## **Valuation Summary**

Key Assumptions					
Assumptions					
FY2 Revenue	USD	91,395,187			
FY2 EBITDA	USD	31,755,747			
Net Debt	USD	-			
DCF WACC	%	14.41%			
DCF Perpetual Growth Rate	%	2.30%			
DCF Transaction Exit (EV/Sales)	X	2.5x			
DCF Comparables Exit (EV/Revenue)	x	1.2x			
Transaction Comparables	_				
Transaction comparables		Low	Mean	Median	High
EV/Revenue		1.7x	2.5x	2.5x	3.9x
EV/EBITDA		11.0x	14.9x	14.7x	24.7x

Trading Comparables				
	Low	Mean	Median	High
EV/Revenue	0.4x	1.7x	1.2x	6.8x
EV/EBITDA	3.7x	9.4x	5.0x	19.7x

## **Equity Valuation Summary**

Data					
		Low	Mean	Median	High
DCF Perpetual Growth Exit	USD	321	459	459	596
DCF Transaction Comparables Exit	USD	284	406	406	528
DCF Trading Comparables Exit	USD	191	273	273	355
Scorecard	USD	158	226	226	294
Transaction Comparables - EV/Reven	USD	157	232	227	354
Trading Comparables - EV/Revenue	USD	37	159	112	624
Mean	USD	192	293	284	459
Median	USD	175	253	250	442
Min	USD	37	159	112	294
Max	USD	321	459	459	624

## Equity Valuation



#### x Assumptions

Tax Rate	0.0%
Discount Rate	14.4%
Perpetual Growth Rate	2.3%
Transaction Exit Multiple (EV/Revenue)	2.5x
Trading Exit Multiple (EV/Revenue)	1.2x
Transaction Date	12/31/2022
Fiscal Year End	12/31/2022

Discounted Cash Flow Model							
		Entry	2023	2024	2025	2026	TV
Date	Date	31/12/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027
Time Period	Period	1	2	3	4	5	6
Year Frac	Year Frac.	1	1	1	1	1	1
Revenue		27,550,982	91,395,187	137,190,903	174,422,448	208,437,887	
EBT		244,307	28,837,413	49,776,960	63,468,019	75,761,799	
Less Cash Taxes		-	-	-	-	-	
NOPAT		244,307	28,837,413	49,776,960	63,468,019	75,761,799	
Plus D&A		5,084,667	2,918,333	1,667	333	-	
EBITDA		5,328,973	31,755,747	49,778,626	63,468,352	75,761,799	
Less CAPEX		(8,005,000)	-	-	-	-	
Less Changes in NWC		4,995,694	(6,488,116)	(3,916,093)	(3,443,968)	(2,281,221)	
Unlevered FCF		2,319,667	25,267,631	45,862,534	60,024,384	73,480,579	
Transaction FCF Perpetual Growth		2,319,667	25,267,631	45,862,534	60,024,384	73,480,579	620,559,404
Transaction FCF Transaction Exit		2,319,667	25,267,631	45,862,534	60,024,384	73,480,579	517,925,171
Transaction FCF Trading Exit		2,319,667	25,267,631	45,862,534	60,024,384	73,480,579	256,378,601

Valuation Summary			
	Perp. Growth	Transaction	Trading
Enterprise Value	458,756,202	406,426,505	273,072,825
Plus Cash	-	-	-
Minus Debt	-	-	-
Equity Value	458,756,202	406,426,505	273,072,825

