00 \$924.24 \$4,104.17 \$35.76 \$115.66 \$115.66 \$115.66 \$115.66 \$115.66 | 1.6x 2.8x 4.2x 4.2x 5.1x 3.7x 2.5x N/A 1.6x  FY2022 10.0% 82.0% 14.1%  LTM+8Y \$341.0 \$1,415.7 27.0% \$192.26 \$177.24  \$3,410.37 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 | TEV/EBITDA  12.0x 32.5x 12.5x 12.5x 12.5x 13.6x 13.5x 12.4x N/A 12.0x  FY2023 8.0% 85.0% 14.6%  LTM+9Y \$330.8 \$1,552.7 23.4% \$193.83 \$131.56 \$3,184.19 \$3,559.76 \$1.07 \$0.32 \$0.00 \$0.00 \$0.00 \$0.00 \$1,248.98 \$4,750.79 \$355.76 | TEV/EBITA  14.5x 34.6x 13.2x 13.2x 13.2x 16.7x 16.7x 16.7x N/A 13.2x  FY2024 5.0% 87.0% 15.11%  1000%  500%  -500%500%   | 26.6x 21.0x 31.2x 31.2x 34.7x 32.6x 29.6x N/Λ 28.9x to ∞ 3.9% 87.8% 15.2%                                     | 100% Straightline 10 years R&D Exp. 100% Straightline 10 years Expl./Drilling Exp 0% Straightline 10 years SG&A 38% Straightline 10 years years SG&A 38% Straightline 10 years 10 years ye |

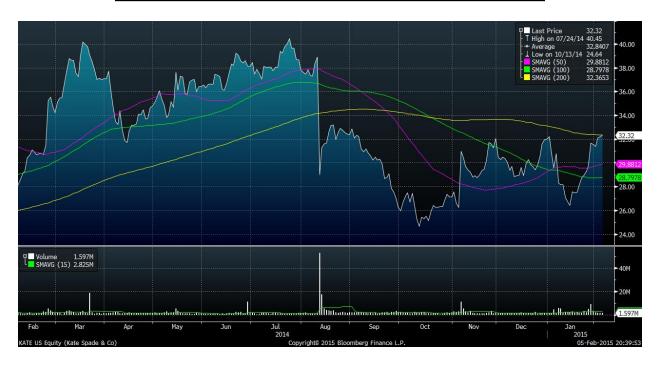
# **Kate Spade & Company** (KATE: NYSE)

Financial Analysis By: Remy Fields – Consumer Discretionary

# Company Profile as of 2/5/2015

Market Price: \$32.32 Industry: Special Apparel Market Cap: \$4108.2M 52-Week: \$24.06 – 42.87 Beta: 2.15

| Source        | Target Price | Recommendation |
|---------------|--------------|----------------|
| Siena         | \$37.60      | Buy            |
| Bloomberg     | \$40.00      | Buy            |
| Capital IQ    | \$36.43      | Buy            |
| Yahoo Finance | \$36.50      | Buy            |



# **Thesis**

- -Strategic partnerships
- -Product diversification
- -Global expansion

Kate Spade & Company is a buy because of their strategic partnerships, diversification in brand, and global expansion. Currently, their strategic partnerships will allow them to realize increased EBITDA margins. The diversification of their products and brand allows the company to have multiple sources of revenue, which have significant growth potential. The availability and plan to grow globally gives the company a greater potential for growth.

# **Company Overview**

Kate Spade & Company, together with its subsidiaries, primarily designs and markets a range of apparel and accessories. It operates through Kate Spade, Adelington Design Group, and Juicy Couture segments. The company offers a diverse product line ranging from designer apparel, handbags, briefcases, travel bags, small leather goods, tabletop products, legwear, bedding, stationery, jewelry, apparel, footwear, optics, fragrances, electronics cases, fashion accessories, beauty, and home décor products. It offers its products under the Kate Spade Saturday, Jack Spade, Liz Claiborne, Monet, Trifari, Kensie, Lizwear, Liz Claiborne New York, and Juicy Couture brands. With collections encompassing a wide range of demographics, genders, and international locations, the brands are intended to accent customers' interesting lives and inspire adventure at each turn. The company sells its products through its own retail and outlet stores, as well as to department store chains and specialty retail store customers. Kate Spade & Company operates approximately 118 specialty retail stores, 51 outlet stores, and 43 concessions stores. It is also involved in e-commerce and licensing operations. The company was formerly known as Fifth & Pacific Companies, Inc. and recently changed its name to Kate Spade & Company in February 2014. Kate Spade & Company was founded in 1976 and is based in New York, New York.

#### **Management**

Kate Spade & Company is led by their Chief Executive Officer Craig A Leavitt who became CEO in 2010. Before taking over as CEO Mr. Leavitt served as President of Global Retail at Link Theory Holdings and was responsible for merchandising, operations, planning, resource allocation, and real estate development for the Theory and Helmut Lang retail businesses. Prior to that, he was with Diesel where he served as Executive Vice President of Sales and Retail. He served as Executive Vice President of Retail Concepts at Polo Ralph Lauren and also held different positions for 16 years.

Mr. George M. Carrara has been President of Kate Spade & Company since February 25, 2014 and has been its Chief Operating Officer since April 2, 2012. Mr. Carrara oversees Finance, Global Operations and Information Technology. He also served as Chief Financial Officer of Kate Spade & Company from April 2, 2012 to October 14, 2014. He worked for Tommy Hilfiger North America from 1999 to 2011 and served in various senior positions, including as Chief Financial Officer for the Jeans division from 1999 to 2003; Chief Operating Officer and Chief Financial Officer of wholesale operations from 2003 to 2004; Executive Vice President of U.S. Operations - Wholesale and Retail from 2004 to 2005 and Chief Operating Officer from 2006 to 2011. In addition Mr. Carrara served as Chief Financial and Operating Officer for Mirage Apparel Group. He began his career in the Entrepreneurial Services & Consumer Product Groups at Price Waterhouse and is a Certified Public Accountant.

Mr. Thomas J. Linko, has been Chief Financial Officer at Kate Spade & Company since October 14, 2014. Mr. Linko joined Kate Spade in July 2012 as Chief Financial Officer for Juicy Couture leading Finance, Store Operations, Planning & Allocation, Real Estate, Commercial Operations and Order Management. Prior to that, he served as Chief Financial Officer of DG USA at Delta Galil Industries Ltd. since February 23, 2011. He has more than 20 years of experience in retail finance and operations. He spent 12 years at Tommy Hilfiger where he oversaw the financial operations of the US and Canadian Wholesale and Retail Divisions as the Senior Vice President of Finance for Tommy Hilfiger North America. He held various other positions with Tommy Hilfiger such as Vice President of Finance and Vice President of Tommy Hilfiger Europe.

#### Macro Outlook

The retail industry has gone through rapid change during the past few decades. These changes have caused many companies at the top of the industry to fall behind, while allowing new upcoming companies to innovate. These innovations took place in marketing and the production of clothing. Companies began marketing their products as a lifestyle, rather than a product. This has allowed companies, such as, Michael Kors, Nike, Under Armour and many others to build brands that are everyone knows. Brand recognition has created customer loyalty, which makes it more difficult for new brands to make a name for themselves. In addition, the industry has evolved from a made-to-order market to a ready-to-wear market. Over the past couple of decades, these changes have led to a very competitive industry.

More recently, companies have been facing competition from online competitors. Online sales have been growing because of how easy it is. This pace has kept up because companies have made the online experience more and more pleasurable for consumers. The online companies have also cut down how long their products take to get to the consumers door step, which gives consumers a greater incentive to order online. Companies who were born before the internet age have had to adjust by being where the consumer is, but

they also have to find ways to intrigue consumers to come to their stores. Companies have done this by creating unique in-store experiences. These experiences are inspiring shoppers through social lifestyles.

Moreover, Kate Spade & Company is in competition with higher-end brands, which are affected by the economy. These brands do not perform well in down economies because of their pricing, but when economies are in good shape these companies tend to excel. This is because of people have more money to spend. This industry has a close correlation with the performance of the economy. The current outlook is positive in the U.S. because consumer confidence has risen through 2014 and continues to keep rising through 2015. This is measured by the Consumer Confidence Index which is up to 112.6 (January) from 99.9 (December), which also saw an increase in consumer confidence from November to December. The increase in the consumer confidence index means more spending and borrowing for consumers. To have a better understanding of where the retail industry may be heading it is also important to consider relevant factors like GDP expectations, inflation, personal income and interest rates. GDP is expected to grow around 3% compared to the expected 3.4% growth in 2014. The expected 3% GDP growth is healthy for economy, so there should be no concern because of GDP. Inflation's growth is expected to be around 2.1%, which is also a healthy expectation for an economy. One area that retailers could see a small cut in spending could potentially be as interest rates begin to rise. The Federal Reserve has done its best to set expectations for consumers, but when it actually occurs; you never know how people will react. The next increase in shortterm interest rates is expected in late 2015. In addition, the significant decrease in oil prices should have a positive affect on spending in general. The consumer discretionary industry should be one industry that will realize a positive effect for as long as oil prices are down. Q4 earnings are expected to be positive for specialty apparel & accessories retailers despite a competitive promotional environment.

## Strategic Partnerships

Kate Spade & Company has been setting up partnerships with other companies to help expand into new categories and to increase margins. New partnerships have been created in the recent past and this is expected to continue. They have not only used these partnerships to increase their margins, but they have been able to have industry leading top line growth because of the partnerships. Through 2014 they were able to add approximately 530 new premium retail points of distribution. Two of the main retail points will be located in Bloomingdale's and Von Maur. These are both up-scale department stores that sell brand names such as Michael Kors, Coach, and many more. These partnerships will also increase Kate Spade's brand relevance. Another partnership the company has created was with GapKids. This limited edition partnership was only for the 2014 Holiday, but it will open Kate Spade to a new market, children's wear. This momentum has been taken into 2015 with an additional partnership in children's wear with Tawil Associates. This license will bring Kate Spade to children's of all ages furthering Kate Spade's breadth. One last partnership that has had a positive impact for the company is with Contour. They have connected Kate Spade with premium phone makers, such as, Apple. This partnership allows Kate Spades customers to purchase their phone cases in the same store they buy their phones. Lastly, these partnerships are anticipated to expand margins, build brand equity, and brand awareness.

#### **Product Diversification**

Another strength that Kate Spade & Company has been developing is the diversification of their products. Kate Spade sells a large variation of products from handbags all the way to swim wear. The brand is known for their handbags, small leather goods, and clothing, but has seen increasing demand for other categories. Since they have entered into the accessory category, they have seen a surge in sales. The accessories category makes up about 50% of their sales through Q3. The reason it is such a large part is that the category is made up of many different products, such as, wallets, sunglasses, phone cases, hats, belts, and many more products. New categories, such as, stationary have seen a 180% growth rate during the year. Kate Spade has also kept gross margins growing, while allowing customers of different types of consumers to become part of the lifestyle. Kate Spade has especially done this in the tech area with its phone cases. They are able to sell a phone case for \$40 when it costs much less to produce. This is partly due to the necessity to protect Smartphone's due to their glass screens, but is also because of the Kate Spade name. This is the level of growth they would like from a small revenue stream, but it shows how popular the brand is. The growth of these sales has occurred because of the strategic partnerships mentioned above. The company has done a good job of creating relationships to get their accessories into retailers, such as, Bloomingdales, Nordstrom and even smaller retailers. Kate Spade has been successful in growing their top line because they have gotten their products in every place their customers are shopping, which is creating stronger brand equity and awareness.

The diversification and growth in many categories is important because it allows Kate Spade to tap into many different markets. These revenue streams all see great margins due to their branding strategy. Kate Spade's brand has become so strong that they have seen gross margins expand to 60%. Although not every product can be a significant part of the revenue stream, they are able to lower the

volatility of their revenue expectations because if one line is seeing negative pressure they have other revenue streams that are seeing growth. They have been able to do this by making Kate Spade a lifestyle that people want to live. The casual yet sophisticated look they have given to women through wallets, handbags, clothing, and more is the reason for the popularity of the brand. They have given many people the feeling of being apart of something more.

#### **Global Expansion**

Kate Spade & Company has been growing their sales internationally too. They have stores in many major cities throughout the world. Some examples are Sydney, Hong Kong, and Tokyo. They target these highly diverse cities because they are fashion mecas as well as cultural hubs. Kate Spade can also be found in Brazil, Canada, Germany, U.K., Singapore, and over fifteen other countries. Kate Spade has barely tapped the international market, so if they can correctly target consumers of different cultures they have potential for vast growth. This is one of the focuses of management and in the chart below you can see the type of growth Kate Spade is seeing internationally. From 2012 to 2013 the company saw a 136% increase in sales. Currently, international sales are only 10% of total revenue, but if they continue to grow at a fast pace as expected, they will become a serious revenue stream for Kate Spade.

| In Millions of USD except Per Share | FY 2011    | FY 2012    | FY 2013    |
|-------------------------------------|------------|------------|------------|
| 12 Months Ending                    | 2011-12-31 | 2012-12-29 | 2013-12-28 |
| Revenue                             | 1,518.7    | 1,043.4    | 1,264.9    |
| ■ Product/Brand Segments            | 1,518.7    | 1,043.4    | 1,264.9    |
| ☐ Geographic Segments               | 1,518.7    | 1,043.4    | 1,264.9    |
| ■ Domestic                          | 1,455.4    | 969.6      | 1,090.5    |
| International                       | 63.3       | 73.8       | 174.4      |

Kate Spade's management has taken international growth seriously in the recent years and plan to continue along this path well into the future. They have started a new partnership with Walton Brown, a subsidiary of Lane Crawford Joyce Group. This group is a premier fashion retail and management group. They have over 20 years of experience in brand building experience. This partnership will help Kate Spade become more relevant in China. Kate Spade will begin to build brand awareness in China, which will accelerate growth in the region for the next five to ten years. China is a country that many retailers want to be right now because of the growth the country is achieving. This growth has increased spending by the Chinese consumers, which is positive for the all retailers. Kate Spade will be able to differentiate itself because of its casual yet sophisticated products, and customer service.

#### Conclusion

Kate Spade & Company is a buy because of their strategic partnerships, product diversification, and plans for global expansion. The strategic partnerships are a key reason for a positive outlook for Kate Spade because the licensing agreements will expand margins. Kate Spade already has great gross margins, but their EBITDA margins will see an increase of about 15-20% in 2015. These licensing agreements help with that because they do not increase operating costs, but increase sales. Kate Spade's diversified product line leads to a diverse revenue stream. This helps in times when one product may see a slower growth because other products will be see faster growth, which will lowers the unpredictability of revenue. Finally, Kate Spade's management wants Kate Spade to become a global brand. They have barely tapped any of the international market and they are growing their international sales at a fast rate. Kate Spade has positioned themselves to grow internationally for the long-term through partnerships with companies that have a better understanding of the international consumer.

| Kate Spade & Company   | KATE   | Analys   | st: Remy Fields  | Curre   | ent Price: 32.29  | Lower Bound Intrinsi   | c Value: \$33.4   | Lower Bound 1v-  | Target: \$37.6   | Dividend Yield: (   | )%   | ly Upside (downsi   | de): 16.59%   |
|--|--|--|--|---|---|--|---|--|--|---|--|---|---|
| General In   | fo   | Tinary.  | Market Da  |   |   |  |   | - January  | Peers  |   |  | -, -poide (downs)   | ,   |
| Sector   | Consumer Discretionary   |  | Enterprise value   | \$4,379.71  | Symbol  | NAME   | Market Cap  | TEV/EBITDA   | P/B  | EBITDA Margin   | Total Debt/TEV                               | EBIT/Int. Exp.  | Altman Z  |
| Industry   | Textiles, Apparel and Lux  | ury Goods  | Market Capitalization  |   | NYSE:ARO  | Aéropostale, Inc. \$   | 208.88  | NM   | 2.0x   | -6%   | 58%  | (28.1x)   | 2.82  |
| Description: Kate Spade & Company, together with its subsidia<br>and accessories. It operates through KATE SPADE, Adelington   | Design Group and IUICY COLL  | TURE seements. The   | 101  |   | NYSE:COH<br>NasdagGS:LULU   | Coach, Inc.<br>Lululemon Athletica Inc.  | \$10,787.75<br>\$9,323.23   | 8.2x<br>20.3x  | 4.3x<br>8.6x   | 27%<br>25%  | 0%   | 3,165.8x  | 25.12   |
| company offers apparel, handbags, briefcases, travel bags, smal  | l leather goods, tabletop produ-   | cts, legwear, bedding  | Diluted shares outstanding   |   | NYSE:OXM  | Oxford Industries Inc.   | \$9,323.23<br>\$927.92  | 20.3x<br>8.9x  | 8.6x<br>3.3x   | 25%<br>12%  | 14%  | 21.9x   | 25.12<br>4.46   |
| stationery, jewelry, apparel, footwear, optics, fragrances, elect-<br>décor products. It offers its products under the KATE SPA  | conics cases, fashion accessorie   | es, beauty, and home   | % shares held by institutions  | 108.0%  | NasdaqGS:PLCE   | The Children's Place, Inc.   | \$1,274.12  | 7.2x   | 2.1x   | 9%  | 2%   | 82.2x   | 4.72  |
| MONET, TRIFARI, KENSIE, LIZWEAR, LIZ CLAIBORNE   | NEW YORK, and JUICY CO   | UTURE brands. The  | % shares held by insiders  | 0.4%  | NasdaqGS:FOSL   | Fossil Group, Inc.   | \$5,056.29  | 8.1x   | 5.4x   | 19%   | 11%  | 38.6x   | 6.30  |
| company sells its products through its own retail and outlet stor<br>retail store customers. Kate Spade & Company operates approxi   |  |  |  |   | NYSE:ZQK<br>NYSE:AEO  | Quiksilver Inc<br>American Eagle Outfitters,   | \$385.14<br>\$2.847.35  | NM<br>8.0x   | 6.9x<br>2.5x   | -1%<br>10%  | 71%  | (0.8x)  | 1.27<br>5.96  |
| retail store customers. Kate Spade & Company operates approxi<br>43 concessions stores. It is also involved in e-commerce and  |  |  |  |   | NYSE:AEO NasdaqGS:GIII  | G-III Apparel Group, Ltd   | \$2,847.35<br>\$2,242.71  | 8.0x<br>13.8x  | 2.5x<br>3.0x   | 10%<br>8%   | 7%   | 16.7x   | 5.96  |
| known as Fifth & Pacific Companies, Inc. and changed its name  | ne to Kate Spade & Company is  |  |  | \$24.07   | 7 NYSE:UA   | Under Armour, Inc.   | \$15,721.68   | 36.2x  | 11.6x  | 14%   | 2%   | 66.3x   | - **  |
| Spade & Company was founded in 1976 and is based in New Yo   | ork, New York.   |  | 5y Beta  | 2.73  | Peers' Median   | _  | \$2,545.03  | 8.5x   | 3.8x   | 11%   | 4%   | 30.3x   | 4.90  |
|  | Management   |  | 6-month volatility   | 59.52%  | KATE  |  | \$4,094.25  | 67.4x  | 58.4x<br>Performance   | 5%  | 9%   | 0.0x  | 6.41  |
| Professional   | Title  | Comp. FY2011   |  | Comp. FY2013  |   | KATE   |   | P  | eers<br>10v Med.   |   | ustry  | All U.S   |   |
| Carrara, George<br>Yanussi. Linda  | President and Chief<br>Senior Vice President of  | \$ -<br>\$ -   | \$ 1,611,013.00  | \$ 2,121,250.00<br>\$ 729,618.00  |   | Last<br>3.8%   | 10y Med.  | 5.24%  | 10y Med.<br>9.72%  | Last<br>13.94%  | 10y Med.<br>14.26%                           | Last<br>8.92%   | 10y Med.<br>11.07%  |
| Yanussi, Linda<br>Leavitt, Craig   | Chief Executive Officer  |  |  | \$ /29,618.00<br>\$ -   | EBITA Margin  | 3.8%<br>4.7%   | -1.6%   | 5.24%  | 9.72%  | 13.94%  | 14.26%                                       | 8.92%<br>13.56%   | 11.07%  |
| Linko, Thomas  | Chief Financial Officer  | *  | *  | \$ -  | Imputed Rev./Invested cap.  | 4.25   | 1.16  | 3.44   | 3.44   | 1.86  | 1.90   | 1.76  | 2.02  |
| Rinaldo, Michael   | Chief Accounting Officer,  | ş -  | \$ -   | \$ -  | Excess Cash/Rev.  | 8.35%  | 5.14%   | 13.81%   | 15.23%   | 16.03%  | 12.88%                                       | 23.19%  | 18.87%  |
| Baron, David   | Head of corporate quality  | \$ -   | ş -  | \$ -  | Total Cash / Rev.   | 8.35%  | 5.16%   | 13.81%   | 15.23%   | 16.06%  | 13.64%                                       | 32.72%  | 30.13%  |
| Current Capital Structure Total debt/market cap  | 9.33%  |  | Past Earn<br>Revenue   | ing Surprises<br>EBITDA   | Norm. EPS   | <u>Last Guidance</u> Ja<br>Kate Spade & Company provid   |   | Next earnings date<br>the year 2014. For the w   |  |   |  | www.katespadeandcom   |   |
| Cost of Borrowing  | 8.03%  | Last Quarter   | -1.7%  | 1.7%  | -100.0%   | globally. The company also estis   |   |  |  | saics in the range of \$1   | 011101 (0 \$1.17 01110                       | ,cimg impressive gro  | som mine C.S. and   |
| Interest Coverage  | 0.05   | Last Quarter-1   | 12.1%  | 57.6%   | 0.0%  |  |   |  |  |   |  |   |   |
| Debt Rating  | D  | Last Quarter -2  | 62.5%  | 39.7%   |   | For the year 2015, the compan  |   |  |  |   | impact of the various fac                    | ctors just described, it is im                                  | portant to note that both   |
| 5y Beta<br>WACC (based on market value weights)  | 2.04<br>9.5%   | Last Quarter -3<br>Last Quarter -4   | -16.0%<br>-0.3%  | -27.7%<br>-9.7%   | -48.3%  | sales and adjusted EBITDA at t   | ac induporat of guided rai  | inges are expected to inci   | case in excess of 20% in   | 2013 compared to 2014.  |  |   |   |
| w ACC (based on market value weights)  |  | Last Quarter -4<br>uing Period Assur   |  | -9.7%   |   | 1  |   |  |  |   |  |   |   |
| Money market rate as of today  |  | Risk-Free rate   |  | LT Op. Costs/Rev  | 30.0%   |  |   |  |  |   |  |   |   |
| Annual increase (decrease) in interest rates   | <b>1</b>   | Op. Cash/Rev.  |  | LT WACC   | 10.0%   |  |   |  |  |   |  |   |   |
| Yield Spread accelaration  | 1.2  | Op. Cash/Cash  | 0.0%   | LT Term ROIC  | 26.5%   |  |   |  |  |   |  |   |   |
| Marginal Tax Rate  |  | LT Growth  |  | Growth in PPE   | Follows Forward Rev. Growth   |  |   |  |  |   |  |   |   |
| LT convergence estimates: w  |  |  |  |   | or estimated based on the "unio   |  | oweri.e., buyers pow<br>Unlevered   |  | competitive rivalry, th  | reat of substitution, and<br>Multiples (10Y Histo   |  |   | Capitalization  |
|  | Rev./Cap<br>Last   | 10y Median   | LT Imputed C<br>Last   | 10y Median  | LT Op. Co   | sts/Rev.<br>10y Median   | Last  | 10y Median   | TEV/Rev.   | TEV/EBITDA  | TEV/EBITA                                    | TEV/UFCF  | Operating Leases<br>100%  |
| KATE   | 1.16   | 1.16   | 24.6%  | -17.4%  | 95.3%   | 95.85%   | 1.81  | 0.80   | 1.0x   | 10.1x   | 11.2x  | 2.3x  | Straightline  |
| Peers  | 3.44   | 3.44   | 1.2%   | 3.8%  | 84.8%   | 81.63%   | 1.65  | 1.66   | 1.9x   | 10.2x   | 12.1x  | 117.8x  | 10 years  |
| Primary Industry<br>Industry   | 1.69<br>1.73   | 1.79<br>1.82   | 12.2%<br>11.4%   | 10.1%<br>9.8%   | 79.9%<br>82.5%  | 81.17%<br>83.16%   | 1.06<br>0.97  | 1.25<br>1.19   | 2.2x<br>2.0x   | 12.6x<br>11.9x  | 14.9x<br>14.2x                               | 30.3x<br>29.5x  | R&D Exp.<br>0%  |
| Industry<br>Industry Group   | 1.85   | 1.80   | 9.6%   | 6.9%  | 87.1%   | 87.14%   | 1.10  | 1.13   | 2.0x<br>1.6x   | 11.8x   | 16.1x  | 31.2x   | Straightline  |
| Sector   | 2.19   | 2.19   | 6.1%   | 6.2%  | 84.7%   | 84.86%   | 1.06  | 1.05   | 1.7x   | 11.5x   | 16.0x  | 26.8x   | 10 years  |
| All U.S. Firms<br>GDP  | 1.76<br>N/A  | 2.02<br>N/A  | 5.9%<br>3.9%   | 6.6%<br>3.2%  | 80.8%<br>N/A  | 81.45%<br>N/A  | 0.99<br>N/A   | 0.96<br>N/A  | 2.5x<br>N/A  | 12.4x<br>N/A  | 16.7x<br>N/A                                 | 29.6x<br>N/A  | Expl./Drilling Exp.   |
| KATE long-run estimate   | N/A<br>1.00  | N/A  | 3.9%   | 3.2%  | N/A<br>30.00  |  | N/A<br>1.00   |  | N/A<br>2.0x  | N/A<br>4.0x   | N/A<br>7.0x                                  | N/A<br>20.0x  | 0%<br>Straightline  |
| The standard of the standard o |  |  |  |   | Explicit Period Assu  | mptions  |   |  |  |   |  | 20.04   | 10 years  |
|  | FY2013   | FY2014   | FY2015   | FY2016  | FY2017  | FY2018   | FY2019  | FY2020   | FY2021   | FY2022  | FY2023                                       | to ∞  | SG&A  |
| Growt<br>On Conta / Re   |  | 40.0%  | 7.2%<br>83.0%  | 9.4%<br>81.0%   | 9.0%<br>75.0%   | 9.0%<br>75.0%  | 6.0%  | 5.5%   | 5.5%   | 5.3%  | 5.0%   | 4.0%  | 0%  |
| Op.Costs/Re<br>WAC   |  | 90.0%  | 83.0%<br>9.4%  |   | 75.0%   |  | 70.00/  | CF 00/   |  |   |  | 20.087  |   |
| WAC  |  | 2.T/0  |  | 9.4%  | 9 4%  |  | 70.0%   | 65.0%<br>9.6%  | 65.0%<br>9.7%  | 65.0%<br>9.8%   | 60.0%  | 30.0%<br>10.0%  | Straightline<br>10 years  |
|  |  |  |  | 9.4%<br><u>Val</u> ı  | 9.4%<br>uation  | 9.5%   | 70.0%<br>9.5%   | 65.0%<br>9.6%  | 65.0%<br>9.7%  | 65.0%<br>9.8%   | 60.0%<br>9.9%                                | 10.0%   | 10 years  |
| 31007 11   | LTM  | LTM+1Y   | LTM+2Y   | Valu<br>LTM+3Y  | uation<br>LTM+4Y  | 9.5%<br>LTM+5Y   | 9.5%<br>LTM+6Y  | 9.6%<br>LTM+7Y   | 9.7%<br>LTM+8Y   | 9.8%<br>LTM+9Y  | 00.070                                       | 10.0%   |   |
| NOPLA  | Γ \$41.1   | \$140.5  | \$195.0  | LTM+3Y<br>\$280.4   | LTM+4Y<br>\$327.5   | 9.5%<br>LTM+5Y<br>\$405.3  | 9.5%<br>LTM+6Y<br>\$511.1   | 9.6%<br>LTM+7Y<br>\$558.4  | 9.7%<br>LTM+8Y<br>\$595.0  | 9.8%<br>LTM+9Y<br>\$699.3   | 00.070                                       | 10.0%   | 10 years  |
| Invested capita  | Γ \$41.1<br>al \$1,218.0   | \$140.5<br>\$1,763.1   | \$195.0<br>\$1,871.4   | Vali<br>LTM+3Y<br>\$280.4<br>\$1,971.3  | LTM+4Y<br>\$327.5<br>\$2,056.6  | 9.5%<br>LTM+5Y<br>\$405.3<br>\$2,369.0   | 9.5%<br>LTM+6Y<br>\$511.1<br>\$2,525.5  | 9.6%<br>LTM+7Y<br>\$558.4<br>\$2,594.3   | 9.7%<br>LTM+8Y<br>\$595.0<br>\$2,639.6   | 9.8%<br>LTM+9Y<br>\$699.3<br>\$2,814.5  | 00.070                                       | 10.0%   | 10 years  |
|  | Γ \$41.1<br>al \$1,218.0<br>C 3.8%   | \$140.5  | \$195.0  | LTM+3Y<br>\$280.4   | LTM+4Y<br>\$327.5   | 9.5%<br>LTM+5Y<br>\$405.3  | 9.5%<br>LTM+6Y<br>\$511.1   | 9.6%<br>LTM+7Y<br>\$558.4  | 9.7%<br>LTM+8Y<br>\$595.0  | 9.8%<br>LTM+9Y<br>\$699.3   | 00.070                                       | 10.0%   | 10 years  |
| Invested capit.<br>ROI<br>UFC<br>EV.   | Γ \$41.1<br>al \$1,218.0<br>C 3.8%<br>F \$0.00<br>A -\$48.89   | \$140.5<br>\$1,763.1<br>8.8%   | \$195.0<br>\$1,871.4<br>11.0%  | Value LTM+3Y \$280.4 \$1,971.3 14.9%  | LTM+4Y<br>\$327.5<br>\$2,056.6<br>16.6%   | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7%   | 9.5%<br>LTM+6Y<br>\$511.1<br>\$2,525.5<br>21.5%   | 9.6%<br>LTM+7Y<br>\$558.4<br>\$2,594.3<br>22.1%  | 9.7%<br>LTM+8Y<br>\$595.0<br>\$2,639.6<br>22.9%  | 9.8%  LTM+9Y \$699.3 \$2,814.5 26.5% \$524.44 \$468.88  | 00.070                                       | 10.0%   | 10 years  |
| Invested capit<br>ROI<br>UFC<br>EV<br>Terminal valu  | F \$41.1  3.8% F \$0.00  -\$48.89  | \$140.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>-\$8.29  | \$195.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24  | Value 12 Val  | \$327.5<br>\$2,056.6<br>16.6%<br>\$242.18<br>\$147.20   | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  | 9.5%<br>LTM+6Y<br>\$511.1<br>\$2,525.5<br>21.5%<br>\$354.56<br>\$302.09   | 9.6%<br>LTM+7Y<br>\$558.4<br>\$2,594.3<br>22.1%<br>\$489.55<br>\$322.54  | 9,7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91   | 9.8%  LTM+9Y \$699.3 \$2,814.5 26.5% \$524.44 \$468.88 \$8,796.62   | 00.070                                       | 10.0%   | 10 years  |
| Invested capit.<br>ROI<br>UFC<br>UFC<br>Terminal valu<br>Enterprise value (mid-year adj  | T \$41.1 al \$1,218.0 C 3.8% F \$0.00 A -\$48.89 c .) \$5,444.30   | \$140.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>-\$8.29<br>\$6,128.96  | \$195.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24  | Vals LTM+3Y \$280.4 \$1,971.3 14.9% \$180.51 \$109.66   | LTM+4Y<br>\$327.5<br>\$2,056.6<br>16.6%<br>\$242.18<br>\$147.20<br>\$7,610.52   | 9,5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27 \$8,288.12   | 9.5%  LTM+6Y \$511.1 \$2,525.5 21.5% \$334.56 \$302.09  \$8,729.30  | 9.6%  LTM+7Y \$558.4 \$2,594.3 22.1% \$489.55 \$322.54   | 9,7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91   | 9,8%  LTM+9Y \$699.3 \$2,814.5 26.5% \$524.44 \$468.88 \$8,796.62 \$9,771.51  | 00.070                                       | 10.0%   | 10 years  |
| Invested capit<br>ROI<br>UFC<br>EV<br>Terminal valu  | F \$41.1<br>al \$1,218.0<br>C 3.8%<br>F \$0.00<br>A -\$48.89<br>c \$5,444.30<br>st \$408.80  | \$140.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>-\$8.29  | \$195.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24  | Value 12 Val  | \$327.5<br>\$2,056.6<br>16.6%<br>\$242.18<br>\$147.20   | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  | 9.5%<br>LTM+6Y<br>\$511.1<br>\$2,525.5<br>21.5%<br>\$354.56<br>\$302.09   | 9.6%<br>LTM+7Y<br>\$558.4<br>\$2,594.3<br>22.1%<br>\$489.55<br>\$322.54  | 9,7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91   | 9.8%  LTM+9Y \$699.3 \$2,814.5 26.5% \$524.44 \$468.88 \$8,796.62   | 00.070                                       | 10.0%   | 10 years  |
| Invested capit. ROI UFC ETC Terminal valu Enterprise value (mid-year adj Total Del Minority Intere Preferred Equit   | F \$41.1 al \$1,218.0 C 3.8% F \$0.00 A -\$48.89 c c .) \$5,444.30 bt \$408.80 st \$0.00 y \$0.00  | \$140.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>-\$8.29<br>\$6,128.96<br>\$408.80<br>\$0.00<br>\$0.00  | \$195.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$0.00  | Valv<br>LTM+3Y<br>\$280.4<br>\$1,971.3<br>14.9%<br>\$180.51<br>\$109.66<br>\$7,164.69<br>\$408.80<br>\$0.00<br>\$0.00   | uation LTM+4Y \$327.5 \$2,056.6 16.6% \$242.18 \$147.20 \$7,610.52 \$4408.80 \$0.00 \$0.00  | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00   | 9,5%  LTM+6Y \$511.1 \$2,525.5 21.5% \$334.56 \$302.09  \$8,729.30 \$408.80 \$0.00 \$0.00   | 9.6%  LTM+7Y \$558.4 \$2,594.3 22.1% \$489.55 \$322.54  \$9,141.26 \$408.80 \$0.00 \$0.00  | 9,7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$0.00  | 9.8%  LTM+9Y \$609.3 \$2,814.5 26.5% \$524.44 \$468.88 \$8,796.62 \$9,771.51 \$408.80 \$0.00 \$0.00   | 00.070                                       | 10.0%   | 10 years  |
| Invested capit  ROI  UFC  Terminal valu  Enterprise value (mid-year adj  Minority Intere  Preferred Equil  Capitalized Operating lease   | F \$41.1  S1,218.0  C 3.8%  F \$0.00  A -\$48.89  c  ) \$5,444.30  ts \$408.80  st \$0.00  y \$0.00  ts \$70.40  | \$140.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>-\$8.29<br>\$6,128.96<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,432.54  | \$195.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$1,534.79  | Vali<br>LTM+3Y<br>\$280.4<br>\$1,971.3<br>14.9%<br>\$180.51<br>\$109.66<br>\$7,164.69<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,631.95   | uation  LTM+4Y \$327.5 \$2,056.6 16.6% \$242.18 \$147.20 \$7,610.52 \$498.80 \$0.00 \$1,715.47  | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00 \$2,024.48  | 9,5%  LTM+6Y \$511.1 \$2,525.5 21.5% \$354.56 \$302.09  \$8,729.30 \$408.80 \$0.00 \$2,176.62   | 9.6%  LTM+7Y \$558.4 \$2,594.3 22.11% \$489.55 \$322.54  \$9,141.26 \$408.80 \$0.00 \$0.00 \$2,241.16  | 9.7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$0.00 \$2,282.38   | 9,8%  LTM+9Y \$699.3 \$2,814.5 26,5% \$524.44 \$468.88 \$8,796.62 \$9,771.51 \$408.89 \$0.00 \$0.00 \$2,455.77  | 00.070                                       | 10.0%   | 10 years  |
| Invested capit ROI UFC UFC Terminal valu Enterprise value (mid-year adj Total Del Minority Intere Preferred Equi Capitalized Operating lease PV of Unfunded Pension Plan Liabilitie  | F \$41.1  al \$1,218.0  C 3.8%  F \$0.00  A -\$48.89  c  b) \$5,444.30  bt \$408.80  bt \$408.80  by \$0.00  y \$0.00  cs \$870.40  cs \$0.00  | \$140.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>-\$8.29<br>\$6,128.96<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,432.54<br>\$0.00  | \$105.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,534.79<br>\$0.00  | Valu<br>LTM+3Y<br>\$280.4<br>\$1,971.3<br>14.9%<br>\$180.51<br>\$109.66<br>\$7,164.69<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,631.95<br>\$0.00   | ULTM+4Y<br>\$327.5<br>\$2,056.6<br>16.6%<br>\$242.18<br>\$147.20<br>\$7,610.52<br>\$408.80<br>\$0.00<br>\$1,715.47<br>\$0.00  | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00 \$2,024.48 \$0.00   | 9,5%  LTM+6Y \$511.1 \$2,525.5 21,5% \$334.56 \$30(2.09)  \$8,729.30 \$408.80 \$0.00 \$0.00 \$2,176.62 \$0.00   | 9.6%  LTM+7Y \$558.4 \$2,594.3 22,1% \$489.55 \$322.54  \$9,141.26 \$408.80 \$0.00 \$0.00 \$2,241.16 \$0.00  | 9,7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$2,282.38 \$0.00   | 9.8%  LTM+9Y \$609.3 \$2,814.5 26.5% \$524.44 \$468.88 \$8,796.62 \$9,771.51 \$408.80 \$0.00 \$2,453.77 \$0.00  | 00.070                                       | 10.0%   | 10 years<br>82.61% - 633.43%  |
| Invested capit  ROI  UFC  Terminal valu  Enterprise value (mid-year adj  Minority Intere  Preferred Equil  Capitalized Operating lease   | F \$41.1  d \$1,218.0  C 3.8%  F \$0.00  A -\$48.89  c 5,444.30  ot \$408.80  st \$0.00  y \$0.00  cs \$870.40  cs \$0.00  s \$3.54  | \$140.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>-\$8.29<br>\$6,128.96<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,432.54  | \$195.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$1,534.79  | Vali<br>LTM+3Y<br>\$280.4<br>\$1,971.3<br>14.9%<br>\$180.51<br>\$109.66<br>\$7,164.69<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,631.95   | uation LTM+4Y \$327.5 \$2,056.6 16.6% \$242.18 \$147.20 \$7,610.52 \$498.80 \$0.00 \$1,715.47   | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00 \$2,024.48  | 9,5%  LTM+6Y \$511.1 \$2,525.5 21.5% \$354.56 \$302.09  \$8,729.30 \$408.80 \$0.00 \$2,176.62   | 9.6%  LTM+7Y \$558.4 \$2,594.3 22.11% \$489.55 \$322.54  \$9,141.26 \$408.80 \$0.00 \$0.00 \$2,241.16  | 9.7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$0.00 \$2,282.38   | 9,8%  LTM+9Y \$699.3 \$2,814.5 26,5% \$524.44 \$468.88 \$8,796.62 \$9,771.51 \$408.89 \$0.00 \$0.00 \$2,455.77  | 00.070                                       | 10.0%   | 10 years  |
| Invested capit. ROI UFC UFC Terminal valu Enterprise value (mid-year adj Total Del Minority Intere Preferred Equi Capitalized Operating lease PV of Unfunded Pension Plan Liabiliti Dilutive impact of options,warrants, and convert Other claims on operating asse Non-operating cash and LT investmen  | T \$41.1 d \$1,218.0 C 3.8% F \$0.00 A -\$48.89 cc \$5,444.30 dt \$408.80 dt \$0.00 y \$0.00 y \$0.00 cs \$870.40 ss \$83.54 ss \$0.00 st \$0.00 ss \$83.54 ss \$0.00 dt \$1.2 | \$140.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>-\$8.29<br>\$6,128.96<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,432.54<br>\$0.00<br>\$2.18<br>\$0.00<br>\$401.50  | \$195.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,534.79<br>\$0.00<br>\$80.68<br>\$0.00<br>\$80.68  | Vah<br>LTM+3Y<br>\$280.4<br>\$1,971.3<br>14.9%<br>\$180.51<br>\$109.66<br>\$7,164.69<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,631.95<br>\$0.00<br>\$79.03<br>\$0.00<br>\$79.03<br>\$0.00<br>\$79.03   | uation LTM+4Y \$327.5 \$2,056.6 16.6% \$242.18 \$147.20 \$7,610.52 \$408.80 \$0.00 \$0.00 \$1,715.47 \$0.00 \$77.20 \$0.00 \$1,190.67   | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00 \$2,024.48 \$0.00 \$75.18 \$0.00 \$1,580.95   | 9.5%  LTM+6Y \$511.1 \$2,525.5 21.5% \$354.56 \$302.09  \$8,729.30 \$408.80 \$0.00 \$0.00 \$2,176.62 \$0.00 \$72.95 \$0.00 \$2,2085.81  | 9.6%  LTM+7Y \$558.4 \$2,594.3 22.1% \$489.55 \$322.54  \$9,141.26 \$408.80 \$0.00 \$0.00 \$2,241.16 \$0.00 \$70.48 \$0.00 \$2,644.00                                    | 9.7%  LTM+8Y \$595.0 \$2,439.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$0.00 \$2,282.38 \$0.00 \$67.83 \$0.00 \$53,243.21             | 9.8%  LTM+9Y \$609.3 \$2,814.5 26.5% \$524.44 \$468.88 \$8,796.62 \$9,771.51 \$408.80 \$0.00 \$2,453.77 \$0.00 \$65.25 \$0.00 \$3,957.82                      | 00.070                                       | 10.0%   | 10 years<br>82.61% - 633.43%  |
| Invested capit  ROI  UFC  Terminal valu  Enterprise value (mid-pear adj  Total Del  Minority Intere  Preferred Equit  Capitalized Operating lease  PV of Unfunded Pension Plan Liabiliti  Dilutive impact of options,warrants, and convert  Other claims on operating asse  Non-operating cash and LT investmen  Equity value  | F \$41.1 d. 1 \$1,218.0 C 3.8% F \$0.00 A -\$48.89 c   | \$1,40.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>-\$8.29<br>\$6,128.96<br>\$4408.80<br>\$0.00<br>\$1,432.54<br>\$0.00<br>\$82.18<br>\$0.00<br>\$461.50<br>\$466.94   | \$195.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$1,534.79<br>\$0.00<br>\$80.08<br>\$0.00<br>\$0.00<br>\$50.00<br>\$0.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00<br>\$50.00   | Vah<br>LTM+3Y<br>\$280.4<br>\$1,971.3<br>14.99%<br>\$180.51<br>\$109.66<br>\$7,164.69<br>\$408.80<br>\$0.00<br>\$0.00<br>\$0.00<br>\$70.03<br>\$0.00<br>\$79.03<br>\$0.00<br>\$884.65<br>\$5,529.57   | uation LTM+4Y \$327.5 \$2,056.6 16.6% \$242.18 \$147.20 \$7,610.52 \$440.8.90 \$0.00 \$1,715.47 \$0.00 \$77.20 \$0.00 \$1,190.67 \$6,599.73   | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00 \$2,024.48 \$0.00 \$75.18 \$0.00 \$1,580.95 \$7,30.06   | 9,5%  LTM+6Y \$511.1 \$2,525.5 21.5% \$334.56 \$302.09  \$8,729.30 \$408.80 \$0.00 \$0.00 \$2,176.62 \$0.00 \$72.95 \$0.00 \$2,085.81 \$8,156.74  | 9.6%  LTM+7Y \$558.4 \$2,594.3 22.1% \$489.55 \$392.54  \$9,141.26 \$408.80 \$0.00 \$0.00 \$70.40 \$70.48 \$0.00 \$2,241.16 \$0.00 \$70.48 \$0.00 \$2,644.00 \$9,064.82  | 9,7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$0.00 \$0.00 \$0.00 \$67.83 \$0.00 \$5,248.21 \$9,954.90       | 9.8%  LTM+9Y \$609.3 \$2,814.5 26.5% \$524.44 \$468.88 \$8,796.62 \$9,771.51 \$408.80 \$0.00 \$0.00 \$0.00 \$0.00 \$65.25 \$0.00 \$3,957.82 \$10,801.52       | 9.9%<br>800%<br>600%<br>400%<br>200%<br>200% | 10.0%   | 10 years<br>82.61% - 633.43%  |
| Invested capit ROI UFC UFC Terminal valu Enterprise value (mid-year adj Total Del Minority Intere Preferred Equit Capitalized Operating lease PV of Unfunded Pension Plan Liabiliti Dilutive impact of options,warrants, and convert Other claims on operating asse Non-operating cash and LT investmen Equity valu Shares outstandin  | T \$41.1 d \$1,218.0 C 3.8% F \$0.00 A -\$48.89 c \$5,444.30 dt \$408.80 dt \$0.00 y \$0.00 y \$0.00 cs \$870.40 s \$83.54 ds \$0.00 s \$1.23.33 c \$4,204.89 g \$127.11   | \$140.5<br>\$1,763.1<br>8.8%<br>\$86.92<br>\$8.29<br>\$6,128.96<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,432.54<br>\$0.00<br>\$2.18<br>\$0.00<br>\$461.50<br>\$466.94<br>\$127.11  | \$105.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$1,534.79<br>\$0.00<br>\$80.68<br>\$0.00<br>\$628.97<br>\$5,258.59   | Vah:<br>\$280.4<br>\$1,971.3<br>\$14.9%<br>\$180.51<br>\$10.966<br>\$7,164.69<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,631.95<br>\$0.00<br>\$79.03<br>\$84.65<br>\$5,229.57<br>\$127.11   | uation  LTM+4Y \$327.5 \$2,056.6 16.6% \$242.18 \$147.20 \$7,610.52 \$408.80 \$0.00 \$1,715.47 \$0.00 \$77.20 \$0.00 \$1,190.67 \$6,599.73 \$127.11   | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00 \$2,024.48 \$0.00 \$75.18 \$0.00 \$1,580.95 \$7,360.60 \$1,27.11  | 9,5%  LTM+6Y \$511.1 \$2,525.5 21,5% \$334.56 \$302.09  \$8,729.30 \$408.80 \$0.00 \$2,176.62 \$0.00 \$72.95 \$0.00 \$2,085.81 \$8,156.74 \$127.11  | 9.6%  LTM+7Y \$558.4 \$2,594.3 \$2,21% \$489.55 \$322.54  \$9,141.26 \$408.80 \$0.00 \$0.00 \$2,241.16 \$0.00 \$70.48 \$0.00 \$2,644.00 \$9,064.82 \$127.11              | 9.7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$2,282.38 \$0.00 \$67.83 \$0.00 \$3,243.21 \$9,954.90 \$127.11 | 9.8%  LTM+9Y \$609.3 \$2,814.5 26.5% \$524.44 \$408.88 \$8,796.62 \$9,771.51 \$408.80 \$0.00 \$2,453.77 \$0.00 \$65.25 \$0.00 \$3,957.82 \$10,801.52 \$127.11 | 9.9%<br>800%<br>600%<br>400%<br>200%<br>200% | 10.0%   | 10 years<br>82.61% - 633.43%<br>y = 8.66% - 118.50%   |
| Invested capit  ROI  UFC  Terminal valu  Enterprise value (mid-pear adj  Total Del  Minority Intere  Preferred Equit  Capitalized Operating lease  PV of Unfunded Pension Plan Liabiliti  Dilutive impact of options,warrants, and convert  Other claims on operating asse  Non-operating cash and LT investmen  Equity value  | F \$41.1 d. 1 \$1,218.0 C 3.8% F \$0.00 A -\$48.89 c. 55,444.30 d. \$408.80 d. \$0.00 c. \$870.40 c. \$970.40 c. \$970.  | \$1,40.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>\$6,128.96<br>\$408.80<br>\$0.00<br>\$1,432.54<br>\$0.00<br>\$40.15<br>\$4,666.94<br>\$127.11<br>\$38.40  | \$195.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$1,534.79<br>\$0.00<br>\$80.68<br>\$0.00<br>\$628.97<br>\$5,258.59<br>\$127.11   | Vah<br>LTM+3Y<br>\$280.4<br>\$1,971.3<br>14.99%<br>\$180.51<br>\$109.66<br>\$7,164.69<br>\$408.80<br>\$0.00<br>\$0.00<br>\$0.00<br>\$70.03<br>\$0.00<br>\$79.03<br>\$0.00<br>\$884.65<br>\$5,529.57   | uation LTM+4Y \$327.5 \$2,056.6 16.6% \$242.18 \$147.20 \$7,610.52 \$440.8.90 \$0.00 \$1,715.47 \$0.00 \$77.20 \$0.00 \$1,190.67 \$6,599.73   | 9.5%  LTM+5Y \$405.3 \$2,369.0 10.77% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00 \$2,024.48 \$0.00 \$75.18 \$0.00 \$1,580.05 \$7,360.60 \$127.11 \$60.18  | 9.5%  LTM+6Y \$511.1 \$2,525.5 21.5% \$354.56 \$302.09  \$8,729.30 \$408.80 \$0.00 \$2,176.62 \$0.00 \$72.95 \$0.00 \$2,285.81 \$8,156.74 \$127.11 \$66.56  | 9.6%  LTM+7Y \$558.4 \$2,594.3 \$2,21% \$489.55 \$322.54  \$9,141.26 \$408.80 \$0.00 \$0.00 \$70.48 \$0.00 \$70.48 \$0.00 \$2,644.00 \$9,064.82 \$127.11 \$73.65         | 9,7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$0.00 \$0.00 \$0.00 \$67.83 \$0.00 \$5,248.21 \$9,954.90       | 9.8%  LTM+9Y \$609.3 \$2,814.5 26.5% \$524.44 \$468.88 \$8,796.62 \$9,771.51 \$408.80 \$0.00 \$0.00 \$0.00 \$0.00 \$65.25 \$0.00 \$3,957.82 \$10,801.52       | 9.9%<br>800%<br>600%<br>400%<br>200%<br>200% | 10.0% y =   | 10 years 82.61% - 633.43%  y = 8.66% x - 118.50%  |
| Invested capit  ROI  UFC  Terminal valu  Enterprise value (mid-year adj  Total Del  Minority Intere  Preferred Equi  Capitalized Operating lease  PV of Unfunded Pension Plan Liabiliti  Dilutive impact of options,warrants, and convert  Other claims on operating asses  Non-operating cash and LT investmen  Equity valu  Shares outstandin  Price per share as of 2/5/201   | T \$41.1 d \$1,218.0 C 3.8% F \$0.00 A \$48.89 c \$5,444.30 dt \$0.00 y \$0.00 y \$0.00 cs \$870.40 cs \$870.40 cs \$83.54 ts \$0.00 cs \$4,204.89 dt \$127.11 5 \$34.32   | \$140.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>\$6,128.96<br>\$408.80<br>\$0.00<br>\$1,432.54<br>\$0.00<br>\$446.50<br>\$466.94<br>\$127.11<br>\$38.40<br>rlo Simulation At<br>Stdev  | \$195.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,534.79<br>\$0.00<br>\$80.68<br>\$0.00<br>\$628.97<br>\$5,258.59<br>\$127.11<br>\$43.15  | Vab. LTM+3Y \$280.4 \$1,971.3 14.9% \$180.51 \$109.66  \$7,164.69 \$408.80 \$0.00 \$0.00 \$1,631.95 \$0.00 \$79.03 \$0.00 \$884.65 \$5,225.7 \$127.11 \$48.43 Max   | uation  LTM+4Y \$327.5 \$2,056.6 16.6% \$242.18 \$147.20 \$7,610.52 \$408.80 \$0.00 \$1,715.47 \$0.00 \$77.20 \$0.00 \$1,190.67 \$6,599.73 \$127.11   | 9.5%  LTM+5Y \$405.3 \$2,369.0 10.77% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00 \$2,024.48 \$0.00 \$75.18 \$0.00 \$1,580.05 \$7,360.60 \$127.11 \$60.18  | 9.5%  LTM+6Y \$511.1 \$2,525.5 21.5% \$354.56 \$302.09  \$8,729.30 \$408.80 \$0.00 \$0.00 \$2,176.62 \$0.00 \$72.95 \$0.00 \$2,085.81 \$8,156.74 \$127.11 \$66.56 Intrinsic Value   | 9.6%  LTM+7Y \$558.4 \$2,594.3 22.1% \$489.55 \$322.54  \$9,141.26 \$408.80 \$0.00 \$0.00 \$2,241.16 \$0.00 \$70.48 \$0.00 \$2,644.00 \$9,064.82 \$127.11 \$73.65        | 9.7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$2,282.38 \$0.00 \$67.83 \$0.00 \$3,243.21 \$9,954.90 \$127.11 | 9.8%  LTM+9Y \$609.3 \$2,814.5 26.5% \$524.44 \$408.88 \$8,796.62 \$9,771.51 \$408.80 \$0.00 \$2,453.77 \$0.00 \$65.25 \$0.00 \$3,957.82 \$10,801.52 \$127.11 | 9.9%<br>800%<br>600%<br>400%<br>200%<br>200% | 10.0%  y =  | 10 years 82.61% - 633.43%  82.61% - 633.43%  y = 8.66% - 118.50%  h in Revenues h in NOPLAT h in Invested Capital         |
| Invested capit  ROI  UFC  Terminal valu  Enterprise value (mid-year ad)  Total Del  Minority Intere  Preferred Equit  Capitalized Operating lease  PV of Unfunded Pension Plan Liabiliti  Dilutive impact of options,warrants, and convert  Other daims on operating asse  Non-operating cash and LT investmen  Equity valu  Shares outstandin  Price per share as of 2/5/201  | T \$41.1 d \$1,218.0 C 3.8% F \$0.00 A -\$48.89 c c 5.00 S \$408.80 st \$0.00 y \$0.00 cs \$870.40 cs \$870.40 cs \$0.00 st \$408.20 d \$83.54 cs \$123.33 cs \$4,204.89 d \$127.11 \$5 \$34.32  | \$140.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>-\$8.29<br>\$6,128.96<br>\$408.80<br>\$0.00<br>\$1,432.54<br>\$0.00<br>\$82.18<br>\$0.00<br>\$4,666.94<br>\$127.11<br>\$127.11<br>\$127.11<br>\$127.11<br>\$127.11<br>\$127.11<br>\$127.11   | \$105.0<br>\$1,871.4<br>\$11,09%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$1,534.79<br>\$0.00<br>\$80.68<br>\$0.00<br>\$628.97<br>\$5,228.59<br>\$127.11<br>\$43.15   | Vah<br>LTM+3Y<br>\$280.4<br>\$1,971.3<br>\$180.51<br>\$109.66<br>\$7,164.69<br>\$408.80<br>\$0.00<br>\$0.00<br>\$0.00<br>\$70.03<br>\$0.00<br>\$79.03<br>\$0.00<br>\$79.03<br>\$40.80<br>\$79.03<br>\$40.80<br>\$79.03<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$4 | uation  LTM+4Y \$327.5 \$2,056.6 16.6% \$242.18 \$147.20  \$7,610.52 \$408.80 \$0.00 \$1,715.47 \$0.00 \$77.20 \$0.00 \$1,190.67 \$6,599.73 \$127.11 \$53.94  Distribution Normal   | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00 \$2,024.48 \$0.00 \$75.18 \$0.00 \$1,580.95 \$7,30.60 \$127.11 \$60.18  Mean est.   | 9,5%  LTM+6Y \$511.1 \$2,525.5 21.5% \$354.56 \$302.09  \$8,729.30 \$408.80 \$0.00 \$0.00 \$2,176.62 \$0.00 \$72.95 \$0.00 \$2,085.81 \$8,156.74 \$127.11 \$66.56 arlo Simulation Resul Intrinsic Value \$34.32                         | 9.6%  LTM+7Y \$558.4 \$2,594.3 22.1% \$489.55 \$322.54  \$9,141.26 \$408.80 \$0.00 \$0.00 \$0.00 \$2,241.16 \$0.00 \$70.48 \$0.00 \$2,644.00 \$2,644.00 \$12,711 \$73.65 | 9.7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$2,282.38 \$0.00 \$67.83 \$0.00 \$3,243.21 \$9,954.90 \$127.11 | 9.8%  LTM+9Y \$609.3 \$2,814.5 26.5% \$524.44 \$408.88 \$8,796.62 \$9,771.51 \$408.80 \$0.00 \$2,453.77 \$0.00 \$65.25 \$0.00 \$3,957.82 \$10,801.52 \$127.11 | 9.9%<br>800%<br>600%<br>400%<br>200%<br>200% | A.e. Gravet  A.e. Gravet  A.e. Gravet  A.e. Gravet  A.e. Gravet | 10 years 82.61% - 633.43%  82.61% - 633.43%  y = 8.66% - 118.50%  hin Revenues hin NOPLAT in Invested Capital rowth Trend |
| Invested capit  ROI  UFC  Terminal valu  Enterprise value (mid-year adj  Total Del  Minority Intere  Preferred Equit  Capitalized Operating leass  PV of Unfunded Pension Plan Liabiliti  Dilutive impact of options,warrants, and convert  Other claims on operating asses  Non-operating cash and LT investmen  Equity valu  Shares outstandin  Price per share as of 2/5/201  Revenue Variatio  Op. Costs Variatio  | T \$41.1 d \$1,218.0 C 3.8% F \$0.00 A -\$48.89 c \$5.444.30 dt \$408.80 dt \$0.00 y \$0.00 y \$0.00 c \$870.40 c \$870.40 dt \$83.54 dt \$0.00 t \$123.33 c \$4.204.89 \$122.33 c \$4.204.89 \$127.11 5 \$34.32 Monte Ca Base 0% 0%   | \$140.5<br>\$1,763.1<br>8.8%<br>486.92<br>\$8.29<br>\$6.128.96<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,432.54<br>\$0.00<br>\$82.18<br>\$0.00<br>\$40.50<br>\$4666.94<br>\$127.11<br>\$38.40<br>\$127.11<br>\$127.11<br>\$128.40<br>\$127.11<br>\$128.40<br>\$127.11<br>\$128.40<br>\$127.11<br>\$128.40<br>\$127.11<br>\$128.40<br>\$127.11<br>\$128.40<br>\$128.40<br>\$127.11<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$128.40<br>\$1  | \$105.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,534.79<br>\$0.00<br>\$80.68<br>\$0.00<br>\$628.97<br>\$5,258.59<br>\$127.11<br>\$43.15  | Vah<br>LTM+3Y<br>\$280.4<br>\$1,971.3<br>14.9%<br>\$180.51<br>\$10.56<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,631.95<br>\$0.00<br>\$79.03<br>\$0.00<br>\$79.03<br>\$0.00<br>\$79.03<br>\$0.00<br>\$72.11<br>\$48.43<br>Max<br>\$1/A<br>\$1/A   | uation  LTM+4Y \$327.5 \$2,056.6 16.6% \$242.18 \$147.20  \$7,610.52 \$408.80 \$0.00 \$0.00 \$1,715.47 \$0.00 \$77.20 \$0.00 \$1,190.67 \$6,599.73 \$127.11 \$53.94  Distribution Normal Normal   | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00 \$2,024.48 \$0.00 \$75.18 \$0.00 \$1,580.95 \$7,360.60 \$1,27.11 \$60.18  Monte C.  Mean est.  (e)                              | 9,5%  LTM+6Y \$511.1 \$2,525.5 21,5% \$334.56 \$302.09  \$8,729.30 \$408.80 \$0.00 \$2,176.62 \$0.00 \$72.95 \$0.00 \$2,085.81 \$8,156.74 \$127.11 \$66.56 atlo Simulation Resul Intrinsic Value \$34.32 \$0.32                         | 9.6%  LTM+7Y \$558.4 \$2,594.3 \$2,21% \$489.55 \$322.54  \$9,141.26 \$408.80 \$0.00 \$0.00 \$70.48 \$0.00 \$70.48 \$0.00 \$2,244.16 \$0.00 \$70.48 \$127.11 \$73.65     | 9.7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$2,282.38 \$0.00 \$67.83 \$0.00 \$3,243.21 \$9,954.90 \$127.11 | 9.8%  LTM+9Y \$609.3 \$2,814.5 26.5% \$524.44 \$408.88 \$8,796.62 \$9,771.51 \$408.80 \$0.00 \$2,453.77 \$0.00 \$65.25 \$0.00 \$3,957.82 \$10,801.52 \$127.11 | 9.9%<br>800%<br>600%<br>400%<br>200%<br>200% | A.e. Gravet  A.e. Gravet  A.e. Gravet  A.e. Gravet  A.e. Gravet | 10 years 82.61% - 633.43%  y = 8.66% - 118.50%  in Revenues in NOPLAT in Invested Capital insuch Trend                    |
| Invested capit  ROI  UFC  Terminal valu  Enterprise value (mid-year ad)  Total Del  Minority Intere  Preferred Equit  Capitalized Operating lease  PV of Unfunded Pension Plan Liabiliti  Dilutive impact of options,warrants, and convert  Other daims on operating asse  Non-operating cash and LT investmen  Equity valu  Shares outstandin  Price per share as of 2/5/201  | F \$41.1 d. \$1,218.0 C 3.8% F \$0.00 A -\$48.89 c. \$5,444.30 d. \$408.80 d. \$5,400.00 d. \$5,444.30 d. \$6,000 d  | \$140.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>-\$8.29<br>\$6,128.96<br>\$408.80<br>\$0.00<br>\$1,432.54<br>\$0.00<br>\$82.18<br>\$0.00<br>\$4,666.94<br>\$127.11<br>\$127.11<br>\$127.11<br>\$127.11<br>\$127.11<br>\$127.11<br>\$127.11   | \$105.0<br>\$1,871.4<br>\$11,09%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$1,534.79<br>\$0.00<br>\$80.68<br>\$0.00<br>\$628.97<br>\$5,228.59<br>\$127.11<br>\$43.15   | Vah<br>LTM+3Y<br>\$280.4<br>\$1,971.3<br>\$180.51<br>\$109.66<br>\$7,164.69<br>\$408.80<br>\$0.00<br>\$0.00<br>\$0.00<br>\$70.03<br>\$0.00<br>\$79.03<br>\$0.00<br>\$79.03<br>\$40.80<br>\$79.03<br>\$40.80<br>\$79.03<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$40.80<br>\$4 | LTM+4Y   \$327.5   \$2,056.6   16.6%   \$242.18   \$147.20   \$7,610.52   \$408.80   \$0.00   \$1,715.47   \$0.00   \$77.20   \$0.00   \$1,196.67   \$6,599.73   \$127.11   \$53.304   Distribution   Normal   Normal   Normal   Triangular   Triangular   \$127.5   \$2,000   \$1,196.67   \$2,000   \$1,196.67   \$2,000   \$1,196.67   \$2,000   \$1,196.67   \$2,000   \$2,00 | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00 \$2,024.48 \$0.00 \$75.18 \$0.00 \$1,580.95 \$7,30.60 \$127.11 \$60.18  Mean est.   | 9,5%  LTM+6Y \$511.1 \$2,525.5 21.5% \$354.56 \$302.09  \$8,729.30 \$408.80 \$0.00 \$0.00 \$2,176.62 \$0.00 \$72.95 \$0.00 \$2,085.81 \$8,156.74 \$127.11 \$66.56 arlo Simulation Resul Intrinsic Value \$34.32                         | 9.6%  LTM+7Y \$558.4 \$2,594.3 22.1% \$489.55 \$322.54  \$9,141.26 \$408.80 \$0.00 \$0.00 \$0.00 \$2,241.16 \$0.00 \$70.48 \$0.00 \$2,644.00 \$2,644.00 \$12,711 \$73.65 | 9.7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$2,282.38 \$0.00 \$67.83 \$0.00 \$3,243.21 \$9,954.90 \$127.11 | 9.8%  LTM+9Y \$609.3 \$2,814.5 26.5% \$524.44 \$408.88 \$8,796.62 \$9,771.51 \$408.80 \$0.00 \$2,453.77 \$0.00 \$65.25 \$0.00 \$3,957.82 \$10,801.52 \$127.11 | 9.9%<br>800%<br>600%<br>400%<br>200%<br>200% | A.e. Gravet  A.e. Gravet  A.e. Gravet  A.e. Gravet  A.e. Gravet | 10 years 82.61% - 633.43%  82.61% - 633.43%  y = 8.66% - 118.50%  hin Revenues hin NOPLAT in Invested Capital rowth Trend |
| Invested capit ROI UFC Terminal valu Enterprise value (mid-year adj Total Del Minority Intere Preferred Equil Capitalized Operating lease PV of Unfunded Pension Plan Liabiliti Dilutive impact of options,warrants, and convert Other claims on operating asse Non-operating cash and LT investmen Equity valu Shares outstandin Price per share as of 2/5/201 Revenue Variatio Op. Costs Variatio Arker Risk Premiur Marker Risk Premiur   | T \$41.1 d \$1,218.0 C 3.8% F \$0.00 A -\$48.89 c 5.444.30 or \$408.80 st \$0.00 y \$0.00 cs \$870.40 cs \$870.40 cs \$870.40 cs \$83.54 cs \$123.33 cc \$4,204.89 g \$127.11 5 \$34.32 Monte Ca Base 70% Monte  | \$140.5<br>\$1,763.1<br>8.8%<br>-\$86.92<br>\$6,128.96<br>\$408.80<br>\$0.00<br>\$1,432.54<br>\$0.00<br>\$14,32.54<br>\$0.00<br>\$40.150<br>\$4.66.94<br>\$127.11<br>\$38.40<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4.50<br>\$4. | \$195.0<br>\$1,871.4<br>11.0%<br>\$86.69<br>\$31.24<br>\$6,653.89<br>\$408.80<br>\$0.00<br>\$0.00<br>\$1,534.79<br>\$0.00<br>\$80.68<br>\$0.00<br>\$628.97<br>\$5,258.59<br>\$127.11<br>\$343.15<br>\$5,277.11<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74<br>\$1,74 | Vah. LTM+3Y \$280.4 \$1,971.3 14.99% \$180.51 \$109.66 \$7,164.69 \$408.80 \$0.00 \$0.00 \$1,651.95 \$0.00 \$79.03 \$0.00 \$884.65 \$5,29.57 \$127.11 \$48.43  Max N/A N/A \$9,0%   | uation  LTM+4Y \$327.5 \$2,056.6 16.6% \$242.18 \$147.20  \$7,610.52 \$408.80 \$0.00 \$0.00 \$1,715.47 \$0.00 \$77.20 \$0.00 \$1,190.67 \$6,599.73 \$127.11 \$53.94  Distribution Normal Normal   | 9.5%  LTM+5Y \$405.3 \$2,369.0 19.7% \$92.85 \$243.27  \$8,288.12 \$408.80 \$0.00 \$0.00 \$0.00 \$2,024.48 \$0.00 \$75.18 \$0.00 \$1,580.95 \$7,360.60 \$127.11 \$60.18  Monte C.  Mean est.  σ(e) 3 σ(e) adjusted price | 9,5%  LTM+6Y \$511.1 \$2,525.5 21.5% \$334.56 \$302.09  \$8,729.30 \$408.80 \$0.00 \$0.00 \$2,176.62 \$0.00 \$72.95 \$0.00 \$2,280.8.81 \$8,156.74 \$127.11 \$66.55 arlo Simulation Resul Intrinsic Value \$34.32 \$0.32 \$0.32 \$33.36 | 9.6%  LTM+7Y \$558.4 \$2,594.3 \$2,21% \$489.55 \$322.54  \$9,141.26 \$408.80 \$0.00 \$0.00 \$70.48 \$0.00 \$70.48 \$0.00 \$2,244.16 \$0.00 \$70.48 \$127.11 \$73.65     | 9.7%  LTM+8Y \$595.0 \$2,639.6 22.9% \$549.76 \$346.91  \$9,470.69 \$408.80 \$0.00 \$2,282.38 \$0.00 \$67.83 \$0.00 \$3,243.21 \$9,954.90 \$127.11 | 9.8%  LTM+9Y \$609.3 \$2,814.5 26.5% \$524.44 \$408.88 \$8,796.62 \$9,771.51 \$408.80 \$0.00 \$2,453.77 \$0.00 \$65.25 \$0.00 \$3,957.82 \$10,801.52 \$127.11 | 9.9%<br>800%<br>600%<br>400%<br>200%<br>200% | A.e. Gravet  A.e. Gravet  A.e. Gravet  A.e. Gravet  A.e. Gravet | 10 years 82.61% - 633.43%  82.61% - 633.43%  y = 8.66% - 118.50%  hin Revenues hin NOPLAT in Invested Capital rowth Trend |

