

### 3 Statement Model

USD millions, except per share data

Balance Sheet Check

Historical -->

Forecast -->

2016A

2017A

2018A

2019E

2020E

2021E

2022E

2023E

OK

OK

OK

OK

OK

OK

OK

OK

### Assumptions & Drivers

#### Days in Period

365

365

365

365

365

365

365

365

#### Income Statement

Sales Growth		6.5%	7.4%	6.0%	6.0%	6.0%	6.0%	6.0%
Gross Margin	53.2%	56.5%	57.4%	55.0%	55.0%	55.0%	55.0%	55.0%
Distribution Expense (Percent of Sales)	7.2%	7.4%	6.6%	7.5%	7.5%	7.5%	7.5%	7.5%
Marketing & Admin Expense (Fixed Cost)	23,507	26,569	30,830	32,063	33,346	34,680	36,067	37,509
Research Expense (Percent of Sales)	2.2%	2.2%	2.2%	2.3%	2.3%	2.3%	2.3%	2.3%
Depreciation (Percent of Sales)	3.6%	3.2%	3.1%	3.2%	3.2%	3.2%	3.2%	3.2%
Long Term Debt Interest (Average Debt)		6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
Tax Rate (Percent of EBT)	34.7%	24.3%	15.3%	30.0%	30.0%	30.0%	30.0%	30.0%

#### Balance Sheet

Capital Asset Turnover Ratio	4.23	4.26	4.40	4.25	4.25	4.25	4.25	4.25
Receivable Days (Sales Basis)	57	59	58	60	60	60	60	60
Inventory Days (COGS Basis)	69	74	74	75	75	75	75	75
Payable Days (COGS Basis)	96	102	102	100	100	100	100	100
Income Tax Payable	39.4%	36.8%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
Long Term Debt	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Common Share Capital	7,627	7,627	7,627	7,627	7,627	7,627	7,627	7,627
Dividend Payout Ratio	83.2%	55.8%	33.7%	70.0%	70.0%	70.0%	70.0%	70.0%

### Income Statement

Revenues	81,422	86,698	93,086	98,671	104,591	110,867	117,519	124,570
Cost of Goods Sold	38,121	37,756	39,639	44,402	47,066	49,890	52,883	56,056
Gross Profit	43,301	48,942	53,447	54,269	57,525	60,977	64,635	68,513

Distribution Expenses	5,884	6,421	6,166	7,400	7,844	8,315	8,814	9,343
Marketing and Administration	23,507	26,569	30,830	32,063	33,346	34,680	36,067	37,509
Research and Development	1,764	1,931	2,026	2,269	2,406	2,550	2,703	2,865
Depreciation	2,960	2,803	2,907	3,157	3,347	3,548	3,761	3,986
<b>EBIT (Operating Profit)</b>	<b>9,186</b>	<b>11,218</b>	<b>11,518</b>	<b>9,379</b>	<b>10,583</b>	<b>11,884</b>	<b>13,291</b>	<b>14,810</b>
Interest	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
Income Before Taxes	7,946	9,978	10,278	8,139	9,343	10,644	12,051	13,570
Taxes	2,761	2,429	1,570	2,442	2,803	3,193	3,615	4,071
<b>Net Income</b>	<b>5,185</b>	<b>7,549</b>	<b>8,708</b>	<b>5,697</b>	<b>6,540</b>	<b>7,451</b>	<b>8,436</b>	<b>9,499</b>

Common Dividends	4,312	4,209	2,931	3,988	4,578	5,216	5,905	6,649
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## Balance Sheet

### ASSETS

#### Current Assets:

Cash	5,289	5,918	10,159	8,650	8,562	8,627	8,860	9,278
Trade and Other Receivables	12,685	14,074	14,721	16,220	17,193	18,225	19,318	20,477
Inventories	7,168	7,691	8,036	9,124	9,671	10,251	10,866	11,518
Total Current Assets	25,142	27,683	32,916	33,994	35,426	37,103	39,045	41,274

