

Brick 'n' Mortar Co Model	Historical Results					Forecast Period						Stub	
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	30-09-2017	31-12-2017
Balance Sheet Check	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok		
End of Period	31-12-2012	31-12-2013	31-12-2014	31-12-2015	31-12-2016	31-12-2017	31-12-2018	31-12-2019	31-12-2020	31-12-2021	31-12-2022	30-09-2017	31-12-2017
Days in Period	366	365	365	365	366	365	365	365	366	365	365	273	92
Fraction of Year	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.750	0.250

Assumptions

LIVE SCENARIO 1

SCENARIO 1

Revenue Growth (% Change)	15.0%	15.0%	12.0%	10.0%	8.0%	6.0%	15.0%	15.0%
Cost of Goods Sold (% of Revenue)	42.0%	41.0%	40.0%	40.0%	40.0%	40.0%	42.0%	42.0%
Salaries and Benefits (% of Revenue)	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
Rent and Overhead (\$000's)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Depreciation & Amortization (% of PP&E)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Interest (% of Debt)	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Tax Rate (% of Earnings Before Tax)	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
Accounts Receivable (Days)	22	18	18	18	18	18	22	22
Inventory (Days)	75	75	75	75	75	75	75	75
Accounts Payable (Days)	39	39	39	39	39	39	39	39
Capital Expenditures (\$000's)	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750
Debt Issuance (Repayment) (\$000's)	-	-	-	-	-	(10,000)	-	-
Equity Issued (Repaid) (\$000's)	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	200	200	-	-

SCENARIO 2

Revenue Growth (% Change)	5.0%	4.5%	4.0%	3.5%	3.0%	3.0%	5.0%	5.0%
Cost of Goods Sold (% of Revenue)	37.0%	37.0%	36.0%	36.0%	35.0%	35.0%	37.0%	37.0%
Salaries and Benefits (% of Revenue)	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
Rent and Overhead (\$000's)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Depreciation & Amortization (% of PP&E)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Interest (% of Debt)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Tax Rate (% of Earnings Before Tax)	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Accounts Receivable (Days)	18	18	18	18	18	18	18	18
Inventory (Days)	73	73	73	73	73	73	73	73
Accounts Payable (Days)	37	37	37	37	37	37	37	37
Capital Expenditures (\$000's)	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Debt Issuance (Repayment) (\$000's)	-	-	(20,000)	-	-	-	-	-
Equity Issued (Repaid) (\$000's)	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	100	100	-	-

LIVE SCENARIO

Revenue Growth (% Change)	15.0%	15.0%	12.0%	10.0%	8.0%	6.0%	15.0%	15.0%
Cost of Goods Sold (% of Revenue)	42.0%	41.0%	40.0%	40.0%	40.0%	40.0%	42.0%	42.0%
Marketing, Advertising & Promotion (% of Revenue)	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
General & Administrative (\$000's)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Depreciation & Amortization (% of PP&E)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Interest (% of Debt)	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Tax Rate (% of Earnings Before Tax)	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
Accounts Receivable (Days)	22	18	18	18	18	18	22	22
Inventory (Days)	75	75	75	75	75	75	75	75
Accounts Payable (Days)	39	39	39	39	39	39	39	39
Capital Expenditures (\$000's)	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750
Debt Issuance (Repayment) (\$000's)	-	-	-	-	-	(10,000)	-	-
Equity Issued (Repaid) (\$000's)	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	200	200	-	-

Income Statement

Revenue	57,128	66,132	73,558	79,716	84,438	97,103	1,11,669	1,25,069	1,37,576	1,48,582	1,57,497	72,828	24,276
Cost of Goods Sold (COGS)	21,854	26,884	27,511	29,488	31,760	40,783	45,784	50,028	55,030	59,433	62,999	30,588	10,196
Gross Profit	35,273	39,248	46,047	50,228	52,678	56,320	65,885	75,041	82,546	89,149	94,498	42,240	14,080
Expenses													
Marketing, Advertising & Promotion	14,800	12,689	13,369	12,882	14,138	15,537	17,867	20,011	22,012	23,773	25,200	11,652	3,884
General & Administrative	6,140	5,670	5,649	6,172	6,391	7,000	7,000	7,000	7,000	7,000	7,000	5,250	1,750
Depreciation & Amortization	10,921	10,165	9,635	9,265	9,006	4,203	4,512	4,760	4,958	5,116	5,243	3,152	1,051
Interest	1,400	1,400	840	840	840	1,344	1,344	1,344	1,344	1,344	544	1,008	336
Total Expenses	33,261	29,924	29,494	29,159	30,375	28,083	30,723	33,115	35,314	37,233	37,987	21,062	7,021
Earnings Before Tax	2,013	9,324	16,554	21,069	22,303	28,237	35,161	41,927	47,232	51,916	56,512	21,178	7,059
Taxes	1,120	4,858	8,483	10,908	11,598	9,036	11,252	13,417	15,114	16,613	18,084	6,777	2,259
Net Earnings	893	4,466	8,071	10,161	10,706	19,201	23,910	28,510	32,118	35,303	38,428	14,401	4,800