# **Ligand Pharmaceuticals Inc.** (LGND: NASDAQ)

Financial Analysis By: Pamela Juergens- Healthcare

## Company Profile as of 2/6/2015

Market Price: \$54.99 Industry: Healthcare Market Cap: \$1.10B 52-Week: \$41.99-80.42 Beta: 1.74

| <u>Source</u> | Target Price | <b>Recommendation</b> |
|---------------|--------------|-----------------------|
| Siena         | \$88.70      | BUY                   |
| Capital IQ    | \$84.80      | BUY                   |
| Yahoo Finance | \$84.80      | BUY                   |
| Bloomberg     | \$67.00      | BUY                   |



# **Thesis**

- Diversified product pipeline
- Strong financials
- Proven revenue generation from patent protected Captisol

Ligand is a BUY because of their highly diversified portfolio of products, both on the market, and in their pipeline. They are diversified across many different diseases. Their pipeline includes five major assets that are likely to produce important news catalysts in the next 6-24 months. They have financial strength, with revenues coming from three sources: Licensing, Royalties and Captisol., all of which have unlimited growth potential as new products in their pipeline will soon be commercially available. They are also the makers of Captisol, a formulation that improves product development for pharmaceutical companies. It allows Ligand to partner with many major drug companies to launch new, innovative products, generating more revenue.

# Company Overview

Ligand Pharmaceuticals, Inc. develops and markets new drugs that address critical unmet medical needs in the areas of cancer, men's and women's health, skin diseases, osteoporosis, and metabolic, cardiovascular and inflammatory diseases.

Currently, Ligand's revenues come from three sources: Captisol, royalty, and licensing fees. Ligand partners with 62 different drug companies to market their drugs.

## **Management**

On January 27, 2015, Ligand appointed Matther Foehr as the president and COO. He has more than 20 years' experience in the pharmaceutical industry, having manages global operations and various research and development programs. John L. Higgins has been CEO of Ligand Pharmaceuticals since January 16, 2007. He has over 14 years' experience in corporate development, financing, strategic planning, commercialization and investment banking in the biopharmaceutical industry. Prior to working at Ligand he was the CFO of Connetics.

## **Product Pipeline**

Ligand has a large, diversified product pipeline across all stages of development. They have over 27 drugs in the preclinical phase, over 41 drugs in Phase 1, 15 drugs in Phase 2, 9 drugs in Phase 3/NDA, and 7 drugs that are currently marketed. Not only is their portfolio diversified across all stages of development, it is also balanced by indications. Their portfolio includes 41% oncology drugs, 14% inflammation, 9% infectious, 9% central nervous system, 8% metabolic, 8% blood, 4% ophthalmology, and 3% other. There are many major assets in their pipeline, in all different stages that are expected to be highly accretive in the future for Ligand, and create major news catalysts over the next 6 to 24 months. These assets

include:

| Program                               |                          | Year                                     |              |
|---------------------------------------|--------------------------|--|--------------|
| (Therapy Area)                        | 2015                     | 2016                                     | 2017         |
| CE- Melphalan<br>(Oncology)           | Approval                 | Launch                                   |              |
| Delafloxacin IV<br>(Infection)        | Phase 3 Data             | Approval/Launch                          |              |
| MK-8931<br>(Alzheimer's Disease)      |                          |  | Phase 3 Data |
| Sparsentan<br>(FSGS - Kidney Disease) | Enrollment<br>Completion | Phase 2<br>(Potentially Pivotal)<br>Data |              |
| SAGE-547<br>(Neurology)               | Pivotal Initiation       |  |              |

**CE\_Melphalan:** Captisol Enabled Melphalan is being developed as a novel version of the well-established conditioning treatment in autologous transplant for patients with multiple myeloma. This formulation avoids the use of propylene glycol, which is used as a co-solvent in the current formulation of melphalan. It has been reported that propylene glycol causes renal and cardiac side effects that limit the ability to deliver higher quantities. The use of Captisol technology to reformulate melphalan is expected to allow for longer administration durations and slower infusion rates, which will allow a higher dosage to be administered. Multiple myeloma is a cancer of plasma cells. In multiple myeloma, a group of plasma cells becomes cancerous and multiples, raising the number of plasma cells to a higher than normal level, which can crowd out normal blood cells and lead to abnormally high proteins in the blood or urine.

There were approximately 22,000 new cases in 2013, with the incidence of new cases increasing by approximately 1.7% per year. The American Cancer Society estimates that in the United States in 2015, there will be about 26,850 new cases diagnosed (14,090 in men and 12,760 in women) and about 11,240 deaths will occur. The current intravenous melphalan market is approximately \$100 million annually. It is currently used predominantly in stem cell transplants. The rate of autologous stem cell transplants for patients with multiple myeloma is growing by approximately 3.3% annually. Ligand signed a partnership with Spectrum Pharmaceuticals in 2013. Per the agreement terms, Spectrum Pharma is responsible for the pivotal study and filing the NDA. Ligand received a license fee of \$3 million and is eligible to receive milestone payments and royalties following the commercialization. CE\_Melphalan is in the NDA stage of FDA approval. It is expected that the review will take approximately 10 months. If approved, Spectrum Pharma will launch the drug in 2015.

**Delafloxacin IV:** Delafolxacin is an investigational fluoroquinolone for the treatment of patients with acute bacterial skin and skin structure infections (ABSSSI) caused by Gram-positive (MRSA), and Gram-negative bacteria. In early January Ligand's partner in the venture, Melinta Therapeutics, reported positive top-line results from the first of two Phase III PROCEED studies. Delafloxacin met the study's primary objective endpoint, required by the FDA, of a reduction in the measurement of lesion erythema at the primary infection site at 48-72 hours.

The FDA has designated Delafloxacin a Qualified Infectious Disease Product (QIDP). This designation enables 5 years of market exclusivity, Priority Review, and Fast Track eligibility. This drug is medically important, and there is a large and growing market for it. The market for MRSA in the United States alone was \$2 billion in 2013. Delafloxacin has a potential launch date some time in 2016, pending FDA approval. Ligand's peak potential royalty revenue range following the launch would be greater than \$40 million.

**MK-8931:** This is an oral beta-secretase (BACE1) inhibitor for potential treatment of Alzheimer's disease. In tests it is the first BACE1 inhibitor that has demonstrated to lower amyloid beta in the cerebral spinal fluid of people with Alzheimer's disease. Amyloid beta are peptides of 36-43 amino acids that are crucially involved in Alzheimer's disease as the main components of the amyloid plaques found in the brains of patients.

There is a growing need for Alzheimer's drugs, as the size and proportion of the U.S. population age 65 and older continues to increase. The number will escalate rapidly as the baby boom generation ages. An estimated 5.2 million Americans had Alzheimer's disease in 2014, with 5 million people being over the age of 65 and only 200,000 people with earlier onset Alzheimer's. About 11% of people age 65 and older have Alzheimer's. Presently, the FDA has only approved two types of medications cholinesterase inhibitors and memantine to treat the cognitive symptoms (memory loss, confusion, and problems with thinking and reasoning. The current medications do not stop the damage that Alzheimer's causes to brain cells, they lessen or stabilize the symptoms for a period of time. MK-8931 is formulated to treat the cause of Alzheimer's, and halt the brain damage that occurs. It is currently in the midst of two Phase III trials to assess its safety and efficacy, which are expected to conclude in mid-2017. MK-8931 has a potential launch date of 2018. Ligand is partnered with Merck on this venture, and can earn royalties greater than \$100 million on potential future net sales.

Sparsentan (RE-021): RE-021 is a dual-acting endothelin receptor antagonist (ERA) and angiotensin receptor blocker (ARB) being developed for Focal Segmental Glomerulosclerosis (FSGS). FSGS is defined by diminished glomerular filtration in the kidneys, which leads to progressive scarring of the glomeruli and increased levels of proteinuria. It is a rare and severe nephropathy which affects approximately 50,000 patients in the United States, mostly pediatric. The current standard of care for FSGF patients is to take steroids: 20-30% of patients go into remission while others are put on ARBs. Progression to dialysis and transplant is often rapid. RE-021 acts as both an ERA and ARB; studies in similar nephropathies have shown both to be effective in reducing proteinuria. It is currently involved in a potentially pivotal Phase II clinical trial, called DUET, with the primary endpoint being reduced proteinuria. Ligand is partnered with Retrophin. Ligand has a 9% royalty rate on the therapy, with peak potential revenue range greater than \$70 million. Re-021 has a potential launch date of 2017.

**SAGE-547:** Sage-547 is an allosteric modulator of both synaptic and extra-synaptic GABAA receptors. It is an IV treatment in development as a therapy combined with current therapeutic approaches, for the treatment of super-refractory status epilepticus (SRSE). SRSE is a status epilepticus that continues or recurs 24 hours or more after the onset of anaesthetic therapy. SRSE is an acute, orphan disease. There are presently no drugs for the treatment of SRSE. Sage-547 was given orphan drug designation in April 2014, and Fast Track Designation in July 2014. Fast Track designation is granted by the FDA to facilitate the development and expedite the review of drug candidates that are intended to treat serious or life-threatening conditions and demonstrate the potential to address unmet medical needs. In November 2014, a Phase1/2 trial concluded and SAGE-547 met all primary and secondary endpoints. In 73% of

patients in the trial, treatment with SAGE-547 allowed tm to be weaned off their anaesthetic agent. In early 2015, Sage

Therapeutics will initiate a pivotal trial to continue to test SAGE-547. Ligand is partnered with Sage Therapeutics, and has a peak potential revenue range greater than \$40 million. SAGE-547 has a potential launch date of 2017.

## **Captisol**

One of Ligand's major sources of revenue is their product Captisol. Captisol is a formulation technology that improves product development. It enables the creation of new products by significantly improving solubility, stability, bioavailability and dosing of active pharmaceutical ingredients (APIs). Traditional formulation systems for insoluble and/or unstable APIs involve a combination of organic solvents, surfactants, and extreme pH conditions. Upon injection these formulations may cause irritation or other adverse reactions, and at sometimes these approaches are inadequate for solubilizing enough active agents for a preferred formulation. Captisol Technology solves the problems associated with traditional formulation systems. The solubilities of neutral, cationic and anionic APIs have increased by a factor of anywhere from 10 to 25,000, depending on the compound. Captisol stabilizes by providing a beneficial and protected environment for the API in its lipophilic cavity. Using Captisol early in the development process can increase the number of candidates that can be evaluated, decrease development time and increase lead candidate survivability. Captisol has partnerships with major drug companies including Pfizer, Merck, Bristol Myers Squibb, Celgene, and many others. There are currently six FDA-approved Captisol-enabled Drugs on the market (Nexterone, VFEND, Geodon, Cerenia, Abilify, and Kyprolis), with many more in various phases of the approval process. The Captisol business is thriving, and helping drive growth for Ligand. There are new customers buying Captisol due to recent and expanded deals. Ligand also has supply contracts to support large, late-stage trials. Finally, multiple new Captisol partners are gearing up for potential commercial launch in 2015. In order to keep up with demand Ligand is increasing production of Captisol at their two contract manufacturing locations in Ireland and Portugal. They are also increasing their stockpile of Captisol that they hold on reserve in the U.S. to ensure a reliable supply to their growing customer needs. Ligand expects that in Q4 2014, Captisol orders will make up approximately half of their revenue, around \$12 million. As pharmaceutical companies are realizing the helpfulness and effectiveness of using Captisol in the development of their drugs orders will continue to increase, driving revenue growth for Ligand.

# **Financials**

Ligand's cash flow generation and growth potential is becoming increasingly clear. Their already launched royalty assets are performing well in the commercial marketplace, and the Captisol business is thriving. For the first nine months of 2012, they had \$17.8 million in revenue and had an operating cash loss. For the first nine months of 2014 they had \$41 million in revenue. Their revenues come from three sources: Captsiol, licensing deals, and royalties. Their lead royalty program is Promacta, a drug launched by GSK. In Q3 2014 Promacta posted \$104 million in sales. Ligand currently earns a royalty rate of 7.5% and by next year will be earning royalties of 9.4%. All of Ligand's royalty deals continue to generate revenue. The growth in their royalties, as well as their increased Captisol sales are driving increased profits and cash flow for Ligand. Because a large percentage of their business is royalty and licensing fees, they have a consistent gross margin of 88%. Their EBITDA margin has increased dramatically, from 9.3% in FY 2012 to 35.95% in FY2013. High annual revenue growth is projected for the next three years. Revenues for FY 2015 are expected to be \$81-83 million, greater than \$107 million in FY 2016, and greater than \$146 million in FY 2017. This is will be attributed to their ever expanding portfolio. At the same time their revenues are growing, their annual cash expenses will remain the same, approximately \$20 to \$22 million, leading to a greatly increased net income.

## Conclusion

With a 1 year target price of \$88.70, and a potential upside of 64.5% Ligand is a buy. They have three sources of revenue that will continue to grow, as new products from their pipeline are launched. Many of these pipeline assets will generate important news catalysts over the next 6 to 24 months, potentially driving upward momentum in the stock price.

