

Snap Shot Summary

Beginning Reference Point:
May 01, 2017



Purchase Target Company
Acquisition of Apartments

Case Study 3 Project Calculation # 8e93e68d
-OK

Company Valuation/Base Purchase Price	\$ 700,000	5.38 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	5.38 EBITDA Multiple - EBITDA prior to Adjustment (1)
Amount Financed	\$ 636,800	
Equity Required	\$ 85,000	

ThruThink Deal ScoreSM

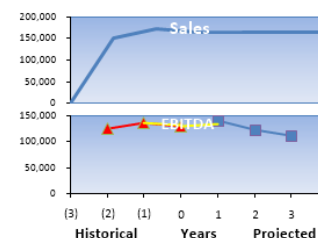
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Horizon is 3 Years

Sales and Earnings

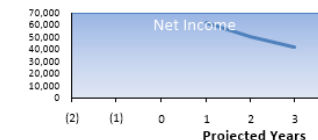
100% of Company:

	Initial	Year 1	Projected Year 2	Year 3	Horizon Year 3
Total Net Sales	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000
% Sales Growth over prior year	-5.17%	0.0%	0.0%	0.0%	0.0%
Cost of Goods Sold-% of Sales	0.00%	5.0%	10.0%	15.0%	15.0%
Gross Margin-% of Sales	100.00%	95.0%	90.0%	85.0%	85.0%
Operating Expenses -% of Sales	21.41%	10.0%	15.0%	17.0%	17.0%
EBITDA prior to Adj (1)	\$ 130,000	\$ 140,250	\$ 123,750	\$ 112,200	\$ 112,200
(1) Adj for UnCompensated Owner Contribution	0	0	0	0	0
Adjusted EBITDA	\$ 130,000	\$ 140,250	\$ 123,750	\$ 112,200	\$ 112,200
EBITDA Margin	78.79%	85.00%	75.00%	68.00%	68.00%
% Growth	-4.41%	7.9%	-11.8%	-9.3%	-9.3%
Total Debt to Adjusted EBITDA	4.90	4.53	4.87	5.05	5.05
Less Depreciation and Amortization	\$ (33,287)	\$ (33,287)	\$ (33,287)	\$ (33,287)	\$ (33,287)
Adjusted EBIT (1)	\$ 96,713	\$ 106,963	\$ 90,463	\$ 78,913	\$ 78,913
(Earnings before Interest & Taxes)					
Adj EBIT/Total Assets	13.40%	13.66%	11.30%	9.77%	9.77%



Net Income

	Year 1	Projected Year 2	Year 3	Horizon Year 3
Accrued Net Income (after income taxes)	62,692	50,402	42,280	42,280
% of Sales	38.0%	30.5%	25.6%	25.6%

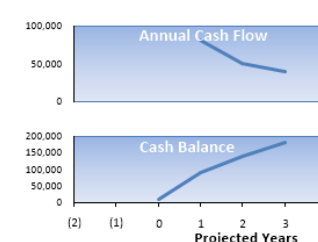


Cash Flow

	Initial	Year 1	Projected Year 2	Year 3	Horizon Year 3
Annual Cash Flow	\$ 10,000	\$ 81,450	\$ 50,249	\$ 39,336	\$ 39,336
Cumulative Cash Balance	\$ 10,000	\$ 91,450	\$ 141,699	\$ 181,035	\$ 181,035

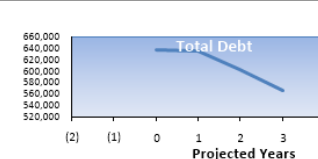
Cash Flow Factors

Accounts Receivable-Average Weeks to Collect	4	4	4	4
Inventory-Average Weeks to Hold	5	5	5	5
Accounts Payable-Average Days to Pay	28	28	28	28



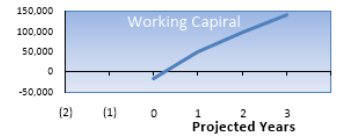
Debt

	Initial	Year 1	Projected Year 2	Year 3	Horizon Year 3
Total Debt	\$ 636,800	\$ 635,519	\$ 602,634	\$ 566,959	\$ 566,959
Total Debt to Equity	7.49 :1	4.30 :1	3.04 :1	2.36 :1	2.36 :1



Working Capital

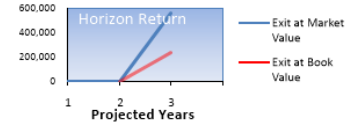
		Initial	Year 1	Projected Year 2	Year 3	Horizon Year 3
Working Capital						
Current Assets Less Current Liabilities	\$	(16,700)	\$ 49,501	\$ 99,160	\$ 140,318	\$ 140,318
Current Ratio						
Current Assets/Current Liabilities		0.37 :1	1.90 :1	2.76 :1	3.55 :1	3.55 :1



Exit Strategy

Market Value of Company for Exit in Horizon Year
 Based on 100% of Company Value \$ 564,075
 Horizon is 3 years

EBITDA Prior to Adj (1) Multiple required to breakeven 5.58
 EBITDA Prior to Adj (1) Multiple for Sale 0.00
 General Sale Value 950,000



Equity Return after Horizon Year Market Value Exit

Year 1 Year 2 Year 3 Horizon Year 3

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)	(1)	Cumulative Returns over Horizon Yrs w/ Market Value Sale
Owner	100%	\$ 85,000	\$ -	\$ -	\$ 564,075
Equity Group 2	0%	\$ -	\$ -	\$ -	\$ -
Equity Group 3	0%	\$ -	\$ -	\$ -	\$ -
	100%	\$ 85,000	\$ -	\$ -	\$ 564,075

Exit @ Market Value Horizon Yr 3 MIRR (2)	Exit @ Book Value Horizon Yr 3 MIRR (2)
88%	41%
0%	0%
0%	0%
88%	41%

(1) Year 3 includes Market Value Exit Sale proceeds

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