#### Non-Current Assets:

Property Plant and Equipment	19,263	20,371	21,175	23,217	24,610	26,086	27,651	29,311
<b>TOTAL ASSETS</b>	<b>44,405</b>	<b>48,054</b>	<b>54,091</b>	<b>57,211</b>	<b>60,036</b>	<b>63,190</b>	<b>66,697</b>	<b>70,584</b>

### LIABILITIES AND SHAREHOLDERS' EQUITY

#### Current Liabilities:

Trade and Other Payables	10,001	10,504	11,077	12,165	12,895	13,669	14,489	15,358
Income Taxes Payable	1,088	894	581	903	1,037	1,182	1,338	1,506
Total Current Liabilities:	11,089	11,398	11,658	13,068	13,932	14,850	15,826	16,864

#### Non-Current Liabilities:

Long-Term Debt	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
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#### Shareholder's Equity:

Common Stock and Additional Paid-In Capital	7,627	7,627	7,627	7,627	7,627	7,627	7,627	7,627
Retained Earnings	5,689	9,029	14,806	16,515	18,477	20,713	23,243	26,093
<b>Total Shareholders' Equity</b>	<b>13,316</b>	<b>16,656</b>	<b>22,433</b>	<b>24,142</b>	<b>26,104</b>	<b>28,340</b>	<b>30,870</b>	<b>33,720</b>

<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>44,405</b>	<b>48,054</b>	<b>54,091</b>	<b>57,211</b>	<b>60,036</b>	<b>63,190</b>	<b>66,697</b>	<b>70,584</b>
<i>Check</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>

## Cash Flow Statement

### Cash Flows from Operating Activities:

Net Income	5,185	7,549	8,708	5,697	6,540	7,451	8,436	9,499
Depreciation	2,960	2,803	2,907	3,157	3,347	3,548	3,761	3,986
Changes in Operating Assets and Liabilities:								
Trade and Other Receivables	(1,280)	(1,389)	(647)	(1,499)	(973)	(1,032)	(1,093)	(1,159)
Inventories	(470)	(523)	(345)	(1,087)	(547)	(580)	(615)	(652)
Trade and Other Payables	490	503	573	1,088	730	774	820	869
Income Taxes Payable	50	(194)	(313)	322	134	145	156	169
Net Cash Provided by Operating Activities	6,935	8,749	10,883	7,679	9,230	10,305	11,464	12,712

### Investing Activities:

Acquisitions of Property and Equipment	(3,005)	(3,911)	(3,711)	(5,199)	(4,740)	(5,024)	(5,326)	(5,645)
Cash Flows from Investing Activities	(3,005)	(3,911)	(3,711)	(5,199)	(4,740)	(5,024)	(5,326)	(5,645)

### Financing Activities:

Issuance of Common Stock	-	-	-	-	-	-	-	-
Dividends (current year)	(4,312)	(4,209)	(2,931)	(3,988)	(4,578)	(5,216)	(5,905)	(6,649)
Increase/(Decrease) in Long-Term Debt	-	-	-	-	-	-	-	-
Cash Flows from Financing Activities	(4,312)	(4,209)	(2,931)	(3,988)	(4,578)	(5,216)	(5,905)	(6,649)

<b>Increase/(Decrease) in Cash and Equivalents</b>	<b>(382)</b>	<b>629</b>	<b>4,241</b>	<b>(1,508)</b>	<b>(88)</b>	<b>65</b>	<b>233</b>	<b>417</b>
Cash and Equivalents, Beginning of the Year	5,671	5,289	5,918	10,159	8,650	8,562	8,627	8,860
<b>Cash and Equivalents, End of the Year</b>	<b>5,289</b>	<b>5,918</b>	<b>10,159</b>	<b>8,650</b>	<b>8,562</b>	<b>8,627</b>	<b>8,860</b>	<b>9,278</b>