| Part   | Limand Pharmacourticals Incompressed   | ICND  | Analyset D  | inolo des Pois   | Curr  | ent Price: 53.9  | Loung Bound Intein  | ic Value: \$92.4   | Lower Bound to  | -Tarmet' \$99.7   | Dividend Yield: (  | 10/6                                      | 1v Unoide (down                                 | oide) * 64-5494  |
|---|--|---|---|--|---|--|---|--|---|---|--|---|---|--|
| Section   Part  | Ligand Phaimaceuticals incorporated  | LGND  | Analyst: K  | 3  |   | ent Price; 55.9  | Lower Bound Intins  | ac value: \$82.4   | Lower Bound ly  |   | Dividend Tield,  | 170                                       | Ty Upside (down                                 | Bide): 64.34%  |
| Section   Part  | · · · · · · · · · · · · · · · · · · ·  | _   | E   |  |   | Symbol   | NAME  | Market Can   | TEV/EBITDA  |   | ERITDA Margin  | Total Debt/TEV                            | EBIT /Int Exp                                   | Altman Z   |
| Second column   Col  |  |   | I .   | -  |   |  |   | •  |   |   | -  |   |   |  |
| Process   Communication   Co  | •  |   |   | •  | _   |  |   |  |   |   |  |   |   |  |
| Company   Comp  | generating agets in the United States. Its late-state development of   | recomma include Promacts a  | an oral that mbonoictin cu  |  |   |  |   |  |   |   |  |   | (9.6x)  |  |
| Column  | receptor agonist therapy for the treatment of adult patients w   | rith chronic immune thron   | nbocytopenie purpurs Di   | iluted shares outs tanding   | 21.55   | AMEX:RNN   | Revahn Pharm accuticals,  | \$129.25   | NM  | 4.5x  | 0%   | 0%  |   |  |
| Column   C  |  |   | sumi ostoporosis; and   |  |   |  |   |  |   |   |  |   |   |  |
| Comment   Comm  | Nexteronic, an injectable formulation. The company's late-stage  | development programs that s   | are in Phase III elinical %   |  |   |  |   |  |   |   |  |   |   |  |
| Part  | trials comprise Captisol-enabled Novafil-IV; MB-8931 Beta-Se   | eretase Inhibitor program   | for the treatment of Di   | ort interest   |   |  |   |  |   |   |  |   |   |  |
| Part   | Altrhamer's disease; Capaisol-enabled Carbam mapino-IV for the<br>or emergency settings; and Capaisol-enabled Delaflossein-IV f  | management of scute scieur<br>for the treatment of soute b  | te disorder for hospital Da<br>bacterial skin and skin 52   | week high  |   |  |   |  |   |   |  |   |   |  |
| Control   Cont  | structure infections. It also offers Sparsentan that is in Phase II  | dinical trials for kidney dis   | esses; Lasofoxi fene, an 52   | -week low  |   |  |   |  |   |   |  |   |   |  |
| Procession   Comp Profile   Comp P  | care gen partial agent a for esteep erests treatment and other d   | liseases; and Captisol-enabled  | Topiramate Injection, 5y  | Beta   | 1.27  | Peers' Median  | _   | \$1,445.02   | 12.5x   | 4.5 x   | 17%  | 4%  | (3.8x)  | 15.23  |
| Procession   Table   Company   Com  | which is in Phase I dinical trials for the treatment of partial on   |   |   | m onth volatility  | 41.24%  | LGND   |   | \$1,079.25   |   |   | 35%  | 18%                                       | 7.6x  | 0.97   |
| Figure   150   1  |  |   |   | C TX/2012  | C PV201   |  | LOND  |  |   |   | 1-4  |   | AUTT  |  |
| Product   Product and Color   1   150   |  |   |   | -  |   |  |   |  | -   |   |  |   |   |  |
| Color   Colo  |  |   |   |  |   |  |   | -  |   |   |  |   | 8.69%   | •  |
| Section Code   Proposition Code   Column   Col  |  |   | 1 1 1   |  |   |  |   |  |   |   |  |   |   |  |
|   |  | Vice President, General   | \$ 478,873.00 \$  |  |   |  |   |  |   | 0.00  |  | 0.83                                      | 1.61  |  |
| Contract Section   Contract   C  |  |   | \$ - \$   | -  | \$ -  |  |   |  |   |   |  |   |   |  |
| Teach of Teacher   12   15   15   15   15   15   15   15  |  | Senior Director of  | <u> </u>  |  | \$ -  | Total Cash / Rev.  |   |  |   |   |  |   |   | 29.10%   |
| Configuration   1.0   |  | 47.000  |   |  |   |  |   |  |   |   |  |   |   |  |
| Transformery  |  |   | Last Ouarter  |  |   |  |   |  |   |   |  |   |   |  |
| Description   1.5   | _  |   |   |  |   |  |   | projection to be in the f  | ge 01 ge. 1 + 10 ge. 10.  | a   | or on we we would not come the   | Projectes to                              | DU SO NO AND BOJURES DO                         | and margin is projected  |
| Section   1.5   |  |   |   |  |   |  |   |  |   |   |  |   |   |  |
| Part   |  |   |   |  |   |  | For the year 2016, revenue is   | projected to exceed \$10   | 07 million and non-GAA  | IP diluted EPS is projected   | d to exceed §3.20.   |   |   |  |
| Mary State   Mar  | WACC (based on market value weights)   |   |   |  | 29.0%   | 100.0%   |   |  |   |   |  |   |   |  |
| More authorises of Golds  | ,  | Conti   | nuing Period Assumpt  | ions   |   |  | For the year 2017, revenue is   | napicated to exceed \$14   | 46 million and non-GAA  | P diluted EPS is projected  | d to exected \$4.65.   |   |   |  |
| No.   Part   P  | Money market rate as of today  | 0.45%   | Risk-Free rate  | 2.3%   | LT Op. Costs/Rer  | 85.0%  | ,   | , ,  |   |   |  |   |   |  |
|   | Annual increase (decrease) in interest zates   | 0.10%   | Op. Cash/Rev.   | 0.00%  | LT WACC   | 9.2%   |   |  |   |   |  |   |   |  |
| Language estimates whight are delitable from the midility of cold interest of the company of t  |  |   |   |  |   |  |   |  |   |   |  |   |   |  |
| Ref.   Cycle   List   Symbolism   List   |  |   |   |  |   |  |   |  |   |   |  |   |   |  |
| Least   Principal   Least   | LT convergence estimates: weigh  |   |   |  |   |  |   |  |   | competitive rivalry, th   |  |   |   |  |
| LOND  |  |   |   |  |   |  |   |  |   | TEV/Rev.  |  |   | TEV/UPCF  |  |
| Pear  | LGND   |   |   |  |   |  |   |  |   |   |  |   |   |  |
| Industry   0.60   |  |   |   |  |   |  |   |  |   |   |  |   |   |  |
| Laborary Corporation   0.56   0.79   14.79   15.879   74.979   75.6799   1.00   1.02   1.52   14.52   17.52   53.51   59.520  | Primary Industry   |   |   | 17.7%  |   | 67.6%  |   |  |   |   |  |   |   | R&D Exp.   |
| Sees  | •  |   |   |  |   |  |   |  |   |   |  |   |   |  |
| AULS Firms    1.61  |  |   |   |  |   |  |   |  |   |   |  |   |   | -  |
| Corp.   N/A   N/A   3.9%   3.2%   S.9%   S  |  |   |   |  |   |  |   |  |   |   |  |   |   |  |
| April   Property   P  |  |   |   |  |   |  |   |  |   |   |  |   |   |  |
| Explicit First Automatical   First State  |  | 0.50  |   |  |   |  |   |  |   |   |  |   |   |  |
| Control   St.   |  |   |   |  |   |  |   |  |   |   |  |   |   |  |
| Op.   Control   |  |   |   | FY2015   |   |  | FY2018  | FY2019   |   | FY 2021   |  |   | to ∞  | SG&A   |
| WACC   7.6%   7.6%   7.6%   7.6%   7.6%   7.6%   7.6%   9.1%   |  |   |   |  |   |  |   |  |   |   |  |   |   |  |
| NOPLAT   \$129  |  |   |   |  |   |  |   |  |   |   |  |   |   |  |
| NOPLAT   \$2.9   \$18.6   \$31.0   \$4*-2   \$65.0   \$36.1   \$10.8   \$31.1   \$31.1   \$10.5   \$36.1   \$36.1   \$36.0   \$36.1   \$36.1   \$36.0   \$36.1   \$36.0   \$36.1   \$36.0   \$36.1   \$36.0   \$36.1   \$36.0   \$36.   | WACC   | 7.6%  | 7.6%  | 7.6%   |   |  | 9.1%  | 9.1%   | 9.1%  | 9.1%  | 9.1%   |   | 9.1%  | 10 years   |
| NOPLAT   32.9   \$18.6   \$34.0   \$4+2   \$65.0   \$36.1   \$100.8   \$131.3   \$15.6   \$100.6   \$   |  | LTM   | LTM+fV  | LTM+2Y   |   |  | LTM+5V  | LTM+6Y   | LTM+7Y  | LTM+8Y  | LTM+9Y   |   |   |  |
| Invested capital  | NOPLAT   |   |   |  |   |  |   |  |   |   |  | 500%                                      |   |  |
| Company   Comp  |  |   |   |  |   |  |   |  |   |   | \$243.0  |   |   |  |
| CFC    \$0.00   \$19.27   \$30.81   \$18.10   \$30.11   \$32.24   \$76.33   \$99.28   \$17.25   \$138.51   \$314.61   \$y = 2646/te + 163.6   Terminal value   Terminal v  | ROIC   | 1.7%  | 11.1%   | 18.7%  |   | 39.3%  |   | 58.4%  | 65.4%   | 70.6%   | 70.7%  |   | y = 2 16%                                       | x +314.90%   |
| E/A   -3:05   3:31   3:00   3:31   3:2.42   3:0.35   399.17   31:0.07   31  | TIPOP  |   |   |  | \$4 E 93  | \$50.28  |   |  | \$117.25  | \$138.81  |  | 0%  |   | v = 26.64%er +163.63%  |
| Enterprise value (mid-year a di) \$1,771.67 \$1,886.12 \$2,007.67 \$2,128.54 \$2,229.39 \$2,404.60 \$2,533.69 \$2,446.84 \$2,742.83 \$2,258.32 Total Debt \$193.97 \$193.9  |  | \$0.00  |   | •  | -   |  |   |  |   |   |  |   |   | y = 2004/02 / 100/02 //  |
| Total Debt   \$19.397   | EVA  | \$0.00<br>-\$5.05   |   | •  | -   |  |   |  | \$120.91  | \$139.85  |  |   |   |  |
| Minority Interest   | EVA<br>Terminal value  | \$0.00<br>-\$5.05   | \$5.81  | \$18.10  | \$3.5.15  | \$52.42  | \$76.83   | \$99.17  |   |   | \$2,562.42   | -500%                                     |   |  |
| Preferred Equity \$0.00 \$ | EVA<br>Terminal value<br>Enterprise value (mid-year adj.)  | \$0.00<br>-\$5.05<br>:<br>\$1,771.67  | \$5.81<br>\$1,886.12  | \$18.10<br>\$2,007.67  | \$3.5.15<br>\$2,128.54  | \$52.42<br>\$2,259.59  | \$76.83<br>\$2,404.60   | \$99.17<br>\$2,533.69  | \$2,646.84  | \$2,742.83  | \$2,562.42<br>\$2,858.32   |   |   |  |
| PV of Unfunded Pension Plan Habilities   \$0.00   \$0.   | EVA<br>Terminal value<br>Enterprise value (mid-ye ar adj.)<br>Total Debt   | \$0.00<br>-\$5.05<br>:<br>\$1,771.67<br>: \$193.97  | \$5.81<br>\$1,886.12<br>\$193.97  | \$18.10<br>\$2,007.67<br>\$193.97  | \$35.15<br>\$2,128.54<br>\$193.97   | \$52.42<br>\$2,239.59<br>\$193.97  | \$76.83<br>\$2,404.60<br>\$193.97   | \$99.17<br>\$2,533.69<br>\$193.97  | \$2,646.84<br>\$193.97  | \$2,742.83<br>\$193.97  | \$2,562.42<br>\$2,858.32<br>\$193.97   |   |   |  |
| Dilutive impact of options, warrants, and converts   \$66.56   \$65.37   \$64.10   \$62.76   \$61.35   \$39.93   \$58.61   \$57.65   \$0.00  | EVA<br>Terminal value<br>Enterprise value (mid-year adj.)<br>Total Debt<br>Minority Interes  | \$0.00<br>-\$5.05<br>:<br>\$1,771.67<br>: \$193.97<br>: -\$1.59   | \$5.81<br>\$1,886.12<br>\$193.97<br>-\$1.59   | \$18.10<br>\$2,007.67<br>\$193.97<br>-\$1.59   | \$3.5.15<br>\$2,128.54<br>\$19.3.97<br>-\$1.59  | \$2,259.39<br>\$1,93.97<br>-\$1.59   | \$76.83<br>\$2,404.60<br>\$193.97<br>-\$1.59  | \$99.17<br>\$2,533.69<br>\$193.97<br>-\$1.59   | \$2,646.84<br>\$193.97<br>-\$1.59   | \$2,742.83<br>\$193.97<br>-\$1.59   | \$2,562.42<br>\$2,858.32<br>\$193.97<br>-\$1.59  | -1000%                                    |   |  |
| Other claims on operating asset \$0.00 \$0.0    | EVA Terminal value Enserprise value (mid-ye ar adj.) Total Debi Minority Interest Preferred Equity Capitalized Operating le asse   | \$0.00<br>-\$5.05<br>:<br>\$1,771.67<br>: \$193.97<br>: -\$1.59<br>7 \$0.00<br>: \$5.60   | \$5.81<br>\$1,886.12<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$25.70  | \$18.10<br>\$2,007.67<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$29.78  | \$35.15<br>\$2,128.54<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63   | \$32,42<br>\$2,259.59<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$38.45  | \$76.83<br>\$2,404.60<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$47.27   | \$99.17<br>\$2,533.69<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$52.33  | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$54.50  | \$2,742.83<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$55.57  | \$2,562.42<br>\$2,838.32<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$39.66   | -1000%                                    |   |  |
| Non-operating cash and LT investments \$186.59 \$207.72 \$226.04 \$255.76 \$296.00 \$349.70 \$418.62 \$503.25 \$602.63 \$708.87  Equity value \$1,693.71 \$1,510.39 \$1,947.45 \$2,094.53 \$2,265.41 \$2,454.73 \$2,649.01 \$2,945.57 \$3,097.51 \$3,315.14  Shares outstanding \$20.02 \$2   | EVA Terminal value Enterprise value (mid-ye ar adj.) Total Debi Minority Interest Preferred Equity Capitalized Operating le ases FV of Unfunded Pension Plan Liabilities   | \$0.00<br>-\$5.05<br>\$1,771.67<br>\$193.97<br>\$-\$1.59<br>\$5.00<br>\$5.60<br>\$5.00  | \$1,886.12<br>\$1,886.12<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$25.70<br>\$0.00  | \$18.10<br>\$2,007.67<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$29.78<br>\$0.00  | \$35.15<br>\$2,128.54<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63<br>\$0.00   | \$32,42<br>\$2,259,39<br>\$193,97<br>-\$1.59<br>\$0.00<br>\$38,43<br>\$0.00  | \$76.83<br>\$2,404.60<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$47.27<br>\$0.00   | \$99.17<br>\$2,533.69<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$52.233<br>\$0.00   | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$54.50<br>\$0.00  | \$2,742.83<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$55.57<br>\$0.00  | \$2,562.42<br>\$2,838.32<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$59.66<br>\$0.00   | -1500%                                    |   |  |
| Equity value \$1,693.71 \$1,810.39 \$1,947.45 \$2,094.53 \$2,263.41 \$2,454.75 \$2,649.01 \$2,845.57 \$3,097.51 \$3,315.14 \$3,002 \$20.02 \$   | EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of oppions, warrants, and converts  | \$0.00<br>-\$5.05<br>\$1,771.67<br>\$193.97<br>\$-\$1.59<br>\$0.00<br>\$5.60<br>\$0.00<br>\$66.56   | \$5.81<br>\$1,886.12<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$23.70<br>\$0.00<br>\$63.37   | \$18.10<br>\$2,007.67<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$29.78<br>\$0.00<br>\$64.10   | \$35.15<br>\$2,128.54<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63<br>\$0.00<br>\$62.76  | \$32.42<br>\$2,259.59<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$38.45<br>\$0.00<br>\$61.35   | \$76.83<br>\$2,404.60<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$47.27<br>\$0.00<br>\$39.93  | \$9.17<br>\$2,533.69<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$52.33<br>\$0.00<br>\$58.61  | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$54.50<br>\$0.00<br>\$57.65   | \$2,742.83<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$55.57<br>\$0.00<br>\$0.00  | \$2,562.42<br>\$2,858.32<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$59.66<br>\$0.00<br>\$0.00   | -1500%                                    |   |  |
| Share souts unding   \$20.02  | EVA Terminal value Terminal value Emerprise value (mid-year a dj.) Total Debt Minority Interest Preferred Equity Capitalized Operating le asse PV of Unfunded Pension Plan Liabilities Dilutive impact of options, warrants, and converts Other claims on operating assets   | \$0.00<br>-\$5.05<br>\$1,771.67<br>\$193.97<br>\$-\$1.59<br>\$0.00<br>\$5.60<br>\$0.00<br>\$66.56<br>\$0.00   | \$1,886.12<br>\$193,97<br>-\$1.59<br>\$0.00<br>\$23,70<br>\$0.00<br>\$65,37<br>\$0.00   | \$18.10<br>\$2,007.67<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$29.78<br>\$0.00<br>\$64.10<br>\$0.00   | \$35.15<br>\$2,128.54<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63<br>\$0.00<br>\$62.76<br>\$0.00  | \$32.42<br>\$2,259.39<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$38.45<br>\$0.00<br>\$61.35<br>\$0.00   | \$76.83<br>\$2,404.60<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$47.27<br>\$0.00<br>\$59.93<br>\$0.00  | \$9,9.17<br>\$2,533.69<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$52.33<br>\$0.00<br>\$58.61<br>\$0.00  | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.50<br>\$0.00<br>\$57.65<br>\$0.00   | \$2,742.83<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$55.57<br>\$0.00<br>\$0.00<br>\$0.00  | \$2,562.42<br>\$2,858.32<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$59.66<br>\$0.00<br>\$0.00<br>\$0.00                                     | -1500%                                    |   |  |
| Price per share as of 2/5/2015   \$36.63   \$93.06   \$99.82   \$107.54   \$116.36   \$126.31   \$135.69   \$146.46   \$158.45   \$165.57   | EVA Terminal value Enterprise value (mid-year a dj.) Total Debt Minority Interest Preferred Equity Capitalized Operating le asses FV of Unfunded Pension Plan Liabilities Dilusive impact of options, warrants, and converts Other claims on operating assess Non-operating cash and LT investments  | \$0.00<br>-\$3.05<br>\$1,771.67<br>\$193.97<br>\$-\$1.59<br>\$0.00<br>\$3.00<br>\$66.56<br>\$0.00<br>\$186.59   | \$5.81<br>\$1,886.12<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$23.70<br>\$0.00<br>\$65.37<br>\$0.00<br>\$207.72   | \$18.10<br>\$2,007.67<br>\$198.97<br>-\$1.59<br>\$0.00<br>\$29.78<br>\$0.00<br>\$64.10<br>\$0.00<br>\$226.04   | \$35.15<br>\$2,128.54<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63<br>\$0.00<br>\$62.76<br>\$0.00<br>\$255.76  | \$32,42<br>\$2,259.39<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$38.43<br>\$0.00<br>\$61.35<br>\$0.00<br>\$296.00   | \$76.83<br>\$2,404.60<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$47.27<br>\$0.00<br>\$39.95<br>\$0.00<br>\$349.70  | \$9,9.17<br>\$2,533.69<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$32.33<br>\$0.00<br>\$35.61<br>\$0.00<br>\$418.62  | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$54.50<br>\$0.00<br>\$57.65<br>\$0.00<br>\$503.25   | \$2,742.83<br>\$199.97<br>\$1.59<br>\$0.00<br>\$55.57<br>\$0.00<br>\$0.00<br>\$0.00<br>\$602.63                                 | \$2,562.42<br>\$2,858.32<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$59.66<br>\$0.00<br>\$0.00<br>\$0.00<br>\$708.87                         | -1000% -1500% -2000% -2000%               |   |  |
| Monte Carlo Simulation Assumptions   Base   Stdev   Min   Max   Distribution   Monte Carlo Simulation Results   Intrinsic Value   Sy-Target   Intrinsic Value   | EVA Terminal value Emerprise value (mid-ye ar ad).) Total Debi Minority Interest Preferred Equity Capitalized Operating le ages FV of Unfunded Pension Plan Liabilities Dilutive impact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value   | \$0.00<br>-\$3.05<br>\$1,771.67<br>\$193.97<br>\$-\$1.59<br>\$3.60<br>\$5.60<br>\$0.00<br>\$6.56<br>\$0.00<br>\$186.59<br>\$1,693.71  | \$5.81<br>\$1,886.12<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$25.70<br>\$0.00<br>\$65.37<br>\$0.00<br>\$0.07.72  | \$18.10<br>\$2,007.67<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$29.78<br>\$0.00<br>\$64.10<br>\$0.00<br>\$226.04<br>\$1,947.45   | \$35.15<br>\$2,128.54<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63<br>\$0.00<br>\$62.76<br>\$0.00<br>\$255.76<br>\$2,094.53  | \$32.42<br>\$2,259.39<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$38.43<br>\$0.00<br>\$61.55<br>\$0.00<br>\$296.00<br>\$2,263.41                                       | \$76.83<br>\$2,404.60<br>\$199.97<br>-\$1.59<br>\$0.00<br>\$47.27<br>\$0.00<br>\$59.93<br>\$0.00<br>\$349.70<br>\$2,454.73  | \$9,9.17<br>\$2,533.69<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$52.33<br>\$0.00<br>\$58.61<br>\$0.00<br>\$41.862<br>\$2,649.01  | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.50<br>\$0.00<br>\$57.65<br>\$0.00<br>\$50.25<br>\$2,845.57  | \$2,742.83<br>\$193.97<br>\$1.39<br>\$0.00<br>\$35.57<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00               | \$2,562.42<br>\$2,555.32<br>\$199.97<br>\$1.59<br>\$0.00<br>\$39.66<br>\$0.00<br>\$0.00<br>\$0.00<br>\$706.87<br>\$3,315.14            | -1000% -1500% -2000% -2000%               |   |  |
| Base   Stdev   Min   Max   Distribution   Intrinsic Value   1y-Target   | EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding   | \$0.00<br>-\$5.05<br>\$1,771.67<br>\$193.97<br>\$5.00<br>\$5.60<br>\$0.00<br>\$66.56<br>\$0.00<br>\$186.59<br>\$1,693.71<br>\$20.02   | \$1,886.12<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$25.70<br>\$0.00<br>\$65.37<br>\$0.00<br>\$207.72<br>\$1,810.39<br>\$20.02  | \$18.10<br>\$2,007.67<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$29.78<br>\$0.00<br>\$64.10<br>\$0.00<br>\$226.04<br>\$1,947.45<br>\$20.02  | \$35.15<br>\$2,128.54<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63<br>\$0.00<br>\$62.76<br>\$0.00<br>\$255.76<br>\$2,094.53<br>\$20.02   | \$32.42<br>\$2,259.39<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$38.45<br>\$0.00<br>\$61.33<br>\$0.00<br>\$2,263.41<br>\$20.02  | \$76.83<br>\$2,404.60<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$47.27<br>\$0.00<br>\$39.93<br>\$0.00<br>\$349.70<br>\$2,454.73<br>\$2.00.02   | \$9,9.17<br>\$2,533.69<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$32.33<br>\$0.00<br>\$38.61<br>\$0.00<br>\$418.62<br>\$2,649.01<br>\$20.02   | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$54.50<br>\$0.00<br>\$7.65<br>\$0.00<br>\$503.25<br>\$2,845.57<br>\$2,002   | \$2,742.83<br>\$193.97<br>\$1.59<br>\$0.00<br>\$55.57<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$3,097.31 | \$2,552.42<br>\$2,555.32<br>\$193.97<br>\$1.59<br>\$0.00<br>\$59.66<br>\$0.00<br>\$0.00<br>\$0.00<br>\$708.57<br>\$3,215.14<br>\$20.00 | -1000% -1500% -2000% -2500% -2500%        |   | 1 i Gian - 1 i o Novi  |
| Revenue Variation   | EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities Dilutive impact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding   | \$0.00<br>-\$3.05<br>\$1,771.67<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$3.60<br>\$0.00<br>\$6.56<br>\$0.00<br>\$186.59<br>\$1,693.71<br>\$20.02<br>\$8.63                                 | \$5.81<br>\$1,886.12<br>\$1,93.97<br>-\$1.59<br>\$0.00<br>\$25.70<br>\$0.00<br>\$65.37<br>\$0.00<br>\$20.72<br>\$1,810.39<br>\$20.02<br>\$93.06<br>\$210.5 Simulation Assum | \$18.10<br>\$2,007.67<br>\$199.97<br>-\$1.59<br>\$0.00<br>\$29.78<br>\$0.00<br>\$64.10<br>\$0.00<br>\$226.04<br>\$1,947.45<br>\$20.02<br>\$99.82<br>mptions                      | \$35.15<br>\$2,128.34<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63<br>\$0.00<br>\$62.76<br>\$0.00<br>\$255.76<br>\$2,094.53<br>\$20.02<br>\$107.54                                       | \$32,42<br>\$2,259.39<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$38.43<br>\$0.00<br>\$61.35<br>\$0.00<br>\$296.00<br>\$2,263.41<br>\$20.02<br>\$116.36                | \$76.83<br>\$2,404.60<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$47.27<br>\$0.00<br>\$39.93<br>\$0.00<br>\$39.93<br>\$0.00<br>\$349.70<br>\$2,454.73<br>\$20.02<br>\$126.31                    | \$9,9.17<br>\$2,533.69<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$52.33<br>\$0.00<br>\$58.61<br>\$0.00<br>\$41.8.62<br>\$2,649.01<br>\$20.02<br>\$20.02<br>\$21.5.69<br>arlo Simulation Res   | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.50<br>\$0.00<br>\$57.65<br>\$0.00<br>\$503.25<br>\$2,845.57<br>\$20.02<br>\$146.46  | \$2,742.83<br>\$193.97<br>\$1.59<br>\$0.00<br>\$55.57<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$3,097.31 | \$2,552.42<br>\$2,555.32<br>\$193.97<br>\$1.59<br>\$0.00<br>\$59.66<br>\$0.00<br>\$0.00<br>\$0.00<br>\$708.57<br>\$3,215.14<br>\$20.00 | -1000% -1500% -2000% -2500% -2500%        | Ac. George                                      | hinNOPLAT  |
| Op. Costs Variation O% 60.0% N/A N/A Normal  Market Risk Premium 7.0% N/A 5.0% 9.0% Triangular  Long term Growth 4.00% N/A 0.0% 17.2% Triangular  Current Price \$53.50  Current Price \$53.50  | EVA Terminal value Emerprise value (mid-year adj.) Total Debi Minority Interest Preferred Equity Capitalized Operating le axes PV of Unfunded Pension Plan Liabilities Dilutive impact of options, warrants, and converts Other claims on operating axes to Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/5/2015   | \$0.00<br>-\$5.05<br>\$1,771.67<br>\$193.97<br>\$0.00<br>\$5.60<br>\$0.00<br>\$66.56<br>\$0.00<br>\$186.59<br>\$1,993.71<br>\$20.02<br>\$36.65<br>Monte C                               | \$5.81<br>\$1,886.12<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$25.70<br>\$0.00<br>\$65.37<br>\$0.00<br>\$0.07.72<br>\$1,810.39<br>\$20.02<br>\$93.06<br>Saido Simulation Assun  | \$18.10<br>\$2,007.67<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$29.78<br>\$0.00<br>\$4.10<br>\$0.00<br>\$226.04<br>\$1,947.45<br>\$20.02<br>\$99.82<br>mptions                       | \$35.15<br>\$2,128.54<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63<br>\$0.00<br>\$62.76<br>\$0.00<br>\$255.76<br>\$2,094.53<br>\$20.02<br>\$107.54<br>Max                                | \$32.42<br>\$2,259.39<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$38.43<br>\$0.00<br>\$61.55<br>\$0.00<br>\$296.00<br>\$2,263.41<br>\$0.00<br>\$116.36<br>Distribution | \$76.83<br>\$2,404.60<br>\$199.97<br>-\$1.59<br>\$0.00<br>\$47.27<br>\$0.00<br>\$39.93<br>\$0.00<br>\$349.70<br>\$2,454.73<br>\$0.02<br>\$126.31  | \$9.9.17<br>\$2,533.69<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$52.33<br>\$0.00<br>\$38.61<br>\$0.00<br>\$418.62<br>\$2,649.01<br>\$20.02<br>\$20.02<br>\$20.02<br>\$20.02<br>\$20.02<br>\$20.02<br>\$20.02<br>\$20.02<br>\$20.02 | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.30<br>\$0.00<br>\$57.65<br>\$0.00<br>\$503.25<br>\$2,845.57<br>\$20.02<br>\$146.46  | \$2,742.83<br>\$193.97<br>\$1.59<br>\$0.00<br>\$55.57<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$3,097.31 | \$2,552.42<br>\$2,555.32<br>\$193.97<br>\$1.59<br>\$0.00<br>\$59.66<br>\$0.00<br>\$0.00<br>\$0.00<br>\$708.57<br>\$3,215.14<br>\$20.00 | -1500% -1500% -2500% -2500% -3000%        | Ac. Goove<br>Ac. Goove                          | h in NOPLAT<br>h in Invested Capital                                 |
| Long term Growth 4.00% N/A 0.0% 17.2% Triangular Current Price \$53.90  | EVA Terminal value Enterprise value (mid-ye ar adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating le asses FV of Unfunded Pension Plan Liabilities Dilutive impact of options, warrants, and converts Other claims on operating asses Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/5/2015  | \$0.00<br>-\$5.05<br>\$1,771.67<br>\$193.97<br>\$5.00<br>\$5.60<br>\$0.00<br>\$6.56<br>\$0.00<br>\$186.59<br>\$1,693.71<br>\$20.02<br>\$86.63<br>Monte C                                | \$5.81  \$1,886.12 \$199.97 -\$1.59 \$0.00 \$23.70 \$0.00 \$65.37 \$0.00 \$207.72 \$1,810.39 \$200.02 \$93.06 Sario Simulation Assum  | \$18.10  \$2,007.67 \$193.97 -\$1.59 \$0.00 \$29.78 \$0.00 \$64.10 \$0.00 \$226.04 \$1,947.45 \$20.02 \$99.82  mptions Min N/A   | \$35.15<br>\$2,128.54<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63<br>\$0.00<br>\$62.76<br>\$0.00<br>\$255.76<br>\$2,094.53<br>\$20.02<br>\$107.54<br>Max<br>N/A                         | \$32,42  \$2,259.59 \$193.97 -\$1.59 \$0.00 \$38.45 \$0.00 \$61.35 \$0.00 \$296.00 \$2,263.41 \$20.02 \$116.36  Distribution Normal                              | \$76.83  \$2,404.60 \$193.97 -\$1.59 \$0.00 \$47.27 \$0.00 \$39.93 \$0.00 \$349.70 \$2,454.73 \$30.02 \$126.31  Monit C   | \$9,9.17<br>\$2,533.69<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$52.33<br>\$0.00<br>\$58.61<br>\$0.00<br>\$418.62<br>\$2,649.01<br>\$20.02<br>\$135.69<br>Intrinsic Value<br>\$86.63   | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$54.50<br>\$0.00<br>\$57.65<br>\$0.00<br>\$503.25<br>\$2,845.57<br>\$2002<br>\$146.46   | \$2,742.83<br>\$193.97<br>\$1.59<br>\$0.00<br>\$55.57<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$3,097.31 | \$2,552.42<br>\$2,555.32<br>\$193.97<br>\$1.59<br>\$0.00<br>\$59.66<br>\$0.00<br>\$0.00<br>\$0.00<br>\$708.57<br>\$3,215.14<br>\$20.00 | -1500% -1500% -2500% -2500% -3000%        | Ac. Georgi<br>Ac. Georgi<br>Revenue G<br>NOPLAT | h in NOPLAT<br>h in Invested Capital<br>downth Trend<br>Geowth Trend |
|   | EVA  Terminal value  Enterprise value (mid-year a dj.)  Total Debt  Minority Interest  Preferred Equity  Capitalized Operating le asses  FV of Unfunded Pension Plan Liabilities  Dilusive impact of options, warrants, and converts  Other claims on operating assess  Non-operating cash and LT investments  Equity value  Shares outstanding  Price per share as of 2/5/2015  Revenue Variation  Op. Costs Variation                        | \$0.00<br>-\$3.05<br>\$1,771.67<br>\$193.97<br>\$-\$1.59<br>\$0.00<br>\$3.60<br>\$0.00<br>\$66.56<br>\$0.00<br>\$186.59<br>\$3,993.71<br>\$20.02<br>\$86.63<br>Monte C<br>Base          | \$5.81  \$1,886.12 \$1,93.97 -\$1.59 \$0.00 \$23.70 \$0.00 \$65.37 \$0.00 \$207.72 \$1,810.39 \$20.02 \$33.06 Sarlo Simulation Assum Stder 33.794 60.096                    | \$18.10  \$2,007.67 \$199.97 -\$1.59 \$0.00 \$29.78 \$0.00 \$4.10 \$0.00 \$226.04 \$1,947.45 \$20.02 \$99.82  mptions  Min N/A N/A   | \$35.15<br>\$2,128.34<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63<br>\$0.00<br>\$62.76<br>\$0.00<br>\$23.3.76<br>\$2,094.33<br>\$20.02<br>\$107.34<br>Max<br>N/A<br>N/A                 | \$32,42  \$2,259.39 \$193.97 -\$1.59 \$0.00 \$38.45 \$0.00 \$51.35 \$0.00 \$296.00 \$2,263.41 \$20.02 \$116.36  Distribution Normal                              | \$76.83  \$2,404.60 \$199.97 -\$1.59 \$0.00 \$47.27 \$0.00 \$39.95 \$0.00 \$349.70 \$2,454.73 \$20.02 \$126.31  Monte C  Mean est. $\sigma(z)$  | \$9,9.17  \$2,533.69 \$193.97 -\$1.59 \$0.00 \$52.23 \$0.00 \$58.61 \$0.00 \$418.62 \$2,649.01 \$20.02 \$13.5.69 arLo Simulation Res Intrinsic Value \$8.63 \$1.41   | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$54.50<br>\$0.00<br>\$57.65<br>\$0.00<br>\$503.25<br>\$2,845.57<br>\$20.02<br>\$146.46<br>\$2,845.57<br>\$20.02<br>\$146.46<br>\$3,46<br>\$3,46                 | \$2,742.83<br>\$193.97<br>\$1.59<br>\$0.00<br>\$55.57<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$3,097.31 | \$2,552.42<br>\$2,555.32<br>\$193.97<br>\$1.59<br>\$0.00<br>\$59.66<br>\$0.00<br>\$0.00<br>\$0.00<br>\$708.57<br>\$3,215.14<br>\$20.00 | -1500% -1500% -2000% -2500% -3500% -3500% | Ac. Georgi<br>Ac. Georgi<br>Revenue G<br>NOPLAT | h in NOPLAT<br>h in Invested Capital<br>downth Trend<br>Geowth Trend |
|   | EVA  Terminal value  Enterprise value (mid-year adj.)  Total Debit  Minority Interest  Preferred Equity  Capitalized Operating le ases  FV of Unfunded Pension Plan Liabilities  Dilutive impact of options, warrants, and converts  Other claims on operating assets  Non-operating cash and LT investments  Equity value  Shares outstanding  Price per share as of 2/5/2015  Revenue Variation  Op. Costs Variation  Market Risk Fremium    | \$0.00<br>-\$5.05<br>\$1,771.67<br>\$193.97<br>\$5.00<br>\$5.00<br>\$5.60<br>\$0.00<br>\$66.56<br>\$0.00<br>\$186.59<br>\$1,693.71<br>\$20.02<br>\$56.65<br>Monte C<br>Base             | \$5.81  \$1,886.12 \$1,93.97 -\$1.59 \$0.00 \$25.70 \$0.00 \$35.37 \$0.00 \$30.772 \$1,810.39 \$20.02 \$90.06 Sarlo Simulation Assum Stder 30.794 60.094 N/A                | \$18.10<br>\$2,007.67<br>\$199.97<br>-\$1.59<br>\$0.00<br>\$29.78<br>\$0.00<br>\$64.10<br>\$0.00<br>\$228.04<br>\$1,947.45<br>\$20.02<br>\$99.82<br>mptions Min N/A N/A N/A 3.0% | \$35.15<br>\$2,128.34<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63<br>\$0.00<br>\$62.76<br>\$0.00<br>\$25.76<br>\$2,094.53<br>\$20.02<br>\$107.54<br>Max<br>N/A<br>N/A<br>9.0%           | \$32.42  \$2,259.39 \$199.97 -\$1.59 \$0.00 \$38.45 \$0.00 \$61.35 \$0.00 \$296.00 \$2,263.41 \$20.02 \$116.36  Distribution Normal Normal Triangular            | \$76.83  \$2,404.60 \$199.97 -\$1.59 \$0.00 \$47.27 \$0.00 \$39.93 \$0.00 \$349.70 \$2,454.73 \$20.02 \$126.31  Monte C  Mean est. $\sigma(\epsilon)$ $3 \sigma(\epsilon)$ adjusted price | \$9.9.17  \$2,533.69 \$193.97 -\$1.59 \$0.00 \$52.33 \$0.00 \$58.61 \$0.00 \$418.62 \$2,649.01 \$20.02 \$135.69 arlo Simulation Res Intrinsic Value \$6.63 \$1.41 \$82.39  | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$54.50<br>\$0.00<br>\$57.65<br>\$0.00<br>\$503.25<br>\$2,845.57<br>\$20.02<br>\$146.46<br>\$2,845.57<br>\$20.02<br>\$146.46<br>\$3,46<br>\$3,46                 | \$2,742.83<br>\$193.97<br>\$1.59<br>\$0.00<br>\$55.57<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$3,097.31 | \$2,552.42<br>\$2,555.32<br>\$193.97<br>\$1.59<br>\$0.00<br>\$59.66<br>\$0.00<br>\$0.00<br>\$0.00<br>\$708.57<br>\$3,215.14<br>\$20.00 | -1500% -1500% -2000% -2500% -3500% -3500% | Ac. Georgi<br>Ac. Georgi<br>Revenue G<br>NOPLAT | h in NOPLAT<br>h in Invested Capital<br>downth Trend<br>Geowth Trend |
|   | EVA Terminal value Enterprise value (mid-year a dj.) Total Debt Minority Interest Preferred Equity Capitalized Operating le asses PV of Unfunded Pension Plan Liabilities Dilutive impact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/5/2015  Revenue Variation Op. Conts Variation Market Risk Fremium Long term Growth | \$0.00<br>-\$5.05<br>\$1,771.67<br>\$193.97<br>\$ -\$1.59<br>\$0.00<br>\$5.60<br>\$0.00<br>\$186.59<br>\$1,693.71<br>\$20.02<br>\$36.63<br><b>Monte C</b><br>Base<br>0%<br>0%<br>\$0.00 | \$5.81  \$1,886.12 \$193.97 -\$1.59 \$0.00 \$23.70 \$0.00 \$65.37 \$0.00 \$407.72 \$1,810.39 \$20.02 \$99.06 \$240.Simulation Assum Sidev 33.7% 60.0% N/A N/A               | \$18.10  \$2,007.67 \$193.97 -\$1.59 \$0.00 \$29.78 \$0.00 \$64.10 \$0.00 \$226.04 \$1,947.45 \$20.02 \$99.82  mptions Min N/A N/A 5.0% 0.0%                                     | \$35.15<br>\$2,128.54<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.63<br>\$0.00<br>\$62.76<br>\$0.00<br>\$255.76<br>\$2,084.53<br>\$20.02<br>\$107.54<br>Max<br>N/A<br>N/A<br>9.0%<br>17.2% | \$32,42  \$2,259.59 \$193.97 -\$1.59 \$0.00 \$38.45 \$0.00 \$61.35 \$0.00 \$2,263.41 \$200.02 \$116.36  Distribution Normal Normal Triangular                    | \$76.83  \$2,404.60 \$193.97 -\$1.59 \$0.00 \$47.27 \$0.00 \$59.93 \$0.00 \$349.70 \$2,454.73 \$20.02 \$126.31  Monie C  Mean est. \(\sigma(c)\)  | \$9.9.17  \$2,533.69 \$193.97 -\$1.59 \$0.00 \$52.33 \$0.00 \$58.61 \$0.00 \$418.62 \$2,649.01 \$20.02 \$135.69 arlo Simulation Res Intrinsic Value \$6.63 \$1.41 \$82.39  | \$2,646.84<br>\$193.97<br>-\$1.59<br>\$0.00<br>\$34.50<br>\$0.00<br>\$37.65<br>\$0.00<br>\$503.25<br>\$2,845.57<br>\$20.02<br>\$146.46<br>\$20.02<br>\$146.46<br>\$3.06<br>\$3.06<br>\$3.06<br>\$3.06<br>\$3.06 | \$2,742.83<br>\$193.97<br>\$1.59<br>\$0.00<br>\$55.57<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$0.00<br>\$3,097.31 | \$2,552.42<br>\$2,555.32<br>\$193.97<br>\$1.59<br>\$0.00<br>\$59.66<br>\$0.00<br>\$0.00<br>\$0.00<br>\$708.57<br>\$3,215.14<br>\$20.00 | -1500% -1500% -2000% -2500% -3500% -3500% | Ac. Georgi<br>Ac. Georgi<br>Revenue G<br>NOPLAT | h in NOPLAT<br>h in Invested Capital<br>downth Trend<br>Geowth Trend |

# **RPX** Corporation (RPXC: NASDAQ)

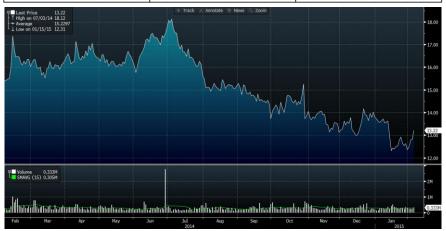
Financial Analysis By: Kevin Akbaraly – Professional Services

## Company Profile as of 2/4/2014

Market Price: \$12.81 Industry: Professional Services Market Cap: \$690.5M 52-Week: \$11.94 - \$18.16

Beta: 1.14

| <u>Source</u> | Target Price | Recommendation |
|---------------|--------------|----------------|
| Siena         | \$19.60      | BUY            |
| Capital IQ    | \$18.00      | BUY            |
| Yahoo Finance | \$18.00      | BUY            |
| Bloomberg     | \$18.67      | BUY            |



## **Thesis**

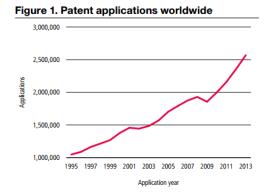
- -Innovative and unique business model in response to Patent Trolls
- -Growing revenues and high margins
- -Valuable network and patent portfolio

#### **Company Overview:**

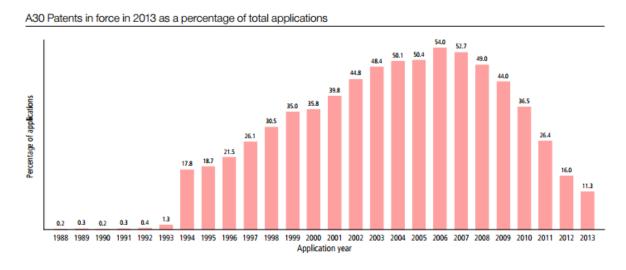
RPX Corporation was founded in 2008 and is headquartered in San Francisco, California. The company provides patent risk management solutions on a subscription fee basis to companies operating within the technology industry in the US and internationally. RPX Corporation's services include "Defensive Patent Acquisitions", "Syndicated Acquisition", "Market Intelligence and Advisory Services", and "Litigation Insurance". Their purpose is to help companies protect, exchange, and be informed on the use and ownership of patents.

## Industry Outlook:

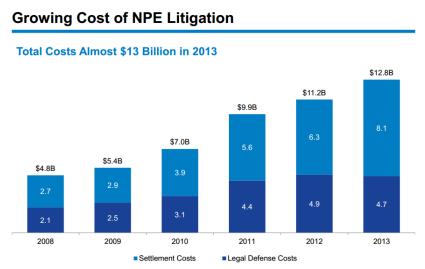
Intellectual Property Rights (IPRs) have been a growing concern over the past years, and is likely to continue to impact companies and individuals in the future. The number of patent applications around the world has reached record highs since the "Dotcom" bubble that started in late 1990s, and has grown tremendously since then. Following the complexity and fast development of new technologies and practices during this period, agencies responsible for the issuance of new patents have started to be more flexible with the acceptance of IPRs. This resulted in a growing number of patents that were vaguely worded and not clearly defined, and that are now threatening companies that are using the patent in their products and



services. Indeed, in some cases, one single patent could potentially affect hundreds of products, increasing exponentially risks of litigation. Generally, patent rights last up to 20 years, and as of 2006, the World Intellectual Property Organization (WIPO) recorded its highest rate of acceptance over the number of patent applications (54%). As a result, we can expect that this will have a noticeable impact until 2026, and thereafter.



The apparition of Non-Practicing Entities (NPEs), also referred to as Patent Trolls, is one of the major consequences of this event. NPEs are companies that buy portfolios of patents from liquidating and operating companies with the objective of enforcing their rights by suing operating companies that would potentially infringe their newly acquired IPRs. Also, because these NPEs are "Non-Practicing" companies, they cannot be countersued because they do not produce or use any technology. Costs related to IPR litigations for operating companies have been estimated around \$13 Billion during 2013, and comprise both Settlement and Legal Defense costs. Although, they disregard other opportunity costs such as the time spent on the defense, and increased risks for the whole company.



The U.S. government acknowledged the problem only recently, with 2,900 infringements lawsuits nationwide, which represent about six times the level of 2006. The White House published a study on the issue during 2013, in which it is

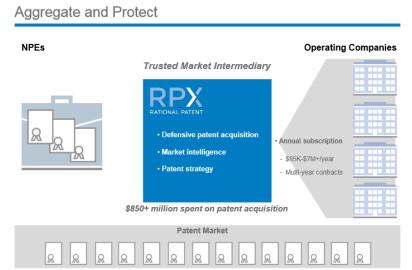
stated that the patent system "is meant to encourage innovation and invention. It was designed to reward Americans for their hard work, risk taking and genius". Realizing that 62% of all patent lawsuits were initiated by NPEs during 2012, the government now wants to take action to limit damages that are made to U.S. companies. However, the complexity of the problem resides in the fact that owners of such IPRs have all legal rights to enforce their patents. By trying to resolve the issue and changing the whole patent system, the government might actually worsen the situation even further, and raise concerns about the true rights that are given to IPRs' holders. As a result, no significant changes are expected any time soon, but it is important to monitor new regulations that might impact RPX Corporation's operations.

#### **RPX Corporation's Business Model**

RPX Corporation's goal is to help operating companies to counter NPEs' threats. The company's strategy is to acquire all "dangerous" patents to prevent any risk for their clients' operations before it gets into an NPE's portfolio. As a result, RPXC raises its own portfolio of patents, but instead of enforcing them for money, the company will provide licenses to all its network in exchange for subscription fees. By using its network's collective buying power, RPX wants to remove all threatening patents from the market, which on the long-term would result into a "Clearing House" as the CEO stated it during the last Earning Call. The company has currently 195 members paying an annual subscription fee based on their most recent reported revenues. The fee is calculated based on each client, and is recalculated

**RPX Solution** 

every year based on their needs and their financial results. RPXC's clients include companies such as Adobe, Dell, IBM, Intel, Oracle and others. As of September 31, 2014, RPXC had acquired \$644.5 million of patents and they announced on December 23, 2014, the acquisition of 4,000 patents from Rockstar Consortium LLC, an entity formed in 2011 by Apple, Blackberry, Ericsson, Microsoft and Sony, which purchased 6,000 patents from Nortel's bankruptcy. Following that transaction, RPXC now receives license payments from 30 additional companies including Google, and Cisco. Also, by paying a subscription fee, each client gets access to the company's Market Intelligence service, which are data collected by the company to inform their clients on an "underserved and opaque market".



In addition, the company offers its services as an underwriter for "Syndicated Acquisition"; which target companies that want to share the benefits of one or more patents on their own without giving access to other members of the network. They provide them their expertise in order to make each transaction more transparent and fair for each party. As of 2013, the company advised its clients on syndicated acquisitions for IPs totaling more than \$800 million. Also, the company can provide advisory services regarding a company's strategy on IP management. These services are not part of the subscription's agreement and will cost clients an extra fee based on each deal.

Through a partnership with Lloyd's, "the world's specialist insurance market" RPX launched its "A" rated NPE Patent Litigation Insurance. This insurance is provided to small and mid-size companies to reduce unpredictable financial impact due to patent litigations. RPX's role with this new product is to provide marketing, underwriting, and claims management on the behalf of Lloyd's, and result only to a small fraction of risk for the company. As of September 31, 2014, 38 clients have subscribed to this insurance.

#### Porter's Five Forces

#### Threat of New Entrants

Barriers to new entrants are low as long as they can have access to outstanding patents on the secondary market. However, the value created by RPX through its portfolio, the quality of its network, and the development of its Market Intelligence service, have helped the company building a competitive advantage that could lower risks related to potential new entrants.

#### Threat of Substitution

The unique characteristics that define patents make them impossible to substitute. As a result, companies must either acquire the patents on their own, pay RPX a subscription fee to get access to their patent portfolio, or remain under the threat of possible litigation.

#### Supplier's Bargaining Power

Suppliers' bargaining power is moderate as patents can be acquired from companies filing for bankruptcy, NPEs, or operating companies that need to raise capital. The number of NPEs and individual inventors offering their patents directly to RPX has been growing over the years. The company currently has 80 potential acquisitions under review each month.

#### Customers' Bargaining Power

Customers' bargaining power is low as operating companies must either acquire patents by themselves, or subscribe to RPX's patent risk management solutions.

## Competitive Rivalry

RPX Corporation's business model is unique and offers distinctive solutions. As of 2015, the company's direct competitors are considered to be operating companies' own patent management department. RPX's strategy is to inform and convince those operating companies to outsource all or a fraction of their patent risk management activities. The company does not recognize any competitor providing the same services for now.

#### **Management**

RPX Corporation has been co-founded by John A. Amster (CEO) and Geoffrey T. Barker (Executive Director) in 2008. Mr Amster started his career as an associate at Weil Gotshal & Manges where he was responsible for mergers and acquisitions activities, equity investments, venture capital financings, intellectual property licensing, and patent litigation. He was then Vice President at InterTrust Technologies and worked on intellectual property transactions. He finally joined Intellectual Ventures as a Vice President where he was responsible for the acquisition of patent portfolios and the development of e-commerce licensing programs.

Ned Segal joined the company in 2013 as CFO and just resigned in January 2015 to join Intuit. Prior to RPX, Mr Segal was Managing Director of the Global Software Investment Banking and COO of Technology Banking at Goldman Sachs. Robert Heath has been named to replace Mr Segal as CFO effective January 2015. Mr Heath was a Senior Vice President responsible for the corporate development of RPX. Prior to RPX, he was Head of Strategy and Acquisition at Technicolor, and COO and CFO at iBahn.

#### **Key Statistics**

| In Millions of USD   | FY 2008    | FY 2009    | FY 2010    | FY 2011    | FY 2012    | FY 2013    | Current/LTM | FY 2014 Est | FY 2015 Est |
|----------------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|
| 12 Months Ending     | 2008-12-31 | 2009-12-31 | 2010-12-31 | 2011-12-31 | 2012-12-31 | 2013-12-31 | 2014-09-30  | 2014-12-31  | 2015-12-31  |
| Revenue              |            | 32.8       | 94.9       | 154.0      | 197.7      | 237.5      | 251.9       | 260.0       | 281.8       |
| Growth %, YoY        |            |            | 189.1      | 62.4       | 28.3       | 20.1       | 10.1        | 9.5         | 8.4         |
| Gross Profit         |            | 15.1       | 51.3       | 86.7       | 115.4      | 126.7      | 128.3       | 135.4       | 151.1       |
| Ⅲ Margin %           |            | 46.0       | 54.0       | 56.3       | 58.4       | 53.4       | 50.9        | 52.1        | 53.6        |
| EBITDA               |            | 22.2       | 70.2       | 110.6      | 150.2      | 178.7      | 186.8       | 196.0       | 207.0       |
| Ⅲ Margin %           |            | 67.6       | 73.9       | 71.8       | 76.0       | 75.3       | 74.2        | 75.4        | 73.5        |
| Net Income Before X0 |            | 1.9        | 13.9       | 29.1       | 39.0       | 40.8       | 37.1        | 52.9        | 62.2        |
| ■ Margin %           |            | 5.9        | 14.6       | 18.9       | 19.7       | 17.2       | 14.7        | 20.3        | 22.1        |

Since RPX was founded in 2008, the company reported growing revenues on a yearly basis. In 2012, RPX reported \$197.7M of revenue, a 28.3% growth compared to 2011, and \$237.5M in 2013, representing a 20.1% growth compared to 2012. Currently, 195 clients are paying RPX an annual subscription fee, and based on their vision, the company wants to increase this number to a range of 300 to 500 clients on the long term. As of 2014, the renewal rate was about 90%, and the increase in the number of clients is what will drive the company forward.

Interestingly, when looking at EBITDA margins, we can see that it averaged 73% over the past 5 years, while gross margins averaged only 54%. Indeed, the company's highest expenses are the amortization of their patents, which makes EBITDA metrics irrelevant when looking at margins. Net profit margin was about 17.2% in 2013 and is expected to grow to 20.3% and 22.1% in 2014 and 2015 respectively.

RPX is currently debt free, and is able to finance all its operations and acquisitions by the use of its free cash flows. The company's current ratio is about 2.4, and 49.4% of total assets are held in cash and short-term investments. This level of liquidity allows the company to be effective in the acquisition of patents following coming opportunities.

## **Valuation**

The valuation of RPX Corporation has been made using a proforma that is presented on the last page of this report Revenue growths for FY2014 and 2015 reflect projections of the company, and are rapidly decelerating to a long-term growth of 2.5%. Company's projections of increasing their client portfolio to a range of 300 to 500 have been ignored to keep a conservative approach in the valuation. The long-term growth rate of 2.5% is also a conservative assumption. The company is projecting to increase the number of patents in its portfolio. Therefore, the level of operating costs over revenue has been increased to 78% from 73% in 2013.

The WACC was about 10.3% in 2013, and has been increased to 11.5% in my assumptions, even though the company is currently debt-free.

Following the activity of the company, I also assumed that RPX incurred expenses related to the improvement of the company such as employees' training. Therefore, 70% of the SG&A has been capitalized to avoid an overestimation of ROIC. The lack of direct competition makes multiples irrelevant for the valuation.

All these assumptions are assumed to be conservative compared to company's projections. My 1-year target price is \$19.6, which shows an upside potential of 48% from actual price.

