

Accrual Net Income Projection

Beginning Reference Point:

May 01, 2017

Case Study 3 Project Calculation # 8e93e68d-OK

Acquisition of Apartments

		3 Year Horizon		
		Year	Year	Year
		1	2	3
Total Net Sales Projections		\$ 165,000	\$ 165,000	\$ 165,000
	% Change	0%	0%	0%
Cost of Goods Sold		\$ 8,250	16,500	24,750
	% of Sales	5%	10%	15%
Gross Margin		\$ 156,750	\$ 148,500	\$ 140,250
	% of Sales	95%	90%	85%
Other (Income) Expense		\$ -	-	-
Operating Expenses		\$ 16,500	24,750	28,050
	% of Sales	10.00%	15.00%	17.00%
		\$ -	-	-
EBITDA		\$ 140,250	\$ 123,750	\$ 112,200
	% of Sales	85%	75%	68%
	% Change	7.88%	-11.76%	-9.33%
	Tie to Cash Flow	OK	OK	OK
Accrual Depreciation		\$ 32,500	32,500	32,500
Amortization				
Base Purchase Goodwill		\$ 787	787	787
Other		\$ -	-	-
EBIT		\$ 106,963	\$ 90,463	\$ 78,913
Interest (Income)		\$ -	-	-
Interest Expense				
New Senior Debt				
A/R Debt		\$ -	-	-
Inventory Debt		\$ -	-	-
Equip, Buildings, Real Estate Debt		\$ 19,500	18,915	18,348
Sub Debt				
Interest Accrued		\$ -	-	-
PIK Interest Accrued		\$ -	-	-
Prepayment penalty		\$ -	-	-
Seller Debt				
Current Pay Note		\$ 11,590	11,590	10,669
Non Current Pay Note		-	-	-
Performance/ Earn Out Note		\$ -	-	-
AJE Adjustments		\$ -	-	-
Equity Debt		\$ -	-	-
Other Interest		\$ -	-	-
Other Transaction Debt		\$ -	-	-
Individually Scheduled Debt		\$ -	-	-
Total Interest Expense		\$ 31,090	\$ 30,505	\$ 29,016
Performance/Earn Out Incentive Expense		\$ -	-	-
(Gain) Loss on Sale of Assets		\$ -	-	-
Ordinary Income Tax Estimate (Credit)-Accrual Basis		\$ 13,181	9,557	7,617
Deferred Income Tax Expense (Credit)		\$ -	-	-
Write off A/R, Inventory Amounts		\$ -	-	-
Accrual Net Income (Loss)		\$ 62,692	\$ 50,402	\$ 42,280
	% of Sales	38%	31%	26%