

*** This space is meant for the organization name and logo

3-Statement Modeling

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[Model](#)

Color Scheme

Text in Blue	Mannually Entered data
Text in Black	Calculated Fields


Model Checks

Balanced Sheet Equation Check	OK
Negative Cash Balance Check	OK
Negative Equity Check	OK
Negative Retained Earning Check	OK
Dividends Check	OK
Liquidity Check	OK
Solvency Check	OK

***This is a 3 statement model for a case study.

Assumptions & Drivers

All figures in USD thousands unless stated

		Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Days in Period		365	365	365	365	365	365	365	365
Income Statement									
Sales Growth			6.5%	7.4%	6.0%	6.0%	6.0%	6.0%	6.0%
Gross Margin		46.8%	43.5%	42.6%	55.0%	55.0%	55.0%	55.0%	55.0%
Distribution Expense (Percent of Sales)		7.2%	7.4%	6.6%	7.5%	7.5%	7.5%	7.5%	7.5%
Marketing & Admin Expense (Fixed Cost)		28.9%	30.6%	33.1%	32,063	33,346	34,680	36,067	37,509
Research Expense (Percent of Sales)		2.2%	2.2%	2.2%	2.3%	2.3%	2.3%	2.3%	2.3%
Depreciation (Percent of Sales)		3.6%	3.2%	3.1%	3.2%	3.2%	3.2%	3.2%	3.2%
Long-Term Debt Interest Rate (Average Debt)		6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
Tax Rate (Percent of EBT)		34.7%	24.3%	15.3%	30.0%	30.0%	30.0%	30.0%	30.0%
Balance Sheet									
Capital Asset Turnover Ratio	(x)	4.23x	4.26x	4.40x	4.25x	4.25x	4.25x	4.25x	4.25x
Receivable Days (Sales Basis)	(Days)	57	59	58	60	60	60	60	60
Inventory Days (COGS Basis)	(Days)	69	74	74	75	75	75	75	75
Payable Days (COGS Basis)	(Days)	96	102	102	100	100	100	100	100
Income Tax Payable (Percent of Taxes)		39.4%	36.8%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
Long Term Debt		20,000	20,000	20,000	30,000	30,000	30,000	30,000	30,000
Common Share Capital		7,627	7,627	7,627	7,627	7,627	7,627	7,627	7,627
Dividend Payout Ratio		83.2%	55.8%	33.7%	70.0%	70.0%	70.0%	70.0%	70.0%
Current Ratio		2.27x	2.43x	2.82x	3.37x	3.25x	3.16x	3.08x	3.01x
Interest Coverage Ratio		7.41x	9.05x	9.29x	5.04x	5.69x	6.39x	7.15x	7.96x

Income Statement

All figures in USD thousands unless stated

	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues	81,422	86,698	93,086	98,671	104,591	110,867	117,519	124,570
Cost of Goods Sold	(38,121)	(37,756)	(39,639)	44,402	47,066	49,890	52,883	56,056
Gross Profit	43,301	48,942	53,447	54,269	57,525	60,977	64,635	68,513
Distribution Expenses	(5,884)	(6,421)	(6,166)	(7,400)	(7,844)	(8,315)	(8,814)	(9,343)
Marketing and Administration	(23,507)	(26,569)	(30,830)	(32,063)	(33,346)	(34,680)	(36,067)	(37,509)
Research and Development	(1,764)	(1,931)	(2,026)	(2,269)	(2,406)	(2,550)	(2,703)	(2,865)
Depreciation	(2,960)	(2,803)	(2,907)	(3,157)	(3,347)	(3,548)	(3,761)	(3,986)
EBIT (Operating Profit)	9,186	11,218	11,518	9,379	10,582	11,884	13,291	14,810
Interest	(1,240)	(1,240)	(1,240)	(1,860)	(1,860)	(1,860)	(1,860)	(1,860)
Earnings Before Taxes	7,946	9,978	10,278	7,519	8,722	10,024	11,431	12,950
Taxes	(2,761)	(2,429)	(1,570)	(2,256)	(2,617)	(3,007)	(3,429)	(3,885)
Net Income	5,185	7,549	8,708	5,263	6,106	7,017	8,002	9,065
Common Dividends	4,312	4,209	2,931	3,684	4,274	4,912	5,601	6,346