#### Conclusion

To conclude, I recommend a BUY on RPXC with a 12-month target price of \$19.60. The company offers patent risk management solutions to companies operating within the Technology Industry, and has no competitor as of today. The industry outlook, along with the business model that has been developed by RPX is showing a good opportunity for value investors. After having analyzed the company, the inputs that were used in the below Proforma were rather conservative compared to company's projections. Based on the company's potential and current share price, I believe that this stock has an upside potential of 48.6% within the

| General In   | (  |   | Market D  | -1-   |  |   |   |  | D   |  |  |  |  |
|--|--|---|---|---|--|---|---|--|---|--|--|--|--|
| Sector   | IO<br>Industrials  |   | Market D  |   | Cembal   | NAME  | Market Cap  | TEVÆBITDA  | Peers<br>P/B  | EDITOA Marain  | Total DakuTEV  | EDITIIS Ess  | Altman Z   |
|  |  |   | Enterprise value  |   | Symbol   |   |   |  |   |  | Total Debt/TEV   | EBITTING, EXP.   |  |
| Industry   | Professional Services  |   | Market Capitalization   |   | NasdaqGS:ACTG  | Acacia Research Cc  | \$ 650.57   | NM   | 1.3x  | -14%   | 0%   |  | 11.33  |
| Description: RPX Corporation provides patent risk manager  |  |   |   | 0.14098   |  |   |   |  |   |  |  |  |  |
| internationally. It offers a subscription-based patent risk mana-  | jomontz <b>a</b> luti <b>a</b> n that facilitatoz  | roxchangor ofvaluo  | Shares outstanding  | 53.94   |  |   |   |  |   |  |  |  |  |
| botwoon nuners and wers of patents. The company provides   | a dofonsivo patont aggrogation   | ı in which it acquires  | Diluted shares outstandir   | 54.65   |  |   |   |  |   |  |  |  |  |
| patents assets to offer clients with licenses to protect them f  | ram patont infrinqomont assor  |   | % shares held by institutio   | 84.1%   |  |   |   |  |   |  |  |  |  |
| sorvices to small- and medium-sized businesses to cover cert   | ain cartr of NPE patont litiqati   | ian. It also affors its   | % shares held by insiders   | 3.3%  |  |   |   |  |   |  |  |  |  |
| clients with access to its proprietary patent market intelliq  | onco and data. RPX Carparati   | ian's clionts includo   | Short interest  | 6.9%  |  |   |   |  |   |  |  |  |  |
| companies that design, make, or sell technology-based pro-   | luctr and services, as well as   | companies that usel   |   |   |  |   |   |  |   |  |  |  |  |
| tochnology in their burinesses. The company was founded in 200   | 8 and ir hoadquartorod in San F  |   | Days to cover short inter   | 13.38   |  |   |   |  |   |  |  |  |  |
|  |  |   | 52 week high  | \$18.16   |  |   |   |  |   |  |  |  |  |
|  |  |   | 52-week low   | \$11.94   |  | _   |   |  |   |  |  |  |  |
|  |  |   | 5y Beta   | 1.14  | Peers' Median  |   | <b>\$</b> 650.57  | #NUM!  | 1.3 <b>z</b>  | -14%   | 0%   | #NUM!  | 11.33  |
|  |  |   | 6-month volatility  | 30.27%  | RPXC   |   | <b>\$713.07</b>   | 2.3₌   | 1.5x  | 71%  | 0%   |  | 4.85   |
|  | Managemen  | ıt  | -   |   |  |   |   | Pe   | rformance   |  |  |  |  |
| Professional   | Title  | omp. FY2011   | Comp. FY2012  | Comp. FY2013  |  | RPX   | KC .  |  | ers   | Inde   | ustr   | All U.S  | S. firms   |
| Amster, John   |  | \$ 3,780,207.00   | \$ 632,000.00   | \$ 2,701,250.00   |  | Last  | 10¶ Med.  | Last   | 10¶ Med.  | Last   | 10¶ Med.   | Last   | 10g Med.   |
| Barker, Geoffrey   |  |   |   | \$ 60,417.00  | ROIC   | 51.9%   | 74.2%   | -9.59%   | -2.25%  | 9.58%  | 12.69%   | 8.99%  | 11.16%   |
|  |  | Φ 2,000,110.00  | *   |   |  |   |   |  | 6.85%   |  |  |  |  |
| Swank, Steven  | Head of Client   | * -   |   |   | EBITA Margin   | 92.6%   | 90.8%   | 0.95%  |   | 12.29%   | 12.73%   | 13.56%   | 13.62%   |
| Roberts, Martin  | Senior Vice  |   |   |   | Imputed Rev./Invested cap.   |   | 0.85  | 0.43   | 1.21  | 1.94   | 2.40   | 1.76   | 2.02   |
| Scola, Paul  | Senior Vice President  | \$ -  |   | \$ 1,053,775.00   | Excess Cash/Rev.   | 83.82%  | N/A   | 189.75%  | 124.94%   | 18.21%   | 13.25%   | 23.19%   | 18.87%   |
| Heath, Robert  | Chief Financial  | \$ -  | \$ -  | \$ -  | Total Cash /Rev.   | 120.36%   | 122.41%   | 196.62%  | 126.68%   | 26.51%   | 20.78%   | 32.72%   | 30.13%   |
| Current Capital Structu  | re   |   | Past Earn   | ing Surprises   |  | Last Guidance   | Dec-08-2014   | Next earnings d  | 2/10/2015   | Last Earning   | Call Transcript:   | www.rpzcorp.cc   | om   |
| Total debt/market cap  | 0.00%  |   | Revenue   | EBITDA  | Norm. EPS  | RPX Corporation annou   |   |  |   |  |  |  |  |
| Cost of Borrowing  | I  | Last Quarter  | 3.2%  | 11.3%   | 13.0%  | company's current chief f   |   |  |   |  |  |  |  |
|  |  | Last Quarter-1  | 1.0%  | 7.0%  |  | of its most significant pa  |   |  |   |  |  |  |  |
| Interest Coverage  |  |   |   |   | 14.3%  | pa  | eenenen melda   | ,  |   |  |  |  |  |
| Debt Rating  |  | Last Quarter -2   | -0.3%   | 1.9%  | 4.5%   | The company provided ea   | rnings guidance for the   | fourth quarter and full  | uear 2014. For the our  | arter, the componute foo-  | related revenue expects  | d to be in the range o   | f \$4.2 million and \$6  |
| 5y Beta  |  | Last Quarter -3   | 0.2%  | -0.9%   | -10.0%   | million. Total revenue exp  |   |  |   |  |  |  |  |
| WACC (based on market value weights)   | 10.3%  | Last Quarter -4   | 1.0%  | 9.3%  | 0.0%   | expected to be 37%.   | serve in the range of \$0   | annon and \$00.0 M   | on. rect income (non-t  | a j expected in the r  | ange of preso minion and   | minon. Effectiv  | a say rave (non-each)  |
|  | Continuin  | g Period Ass  | umptions  |   |  | expected to be of a.  |   |  |   |  |  |  |  |
| Money market rate as of today  | •  | -<br>Risk-Free rate   | -   | LT Op. Costs/Rev  | 78.0%  | For full year 2014, the co  | mmanula faarealakad - · · ·   | unii avmaekad ka ka i- s   | ha rango of #9 0 million  | and \$10 million Taket   | Hanna avmacked in the  | ngs of \$258 6 william   | and \$261.2 million N  |
| -  |  |   |   | •   |  | income (non-GAAP) expe  |   |  |   |  |  | nge or \$200.0 Million :   | ana şevile million. Ne   |
| Annual increase (decrease) in interest rates   |  | Op. Cash/Rev.   | 0.00%   | LT VACC   | 11.5%  | Income (non-GMMP) expe  | ctea in the range or \$22   | million and \$55.1 millio  | n. Errective tax rate (no   | in-GWWh) expected to bi  | c 314.   |  |  |
| Yield Spread accelaration  | 1.2  | Op. Cash/Cash   | 0.0%  | LT Term ROIC  | 15.8%  |   |   |  |   |  |  |  |  |
| Marginal Tax Rate  | 37.0%  | LT Growth   | 2.5%  | Growth in PPE   | Follows Forward Rev. Grov  | v.  |   |  |   |  |  |  |  |
| stimates: weights are either implied from  |  |   |   |   | ed based on the "uniqu   | eness" of its comp  | etitive noveri e  | buters nower.  | suppliers power   | competitive riva   | Irm. threat of subs  | titution, and the  | r Capitalization   |
|  | Rev./Cap   |   | LT Imputed G  |   | LT Op. Cos   |   | Unlevere  |  |   | ltiples (10Y Histo   |  |  | Operating Leas   |
|  | Last   | 10g Median  | Last  | 10g Median  | Last   | 10y Median  | Last  | 10g Median   | TEV/Rev.  | TEVIEBITOA   | TEVÆBITA   | TEVAUFCF   | 1.   |
| PRIVE  |  |   |   | _   |  | _   |   |  |   |  |  |  | 100%   |
| RPXC   | 0.85   | 0.85  | 18.4%   | 29.1%   | 27.7%  | 27.69%  | 1.11  | 1.11   | 2.4×  | 3.4x   | 3.5x   | 5.2x   | Straightline   |
| Peers  | 0.43   | 1.21  | -30.2%  | 27.7%   | 119.6%   | 102.86%   | 0.82  | 1.24   | 5.2x  | 18.1x  | 18.1x  | 23.78  | 10 years   |
|  |  |   |   |   |  |   |   |  |   |  |  |  |  |
| Primary Industry   | 1.37   | 2.19  | 5.1%  | 6.9%  | 80.1%  | 81.30%  | 0.94  | 0.75   | 2.7%  | 13.5x  | 15.6x  | 24.18  | R&D Exp.   |
|  | 1.37<br>2.48   | 2.19<br>2.90  | 5.1%<br>5.4%  | 6.9%<br>6.7%  | 80.1%<br>85.2%   | 81.30%<br>86.48%  |   |  | 2.7x<br>2.2x  | 13.5x<br>13.1x   |  |  | R&D Exp.<br>100%   |
| Industry   | 2.48   | 2.90  | 5.4%  | 6.7%  | 85.2%  | 86.48%  | 0.9 <b>4</b><br>1.13  | 0.75<br>0.99   | 2.2%  | 13.1x  | 15.6x<br>15.6x   | 24.1x<br>22.9x   | 100%   |
| Industry<br>Industry Group   | 2.48<br>1.99   | 2.90<br>2.38  | 5.4%<br>5.6%  | 6.7%<br>6.4%  | 85.2%<br>84.0%   | 86.48%<br>84.60%  | 0.94<br>1.13<br>1.07  | 0.75<br>0.99<br>0.96   | 2.2x<br>1.9x  | 13.1x<br>11.9x   | 15.6x<br>15.6x<br>15.9x  | 24.1x<br>22.9x<br>24.4x  | 100%<br>Straightline   |
| Industry<br>Industry Group<br>Sector   | 2.48<br>1.99<br>1.92   | 2.90<br>2.38<br>2.13  | 5.4%<br>5.6%<br>5.9%  | 6.7%<br>6.4%<br>6.9%  | 85.2%<br>84.0%<br>84.9%  | 86.48%<br>84.60%<br>85.58%  | 0.94<br>1.13<br>1.07<br>1.13  | 0.75<br>0.99<br>0.96<br>1.11   | 2.2x<br>1.9x<br>1.7x  | 13.1x<br>11.9x<br>11.7x  | 15.6x<br>15.6x<br>15.9x<br>15.5x   | 24.1x<br>22.9x<br>24.4x<br>28.6x   | 100%<br>Straightline<br>10 years   |
| Industry<br>Industry Group<br>Sector<br>All U.S. Firms   | 2.48<br>1.99<br>1.92<br>1.76   | 2.90<br>2.38<br>2.13<br>2.02  | 5.4%<br>5.6%<br>5.9%<br>5.9%  | 6.7%<br>6.4%<br>6.9%<br>6.6%  | 85.2%<br>84.0%<br>84.9%<br>80.8%   | 86.48%<br>84.60%<br>85.58%<br>81.45%  | 0.94<br>1.13<br>1.07<br>1.13<br>0.99  | 0.75<br>0.99<br>0.96<br>1.11<br>0.96   | 2.2x<br>1.9x<br>1.7x<br>2.5x  | 13.1x<br>11.9x<br>11.7x<br>12.4x   | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x  | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x  | 100%<br>Straightline<br>10 years<br><b>xpl./Drilling E</b> s   |
| Industry Industry Group Sector All U.S. Firms GDP  | 2.48<br>1.99<br>1.92<br>1.76<br>N/A  | 2.90<br>2.38<br>2.13  | 5.4%<br>5.6%<br>5.9%<br>5.9%<br>3.9%  | 6.7%<br>6.4%<br>6.9%<br>6.6%<br>3.2%  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A  | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A   | 0.94<br>1.13<br>1.07<br>1.13<br>0.99<br>N/A   | 0.75<br>0.99<br>0.96<br>1.11<br>0.96<br>N/A  | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A   | 13.1x<br>11.9x<br>11.7x<br>12.4x<br>N/A  | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A   | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A   | 100%<br>Straightline<br>10 years<br><b>xpl./Drilling E</b> :<br>0%   |
| Industry<br>Industry Group<br>Sector<br>All U.S. Firms   | 2.48<br>1.99<br>1.92<br>1.76   | 2.90<br>2.38<br>2.13<br>2.02  | 5.4%<br>5.6%<br>5.9%<br>5.9%  | 6.7%<br>6.4%<br>6.9%<br>6.6%<br>3.2%  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.000  | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A   | 0.94<br>1.13<br>1.07<br>1.13<br>0.99  | 0.75<br>0.99<br>0.96<br>1.11<br>0.96<br>N/A  | 2.2x<br>1.9x<br>1.7x<br>2.5x  | 13.1x<br>11.9x<br>11.7x<br>12.4x   | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x  | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x  | 100% Straightline 10 years xpl./Drilling Ex 0% Straightline  |
| Industry Industry Group Sector All U.S. Firms GDP  | 2.48<br>1.99<br>1.92<br>1.76<br>N/A  | 2.90<br>2.38<br>2.13<br>2.02<br>N/A   | 5.4%<br>5.6%<br>5.9%<br>5.9%<br>3.9%<br>2.50%   | 6.7%<br>6.4%<br>6.9%<br>6.6%<br>3.2%  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.000  | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A<br>%  | 0.94<br>1.13<br>1.07<br>1.13<br>0.99<br>N/A   | 0.75<br>0.99<br>0.96<br>1.11<br>0.96<br>N/A  | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x   | 13.1s<br>11.9s<br>11.7s<br>12.4s<br>M/A<br>3.4s  | 15.6×<br>15.6×<br>15.9×<br>15.5×<br>16.7×<br>N/A<br>3.5×                                     | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x                                     | 100% Straightline 10 years Expl./Drilling Ex 0% Straightline 10 years  |
| Industry Industry Group Sector All U.S. Firms GDP  | 2.48<br>1.99<br>1.92<br>1.76<br>N/A  | 2.90<br>2.38<br>2.13<br>2.02  | 5.4%<br>5.6%<br>5.9%<br>5.9%<br>3.9%  | 6.7%<br>6.4%<br>6.9%<br>6.6%<br>3.2%  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.000  | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A   | 0.94<br>1.13<br>1.07<br>1.13<br>0.99<br>N/A   | 0.75<br>0.99<br>0.96<br>1.11<br>0.96<br>N/A  | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A   | 13.1x<br>11.9x<br>11.7x<br>12.4x<br>N/A  | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A   | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A   | 100% Straightline 10 years xpl./Drilling Ex 0% Straightline  |
| Industry Industry Group Sector All U.S. Firms GDP  | 2.48<br>1.99<br>1.92<br>1.76<br>N/A<br>0.82  | 2.90<br>2.38<br>2.13<br>2.02<br>N/A   | 5.4%<br>5.6%<br>5.9%<br>5.9%<br>3.9%<br>2.50%   | 6.7%<br>6.4%<br>6.9%<br>6.6%<br>3.2%  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.000  | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A<br>%  | 0.94<br>1.13<br>1.07<br>1.13<br>0.99<br>N/A   | 0.75<br>0.99<br>0.96<br>1.11<br>0.96<br>N/A  | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x   | 13.1s<br>11.9s<br>11.7s<br>12.4s<br>M/A<br>3.4s  | 15.6×<br>15.6×<br>15.9×<br>15.5×<br>16.7×<br>N/A<br>3.5×                                     | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x                                     | 100% Straightline 10 years Expl./Drilling Ex 0% Straightline 10 years  |
| Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate Growth  | 2.48<br>1.39<br>1.32<br>1.76<br>N/A<br>0.82<br>FY2013<br>20.1%   | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%   | 5.4%<br>5.6%<br>5.9%<br>5.9%<br>3.9%<br>2.50%<br>FY2015<br>8.4%   | 6.7%<br>6.4%<br>6.9%<br>6.6%<br>3.2%<br>FY2016<br>7.0%  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.000<br>Explicit Period Assum<br>FY2017<br>5.0%   | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A<br>** ** ** ** ** ** ** ** ** ** ** ** **   | 0.94<br>1.13<br>1.07<br>1.13<br>0.99<br>N/A<br>1.1<br>FY2019<br>3.0%  | 0.75<br>0.99<br>0.96<br>1.11<br>0.96<br>N/A  | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x<br>FY2021<br>2.5%   | 13.1s<br>11.9s<br>11.7s<br>12.4s<br>N/A<br>3.4s<br>FY2022<br>2.5%  | 15.6%<br>15.6%<br>15.5%<br>16.7%<br>N/A<br>3.5%<br>FY2023<br>2.5%                            | 24.1s<br>22.9s<br>24.4s<br>28.6s<br>29.6s<br>N/A<br>5.3s                                     | 100% Straightline 10 years 2pl./Drilling Es 0% Straightline 10 years SG&A 70%  |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev.  | 2.48<br>1.99<br>1.92<br>1.76<br>N/A<br>0.82<br>FY2013<br>20.1½<br>73.0½  | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%<br>74.0%  | 5.4%<br>5.6%<br>5.9%<br>5.9%<br>3.9%<br>2.50%<br>FY2015<br>8.4%<br>75.0%  | 6.7%<br>6.4%<br>6.9%<br>6.6%<br>3.2%<br>FY2016<br>7.0%<br>76.0%   | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.00<br>Explicit Period Assun<br>FY2017<br>5.0%<br>77.0%   | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A<br>%<br>nptions<br>FY2018<br>4.0%<br>78.0%  | 0.94<br>113<br>107<br>113<br>0.99<br>N/A<br>1.1<br>FY2019<br>3.0%   | 0.75<br>0.99<br>0.96<br>1.11<br>0.96<br>N/A<br>1<br>FY2020<br>2.5%<br>78.0%  | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>M/A<br>2.4x<br>FY2021<br>2.5%<br>78.0%  | 13.1s<br>11.9s<br>11.7s<br>12.4s<br>M/A<br>3.4s<br>FY2022<br>2.5%<br>78.0%   | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%          | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%            | 100% Straightline 10 years Expl./Drilling E: 0% Straightline 10 years SG&A 70% Straightline  |
| Industry Industry Group Second All U.S. Firms GDP RPXC long-run estimate Growth  | 2.48<br>1.99<br>1.92<br>1.76<br>N/A<br>0.82<br>FY2013<br>20.1½<br>73.0½  | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%   | 5.4%<br>5.6%<br>5.9%<br>5.9%<br>3.9%<br>2.50%<br>FY2015<br>8.4%   | 6.7%<br>6.4%<br>6.9%<br>6.6%<br>3.2%<br>FY2016<br>7.0%<br>76.0%<br>11.5%  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.00:<br>Explicit Period Assun<br>FY2017<br>5.0%<br>77.0%<br>11.5%   | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A<br>** ** ** ** ** ** ** ** ** ** ** ** **   | 0.94<br>1.13<br>1.07<br>1.13<br>0.99<br>N/A<br>1.1<br>FY2019<br>3.0%  | 0.75<br>0.99<br>0.96<br>1.11<br>0.96<br>N/A  | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x<br>FY2021<br>2.5%   | 13.1s<br>11.9s<br>11.7s<br>12.4s<br>N/A<br>3.4s<br>FY2022<br>2.5%  | 15.6%<br>15.6%<br>15.5%<br>16.7%<br>N/A<br>3.5%<br>FY2023<br>2.5%                            | 24.1s<br>22.9s<br>24.4s<br>28.6s<br>29.6s<br>N/A<br>5.3s                                     | 100% Straightline 10 years Expl./Drilling E: 0% Straightline 10 years SG&A 70%   |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev.  | 2.48<br>1.99<br>1.32<br>1.76<br>N/A<br>0.82<br>FY2013<br>20.1%<br>73.0%<br>10.3%   | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%<br>74.0%  | 5.4%<br>5.6%<br>5.9%<br>5.9%<br>3.9%<br>2.50%<br>FY2015<br>8.4%<br>75.0%<br>11.5%   | 6.7%<br>6.4%<br>6.9%<br>6.6%<br>3.2%<br>FY2016<br>7.0%<br>76.0%<br>11.5%  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.000<br>Explicit Period Assun<br>FY2017<br>5.0%<br>77.0%<br>11.5%   | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A<br>X<br>nptions<br>FY2018<br>4.0%<br>78.0%<br>11.5%                                 | 0.94<br>113<br>107<br>113<br>0.99<br>N/A<br>1.1<br>FY2019<br>3.0%<br>78.0%<br>11.5%   | 0.75<br>0.99<br>0.96<br>1.11<br>0.96<br>N/A<br>1<br>FY2020<br>2.5×<br>78.0×<br>11.5×   | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x<br>FY2021<br>2.5%<br>78.0%<br>11.5%   | 13.1s<br>11.9s<br>11.7s<br>12.4s<br>N/A<br>3.4s<br>FY2022<br>2.5%<br>78.0%<br>11.5%  | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%          | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%            | 100% Straightline 10 years Expl./Drilling E 0% Straightline 10 years SG&A 70% Straightline   |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC   | 2.48 1.99 1.92 1.76 N/A  0.82  FY2013 20.1% 73.0% 10.3%  LTM   | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%<br>74.0%<br>11.5%   | 5.4%<br>5.6%<br>5.9%<br>5.9%<br>3.3%<br>2.50%<br>FY2015<br>8.4%<br>75.0%<br>11.5%<br>LTM-2Y   | 6.7%<br>6.4%<br>6.9%<br>6.6%<br>3.2%<br>FY2016<br>7.0%<br>76.0%<br>11.5%<br>Yalua<br>LTM-3Y   | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A  78.003  Explicit Period Assum FY2017 5.0% 77.0% 11.5%  tion  LTM+4Y   | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A<br>** ** ** ** ** ** ** ** ** ** ** ** **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.1  FY2019 3.0½ 78.0½ 11.5½  LTM-6Y  | 0.75<br>0.99<br>0.96<br>1.11<br>0.96<br>N/A<br>I<br>FY2020<br>2.5%<br>78.0%<br>11.5%   | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x<br>FY2021<br>2.5%<br>78.0%<br>11.5%   | 13.1s<br>11.9s<br>11.7s<br>12.4s<br>N/A<br>3.4s<br>FY2022<br>2.5%<br>78.0%<br>11.5%<br>LTM-9Y  | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%          | 24.1x<br>22.9x<br>24.4x<br>29.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years  Expl./Drilling E  0%  Straightline 10 years  SG&A  70%  Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate  Growth Op.Costs/Rev. VACC  | 2.48<br>1.99<br>1.92<br>1.76<br>N/A<br>0.82<br>FY2013<br>20.1½<br>73.0½<br>10.3½   | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%<br>74.0%<br>11.5%<br>LTM-1Y<br>\$108.7  | 5.4%<br>5.8%<br>5.9%<br>5.9%<br>3.9%<br>2.50%<br>FY2015<br>8.4%<br>75.0%<br>11.5%<br>LTM-2Y<br>\$112.1  | 6.7%<br>6.4%<br>6.8%<br>6.6%<br>3.2%<br>FY2016<br>7.0%<br>76.0%<br>11.5%<br>Yalua<br>LTM-3%<br>\$113.9  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.00:<br>Explicit Period Assun<br>FY2017<br>5.0%<br>77.0%<br>11.5%<br>tion<br>LTM-4Y<br>\$114.8  | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A<br>%<br>nptions<br>FY2018<br>4.0%<br>78.0%<br>11.5%<br>LTM-5Y<br>\$115.4            | 0.94 113 107 113 0.99 N/A  1.1  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5   | 0.75 0.99 0.96 1.11 0.96 N/A   FY2020 2.5% 78.0% 11.5%  LTM-7Y \$119.0   | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x<br>FY2021<br>2.55x<br>78.05x<br>11.55x<br>LTM-8Y<br>\$121.4   | 13.1x<br>11.9x<br>11.7x<br>12.4x<br>N//A<br>3.4z<br>FY2022<br>2.5x<br>78.0x<br>11.5x<br>LTM-9Y<br>\$123.8  | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%          | 24.1x<br>22.9x<br>24.4x<br>29.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | 100% Straightline 10 years Expl./Drilling E 0% Straightline 10 years SG&A 70% Straightline   |
| Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital   | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9   | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%<br>74.0%<br>11.5%<br>LTM-1Y<br>\$108.7<br>\$443.7   | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5  | 6.7%<br>6.4%<br>6.9%<br>6.6%<br>3.2%<br>FY2016<br>7.0%<br>76.0%<br>11.5%<br>Yalua<br>LTM-3Y<br>\$13.9<br>\$565.4  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.000<br>Explicit Period Assun<br>FY2017<br>5.0%<br>77.0%<br>11.5%<br>tion<br>LTM-4Y<br>\$114.8<br>\$619.7   | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A<br>%<br>nptions<br>FY2018<br>4.0%<br>78.0%<br>11.5%<br>LTM-5Y<br>\$115.4<br>\$676.3 | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0   | 0.75 0.99 0.96 1.11 0.96 N/A  FY2020 2.5% 78.0% 11.5%  LTM-7Y \$119.0 \$754.0  | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x<br>FY2021<br>2.5x<br>78.0x<br>11.5x<br>LTM-8Y<br>\$1214<br>\$783.8  | 13.1s<br>11.9s<br>11.7s<br>12.4s<br>N/A<br>3.4s<br>FY2022<br>2.5s/<br>78.0s/<br>11.5s/<br>LTM-9Y<br>\$123.8<br>\$\$13.9  | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%          | 24.1x<br>22.9x<br>24.4x<br>29.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years  Expl./Drilling E  0%  Straightline 10 years  SG&A  70%  Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC   | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9   | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%<br>74.0%<br>11.5%<br>LTM-1Y<br>\$108.7  | 5.4%<br>5.8%<br>5.9%<br>5.9%<br>3.9%<br>2.50%<br>FY2015<br>8.4%<br>75.0%<br>11.5%<br>LTM-2Y<br>\$112.1  | 6.7% 6.4% 6.9% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM+3Y \$113.9 \$565.4 2.25%   | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.00:<br>Explicit Period Assun<br>FY2017<br>5.0%<br>77.0%<br>11.5%<br>tion<br>LTM-4Y<br>\$114.8  | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A<br>%<br>nptions<br>FY2018<br>4.0%<br>78.0%<br>11.5%<br>LTM-5Y<br>\$115.4            | 0.94 113 107 113 0.99 N/A  1.1  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5   | 0.75 0.99 0.96 1.11 0.96 N/A   FY2020 2.5% 78.0% 11.5%  LTM-7Y \$119.0   | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x<br>FY2021<br>2.55x<br>78.05x<br>11.55x<br>LTM-8Y<br>\$121.4   | 13.1s<br>11.9s<br>11.7s<br>12.4s<br>N/A<br>3.4s<br>FY2022<br>2.5x<br>78.0x<br>11.5x<br>LTM-9Y<br>\$123.8<br>\$813.9<br>15.8x   | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%          | 24.1x<br>22.9x<br>24.4x<br>29.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years  Expl./Drilling E  0%  Straightline 10 years  SG&A  70%  Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital   | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9   | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%<br>74.0%<br>11.5%<br>LTM-1Y<br>\$108.7<br>\$443.7   | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5  | 6.7%<br>6.4%<br>6.9%<br>6.6%<br>3.2%<br>FY2016<br>7.0%<br>76.0%<br>11.5%<br>Yalua<br>LTM-3Y<br>\$13.9<br>\$565.4  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.000<br>Explicit Period Assun<br>FY2017<br>5.0%<br>77.0%<br>11.5%<br>tion<br>LTM-4Y<br>\$114.8<br>\$619.7   | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A<br>%<br>nptions<br>FY2018<br>4.0%<br>78.0%<br>11.5%<br>LTM-5Y<br>\$115.4<br>\$676.3 | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0   | 0.75 0.99 0.96 1.11 0.96 N/A  FY2020 2.5% 78.0% 11.5%  LTM-7Y \$119.0 \$754.0  | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x<br>FY2021<br>2.5x<br>78.0x<br>11.5x<br>LTM-8Y<br>\$1214<br>\$783.8  | 13.1s<br>11.9s<br>11.7s<br>12.4s<br>N/A<br>3.4s<br>FY2022<br>2.5s/<br>78.0s/<br>11.5s/<br>LTM-9Y<br>\$123.8<br>\$\$13.9  | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%          | 24.1x<br>22.9x<br>24.4x<br>29.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years  Expl./Drilling E: 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF  | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00  | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%<br>74.0%<br>11.5%<br>LTM-1Y<br>\$108.7<br>\$443.7<br>30.5%<br>\$27.72   | 5.4%<br>5.6%<br>5.9%<br>5.9%<br>3.9%<br>2.50%<br>FY2015<br>8.4%<br>75.0%<br>11.5%<br>LTM-2Y<br>\$112.1<br>\$506.5<br>25.4%<br>\$49.27   | 6.7% 6.4% 6.8% 6.8% 3.2%  FY2016 7.0% 76.0% 11.5% Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.00:<br>Explicit Period Assur<br>FY2017<br>5.0%<br>77.0%<br>11.5%<br>tion<br>LTM-4Y<br>\$114.8<br>\$619.7<br>20.3%<br>\$60.42   | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A  **  **  **  **  **  **  **  **  **   | 0.94 113 107 113 0.99 N/A  1.11  FY2019 3.0½ 78.0½ 11.5½  LTM-6Y \$116.5 \$719.0 17.2½ \$73.78  | 0.75 0.98 0.96 1.11 0.96 N/A  FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$83.95  | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x<br>FY2021<br>2.5%<br>78.0%<br>11.5%<br>LTM-8Y<br>\$121.4<br>\$783.8<br>16.1%<br>\$91.65   | 13.1x<br>11.9x<br>11.7x<br>12.4x<br>N//A<br>3.4x<br>FY2022<br>2.5x<br>78.0x<br>11.5x<br>LTM-9Y<br>\$123.8<br>\$813.9<br>15.8x<br>\$93.74   | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%          | 24.1x<br>22.9x<br>24.4x<br>29.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years Expl./Drilling Ex O% Straightline 10 years SG&A 70% Straightline 10 years  |
| Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA   | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00  | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%<br>74.0%<br>11.5%<br>LTM-1Y<br>\$443.7<br>30.5%   | 5.4%<br>5.6%<br>5.9%<br>5.9%<br>3.9%<br>2.50%<br>FY2015<br>8.4%<br>75.0%<br>11.5%<br>LTM-2Y<br>\$112.1<br>\$506.5<br>25.4%  | 6.7% 6.4% 6.9% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM+3Y \$113.9 \$565.4 2.25%   | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N//A  78.002  Explicit Period Assun FY2017 5.0% 77.0% 11.5% tion  LTM-4Y \$114.8 \$613.7 20.3%   | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A<br>**  **  **  **  **  **  **  **  **  *  | 0.94 1.13 1.07 1.13 0.99 N/A  1.1  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2%  | 0.75 0.99 0.96 1.11 0.96 N/A   FY2020 2.5% 78.0% 11.5%  LTM-7Y \$119.0 \$754.0 16.6%   | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x<br>FY2021<br>2.5%<br>78.0%<br>11.5%<br>LTM-8Y<br>\$121.4<br>\$783.8<br>16.1%  | 13.1x<br>11.9x<br>11.7x<br>12.4x<br>N/A<br>3.4x<br>FY2022<br>2.5x<br>78.0x<br>11.5x<br>LTM-9Y<br>\$123.8<br>\$813.9<br>15.8x<br>\$93.74<br>\$93.00   | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%          | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years Expl./Drilling Ex O% Straightline 10 years SG&A 70% Straightline 10 years  |
| Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value  | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00 \$106.15   | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%<br>74.0%<br>11.5%<br>LTM-1Y<br>\$108.7<br>\$443.7<br>30.5%<br>\$27.72<br>\$83.19  | 5.4%<br>5.6%<br>5.9%<br>5.9%<br>3.3%<br>2.50%<br>FY2015<br>8.4%<br>75.0%<br>11.5%<br>LTM-2Y<br>\$112.1<br>\$506.5<br>25.4%<br>\$49.27<br>\$63.88  | 6.7% 6.4% 6.9% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13   | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A  78.002  Explicit Period Assure<br>FY2017 5.0% 77.0% 11.5%  tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57   | 86.48% 84.60% 85.58% 81.45% N/A  ** ** ** ** ** ** ** ** ** ** ** ** *  | 0.94 1.13 1.07 1.13 0.99 N/A  1.1  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2% \$73.78 \$441.21   | 0.75 0.99 0.96 1.11 0.96 N/A   FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$83.95 \$38.06   | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x<br>FY2021<br>2.5x<br>78.0x<br>11.5x<br>LTM+8Y<br>\$121.4<br>\$783.8<br>16.1x<br>\$91.65<br>\$36.04  | 13.1x<br>11.9x<br>11.7x<br>12.4x<br>N/A<br>3.4x<br>FY2022<br>2.5%<br>78.0%<br>11.5%<br>LTM-9Y<br>\$123.8<br>\$813.9<br>15.8%<br>\$93.74<br>\$35.00<br>\$980.47   | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%          | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years  Expl./Drilling E: 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value [mid-gear adj.]  | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00 \$106.15   | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5% 74.0% 11.5%  LTM-1Y \$108.7 \$443.7 30.5% \$27.72 \$83.19 \$928.75   | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$89.88 \$950.08   | 6.7% 6.4% 6.8% 6.8% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13   | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.00<br>Explicit Period Assur<br>FY2017<br>5.0%<br>77.0%<br>11.5%<br>tion<br>LTM-4Y<br>\$114.8<br>\$619.7<br>20.3%<br>\$60.42<br>\$54.57   | 86.48%<br>84.60%<br>85.58%<br>81.45%<br>N/A  **  **  **  **  **  **  **  **  **   | 0.94 113 107 113 0.99 N/A  1.1  FY2019 3.0½ 78.0½ 11.5½  LTM-6Y \$116.5 \$719.0 17.2½ \$73.78 \$41.21   | 0.75 0.99 0.96 1.11 0.96 N/A  FY2020 2.5% 78.0% 11.5%  LTM-7Y \$119.0 \$754.0 16.6% \$83.95 \$38.06  | 2.2x<br>1.9x<br>1.7x<br>2.5x<br>N/A<br>2.4x<br>FY2021<br>2.5x<br>78.0x<br>11.5x<br>LTM-8Y<br>\$121.4<br>\$783.8<br>16.1x;<br>\$91.65<br>\$36.04   | 13.1x 11.9x 11.9x 11.9x 12.4x N/A 12.4x N/A 3.4x FY2022 2.5% 78.0% 11.5% LTM-9Y \$123.8 \$813.9 15.8% \$93.74 \$35.00 \$980.47 \$1,140.21  | 15.6x<br>15.5x<br>15.5x<br>16.7x<br>10.7x<br>N/A<br>3.5x<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years  Expl./Drilling E: 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-gear adj.) Total Debt   | 2.48 1.99 1.92 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00 \$106.15   | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%<br>74.0%<br>11.5%<br>LTM-1Y<br>\$108.7<br>\$443.7<br>30.5%<br>\$27.72<br>\$83.19  | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$89.88  \$950.08 \$0.00   | 6.7% 6.4% 6.8% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3% \$113.9 \$565.4 22.5% \$62.13  \$977.77 \$0.00  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.00:<br>Explicit Period Assur<br>FY2017<br>5.0%<br>77.0%<br>11.5%<br>tion<br>LTM-4Y<br>\$114.8<br>\$619.7<br>20.3%<br>\$80.42<br>\$54.57  | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 113 107 113 0.99 N/A  1.1  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2% \$73.78 \$41.21  \$1,067.72 \$0.00  | 0.75 0.99 0.96 1.11 0.96 N/A  FY2020 2.5% 78.0% 11.5%  LTM-7Y \$119.0 \$754.0 16.6% \$83.95 \$38.06  | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.55x 78.0x 11.5x  LTM-8Y \$121.4 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85  | 13.1x<br>11.9x<br>11.7x<br>12.4x<br>N//A<br>3.4z<br>FY2022<br>2.5x<br>78.0x<br>11.5x<br>LTM-9Y<br>\$123.8<br>\$813.9<br>15.8x<br>\$93.74<br>\$35.00<br>\$980.47<br>\$1,140.21<br>\$77.53   | 15.6x<br>15.5x<br>15.5x<br>16.7x<br>10.7x<br>N/A<br>3.5x<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years  Expl./Drilling E: 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest   | 2.48 1.99 1.92 1.76 N/A  0.82  FY2013 20.15; 73.05; 10.33;  LTM \$145.5 \$279.9 51.95; \$0.00 \$106.15   | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5½ 74.0½ 11.5½  LTM-1Y \$108.7 \$443.7 30.5½ \$27.72 \$83.19  \$928.75 \$0.00 \$0.00  | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$69.38 \$950.08 \$0.00 \$0.00   | 6.7% 6.4% 6.3% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00   | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A  78.003  Explicit Period Assur<br>FY2017<br>5.0%<br>77.0%<br>11.5%  tion  LTM-4Y<br>\$114.8<br>\$619.7<br>20.3%<br>\$60.42<br>\$54.57  \$1,005.79<br>\$0.00<br>\$0.00  | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2% \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00   | 0.75 0.99 0.96 1.11 0.96 1.17 0.96 N/A   FY2020 2.5% 78.0% 11.5%  LTM-7Y \$119.0 \$754.0 16.6% \$83.95 \$38.06 \$1.091.65 \$1.38 \$0.00  | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5x 78.0x 11.5x  LTM-8Y \$12.14 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00  | 13.1x<br>11.9x<br>11.7x<br>12.4x<br>N/A<br>3.4x<br>FY2022<br>2.5x<br>78.0x<br>11.5x<br>LTM-9Y<br>\$1238<br>\$813.9<br>15.8x<br>\$93.74<br>\$35.00<br>\$980.47<br>\$1,140.21<br>\$7.753<br>\$0.00   | 15.6x<br>15.5x<br>15.5x<br>16.7x<br>10.7x<br>N/A<br>3.5x<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years  Expl./Drilling E  0%  Straightline 10 years  SG&A  70%  Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity  | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 \$1.9½ \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$0.00   | 2.90<br>2.38<br>2.13<br>2.02<br>N/A<br>FY2014<br>9.5%<br>74.0%<br>11.5%<br>LTM-1Y<br>\$108.7<br>\$443.7<br>30.5%<br>\$27.72<br>\$83.19  | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$83.88  \$950.08 \$0.00 \$0.00 \$0.00 \$0.00  | 6.7% 6.4% 6.8% 6.8% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.000 \$0.000 \$0.000   | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.00<br>Explicit Period Assun<br>FY2017<br>5.0%<br>77.0%<br>11.5%<br>tion<br>LTM-4Y<br>\$114.8<br>\$619.7<br>20.3%<br>\$60.42<br>\$54.67<br>\$1,005.79<br>\$0.00<br>\$0.00<br>\$0.00   | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.1  FY2019 3.0½ 78.0½ 11.5½  LTM-6Y \$118.5 \$719.0 17.2½ \$73.78 \$41.21  \$1,067.72 \$0.000 \$0.000 \$0.000  | 0.75 0.99 0.96 1.11 0.96 N/A  FY2020 2.5% 78.0% 11.5%  LTM-7Y \$119.0 \$754.0 16.6% \$83.95 \$38.06  | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.55x 78.0x 11.5x  LTM-8Y \$121.4 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85  | 13.1x 11.9x 11.9x 11.9x 12.4x N/A 12.4x N/A 3.4x FY2022 2.5x 78.0x 11.5x | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years Expl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest  | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 \$1.9½ \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$0.00   | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5½ 74.0½ 11.5½  LTM-1Y \$108.7 \$443.7 30.5½ \$27.72 \$83.19  \$928.75 \$0.00 \$0.00  | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$69.38 \$950.08 \$0.00 \$0.00   | 6.7% 6.4% 6.3% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00   | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A  78.003  Explicit Period Assur<br>FY2017<br>5.0%<br>77.0%<br>11.5%  tion  LTM-4Y<br>\$114.8<br>\$619.7<br>20.3%<br>\$60.42<br>\$54.57  \$1,005.79<br>\$0.00<br>\$0.00  | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2% \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00   | 0.75 0.99 0.96 1.11 0.96 1.17 0.96 N/A   FY2020 2.5% 78.0% 11.5%  LTM-7Y \$119.0 \$754.0 16.6% \$83.95 \$38.06 \$1.091.65 \$1.38 \$0.00  | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5x 78.0x 11.5x  LTM-8Y \$1214 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00   | 13.1x<br>11.9x<br>11.7x<br>12.4x<br>N/A<br>3.4x<br>FY2022<br>2.5x<br>78.0x<br>11.5x<br>LTM-9Y<br>\$1238<br>\$813.9<br>15.8x<br>\$93.74<br>\$35.00<br>\$980.47<br>\$1,140.21<br>\$7.753<br>\$0.00   | 15.6x<br>15.5x<br>15.5x<br>16.7x<br>10.7x<br>N/A<br>3.5x<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years Expl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases   | 2.48 1.99 1.92 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$0.00 \$28.00 \$\$28.00  | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5× 74.0× 11.5×  LTM-1Y \$108.7 \$443.7 30.5∨ \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$0.00 \$35.37   | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$69.88  \$950.08 \$0.00 \$0.00 \$0.00 \$0.00  | 6.7% 6.4% 6.8% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00 \$0.00 \$31.76  | 85.2% 84.0% 84.9% 80.8% N/A  78.00:  Explicit Period Assur FY2017 5.0% 77.0% 11.5% tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57  \$1,005.79 \$0.00 \$0.00 \$0.00 \$3.163   | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 113 107 113 0.99 N/A  1.11  FY2019 3.0½ 78.0½ 11.5½  LTM-6Y \$116.5 \$719.0 17.2½ \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.000 \$0.000 \$42.66   | 0.75 0.99 0.96 1.11 0.96 N/A   FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$33.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$43.60   | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5x 78.0x 11.5x  LTM-8Y \$121.4 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$44.81  | 13.1x 11.9x 11.9x 11.7x 12.4x N/A 12.4x N/A 3.4x FY2022 2.5x 78.0x 11.5x | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years Expl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PY of Unfunded Pension Plan Liabilities  | 2.48 1.99 1.92 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$0.00 \$28.00 \$30.00 \$28.00  | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5½ 74.0½ 11.5½  LTM-1Y \$108.7 \$443.7 30.5½ \$2.7.72 \$83.19  \$928.75 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00  | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$63.88  \$350.08 \$0.00 \$0.00 \$0.00 \$22.80 \$0.00  | 6.7% 6.4% 6.9% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00 \$0.00 \$3.176 \$0.00   | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.00:<br>FY2017<br>5.0%<br>77.0%<br>11.5%<br>tion<br>LTM-4Y<br>\$114.8<br>\$619.7<br>20.3%<br>\$60.42<br>\$54.57<br>\$1,005.79<br>\$0.00<br>\$0.00<br>\$0.00<br>\$31.63<br>\$0.00  | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2% \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$42.66 \$0.000  | 0.75 0.99 0.96 1.11 0.96 1.11 0.96 N/A   FY2020 2.5% 78.0% 11.5%  LTM-7Y \$119.0 \$754.0 16.6% \$83.95 \$38.06 \$1.09.65 \$1.38 \$0.00 \$0.00 \$43.60 \$0.00   | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.55x 78.0x 11.5x  LTM-8Y \$12.14 \$783.8 16.17; \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$44.81 \$0.00  | 13.1x 11.9x 11.7x 12.4x N/A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$1238 \$913.9 15.8x \$93.74 \$93.74 \$95.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$0.00 \$51.09 \$0.00  | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years Expl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities npact of options, warrants, and converts  | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 \$1.9½ \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$0.00 \$0.00 \$28.00 \$0.00 \$16.20   | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5× 74.0× 11.5×  LTM-1Y \$108.7 \$443.7 30.5× \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$35.37 \$0.00 \$15.55   | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$69.38 \$0.00 \$0.00 \$0.00 \$0.00 \$14.87  | 6.7% 6.4% 6.8% 6.8% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.000 \$0.00 \$31.76 \$0.00 \$31.76 \$0.00 \$14.13  | 85.2%<br>84.0%<br>84.9%<br>80.8%<br>N/A<br>78.002<br>Explicit Period Assun<br>FY2017<br>5.0%<br>77.0%<br>11.5%<br>tion<br>LTM-4Y<br>\$114.8<br>\$619.7<br>20.3%<br>\$60.42<br>\$54.57<br>\$1,005.79<br>\$0.00<br>\$0.00<br>\$0.00<br>\$3.163<br>\$0.00<br>\$13.33                        | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0½ 78.0½ 11.5½  LTM-6Y \$116.5 \$719.0 17.2½ \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$42.66 \$0.00 \$11.50   | 0.75 0.99 0.96 1.11 0.96 N/A   FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$33.95 \$38.06  \$1,091.85 \$1.38 \$0.00 \$0.00 \$43.60 \$0.00 \$10.43   | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5× 78.0× 11.5×  LTM-8Y \$121.4 \$783.8 16.1x; \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$44.81 \$0.00 \$3.19  | 13.tx 11.9x 11.7x 12.4x N/A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$123.8 \$413.9 \$15.8x \$33.74 \$35.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$0.00 \$51.09 \$0.00 \$51.09 \$0.00 \$7.69   | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years Expl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EYA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PY of Unfunded Pension Plan Liabilities npact of options, warrants, and converts Other claims on operating assets Other claims on operating assets  | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$28.00 \$0.00 \$10.00 \$18.20 \$0.00   | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5× 74.0× 11.5×  LTM-1Y \$108.7 \$443.7 30.5× \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$35.37 \$0.00 \$15.55 \$0.00  | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$69.38 \$0.00 \$0.00 \$0.000 \$14.87 \$0.00   | 6.7% 6.4% 6.8% 6.8% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00 \$31.76 \$0.00 \$31.76 \$0.00 \$14.13 \$0.00  | 85.2%<br>84.9%<br>80.8%<br>N/A  78.00:  Explicit Period Assur<br>FY2017  5.0%  77.0%  11.5%  tion  LTM-4Y  \$114.8  \$619.7  20.3%  \$60.42  \$54.57  \$1,005.79  \$0.00  \$0.00  \$0.00  \$1.000  \$13.33  \$0.00   | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0½ 78.0½ 11.5½  LTM-6Y \$116.5 \$719.0 17.2½ \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$42.66 \$0.00 \$11.50 \$0.00   | 0.75 0.99 0.96 1.11 0.96 N/A  FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$83.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$43.60 \$0.00 \$10.43 \$0.00  | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5x 78.0x 11.5x  LTM-8Y \$121.4 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00   | 13.1x 11.9x 11.7x 12.4x N//A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$123.8 \$813.9 \$15.8x \$93.74 \$35.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$0.00 \$51.09 \$0.00 \$7.69 \$0.00  | 15.6x<br>15.9x<br>15.9x<br>16.7x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>29.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | 100% Straightline 10 years spl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities npact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments  | 2.48 1.99 1.92 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00 \$106.15  \$820.43 \$0.00   | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5½ 74.0½ 11.5½  LTM-1Y \$108.7 \$443.7 30.5½ \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$0.00 \$0.00 \$15.55 \$0.00 \$15.55 \$0.00 \$218.81   | 5.4% 5.6% 5.9% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$69.88  \$350.08 \$0.00 \$0.00 \$0.00 \$0.00 \$14.87 \$0.00 \$186.42   | 6.7% 6.4% 6.8% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00 \$0.00 \$1.5% \$14.13 \$0.00 \$14.13 \$0.00 \$15.58   | 85.2% 84.0% 84.9% 80.8% N/A  78.00  Explicit Period Assun FY2017 5.0% 77.0% 11.5% tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57  \$1,005.79 \$0.00 \$0.00 \$0.00 \$10.00 \$31.63 \$0.00 \$113.33 \$0.000 \$118.75   | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2% \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$42.66 \$0.00 \$11.50 \$0.00 \$42.66 \$0.00 \$46.06   | 0.75 0.99 0.96 1.11 0.96 1.11 0.96 N/A   FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$33.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$0.00 \$43.60 \$0.00 \$10.43 \$0.00 \$9.20   | 2.2x 1.9x 1.7x 2.5x N/A  2.4x  FY2021 2.55x 78.05x 11.55x  LTM-8Y \$12.14 \$783.8 16.15; \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00 \$0.00 \$0.00 \$0.00 | 13.1x 11.9x 11.7x 12.4x N//A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$123.8 \$813.9 15.8x \$33.74 \$35.00 \$380.47 \$1,140.21 \$77.53 \$0.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00   | 15.6x<br>15.6x<br>15.9x<br>15.5x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>29.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | 100% Straightline 10 years spl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP RPXC Iong-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitaled Operating leases PY of Unfunded Pension Plan Labilities npact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value  | 2.48 1.99 1.92 1.76 N//A   | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5× 74.0× 11.5×  LTM-1Y \$108.7 \$443.7 30.5× \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$15.55 \$0.00 \$15.55 \$0.00 \$218.81 \$1,096.63  | 5.4% 5.6% 5.9% 5.9% 3.3%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$63.88 \$0.00 \$0.00 \$0.00 \$0.00 \$14.87 \$0.00 \$186.42 \$1,088.84   | 6.7% 6.4% 6.8% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.000 \$0.00 \$31.76 \$0.000 \$14.13 \$0.000 \$153.58 \$1,085.47   | 85.2% 84.0% 84.9% 80.8% N/A  78.00  Explicit Period Assur FY2017 5.0% 77.0% 11.5%  tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57  \$1,005.79 \$0.00 \$0.00 \$31.63 \$0.00 \$13.33 \$0.00 \$118.75 \$1,079.59  | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2% \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$44.66 \$1,059.62  | 0.75 0.99 0.96 1.11 0.96 N/A   FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$83.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$0.00 \$43.60 \$0.00 \$10.43 \$0.00 \$9.20 \$1,045.44  | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5× 78.0× 11.5×  LTM-8Y \$1214 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00 \$1,027.25                        | 13.tx 11.9x 11.7x 12.4x N/A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$1238 \$813.9 \$15.8x \$93.74 \$35.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$0.00 \$51.09 \$0.00 \$0.00 \$1,003.91  | 15.6x<br>15.9x<br>15.9x<br>16.7x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>29.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years Expl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities npact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments  | 2.48 1.99 1.92 1.76 N//A   | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5½ 74.0½ 11.5½  LTM-1Y \$108.7 \$443.7 30.5½ \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$0.00 \$0.00 \$15.55 \$0.00 \$15.55 \$0.00 \$218.81   | 5.4% 5.6% 5.9% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$69.88  \$350.08 \$0.00 \$0.00 \$0.00 \$0.00 \$14.87 \$0.00 \$186.42   | 6.7% 6.4% 6.8% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00 \$0.00 \$1.5% \$14.13 \$0.00 \$14.13 \$0.00 \$15.58   | 85.2% 84.0% 84.9% 80.8% N/A  78.00  Explicit Period Assun FY2017 5.0% 77.0% 11.5% tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57  \$1,005.79 \$0.00 \$0.00 \$0.00 \$10.00 \$31.63 \$0.00 \$113.33 \$0.000 \$118.75   | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2% \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$42.66 \$0.00 \$11.50 \$0.00 \$42.66 \$0.00 \$46.06   | 0.75 0.99 0.96 1.11 0.96 1.11 0.96 N/A   FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$33.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$0.00 \$43.60 \$0.00 \$10.43 \$0.00 \$9.20   | 2.2x 1.9x 1.7x 2.5x N/A  2.4x  FY2021 2.55x 78.05x 11.55x  LTM-8Y \$12.14 \$783.8 16.15; \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00 \$0.00 \$0.00 \$0.00 | 13.1x 11.9x 11.7x 12.4x N//A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$123.8 \$813.9 15.8x \$33.74 \$35.00 \$380.47 \$1,140.21 \$77.53 \$0.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00 \$5.00   | 15.6x<br>15.9x<br>15.9x<br>16.7x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>29.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years  zpl./Drilling Er 0% Straightline 10 years SG&A 70% Straightline 10 years  |
| Industry Industry Group Sector All U.S. Firms GDP RPXC Iong-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitaled Operating leases PY of Unfunded Pension Plan Labilities npact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value  | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$0.00 \$0.00 \$16.20 \$0.00 \$303.13 \$1,079.36 \$55.34  | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5× 74.0× 11.5×  LTM-1Y \$108.7 \$443.7 30.5× \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$15.55 \$0.00 \$15.55 \$0.00 \$218.81 \$1,096.63  | 5.4% 5.6% 5.9% 5.9% 3.3%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$63.88 \$0.00 \$0.00 \$0.00 \$0.00 \$14.87 \$0.00 \$186.42 \$1,088.84   | 6.7% 6.4% 6.8% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.000 \$0.00 \$31.76 \$0.000 \$14.13 \$0.000 \$153.58 \$1,085.47   | 85.2% 84.0% 84.9% 80.8% N/A  78.00  Explicit Period Assur FY2017 5.0% 77.0% 11.5%  tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57  \$1,005.79 \$0.00 \$0.00 \$31.63 \$0.00 \$13.33 \$0.00 \$118.75 \$1,079.59  | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2% \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$44.66 \$1,059.62  | 0.75 0.99 0.96 1.11 0.96 N/A   FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$83.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$0.00 \$43.60 \$0.00 \$10.43 \$0.00 \$9.20 \$1,045.44  | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5× 78.0× 11.5×  LTM-8Y \$1214 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00 \$1,027.25                        | 13.tx 11.9x 11.7x 12.4x N/A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$1238 \$813.9 \$15.8x \$93.74 \$35.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$0.00 \$51.09 \$0.00 \$0.00 \$1,003.91  | 15.6x<br>15.9x<br>15.9x<br>16.7x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5½<br>78.0½<br>11.5½   | Straightline 10 years  zpl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years  10 years  y = 6.55% = + 10.20  |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EYA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PY of Unfunded Pension Plan Liabilities npact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding   | 2.48 1.99 1.92 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$16.20 \$0.00 \$303.13 \$1,079.36 \$53.94 \$20.12   | 2.90 2.38 2.13 2.02 N/A  FY2014 9.55× 74.0% 11.5%  LTM-1Y \$108.7 \$443.7 30.5% \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$0.00 \$35.37 \$0.00 \$15.55 \$0.00 \$218.81 \$1,096.63 \$53.94 \$20.34  | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$89.88  \$950.08 \$0.00 \$0.00 \$0.00 \$0.00 \$14.87 \$0.00 \$186.42 \$1,088.84 \$53.94 \$20.16   | 6.7% 6.4% 6.8% 6.8% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00 \$31.76 \$0.00 \$31.76 \$0.00 \$14.13 \$0.00 \$15.5.88 \$1,05.5.47 \$53.94  | 85.2% 84.0% 84.9% 80.8% N/A  78.00  Explicit Period Assur FY2017 5.0% 77.0% 11.5% tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57  \$1,005.79 \$0.00 \$0.00 \$0.00 \$13.33 \$0.00 \$13.33 \$0.00 \$118.75 \$1,079.59 \$53.94  | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2% \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$1,050 \$0.00 \$1,50 \$0.00 \$46.06 \$1,059.62 \$53.94 \$19.55  | 0.75 0.99 0.96 1.11 0.96 N/A   FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$33.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$0.00 \$14.36 \$0.00 \$10.43 \$0.00 \$9.20 \$1,045.44 \$53.94 \$19.26  | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5x 78.0x 11.5x  LTM-8Y \$121.4 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00 \$1,027.25 \$53.94               | 13.1x 11.9x 11.7x 12.4x N/A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$123.8 \$813.9 \$15.8x \$93.74 \$35.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$51.03 \$0.00 \$51.03 \$0.00 \$1.003.91 \$553.94   | 15.6x<br>15.9x<br>15.9x<br>16.7x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%          | Straightline 10 years  zpl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EYA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PY of Unfunded Pension Plan Liabilities npact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding   | 2.48 1.99 1.92 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 \$51.9½ \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$28.00 \$0.00 \$28.00 \$0.00 \$16.20 \$0.00 \$303.13 \$1,079.36 \$53.94 \$20.12  | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5% 74.0% 11.5%  LTM-1Y \$108.7 \$443.7 30.5% \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$35.37 \$0.00 \$0.00 \$15.55 \$0.00 \$15.55 \$0.00 \$21.81 \$1,096.63 \$53.94   | 5.4% 5.6% 5.9% 5.9% 3.3%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$69.38 \$0.00 \$0.00 \$0.00 \$0.00 \$14.87 \$0.00 \$186.42 \$1,088.84 \$53.94 \$20.16   | 6.7% 6.4% 6.8% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00 \$31.76 \$0.00 \$31.76 \$0.00 \$14.13 \$0.00 \$153.58 \$1,085.47 \$53.94 \$20.09   | 85.2% 84.0% 84.9% 80.8% N/A  78.00  Explicit Period Assur FY2017 5.0% 77.0% 11.5% tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57  \$1,005.79 \$0.00 \$0.00 \$0.00 \$13.33 \$0.00 \$13.33 \$0.00 \$118.75 \$1,079.59 \$53.94  | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0½ 78.0½ 11.5½  LTM-6Y \$116.5 \$719.0 17.2½ \$73.78 \$41.21  \$1,067.72 \$0.000 \$0.000 \$42.66 \$0.000 \$42.66 \$0.000 \$42.66 \$0.000 \$42.66 \$0.000 \$42.66 \$0.000 \$42.66 \$53.94   | 0.75 0.99 0.96 1.11 0.96 N/A    FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$83.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$0.00 \$43.60 \$0.00 \$10.43 \$0.00 \$10.43 \$0.00 \$9.20 \$1,045.44 \$53.94 \$19.26  | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5x 78.0x 11.5x  LTM-8Y \$121.4 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00 \$1,027.25 \$53.94               | 13.1x 11.9x 11.7x 12.4x N/A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$123.8 \$813.9 \$15.8x \$93.74 \$35.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$51.03 \$0.00 \$51.03 \$0.00 \$1.003.91 \$553.94   | 15.6x<br>15.9x<br>15.9x<br>16.7x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | 100% Straightline 10 years spl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EYA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PY of Unfunded Pension Plan Liabilities npact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/6/2015   | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1% 73.0% 10.3%  LTM \$145.5 \$279.9 \$10.00 \$106.15  \$820.43 \$0.00 \$0.00 \$0.00 \$28.00 \$0.00 \$16.20 \$0.00 \$303.13 \$1079.36 \$53.94 \$20.12 Monte Carlo Base   | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5× 74.0× 11.5×  LTM-1Y \$108.7 \$443.7 30.55; \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$0.00 \$35.37 \$0.00 \$15.55 \$0.00 \$218.81 \$1,036.63 \$53.94 \$20.34 Simulation A Stdev                                       | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$89.88 \$0.00 \$0.00 \$0.00 \$0.00 \$14.87 \$0.00 \$186.42 \$1,088.84 \$53.94 \$20.16 \$5sumptions Min                                  | 6.7% 6.4% 6.8% 6.8% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00 \$31.76 \$0.00 \$31.76 \$0.00 \$14.13 \$0.00 \$15.58 \$10.95.47 \$53.94 \$20.09   | 85.2% 84.0% 84.9% 80.8% N/A  78.00  Explicit Period Assur FY2017 5.0% 77.0% 11.5%  tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57  \$1,005.79 \$0.00 \$0.00 \$0.00 \$118.75 \$1078.59 \$1,078.59 \$53.94 \$19.96  Distribution   | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0½ 78.0½ 11.5½  LTM-6Y \$118.5 \$719.0 17.2½ \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$42.66 \$0.00 \$42.66 \$0.00 \$1,159.62 \$53.94 \$19.55 arlo Simulation Elintrinsic Value   | 0.75 0.99 0.96 1.11 0.96 N/A   FY2020 2.5% 78.0% 11.5%  LTM-7Y \$119.0 \$754.0 16.6% \$83.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$0.00 \$43.80 \$0.00 \$43.80 \$0.00 \$10.43 \$0.00 \$9.20 \$10.43 \$0.00 \$10.43 \$0.00 \$10.43 \$0.00 \$10.43 \$10.91 \$10.44 \$10.91 \$10.45 \$1   | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5x 78.0x 11.5x  LTM-8Y \$121.4 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00 \$1,027.25 \$53.94               | 13.1x 11.9x 11.7x 12.4x N/A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$123.8 \$813.9 \$15.8x \$93.74 \$35.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$51.03 \$0.00 \$51.03 \$0.00 \$1.003.91 \$553.94   | 15.6x<br>15.9x<br>15.9x<br>16.7x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>29.6x<br>5.3z<br>to =<br>2.5%<br>78.0%<br>11.5% | 100% Straightline 10 years spl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PY of Unfunded Pension Plan Liabilities npact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/6/2015   | 2.48 1.99 1.92 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$18.20 \$0.00 \$10.79.36 \$53.94 \$20.12 Monte Carlo Base 0½  | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5× 74.0× 11.5×  LTM-1Y \$108.7 \$443.7 30.5v. \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$35.37 \$0.00 \$35.37 \$0.00 \$15.55 \$0.00 \$218.81 \$1,096.63 \$53.94 \$20.34 Sidev 4.1v.                                      | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$69.88  \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 \$14.87 \$0.00 \$14.87 \$0.00 \$186.42 \$1.088.84 \$53.34 \$20.16 ASSUMPTIONS Min Min M/A   | 6.7% 6.4% 6.8% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$62.13  \$977.77 \$0.00 \$0.00 \$0.00 \$31.76 \$0.00 \$31.76 \$0.00 \$153.58 \$1,085.47 \$53.94 \$20.09  Max N/A   | 85.2% 84.0% 84.9% 80.8% N/A  78.00  Explicit Period Assur FY2017 5.0% 77.0% 11.5% tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57  \$1,005.79 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 \$13.63 \$0.00 \$13.33 \$0.00 \$13.75 \$1,075.9 \$1,075.9 \$53.94 \$19.96  Distribution Normal      | 86.48% 84.60% 85.58% 81.45% N/A  ** ** ** ** ** ** ** ** ** ** ** ** *  | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$779.0 17.2% \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$0.00 \$1.50 \$0.00 \$42.66 \$0.00 \$11.50 \$0.00 \$46.06 \$1,059.62 \$55.94 \$19.55 arlo Simulation E Intrinsic Value \$20.12  | 0.75 0.99 0.96 1.11 0.96 N/A    FY2020 2.5× 78.0× 11.5×  LTM+7Y \$119.0 \$754.0 16.6× \$33.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$0.00 \$10.43 \$0.00 \$10.43 \$0.00 \$9.20 \$1,045.44 \$53.94 \$19.26 tesuits 1-Target \$20.34  | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5x 78.0x 11.5x  LTM-8Y \$121.4 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00 \$1,027.25 \$53.94               | 13.1x 11.9x 11.7x 12.4x N/A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$123.8 \$813.9 \$15.8x \$93.74 \$35.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$51.03 \$0.00 \$51.03 \$0.00 \$1.003.91 \$553.94   | 15.6x<br>15.9x<br>15.9x<br>16.7x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x<br>22.9x<br>24.4x<br>28.6x<br>29.6x<br>N/A<br>5.3x<br>to =<br>2.5%<br>78.0%<br>11.5%   | Straightline 10 years  zpl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years  y = 6.554x + 10.20   |
| Industry Industry Group Sector All U.S. Firms GDP RPXC Iong-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EYA Terminal value Enterprise value (mid-year adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PY of Unfunded Pension Plan Liabilities npact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/6/2015  Revenue Variation Op. Costs Variation  | 2.48 1.99 1.92 1.76 N/A  | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5½ 74.0½ 11.5½  LTM-1Y \$108.7 \$443.7 30.5½ \$27.72 \$83.19  \$328.75 \$0.00 \$0.00 \$0.00 \$15.55 \$0.00 \$15.55 \$10.00 \$218.81 \$1096.63 \$53.94 \$20.34  Sinulation A Stdev 4.1½ 19.3½                            | 5.4% 5.6% 5.9% 5.9% 3.9% 2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$69.88 \$0.00 \$0.00 \$0.00 \$0.00 \$14.87 \$0.00 \$14.87 \$0.00 \$186.42 \$1,088.84 \$53.94 \$20.16 SSSUMPLIONS Min N/A N/A             | 6.7% 6.4% 6.8% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua  LTM-3Y \$1139 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00 \$0.00 \$1.5% \$1.085.47 \$2.00 \$1.5% \$1.085.47 \$2.00 \$1.00 | 85.2% 84.0% 84.9% 80.8% N/A 78.00  Explicit Period Assun FY2017 5.0% 77.0% 11.5%  tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57  \$1,005.79 \$0.00 \$0.00 \$0.00 \$0.00 \$13.33 \$0.00 \$13.33 \$0.00 \$13.33 \$0.00 \$13.35 \$1,079.59 \$53.94 \$19.96  Distribution Normal Normal | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2% \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$1,000 \$1,50 \$0.00 \$1,50 \$0.00 \$1,50 \$0.00 \$1,50 \$1,059.62 \$53.94 \$19.55 arlo Simulation E Intrinsic Value \$20.12 \$10.32  | 0.75 0.99 0.96 1.11 0.96 1.11 0.96 N/A    FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$83.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$0.00 \$43.60 \$0.00 \$10.43 \$0.00 \$10.43 \$0.00 \$10.43 \$1.91 \$1.92 \$1.92 \$1.93 \$1.92 \$1.93 \$1.92 \$1.93 \$1.92 \$1.93 \$1.92 \$1.93 \$1.92 \$1.93 \$1. | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5x 78.0x 11.5x  LTM-8Y \$121.4 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00 \$1,027.25 \$53.94               | 13.1x 11.9x 11.7x 12.4x N/A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$123.8 \$813.9 \$15.8x \$93.74 \$35.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$51.03 \$0.00 \$51.03 \$0.00 \$1.003.91 \$553.94   | 15.6x<br>15.9x<br>15.9x<br>16.7x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x 22.9x 24.4x 28.6x 29.6x 29.6x 78.0v 11.5v  y=18.10s  Ac Green Revenue NOTEAT           | 100% Straightline 10 years  spl./Drilling E 0% Straightline 10 years SG&A 70% Straightline 10 years  SG&A 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities npact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/6/2015   | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1% 73.0% 10.3%  LTM \$145.5 \$279.9 \$19.9 \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$1.00 \$0.00 \$28.00 \$1. | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5× 74.0× 11.5×  LTM-1Y \$108.7 \$443.7 30.5v. \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$35.37 \$0.00 \$35.37 \$0.00 \$15.55 \$0.00 \$218.81 \$1,096.63 \$53.94 \$20.34 Sidev 4.1v.                                      | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 \$25.4% \$49.27 \$89.38  \$950.08 \$0.00 \$0.00 \$0.00 \$14.87 \$0.00 \$14.87 \$0.00 \$186.42 \$1,088.84 \$53.94 \$20.16 \$55umptions Min N/A N/A 5.0% | 6.7% 6.4% 6.8% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00 \$31.76 \$0.00 \$14.13 \$0.00 \$14.13 \$0.00 \$15.58 \$1,085.47 \$53.94 \$20.09  Max N/A N/A N/A 9.0%  | 85.2% 84.0% 84.9% 80.8% N/A  78.00  Explicit Period Assur FY2017 5.0% 77.0% 11.5% tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57  \$1,005.79 \$0.00 \$0.00 \$0.00 \$0.00 \$10.00 \$13.63 \$0.00 \$13.33 \$0.00 \$13.75 \$1,075.9 \$1,075.9 \$53.94 \$19.96  Distribution Normal      | 86.48% 84.60% 85.58% 81.45% N/A  ** ** ** ** ** ** ** ** ** ** ** ** *  | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0½ 78.0½ 11.5½  LTM-6Y \$116.5 \$719.0 17.2½ \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$42.66 \$0.00 \$11.50 \$0.00 \$44.66 \$0.00 \$11.50 \$0.00 \$45.66 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$20.12 \$19.15 Intrinsic Value \$20.12 \$19.32 \$19.16 | 0.75 0.99 0.96 1.11 0.96 N/A    FY2020 2.5× 78.0× 11.5×  LTM+7Y \$119.0 \$754.0 16.6× \$33.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$0.00 \$10.43 \$0.00 \$10.43 \$0.00 \$9.20 \$1,045.44 \$53.94 \$19.26 tesuits 1-Target \$20.34  | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5x 78.0x 11.5x  LTM-8Y \$121.4 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00 \$1,027.25 \$53.94               | 13.1x 11.9x 11.7x 12.4x N/A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$123.8 \$813.9 \$15.8x \$93.74 \$35.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$51.03 \$0.00 \$51.03 \$0.00 \$1.003.91 \$553.94   | 15.6x<br>15.9x<br>15.9x<br>16.7x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x 22.9x 24.4x 28.6x 29.6x 29.6x 78.0v 11.5v  y=18.10s  Ac Green Revenue NOTEAT           | 100% Straightline 10 years  zpl./Drilling Ex 0% Straightline 10 years SG&A 70% Straightline 10 years   |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EVA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PV of Unfunded Pension Plan Liabilities npact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/6/2015  Revenue Variation Op. Costs Variation   | 2.48 1.99 1.32 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 \$1.9½ \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$1.0 | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5½ 74.0½ 11.5½  LTM-1Y \$108.7 \$443.7 30.5½ \$27.72 \$83.19  \$328.75 \$0.00 \$0.00 \$0.00 \$15.55 \$0.00 \$15.55 \$10.00 \$218.81 \$1096.63 \$53.94 \$20.34  Sinulation A Stdev 4.1½ 19.3½                            | 5.4% 5.6% 5.9% 5.9% 3.9% 2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 25.4% \$49.27 \$69.88 \$0.00 \$0.00 \$0.00 \$0.00 \$14.87 \$0.00 \$14.87 \$0.00 \$186.42 \$1,088.84 \$53.94 \$20.16 SSSUMPLIONS Min N/A N/A             | 6.7% 6.4% 6.8% 6.6% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua  LTM-3Y \$1139 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00 \$0.00 \$1.5% \$1.085.47 \$2.00 \$1.5% \$1.085.47 \$2.00 \$1.00 | 85.2% 84.0% 84.9% 80.8% N/A  78.00  Explicit Period Assur FY2017 5.0% 77.0% 11.5%  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.67  \$1,005.79 \$0.00 \$0.00 \$0.00 \$13.33 \$0.00 \$118.75 \$1,079.59 \$53.94 \$19.96  Distribution Normal Normal Triangular                               | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0% 78.0% 11.5%  LTM-6Y \$116.5 \$719.0 17.2% \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$1,000 \$1,50 \$0.00 \$1,50 \$0.00 \$1,50 \$0.00 \$1,50 \$1,059.62 \$53.94 \$19.55 arlo Simulation E Intrinsic Value \$20.12 \$10.32  | 0.75 0.99 0.96 1.11 0.96 1.11 0.96 N/A    FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$83.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$0.00 \$43.60 \$0.00 \$10.43 \$0.00 \$10.43 \$0.00 \$10.43 \$10.00 \$10.00 \$   | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5x 78.0x 11.5x  LTM-8Y \$121.4 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00 \$1,027.25 \$53.94               | 13.1x 11.9x 11.7x 12.4x N/A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$123.8 \$813.9 \$15.8x \$93.74 \$35.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$51.03 \$0.00 \$51.03 \$0.00 \$1.003.91 \$553.94   | 15.6x<br>15.9x<br>15.9x<br>16.7x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x 22.9x 24.4x 28.6x 29.6x 29.6x 78.0v 11.5v  y=18.10s  Ac Green Revenue NOTEAT           | 100% Straightline 10 years  zpl./Drilling Ex 0% Straightline 10 years SG&A 70% Straightline 10 years  **Took of the control of |
| Industry Industry Group Sector All U.S. Firms GDP  RPXC long-run estimate  Growth Op.Costs/Rev. VACC  NOPLAT Invested capital ROIC UFCF EYA Terminal value Enterprise value (mid-gear adj.) Total Debt Minority Interest Preferred Equity Capitalized Operating leases PY of Unfunded Pension Plan Liabilities npact of options, warrants, and converts Other claims on operating assets Non-operating cash and LT investments Equity value Shares outstanding Price per share as of 2/6/2015  Revenue Variation Op. Costs Variation Op. Costs Variation Market Risk Premium | 2.48 1.99 1.92 1.76 N/A  0.82  FY2013 20.1½ 73.0½ 10.3½  LTM \$145.5 \$279.9 51.9½ \$0.00 \$106.15  \$820.43 \$0.00 \$0.00 \$0.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$10.00 \$28.00 \$0.00 \$10.00   | 2.90 2.38 2.13 2.02 N/A  FY2014 9.5× 74.0× 11.5×  LTM-1Y \$108.7 \$443.7 30.55; \$27.72 \$83.19  \$928.75 \$0.00 \$0.00 \$55.37 \$0.00 \$15.55 \$0.00 \$15.55 \$0.00 \$15.55 \$0.00 \$218.81 \$1.096.63 \$53.94 \$20.34 Simulation A Stdev 4.1½ 19.3½ N/A | 5.4% 5.6% 5.9% 5.9% 3.9%  2.50%  FY2015 8.4% 75.0% 11.5%  LTM-2Y \$112.1 \$506.5 \$25.4% \$49.27 \$89.38  \$950.08 \$0.00 \$0.00 \$0.00 \$14.87 \$0.00 \$14.87 \$0.00 \$186.42 \$1,088.84 \$53.94 \$20.16 \$55umptions Min N/A N/A 5.0% | 6.7% 6.4% 6.8% 3.2%  FY2016 7.0% 76.0% 11.5%  Yalua LTM-3Y \$113.9 \$565.4 22.5% \$54.95 \$62.13  \$977.77 \$0.00 \$0.00 \$31.76 \$0.00 \$14.13 \$0.00 \$14.13 \$0.00 \$15.58 \$1,085.47 \$53.94 \$20.09  Max N/A N/A N/A 9.0%  | 85.2% 84.0% 84.9% 80.8% N/A 78.00  Explicit Period Assun FY2017 5.0% 77.0% 11.5%  tion  LTM-4Y \$114.8 \$619.7 20.3% \$60.42 \$54.57  \$1,005.79 \$0.00 \$0.00 \$0.00 \$0.00 \$13.33 \$0.00 \$13.33 \$0.00 \$13.33 \$0.00 \$13.35 \$1,079.59 \$53.94 \$19.96  Distribution Normal Normal | 86.48% 84.60% 85.58% 81.45% N/A  **  **  **  **  **  **  **  **  **   | 0.94 1.13 1.07 1.13 0.99 N/A  1.11  FY2019 3.0½ 78.0½ 11.5½  LTM-6Y \$116.5 \$719.0 17.2½ \$73.78 \$41.21  \$1,067.72 \$0.00 \$0.00 \$0.00 \$42.66 \$0.00 \$11.50 \$0.00 \$44.66 \$0.00 \$11.50 \$0.00 \$45.66 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$0.00 \$11.50 \$20.12 \$19.15 Intrinsic Value \$20.12 \$19.16         | 0.75 0.99 0.96 1.11 0.96 1.11 0.96 N/A    FY2020 2.5× 78.0× 11.5×  LTM-7Y \$119.0 \$754.0 16.6× \$83.95 \$38.06  \$1,091.65 \$1.38 \$0.00 \$0.00 \$43.60 \$0.00 \$10.43 \$0.00 \$10.43 \$0.00 \$10.43 \$10.00 \$10.00 \$   | 2.2x 1.9x 1.7x 2.5x N/A 2.4x  FY2021 2.5x 78.0x 11.5x  LTM-8Y \$121.4 \$783.8 16.1x \$91.65 \$36.04  \$1,114.08 \$32.85 \$0.00 \$0.00 \$44.81 \$0.00 \$9.19 \$0.00 \$1,027.25 \$53.94               | 13.1x 11.9x 11.7x 12.4x N/A 3.4x  FY2022 2.5x 78.0x 11.5x  LTM-9Y \$123.8 \$813.9 \$15.8x \$93.74 \$35.00 \$980.47 \$1,140.21 \$77.53 \$0.00 \$51.03 \$0.00 \$51.03 \$0.00 \$1.003.91 \$553.94   | 15.6x<br>15.9x<br>15.9x<br>16.7x<br>16.7x<br>N/A<br>3.5z<br>FY2023<br>2.5%<br>78.0%<br>11.5% | 24.1x 22.9x 24.4x 28.6x 29.6x 29.6x 78.0v 11.5v  y=18.10s  Ac Green Revenue NOTEAT           | 100% Straightline 10 years  zpl./Drilling Ex 0% Straightline 10 years SG&A 70% Straightline 10 years  **Today  **Today  y = 4.55%x + 10.25%  y = 4.55%x + 10.25%  Today  Today  Today  Today  Today  Today   |