Balance Sheet

Assets

Cash	37,573	42,850	40,521	51,041	61,889	77,065	99,589	1,26,030	1,56,278	1,89,737	2,16,666	72,624	77,065
Accounts Receivable	2,856	3,307	3,678	3,986	4,222	5,853	5,507	6,168	6,766	7,327	7,767	5,869	5,853
Inventory	4,371	5,377	5,502	5,898	6,352	8,380	9,408	10,280	11,277	12,212	12,945	8,403	8,380
Current Assets	44,801	51,534	49,701	60,925	72,462	91,298	1,14,504	1,42,477	1,74,321	2,09,276	2,37,378	86,896	91,298
Property & Equipment	25,482	23,718	22,483	21,618	21,013	22,561	23,798	24,789	25,581	26,215	26,722	22,174	22,561
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	70,282	75,251	72,184	82,543	93,476	1,13,858	1,38,302	1,67,266	1,99,902	2,35,491	2,64,100	1,09,070	1,13,858

Liabilities

Short Term Debt	-	-	-	-	-								
Accounts Payable	2,185	2,688	2,751	2,949	3,176	4,358	4,892	5,345	5,864	6,350	6,731	4,370	4,358
Current Liabilities	2,185	2,688	2,751	2,949	3,176	4,358	4,892	5,345	5,864	6,350	6,731	4,370	4,358
Long Term Debt	28,002	28,002	16,801	16,801	16,801	16,801	16,801	16,801	16,801	16,801	6,801	16,801	16,801
Total Liabilities	30,187	30,690	19,552	19,750	19,977	21,159	21,693	22,146	22,665	23,151	13,532	21,171	21,159
Shareholder's Equity													
Equity Capital	39,203	39,203	39,203	39,203	39,203	39,203	39,203	39,203	39,203	39,203	39,203	39,203	39,203
Retained Earnings	893	5,358	13,429	23,591	34,296	53,497	77,407	1,05,917	1,38,034	1,73,137	2,11,365	48,697	53,497
Shareholder's Equity	40,095	44,561	52,632	62,793	73,499	92,699	1,16,609	1,45,119	1,77,237	2,12,340	2,50,568	87,899	92,699
Total Liabilities & Shareholder's Equity	70,282	75,251	72,184	82,543	93,476	1,13,858	1,38,302	1,67,266	1,99,902	2,35,491	2,64,100	1,09,070	1,13,858

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Cash Flow Statement

Operating Cash Flow

Net Earnings	893	4,466	8,071	10,161	10,706	19,201	23,910	28,510	32,118	35,303	38,428	14,401	4,800
Plus: Depreciation & Amortization	10,921	10,165	9,635	9,265	9,006	4,203	4,512	4,760	4,958	5,116	5,243	3,152	1,051
Less: Changes in Working Capital	5,042	953	434	506	463	2,477	147	1,079	1,077	1,010	791	2,505	(27)
Cash from Operations	6,771	13,677	17,272	18,921	19,248	20,926	28,274	32,190	35,998	39,409	42,880	15,048	5,878

Investing Cash Flow

Investments in Property & Equipment	(8,401)	(8,401)	(8,401)	(8,401)	(8,401)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(4,313)	(1,438)
Investments in Businesses													
Cash from Investing	(8,401)	(8,401)	(8,401)	(8,401)	(8,401)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(4,313)	(1,438)

Financing Cash Flow

Issuance (repayment) of debt	-	-	(11,201)	-	-	-	-	-	-	-	(10,000)	-	-
Issuance (repayment) of equity	39,203	-	-	-	-	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-	-	(200)	(200)	-	-
Cash from Financing	39,203	-	(11,201)	-	-	-	-	-	-	(200)	(10,200)	-	-