Balance Sheet

All figures in USD thousands unless stated

	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
ASSETS								
Cash	5,289	5,918	10,159	18,451	18,233	18,168	18,271	18,558
Trade and Other Receivables	12,685	14,074	14,721	16,220	17,193	18,225	19,318	20,477
Inventories	7,168	7,691	8,036	9,124	9,671	10,251	10,866	11,518
Total Current Assets	25,142	27,683	32,916	43,795	45,097	46,644	48,455	50,554
Property Plant and Equipment	19,263	20,371	21,175	23,217	24,610	26,086	27,651	29,311
TOTAL ASSETS	44,405	48,054	54,091	67,012	69,707	72,730	76,107	79,864
LIABILITIES								
Trade and Other Payables	10,001	10,504	11,077	12,165	12,895	13,669	14,489	15,358
Income Taxes Payable	1,088	894	581	835	968	1,113	1,269	1,437
Total Current Liabilities	11,089	11,398	11,658	13,000	13,863	14,781	15,757	16,795
Long-Term Debt	20,000	20,000	20,000	30,000	30,000	30,000	30,000	30,000
Total Liabilities	31,089	31,398	31,658	43,000	43,863	44,781	45,757	46,795
EQUITY								
Common Stock and Additional Paid-In Capital	7,627	7,627	7,627	7,627	7,627	7,627	7,627	7,627
Retained Earnings	5,689	9,029	14,806	16,385	18,217	20,322	22,722	25,442
Total Shareholders' Equity	13,316	16,656	22,433	24,012	25,844	27,949	30,349	33,069
Total Liabilities & Equity	44,405	48,054	54,091	67,012	69,707	72,730	76,107	79,864
Balance Sheet Check	-	-	-	-	-	-	-	-

Cash Flow Statement

All figures in USD thousands unless stated

Cash Flows from Operating Activities

	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Net Income	5,185	7,549	8,708	5,263	6,106	7,017	8,002	9,065
Depreciation	2,960	2,803	2,907	3,157	3,347	3,548	3,761	3,986
Changes in Operating Assets and Liabilities:								
Trade and Other Receivables	(1,280)	(1,389)	(647)	(1,499)	(973)	(1,032)	(1,093)	(1,159)
Inventories	(470)	(523)	(345)	(1,087)	(547)	(580)	(615)	(652)
Trade and Other Payables	490	503	573	1,088	730	774	820	869
Income Taxes Payable	50	(194)	(313)	254	134	144	156	169
Cash Flows from Operating Activities	6,935	8,749	10,883	7,176	8,795	9,871	11,030	12,278

Investing Activities

Acquisitions of Property and Equipment	(3,005)	(3,911)	(3,711)	(5,199)	(4,740)	(5,024)	(5,326)	(5,645)
Cash Flows from Investing Activities	(3,005)	(3,911)	(3,711)	(5,199)	(4,740)	(5,024)	(5,326)	(5,645)

Financing Activities

Issuance of Common Stock		-	-	-	-	-	-	-
Dividends (current year)	(4,312)	(4,209)	(2,931)	(3,684)	(4,274)	(4,912)	(5,601)	(6,346)
Increase/(Decrease) in Long-Term Debt		-	-	10,000	-	-	-	-
Cash Flows from Financing Activities	(4,312)	(4,209)	(2,931)	6,316	(4,274)	(4,912)	(5,601)	(6,346)

Cash and Equivalents, Beginning of the Year

	5,671	5,289	5,918	10,159	18,451	18,233	18,168	18,271
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Increase/(Decrease) in Cash and Equivalents

	(382)	629	4,241	8,293	(218)	(65)	103	287
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Cash and Equivalents, End of the Year

	5,289	5,918	10,159	18,451	18,233	18,168	18,271	18,558
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Working Capital and PP&E Schedule

All figures in USD thousands unless stated

		Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Days in Period		365	365	365	365	365	365	365	365
Revenue		81,422	86,698	93,086	98,671	104,591	110,867	117,519	124,570
Cost of Goods Sold		38,121	37,756	39,639	(44,402)	(47,066)	(49,890)	(52,883)	(56,056)
Taxes		2,761	2,429	1,570	2,256	2,617	3,007	3,429	3,885
Trade and Other Receivables	(Days)	57	59	58	60	60	60	60	60
Inventory	(Days)	69	74	74	75	75	75	75	75
Trade and Other Payables	(Days)	96	102	102	100	100	100	100	100
Income Tax Payable (Percent of Taxes)		39.4%	36.8%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
Working Capital									
Trade and Other Receivables		12,685	14,074	14,721	16,220	17,193	18,225	19,318	20,477
Inventory		7,168	7,691	8,036	9,124	9,671	10,251	10,866	11,518
Trade and Other Payables		10,001	10,504	11,077	12,165	12,895	13,669	14,489	15,358
Income Tax Payable		1,088	894	581	835	968	1,113	1,269	1,437
Cash Changes from Working Capital									
Trade and Other Receivables		(1,280)	(1,389)	(647)	(1,499)	(973)	(1,032)	(1,093)	(1,159)
Inventory		(470)	(523)	(345)	(1,087)	(547)	(580)	(615)	(652)
Trade and Other Payables		490	503	573	1,088	730	774	820	869
Income Taxes Payable		50	(194)	(313)	254	134	144	156	169
Cash from Working Capital Items		(1,210)	(1,603)	(732)	(1,245)	(657)	(694)	(732)	(773)
Revenue		81,422	86,698	93,086	98,671	104,591	110,867	117,519	124,570
Capital Asset Turnover Ratio	(x)	4.23x	4.26x	4.40x	4.25x	4.25x	4.25x	4.25x	4.25x
Depreciation (Percent of Sales)		3.6%	3.2%	3.1%	3.2%	3.2%	3.2%	3.2%	3.2%
Property, Plant & Equipment (PP&E)									
Beginning of Period		19,218	19,263	20,371	21,175	23,217	24,610	26,086	27,651
Capital Expenditures/Additions (Disposals)		3,005	3,911	3,711	5,199	4,740	5,024	5,326	5,645
Depreciation Expense		(2,960)	(2,803)	(2,907)	(3,157)	(3,347)	(3,548)	(3,761)	(3,986)
Net PP&E, End of Period		19,263	20,371	21,175	23,217	24,610	26,086	27,651	29,311

