

Pro Forma Model	CLOSE	Forecast Period					
		2017	2018	2019	2020	2021	2022
Balance Sheet Check	ok	ok	ok	ok	ok	ok	ok
End of Period	30-09-2017	31-12-2017	31-12-2018	31-12-2019	31-12-2020	31-12-2021	31-12-2021
Days in Period	273	92	365	365	366	365	365
Fraction of Year	0.750	0.250	1.000	1.000	1.000	1.000	1.000

Assumptions

Debt Amortization Schedule	Check							
Senior Debt A	100%	0%	25%	25%	25%	25%	0%	0%
Senior Debt B	100%	0%	0%	20%	20%	20%	20%	20%
Subordinated Debt	100%	0%	0%	0%	0%	0%	0%	100%

Revenue Growth (% Change)								
Cost of Goods Sold (% of Revenue)								
Marketing, Advertising & Promotion (% of Revenue)								
Depreciation & Amortization (% of PP&E)		20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Tax Rate (% of Earnings Before Tax)		30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Accounts Receivable (Days)		18	18	18	18	18	18	18
Inventory (Days)		80	90	100	100	100	100	100
Accounts Payable (Days)		37	37	37	37	37	37	37
Equity Issued (Repaid) (\$000's)		-	-	-	-	-	-	-
Dividends Paid		-	-	-	500	500	500	500

Income Statement						
Revenue	65,738	2,96,053	3,29,972	3,62,815	3,91,320	4,16,771
Cost of Goods Sold (COGS)	(27,610)	(1,23,968)	(1,37,757)	(1,52,588)	(1,67,227)	(1,78,400)
Gross Profit	38,128	1,72,085	1,92,215	2,10,227	2,24,093	2,38,371
Expenses						
Marketing, Advertising & Promotion	10,933	48,506	53,314	57,948	62,684	66,921
General & Administrative	5,500	21,700	21,350	21,000	21,000	21,000
Depreciation & Amortization	6,950	27,447	26,108	25,036	24,179	23,493
Interest	3,359	12,063	10,113	6,163	4,213	3,638
Total Expenses	26,742	1,09,715	1,10,884	1,10,146	1,12,075	1,15,052
Earnings Before Tax	11,386	62,369	81,331	1,00,081	1,12,018	1,23,320
Taxes	3,416	18,711	24,399	30,024	33,605	36,996
Net Earnings	7,970	43,659	56,932	70,056	78,412	86,324



Cash Flow Statement

Operating Cash Flow

Net Earnings	7,970	43,659	56,932	70,056	78,412	86,324
Plus: Depreciation & Amortization	6,950	27,447	26,108	25,036	24,179	23,493
Less: Changes in Working Capital	82,024	(6,834)	(7,449)	(4,059)	(4,053)	(3,184)
Cash from Operations	96,944	64,271	75,590	91,034	98,538	1,06,633

Investing Cash Flow

Investments in Property & Equipment	(5,188)	(20,750)	(20,750)	(20,750)	(20,750)	(20,750)
Investments in Businesses						
Cash from Investing	(5,188)	(20,750)	(20,750)	(20,750)	(20,750)	(20,750)

Financing Cash Flow

Issuance (repayment) of debt	(25,000)	(35,000)	(55,000)	(35,000)	(10,000)	(35,000)
Issuance (repayment) of equity	-	-	-	-	-	-
Payment of Dividends	-	-	-	(500)	(500)	(500)
Cash from Financing	(25,000)	(35,000)	(55,000)	(35,500)	(10,500)	(35,500)

Net Increase (decrease) in Cash	66,756	8,521	(160)	34,784	67,288	50,383
Opening Cash Balance	98,805	1,65,562	1,74,083	1,73,923	2,08,707	2,75,995
Closing Cash Balance	98,805	1,65,562	1,74,083	1,73,923	2,08,707	3,26,378

Supporting Schedules

Working Capital Schedule

Accounts Receivable	14,070	12,862	14,600	16,273	17,843	19,298	20,553
Inventory	1,05,170	24,009	30,568	37,742	41,691	45,816	48,877
Accounts Payable	11,450	11,104	12,567	13,964	15,426	16,952	18,084
Net Working Capital (NWC)	1,07,790	25,766	32,601	40,050	44,108	48,162	51,345
Change in NWC		(82,024)	6,834	7,449	4,059	4,053	3,184

Depreciation Schedule

PPE Opening		1,38,997	1,37,235	1,30,538	1,25,180	1,20,894	1,17,465
Plus Capex		5,188	20,750	20,750	20,750	20,750	20,750
Less Depreciation		(6,950)	(27,447)	(26,108)	(25,036)	(24,179)	(23,493)
PPE Closing	1,38,997	1,37,235	1,30,538	1,25,180	1,20,894	1,17,465	1,14,722