# **SEI Investments Co.** (SEIC: NASDAQ)

Financial Analysis By: Mark Papuzza - Financial

## Company Profile as of 2/6/15

Market Price: \$42.12 Industry: Financials Market Cap: \$7.08B 52-Week: \$29.92-41.59

Beta: 1.4

| Source  | Target Price                      | Recommendation   |
|---|-----------------------------------|--|
| Siena   | \$44.50                           | Buy  |
| Capital IQ  | \$45.00                           | Buy  |
| Yahoo Finance   | \$45.00                           | Buy  |
| Bloomberg   | \$45.00                           | Buy  |
| ■ Last Price 4 20-48  T High on 02/05/15 42:048  + Average 1 tow on 07/41/14 30:27  ■ SHAWC (300) 38:5359  SHAWC (150) 37:518 | + Track Z Annotate II News Q Zoom | 32.08<br>10.04<br>10.04<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10.05<br>10 |
| 9 Volume 0.112M<br>SMAVG (15) 0 569M  |                                   | 3M<br>-2M  |
|   |                                   | 05500<br>0.1124  |
| Feb Mar Apr May   | Jun Jul Aug Sep<br>2014           | Oct Nov Dec Jan<br>2015  |

#### **Thesis**

- Solid Financials Consistent growth in revenue, growth in profit, and no debt
- Strong Growth Potential due to Prospective Clients

I am recommending a buy on SEI Investments Co. for their consistent financial growth that will continue to grow as they expand their market activity. The stock has surpassed its 52 week high during my analysis of it and based on analysis and estimates this value should only continue to rise and push the ceiling of this stock price higher. With their adaptability to market trends, plans to land jumbo clients in the near future, backed by solid financials, I am recommending a buy on SEI Investments Co. in belief that it will reach, if not exceed its one year target price of \$44.50.

## **Company Overview**

SEI Investments Co. is an investment manager that provides wealth management and investment advisory services to its clients through its subsidiaries. Their revenue is generated through its services to corporations, financial institutions, financial advisors, high net worth families, banks and trust institutions, investment advisors, financial planners, not-for-profit organizations, and pension plans. Their business model focuses on organic growth, client relationships, financial strength, and innovation. The company has been consistently increasing its revenue each year, and projections only estimate continued growth. One of their key goals is managing expenses, and it shows when they are compared to competitors. SEI Investments Co. has a proven track record of adding value for clients, and with their upcoming goals and plans they will continue to do so.

## **Management**

SEI Investments Co. was founded in 1968 by a man named Alfred P. West Jr., who has remained CEO and chairman since the company's creation. This demonstrates both his commitment to the company, and that he is an experienced leader in the industry. With his innovative attitude and adaptability to industry trends, he has propelled the company to one of the top wealth management's services in business today. West has been named as one of "Forbes 400 Wealthiest Americans" three times since the company's creation, and notably in 2008 moved in to "Forbes World's Richest People List." Investors should be very encouraged by his success and his dedication to remain as CEO and chairman since the commencement of the company.

#### Solid Financials

SEI Investments Co. hosted an earnings call this past week (January 28, 2015), releasing their fourth quarter earnings. They finished a strong financial year with a strong fourth quarter performance. SEI's revenue, as shown below, has consistently increased the past few years, and is projected to continue to do so. SEI's EBITDA margin is very notable as well, as the percentage has been increasing each year and is projected to jump even higher in the upcoming years. This illustrates that the company is becoming a more profitable operation, as they are finding ways to eliminate operating expenses that are eating into their bottom line. The EBITDA Margin is expected to continue to grow and generate value for shareholders. Another notable financial statistic of SEI Investments Co. is their net debt. Their net debt, as shown below, demonstrates they possess more cash than debt. At this very moment, the company has enough liquidity to cover its liabilities. This essentially eliminates the possibility of bankruptcy. Their Altman Z score is 14.54, whereas the median score of its peers is 4.47. This proves that not only are they creating long-term sustainable growth, but they are continually reducing operating costs and do not rely on debt for their financing, which is very encouraging to investors.

| In Millions of USD   | FY 2011    | FY 2012    | FY 2013    | FY 2014    | Current/LTM | FY 2015 Est | FY 2016 Est |
|----------------------|------------|------------|------------|------------|-------------|-------------|-------------|
| 12 Months Ending     | 2011-12-31 | 2012-12-31 | 2013-12-31 | 2014-12-31 | 2014-12-31  | 2015-12-31  | 2016-12-31  |
| Revenue              | 929.7      | 992.5      | 1,126.1    | 1,266.0    | 1,266.0     | 1,365.0     | 1,489.6     |
| Growth %, YoY        | 3.2        | 6.8        | 13.5       | 12.4       | 12.4        | 7.8         | 9.1         |
| Gross Profit         | 556.4      | 618.4      | 700.8      | 804.2      | 804.2       |             |             |
| Margin %             | 59.8       | 62.3       | 62.2       | 63.5       | 63.5        |             |             |
| EBITDA               | 252.8      | 267.4      | 305.5      | 413.9      | 413.9       | 619.0       | 699.5       |
| Margin %             | 27.2       | 26.9       | 27.1       | 32.7       | 32.7        | 45.3        | 47.0        |
| Net Income Before XO | 206.7      | 208.0      | 288.5      | 318.7      | 318.7       | 353.0       | 396.6       |
| Margin %             | 22.2       | 21.0       | 25.6       | 25.2       | 25.2        | 25.9        | 26.6        |
| 12 Months Ending     |            | 2010-12-31 | 2011-12-31 | 2012-12-31 | 2013-12-31  | 2014-12-31  | 2015-02-03  |
| Met debt             |            | -505.9     | -498.3     | -478.2     | -604.3      | -693.1      | -693.1      |

#### **Strong Growth Potential**

Three primary goals for SEI Investments Co. for the year of 2015 are to continue to build a globally diversified institutional client base, continue to provide clients with value added advice and discretionary service, and to place increased emphasis on market expansion. As the overall market activity for wealth management has expanded, SEI Investments Co. has been working hard to land "jumbo" prospects. They have been making significant progress in developing the necessary functionality for these large prospects. These prospects require a lot of decision makers inside the firm, as they are complex sales situations.

SEI Investments Co. proved that the signs of their focuses are evident with their most recent earnings call report. This year, they plan to focus their attention on increased asset management distribution opportunities and improving profitability in the private banking segment. Their investment management services segment will increase the business they do with existing clients and prepare to work with the large prospects being brought in. They have received great feedback from both their clients and their target market, and will continue to adapt to any changes necessary to keep them happy.

#### Conclusion

I am recommending a buy on SEI Investments Co. for their consistent financial growth that will continue to grow as they expand their market activity. The 52 week high for the stock price has been surpassed multiple times this past week, and based on estimates and all factors analyzed they will continue to push their stock price even higher. With zero debt, along with growing revenue and EBITDA margins each year they are more attractive financially than many of its peers. Under a very experienced CEO in West who has proved he can adapt well to changes in the market, SEI Investments Co. will stay up with current trends should successful \$44.50. and be reaching the estimated price of vear target

| SEI Investments Co.   |  | Analyst:                                       | : Mark Papuzza                              | Curre                     | ent Price: 42.12                           | Lower Bound Intrins   | sic Value: \$31.4                       | Lower Bound 1y            | -Target: \$44.5           | Dividend Yield: 1                   | .13%                             |                          |                                      |
|---|--|--|---|---------------------------|--|---|---|---------------------------|---------------------------|-------------------------------------|----------------------------------|--------------------------|--------------------------------------|
| General Is  |  |  | Market Dat                                  |                           |  |   |   |                           | Peers                     |                                     |                                  |                          |                                      |
| Sector  | Financials   | İ  | Enterprise value                            |                           | 5 Symbol                                   | NAME  | Market Cap                              | TEV/EBITDA                | P/B                       | EBITDA Margin                       | Total Debt/TEV                   | EBIT/Int. Exp.           | Altman Z                             |
| Industry  | Capital Markets                                      |  | Market Capitalization                       | \$7,079.10                | NIVER EV                                   | F . W . C   | 84.046.27                               | 0.0                       | 7.0                       | 2507                                | 1401                             | 12.0                     | F 60                                 |
| Description: SEI Investments Co. is a publicly owned investment and investment advisory services to its clients through its s       | ubsidiaries. Through its subsid                      | s weartn management<br>iaries, it provides its | Daily volume<br>Shares outstanding          | 0.35989<br>167.24         |  | Eaton Vance Corp.<br>Legg Mason Inc.                            | \$4,946.27<br>\$6,536.20                | 9.0x<br>11.3x             | 7.3x<br>1.4x              | 37%<br>21%                          | 14%<br>16%                       | 13.0x<br>8.9x            | 5.28                                 |
| services to corporations, financial institutions, financial advisor   | s, high net worth families, banks                    | and trust institutions,                        | Diluted shares outstanding                  | 172.57                    |  | angg mason me   | 90,000.20                               | 11.JA                     | 1.73                      | ∠1 /0                               | 10/0                             | Q.7X                     |                                      |
| investment advisors, financial planners, not-for-profit organiza<br>client-focused portfolios through its subsidiaries. Through its |  | firm manages separate                          | % shares held by institutions               | 69.7%                     | 5  |   |   |                           |                           |                                     |                                  |                          |                                      |
| balanced mutual funds, hedge funds, fund of funds, and priva  | te equity funds. The firm invests                    | s in public equity and                         | % shares held by insiders                   | 16.3%                     | ď  |   |   |                           |                           |                                     |                                  |                          |                                      |
| fixed income markets across the globe through its subsidiaries<br>investment markets. SEI Investments Co. was founded in 1968 a     |  |  | Short interest Days to cover short interest | 0.8%                      | 6<br>8 NYSE:TSS                            | Total System Services, In                                       | \$6,803.86                              | 11.4x                     | 4.0x                      | 28%                                 | 18%                              |                          | 3.66                                 |
| investment markets. Sea nivestments Co. was rounded in 1968.  | uiu is bascu iii Oaks, Pennsylvan                    | ia.  | 52 week high                                | \$42.38                   |  | 2 Otal Oystelli Scivites, III                                   | 90,003.00                               | 11.47                     | 7.UA                      | 20 / 0                              | 10/0                             |                          | 5.00                                 |
|   |  | İ  |   | - ·                       |  |   |   |                           |                           |                                     |                                  |                          |                                      |
|   |  | İ  | 52-week low                                 | \$29.92                   |  | _   |   |                           |                           |                                     |                                  |                          |                                      |
|   |  | İ  | 5y Beta                                     | 1.21                      |  |   | \$6,536.20                              | 11.3x                     | 4.0x                      | 28%                                 | 16%                              | 11.0x                    | 4.47                                 |
|   | Management   |  | 6-month volatility                          | 15.98%                    | ODEIC                                      |   | \$7,079.10                              | 12.7x                     | 5.7x<br>Performance       | 30%                                 | 0%                               | 770.3x                   | 14.54                                |
| Professional  | Title  | Comp. FY2012                                   |   | Comp. FY2014              | 1  | SEIC  |   | P                         | Peers                     |                                     | ustry                            |                          | S. firms                             |
| West, Alfred  |  | \$ 1,455,874.00                                |   |                           |  | Last  | 10y Med.                                | Last                      | 10y Med.                  | Last                                | 10y Med.                         | Last                     | 10y Med.                             |
| McGonigle, Dennis   |  | \$ 1,079,817.00                                |   |                           | ROIC                                       | 40.8%   | 32.0%                                   | 16.03%                    | 9.26%                     | 14.70%<br>20.77%                    | 9.96%                            | 8.69%                    | 11.95%                               |
| Withrow, Wayne<br>Ujobai, Joseph  | Executive Vice President<br>Executive Vice President | \$ 1,137,172.00<br>\$ 1,634,492.00             |   |                           | EBITA Margin<br>Imputed Rev./Invested cap. | 24.3%<br>2.85   | 30.8%<br>1.07                           | 24.27%<br>0.87            | 22.81%<br>0.81            | 20.77%<br>1.67                      | 20.66%                           | 13.63%<br>1.61           | 13.61%<br>1.74                       |
| Meyer, Stephen  | Executive Vice President                             | . , ,  |   |                           | Excess Cash/Rev.                           | 52.72%  | 45.42%                                  | 37.61%                    | 37.63%                    | 55.99%                              | 35.09%                           | 22.37%                   | 18.66%                               |
| Doran, William  | Secretary, Director and                              | \$ 410,450.00                                  | \$ 448,150.00 \$                            | S -                       | Total Cash /Rev.                           | 52.72%  | 45.42%                                  | 37.61%                    | 37.63%                    | 93.60%                              | 80.92%                           | 32.05%                   | 29.10%                               |
| Current Capital Structure   |  |  |   | ing Surprises             | 31 TOTA                                    | Last Guidance Jan   |   | Next earnings date        |                           |                                     | ning Call Transcript:            |                          | ome from                             |
| Total debt/market cap<br>Cost of Borrowing  | 0.00%  | Last Quarter                                   | Revenue<br>-1.0%                            | EBITDA<br>-13.9%          | Norm. EPS<br>6.3%                          | SEI Investments Company re<br>\$90,264,000, net income before   |   |                           |                           |                                     |                                  |                          |                                      |
| Cost of Borrowing Interest Coverage   | 0.00%<br>770.27                                      | Last Quarter<br>Last Quarter-1                 | -1.0%<br>0.9%                               | -13.9%<br>-22.2%          | 6.3%<br>4.3%                               | operations of \$68,455,000, ne                                  |   |                           |                           |                                     |                                  |                          |                                      |
| Debt Rating   | AAA  | Last Quarter-1<br>Last Quarter-2               | 1.7%  | -15.7%                    | 14.3%                                      | same period a year ago. Cash f                                  |   |                           |                           |                                     |                                  |                          | 1                                    |
| 5y Beta   | 1.21   | Last Quarter -3                                | -1.0%                                       | -23.9%                    | 5.1%                                       | For the full year, the company                                  | 7 reported issues 6                     | Lonerations of \$250 Tox  | 900 pet incomo 1 - c      | ncome taxes of \$400 ccs co         | 0 net income at the con-         | to the comment of an     | 18 713 000 o- \$1 or                 |
| WACC (based on market value weights)  | 10.4%  | Last Quarter -4                                | 3.6%  | -25.6%                    | 2.8%                                       | For the full year, the company<br>diluted share on total revenu |   |                           |                           |                                     |                                  |                          |                                      |
| Money market rate as of today   | •  | uing Period Assum<br>Risk-Free rate            | <del></del>                                 | T Op. Costs/Rev           | 68.0%                                      | \$288,124,000 or \$1.64 per d                                   | liluted share on total re               | revenues of \$1,126,132,0 |                           |                                     |                                  |                          |                                      |
| Money market rate as of today  Annual increase (decrease) in interest rates   | *  | Op. Cash/Rev.                                  |   | T Op. Costs/Rev<br>T WACC | 68.0%<br>10.0%                             | expenditures, again, excluding                                  | g capitalized software, v               | was \$28.5 million.       |                           |                                     |                                  |                          | ļ                                    |
| Annual increase (decrease) in interest rates  Yield Spread acceleration   |  | Op. Cash/Rev.<br>Op. Cash/Cash                 |   | T WACC<br>T Term ROIC     | 10.0%<br>12.0%                             | The company provided earnin                                     | gs guidance for the vess                | r 2015. For the period TI | he company expects tox =  | ate will be in the more norm        | al range of 36%. The com         | npany expects capital as | spenditure to be around              |
| Yield Spread accelaration<br>Marginal Tax Rate  |  | Op. Cash/ Cash<br>LT Growth                    |   | Growth in PPE             | 12.0%<br>Reverts to Maintenance            | same number of 2014.  | in the year                             | perion, 1                 | r, expects tax 1          | c more non                          | o The col                        | , , , press capital C    |                                      |
|   | ights are either implied fro                         | m the stability of e                           | each time-series"i.e., median               | n/[maxmin.], or           | estimated based on the "unique             |   |   |                           | competitive rivalry, th   |                                     |                                  |                          | Capitalization                       |
|   | Rev./Cap<br>Last                                     | oital<br>10y Median                            | LT Imputed Gr<br>Last                       | owth<br>10y Median        | LT Op. Cost<br>Last                        | sts/Rev.<br>10y Median  | Unlevere<br>Last                        | red Beta<br>10y Median    | TEV/Rev.                  | Multiples (10Y Histor<br>TEV/EBITDA | rical Median Value)<br>TEV/EBITA | TEV/UFCF                 | Operating Leases<br>Yes              |
| SEIC  | 1.49   | 1.07   | 8.7%  | 6.4%                      | 70.4%                                      | 70.31%  | 1.19                                    | 1.12                      | 4.5x                      | 13.7x                               | 14.8x                            | 23.9x                    | Straightline                         |
| Peers   | 0.87   | 0.81   | 6.6%  | 5.1%                      | 73.7%                                      | 74.95%  | 1.25                                    | 1.25                      | 2.5x                      | 10.5x                               | 11.9x                            | 12.7x                    | 10 years                             |
| Primary Industry  | 0.76   | 0.76   | 16.1%                                       | 11.1%                     | 67.0%                                      | 66.79%  | 0.79                                    | 0.85                      | 3.4x<br>2.8v              | 13.0x                               | 16.0x                            | 25.6x                    | R&D Exp.                             |
| Industry<br>Industry Group  | 3.04<br>1.83   | 4.28<br>2.51                                   | 2.7%<br>4.3%                                | 2.6%<br>4.3%              | 70.6%<br>66.2%                             | 70.43%<br>66.68%  | 0.86<br>0.84                            | 0.96<br>0.92              | 2.8x<br>3.9x              | 13.4x<br>13.1x                      | 15.8x<br>15.2x                   | 23.6x<br>26.6x           | Yes<br>Straightline                  |
| Sector Sector   | 1.06   | 1.39   | 6.9%  | 5.4%                      | 75.7%                                      | 76.63%  | 0.83                                    | 0.70                      | 2.6x                      | 12.1x                               | 15.5x                            | 24.1x                    | 10 years                             |
| All U.S. Firms  | 1.61   | 1.74   | 6.9%  | 8.0%                      | 80.6%                                      | 81.40%  | 0.99                                    | 0.96                      | 2.5x                      | 12.5x                               | 16.9x                            | 31.1x                    | Expl./Drilling Exp.                  |
| GDP SEIC long-run estimate  | N/A<br>1.49  | N/A  | 3.9%<br>4.00%                               | 3.2%                      | N/A<br>68.00%                              | N/A   | N/A                                     | N/A                       | N/A<br>4.5x               | N/A<br>13.7x                        | N/A<br>14.8x                     | N/A<br>23.0v             | No<br>Straightline                   |
| OEFC long-run esumate   | 1.49   |  | 4.00%                                       |                           | 68.00%<br>Explicit Period Assump           |   | 1.2                                     | 20                        | 4.5X                      | 13./X                               | 14.8X                            | 23.9x                    | Straightline<br>10 years             |
|   | FY2014   | FY2015   | FY2016                                      | FY2017                    | FY2018                                     | FY2019  | FY2020                                  | FY2021                    | FY2022                    | FY2023                              | FY2024                           | to ∞                     | SG&A                                 |
| Grow<br>On Control Bu   |  | 8.0%   | 9.0%  | 8.0%                      | 7.0%                                       | 6.0%  | 5.0%                                    | 4.0%                      | 4.0%                      | 4.0%                                | 4.0%                             | 4.0%                     | No                                   |
| Op.Costs/Re<br>WAC  |  | 69.0%<br>10.5%                                 | 68.0%<br>10.4%                              | 68.0%<br>10.3%            | 68.0%<br>10.2%                             | 68.0%<br>10.1%  | 68.0%<br>10.0%                          | 68.0%<br>10.0%            | 68.0%<br>10.0%            | 68.0%<br>10.0%                      | 68.0%<br>10.0%                   | 68.0%<br>10.0%           | Straightline<br>10 years             |
| WAC   | 10.470   | 10.370   | 10.47/0                                     |                           | ation                                      | 10.1/0  | 10.070                                  | 10.076                    | 10.070                    | 10.070                              | 350%                             |                          |                                      |
|   | LTM  | LTM+1Y   | LTM+2Y                                      | LTM+3Y                    | LTM+4Y                                     | LTM+5Y  | LTM+6Y                                  | LTM+7Y                    | LTM+8Y                    | LTM+9Y                              | 1                                |                          | 14.95%x + 84.25%                     |
| NOPLA   |  | \$324.8  | \$329.7                                     | \$338.2                   | \$354.5                                    | \$374.0   | \$393.2                                 | \$410.2                   | \$427.7                   | \$445.4                             | 1                                |                          |                                      |
| Invested capit<br>ROI   |  | \$795.5<br>38.3%                               | \$728.0<br>41.5%                            | \$667.3<br>46.5%          | \$615.0<br>53.1%                           | \$569.9<br>60.8%  | \$537.5                                 | \$512.1<br>76.3%          | \$496.7<br>83.5%          | \$489.2<br>89.7%                    | 300%                             |                          |                                      |
| UFC   |  | 38.3%<br>\$377.04                              | 41.5%<br>\$397.27                           | 46.5%<br>\$398.89         | 53.1%<br>\$406.83                          | 60.8%<br>\$419.13   | 69.0%<br>\$425.50                       | 76.3%<br>\$435.66         | 83.5%<br>\$443.03         | 89.7%<br>\$452.87                   | 1                                |                          | /                                    |
| EV  |  | \$220.98                                       | \$226.04                                    | \$241.29                  | \$264.01                                   | \$289.03  | \$317.14                                | \$339.60                  | \$365.18                  | \$389.70                            |                                  |                          | /                                    |
| Terminal valu   | ue   |  |   |                           |  |   |   |                           |                           | \$8,776.31                          | 250%                             |                          |                                      |
| Enterprise value (mid-year ad   |  | \$6,985.87                                     | \$7,271.74<br>\$0.00                        | \$7,557.10                | \$7,862.90                                 | \$8,183.34  | \$8,518.13                              | \$8,879.05                | \$9,264.33                | \$9,738.29                          | 1                                | /                        | •                                    |
| Total De<br>Minority Intere   |  | \$0.00<br>\$0.00                               | \$0.00<br>\$0.00                            | \$0.00<br>\$0.00          | \$0.00<br>\$0.00                           | \$0.00<br>\$0.00  | \$0.00<br>\$0.00                        | \$0.00<br>\$0.00          | \$0.00<br>\$0.00          | \$0.00<br>\$0.00                    | 200%                             |                          |                                      |
| Minority Intere   |  | \$0.00<br>\$0.00                               | \$0.00<br>\$0.00                            | \$0.00<br>\$0.00          | \$0.00<br>\$0.00                           | \$0.00<br>\$0.00  | \$0.00<br>\$0.00                        | \$0.00                    | \$0.00<br>\$0.00          | \$0.00<br>\$0.00                    | 20078                            |                          |                                      |
| Capitalized Operating leas  | es \$0.00  | \$19.30  | \$17.21                                     | \$15.49                   | \$13.67                                    | \$11.76   | \$13.61                                 | \$13.89                   | \$14.09                   | \$14.22                             | \                                |                          |                                      |
| PV of Unfunded Pension Plan Liabilitie  | es \$0.00  | \$0.00   | \$0.00                                      | \$0.00                    | \$0.00                                     | \$0.00  | \$0.00                                  | \$0.00                    | \$0.00                    | \$0.00                              | 150%                             |                          |                                      |
| Dilutive impact of options, warrants, and convert   |  | \$0.00<br>\$0.00                               | \$0.00<br>\$0.00                            | \$0.00<br>\$0.00          | \$0.00<br>\$0.00                           | \$0.00<br>\$0.00  | \$0.00<br>\$0.00                        | \$0.00<br>\$0.00          | \$0.00<br>\$0.00          | \$0.00<br>\$0.00                    |                                  |                          | ار                                   |
| Other claims on operating asse<br>Non-operating cash and LT investmen   |  | \$0.00<br>\$946.38                             | \$0.00<br>\$1,249.02                        | \$0.00<br>\$1,570.19      | \$0.00<br>\$1,901.03                       | \$0.00<br>\$2,255.95  | \$0.00<br>\$2,630.73                    | \$0.00<br>\$3,022.07      | \$0.00<br>\$3,433.81      | \$0.00<br>\$3,866.20                |                                  | *****                    |                                      |
| Non-operating cash and L1 investmen  Equity value   |  | \$946.38<br>\$7,912.95                         | \$1,249.02<br>\$8,503.55                    | \$1,570.19                | \$1,901.03<br>\$9,750.26                   | \$2,255.95<br>\$10,427.54                                       | \$2,630.73<br>\$11,135.25               | \$3,022.07<br>\$11,887.23 | \$3,433.81<br>\$12,684.05 | \$3,866.20<br>\$13,590.27           | 100%                             |                          |                                      |
| Shares outstanding  | ng \$167.24  | \$167.24                                       | \$167.24                                    | \$167.24                  | \$167.24                                   | \$167.24  | \$167.24                                | \$167.24                  | \$167.24                  | \$167.24                            | \                                |                          | v = 6.56%x + 33.28%                  |
| Price per share as of 2/6/20  |  | \$47.80  | \$51.21                                     | \$54.86                   | \$58.70                                    | \$62.94<br>Monte C  | \$67.02                                 | \$71.54                   | \$76.36                   | \$81.26                             | حرر ا                            | Ac. Growt                | th in Revenues                       |
|   | Monte Ca<br>Base                                     | urlo Simulation Ass<br>Stdev                   | sumptions<br>Min                            | Max                       | Distribution                               |   | Carlo Simulation Res<br>Intrinsic Value | sults<br>1y-Target        |                           |                                     | 50%                              | Ac. Growt                | th in NOPLAT th th 142842d Capital   |
| Revenue Variation   | on 0%  | 0.6%   | N/A   | N/A                       | Normal                                     | Mean est.   | \$43.42                                 | \$47.80                   |                           |                                     |                                  | Revenue G                | Growth Trend                         |
| Op. Costs Variation   | on 0%  | 75.7%  | N/A   | N/A                       | Normal                                     | σ(ε)  | \$4.00                                  | \$1.10                    |                           |                                     | 09/-                             |                          | Growth Trend<br>Capital Growth Trend |
| Market Risk Premiu  |  | N/A  | 5.0%  | 9.0%                      | Triangular                                 | 3 σ(ε) adjusted price   | \$31.42<br>\$42.12                      | \$44.49                   |                           |                                     | 5 2 2 2 Z c                      | 722222                   | 22223                                |
| Long term Grow<br>Terminal Valu   |  | N/A<br>10.0%                                   | 2.6%<br>N/A                                 | 11.1%<br>N/A              | Triangular<br>Normal                       | Current Price<br>Analysts' median est.                          | \$42.12                                 | \$44.67                   |                           |                                     |                                  |                          |                                      |
| var   | 0,0  | //9  | - 17 44                                     | /**                       | Januari                                    |   |   | ÷ 110/                    |                           |                                     | <u> </u>                         | <del></del>              |                                      |
|   |  |  |   |                           |  |   |   |                           |                           |                                     |                                  |                          |                                      |

# **Taser International Inc** (TASR: NASDAQ)

Financial Analysis By: Hugo Perrin – Industrials

## Company Profile as of 02/05/2015

Market Price: \$26.98 Industry: /-++/-++ Market Cap: \$1,416.9M 52-Week: \$10.46 – 28.30 Beta: 0.38

| 2             | Target Price | Recommendation |
|---------------|--------------|----------------|
| Souce         | 36           | BUY            |
| Capital IQ    | 23           | HOLD           |
| Yahoo Finance | 23           | HOLD           |
| Bloomberg     | 20.33        | HOLD           |



# **Thesis**

- -Leader in market share
- -Constant double digits growth in revenues
- -Debt free balance sheet
- -Diversification insuring future revenue stream
- -International expansion

Taser, a leading company in its sector providing mainly weapons has recently launched a new promising segment in its production and is investing into new markets. It seems that the company is at a point where it is on a track for better margins, global recognition, and constant significant sales' growth. For those reasons, everything is indicating that the stock's price will increase over the next couple of years.