Capital Structure Schedules

All figures in USD thousands unless stated

	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Long Term Debt (LTD)								
Beginning of Period	20,000	20,000	20,000	20,000	30,000	30,000	30,000	30,000
Additions (Repayments)		-	-	10,000	-	-	-	-
LTD, End of Period	20,000	20,000	20,000	30,000	30,000	30,000	30,000	30,000
Long-Term Debt Interest (Average Debt)	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
Long Term Debt Interest	1,240	1,240	1,240	1,860	1,860	1,860	1,860	1,860
Total Interest	1,240	1,240	1,240	1,860	1,860	1,860	1,860	1,860
Common Stock and Additional Paid-In Capital								
Beginning of Period	7,627	7,627	7,627	7,627	7,627	7,627	7,627	7,627
Additions (Repayments)		-	-	-	-	-	-	-
Common Stock, End of Period	7,627	7,627	7,627	7,627	7,627	7,627	7,627	7,627
Net Income	5,185	7,549	8,708	5,263	6,106	7,017	8,002	9,065
Dividends	4,312	4,209	2,931	3,684	4,274	4,912	5,601	6,346
Retained Earnings (RE)								
Beginning of Period	4,816	5,689	9,029	14,806	16,385	18,217	20,322	22,722
Net Income	5,185	7,549	8,708	5,263	6,106	7,017	8,002	9,065
Dividends	(4,312)	(4,209)	(2,931)	(3,684)	(4,274)	(4,912)	(5,601)	(6,346)
RE, End of Period	5,689	9,029	14,806	16,385	18,217	20,322	22,722	25,442

Charts & Graphs

All figures in USD thousands unless stated

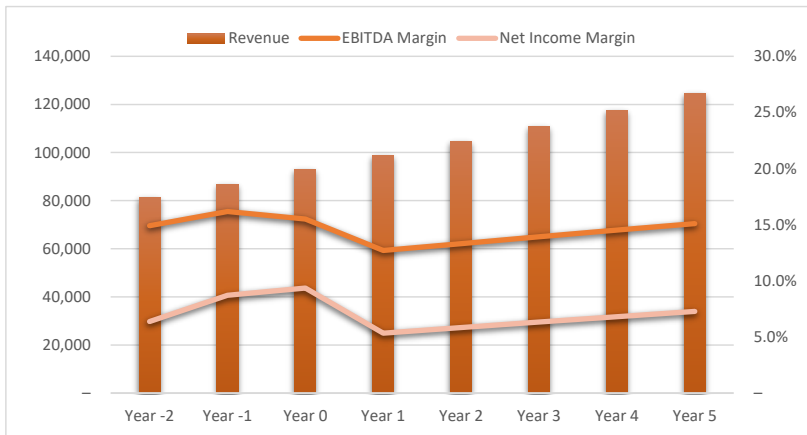
Income Statement

	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	81,422	86,698	93,086	98,671	104,591	110,867	117,519	124,570
EBITDA	12,146	14,021	14,425	12,536	13,929	15,432	17,052	18,797
EBITDA Margin	14.9%	16.2%	15.5%	12.7%	13.3%	13.9%	14.5%	15.1%
Net Income	5,185	7,549	8,708	5,263	6,106	7,017	8,002	9,065
Net Income Margin	6.4%	8.7%	9.4%	5.3%	5.8%	6.3%	6.8%	7.3%

Cash Flow

Operating	6,935	8,749	10,883	7,176	8,795	9,871	11,030	12,278
Investing	(3,005)	(3,911)	(3,711)	(5,199)	(4,740)	(5,024)	(5,326)	(5,645)
Financing	(4,312)	(4,209)	(2,931)	6,316	(4,274)	(4,912)	(5,601)	(6,346)
Change in Cash	(382)	629	4,241	8,293	(218)	(65)	103	287

Income Statement



Cash Flow Statement

