

Part 1 - Company Selection and Data Collection

Gather the following from publically available data (Yahoo Finance, Google Finance, S&P, etc.)

Public Company Selected

Bandai Namco Holdings INC.

Revenue

\$ 990,089,000.00

Quarterly Revenue Growth

4.0%

EBITDA

\$ 157,649,000.00

Enterprise Value/EBITDA

16.7x

And compute the following:

Enterprise Value ("EV")

\$ 1,770,474,000.0

EBITDA Margin %

15.9%

Part 2 - Sources and Uses of Financing

Complete the following Pro-Forma Capitalization Table with the following assumptions:

- Entry EV based on publically available EV/EBITDA multiple (from part 1)
- Fees representing 1% of Entry EV
- Debt representing 50% of Entry EV
- Sponsor Equity to fund the remaining balance for the transaction

Pro Forma Capitalization

	Amount	Multiple	Percent
Debt	\$ 1,314,004,415.0	8.3x	49.5%
Sponsor Equity	\$ 1,340,284,503.3	8.5x	50.5%
Purchase Price	\$ 2,654,288,918.3	16.8x	100.0%
Less: Fees	\$ (26,280,088.3)	-0.2x	-1.0%
Entry Enterprise Value	\$ 2,628,008,830.0	16.7x	99.0%

Part 3 - Debt Forecast

Complete the following 5-year debt forecast with the following assumptions:

- Starting debt as calculated in Part 2
- Annual Interest Rate of 8%
- No amortization of debt required

Debt Beginning Balance

Mandatory Amortization

Ending Balance

Total Interest Expense

Part 4 - Income Statement and Cash-flow Forecast

Complete the following 5-year income statement and residual cashflow forecast with

- a) Revenue Growth obtained from Part 1 applied to each year
- b) EBITDA Margin consistent with value calculated in Part 1
- c) Depreciation and Amortization representing 5% of Revenue
- d) Net Interest Expense as computed in Part 3
- e) Taxes computed at 21% of EBT
- f) Capital Expenditures representing 5% of Revenue
- g) No increase in working capital

Income Statement

Revenue	4%
EBITDA	15.90%
Depreciation and Amortization	5%
EBIT	
Net Interest Expense	
Earnings before Taxes	21%
Taxes	

Net Income

- plus: Depreciation and Amortization
- less: Capital Expenditures
- less: Increase in Working Capital

Cash Available for Debt Repayment

Cumulative Cash Available for Debt Repayment

Part 5 - Returns Analysis

Complete the following returns analysis for your target company with the following a

- a) Same exit multiple as entry multiple from Part 2
- b) Ending cash as calculated in Part 4
- c) Ending debt as calculated in Part 3
- d) Starting investment cash flow as calculated in Part 2

EBITDA

Exit Multiple

Enterprise Value

plus: Cash

less: Debt
Equity Value

Cash Flows

Expected IRR	27.8%
Cash on Cash Return	3.4x

Comment on the output returns including:

- (1) How do you view the output returns from the perspective of a private equity investment?
(2) What assumptions would you change to maximize your returns?
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*In order to see my answers you need to double click on the cell above

References

https://www.hbs.edu/ris/Publication%20Files/15-081_9baffe73-8ec2-404f-9d62-ee0
<https://finance.yahoo.com/quote/7832.T/key-statistics?p=7832.T>

SEDAR, EDGAR, CapitalIQ etc) for your target company

ns:

	Year			
0	1	2	3	4
	\$ 1,314,004,415.0	\$1,314,004,415.00	\$1,314,004,415.00	\$ 1,314,004,415.00
	\$ -	\$ -	\$ -	\$ -
	\$1,314,004,415.00	\$1,314,004,415.00	\$1,314,004,415.00	\$ 1,314,004,415.00
	\$ 105,120,353.2	\$ 105,120,353.2	\$ 105,120,353.2	\$ 105,120,353.2

the following assumptions:

Year				
0	1	2	3	4
\$ 990,089,000.0	\$ 1,029,692,560.0	\$ 1,070,880,262.4	\$ 1,113,715,472.9	\$ 1,158,264,091.8
\$ 157,649,000.0	\$ 163,954,960.0	\$ 170,513,158.4	\$ 177,333,684.7	\$ 184,427,032.1
\$ 51,484,628.0	\$ 53,544,013.1	\$ 55,685,773.6	\$ 57,913,204.6	
\$ 112,470,332.0	\$ 116,969,145.3	\$ 121,647,911.1	\$ 126,513,827.5	
\$ 105,120,353.2	\$ 105,120,353.2	\$ 105,120,353.2	\$ 105,120,353.2	
\$ 7,349,978.8	\$ 11,848,792.1	\$ 16,527,557.9	\$ 21,393,474.3	
\$ 1,543,495.5	\$ 2,488,246.3	\$ 3,470,787.2	\$ 4,492,629.6	
\$ 5,806,483.3	\$ 9,360,545.7	\$ 13,056,770.7	\$ 16,900,844.7	
\$ 51,484,628.0	\$ 53,544,013.1	\$ 55,685,773.6	\$ 57,913,204.6	
\$ 51,484,628.0	\$ 53,544,013.1	\$ 55,685,773.6	\$ 57,913,204.6	
\$ -	\$ -	\$ -	\$ -	
\$ 5,806,483.3	\$ 9,360,545.7	\$ 13,056,770.7	\$ 16,900,844.7	

assumptions:

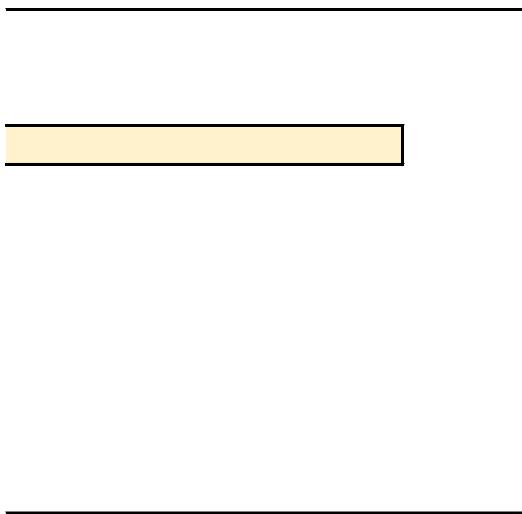
Year				
0	1	2	3	4

\$ (1,340,284,503.30)	\$ -	\$ -	\$ -	\$ -
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\$ 1,314,004,415.00
\$ -
\$ 1,314,004,415.00

\$ 105,120,353.2

5

\$	1,204,594,655.5
\$	191,804,113.4
\$	60,229,732.8
\$	131,574,380.6
\$	105,120,353.2
\$	26,454,027.4
\$	5,555,345.8
\$	20,898,681.7
\$	60,229,732.8
\$	60,229,732.8
\$	-
\$	20,898,681.7

\$ 66,023,326.1

5

\$	191,804,113.4
	16.7
\$	3,197,374,570.55
\$	66,023,326.1

\$ (1,314,004,415.0)
\$ 4,577,402,311.68
\$ 4,577,402,311.68

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