## **Company Overview**

Taser International, Inc. headquartered in Scottsdale, Arizona, is engaged in the development, manufacturing and the sale of conducted electrical weapons (CEWs) since its inception in 1993. Its primary usage is for law enforcement; such as federal, military, corrections, private security, and personal defense markets worldwide, on a lower extent. Its core mission is to "protect life and to protect truth through technologies that make communities safer." To do so, the weapons transmit electrical pulses along the wires and into the body

affecting the sensory and motor functions of the peripheral nervous system. The company offers products such as TASER X26P, TASER X26, and TASER M26; and TASER eXtended Range Electronic Projectile, a self-contained wireless CEW. Recently, the company is offering AXON and Evidence.com, two new services with a fully integrated hardware and software solution to provide its clients, the ability to capture, store, manage and analyze video and other digital evidence. Those videos are captures from the visual prospective of the officer. Products offered by Taser Inc. have showed a significant reduction in both officer and suspect injuries with CEW usage. Production is directly sold to law enforcement agencies and through a network of distribution channels developed by the company, primarily in North America.

#### **Management**

Rick Smith, current CEO and Cofounder of Taser International, launched the brand following the idea created in 1967 by Jack Cover, the instigator of the now named Taser. Rick launched the company with his brother Tom in 1993 after graduating from and receiving his MBA from the University of Chicago in International Finance. Shortly after, he and his brother created the Air Taser, a device classified as a non-firearm which would trigger the company's success up until now.

Doug Klint, currently the company's President and General Counsel has been in the company since late 2002. Doug oversees Taser's Weapons Group including Operations, R&D, Medical & Technical Services, and Government & Public Affairs. Prior working for Taser, Doug served as CEO and Vice President at Aspec Technology, a provider of merchant semiconductor intellectual property ("SIP") solutions for high-performance, complex IC designs, including system-on-a-chip ICs.

#### Taser's Products segmentation:

Taser International Inc. is offering various products that are not limited to CEW as most people think. The company's revenues have been recently generated through two distinct and complementary segments:

Taser Weapons: The CEWs, implemented more than twenty years ago has made what Taser is today. The NMI (Neuro Muscular Incapacitation) of those weapons are designed for two different segments, law enforcement and consumer market. CEWs use replaceable cartridge containing compressed nitrogen deploying two small probes attached to the weapons by insulating conductive wires lengths ranging from 15 to 35 feet. The basic goal is to provide incapacitating effects lasting in cycles of five seconds for law enforcement usage (30 second for consumer market). Several studies have shown that Taser weapons have prevented death or serious injury more than 118,000 times from first deployment in 2000 to the end of 2013. Additionally, it has reduced injuries for both suspects and officers.

Video products: Also, the company has launched a new segment of video products and software supports also designated for law enforcement under the name of Axon and Evidence.com. Created in 2012, Taser International believes that the video evidence capture and management will grow significantly in the near future due to several factors including increasing recognition of the benefits of video evidence. Cameras are sold under the name of AXON since May 2012. Devices use advanced audio-video record and capture devices mainly worn by Police officers to record video of incidents from the officer's prospective. Another tool recently implemented, Evidence.com, is a cloud-based digital management system and warehouse, offering analysis and storage in a secure and accessible environment. Its purpose is to allow an agency to manage all of its digital evidence in one place. Videos recorded by AXON products are transferred to Evidence.com using ETM (Evidence Transfer Manager), a service sold by Taser. Recording made on Apple devices or on Android products can also be transferred onto the cloud service in a safe way. Evidence's mission is to promote safer communities by advancing the creation and adoption of new technologies in the public safety space. Currently, Evidence.com is the number one body-worn video solution used by large police forces in Australia, Brazil, New-Zealand and the United States. The company will invest onto the European market as explained later.

#### **Key Statistics:**

Ouarterly basis:

| $\sim$ 3             |            |            |            |            |            |            |            |            |            |             |             |
|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|
| In Millions of USD   | Q3 2012    | Q4 2012    | Q1 2013    | Q2 2013    | Q3 2013    | Q4 2013    | Q1 2014    | Q2 2014    | Q3 2014    | Q4 2014 Est | Q1 2015 Est |
| 3 Months Ending      | 2012-09-30 | 2012-12-31 | 2013-03-31 | 2013-06-30 | 2013-09-30 | 2013-12-31 | 2014-03-31 | 2014-06-30 | 2014-09-30 | 2014-12-31  | 2015-03-31  |
| Revenue              | 28.8       | 32.1       | 30.4       | 32.2       | 35.2       | 40.0       | 36.2       | 37.2       | 44.3       | 42.2        | 39.0        |
| Growth %, YoY        | 18.0       | 50.6       | 18.7       | 14.0       | 22.3       | 24.6       | 18.9       | 15.5       | 26.0       | 5.4         | 7.8         |
| Gross Profit         | 16.8       | 19.2       | 18.5       | 19.7       | 22.1       | 25.6       | 22.2       | 23.2       | 28.7       | 26.7        | 24.2        |
| Margin %             | 58.4       | 59.7       | 60.6       | 61.4       | 62.8       | 63.8       | 61.4       | 62.4       | 64.7       | 63.4        | 62.1        |
| EBITDA               | 7.0        | 6.3        | 6.7        | 8.4        | 8.1        | 12.8       | 6.2        | 7.6        | 13.9       | 11.2        | 7.9         |
| Margin %             | 24.3       | 19.6       | 21.9       | 26.1       | 22.9       | 31.9       | 17.2       | 20.3       | 31.3       | 26.6        | 20.3        |
| Net Income Before XO | 3.7        | 3.8        | 3.3        | 4.5        | 5.1        | 6.9        | 3.4        | 3.9        | 7.6        | 7.9         | 5.3         |
| Margin %             | 12.8       | 11.9       | 10.8       | 13.9       | 14.5       | 17.3       | 9.4        | 10.4       | 17.0       | 18.8        | 13.7        |
| Adjusted EPS         | 0.07       | 0.07       | 0.06       | 0.08       | 0.10       | 0.13       | 0.06       | 0.07       | 0.14       | 0.14        | 0.10        |
| Growth %, YoY        | 250.0      |            | 50.0       | 33.3       | 42.9       | 85.7       | 0.0        | -12.5      | 40.0       | 7.7         | 58.3        |

| Yearl | y l | asis: |
|-------|-----|-------|

| In Millions of USD   | FY 2006    | FY 2007    | FY 2008    | FY 2009    | FY 2010    | FY 2011    | FY 2012    | FY 2013    | Current/LTM | FY 2014 Est | FY 2015 Est |
|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|
| 12 Months Ending     | 2006-12-31 | 2007-12-31 | 2008-12-31 | 2009-12-31 | 2010-12-31 | 2011-12-31 | 2012-12-31 | 2013-12-31 | 2014-09-30  | 2014-12-31  | 2015-12-31  |
| Revenue              | 67.7       | 100.7      | 92.8       | 104.3      | 86.9       | 90.0       | 114.8      | 137.8      | 157.7       | 160.0       | 179.7       |
| Growth %, YoY        | 42.0       | 48.7       | -7.8       | 12.3       | -16.6      | 3.6        | 27.5       | 20.1       | 21.4        | 16.1        | 12.3        |
| Gross Profit         | 43.2       | 57.6       | 57.0       | 63.4       | 45.4       | 48.3       | 67.7       | 85.8       | 99.7        | 100.9       | 114.1       |
| Margin %             | 63.8       | 57.1       | 61.4       | 60.8       | 52.2       | 53.6       | 59.0       | 62.3       | 63.2        | 63.1        | 63.5        |
| <b>EBITDA</b>        | 12.9       | 22.8       | 7.9        | 3.6        | 2.1        | -2.4       | 29.1       | 33.4       | 40.4        | 38.2        | 45.8        |
| Margin %             | 19.0       | 22.7       | 8.5        | 3.4        | 2.5        | -2.7       | 25.3       | 24.2       | 25.6        | 23.8        | 25.5        |
| Net Income Before X0 | -4.1       | 15.0       | 3.6        | 0.0        | -4.4       | -7.0       | 14.7       | 18.2       | 21.8        | 27.0        | 32.2        |
| Margin %             | -6.0       | 14.9       | 3.9        | 0.0        | -5.0       | -7.8       | 12.8       | 13.2       | 13.8        | 16.9        | 17.9        |
| Adjusted EPS         | 0.12       | 0.23       | 0.05       | 0.00       | -0.07      | -0.03      | 0.25       | 0.37       | 0.40        | 0.45        | 0.58        |
| Growth %, YoY        | 475.0      | 100.0      | -78.3      |            |            | 57.1       |            | 48.0       | 29.0        | 22.2        | 28.3        |

As for 2013, CEW represented 92.5% of the sales, while the Video segment made the rest of the revenues, at 7.5%. On the first nine months of 2014, the Video segment accounted for 10.7% of the sales, proving that the new segment exploited by Taser has found its place on the market.

The charts above display the company's key statistics on both quarterly and yearly basis. This emphasizes the sales' growth the company is generating since 2012. Taser International Inc. has been able to increase its sales on a double digit basis during the last eleven quarters (9 quarters shown above).

Between FY 2011 and FY 2013, the firm has been able to significantly increase its sales by more than 50%. This figure will become more important once 2014 Q4 results will be released on 02/26/2015. Taser's revenue should double between FY 2011 and FY 2014. The video segment's sales increased from 8.1% to 10.7% as a percentage of revenue between the first three quarters of 2013 and 2014 but sales have increased by 60% on that same time period.

Another key factor of Taser's profitability is the gross margin that keeps increasing under both yearly and quarterly basis. Following the quarterly table, Taser's growth profits increased from 58.4% to 64.7% since Q3 2012. The trend is the same for the EBITDA margin that almost doubled between late 2012 and Q3 2014 from 6.3% to 13.9%. The combination of a sales' increase and a higher EBITDA margin proves a higher profitability for the firm.

We do have to note that the gross margins are significantly different for both segments. The gross margin for the weapons' segments was at 68% in Q3 2014 compared to 18% for the other segment.

The company states that because of the launch of the new video and cameras' services, fixed costs are high but will eventually remain stable and will result in a lower cost of service as revenue are set to increase rapidly. SG&A increased 81.9% in 2013 versus prior year as a result of the company doubling its video salesforce and increasing its promotions and marketing activities. We can also note a decrease in the litigation fees by \$2.8 million between Q3 2013 and Q3 2014. This shows two things; first, the firm is being less sued than before, proving the need for Taser weapons. Second, it shows that the SG&A increase is primarily imputed to products developments and breaching into new markets.

The company continues to have strong net income margin, currently at 13.8%. More importantly, we note the constant increase in the firm's net income since 2012. According to Bloomberg, it is set to keep increasing during the next two years to reach \$32.2 million.

For FY 2013, the firm's total SG&A increased by \$6.5 million, decreased from 34.1% to 33.8% as a percentage of sales. This increase in amount spent is primarily due to hiring of an additional 60 people, most of them being Evidence.com and Vide sales representatives.

# **European Expansion:**

One of the main focuses of the company, besides products diversification, is international expansion, especially in Europe. In late 2014, the firm was in process on setting up its international headquarters in Amsterdam. The company decided to do so for many reasons. The most important one is to acquire new markets and increase its market share on. Consequently, the teams deployed in Holland represent the firm's largest team internationally. Even if the firm already has some market share in this region, we can see that they keep on gaining market share once we look at their continuous increase in revenues.

On February 6th, 2015, the company announced the availability of its digital evidence management platform in the United Kingdom. In the meantime, the company won a contract with the East Midlands Strategic Commercial Unit for Body Worn Video. According to the firm's CEO, the firm is expecting more growth next year, justifying an increase in investments in international as they are building up their European teams. Currently, the US market represents about 85% of the firm's sales, which has been constant during the last couple of years.

Another reason why the firm decided to delocalize its international headquarter in Holland was for tax purposes, which was clearly stated by Rick Smith, the CEO. Up until now, Taser was under an effective income tax rate of 34.9% for 2013. In Holland, its tax rate will be lowered to 25%, which will increase the company's net income and shareholders' value.

The last reason argued by Taser was for operational implications. As the company wants to be close to the heart of Europe, it will save some of the costs and time to deal with European governments. There has been a shift in policies as most European governments used to be reluctant with the usage of such devices, but things are slowly changing; as justified with the example above. Recently, the chairman of the Police Federation of England and Wales states in February 1st, 2015, that "all frontlines police should be given Taser weapons to protect themselves against terrorist attackers". Even though those are not automatically translated into sales, we see the emergence of such ideas in locations where Taser did not particularly focus on prior years. Taser is expecting that the growth in European markets will be faster than in the US over the next few years.

## Forecasts growth:

One of the interesting fact about Taser is that the firm has most of the time been ahead of the people's need. However, the company's stock price is not intensely affected by spontaneous news. In August 2015, after the Ferguson events, the stock's price increase by 20%, which is significant, but it is only 3 months later that the stock price increased sharply because of the earnings announcements. This means that the firm's stock price is highly correlated to its revenues performance and less by the news, which is essential for this industry. However, events such as what happened in Ferguson raise interests from police forces to have their officers wearing cameras and Tasers. Consequently, the city of Los Angeles announced in late December 2014 that it will buy 7,000 body cameras. The first 700 cameras are worth \$7.6 million for Taser. Those first cameras will be worn by officers in early 2015, showing the rapid response that Taser can bring to its clients. Few weeks set apparat the command of such equipment and their sales.

To insure the company's future financial stability, Taser is selling its Evidence.com service with a contract. In Q3 2014, 87% of the contracts booked were for multiple years, insuring the firm a source of revenues for the coming years. Clients have the possibility to either buy a subscription for one year or for multiple years. This high proportion of multiple-years contracts gives an idea of how agencies think that Taser is providing the technology that is needed on an everyday basis for the coming years.

A study conducted in Rialto a few months ago concluded that in a department of 157 people (115 sworn), the office saw a decrease in of \$400,000 worth in hard costs from the reduction of complaints once cameras were deployed. Considering that the first-year program costs were \$90,000, this cut the police forces' costs, one of the main focus on any governments. Two officers out of the three were redeployed, saving an additional \$380,000 per year. This study has increased the number of programs on a national scale.

As of Q3 2014, the company was operating in 11 major cities and another 35 were in form of pilot program. That number was 3 times more important as of prior quarter. The firm is highly confident that these trials are going well and will be transformed into purchases' contracts.

Taser is also confident that 46 of the 66 major cities that are on a trial period with the software Evidence.com will turn into clients with the purchase of the program by the end of 2015.

In the coming future, the company will also stop the production of one of its oldest weapons (out of 4 different ones), favoring the production of "smart weapons", which is what the clients are purchasing the most.

| CEW Product | Year       | Sa     | les (in milli | ons) | % of Net Sales |      |      |
|-------------|------------|--------|---------------|------|----------------|------|------|
|             | Introduced | 2013   | 2012          | 2011 | 2013           | 2012 | 2011 |
| TASER X26P  | 2013       | \$21.9 | s —           | s —  | 16%            | *    | *    |
| TASER X2    | 2011       | 26.5   | 25.8          | 8.1  | 19%            | 23%  | 9%   |
| TASER X26   | 2003       | 30.3   | 35.2          | 36.6 | 22%            | 32%  | 41%  |
| TASER M26   | 1999       | 0.7    | 0.5           | 2.4  | *              | #    | 3%   |

The chart above shows in what extent the new weapons' sales are far more successful than the previous ones. For example, the X26P had a much more successful launch compared to its predecessors X2 with \$21.9 million worth of sales versus \$8.1 million. The company has a broader range of products available to its customers, offering more choices and consequently, potentially the possibility to target more customers and increase its sales.

Also, Taser is unique in this environment of electroshock weapons and videos. Thanks to the 85 U.S and 82 foreign patents the company possesses, almost no competition can exist. One of Taser's competitors, Stinger went out of business in 2010 because of the numerous lawsuits Taser filled. Another competitor, Karbon used a patent's loss of Taser but only realized \$1.5 million in sales in 2013, versus \$123.5 for Taser. This competitor is not mentioned by Taser, considering them as not being a threat for their business or market share. Karbon is also continuously being sued by Taser for patent infringement.

Concerning the future of Taser's products, the firm is internally funding the improvement of its existing products and is investing on the expansion of the Evidence.com and Axon products to efficiently respond to the demand and offer the most efficient products.

