

Amounts in USD Unless Other Stated

Executive Summary

ARNOUS Forms is a SME that projecting to launch business in Beirut Lebanon, it is specialized in food paper box forming. The Company will invest in improved technology machines that eligible it to provide high quality products with less fixed costs and competitive prices. Target Clients are restaurants and snacks from all different sizes and franchises. In this Plan we depend on several researches, especially in determining COGS and revenues by product, by client, by region, by machines productivity, by sensitivity to price change. For simplicity we did not plot them in this study, in order to ease the complexity of the file.

Assumptions & Drivers

Projected Profit&Loss By Year

Projected Balance Sheet By Year

Projected Cash Flow By Year

Financial Statements Analysis

Risk Management & Capital Restructuring

**Note**  
To better understand the Valuation Study , and open above files, we encourage you to visit previous files in the Library.

Valuation Study

Discounted Cash Flow Model-DCF

<b>Assumptions</b>	
Tax Rate	17%
Discount Rate-WACC	25%
Perpetual Growth Rate	11.02% Check below the Scenarios
EV/EBITDA Multiple Exit	10.9x <a href="http://people.stern.nyu.edu/adamodar/New_Home_Page/datacurrent.html#multiples">http://people.stern.nyu.edu/adamodar/New_Home_Page/datacurrent.html#multiples</a>
Shares Outstanding	10,000

Determining Perpetual Growth Rate

1st Scenario					
Use GDP Growth between (3% and 5%)	4%	measures growth in FCFF			
2nd Scenario					
	Year 5				
Pay Out Ratio	30%				
Retention Rate	70%				
ROE	25%				
Growth Rate	18%	measures growth in Net income			
3rd Scenario					
	Year 1	Year 2	Year 3	Year 4	Year 5
CAPEX	91,500	-	-	-	-
Change in NWC	36,755	4,853	5,693	3,654	447
NOPAT	104,773	136,142	171,279	148,937	146,753
Reinvestment Rate	122%	4%	3%	2%	0%
ROC	44%	41%	45%	31%	25%
Growth Rate	53.89%	1.47%	1.50%	0.76%	0.08%
Average Growth Rate	11.54%	measures growth in EBIT			
Summary of 3 Scenarios					
Average Growth Rate Of 3 Scenarios	11.02%				

<b>Determining Free Cash Flow to Firm-FCFF</b>	<b>Time Zero</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
EBIT		126,232	164,026	206,361	179,442	176,811
Less: Taxes Subject		21,459	27,885	35,081	30,505	30,058
NOPAT		104,773	136,142	171,279	148,937	146,753
Plus: Depreciation & Amortization		18,300	18,300	18,300	18,300	18,300
EBITDA		144,532	182,326	224,661	197,742	195,111
Less: Capex		91,500	-	-	-	-
Less: Changes in NWC		36,755	4,853	5,693	3,654	447
Unlevered FCFF		(5,183)	149,589	183,887	163,582	164,606
Terminal Value						1,584,793
FCF Final		(5,183)	149,589	183,887	163,582	1,749,399
NPV - Valuation in USD	825,987					
IRR FCFF						

<b>Terminal Value</b>	
Normalized FCFF-Average	131,296
EV/EBITDA-EXIT	2,126,706
Terminal Value-Terminal Gro	1,042,881
Average Terminal Value	1,584,793

Enterprise Value	825,987
Less Beginning Debt	-
Add Beginning cash	-
Equity Value	825,987
# of shares	10,000
Intrinsic Value Per Share	82.60
Upside	72.60
Par Value	10.00

**Note**  
In this study and due to the size of company which is very small, and due to lack of public information for comparable size , industry, revenue growth, capital structure. We keep our valuation in this according to DCF, and we move in other studies to use additional methods like Comparable companies, and Precedent M&A transactions.