Debt Schedule

Senior Debt A

Opening Balance		1,00,000	75,000	50,000	25,000	-	-
Addition (Repayment)		(25,000)	(25,000)	(25,000)	(25,000)	-	-
Closing Balance	1,00,000	75,000	50,000	25,000	-	-	-

Senior Debt B

Opening Balance		50,000	50,000	40,000	30,000	20,000	10,000
Addition (Repayment)		-	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Closing Balance	50,000	50,000	40,000	30,000	20,000	10,000	-

Subordinated Debt

Opening Balance		25,000	25,000	25,000	25,000	25,000	25,000
Addition (Repayment)		-	-	-	-	-	(25,000)
Closing Balance	25,000	25,000	25,000	25,000	25,000	25,000	-

Target Debt

Opening Balance		-	-	-	-	-	-
Addition (Repayment)		-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-

Acquirer Debt

Opening Balance		30,000	30,000	30,000	10,000	10,000	10,000
Addition (Repayment)		-	-	(20,000)	-	-	-
Closing Balance	30,000	30,000	30,000	10,000	10,000	10,000	10,000

Total Debt

Opening Balance		2,05,000	1,80,000	1,45,000	90,000	55,000	45,000
Addition (Repayment)		(25,000)	(35,000)	(55,000)	(35,000)	(10,000)	(35,000)
Closing Balance	2,05,000	1,80,000	1,45,000	90,000	55,000	45,000	10,000

Interest Schedule						
Interest Rates						
Senior Debt A	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Senior Debt B	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Subordinated Debt	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
Target Debt	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Acquirer Debt	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Interest Expense (opening balance)						
Senior Debt A	1,375	4,125	2,750	1,375	-	-
Senior Debt B	719	2,875	2,300	1,725	1,150	575
Subordinated Debt	516	2,063	2,063	2,063	2,063	2,063
Target Debt	-	-	-	-	-	-
Acquirer Debt	750	3,000	3,000	1,000	1,000	1,000
Total	3,359	12,063	10,113	6,163	4,213	3,638

DCF Model

Assumptions

Tax Rate	25%
Discount Rate	12%
Perpetual Growth Rate	4%
EV/EBITDA Multiple	8.0x
Current Price	\$11.75
Shares Outstanding	73,238

Discounted Cash Flow

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	Terminal Value	
									EV/EBITDA	11,23,272

EBIT	14,746	74,432	91,443	1,06,243	1,16,230	1,26,957	
Less: Cash Taxes	3,686	18,608	22,861	26,561	29,058	31,739	
NOPAT	11,059	55,824	68,583	79,682	87,173	95,218	
Plus: D&A	6,950	27,447	26,108	25,036	24,179	23,493	
EBITDA	21,695	1,01,879	1,17,551	1,31,279	1,40,409	1,50,450	
Less: Capex	5,188	20,750	20,750	20,750	20,750	20,750	
Less: Changes in NWC	(82,024)	6,834	7,449	4,059	4,053	3,184	
Unlevered FCF	94,845	55,687	66,491	79,910	86,548	94,777	11,23,272

Transaction FCFF	-	94,845	55,687	66,491	79,910	86,548	94,777	11,23,272
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IRR FCFF

Intrinsic Value

Enterprise Value	9,72,186
Plus: Cash	98,805
Less: Debt	2,05,000
Equity Value	8,65,992

Equity Value/Share	11.82
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Market Value

Market Cap	na
Plus: Debt	
Less: Cash	
Enterprise Value	

Equity Value/Share	
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Rate of Return

IRR	
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Merger Integration

Revenue

Acquirer	41,462	1,82,434	2,00,678	2,18,739	2,36,238	2,52,774
Target	24,276	1,11,669	1,25,069	1,37,576	1,48,582	1,57,497
Synergies		1,950	4,225	6,500	6,500	6,500
Total	65,738	2,96,053	3,29,972	3,62,815	3,91,320	4,16,771

Cost of Goods Sold

Acquirer	17,414	78,447	88,298	98,432	1,08,669	1,16,276
Target	10,196	45,784	50,028	55,030	59,433	62,999
Synergies		(263)	(569)	(875)	(875)	(875)
Total	27,610	1,23,968	1,37,757	1,52,588	1,67,227	1,78,400

Marketing, Advertising & Promotion

Acquirer	7,049	31,014	34,115	37,186	40,160	42,972
Target	3,884	17,867	20,011	22,012	23,773	25,200
Synergies		(375)	(813)	(1,250)	(1,250)	(1,250)
Total	10,933	48,506	53,314	57,948	62,684	66,921

General & Administrative

Acquirer	3,750	15,000	15,000	15,000	15,000	15,000
Target	1,750	7,000	7,000	7,000	7,000	7,000
Synergies		(300)	(650)	(1,000)	(1,000)	(1,000)
Total	5,500	21,700	21,350	21,000	21,000	21,000