## Supporting Schedules

Property Plant and Equipment (PP&E)  
Net PP&E

Beginning of Period	19,218	19,263	20,371	21,175	23,217	24,610	26,086	27,651
Capital Expenditures/Additions (Disposals)	3,005	3,911	3,711	5,199	4,740	5,024	5,326	5,645
Depreciation Expense	2,960	2,803	2,907	3,157	3,347	3,548	3,761	3,986
<b>Net PP&amp;E End of Period</b>	<b>19,263</b>	<b>20,371</b>	<b>21,175</b>	<b>23,217</b>	<b>24,610</b>	<b>26,086</b>	<b>27,651</b>	<b>29,311</b>
<b>Retained Earnings (RE)</b>								
Beginning of Period	4,816	5,689	9,029	14,806	16,515	18,477	20,713	23,243
Net Income	5,185	7,549	8,708	5,697	6,540	7,451	8,436	9,499
Dividends	4,312	4,209	2,931	3,988	4,578	5,216	5,905	6,649
<b>RE End of Period</b>	<b>5,689</b>	<b>9,029</b>	<b>14,806</b>	<b>16,515</b>	<b>18,477</b>	<b>20,713</b>	<b>23,243</b>	<b>26,093</b>
<b>Long Term Debt (LTD)</b>								
Beginning of Period	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Additions (Repayments)	-	-	-	-	-	-	-	-
<b>LTD End of Period</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
Long Term Debt Interest	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
<b>Total Interest</b>	<b>1,240</b>	<b>1,240</b>	<b>1,240</b>	<b>1,240</b>	<b>1,240</b>	<b>1,240</b>	<b>1,240</b>	<b>1,240</b>

## Charts & Graphs

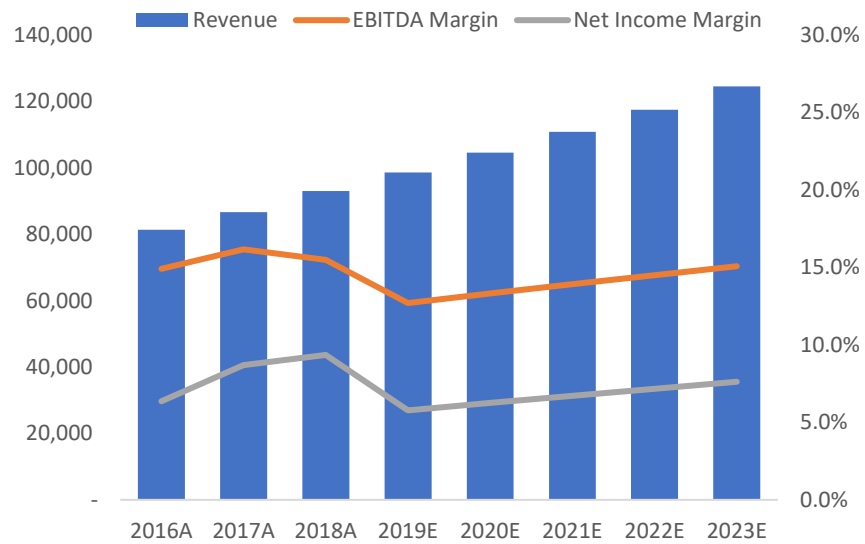
### Income Statement

Revenue	81,422	86,698	93,086	98,671	104,591	110,867	117,519	124,570
EBITDA	12,146	14,021	14,425	12,536	13,929	15,432	17,052	18,796
<i>EBITDA Margin</i>	<i>14.9%</i>	<i>16.2%</i>	<i>15.5%</i>	<i>12.7%</i>	<i>13.3%</i>	<i>13.9%</i>	<i>14.5%</i>	<i>15.1%</i>
Net Income	5,185	7,549	8,708	5,697	6,540	7,451	8,436	9,499
<i>Net Income Margin</i>	<i>6.4%</i>	<i>8.7%</i>	<i>9.4%</i>	<i>5.8%</i>	<i>6.3%</i>	<i>6.7%</i>	<i>7.2%</i>	<i>7.6%</i>

### Cash Flow

Operations	6,935	8,749	10,883	7,679	9,230	10,305	11,464	12,712
Investing	(3,005)	(3,911)	(3,711)	(5,199)	(4,740)	(5,024)	(5,326)	(5,645)
Financing	(4,312)	(4,209)	(2,931)	(3,988)	(4,578)	(5,216)	(5,905)	(6,649)
Change in Cash	(382)	629	4,241	(1,508)	(88)	65	233	417

## Income Statement



## Cash Flow Statement

