

Snap Shot Summary

Beginning Reference Point:
May 01, 2017



Purchase Target Company
Acquisition of Case Study 1

Case Study 1 Project Calculation # 3c8ce91c-
OK

Company Valuation/Base Purchase Price	\$ 700,000	2.64 EBITDA Multiple for 100% of Company
Performance Based Increase	\$ -	0.00 EBITDA Multiple (1)
Seller Retained Assets	\$ -	
Indicated Value for 100% of Company	\$ 700,000	2.64 EBITDA Multiple - EBITDA prior to Adjustment (1)
Amount Financed	\$ 465,000	
Equity Required	\$ 296,650	

ThruThink Deal ScoreSM

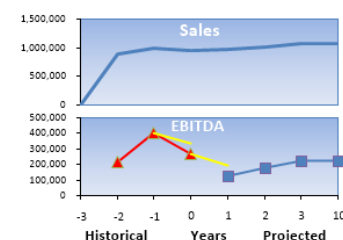
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Horizon is 10 Years

Sales and Earnings

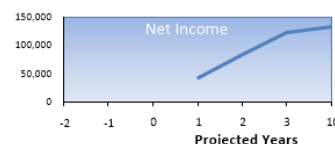
100% of Company:

	Initial	Year 1	Projected Year 2	Year 3	Horizon Year 10
Total Net Sales	\$ 950,000	\$ 969,000	\$ 1,017,450	\$ 1,068,323	\$ 1,068,323
% Sales Growth over prior year	-5.00%	2.0%	5.0%	5.0%	0.0%
Cost of Goods Sold-% of Sales	42.11%	62.0%	59.0%	56.2%	56.2%
Gross Margin-% of Sales	57.89%	38.0%	41.0%	43.8%	43.8%
Operating Expenses -% of Sales	30.00%	24.8%	23.6%	22.5%	22.5%
EBITDA prior to Adj (1)	\$ 265,000	127,793	176,243	227,116	227,116
(1) Adj for UnCompensated Owner Contribution	None				
Adjusted EBITDA	\$ 265,000	\$ 127,793	\$ 176,243	\$ 227,116	\$ 227,116
EBITDA Margin	27.89%	13.19%	17.32%	21.26%	21.26%
% Growth	-33.75%	-51.8%	37.9%	28.9%	0.0%
Total Debt to Adjusted EBITDA	1.75	3.18	1.86	1.07	0.60
Less Depreciation and Amortization	\$ (42,443)	\$ (42,443)	\$ (42,443)	\$ (42,443)	\$ (42,443)
Adjusted EBIT (1)	\$ 222,557	\$ 85,350	\$ 133,800	\$ 184,672	\$ 184,672
(Earnings before Interest & Taxes)					
Adj EBIT/Total Assets	29.22%	12.23%	20.48%	28.81%	16.54%



Net Income

	Year 1	Projected Year 2	Year 3	Horizon Year 10
Accrued Net Income (after income taxes)	44,077	84,240	123,290	133,793
% of Sales	4.5%	8.3%	11.5%	12.5%

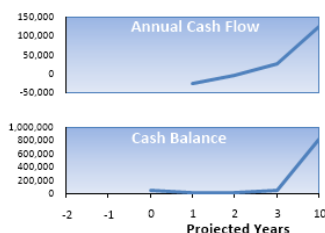


Cash Flow

		Projected			Horizon
		Year 1	Year 2	Year 3	Year 10
Annual Cash Flow	Initial	\$ (24,952)	\$ (4,023)	\$ 28,299	\$ 126,236
Cumulative Cash Balance	\$ 50,000	\$ 25,048	\$ 21,025	\$ 49,324	\$ 821,958

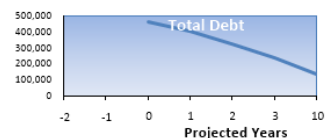
Cash Flow Factors

Accounts Receivable-Average Weeks to Collect	2	2	2	2
Inventory-Average Weeks to Hold	5	5	5	5
Accounts Payable-Average Days to Pay	28	28	28	28



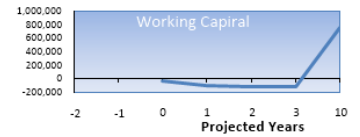
Debt

	Initial	Year 1	Projected Year 2	Year 3	Horizon Year 10
Total Debt	\$ 465,000	\$ 406,937	\$ 328,494	\$ 242,714	\$ 137,199
Total Debt to Equity	1.57 :1	1.40 :1	1.01 :1	0.61 :1	0.14 :1



Working Capital

		Initial	Year 1	Projected Year 2	Year 3	Horizon Year 10
Working Capital						
Current Assets Less Current Liabilities	\$	(29,427)	\$ (89,041)	\$ (115,702)	\$ (111,063)	\$ 767,151
Current Ratio						
Current Assets/Current Liabilities		0.81 :1	0.54 :1	0.47 :1	0.54 :1	6.59 :1



Exit Strategy

Market Value of Company for Exit in Horizon Year
Based on 100% of Company Value \$ 767,151
Horizon is 10 years

EBITDA Prior to Adj (1) Multiple required to breakeven 1.30
EBITDA Prior to Adj (1) Multiple for Sale 0.00
General Sale Value 0



Equity Return after Horizon Year Market Value Exit

			Year 1	Year 2	Year 3	Horizon Year 10
Equity Group, Class or Name:	% Equity	Initial Outlay	Distributions, Draws and/or Dividends (Includes repayment of any Equity Debt or Seller Debt if Seller is part of Equity)			Cumulative Returns over Horizon Yrs w/ Hard Asset Sale
Mr Mrs Barnes	100%	\$ 296,650	\$ 50,000	\$ 50,000	\$ 448,257	\$ 1,267,151
Equity Group 2	0%	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Group 3	0%	\$ -	\$ -	\$ -	\$ -	\$ -
	100%	\$ 296,650	\$ 50,000	\$ 50,000	\$ 448,257	\$ 1,267,151

Exit @ Market Value Horizon Yr 10 MIRR (2)	Exit @ Book Value Horizon Yr 10 MIRR (2)
17%	18%
0%	0%
0%	0%
17%	18%

(2) Modified Internal Rate of Return. Only applies if Mgmt is properly compensated in expenses.