Net Increase (decrease) in Cash	37,573	5,277	(2,329)	10,520	10,847	15,176	22,524	26,440	30,248	33,459	26,930	10,736	4,441
Opening Cash Balance	-	37,573	42,850	40,521	51,041	61,889	77,065	99,589	1,26,030	1,56,278	1,89,737	61,889	72,624
Closing Cash Balance	37,573	42,850	40,521	51,041	61,889	77,065	99,589	1,26,030	1,56,278	1,89,737	2,16,666	72,624	77,065

Supporting Schedules

Working Capital Schedule

Accounts Receivable	2,856	3,307	3,678	3,986	4,222	5,853	5,507	6,168	6,766	7,327	7,767	5,869	5,853
Inventory	4,371	5,377	5,502	5,898	6,352	8,380	9,408	10,280	11,277	12,212	12,945	8,403	8,380
Accounts Payable	2,185	2,688	2,751	2,949	3,176	4,358	4,892	5,345	5,864	6,350	6,731	4,370	4,358
Net Working Capital (NWC)	5,042	5,995	6,429	6,935	7,398	9,875	10,023	11,102	12,179	13,189	13,981	9,902	9,875
Change in NWC	5,042	953	434	506	463	2,477	147	1,079	1,077	1,010	791	2,505	(27)

Depreciation Schedule

PPE Opening	28,002	25,482	23,718	22,483	21,618	21,013	22,561	23,798	24,789	25,581	26,215	21,013	22,174
Plus Capex	8,401	8,401	8,401	8,401	8,401	5,750	5,750	5,750	5,750	5,750	5,750	4,313	1,438
Less Depreciation	10,921	10,165	9,635	9,265	9,006	4,203	4,512	4,760	4,958	5,116	5,243	3,152	1,051
PPE Closing	25,482	23,718	22,483	21,618	21,013	22,561	23,798	24,789	25,581	26,215	26,722	22,174	22,561

Debt & Interest Schedule

Debt Opening	28,002	28,002	28,002	16,801	16,801	16,801	16,801	16,801	16,801	16,801	16,801	16,801	16,801
Issuance (repayment)	-	-	(11,201)	-	-	-	-	-	-	-	(10,000)	-	-
Debt Closing	28,002	28,002	16,801	16,801	16,801	16,801	16,801	16,801	16,801	16,801	6,801	16,801	16,801
Interest Expense	1,400	1,400	840	840	840	1,344	1,344	1,344	1,344	1,344	544	1,008	336

DCF Model

Assumptions

Tax Rate	25%
Discount Rate	12%
Perpetual Growth Rate	4%
EV/EBITDA Multiple	8.0x
Current Price	\$17.30
Shares Outstanding	25,000

Discounted Cash Flow	Entry	2017	2018	2019	2020	2021	2022	Exit	Terminal Value	
Date	30-09-2017	31-12-2017	31-12-2018	31-12-2019	31-12-2020	31-12-2021	31-12-2022	31-12-2022	EV/EBITDA	4,67,009
Year Fraction		0.25	1.00	1.00	1.00	1.00	1.00	1.00		
EBIT		29,581	36,506	43,271	48,576	53,260	57,056			
Less: Cash Taxes		7,395	9,126	10,818	12,144	13,315	14,264			
NOPAT		22,186	27,379	32,453	36,432	39,945	42,792			
Plus: D&A		4,203	4,512	4,760	4,958	5,116	5,243			
EBITDA		33,783	41,018	48,030	53,533	58,376	62,299			
Less: Capex		5,750	5,750	5,750	5,750	5,750	5,750			
Less: Changes in NWC		2,477	147	1,079	1,077	1,010	791			
Unlevered FCF		18,161	25,994	30,383	34,563	38,301	41,493	4,67,009		
Transaction FCFF	-	4,540	25,994	30,383	34,563	38,301	41,493	4,67,009		
IRR FCFF	(3,76,677)	4,540	25,994	30,383	34,563	38,301	41,493	4,67,009		
Intrinsic Value			Market Value	Market Value	Takeover		Rate of Return			
Enterprise Value	3,78,381		Market Cap	4,32,500	5,40,625		IRR (Current Share Price)	12%		
Plus: Cash	72,624		Plus: Debt	16,801	16,801					
Less: Debt	16,801		Less: Cash	72,624	72,624					
Equity Value	4,34,204		Enterprise Value	3,76,677	4,84,802					
Equity Value/Share	17.37		Equity Value/Share	17.30						