Net Present Value-Valuation Sensitivity to change in Metrics Assumptions

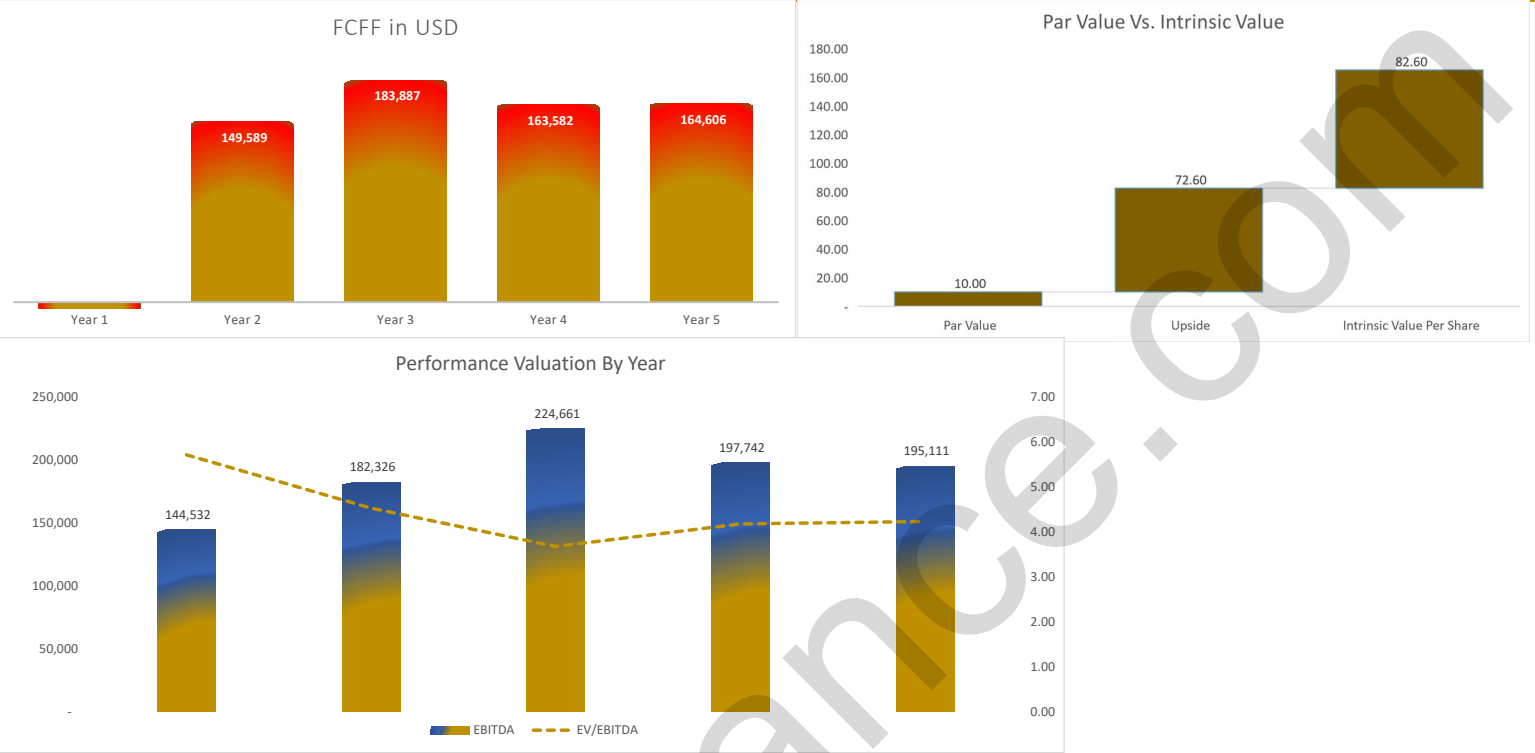
Valuation Table		Perpetual Growth Rate				
		4%	8%	11.02%	13%	14%
WACC	15%	1,242,137	1,437,121	1,844,595	2,777,638	4,654,362
	20%	949,841	1,015,797	1,104,622	1,204,243	1,279,622
	25%	761,655	791,783	825,987	857,688	878,059
	30%	626,950	643,023	659,663	673,752	682,202
	35%	525,196	534,641	543,869	551,278	555,556
		EV/EBITDA Multiple Exit				
		5.0x	8.0x	10.9x	12.0x	15.0x

WACC	15%	1,558,432	1,703,939	1,844,595	1,897,947	2,043,454
	20%	873,311	990,927	1,104,622	1,147,748	1,265,364
	25%	637,382	733,283	825,987	861,150	957,051
	30%	504,644	583,467	659,663	688,565	767,389
	35%	415,508	480,776	543,869	567,801	633,069

Perpetual Growth Rate	EV/EBITDA Multiple Exit					
		5.0x	8.0x	10.9x	12.0x	15.0x
	4%	573,050	668,951	761,655	796,818	892,719
	8%	603,178	699,079	791,783	826,946	922,847
	11.02%	637,382	733,283	825,987	861,150	957,051
	13%	669,083	764,984	857,688	892,852	988,753
	14%	689,454	785,355	878,059	913,223	1,009,123

Graphs & Charts



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