| TASER International Inc.   | TASR   | Analys   | : Hugo PERRIN  | Current  | Price: 26.64   | Lower Bound<br>Value: \$32.7   | Intrinsic  | Lower Bound<br>\$36   | d ly- l arget:   | Dividend Yie   | ld: 0%   | Ty Upside (c  | iownside):   |
|--|--|--|--|--|--|--|--|---|--|--|--|---|--|
| Genera   | 50 E. A. T Oct. 1 (100 A)  |  | Market   |  |  |  |  | (4889)  | Peers  |  |  |   |  |
| Sector   | Industrials  | 5.4  | Enterprise value   |  | Symbol   | NAME   | Market Cap   | TEV/EBITDA  | P/B  | EBITDA Margin  | Total Debt/TE  | EBIT/lat. Exp.  | Altman Z   |
| Industry Description: TASER International, Inc. in regaged in the de   | Aerospace and  |  | Market Capitalization  | \$1,399.05<br>1.02461  |  |  |  |   |  |  |  |   |  |
| urapasa (CEWa) for our in law references, federal, mili  |  |  |  | 52.52  | NYSE:DGI   | DigitalGlobe, Inc.   | \$2,214.33   | 10.6x   | 1.6x   | 48%  | 35%  | 286.5x  | 1.14   |
| markela unelduide. Ila CEWa leannil elentrical polare along  |  |  |  |  | III VELDUI   | Digital allowe, inc.   | 40,014.00  | 10.00   | 1.000  |  |  | 200.50  | 3.04   |
| familians of the peripheral arrana agalem. The anapang o   |  |  | " % shares held by institut  |  |  |  |  |   |  |  |  |   |  |
| TASER X26P, TASER X2, TASER X26, and TASER H26; a  |  |  | 1.3 shares held bit insider:   | 2.2%   |  |  |  |   |  |  |  |   |  |
| TASER CZ CEW; the TASER Stribelight, a headheld also desir   |  |  | 1 Short interact   | 25.1%  |  |  |  |   |  |  |  |   |  |
| amprining alandard narleidgen, Smart narleidgen, Irainin   | ng martridgen, and albern;   | d alber annenneien, mab  | Days to cover short inte   |  |  |  |  |   |  |  |  |   |  |
| kallerien. In addilium, lhe numpang pensiden niden pendualu  | , isalading AXOH agalem (I   | (aliliare adeased andisonid  | 52 week high   | \$28.30  |  | WEST R 50  |  | 228   | 2843   | 75125  | 92223  | 5207  | 272  |
| eround and naplace denium were by first emponders to erous<br>the affiner; the AXOH hady namera, a hady were namera fo   |  |  |  |  | NYSE:ATK   | Alliant Techsystems_   |  | 8.1x<br>9.3x  | 2.2x<br>1.9x   | 15%<br>32%   | 32%<br>34%   | 7.1x<br>146.8x  | 2.95   |
| raidener management agalem and marchanar, affering digit.  |  |  |  |  | Peers' Median<br>TASR  |  | \$3,330.85<br>\$1,399.05   | 34.5x   | 11.9x  | 242  | 02   | 394.4z  | 13.79  |
|  |  | rement   |  | 51.014   | Then   |  | \$1,000.00   |   | rformance  | 274  |  | 334.41  | 10.10  |
| Professional   | Title  | >mp. FY201   | 1 Comp. FY2012   | Jomp. FY2013   |  | TAS  | SR   |   | ers  | Indu   | stry   | All U.  | S. firms   |
| Smith, Patrick   | Co-Founder, (  | nief \$276,344.00  | \$ 898,801.00  | \$ 1,076,320.00  |  | Last   | 10y Med.   | Last  | 10y Med.   | Last   | 10y Med.   | Last  | 10y Med.   |
| Klint, Douglas   | President, Ger   | ral \$ 421,200.00  | \$ 623,168.00  | \$ 805,411.00  | ROIC   | 63.0%  | 11.2%  | 5.84%   | 9.19%  | 10.58%   | 13.51%   | 10.71%  | 13.29%   |
| Behrendt, Daniel   | Chief Financia   | \$ 432,800.0   | \$ 661,768.00  | \$ 833,792.00  | EBITA Margin   | 25.3%  | 12.9%  | 11.61%  | 11.48%   | 11.72%   | 11.41%   | 13.56%  | 13.62%   |
| Larson, Luke   | Executive Vice   |  | The second second  |  | Imputed Rev./Invested cap.   |  | 1.30   | 0.89  | 1.64   | 1.73   | 1.84   | 1.76  | 2.02   |
| Womack, Marcus   | General Mana   |  |  | •  | Excess Cash/Rev.   | 42.86%   | 40.46%   | 9.20%   | 8.69%  | 12.51%   | 13.30%   | 23.19%  | 18.87%   |
| Tuttle, Steve  | Vice President   | or \$ -  | ,  | 1 .  | Total Cash /Rev.   | 42.86%   | 40.46%   | 9,20%   | 8.69%  | 13.53%   | 14.20%   | 32.72%  | 30.13%   |
| Current Capital Str  | 0.01%  | 15.00  | A33 CASSACCION CONTRA  | ina Surprises<br>EBITDA  | Norm. EPS  | Last Guidance  |  | Next earnings   |  |  |  | www.taser.com   |  |
| Total debt/market cap<br>Cost of Borrowing   | 93,14%   | Last Quarter   | Revenue<br>12.0%   | 39.9%  | 40.0%  |  |  |   |  | quarter ended March 3<br>af \$3,298,000 ar \$0.06 p  |  |   |  |
| Interest Coverage  | 394.38   | Last Quarter-  |  | 6.0%   | -12.5%   |  |  |   |  | ar \$3,290,000 ar \$0.00 p<br>me befare pravirian far i  |  |   |  |
| Debt Rating  | AAA  | Last Quarter -   |  | 6.7%   | 0.0%   |  |  |   |  | BITDA war \$7,217,000 ca   |  |   |  |
| 5y Beta  | 0.32   | Last Quarter -   |  | 76.9%  | 37.5%  |  |  |   |  | the quarter war \$0.4 milli  |  | Addition  |  |
| WACC (based on market value weights)   | 9.5%   | Last Quarter -   | 4 6.7%   | -3.6%  | 25.0%  | DATES RESIDENCE ACTIVIDADO CALOSAS   | 35.5 10.400, 59.043.615.0  | and out of the same of the sam  |  |  |  |   |  |
| RANGE USALINGS WESTONS   | Cor  | inging Period A  | sumptions  | orez son magnes automn   | 2300000077   | For the year 2014, the co  | ımpany oxpoct <del>ı</del> tax ro  | ato of 39%.   |  |  |  |   |  |
| Money market rate as of today  | 0.37%  | Risk-Free rate   | 2.42   | LT Op. Costs/Rev   | 65.02  | 40 80  |  |   |  |  |  |   |  |
| Annual increase (decrease) in interest rates   | 0.102  | Op. Cash/Rev   | 0.00%  | LT WACC  | 9.12   |  |  |   |  |  |  |   |  |
| STATE  |  |  |  |  |  |  |  |   |  |  |  |   |  |
| Yield Spread acceleration  | 1.2  | Op. Cash/Cas   | 0.02   | LT Term ROIC   | 20.02  |  |  |   |  |  |  |   |  |
| Yield Spread accelaration Marginal Tax Rate  | 1.2<br>25.0%   | Op. Cash/Cas<br>LT Growth  | 0.02<br>4.02   | LT Term ROIC<br>Growth in PPE  | 20.02<br>Follows Forward Rev. Gro  |  |  |   |  |  |  |   |  |
|  | 25.0%  | LT Growth  | 4.02   | Growth in PPE  | Follows Forward Rev. Gro   | ness" of its comp  | etitive power  | i.e., buvers now  | er. suppliers po   | wer, competitive   | rivalry, threat o  | of substitution.  | Capitalization   |
| Marginal Tax Rate  | 25.02<br>ne stability of ea<br>Re  | LT Growth h time-series*/Capital   | 4.02<br>.e., median/(maxmi)<br>LT Imputed  | Growth in PPE  L or estimated  Growth  | Follows Forward Rev. Gro<br>I based on the "unique<br>LT Op. Cost  | ts/Rev.  | Unlever  | ed Beta   | Mal  | tiples (10Y Histor   | rical Median Ya  | lue)  | perating Leas  |
| Marginal Tax Rate : weights are either implied from th   | 25.02<br>he stabilite of ea<br>Re<br>Last  | LT Growth h time-series" //Capital 109 Media   | 4.02<br>e median//maxmin<br>LT Imputed<br>h Last   | Growth in PPE  1. or estimated  Growth  10 y Median  | Follows Forward Rev. Gro<br>1 based on the "unique<br>LT Op. Cost<br>Last  | ts/Rev.<br>10y Median  | Unlever<br>Last  | ed Beta<br>10y Median   | Mel<br>TEY/Rev.  | tiples (10Y Histor<br>TEV/EBITDA   | rical Median Ya<br>TEV/EBITA   | TEY/UFCF  | perating Leas<br>1002  |
| Marginal Tax Rate : weights are either implied from the  | 25.03<br>he stability of ea<br>Re<br>Last<br>2.42  | LT Growth th time-series*/Capital 109 Media  | 4.02<br>e. median//maxmin<br>LT Imputed<br>Last<br>17.2%   | Growth in PPE  L. or estimated  Growth  10 y Median  5.0%  | Follows Forward Rev. Gro 1 based on the "unique LT Op. Cost Last 75.84   | ts/Rev.<br>10y Median<br>86.25%  | Unlever<br>Last<br>0.31  | red Beta<br>10y Median<br>1.82  | TEY/Rev.   | tiples (10Y Histor<br>TEV/EBITDA<br>37.3x  | rical Median Va<br>TEV/EBITA<br>53.4x  | TEV/UFCF<br>25.5x   | perating Leas<br>1002<br>Straightline  |
| MarginalTax Rate  weights are either implied from the  TASR Peers  | 25.02<br>he stabilite of ea<br>Re<br>Last  | LT Growth h time-series" //Capital 109 Media   | 4.02<br>e median//maxmin<br>LT Imputed<br>h Last   | Growth in PPE  1. or estimated  Growth  10 y Median  | Follows Forward Rev. Gro<br>1 based on the "unique<br>LT Op. Cost<br>Last  | ts/Rev.<br>10y Median  | Unlever<br>Last  | ed Beta<br>10y Median   | Mel<br>TEY/Rev.  | tiples (10Y Histor<br>TEV/EBITDA   | rical Median Ya<br>TEV/EBITA   | TEY/UFCF  | perating Leas<br>1002  |
| Marginal Tax Rate : weights are either implied from the  | 25.02<br>he stabilite of ea<br>Re<br>Last<br>2.42<br>0.83  | LT Growth h time-series" //Capital 109 Media 1.30 1.64   | 4.02 Le median//maxmin LT Imputed Last 17.2% 7.8%  | Growth in PPE LL or estimates Growth 10y Median 5.0% 5.2%  | Follows Forward Rev. Gro 1 based on the "unique LT Op. Cost Last 75.84 82.04   | ts/Rev.<br>10y Median<br>86.25%<br>84.49%  | Unlever<br>Last<br>0.31<br>0.46  | red Beta<br>10 <b>y Median</b><br>1.82<br>0.49  | ### Mel<br>TEV/Rev.<br>4.7x<br>1.3x  | tiples (10Y Histor<br>TEV/EBITDA<br>37.3x<br>8.3x  | rical Median Va<br>TEV/EBITA<br>53.4x<br>11.4x   | 25.5x<br>49.5x  | perating Leas<br>1002<br>Straightline<br>10 years  |
| Marginal Tax Rate weights are either implied from the TASR Peers Primary Industry  | 25.02 ne stabilite of ea Re Last 2.42 0.89 1.56  | LT Growth th time-series*/Capital 109 Media 1.30 1.64 1.64   | 4.02 Le. median//max.min LT Imputed Last 17.2% 7.8% 6.5%   | Growth in PPE L. or estimates Growth 10y Median 5.0% 5.2% 9.4%   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last  75.8% 82.0% 84.1%   | ts/Rev.<br>10y Median<br>86.25%<br>84.49%<br>84.84%  | Unlever<br>Last<br>0.31<br>0.46<br>0.34  | red Beta<br>10 <b>y M</b> edian<br>1.82<br>0.43<br>0.33   | ### Mel<br>TEV/Rev.<br>4.7x<br>1.3x<br>1.3x  | tiples (10Y Histor<br>TEV/EBITDA<br>37,3x<br>8,3x<br>10,6x   | rical Median Va<br>TEV/EBITA<br>53.4x<br>11.4x<br>12.6x  | 25.5x<br>49.5x<br>28.0x   | Straightline 10 years R&D Exp. 02 Straightline   |
| Marginal Tax Rate  weights are either implied from the  TASR Peers Primary Industry Industry Industry Group Sector   | 25.02  Re stabilite of ea  Re 2.42  0.83  1.56  1.56  1.86  1.92   | LT Growth th time-series/Capital 10y Media 1.30 1.64 1.64 1.64 1.37 2.13   | 4.02 .c. nedian/max-min LT Imputed Last 17.2% 7.8% 6.5% 6.5% 5.3% 5.3%   | Growth in PPE  J. or estimates  Growth  10y Median  5.0%  5.2%  9.4%  9.4%  7.3%  6.9%   | Follows Forward Rev. Gro  1 based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.9%  | 86.25%<br>86.25%<br>84.43%<br>84.84%<br>84.84%<br>86.43%<br>85.58%   | Unlever<br>Last<br>0.31<br>0.46<br>0.94<br>0.94<br>1.18<br>1.13  | 109 Median<br>1.82<br>0.49<br>0.99<br>0.99<br>1.18<br>1.11  | 4.7x<br>1.3x<br>1.9x<br>1.9x<br>1.7x<br>1.7x   | 37.3x<br>8.3x<br>10.6x<br>10.6x<br>11.7x<br>11.7x  | rical Median Va<br>TEV/EBIT A<br>53.4x<br>11.4x<br>12.6x<br>12.6x<br>15.0x<br>15.5x  | 25.5x<br>49.5x<br>28.0x<br>28.0x<br>28.0x<br>30.1x<br>28.6x                                   | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years   |
| Marginal Tax Rate weights are either implied from the TASR Peers Primary Industry Industry Industry Group Sector All U.S. Firms  | 25.02  e stabilite of ea  Re Last 2.42 0.83 1.56 1.56 1.86 1.86 1.32 1.76  | LT Growth h time-series" //Capital 10y Media 1.30 1.64 1.64 1.64 1.97 2.13 2.02  | 4.02 Le. median//max -min LT Imputed Last 17.22 7.82 6.52 6.52 5.92 5.92 5.92  | Growth in PPE L1. or estimated Growth 10y Median 5.02 5.22 9.42 9.42 7.32 6.92 6.62  | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.3% 80.8%  | 86,25%<br>86,25%<br>84,43%<br>84,84%<br>84,84%<br>86,43%<br>85,58%<br>81,45%   | 0.31<br>0.46<br>0.94<br>0.94<br>1.18<br>1.13<br>0.99   | 1.82<br>0.49<br>0.39<br>0.39<br>1.18<br>1.11<br>0.36  | ### TEV/Rev.  4.7x 1.3x 1.3x 1.3x 1.5x 1.7x 1.7x 2.5x  | tiples (10Y Histor<br>TEV/EBITOA<br>37.3x<br>8.3x<br>10.6x<br>10.6x<br>11.7x<br>11.7x<br>12.4x   | 71 Median Ya<br>TEV/EBIT A<br>53.4x<br>11.4x<br>12.6x<br>12.6x<br>15.0x<br>15.5x<br>16.7x  | 25.5x<br>49.5x<br>28.0x<br>28.0x<br>30.1x<br>26.6x<br>29.6x                                   | perating Leas 1002 Straightline 10 years PAD Exp. 02 Straightline 10 years tpl./Drilling E:  |
| Marginal Tax Rate weights are either implied from the TASR Peers Primary Industry Industry Industry Group Sector All U.S. Firms GDP  | 25.02  Re stabilite of ea  Re 2.42  0.83  1.56  1.56  1.86  1.92   | LT Growth  h time-series* //Capital 109 Media 1:30 1:64 1:64 1:64 1:97 2:13 2:02 N/A   | 4.02 Le. median//maxmin LT Imputed 17.22 7.82 6.52 6.52 5.92 5.92 5.92 3.93  | Growth in PPE  .1. or estimates Growth  10y Median  5.0% 5.2% 9.4% 9.4% 7.3% 6.6% 6.6% 3.2%  | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last  75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A   | 86,25%<br>86,25%<br>84,49%<br>84,84%<br>84,84%<br>86,43%<br>85,58%<br>81,45%<br>N/A  | Uniever<br>Last<br>0.31<br>0.46<br>0.94<br>0.94<br>1.18<br>1.13<br>0.99<br>N/A   | 10y Median<br>182<br>0.43<br>0.93<br>0.93<br>1.18<br>1.11<br>0.96<br>N/A  | ### TEV/Rev.  4.7x 1.3x 1.9x 1.9x 1.7x 1.7x 2.5x N/A   | tiples (10Y Histor<br>TEV/EBITDA<br>37.3x<br>8.3x<br>10.6x<br>10.6x<br>11.7x<br>11.7x<br>12.4x<br>N/A  | Fical Median Va<br>TEV/EBITA<br>53.4x<br>11.4x<br>12.6x<br>12.6x<br>15.0x<br>15.5x<br>16.7x<br>N/A   | 25.5x<br>49.5x<br>28.0x<br>28.0x<br>30.1x<br>28.6x<br>23.6x<br>N/A                            | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E   |
| Marginal Tax Rate weights are either implied from the TASR Peers Primary Industry Industry Industry Group Sector All U.S. Firms  | 25.02  e stabilite of ea  Re Last 2.42 0.83 1.56 1.56 1.86 1.86 1.32 1.76  | LT Growth h time-series" //Capital 10y Media 1.30 1.64 1.64 1.64 1.97 2.13 2.02  | 4.02 Le. median//max -min LT Imputed Last 17.22 7.82 6.52 6.52 5.92 5.92 5.92  | Growth in PPE  .1. or estimates Growth  10y Median  5.0% 5.2% 9.4% 9.4% 7.3% 6.6% 6.6% 3.2%  | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last  75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  | 86.25%<br>86.25%<br>84.49%<br>84.84%<br>84.84%<br>86.45%<br>85.58%<br>81.45%<br>N/A  | Uniever<br>Last<br>0.31<br>0.46<br>0.94<br>0.94<br>1.18<br>1.13<br>0.99<br>N/A   | 1.82<br>0.49<br>0.39<br>0.39<br>1.18<br>1.11<br>0.36  | ### TEV/Rev.  4.7x 1.3x 1.3x 1.3x 1.5x 1.7x 1.7x 2.5x  | tiples (10Y Histor<br>TEV/EBITOA<br>37.3x<br>8.3x<br>10.6x<br>10.6x<br>11.7x<br>11.7x<br>12.4x   | 71 Median Ya<br>TEV/EBIT A<br>53.4x<br>11.4x<br>12.6x<br>12.6x<br>15.0x<br>15.5x<br>16.7x  | 25.5x<br>49.5x<br>28.0x<br>28.0x<br>30.1x<br>26.6x<br>29.6x                                   | perating Leas 1002 Straightline 10 years PAD Exp. 02 Straightline 10 years pl./Drilling E: 02 Straightline   |
| Marginal Tax Rate weights are either implied from the TASR Peers Primary Industry Industry Industry Group Sector All U.S. Firms GDP  | 25.02  e stabilite of ea  Re Last 2.42 0.83 1.56 1.56 1.86 1.86 1.32 1.76  | LT Growth th time-series/Capital 10y Media 1.30 1.64 1.64 1.64 1.97 2.13 2.02 N/A  | 4.02 Le. median//maxmin LT Imputed 17.22 7.82 6.52 6.52 5.92 5.92 5.92 3.93  | Growth in PPE  .1. or estimates Growth  10y Median  5.0% 5.2% 9.4% 9.4% 7.3% 6.6% 6.6% 3.2%  | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last  75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A   | 86.25%<br>86.25%<br>84.49%<br>84.84%<br>84.84%<br>86.45%<br>85.58%<br>81.45%<br>N/A  | Uniever<br>Last<br>0.31<br>0.46<br>0.94<br>0.94<br>1.18<br>1.13<br>0.99<br>N/A   | 10y Median<br>182<br>0.43<br>0.93<br>0.93<br>1.18<br>1.11<br>0.96<br>N/A  | ### TEV/Rev.  4.7x 1.3x 1.9x 1.9x 1.7x 1.7x 2.5x N/A   | tiples (10Y Histor<br>TEV/EBITDA<br>37.3x<br>8.3x<br>10.6x<br>10.6x<br>11.7x<br>11.7x<br>12.4x<br>N/A  | Fical Median Va<br>TEV/EBITA<br>53.4x<br>11.4x<br>12.6x<br>12.6x<br>15.0x<br>15.5x<br>16.7x<br>N/A   | 25.5x<br>49.5x<br>28.0x<br>28.0x<br>30.1x<br>28.6x<br>23.6x<br>N/A                            | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E: 02   |
| Marginal Tax Rate weights are either implied from the TASR Peers Primary Industry Industry Industry Group Sector All U.S. Firms GDP  | 25.02  Re stabilite of ea  Re  | LT Growth th time-series/Capital 10y Media 1.30 1.64 1.64 1.64 1.97 2.13 2.02 N/A  | 4.02  .c. nedian/max-nii LT Imputed Last  17.2% 7.8% 6.5% 6.5% 6.5% 5.3% 5.3% 5.3% 3.3% 4.00   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.9% 6.6% 3.2%   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  Fxplicit Period Assur   | 86.25%<br>86.25%<br>84.43%<br>84.64%<br>86.43%<br>86.43%<br>85.58%<br>81.45%<br>N/A  | Uniever<br>Last<br>0.31<br>0.46<br>0.94<br>0.94<br>1.18<br>1.13<br>0.99<br>N/A   | 1.82<br>0.49<br>0.99<br>0.99<br>1.18<br>1.11<br>0.96<br>N/A   | ### TEV/Rev.  4.7x 1.3x 1.9x 1.9x 1.7x 1.7x 1.7x 4.7x 4.7x   | 10 Histor 10 His | 753.4x<br>11.4x<br>12.6x<br>12.6x<br>15.0x<br>15.5x<br>16.7x<br>N/A<br>50.0x   | 25.5x<br>43.5x<br>28.0x<br>28.0x<br>28.0x<br>28.0x<br>28.6x<br>28.6x<br>29.6x<br>N/A<br>25.0x | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years cpl./Drilling E 02 Straightline 10 years  |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Group Sector All U.S. Firms GDP TASR long-run estimate  Gro Op.Costs/F   | 25.02 te stability of ea  Re Last 2.42 0.83 1.56 1.56 1.86 1.86 1.82 1.76 N/A  FY201 wth 20.13 Rev. 75.82                              | LT Growth  time-series" //Capital 10y Media 1.30 1.64 1.64 1.64 1.97 2.13 2.02 N/A 2.20  FY2014 21.02 75.02  | 4.02 Le. median//maxmin LT laputed Last 17.22 7.82 6.52 6.52 5.32 5.32 5.32 3.32 4.00  FY2015 21.02 74.02  | Growth in PPE L1. or estimated Growth 10y Median 5.02 5.22 9.42 9.42 7.32 6.62 3.22   FY2016 18.02 72.02   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.3% 80.8% N/A  62.00  Explicit Period Assuu FY2017 15.0% 72.0%   | 10y Median  86.25% 84.43% 84.84% 84.84% 86.45% 85.58% 81.45% N/A  2  aptions  FY2018 15.0% 70.0%   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.4  FY2019 13.02 70.02  | 182 0.49 0.99 0.99 1.18 1.11 0.96 N/A 000   | ### TEY/Rev.  4.7x 1.3x 1.3x 1.9x 1.9x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02  | tiples (10Y Histor<br>TEV/EBITDA<br>37.3x<br>8.3x<br>10.6x<br>10.6x<br>11.7x<br>11.7x<br>12.4x<br>N/A<br>37.3x<br>FY2022<br>6.02<br>65.02  | rical Median Va<br>TEV/EBIT A  53.4x 11.4x 12.6x 12.6x 15.0x 15.5x 16.7x N/A  50.0x  FY2023 5.02 65.02   | 25.5x 25.5x 249.5x 28.0x 28.0x 30.1x 28.6x 29.6x N/A 25.0x                                    | perating Leas 1002 Straightline 10 years PAD Exp. 02 Straightline 10 years cpl./Drilling E: 02 Straightline 10 years SG&A 02 Straightline                              |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Group Sector All U.S. Firms GDP TASR long-run estimate  Gro Op.Costs/F   | 25.02  te stabilite of ea  Re Last 2.42 0.83 1.56 1.56 1.86 1.82 1.76 N/A  FY201:  wth 20.12   | LT Growth h time-series" //Capital 10y Media 1.30 1.64 1.64 1.64 1.97 2.13 2.02 N/A 2.20  FY2014 21.02   | 4.02   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.9% 6.6% 3.2%  FY2016 18.0% 72.0% 9.3%  | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 9.3%  | 10y Median  86.25% 84.45% 84.84% 84.84% 86.45% 85.58% 81.45% N/A  20   | Uniever<br>Last<br>0.31<br>0.46<br>0.94<br>0.94<br>1.18<br>1.13<br>0.99<br>N/A<br>1.02   | 10y Median 182 0.49 0.99 0.99 1.18 1.11 0.96 N/A  FY2020 11.02  | ### TEY/Rev.  4.7x 1.3x 1.3x 1.9x 1.9x 1.7x 2.5x N/A  4.7x  FY2021 8.02  | tiples (10Y Histor<br>TEV/EBITDA<br>37.3x<br>8.3x<br>10.6x<br>10.6x<br>11.7x<br>11.7x<br>12.4x<br>N/A<br>37.3x<br>FY2022<br>6.02   | rical Median Va<br>TEV/EBIT A  53.4x 11.4x 12.6x 12.6x 15.0x 15.5x 16.7x N/A  50.0x  FY2023 5.02 65.02 3.03  | 25.5x<br>49.5x<br>28.0x<br>28.0x<br>28.0x<br>30.1x<br>28.6x<br>28.6x<br>29.6x<br>N/A<br>25.0x | perating Leas 1002 Straightline 10 years PAD Exp. 02 Straightline 10 years tpl./Drilling E: 02 Straightline 10 years SG&A 02   |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Group Sector All U.S. Firms GDP TASR long-run estimate  Gro Op.Costs/F   | 25.02 te stability of ea  Re Last 2.42 0.83 1.56 1.56 1.86 1.92 1.76 N/A  FY201: wth 20.1% Rev. 75.8% CC 9.5%                          | LT Growth h time-series //Capital 10y Media 1.30 1.64 1.64 1.64 1.37 2.13 2.02 N/A 2.20  FY2014 21.02 75.02 3.42   | 4.02   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.3% 6.6% 3.2%  FY2016 18.0% 72.0% 9.3% Yalsa  | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 9.3%  | 86.25%<br>86.25%<br>84.43%<br>84.64%<br>86.43%<br>85.58%<br>81.45%<br>N/A<br>2<br>aptions<br>FY2018<br>15.02<br>70.02<br>9.32  | Uniever<br>Last 0.31 0.46 0.94 0.94 1.18 1.13 0.93 N/A 1.0 FY2019 13.02 70.02 3.02   | 182 0.49 0.99 0.99 1.18 1.11 0.96 N/A 000 FY2020 11.02 67.02 9.02   | ### TEV/Rev.  4.7x 1.3x 1.9x 1.9x 1.7x 1.7x 2.5x N/A  4.7x  FY2021 8.02 3.02   | tiples (10Y Histor TEV/EBITOA ) 37.3x 8.3x 10.6x 10.6x 10.6x 11.7x 11.7x 12.4x N/A   37.3x   FY2022 6.02 65.02 3.02  | rical Median Va<br>TEV/EBIT A  53.4x 11.4x 12.6x 12.6x 15.0x 15.5x 16.7x N/A  50.0x  FY2023 5.02 65.02   | 25.5x 25.5x 249.5x 28.0x 28.0x 30.1x 28.6x 29.6x N/A 25.0x                                    | perating Leas 1002 Straightline 10 years PAD Exp. 02 Straightline 10 years cpl.fDrilling E 02 Straightline 10 years SGAA 02 Straightline                               |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Group Sector All U.S. Firms GDP TASR long-run estimate  Gro Op.Costs/F   | 25.02 te stability of ea  Re Last 2.42 0.83 1.56 1.56 1.86 1.92 1.76 N/A  FY201: wth 20.12 Rev. 75.82 CC 9.53:                         | LT Growth h time-series" //Capital 10y Media 1.30 1.64 1.64 1.64 1.37 2.13 2.02 N/A 2.20  FY2014 21.02 75.02 3.42  LTM+1Y  | 4.02   | Growth in PPE LJ. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.9% 6.6% 3.2%  FY2016 18.0% 72.0% 9.3% LTM+3Y   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  Fredicit Period Assur FY2017 15.0% 72.0% 9.3% LTM+4Y  | ### ### ##############################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.0  FY2019 13.02 70.02 3.02  LTM+6Y   | 10y Median 182 0.49 0.99 0.99 1.18 1.11 0.96 N/A  00  FY2020 11.02 67.02 3.02  LTM-TY   | ### TEY/Rev.  4.7x 1.3x 1.3x 1.9x 1.9x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02 9.03   | tiples (10Y Histor<br>TEV/EBITDA<br>37.3x<br>8.3x<br>10.6x<br>10.6x<br>11.7x<br>11.7x<br>12.4x<br>N/A<br>37.3x<br>FY2022<br>6.02<br>65.02<br>9.02  | rical Median Va<br>TEV/EBIT A  53.4x 11.4x 12.6x 12.6x 15.0x 15.5x 16.7x N/A  50.0x  FY2023 5.02 65.02 3.03  | 25.5x 25.5x 249.5x 28.0x 28.0x 30.1x 28.6x 29.6x N/A 25.0x                                    | perating Leas 1002 Straightline 10 years PAD Exp. 02 Straightline 10 years cpl./Drilling E 02 Straightline 10 years STAN 02 Straightline 10 years STAN 02 Straightline |
| Marginal Tax Rate  weights are either implied from the TASR Peers Primary Industry Industry Group Sector All U.S. Firms GDP TASR long-run estimate  Gro Op.Costs/F   | 25.02  le stabilité of es  Re Last 2.42 0.83 1.56 1.56 1.86 1.86 1.92 1.76 N/A  FY20:  wth 20.12 Rev. 75.82 CC 9.52  LTM LAT \$35.9    | LT Growth h time-series" //Capital 10y Media 1.30 1.64 1.64 1.64 1.97 2.13 2.02 N/A 2.20  FY2014 21.02 75.02 9.42  LTM-1Y \$40.4   | 4.02 Le. median//maxmin LT laputed Last 17.2% 7.8% 6.5% 6.5% 5.3% 5.3% 5.3% 5.3% 5.3% 74.00 FY2015 21.02 74.02 9.42 LTM-2Y \$43.7  | Growth in PPE L1. or estimated Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.6% 3.2%  FY2016 18.0% 72.0% 9.3% LTM+3Y \$58.5   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last  75.8% 82.0% 84.1% 84.1% 85.8% 84.3% 80.8% N/A    Final Period Assur FY2017 15.0% 72.0% 9.3%  LTM+4Y \$70.2  | ### ### ##############################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.0  FY2019 13.02 70.02 9.02  LTM-6Y \$36.7  | 182 0.49 0.99 0.99 1.18 1.11 0.96 N/A 000 11.02 67.02 9.02 LTM-7Y \$112.6   | ### TEY/Rev.  4.7x 1.3x 1.3x 1.9x 1.9x 1.7x 2.5x N/A 4.7x  FY2021 8.02 65.02 9.02  LTM-8Y \$121.0  | tiples (10Y Histor TEV/EBITDA) 37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 12.4x N/A 37.3x  FY2022 6.02 65.02 3.02  LTM-9Y \$128.0  | FY2023 5.02 5.002 5.002  | 25.5x 28.0x 28.0x 30.1x 28.6x 29.6x N/A  25.0x  4.03 65.03 3.03                               | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Industry Sector All U.S. Firms GDP  TASR long-run estimate  NOPI Intested cap  | 25.02  le stabilité of es  Re Last 2.42 0.83 1.56 1.56 1.86 1.86 1.92 1.76 N/A  FY20:  wth 20.12 Rev. 75.82 CC 9.52  LTM LAT \$35.9    | LT Growth h time-series" //Capital 10y Media 1.30 1.64 1.64 1.64 1.37 2.13 2.02 N/A 2.20  FY2014 21.02 75.02 3.42  LTM+1Y  | 4.02   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.9% 6.6% 3.2%  FY2016 18.0% 72.0% 9.3% LTM-3Y \$1885 \$37.2   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  Fredicit Period Assur FY2017 15.0% 72.0% 9.3% LTM+4Y  | 10y Median  86.25% 84.43% 84.84% 84.84% 86.45% 85.58% 81.45% N/A  2  **Proof of the control of t | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.4  FY2019 13.02 70.02 9.02  LTM-6Y \$36.7 \$134.0  | 10y Median 182 0.49 0.99 0.99 1.18 1.11 0.96 N/A  00  FY2020 11.02 67.02 3.02  LTM-TY   | ### TEY/Rev.  4.7x 1.3x 1.3x 1.9x 1.9x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02 9.03   | tiples (10Y Histor TEV/EBITDA)  37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 12.4x N/A  37.3x  FY2022 6.02 65.02 9.02  LTM-9Y \$128.0 \$157.7  | rical Median Va<br>TEV/EBIT A  53.4x 11.4x 12.6x 12.6x 15.0x 15.5x 16.7x N/A  50.0x  FY2023 5.02 65.02 3.03  | 25.5x 28.0x 28.0x 30.1x 28.6x 29.6x N/A  25.0x  4.03 65.03 3.03                               | perating Leas 1002 Straightline 10 years PAD Exp. 02 Straightline 10 years cpl./Drilling E 02 Straightline 10 years STAN 02 Straightline 10 years STAN 02 Straightline |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Industry Group Sector All U.S. Firms GDP TASR long-run estimate  NOPI Invested cap Ri  | 25.02 te stability of each last 2.42 0.83 1.56 1.56 1.86 1.92 1.76 N/A  FY20: wth 20.12 Rev. 75.82 CC 9.5% LTM LAT \$55.9 ital \$56.1  | LT Growth th time-series/Capital 10y Media 1:30 1:64 1:64 1:64 1:37 2:13 2:02 N/A 2:20  FY2014 21:02 75:02 9:42  LTM-1Y \$40.4 \$77.0  | 4.02  .e. nedian//maxmin LT Imputed Last  17.2% 7.8% 6.5% 6.5% 6.5% 5.3% 5.3% 5.3% 5.3% 5.3% 7.3% 4.000  FY2015 21.0% 74.0% 3.4%  LTM-2Y 449.7 \$86.6  | Growth in PPE L1. or estimated Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.6% 3.2%  FY2016 18.0% 72.0% 9.3% LTM+3Y \$58.5   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 9.3% LTM-4Y \$70.2 \$108.1  | ### ### ##############################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.0  FY2019 13.02 70.02 9.02  LTM-6Y \$36.7  | 182 0.49 0.99 0.99 1.18 1.11 0.96 N/A 000 11.02 67.02 3.02 11.26 \$142.5  | ### TEY/Rev.  4.7x 1.3x 1.3x 1.9x 1.9x 1.7x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02 9.02  LTM-8Y \$121.0 \$149.4  | tiples (10Y Histor TEV/EBITDA) 37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 12.4x N/A 37.3x  FY2022 6.02 65.02 3.02  LTM-9Y \$128.0  | FY2023 5.02 5.002 5.002  | 25.5x 28.0x 28.0x 30.1x 28.6x 29.6x N/A  25.0x  4.03 65.03 3.03                               | perating Leas 1002 Straightline 10 years PAD Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Industry Group Sector All U.S. Firms GDP TASR long-run estimate  MOPI Invested cap R U.F.  | 25.02 te stability of ea  Re Last 2.42 0.83 1.56 1.86 1.92 1.76 N/A  FY201 wth 20.1% Rev. 75.8% CC 9.5% LTM 435.9 ital 456.1 OIC 63.0% | LT Growth th time-series //Capital 10y Media 1.30 1.64 1.64 1.64 1.37 2.13 2.02 N/A 2.20  FY2014 21.02 75.02 9.42  LTM-1Y \$40.4 \$77.0 53.02  | 4.02  .c. nedian/maxnin LT Imputed Last 17.2% 7.8% 6.5% 6.5% 6.5% 5.3% 5.3% 5.3% 3.3% 4.00:  FY2015 21.02 74.02 3.4% LTM-2Y 443.7 \$66.6 64.4%   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.9% 6.6% 3.2%  FY2016 18.0% 72.0% 9.3% LTM-3Y \$58.5 \$97.2 67.5%   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last  75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 9.3% tion LTM+4Y \$70.2 \$108.1 72.1%  | 86.25% 86.25% 84.49% 84.84% 84.84% 86.45% 85.58% 81.45% N/A  2 **Previous Fy2018 15.02 70.02 9.32  LTM-57 \$81.3 \$122.6 75.2%   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.93 N/A  1.17  FY2019 13.02 70.02 3.02  LTM-6Y \$136.7 \$134.0 78.82  | 182 0.49 0.99 0.99 1.18 1.11 0.96 N/A 000 11.02 67.02 3.02 112.6 \$142.5 83.93  | ### TEY/Rev.  4.7x 1.3x 1.3x 1.3x 1.9x 1.7x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02 9.02  LTM-8Y \$1110 \$143.4 84.9%   | tiples (10Y Histor TEV/EBITDA 37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 12.4x N/A 37.3x FY2022 6.02 65.02 3.02 LTM-9Y \$128.0 \$151.7 85.7% \$119.73 \$120.93   | 100 Median Varieties Me | 25.5x 28.0x 28.0x 30.1x 28.6x 29.6x N/A  25.0x  4.03 65.03 3.03                               | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Group Sector All U.S. Firms GDP TASR long-run estimate  MOPI Invested cap Ri U.F. E. E. Terminal vs.   | ### 25.02    Recommend   | LT Growth h time-series" //Capital 10y Media 1.30 1.64 1.64 1.64 1.97 2.13 2.02 N/A 2.20  FY2014 21.02 75.02 9.42  LTM-1Y \$40.4 \$77.0 59.08 \$32.31 \$38.13  | 4.02 Le. median//maxmin LT laputed Last 17.2% 7.8% 6.5% 6.5% 5.3% 5.3% 5.3% 5.3% 5.3% 5.3% 2.1.0% 74.0% FY2015 21.0% 74.0% 3.4% LTM-2Y \$49.7 \$86.6 64.4% \$40.11 \$47.87   | Growth in PPE LI. or estimated Growth  10y Median  5.0% 5.2% 9.4% 9.4% 7.3% 6.6% 3.2%  EY2016 18.0% 72.0% 9.3% LTM-3Y \$58.5 \$97.2 67.5% \$47.86 \$56.60  | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last  75.8% 82.0% 84.1% 84.1% 85.8% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 9.3% LTM+4Y \$70.2 \$108.1 72.1% \$59.26 \$67.39   | 10y Median  86.25% 84.43% 84.84% 84.84% 85.58% 81.45% N/A  2 antions FY2018 15.02 70.02 9.32  LTM-5Y \$81.3 \$122.6 75.2% \$66.82 \$81.10  | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.1  FY2019 13.02 70.02 9.02  LTM-6Y \$36.7 \$134.0 78.82 \$85.31 \$93.59  | 182 0.49 0.99 0.99 1.18 1.11 0.96 N/A 000 11.02 67.02 3.02 LTM-7Y \$112.6 \$142.5 83.92 \$104.01 \$106.87   | ### TEY/Rev.  4.7x 1.3x 1.9x 1.9x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02 9.02  LTM-8Y \$121.0 \$149.4 84.93 \$114.12 \$113.43  | tiples (10Y Histor TEV/EBITDA) 37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 12.4x N/A 37.3x  FY2022 6.02 65.02 3.02  LTM-9Y \$128.0 \$157.7 85.7% \$119.73 \$120.93 \$2,593.16   | FY2023 5.02 5.002 5.002  | 25.5x 28.0x 28.0x 30.1x 28.6x 29.6x N/A  25.0x  4.03 65.03 3.03                               | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Industry Industry Sector All U.S. Firms GDP  TASR long-run estimate  NOPI Invested cap Re UF Enterprise value (mid-year a  | ### 25.02    Page  | LT Growth th time-series   | 4.02  .c. nedian/maxnin LT Imputed Last 17.2% 7.8% 6.5% 6.5% 6.5% 5.3% 5.3% 5.3% 3.3% 4.00  FY2015 21.03 74.02 3.43  LTM-2Y 443.7 \$66.6 64.4% \$40.11 \$47.87   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.9% 6.6% 3.2%  E FY2016 18.0% 72.0% 9.3% LTM+3Y \$58.5 \$97.2 67.5% \$47.86 \$56.60 \$2,111.40  | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 15.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 9.3% LTM+4Y \$10.2 \$108.1 72.1% \$53.26 \$67.99  | ### ##################################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.1  FY2019 13.02 70.02 9.02  LTM-6Y \$36.7 \$134.0 78.82 \$85.31 \$93.59  \$2,499.58  | 182 0.49 0.99 0.99 1.18 1.11 0.96 N/A 000 11.02 67.02 3.02 11.06 87 \$2,614.35  | TEY/Rev.  4.7x 1.3x 1.9x 1.9x 1.7x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02 9.02  LTM-8Y \$121.0 \$149.4 84.9% \$114.12 \$113.43   | tiples (10Y Histor TEV/EBITDA)  37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 12.4x N/A  37.3x  FY2022 6.02 65.02 9.02  LTM-9Y \$128.0 \$157.7 85.7% \$119.73 \$120.93 \$2,593.16 \$2,850.53  | 100 Median Varieties Me | 25.5x 28.0x 28.0x 28.0x 28.6x 28.6x 29.6x N/A 25.0x   | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Industry Group Sector All U.S. Firms GDP TASR long-run estimate  Op.Costs/F WA  NOPP Invested cap RR UF Enterprise value (mid-year a   | ### 25.02    Re   Last   | LT Growth h time-series //Capital 10y Media 1.30 1.64 1.64 1.64 1.37 2.13 2.02 N/A 2.20  FY2014 21.02 75.02 3.42  LTM-1Y \$40.4 \$77.0 \$59.02 \$32.31 \$38.13 \$1,847.74 \$0.08   | 4.02  .c. nedian/max-min LT Impred Last 17.22 7.82 6.52 6.52 6.52 5.32 5.32 5.32 5.32 5.32 5.32 5.32 5   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.9% 6.6% 3.2%  FY2016 18.0% 72.0% 9.3%  LTM-3Y \$58.5 \$97.2 67.5% \$47.86 \$56.60 \$2,111.40 \$0.08  | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last  75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 9.3%  LTM-4Y \$70.2 \$108.1 72.1% \$59.26 \$67.99  \$2,245.04 \$0.08   | ### ### ##############################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.02 70.02 3.02  LTM-6Y \$36.7 \$134.0 78.82 \$485.31 \$33.59  \$2,493.58 \$0.08   | 182 0.49 0.39 0.39 0.39 1.18 1.11 0.96 N/A  000  FY2020 11.02 67.02 3.02  LTM-7Y \$112.6 \$142.5 83.92 \$104.01 \$106.87  | ### TEY/Rev.  4.7x 1.3x 1.9x 1.9x 1.9x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02 9.02  LTM-8Y \$121.0 \$149.4 84.92 \$114.12 \$113.43  \$2,721.84 \$0.08  | tiples (10Y Histor TEV/EBITDA) 37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 12.4x N/A 37.3x  FY2022 6.02 65.02 3.02 LTM-9Y \$128.0 \$157.7 85.7x \$119.73 \$120.93 \$2,593.16 \$2,850.53 \$0.08  | TEV/EBIT A  53.4x 11.4x 12.6x 12.6x 15.0x 15.5x 16.7x N/A  50.0x  FY2023 5.02 65.02 3.03   | 25.5x 28.0x 28.0x 28.0x 28.6x 28.6x 29.6x N/A 25.0x   | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  weights are either implied from the medical from the me | ### 25.02    Re   Last   | LT Growth h time-series" //Capital 10y Media 1.30 1.64 1.64 1.64 1.37 2.13 2.02 N/A 2.20  FY2014 21.02 75.02 3.42  LTM-1Y \$40.4 \$77.0 53.02 \$32.31 \$38.13 \$1,847.74 \$0.08 \$0.00   | 4.02   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.6% 3.2%  FY2016 18.0% 72.0% 9.3%  LTM-3Y \$\$8.5 \$\$17.2 67.5% \$47.86 \$56.60 \$2,111.40 \$0.08 \$0.00   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 9.3% tion LTM-4Y \$70.2 \$108.1 72.1% \$53.26 \$67.99  \$2,245.04 \$0.08 \$0.00   | ### ### ##############################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.02 70.02 3.02  LTM-6Y \$36,7 \$134.0 78.82 \$85,31 \$93,59  \$2,499,58 \$0.08 \$0.00   | 10y Median 182 0.49 0.99 0.99 0.99 1.18 1.11 0.96 N/A  00  FY2020 11.02 67.02 3.02  LTM-7Y \$112.6 \$142.5 83.92 \$104.01 \$106.87  | ### TEY/Rev.  4.7x 1.3x 1.3x 1.9x 1.9x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02 9.02  LTM-8Y \$121.0 \$143.4 84.9% \$114.12 \$113.43  \$2,721.84 \$0.08 \$0.00   | tiples (10Y Histor TEV/EBITDA)  37.3x  8.3x 10.6x 10.6x 10.6x 11.7x 11.7x 12.4x N/A  37.3x  FY2022 6.02 65.02 9.02  LTM-9Y \$128.0 \$157.7 85.7x \$119.73 \$120.93 \$2,593.16 \$2,850.53 \$0.08 \$0.00   | 100 Median Varieties Me | 25.5x 28.0x 28.0x 28.0x 28.6x 28.6x 29.6x N/A 25.0x   | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  weights are either implied from the medical from the me | ### 25.02    Re   Last   | LT Growth h time-series" //Capital 10y Media 1.30 1.64 1.64 1.64 1.97 2.13 2.02 N/A 2.20  FY2014 21.02 75.02 3.42  LTM-1Y \$40.4 \$77.0 59.02 \$32.31 \$38.13 \$1,847.74 \$0.08 \$0.00 \$0.00                                  | ### ##################################   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.6% 3.2%  EY2016 18.0% 72.0% 55.5% \$47.2 67.5% \$47.26 \$56.60 \$2,111.40 \$0.08 \$0.00 \$0.00   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 9.3% tion  LTM-4Y \$70.2 \$108.1 72.1% \$53.26 \$67.99  \$2,245.04 \$0.08 \$0.00 \$0.00   | ### ##################################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.17  FY2019 13.02 70.02 9.02  LTM-6Y \$36.7 \$134.0 78.82 \$455.31 \$39.59  \$2,493.58 \$0.08 \$0.00 \$0.00   | FY2020 11.02 67.02 9.02  LTM-7Y \$112.6 \$142.5 83.92 \$104.01 \$106.87   | ### TEY/Rev.  4.7x 1.3x 1.3x 1.9x 1.9x 1.7x 2.5x N/A 4.7x  FY2021 8.02 65.02 9.02  LTM+8Y \$121.0 \$149.4 84.93 \$114.12 \$113.43 \$2,721.84 \$0.08 \$0.00 \$0.00  | tiples (10Y Histor TEV/EBITDA)  37.3x  8.3x 10.6x 10.6x 11.7x 11.7x 12.4x N/A  37.3x  FY2022 6.02 65.02 3.02  LTM-9Y \$128.0 \$157.7 85.72 \$119.73 \$120.93 \$2,593.16 \$2,850.53 \$0.08 \$0.00 \$0.00  | TEV/EBIT A  53.4x 11.4x 12.6x 12.6x 15.0x 15.5x 16.7x N/A  50.0x  FY2023 5.02 65.02 3.03   | 25.5x 28.0x 28.0x 28.0x 28.6x 28.6x 29.6x N/A 25.0x   | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Industry Industry Group Sector All U.S. Firms GDP  TASR long-run estimate  NOPI Invested cap Ri UF Enterprise value (mid-year a Total D Minority later Preferred Equ   | ### 25.02    Restability of each   | LT Growth th time-series   | 4.02  .c. nedian/maxnin LT imputed Last 17.2% 7.8% 6.5% 6.5% 6.5% 5.3% 5.3% 5.3% 5.3% 5.3% 5.3% 5.3% 1.00  FY2015 21.02 74.02 3.42  LTM-2Y \$43.7 \$56.6 64.4% \$40.11 \$47.87  \$1,373.34 \$0.08 \$0.00 \$0.00 \$28.78  | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.9% 6.6% 3.2%  E FY2016 18.02 72.02 9.3% LTM+3Y \$587.2 67.5% \$47.86 \$56.60 \$2,111.40 \$0.08 \$0.00 \$0.00 \$31.14   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 3.3%  LTM-4Y \$70.2 \$108.1 72.1% \$53.26 \$67.39  \$2,245.04 \$0.08 \$0.00 \$0.00 \$33.20  | ### ##################################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.1  FY2019 13.02 70.02 9.02  LTM-6Y \$36.7 \$134.0 78.82 \$455.31 \$33.59  \$2,499.58 \$0.08 \$0.00 \$0.00 \$41.64  | 182 0.49 0.99 0.99 1.18 1.11 0.96 N/A 000 11.02 67.02 3.02 11.06.87 \$2,614.35 \$0.08 \$0.00 \$10.00 \$142.83   | ### TEY/Rev.  4.7x 1.3x 1.9x 1.9x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02 3.02  LTM-8Y \$121.0 \$143.4 84.92 \$113.43  \$2,721.84 \$0.08 \$0.00 \$0.00 \$43.56  | tiples (10Y Histor TEV/EBITDA)  37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 12.4x N/A  37.3x  FY2022 6.02 65.02 3.02  LTM-9Y \$128.0 \$157.7 85.7x \$119.73 \$120.93 \$2,593.16 \$2,850.53 \$0.08 \$0.00 \$40.00 \$46.42  | 1000% Process of the control of the  | 25.5x 28.0x 28.0x 28.0x 28.6x 28.6x 29.6x N/A 25.0x   | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Industry Group Sector All U.S. Firms GDP TASR long-run estimate  Gro Op.Costs/F WA  NOPI Invested cap Ri Uf E Terminal va Enterprise value (mid-year a Total D Minority later Preferred Equ Capitalized Operating lea V of Unfunded Pension Plan Liability   | ### 25.02    Re   Last   | LT Growth h time-series //Capital 10y Media 1.30 1.64 1.64 1.64 1.37 2.13 2.02 N/A 2.20  FY2014 21.02 75.02 3.42  LTM-1Y \$40.4 \$77.0 53.02 \$32.31 \$38.13 \$1,847.74 \$0.08 \$0.00 \$0.00 \$26.10 \$0.00 \$26.10            | ### ##################################   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.9% 6.6% 3.2%  FY2016 18.0% 72.0% 9.3% LTM-3Y \$58.5 \$97.2 67.5% \$47.86 \$56.60 \$2,111.40 \$0.08 \$0.00 \$0.00 \$31.14 \$0.00  | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last  75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 9.3% tion LTM+4Y \$70.2 \$108.1 72.1% \$53.26 \$61.99 \$2,245.04 \$0.08 \$0.00 \$0.00 \$33.20 \$0.00                                     | ### ### ##############################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.17  FY2019 13.02 70.02 9.02  LTM-6Y \$36.7 \$134.0 78.82 \$85.31 \$33.59  \$2,499.58 \$0.08 \$0.00 \$0.00 \$44.64 \$0.00                                   | FY2020 11.02 67.02 9.02  LTM-7Y \$112.6 \$142.5 83.92 \$104.01 \$106.87   | ### TEY/Rev.  4.7x 1.3x 1.3x 1.9x 1.9x 1.7x 2.5x N/A 4.7x  FY2021 8.02 65.02 9.02  LTM+8Y \$121.0 \$149.4 84.93 \$114.12 \$113.43 \$2,721.84 \$0.08 \$0.00 \$0.00  | tiples (10Y Histor TEV/EBITDA)  37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 12.4x N/A  37.3x  FY2022 6.02 65.02 9.02  LTM-9Y \$128.0 \$157.7 85.7% \$119.73 \$120.93 \$2,593.16 \$2,850.53 \$0.08 \$0.00 \$0.00 \$46.42 \$0.00  | TEV/EBIT A  53.4x 11.4x 12.6x 12.6x 15.0x 15.5x 16.7x N/A  50.0x  FY2023 5.02 65.02 3.03   | 25.5x 28.0x 28.0x 28.0x 28.6x 28.6x 29.6x N/A 25.0x   | perating Lea- 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Industry Industry Group Sector All U.S. Firms GDP  TASR long-run estimate  NOPI Invested cap Ri UF Enterprise value (mid-year a Total D Minority later Preferred Equ   | ### 25.02    Re   Last   | LT Growth th time-series   | 4.02   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.9% 6.6% 3.2%  E FY2016 18.02 72.02 9.3% LTM+3Y \$587.2 67.5% \$47.86 \$56.60 \$2,111.40 \$0.08 \$0.00 \$0.00 \$31.14   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 3.3%  LTM-4Y \$70.2 \$108.1 72.1% \$53.26 \$67.39  \$2,245.04 \$0.08 \$0.00 \$0.00 \$33.20  | ### ##################################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.1  FY2019 13.02 70.02 9.02  LTM-6Y \$36.7 \$134.0 78.82 \$455.31 \$33.59  \$2,499.58 \$0.08 \$0.00 \$0.00 \$41.64  | FY2020 11.02 67.02 3.03 1186 1.11 0.96 N/A  00  FY2020 11.02 67.02 3.02  LTM-TY \$112.6 \$142.5 83.92 \$104.01 \$106.87  \$2,614.35 \$0.08 \$0.00 \$42.83 \$0.00  | ### TEY/Rev.  4.7x 1.3x 1.3x 1.9x 1.9x 1.7x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02 9.02  LTM-8Y \$121.0 \$149.4 84.9% \$114.12 \$113.43  \$2,721.84 \$0.08 \$0.00 \$0.00 \$43.56 \$0.00                                  | tiples (10Y Histor TEV/EBITDA)  37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 12.4x N/A  37.3x  FY2022 6.02 65.02 3.02  LTM-9Y \$128.0 \$157.7 85.7x \$119.73 \$120.93 \$2,593.16 \$2,850.53 \$0.08 \$0.00 \$40.00 \$46.42  | 1000% Process of the control of the  | 25.5x 28.0x 28.0x 28.0x 28.6x 28.6x 29.6x N/A 25.0x   | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  weights are either implied from the weights are either implied from the weights are either implied from the weights are either implied from the weights are either implied from the weights are either implied from the weights are either weights are either weights are either implied from the weights are either implied from the weights are either implied from the weights are either implied from the weights are either weights are either implied from the weights are either weights are eith | ## 25.02    Restability of each  | LT Growth h time-series" //Capital 10y Media 1.30 1.64 1.64 1.64 1.37 2.13 2.02 N/A 2.20  FY2014 21.02 75.02 3.42  LTM-1Y \$40.4 \$77.0 \$3.02 \$3.813 \$1,847.74 \$0.08 \$0.00 \$26.10 \$0.00 \$50.16                         | 4.02   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.6% 3.2%  EY2016 18.0% 72.0% 18.0% 18.0% 17.0% 18.0 | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 9.3%  LTM+4Y \$70.2 \$108.1 72.1% \$59.26 \$67.99  \$2,245.04 \$0.08 \$0.00 \$33.20 \$0.00 \$48.02  | ### ##################################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.02 70.02 3.02  LTM-6Y \$36.7 \$134.0 78.82 \$85.31 \$93.59  \$2,499.58 \$0.08 \$0.00 \$0.00 \$10.00 \$0.00 \$0.00  | ### Beta   10   Median   182   0.49   0.99   0.99   0.99   1.18   1.11   0.96   N/A   000   11.02   67.02   3.02   11.04   5142.5   83.92   \$104.01   \$106.87   \$2,614.35   \$0.08   \$0.00   \$42.83   \$0.00   \$0.00   \$42.83   \$0.00   \$0.00   \$474.25   \$100.00   \$474.25   \$4.00   \$474.25   \$4.00   \$470.00   \$4 | ### TEY/Rev.  4.7x 1.3x 1.3x 1.9x 1.9x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02 9.02  LTM-8Y \$121.0 \$149.4 84.9% \$114.12 \$113.43  \$2,721.84 \$0.08 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00     | tiples (10Y Histor TEV/EBITDA)  37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 11.7x 12.4x N/A  37.3x  FY2022 6.02 65.02 3.02  LTM-9Y \$128.0 \$157.7 85.72 \$119.73 \$120.93 \$2.593.16 \$2.850.53 \$0.08 \$0.00 \$0.00 \$46.42 \$0.00 \$0.00 \$10.00   | 1000% Process of the control of the  | 25.5x 28.0x 28.0x 28.0x 28.6x 28.6x 29.6x N/A 25.0x   | perating Leas 1002 Straightline 10 years R&D Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Industry Industry Group Sector All U.S. Firms GDP  TASR long-run estimate  Gro Op.Costs/F WA  NOPI Invested cap Ri UF Enterprise value (mid-year a Total D Minority later Preferred Eq Capitalized Operating lea V of Unfunded Pension Plan Liabilit act of options, warrants, and conve Other claims on operating ass Ion-operating cash and LT investme Equity va  | ### 25.02    Restability of each   | LT Growth th time-series/Capital 10y Media 1.30 1.64 1.64 1.64 1.97 2.13 2.02 N/A 2.20  FY2014 21.02 75.02 9.42  LTM-1Y \$40.4 \$77.0 59.02 \$32.31 \$38.13  \$1,847.74 \$0.08 \$0.00 \$0.00 \$50.16 \$0.00 \$33.16 \$1,864.57 | 4.02   | Growth in PPE L1. or estimates Growth 10y Median 5.0% 5.2% 9.4% 9.4% 7.3% 6.9% 6.6% 3.2%  E FY2016 18.0% 72.0% 9.3% LTM+3Y \$58.5 \$37.2 67.5% \$47.86 \$56.60  \$2,111.40 \$0.08 \$0.00 \$0.00 \$31.14 \$0.00 \$48.60 \$0.00 \$170.74 \$2,202.33  | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 15.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 9.3%  tion LTM+4Y \$70.2 \$108.1 72.1% \$53.26 \$67.99  \$2,245.04 \$0.08 \$0.00 \$0.00 \$33.20 \$0.00 \$48.02 \$0.00 \$225.43 \$2,389.17 | ### ##################################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.17  FY2019 13.02 70.02 9.02  LTM-6Y \$36.7 \$134.0 78.82 \$85.31 \$33.59  \$2,499.58 \$0.08 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$2373.99 \$2,831.86 | ### Beta ### 109 Median ### 1.82 ### 0.49 ### 0.99 ### 0.99 ### 1.11 ### 0.96 ### N/A ### 000  #### 1.11 ### 1.  | TEV/Rev.  4.7x 1.3x 1.9x 1.9x 1.7x 1.7x 2.5x N/A  4.7x  FY2021 8.02 65.02 3.02  LTM-8Y \$121.0 \$149.4 84.93 \$114.12 \$113.43  \$2,721.84 \$0.08 \$0.00 \$0.00 \$0.00 \$0.00 \$143.56 \$0.00 \$0.00 \$585.03 \$3,263.22 | tiples (10Y Histor TEV/EBITDA)  37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 11.7x 12.4x N/A  37.3x  FY2022 6.02 65.02 3.02  LTM-9Y \$128.0 \$157.7 85.7% \$119.73 \$120.93 \$2,593.16 \$2,850.53 \$0.08 \$0.00 \$0.00 \$0.00 \$0.00 \$10.469 \$3,508.72   | 1000% Process of the control of the  | 25.5x 28.0x 28.0x 28.0x 28.6x 28.6x 29.6x N/A 25.0x   | perating Leas 1002 Straightline 10 years PAD Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |
| Marginal Tax Rate  TASR Peers Primary Industry Industry Industry Industry Group Sector All U.S. Firms GDP  TASR long-run estimate  Gro Op.Costs/F  VA  NOPI Invested cap R  Enterprise value (mid-year a Total D Minority Inter Preferred Eq Capitalized Operating lea  V of Unfunded Pension Plan Liabilii act of options, warrants, and conve Other claims on operating ass fon-operating cash and LT investments  | ### 25.02    Re   Last   | LT Growth th time-series   | 4.02  .c. median/maxmin LT imputed Last 17.22 7.82 6.52 6.52 6.52 5.32 5.32 5.32 5.32 5.32 5.32 74.03 74.03 74.00 74.0 | Growth in PPE L1. or estimates Growth  10y Median  5.0% 5.2% 9.4% 9.4% 7.3% 6.9% 6.6% 3.2%  EY2016 18.0% 72.0% 9.3% LTM-3Y \$55.5 \$37.2 67.5% \$47.86 \$56.60  \$2,111.40 \$0.08 \$0.00 \$0.00 \$31.14 \$0.00 \$48.60 \$0.00 \$170.74   | Follows Forward Rev. Gro  I based on the "unique LT Op. Cost Last 75.8% 82.0% 84.1% 84.1% 85.8% 84.9% 80.8% N/A  62.00  Explicit Period Assur FY2017 15.0% 72.0% 3.3%  LTM-4Y \$70.2 \$108.1 72.1% \$53.26 \$67.99  \$2,245.04 \$0.08 \$0.00 \$0.00 \$33.20 \$0.00 \$48.02 \$0.00 \$225.43                 | ### ##################################   | Uniever Last  0.31 0.46 0.94 0.94 1.18 1.13 0.99 N/A  1.17  FY2019 13.02 70.02 9.02  LTM-6Y \$36.7 \$134.0 78.82 \$485.31 \$39.59  \$2,499.58 \$0.08 \$0.00 \$0.00 \$41.64 \$0.00 \$0.00 \$373.99                  | ### Beta   10   Median   182   0.49   0.99   0.99   0.99   1.18   1.11   0.96   N/A   000   11.02   67.02   3.02   11.04   5142.5   83.92   \$104.01   \$106.87   \$2,614.35   \$0.08   \$0.00   \$42.83   \$0.00   \$0.00   \$42.83   \$0.00   \$0.00   \$474.25   \$100.00   \$474.25   \$4.00   \$474.25   \$4.00   \$470.00   \$4 | ### TEY/Rev.  4.7x 1.3x 1.3x 1.9x 1.9x 1.7x 2.5x N/A  4.7x   FY2021 8.02 65.02 9.02  LTM-8Y \$121.0 \$143.4 84.92 \$114.12 \$113.43  \$2,721.84 \$0.08 \$0.00 \$0.00 \$43.56 \$0.00 \$0.00 \$585.03                      | tiples (10Y Histor TEV/EBITDA)  37.3x 8.3x 10.6x 10.6x 11.7x 11.7x 11.7x 12.4x N/A  37.3x  FY2022 6.02 65.02 3.02  LTM-9Y \$128.0 \$157.7 85.72 \$119.73 \$120.93 \$2.593.16 \$2.850.53 \$0.08 \$0.00 \$0.00 \$46.42 \$0.00 \$0.00 \$10.00   | FY2023 5.02 65.02 9.02   | 25.5x 28.0x 28.0x 28.0x 28.6x 28.6x 29.6x N/A 25.0x   | perating Leas 1002 Straightline 10 years PAD Exp. 02 Straightline 10 years tpl./Drilling E 02 Straightline 10 years SG&A 02 Straightline 10 years                      |

# **Trecora Resources** (TREC: NYSE)

Financial Analysis By: Guillaume Valentin – Materials

## Company Profile as of 2/2/2015:

Market price: \$13.71 Industry: Chemicals Market Cap: \$348.4 million 52-week: \$9.72 - \$15.61

> Beta: 1.82 Dividend: N/A

| Source        | Target price | Recommendation |
|---------------|--------------|----------------|
| Siena         | \$16.00      | Buy            |
| Bloomberg     | \$17.25      | Buy            |
| Capital IQ    | \$17.83      | Buy            |
| Yahoo Finance | \$17.83      | Buy            |



I recommend a buy on Trecora Resources at a current price of \$13.71. The mean target price is \$17.23, which corresponds to a 25% growth from current price. The company has performed very well over the past five years, with increasing revenues and margins. With favorable macroeconomic conditions, high competitive positioning, strong financial statement and high growth forecasts, Trecora Resources is expected to perform even better during the next fiscal year.

#### **Thesis**

- -Strong industry outlook
- -Outperformed direct competitors
- -Strong revenue and EBITDA growth
- -Positive effect of drop in oil price
- -Acquisition of SSI Chusei and interest in AMAK
- -Completion of an expansion project in early 2015
- -Very low amount of debt and high liquidity

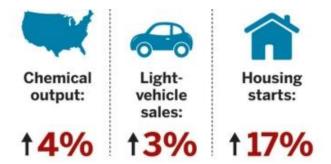
## **Company Overview**

Trecora Resources, formerly known as Arabian American Development Company before June 2014, is based in Sugar Land, Texas. It operates in one business segment: manufacturing of various specialty petrochemical products. It is a leading provider of petrochemical solvents and other petroleum based products for use in the production of polyethylene, packaging, and polypropylene crude oil from the Canadian tar sands, as well as in the catalyst support industries. Additionally, Trecora Resources has 35% of interest in Al Masane Al Kobra Mining, a Saudi Arabian company that produces copper and zinc concentrates. Therefore, the company is also involved in the developing of mineral properties.

# Strong industry outlook:



The Major diversified chemicals sub-industry of the chemicals industry (green line on the chart above) has performed very well on a five-year basis. The index price increased at CAGR of 16.01% over the past five years. The chart below highlights the strong correlation between the stock price of Trecora Resources and its own industry. On average the industry performed slightly better than the stock, but this difference has been diminishing since the middle of 2014. It stills makes the stock relatively cheap in comparison to the industry. With low oil and natural gas prices, the forecast for the chemical industry is excellent. According to the American Chemistry Council, "The consensus is that U.S. chemical output will improve during 2015 and into the second half of the decade". Cost of goods sold of chemical company is often correlated with oil and natural gas prices. As we will discuss in the "drop in oil prices" paragraph, this will have a positive impact on Trecora Resources. Moreover, analysts expect "chemical production to increase 4.0% in 2015, compared with 2.4% in 2014 and 3.0% for the overall U.S. economy this year" This will make chemical companies more profitable during the upcoming year.



Additionally, the decrease in oil prices (and consequently gasoline prices) will rev up consumer spending. The overall increase in vehicle sales and housing starts, two sectors that heavily rely on chemicals during their manufacturing process, will ultimately drive chemicals output up in 2015. Most of the companies in this industry will take advantage of this growth.

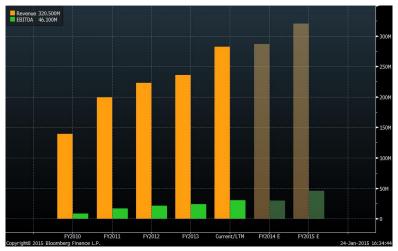
#### Outperformed direct competitors:

<sup>8</sup> http://cen.acs.org/articles/93/i2/Chemical-Outlook-2015-Region.html

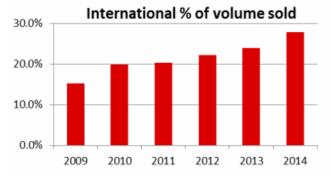
| Name                        | Ticker  | Mkt Cap        | P/E   | EPS - 1 Yr | Rev - 1 Yr |
|-----------------------------|---------|----------------|-------|------------|------------|
|                             |         | (USD)          |       | Gr:Q       | Gr:Q       |
| Average                     |         | 3 <b>.</b> 48B | 14.48 | 4.38%      | 11.30%     |
| 100) TRECORA RESOURCES      | TREC US | 348.36M        | 18.89 | 9.09%      | 26.36%     |
| 101) KOPPERS HOLDINGS INC   | KOP US  | 400.88M        | 13.01 |            | 11.36%     |
| 102) WESTLAKE CHEMICAL CORP | WLK US  | 7.76B          | 9.00  | -50.59%    | 24.80%     |
| 103) CELANESE CORP-SERIES A | CE US   | 8 <b>.24</b> B | 13.97 | 54.63%     | -3.53%     |
| 104) KRATON PERFORMANCE P   | KRA US  | 639.85M        | 17.54 |            | -2.49%     |

The chemicals industry is a very large industry with many sub-industries. Looking at companies with similar market capitalization and operations, Trecora Resources has four main competitors. It was not easy to find many companies that produce the same type of petrochemical products than Trecora Resources. The market capitalizations of these companies range from \$400.88 million to \$8.24 billion, which is still higher than our company. What is interesting is that Trecora Resources has a higher P/E ratio than all of its competitors, which means that investors are expecting a higher earnings growth than all of its direct competitors. The P/E ratio of Trecora is not high enough to claim that the company is overpriced. All of the analysts' estimates forecast a higher one-year target price, which support this argument. Also, the company has performed much better in terms of EPS and Revenues growth over the past year. It means that Trecora Resources i financially healthier than its direct competitors. It has a lot of room to expect further high growth.

## Strong revenue and EBITDA growth:



Beginning January 2010, Trecora Resources saw a continuous increase in revenues, with a CAGR of 15.20% from 2010 to 2014. If we follow analysts' estimates, the company is expected to follow this trend, to reach \$320.5 million in sales by the end of 2015. EBITDA is forecasted to grow 33.33% by the end of 2015, which is 19.76% higher than revenues. Therefore, analysts expect that the company will be more efficient in managing its operating costs. Indeed, the company currently has a 15.1% gross profit margin. It has been increasing 4.53% on average each year over the past five years. Furthermore, the EBITDA margin, currently at 10.8%, has a 12.10% CAGR. It means that EBITDA margin is growing much faster than gross profit margin. Currently, the company generates \$6.80 of net income for each \$100 of revenues. Back in 2010, the company only generated \$1.94 of net income for each \$100 of revenues. The company has managed to make economies of scale. Historical performance is only a tool that helps building a forecast. As presented in the next paragraph significant changes in the macroeconomic environment will lead to further profitability for Trecora Resources.



Additionally, the company's international sales have been increasing over the past five years. Currently, about 28% of the company's sales are shipped internationally. This is a 12% increase from 2009. Trecora increased its production in order to sustain such an

increase in overseas demand. Trecora meets high expectations from international customers since it is offering very high quality products that are hard to find in foreign markets. This shows the competitive advantage it has over most of its competitors. The company expects Middle East demand to continue in 2016, which could lead to a further increase in this percentage.

## Positive effect of drop in oil prices:

In order to produce petrochemical solvents and other petroleum products Trecora Resources needs feedstock. In this sense, Trecora Resources purchases all of its raw materials, consisting of both feedstock and natural gas, on the open market. Therefore, the cost of these materials is a function of spot market oil and gas prices. The two graphs below highlight the strong influence oil prices had historically on Trecora's stock price and the positive impact it is expected to generate in the near future.



The first graph is the WTI crude future, Mar 2015 commodity. The oil price dropped 54.30% from \$99.75 to \$45.59 over the past seven month. Moreover, Saudi Arabia Prince Al Saud recently said that "the world will never again see the price of oil at \$100 per barrel". This quote, by the second largest oil producer worldwide, can surely be taken seriously. Therefore, the implementation of dropping oil prices into the cost of goods sold of Trecora will ultimately increase their profit margin in the near future. It can also be beneficial in the long run if oil price remain at current levels. A decrease in cost of goods sold (due to lower inventory prices) will boost profit margin and possibly EBITDA margin. The second graph shows the correlation between TREC stock price and oil prices over

<sup>&</sup>lt;sup>9</sup> http://ir.trecora.com/annual-reports/content/0000007039-14-000002/0000007039-14-000002.pdf

the past five year. We can see that they are both negatively correlated. It confirms that TREC stock price moves the opposite way of oil prices. This confirms the positive outlook for the company.

## Acquisition of SSI Chusei and interest in AMAK:

Trecora Resources recently agreed on a \$73 million deal cash to buy SSI Chusei, a Florida based specialty chemicals manufacturer and marketer. The deal was completed on January 10, 2014. SSI Chusei is a leading manufacturer of specialty polyethylene waxes, which Trecora Resources is not familiar with. The aim of this acquisition for the company is to strengthen its market share and offer a wider range of products to businesses. "We view this acquisition and financing as a transformative event for Trecora" said Nick Carter, CEO of Trecora Resources. There are significant growth opportunities in this industry, which makes the acquisition of healthy firms valuable for acquiring companies. In this senses, SSI Chusei reported \$23 million in revenues and \$6.6 million in EBITDA for the last fiscal year. With a stunning 28.7% EBITDA margin, this acquisition will lead to further improvements of Trecora Resources' financial statements and market share in the chemical industry.