# **Transaction Comparables**

Date	Target SIC 1	Deal Type	Target Descripton	Deal Value (\$m)	Postmoney (\$m)	EV / Revenue E (x)	EV / EBITDA (x)
05/28/2020	5722	Equity	Full Service Appliance Store	22	72	1.84x	12.2x
09/25/2019	5731	Equity	Specialty Electronics Store, focused on Apple Products,	0		1.92x	11.2x
05/04/2019	5722	Equity	Independent Retailer of Major Appliances, Furniture, F			3.87x	24.7x
03/11/2016	5731	Equity	Multi-Media Retailer for Music, Movies, and Video Gar			2.67x	15.0x
03/04/2015	5731	Equity	Operates 20 Telecom Stores Throughout Wallonia			2.75x	15.2x
03/11/2009	5731	Equity	Sells Multi-Room Audio Systems			1.82x	11.0x
09/13/2007	5731	Equity	Installation of Satellite Systems	8	13	2.41x	16.6x
08/17/2007	5731	Equity	Distributes Original Equipment Manufacturer (OEM) Pa	0		2.57x	14.7x
05/31/2007	5731	Equity	Business Telephone System Sales and Installation	2		2.56x	14.4x
03/31/2007	5731	Equity	Retailer of Consumer Electronics Equipment	0		2.34x	14.7x
03/08/2006	5731	Equity	Home Electronics Retail Chain	14		1.83x	14.7x
05/24/2004	5731	Equity	Cellular Telephone Sales	1	16	3.62x	14.5x
12/05/2004	5731	Equity	Retails Consumer Electronic Products	3		1.72x	14.9x
05/06/2003	5731	Equity	Electronics Retailer	10	16	3.68x	14.7x
01/08/2001	5731	Equity	Retailing and Servicing of Home and Car Audio Systems			2.74x	14.4x
03/30/2000	5731	Equity	Sells Home Theater Systems, Stereo Components, Spea			2.26x	15.0x
Many						2.5x	14.9x
Mean Median						2.5x 2.5x	14.9x 14.7x
						2.5%	2/

**End of Sheet** 

## **Trading Comparables**

Companies	Market	EV/Revenue (x) FY0	EV/EBITDA (x) FY0
Apple Inc. (AAPL)	NasdaqGS	6.8x	19.7x
Sony Group Corporation (SONY)	NYSE	1.6x	13.6x
LG Corp. (003550.KS)	KSE	1.2x	3.7x
Samsung Electronics Co., Ltd. (005930.KS)	KSE	1.3x	4.1x
Hewlett Packard Enterprise Company (HPE)	NYSE	1.1x	5.0x
Whirlpool Corporation (WHR)	NYSE	0.6x	4.6x
Haier Smart Home Co., Ltd. (6690.HK)	HKSE	1.0x	13.4x
AB Electrolux (publ) (ELUX-B.ST)	Stockholm	0.4x	4.6x
Huron Consulting Group Inc.	NYSE	1.5x	16.1x
Mean		1.7x	9.4x
Median		1.2x	5.0x

## **WACC Calculation**

	Cada		Def
	Code		Ref
Risk Free Rate	$R_f$	2.0420%	[ a ]
Equity Risk Premium	$R_m$ - $R_f$	4.24%	[b]
Beta (Unlevered)	$\beta_{u}$	1.30	[ c ]
Beta (Levered)	$\beta_{\text{\tiny L}}$	1.80	
Company Risk Premium	$R_s$	8.9%	[b]
Cost of Equity	K <sub>e</sub>	18.6%	-
Debt Base Rate	$R_f$	2.0%	[ a ]
Debt Premium	S	1.6%	[b]
Tax Rate	T	-	[ d ]
Cost of Debt (Pre Tax)	K <sub>d</sub>	3.6%	
Equity Portion	E/EV	72.0%	[ ]
Debt Portion	D/EV	28.0%	[c]
DESCT OF GOT	D/LV	20.070	[ ]
WACC		14.4%	

#### Notes:

[ a ] As of Valuation Date, US 10 year bond yield

[ b ] Damodaran Equity Risk Premium by Countries (US Input) + KPMG Input

[ c ] Damodaran Sector average

[d] Tax Rate

 $\beta_u = \beta_L / [1 + (1-T) \times D/E]$ 

WACC =  $[(D/EV \times K_d) \times (1 - T)] + (E/EV \times K_e)$ 

### **Market Return**

R <sub>f</sub>	2.0%
US 10 year Treasury	2.0420%
Equity Risk Premium	4.24%
Market Return (R <sub>m)</sub>	6.3%

## **Debt Spread**

Company Type Small non-financial firm
Credit Rating Baa2/BBB

Debt Spread w.r.t. Credit 1.6%

Selected Debt Spread 1.6%

**Company Specific Risk Premium** 

CSRP

Company Type Micro-cap 8.9%

Selected CSRP 8.9%

**Unlevered Beta & Leverage** 

Select Market US

Select Industry Electronics (Consumer & Office)

	Emerging Markets	Europe	US
Beta	1.56	1.36	1.45
Unlevered beta	1.09	1.27	1.13
Unlevered beta corrected for cash	1.31	1.38	1.30
Selected Beta	1.31	1.38	1.30
Selected E/EnV	62.9%	91.7%	72.0%

**Corporate Tax Rate** 

Selected Tax Rate