Moreover, Trecora Resources is a 35% minority owner of Al Masane Al Kobra Mining (AMAK), a copper and zinc Saudi Arabian mining company. This company shipped 72,000 metric tons of copper and zinc to Asian countries as of fiscal year ending July 2013, which is 260% higher than its previous fiscal year<sup>1011</sup>. Trecora Resources has a significant influence over the operating and financial policies of AMAK. Over the past two years, Trecora Resource has managed to greatly improved the profitability and efficiently of AMAK. They expect this positive change to be reflected in Trecora Resources' financial results by the beginning of 2015. Confident about the future of this company, TREC recently executed a limited guarantee over a loan to AMAK, which would help them achieve their objectives.

## Completion of an expansion project in early 2015:

In order to support its current and planned growth, Trecora Resources has initiated a \$7.2 million expansion project two and a half years ago. This project is located in Silsbee, Texas. The construction of an expanded pipeline, a storage unit and a truck and railcar loading capacity will increase the production capacity of the company by 60%. The project, known as "D train expansion", will be partially operative in early 2015. This increase in production will be necessary to meet the expected increase in US polyethylene demand in 2016. Trecora is also recognized for its very high customer service. This expansion project will increase its advantage in the rapid delivery of custom products to its customers. Ultimately, it should also increase Trecora's efficiency.

## Low amount of debt and high liquidity:



Trecora Resources is almost debt free. Its total amount of debt equals 3.1% of its total capital structure. The company released debt in December 2014 for the acquisition of SSI Chusei. Even with this recent addition of low debt, the company is still very liquid. Indeed, it has a very high current ratio of 3.24 in 2013. With a cash ratio of 0.53, the company is able to pay more than half of its current liabilities with its cash on hand. The company has not a lot on inventory on hand (8.4% of total assets), which means that it will be able invest its excess of cash in the foreseeable future. It leaves room for further acquisitions.

 $<sup>^{\</sup>rm 10}$  http://ir.trecora.com/annual-reports#document-10154-0000007039-14-000002

<sup>&</sup>lt;sup>11</sup> http://www.prnewswire.com/news-releases/trecora-resources-provides-update-on-improved-operations-at-al-masane-al-kobramining-company-300009210.html

## **Conclusion:**

I recommend a buy on Trecora Resources at \$13.71. The company has performed very well over the past five years. Its revenues have increased at a steady rate, while its EBITDA increased faster. It means that the company is more efficient in managing its operating costs. It is already performing much better than its direct competitors and it is expected to perform even better in the future. Several macroeconomic conditions will ease this task. The significant drop in oil prices will ultimately lower its cost of goods sold, which will drive up its gross profit margin and its profitability. Consumer spending will also increase, which will boost the sales of chemicals-dependent products. Finally, the company, which has an almost debt-free capital structure, has enough cash on hand to cover half of its liabilities. It is financially healthy and is expected to remain like this during the

| Trecora Resources   | TREC                                  |                      | Analyst: Gu                        | illaume Valentin                               | Curre               | ent Price: 14.31              | Lower Bound Intr   | insic Value: \$11        | Lower Bound 1                       | y-Target: \$16              | Dividend Yield: (  | 0%                                      |                           |                                 |
|---|---------------------------------------|----------------------|------------------------------------|--|---------------------|-------------------------------|--|--------------------------|-------------------------------------|-----------------------------|--|---|---------------------------|---------------------------------|
|   | General Info                          |                      |                                    | Market Da                                      |                     |                               |  |                          |                                     | Peers                       |  |   |                           |                                 |
| Sector  | Materials                             |                      |                                    | Enterprise value                               |                     | Symbol                        | NAME   | Market Cap               | TEV/EBITDA                          | P/B                         | EBITDA Margin  | Total Debt/TEV                          | EBIT/Int. Exp.            | Altman Z                        |
| Industry  | Chemical                              |                      |                                    | Market Capitalization                          | \$875.45            | 5                             |  |                          |                                     |                             |  |   |                           |                                 |
| Description: Trecora Resources manufactures v<br>solvents; and other petroleum based products, is |                                       |                      |                                    | Daily volume<br>Shares outstanding             | 0.99875<br>24.26    | NYSE:PSX                      | Phillips 66  | \$40,884.48              | 6.5x                                | 1.9x                        | 3%   | 14%                                     | 12.8x                     |                                 |
| in the production of polyethylene, packaging, po  | olypropylene, expandable po           | olystyrene, poly-iso | /urethane foams, and               | Diluted shares outstanding                     | 24.20               |                               | pv 00  | ę 10,00 <del>1.10</del>  | J.JA                                | 1.74                        | 370  | 27/0                                    | -2.0A                     |                                 |
| crude oil from the Canadian tar sands, as well :<br>interest in Al Masane Al Kobra Mining Company |                                       |                      |                                    | % shares held by institutions                  | 78.7%               | ó                             |  |                          |                                     |                             |  |   |                           |                                 |
| Arabian American Development Company and  | d changed its name to Tre             |                      | n June 2014. Trecora               | % shares held by insiders                      | 20.8%               | 0                             |  |                          |                                     |                             |  |   |                           |                                 |
| Resources was founded in 1967 and is based in S   | Sugar Land, Texas.                    |                      |                                    | Short interest<br>Days to cover short interest | 1.2%                | 0                             |  |                          |                                     |                             |  |   |                           |                                 |
|   |                                       |                      |                                    | i2 week high                                   | \$15.61             |                               |  |                          |                                     |                             |  |   |                           |                                 |
|   |                                       |                      |                                    | i2-week low                                    | \$9.72              |                               |  |                          |                                     |                             |  |   |                           |                                 |
|   |                                       |                      | 5                                  | iy Beta  |                     | Peers' Median                 |  | \$40,884.48              | 6.5x                                | 1.9x                        | 3%   | 14%                                     | 12.8x                     | #NUM!                           |
|   |                                       | M                    | (                                  | -month volatility                              | 37.08%              | TREC                          |  | \$347.39                 | 11.7x                               | 2.9x                        | 11%  | 3%                                      | 45.6x                     | 7.37                            |
| Professional  | Title                                 | Managemen            | Comp. FY2011                       | Comp. FY2012                                   | Comp. FY2013        | 3                             | TR   | EC                       |                                     | Performance<br>Peers        | Ind  | ıstry                                   | All U.                    | S. firms                        |
| Carter, Nicholas  | Chairma                               | n, Chief             | \$ 919,463.00                      | \$ 843,577.00                                  | \$ 868,898.00       |                               | Last   | 10y Med.                 | Last                                | 10y Med.                    | Last   | 10y Med.                                | Last                      | 10y Med.                        |
| Cook, Connie  | Chief Fin                             | ancial Officer,      | \$ 371,189.00                      |  |                     |                               | 23.5%  | 20.3%                    | 73.38%                              | 18.31%                      | 3.85%  | 14.22%                                  | 8.69%                     | 11.95%                          |
| Upfill-Brown, Simon   |                                       | e Vice President     | \$ -                               |  |                     | EBITA Margin                  | 9.7%   | 8.3%                     | 2.34%                               | 2.52%                       | 11.07%   | 11.03%                                  | 13.63%                    | 13.61%                          |
| Williamson, Mark<br>Franklin, Ronald  | Vice Pres.<br>Vice Pres.              |                      | \$ 522,175.00<br>\$ 467,739.00     |  |                     |                               | 4.68<br>4.94%  | 3.30<br>3.10%            | 2.12%                               | 8.48<br>2.22%               | 1.57<br>15.50%   | 1.73<br>13.07%                          | 1.61<br>22.37%            | 1.74<br>18.66%                  |
| Goehringer, Charles   | General (                             |                      | \$ 25,649.00                       |  |                     | Total Cash / Rev.             | 4.94%  | 3.10%                    | 2.12%                               | 2.22%                       | 16.52%   | 16.66%                                  | 32.05%                    | 29.10%                          |
| Current Capi  |                                       | J. J. 4845/44        | 20,047.00                          |  | ing Surprises       | - Jan Caori / 1867.           | Last Guidance  |                          | Next earnings date                  |                             |  | ning Call Transcript:                   |                           | 27.1070                         |
| Total debt/market cap   |                                       | 2.73%                |                                    | Revenue  | EBITDA              | Norm. EPS                     | Trecora Resources reporte                                  | d unaudited consolidate  | d earnings results for the          | second quarter and six n    | onths ended June 30, 2014                                      | . Revenue was a record                  | for the second quarter a  |                                 |
| Cost of Borrowing   |                                       | 4.27%                | Last Quarter                       | 1.8%   | 17.0%               | 4.5%                          |  |                          |                                     |                             | ainst \$5 million last year. Ir                                |   |                           |                                 |
| Interest Coverage   |                                       | 45.62                | Last Quarter-1                     | 9.7%   | 26.2%               | 11.1%                         |  |                          |                                     |                             | llion or \$0.26 per basic and<br>s were \$2.4 million as compa |   |                           |                                 |
| Debt Rating<br>5y Beta  |                                       | A<br>0.19            | Last Quarter -2<br>Last Quarter -3 | -5.4%<br>18.1%                                 | -29.3%<br>3.5%      | -47.6%<br>0.0%                | primarily associated with p                                |                          |                                     | Sapran expenditure          | u.c. qu. i minion as compa                                     | to gr., annon dum                       | 5com quarter or 201       | .,                              |
| WACC (based on market value weights)  |                                       | 12.6%                | Last Quarter -3<br>Last Quarter -4 | 6.9%   | 22.7%               | 30.8%                         |  |                          |                                     |                             |  |   |                           |                                 |
|   |                                       |                      | uing Period Assum                  |  | * *                 | * **                          |  |                          |                                     |                             | as \$11.8 million against \$8.                                 |   |                           |                                 |
| Money market rate as of today   | • • • • • • • • • • • • • • • • • • • | 0.45%                | Risk-Free rate                     | 2.3% I   | T Op. Costs/Rev     | 85.0%                         | \$15.2 million last year. No<br>positive for about by abou |                          | the company was \$7.6               | million or \$0.31 per dilut | ed share against \$11.1 millio                                 | n or \$0.45 per diluted s               | nare iast year. On a cash | 1 HOW DASIS, AMAK WAS           |
| Annual increase (decrease) in interest rates  | •                                     | 0.10%                | Op. Cash/Rev.                      | 0.00% I  | T WACC              | 13.7%                         | positive for about by about                                | t yo minon               |                                     |                             |  |   |                           |                                 |
| Yield Spread acceleration   |                                       | 1.2                  | Op. Cash/Cash                      | 0.0% I   | T Term ROIC         | 23.5%                         | For the year 2014, about 3                                 | 1,500 wet metric tons o  | f copper concentrate and            | around 38,000 wet metric    | tons of zinc concentrate are                                   | planned to be produced                  | in total.                 |                                 |
| Marginal Tax Rate   |                                       | 37.5%                | LT Growth                          |  | Growth in PPE       | Follows Forward Rev. Growth   |  |                          |                                     |                             |  |   |                           | ,                               |
| LT convergence es   | stimates: weights are eit             |                      |                                    |  |                     | estimated based on the "uniqu |  |                          | ower, suppliers power.<br>ered Beta | competitive rivalry, th     |  |   |                           | Capitalization                  |
|   |                                       | Rev./Cap<br>Last     | 10y Median                         | LT Imputed Gr<br>Last                          | owth<br>10y Median  | LT Op. Cos<br>Last            | 10y Median   | Last                     | 10y Median                          | TEV/Rev.                    | Multiples (10Y Histor<br>TEV/EBITDA                            | TEV/EBITA                               | TEV/UFCF                  | Operating Leases<br>Yes         |
| TREC  | -                                     | 3.39                 | 3.30                               | 10.3%  | 13.5%               | 89.7%                         | 90.09%   | 2.03                     | 1.81                                | 0.9x                        | 10.1x  | 14.4x                                   | 13.6x                     | Straightline                    |
| Peers   |                                       |                      | 8.48                               | -8.1%  | -2.1%               | 97.0%                         | 97.48%   | 1.61                     | 1.74                                | 0.2x                        | 9.8x   | 12.1x                                   | 8.3x                      | 10 years                        |
| Primary Industry  |                                       | 1.89                 | 2.11                               | -0.6%  | 7.4%                | 84.2%                         | 89.01%   | 1.42                     | 1.30                                | 1.1x                        | 9.4x   | 13.4x                                   | 22.0x                     | R&D Exp.                        |
| Industry  |                                       | 1.53                 | 1.66                               | 3.9%   | 7.9%                | 82.6%                         | 85.13%   | 1.20                     | 1.12                                | 1.9x                        | 11.0x  | 14.4x                                   | 33.1x                     | Yes                             |
| Industry Group  |                                       | 1.43                 | 1.57                               | 4.7%   | 8.1%                | 83.7%                         | 84.23%   | 1.12                     | 1.15                                | 1.8x                        | 11.3x  | 15.9x                                   | 31.5x                     | Straightline<br>10 years        |
| Sector<br>All U.S. Firms  |                                       | 1.43                 | 1.57<br>1.74                       | 4.7%<br>6.9%                                   | 8.1%<br>8.0%        | 83.7%<br>80.6%                | 84.23%<br>81.40%   | 1.12<br>0.99             | 1.15<br>0.96                        | 1.8x<br>2.5x                | 11.3x<br>12.5x   | 15.9x<br>16.9x                          | 31.5x<br>31.1x            | 10 years<br>Expl./Drilling Exp. |
| GDP   |                                       | N/A                  | N/A                                | 3.9%   | 3.2%                | N/A                           | N/A  | 0.99<br>N/A              | 0.96<br>N/A                         | N/A                         | N/A  | N/A                                     | N/A                       | No No                           |
| TREC long-run estimate  |                                       | 2.00                 |                                    | 4.00%  |                     | 85.00°                        |  | 1                        | .50                                 | 1.2x                        | 9.0x   | 12.0x                                   | 14.0x                     | Straightline                    |
|   |                                       |                      |                                    |  |                     | Explicit Period Assum         |  |                          |                                     |                             |  |   |                           | 10 years                        |
|   |                                       | FY2013<br>6.0%       | FY2014<br>28.6%                    | FY2015<br>21.5%                                | FY2016<br>11.7%     | FY2017<br>9.7%                | FY2018<br>8.7%   | FY2019                   | FY2020<br>6.7%                      | FY2021<br>5.7%              | FY2022<br>4.7%   | FY2023<br>4.0%                          | to ∞<br>4.0%              | SG&A                            |
|   | Growth<br>Op.Costs/Rev.               | 89.7%                | 89.1%                              | 86.3%  | 86.2%               | 85.8%                         | 85.5%  | 7.7%<br>85.3%            | 85.2%                               | 85.0%                       | 84.9%  | 84.8%                                   | 85.0%                     | No<br>Straightline              |
|   | WACC                                  | 12.6%                | 12.7%                              | 12.7%  | 12.8%               | 12.9%                         | 13.0%  | 13.1%                    | 13.3%                               | 13.4%                       | 13.5%  | 13.6%                                   | 13.7%                     | 10 years                        |
|   |                                       |                      |                                    |  | Valu                | ation                         |  |                          |                                     |                             |  | 400%                                    |                           |                                 |
|   |                                       | LTM                  | LTM+1Y                             | LTM+2Y   | LTM+3Y              | LTM+4Y                        | LTM+5Y   | LTM+6Y                   | LTM+7Y                              | LTM+8Y                      | LTM+9Y   |   |                           | 17.61%x + 89.70%                |
| _   | NOPLAT                                | \$16.4               | \$26.3                             | \$32.1   | \$36.7              | \$41.1                        | \$45.3   | \$49.2<br>\$1.40.6       | \$52.8<br>\$157.7                   | \$56.1                      | \$59.0   | 350%                                    |                           | ,                               |
| In  | vested capital<br>ROIC                | \$74.7<br>23.5%      | \$101.3<br>23.5%                   | \$111.7<br>23.5%                               | \$120.5<br>23.5%    | \$128.9<br>23.5%              | \$140.6<br>23.5%   | \$149.6<br>23.5%         | \$156.7<br>23.5%                    | \$163.0<br>23.5%            | \$171.1<br>23.5%   | /-                                      |                           |                                 |
|   | UFCF                                  | \$0.00               | \$10.70                            | \$21.79  | \$27.89             | \$32.73                       | \$33.52  | \$40.13                  | \$45.71                             | \$49.83                     | \$50.98  |   |                           | /                               |
|   | EVA                                   | \$9.84               | \$17.71                            | \$21.13  | \$24.03             | \$27.24                       | \$30.95  | \$32.53                  | \$34.42                             | \$36.41                     | \$38.80  | 300%                                    |                           |                                 |
|   | erminal value                         |                      |                                    |  |                     |                               |  |                          |                                     |                             | \$670.53   |   |                           | //                              |
| Enterprise value (  | • ,,                                  | \$418.32             | \$477.83                           | \$514.95                                       | \$550.07            | \$585.07                      | \$623.53   | \$658.50                 | \$693.34                            | \$730.41                    | \$768.90   | 250%                                    |                           |                                 |
| 341   | Total Debt                            | \$9.37<br>\$0.29     | \$9.37<br>\$0.29                   | \$9.37<br>\$0.29                               | \$9.37<br>\$0.29    | \$9.37<br>\$0.29              | \$9.37<br>\$0.29   | \$9.37<br>\$0.29         | \$9.37<br>\$0.29                    | \$9.37<br>\$0.29            | \$9.37<br>\$0.29   | aug (7 / 0                              | 1 119                     | y = 11.29%x + 131.71%           |
|   | nority Interest<br>eferred Equity     | \$0.29<br>\$0.00     | \$0.29<br>\$0.00                   | \$0.29<br>\$0.00                               | \$0.29<br>\$0.00    | \$0.29<br>\$0.00              | \$0.29<br>\$0.00   | \$0.29<br>\$0.00         | \$0.29<br>\$0.00                    | \$0.29<br>\$0.00            | \$0.29<br>\$0.00   |   | W//                       |                                 |
| Capitalized Op  |                                       | \$14.40              | \$26.69                            | \$28.46  | \$30.04             | \$31.43                       | \$36.37  | \$38.91                  | \$39.94                             | \$40.59                     | \$43.30  | 200%                                    | 1                         |                                 |
| PV of Unfunded Pension P  |                                       | \$0.00               | \$0.00                             | \$0.00   | \$0.00              | \$0.00                        | \$0.00   | \$0.00                   | \$0.00                              | \$0.00                      | \$0.00   | A.                                      | y = 10.05                 | %x + 43.94%                     |
| Dilutive impact of options,warrants,  |                                       | \$13.37              | \$13.19                            | \$13.01  | \$12.81             | \$12.60                       | \$12.38  | \$12.15                  | \$11.92                             | \$11.70                     | \$11.53  | 1500/                                   |                           |                                 |
| Other claims on op  |                                       | \$0.00               | \$0.00                             | \$0.00   | \$0.00              | \$0.00                        | \$0.00   | \$0.00                   | \$0.00                              | \$0.00                      | \$0.00   | 150%                                    |                           |                                 |
| Non-operating cash and L  |                                       | \$13.95<br>\$394.83  | \$26.45<br>\$454.73                | \$49.73<br>\$513.55                            | \$78.64<br>\$576.21 | \$112.11<br>\$643.49          | \$150.07<br>\$715.19                                       | \$192.45<br>\$790.22     | \$239.19<br>\$871.00                | \$290.07<br>\$958.52        | \$344.74<br>\$1,049.15   |   |                           |                                 |
| Share   |                                       | \$394.83<br>\$24.26  | \$454.73<br>\$24.26                | \$513.55<br>\$24.26                            | \$5/6.21<br>\$24.26 | \$643.49<br>\$24.26           | \$/15.19<br>\$24.26  | \$790.22<br>\$24.26      | \$8/1.00<br>\$24.26                 | \$958.52<br>\$24.26         | \$1,049.15<br>\$24.26  | 100%                                    |                           |                                 |
| Price per share   |                                       | \$17.13              | \$19.64                            | \$22.06  | \$24.71             | \$27.55                       | \$30.63  | \$33.71                  | \$37.14                             | \$40.79                     | \$43.25  |   |                           | 1 · n                           |
|   |                                       |                      | arlo Simulation Assu               |  |                     |                               | Mont   | e Carlo Simulation R     |                                     |                             |  | - Trans                                 | Ac. Grow<br>Ac. Grow      | th in Revenues<br>th in NOPLAT  |
|   |                                       | Base                 | Stdev                              | Min  | Max                 | Distribution                  |  | Intrinsic Value          | 1y-Target                           |                             |  | 50%                                     |                           | th in Invested Capital          |
|   | nue Variation                         | 0%                   | 24.3%                              | N/A  | N/A                 | Normal                        | Mean est.  | \$17.13                  | \$19.64                             |                             | _  | /                                       | NOPLAT                    | Growth Trend                    |
| -   | osts Variation<br>Risk Premium        | 0%<br>7.0%           | 17.4%<br>N/A                       | N/A<br>5.0%                                    | N/A<br>9.0%         | Normal<br>Triangular          | $\sigma(\epsilon)$ 3 $\sigma(\epsilon)$ adjusted price     | <b>\$2.06</b><br>\$10.97 | \$1.22<br>\$15.99                   |                             | $\top$   | 0%                                      | Invested 0                | Capital Growth Trend            |
|   | term Growth                           | 4.00%                | N/A<br>N/A                         | -2.1%  | 13.5%               | Triangular<br>Triangular      | Current Price  | \$10.97<br>\$14.31       | ٧٧.٦١                               |                             |  |   |                           |                                 |
|   | erminal Value                         | 0%                   | 10.0%                              | N/A  | N/A                 | Normal                        | Analysts' median est.                                      |                          | \$17.83                             |                             |  | \$\d\d\d\d\\\\\\\\\\\\\\\\\\\\\\\\\\\\\ | * # # # # # #             | e e e e e e                     |
|   |                                       |                      |                                    | ·  |                     | <u> </u>                      |  |                          |                                     |                             |  |   |                           |                                 |
|   |                                       |                      |                                    |  |                     |                               |  |                          |                                     |                             |  |   |                           |                                 |

# **Unifirst Corporation** (UNF: NYSE)

Financial Analysis By: Matthew Darcy – Industrials

## Company Profile as of 2/6/2015

Market Price: \$120.35
Industry: Commercial Service and Supplies
Market Cap: \$2.43B
52-Week: \$124.61-91.59
Beta: 1.11

| Source        | Target Price | Recommendation |
|---------------|--------------|----------------|
| Siena         | \$131.80     | Buy            |
| Capital IQ    | \$125.67     | Hold           |
| Yahoo Finance | \$131.00     | Hold           |
| Bloomberg     | \$125.67     | Hold           |



## **Thesis**

- -Diversified Customer Base reduces risk of decreased demand
- -ROIC is much greater than WACC with Organic growth of 6.9%
- -Negative Net Debt significantly decreases risk of default, and increases credit rating
- -Stable revenue forecasts makes proforma more reliable

Recommendation: Buy at \$119.80. Unifirst's diverse customer base reduces the risks of shocks in the market effecting revenue. When oil prices fall significantly, this does not reduce all of their customers' need for the product. Unifirst's returns on invested capital are much higher than their costs of capital. This means the company has room to grow. The company has such a low cost of capital partly, because it has no liquidity problems. The company is able to pay off all of its long term debt using only its cash on hand. This increases the company's credit rating and lets them enjoy lower interest payments. The proforma becomes much more reliable, when you know that the revenues have historically been forecasted very accurately. This is true because a Monte Carlo Simulation revealed that variation in revenue was the biggest driver of variation in the value of the company. This means a reduced risk.

#### **Company Overview**

Unifirst Corporation designs, manufactures, rents out, leases, delivers, launders/decontaminates, and sells uniforms. The uniforms include shirts, pants, jackets, coveralls, lab coats, smocks, and aprons. They also make protective uniforms out of flame resistant and high visibility garments. Under the rental program, Unifirst will deliver clean uniforms on a regular basis, and pick up used ones, which will be repaired, replaced, decontaminated, and/or cleaned, by Unifirst, and then put back into service. The company also manufactures, leases, and sells floor mats, mops, other cleaning supplies, and first aid supplies. Unifirst makes 70% of the products they sell. The products are made at 3 plants in Mexico, and a fourth plant in Nicaragua. The company services locations in The US,

Canada, and Europe. Only 9.7% of revenue is produced outside the US. The CEO, Ronald Croatti, has been with the company for 50 years, and has been CEO for 24 years. He recently won a 'Best in the Biz' award for 'Executive of the Year.' The company was founded in 1936, and was incorporated in Massachusetts, in 1950.

#### **Diversified Customer Base**

The industrials industry has seen some negative effects from the decrease in oil prices. Due to the fact that many industrial company's main customers are in the energy business, industrial companies have suffered a loss of revenue from decreased customer demand. This is not the case with Unifirst, however.

Unifirst's main customers include auto service, delivery, retailers, food processing, light manufacturing, restaurants, wholesalers, and transportation. Consumers of specialty products and services include government agencies, research and development laboratories, high technology companies, and utility companies operating nuclear reactors. No customer represents more than 1% of the company's revenue.

Because the company has a diverse customer base, there will be minimal impact from the reduction in oil prices. While reduced oil prices reduce the demand coming from Utility companies, they also increase the demand coming from delivery and transportation companies. If there is a shock in some market other than oil, then there will likely be a similar stabilizing effect.

## **ROIC vs WACC**

The Company has a long term return on invested capital of 15.4% with a long term weighted average cost of capital of 10.4%. The ROIC measures the amount of money coming back to the company as a percent of the money that it invests in itself. The WACC measures the amount of money the company pays to make those investments. When the company receives more than it pays on investments, then it is beneficial for the company to continue investing. Therefore, the company can benefit from growth.

Unifirst has seen organic growth of 6.9% over the past year, and has intentions to grow both organically and inorganically moving forward.

#### Negative Net Debt

Net Debt is a measure of a company's ability to pay of its debts. A negative number means the company has more cash on hand than it needs in order to pay off its debts. This helps the company maintain a low interest rate. The fact that the company is low debt means the company has a reduce amount of risk as well as interest expenses.

#### Predictable Revenue Estimates

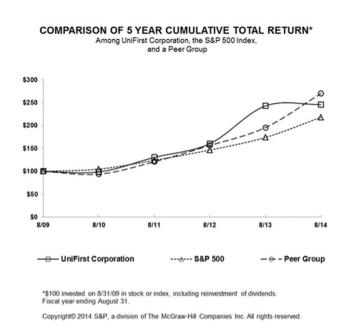
When a Monte Carlo Simulation is run, on the proforma sheet seen below, 50.1% of the variation in the 1 year target estimate is due to variations in revenue. This means that revenue is the most important thing to have forecasted correctly. Unifirst has been able to predict their revenue very well in the past. They have reported revenue misses of no more that 1.1% in the past year, with a maximum positive surprise of 2.8%. Because the revenue is so well forecasted, there is a large reduction in the amount of the uncertainty in the estimated one year target price of \$131.80.



#### **Competition**

The competition in this industry is strong. Threat from competition is the strongest of porter's 5 forces for this company. In addition to the following 3 competitors, Unifirst also sees competition from numerous smaller firms. The company has expressed interest in purchasing some of these firms, in order to integrate horizontally. This will reduce competition and support inorganic growth. It is a good decision, because the company has a higher ROIC than WACC, as explained above.

G&K Services is Unifirst's top competitor. They provide all the same products from locations in the US and Canada. They do not operate in Europe. G&K only produces 47% of the apparel placed in service, mainly in the Dominican Republic, while Unifirst manufactures 70%.



#### **Cintas**

Cintas Corporation has a wider range of products and a larger global reach than Unifirst. Cintas offers services such as fire protection, document management, and promotional products. The company does not offer floor mats and other products that Unifirst and G&K offer. Unifirst is more focused in the Uniform industry, and less susceptible to an appreciating dollar.

#### Aramark

Aramark also has a wider geographic reach than Unifirst. The company provides much of the same uniform related services that Unifirst provides, but they use a 'social responsibility' competitive advantage. When a company employs this advantage, they attempt to attract customers by saying that they care for the environment, have a smaller negative ecological impact than other companies, donate money to community programs, ect.

This strategy probably works much better when your main customers

are not businesses. The companies that they are selling to most likely care more about the cost and quality of the services than the environmental impacts. Therefore I do not see Aramark as a huge threat to Unifirst.

#### Conclusion

This stock has a target value of \$131.80, which gives it an upside potential of 9.65%. I have confidence in these values due to the fact that their revenue growth has been very predictable. I recommend this company for a buy at \$119.80, because it is relatively low risk, due to its wide customer base, and high liquidity, and because it has the opportunity for both organic and inorganic growth.

| Halling Com   | C   | A 1                            | Marthan D  |                              | - A D.: 120. 20                 | I D 1I  | -:- V-1 0440-0                          | I P                    | T 0121.0                 | D:::1137: 1-              | 120/   | 1 II                     | :1->- 0 <50/   |
|---|---|--------------------------------|--|------------------------------|---------------------------------|---|---|------------------------|--------------------------|---------------------------|--|--------------------------|--|
| Unit irst Corp.   | uni   | Analyst:                       | Matthew Darcy  |                              | nt Price: 120.38                | Lower Bound Intrir  | isic value: \$119.8                     | Lower Bound ly         |                          | Dividend Yield:           | J.1Z%  | ly Upside (down          | iside): 9.65%  |
| General Inf   | o.<br>Industrials   |                                | Market Da Enterprise value                                 | ta<br>\$2,222.66             | Symbol                          | NAME  | Market C                                | TEV/EBITDA             | Peers<br>P/B             | EBITDA Margin             | Total Debt/TEV   | EBIT/Int. Exp.           | Altman Z   |
|   |   |                                | *  |                              | NasdaqGS:GK                     | •   | Market Cap                              |                        | 3.8x                     |                           | 15%  | 15.7x                    | 3.43   |
| Industry  Description: UniFirst Corporation provides workplace uniforms   | Commercial Services and S<br>and protective work wear clo |                                | Market Capitalization<br>Daily volume                      |                              | NasdaqGS:GK<br>NasdaqGS:CTAS    | G&K Services Inc. S<br>Cintas Corporation                 | \$ 1,435.24<br>\$9,387.41               | 12.0x<br>12.0x         | 3.8x<br>4.3x             | 15%<br>18%                | 13%  | 15./x<br>10.0x           | 3.43<br>4.75   |
| United States, Canada, and Europe. It operates through US Re  | ental and Cleaning, Canadian                              | Rental and Cleaning;           | Shares outstanding   | 20.10                        | -                               | r   |   |                        |                          |                           |  |                          |  |
| Manufacturing; Specialty Garments Rental and Cleaning; and First<br>personalizes, rents, cleans, delivers, and sells a range of unifor  |   |                                | Diluted shares outstanding                                 |                              | NYSE:ARMK                       | Aramark   | \$7,595.63                              | 11.8x                  | 4.4x                     | 7%                        | 42%  | 1.7x                     | 1.98   |
| jackets, coveralls, lab coats, smocks, and aprons; and specialized  | l protective wear, such as fla                            | ne resistant and high          | % shares held by institutions<br>% shares held by insiders | 76.6%<br>10.1%               | NasdaqGM:SGC                    | Supprior Haiform Group                                    | \$248.79                                | 13.8x                  | 3.1x                     | 10%                       | 9%   | 36.6x                    | 4.21   |
| visibility garments. It also rents industrial wiping products, flo<br>mops; restroom and cleaning supplies comprising air freshener     |   |                                | % shares held by insiders<br>Short interest                | 10.1%                        | 1 1 abuayuwi 300                | Superior Uniform Grou <sub>l</sub>                        | 9240.19                                 | 13.08                  | 3.13                     | 1070                      | 970  | 30.0X                    | 4.21   |
| products. In addition, the company provides first aid cabinet set   |   |                                | Days to cover short interest                               | 2.37                         |                                 |   |   |                        |                          |                           |  |                          |  |
| cleans work clothes, and other items that may have been expose  | d to radioactive materials; and                           | services special clean         |  | \$124.61                     |                                 |   |   |                        |                          |                           |  |                          |  |
| room protective wear and facilities. Further, it offers a range of g<br>programs in which garments are cleaned and serviced; lease prog |   |                                |  | \$91.59                      | n IM E                          | _   | 04.515.44                               | 10.0                   | 4.0                      | 4207                      | 4407   | 10.0                     | 2.02   |
| by individual employees; and purchase programs to buy garmer  |   |                                | 5y Beta<br>6-month volatility                              | 1.03<br>21.46%               | Peers' Median<br>unf            |   | \$4,515.44<br>\$2,429.50                | 12.0x<br>8.2x          | 4.0x<br>2.1x             | 13%<br>19%                | 14%<br>0%  | 12.9x<br>263.6x          | 3.82<br>7.03   |
|   | Managemen   |                                | o-month volatility   | 21.40/0                      | um                              |   | \$2,429.30                              |                        | Performance              | 1970                      | 070  | 203.0x                   | 7.03   |
| Professional  | Title   | Comp. FY2012                   |  | Comp. FY2014                 |                                 | unf   |   | P                      | eers                     |                           | ustry  |                          | S. firms   |
| Croatti, Ronald   | Chairman, Chief   | \$ 1,917,999.00                |  |                              |                                 | Last  | 10y Med.                                | Last                   | 10y Med.                 | Last                      | 10y Med.   | Last                     | 10y Med.   |
| Sintros, Steven<br>Boynton, Bruce   | Chief Financial Officer<br>Senior Vice President of       | \$ 546,735.00<br>\$ 651,915.00 |  |                              | ROIC<br>EBITA Margin            | 12.9%<br>17.1%  | 11.3%<br>14.3%                          | 7.88%<br>8.02%         | 6.27%<br>7.96%           | 10.58%<br>13.56%          | 12.73%<br>14.05%   | 8.92%<br>13.56%          | 11.07%<br>13.62%   |
| DiFillippo, David   |   | \$ 586,000.00                  |  |                              | Imputed Rev./Invested cap.      | 1.48  | 1.15                                    | 2.00                   | 1.71                     | 1.72                      | 1.88   | 1.76                     | 2.02   |
| Croatti, Cynthia  | Executive Vice President,                                 |                                |  |                              | Excess Cash/Rev.                | 15.01%  | 5.12%                                   | 3.26%                  | 2.67%                    | 6.52%                     | 6.01%  | 23.19%                   | 18.87%   |
| Katz, David   | Senior Vice President of                                  | \$ 563,755.00                  | \$ 646,519.00  | S -                          | Total Cash / Rev.               | 15.01%  | 5.12%                                   | 3.26%                  | 2.67%                    | 7.61%                     | 7.59%  | 32.72%                   | 30.13%   |
| Current Capital Structure   | 0.000   |                                |  | ing Surprises                |                                 | Last Guidance J   |   | Next earnings date     |                          |                           | ning Call Transcript:  |                          |  |
| Total debt/market cap<br>Cost of Borrowing  | 0.28%<br>8.97%  | Last Quarter                   | Revenue<br>1.6%  | EBITDA<br>6.0%               | Norm. EPS<br>10.8%              | UniFirst Corp. announced u<br>\$60,589,000, income before |   |                        |                          |                           |  |                          |  |
| Literest Coverage   | 263.60  | Last Quarter<br>Last Quarter-1 | 2.8%   | 10.5%                        | 9.2%                            | \$52,848,000, capital expend                              |   |                        |                          |                           |  |                          |  |
| Debt Rating   | AA  | Last Quarter -2                | 1.1%   | 6.1%                         | 7.7%                            | taxes of \$21,894,000, net in                             |   |                        |                          |                           |  |                          |  |
| 5y Beta   | 1.03  | Last Quarter -3                | -1.1%  | -6.3%                        | -8.6%                           | 77  | hallom when C P                         | 1 2015 '''             | - h 64 450 1'''          | 161 470 1 33              | h., 6.11 17 . 1 778  | 2                        | 1 @ ( 00 )   |
| WACC (based on market value weights)  | 9.4%  | Last Quarter -4                | -0.1%  | 2.9%                         | 5.6%                            | The company continue to communicated in October 2         |   |                        |                          |                           |  | s will be between \$5.75 | and \$6.00 per share as                                  |
| M. Leave Co. I  |   | uing Period Assun              |  | TO 6 1/2                     | 02.207                          |   |   |                        | 0                        | O/ 1                      |  |                          | ļ  |
| Money market rate as of today   | 0.38%   | Risk-Free rate                 |  | LT Op. Costs/Rev             | 83.2%                           |   |   |                        |                          |                           |  |                          |  |
| Annual increase (decrease) in interest rates  |   | Op. Cash/Rev.                  |  | T WACC                       | 10.4%                           |   |   |                        |                          |                           |  |                          |  |
| Yield Spread acceleration<br>Marginal Tax Rate  |   | Op. Cash/Cash<br>LT Growth     |  | T Term ROIC<br>Growth in PPE | 15.4%<br>Reverts to Maintenance |   |   |                        |                          |                           |  |                          |  |
| LT convergence estimates: weig  |   |                                |  |                              |                                 | eness" of its competitive p                               | oweri.e., buvers pov                    | wer, suppliers power.  | competitive rivalry, th  | reat of substitution, and | threat of new entries.   |                          | Capitalization   |
|   | Rev./Cap  | ital                           | LT Imputed G   | owth                         | LT Op. Cost                     | ts/Rev.   | Unlever                                 | ed Beta                | •                        | Multiples (10Y Histor     | rical Median Value)  |                          | Operating Leases   |
|   | Last  | 10y Median                     | Last   | 10y Median                   | Last                            | 10y Median  | Last                                    | 10y Median             | TEV/Rev.                 | TEV/EBITDA                | TEV/EBITA  | TEV/UFCF                 | 100%   |
| unf<br>Peers  | 1.18<br>2.00  | 1.15<br>1.71                   | 2.6%<br>5.5%   | 6.0%<br>3.4%                 | 80.9%<br>90.0%                  | 83.24%<br>89.67%  | 0.99<br>0.97                            | 0.95<br>0.69           | 1.0x<br>1.0x             | 6.5x<br>10.0x             | 8.9x<br>13.2x  | 17.5x<br>24.3x           | Straightline<br>10 years                                 |
| Primary Industry  | 1.34  | 1.27                           | 7.1%   | 7.7%                         | 78.4%                           | 78.56%  | 1.12                                    | 0.92                   | 2.3x                     | 11.4x                     | 13.7x  | 24.5x<br>27.6x           | R&D Exp.   |
| Industry  | 1.64  | 1.74                           | 6.9%   | 7.2%                         | 83.1%                           | 83.21%  | 1.04                                    | 0.97                   | 1.8x                     | 11.3x                     | 14.5x  | 24.6x                    | 100%   |
| Industry Group  | 1.99  | 2.38                           | 5.6%   | 6.4%                         | 84.0%                           | 84.60%  | 1.07                                    | 0.96                   | 1.9x                     | 11.9x                     | 15.9x  | 24.4x                    | Straightline   |
| Sector  | 1.92  | 2.13                           | 5.9%   | 6.9%                         | 84.9%                           | 85.58%  | 1.13                                    | 1.11                   | 1.7x                     | 11.7x                     | 15.5x  | 28.6x                    | 10 years   |
| All U.S. Firms<br>GDP   | 1.76<br>N/A   | 2.02<br>N/A                    | 5.9%<br>3.9%   | 6.6%<br>3.2%                 | 80.8%<br>N/A                    | 81.45%<br>N/A   | 0.99<br>N/A                             | 0.96<br>N/A            | 2.5x<br>N/A              | 12.4x<br>N/A              | 16.7x<br>N/A   | 29.6x<br>N/A             | Expl./Drilling Exp.<br>0%                                |
| unf long-run estimate   | 1,32  | **/ **                         | 3.90%  | 5.270                        | 83.24%                          |   | 0.9                                     |                        | 1.0x                     | 6.5x                      | 8.9x   | 18.4x                    | Straightline   |
|   |   |                                |  |                              | Explicit Period Assump          | ptions  |   |                        |                          |                           |  |                          | 10 years   |
|   | FY2014  | FY2015                         | FY2016   | FY2017                       | FY2018                          | FY2019  | FY2020                                  | FY2021                 | FY2022                   | FY2023                    | FY2024   | to ∞                     | SG&A   |
| Growth<br>Op.Costs/Rev.   |   | 3.3%<br>86.5%                  | 4.7%<br>86.3%  | 3.7%<br>74.9%                | 3.8%<br>75.1%                   | 3.8%<br>75.3%   | 3.8%<br>75.5%                           | 3.9%<br>75.6%          | 3.9%<br>75.8%            | 3.9%<br>75.9%             | 3.9%<br>76.1%  | 3.9%<br>83.2%            | 10%<br>Straightline                                      |
| Op.Costs/Rev.<br>WACC   |   | 9.5%                           | 9.5%   | 9.6%                         | 9.7%                            | 9.8%  | 9.9%                                    | 10.0%                  | 10.1%                    | 10.2%                     | 10.3%  | 83.2%<br>10.4%           | Straightline<br>10 years                                 |
| WHOC  |   | ,/4                            |  | Valua                        |                                 |   |   |                        |                          |                           | 300%   |                          | - Jemo   |
|   | LTM   | LTM+1Y                         | LTM+2Y   | LTM+3Y                       | LTM+4Y                          | LTM+5Y  | LTM+6Y                                  | LTM+7Y                 | LTM+8Y                   | LTM+9Y                    |  |                          |  |
| NOPLAT  | \$152.9   | \$102.4                        | \$136.3  | \$222.7                      | \$229.7                         | \$237.2   | \$245.2                                 | \$253.9                | \$263.0                  | \$272.4                   |  |                          | 11.48%x + 67.39%   |
| Invested capital<br>ROIC  |   | \$1,260.6<br>9.2%              | \$1,316.1<br>10.7%   | \$1,376.6<br>16.9%           | \$1,442.7<br>16.7%              | \$1,517.6<br>16.4%  | \$1,604.9<br>16.2%                      | \$1,684.8<br>15.8%     | \$1,767.7<br>15.6%       | \$1,856.1<br>15.4%        | 250%   |                          |  |
| UFCF  | \$0.00  | \$42.27                        | \$80.75  | \$162.21                     | \$163.62                        | \$162.27  | \$158.00                                | \$173.94               | \$180.18                 | \$184.00                  |  |                          | /  |
| EVA   |   | -\$3.96                        | \$17.34  | \$100.86                     | \$100.73                        | \$100.83  | \$100.54                                | \$98.15                | \$97.48                  | \$96.79                   |  |                          | /  |
| Terminal value  |   |                                | <u>.</u>   |                              |                                 |   |   |                        |                          | \$3,218.86                | 2008/  |                          |  |
| Enterprise value (mid-year adj.)  | \$2,283.68  | \$2,515.62                     | \$2,692.83   | \$2,863.53                   | \$2,955.76                      | \$3,060.91  | \$3,182.75                              | \$3,301.68             | \$3,431.34               | \$3,573.31                | 200%   | T T                      |  |
| Total Debt<br>Minority Interest   |   | \$6.14<br>\$0.00               | \$6.14<br>\$0.00   | \$6.14<br>\$0.00             | \$6.14<br>\$0.00                | \$6.14<br>\$0.00  | \$6.14<br>\$0.00                        | \$6.14<br>\$0.00       | \$6.14<br>\$0.00         | \$6.14<br>\$0.00          |  |                          |  |
| Preferred Equity  |   | \$0.00                         | \$0.00   | \$0.00                       | \$0.00                          | \$0.00  | \$0.00                                  | \$0.00                 | \$0.00                   | \$0.00                    |  |                          |  |
| Capitalized Operating leases  |   | \$91.99                        | \$95.25  | \$98.62                      | \$101.97                        | \$109.29  | \$124.51                                | \$128.23               | \$130.79                 | \$134.82                  | 150%   |                          |  |
| PV of Unfunded Pension Plan Liabilities   | \$21.91   | \$10.95                        | \$5.48   | \$2.74                       | \$1.37                          | \$0.68  | \$0.34                                  | \$0.17                 | \$0.09                   | \$0.04                    |  |                          |  |
| Dilutive impact of options,warrants, and converts   | \$4.01  | \$4.90                         | \$6.02   | \$7.43                       | \$9.24                          | \$11.62   | \$14.80                                 | \$19.04                | \$0.00                   | \$0.00                    | product of the same of the sam | /                        |  |
| Other claims on operating assets  |   | \$0.00<br>\$212.21             | \$0.00   | \$0.00<br>\$407.94           | \$0.00                          | \$0.00  | \$0.00<br>\$943.22                      | \$0.00<br>\$997.48     | \$0.00<br>\$1.157.50     | \$0.00<br>\$1,323.66      | 100%   | y = 4.499                | %x + 43.4 <u>3</u> %************************************ |
| Non-operating cash and LT investments<br>Equity value   |   | \$212.21<br>\$2,613.85         | \$269.58<br>\$2,849.54                                     | \$407.94<br>\$3,156.54       | \$549.09<br>\$3,386.13          | \$693.89<br>\$3,627.08                                    | \$843.22<br>\$3,880.18                  | \$997.48<br>\$4,145.58 | \$1,157.50<br>\$4,451.82 | \$1,323.66<br>\$4,755.97  |  |                          |  |
| Shares outstanding  |   | \$2,013.83                     | \$20.10  | \$20.10                      | \$20.10                         | \$20.10   | \$20.10                                 | \$20.10                | \$20.10                  | \$20.10                   |  |                          | -  |
| Price per share as of 2/6/2015  | \$120.80  | \$132.59                       | \$144.59   | \$159.14                     | \$170.67                        | \$183.26  | \$195.43                                | \$209.01               | \$224.22                 | \$236.58                  | TON THE STATE OF T |                          | th in Rev 3.85%x + 44.24%                                |
|   |   | rlo Simulation Ass             | sumptions<br>Min   | Max                          | Distribution                    | Monte   | Carlo Simulation Res<br>Intrinsic Value |                        |                          |                           | 50%  | Ac. Grow                 | th in NOPLAT   |
| Revenue Variation   | Base<br>0%  | Stdev<br>4.4%                  | Min<br>N/A   | Max<br>N/A                   | Normal                          | Mean est.   | \$120.80                                | 1y-Target<br>\$132.59  |                          | 7 77                      |  | Revenue (                | th in Invested Capital<br>Growth Trend                   |
| Op. Costs Variation   |   | 16.3%                          | N/A<br>N/A   | N/A<br>N/A                   | Normal                          | Mean est.<br>σ(ε)   | \$120.80<br>\$0.32                      | \$132.39<br>\$0.25     |                          |                           |  | - NOPLAT                 | Growth Trend<br>Capital Growth Trend                     |
| Market Risk Premium   |   | N/A                            | 5.0%   | 9.0%                         | Triangular                      | 3 σ(ε) adjusted price                                     | \$119.84                                | \$131.84               |                          |                           | 0%   | - invested (             | Aprili Olowul Helii                                      |
| Long term Growth  |   | N/A                            | 3.2%   | 7.7%                         | Triangular                      | Current Price   | \$120.38                                | <u> </u>               |                          |                           |  |                          |  |
| Terminal Value  | 0%  | 10.0%                          | N/A  | N/A                          | Normal                          | Analysts' median est.                                     |   | \$125.67               |                          |                           | 4444   | 4 4 4 4 4                | 4 4 4 4 4  |
|   |   |                                |  |                              |                                 |   |   |                        |                          |                           |  |                          |  |