

## DCF Model

### Assumptions

Tax Rate	25%
Discount Rate	12%
Perpetual Growth Rate	4%
EV/EBITDA Multiple	8.0x
Transaction Date	3/31/2018
Fiscal Year End	12/31/2018
Current Price	16.00
Shares Outstanding	20,000

Discounted Cash Flow	Entry	2018	2019	2020	2021	2022	Exit	Terminal Value	
Date	3/31/2018	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2022	EV/EBITDA	812,428.08
Time Periods		0	1	2	3	4		Perp Growth	816,278.44
Year Frac		0.75	1	1	1	1	1		814,353.26
EBIT		39,866	36,890	37,013	74,263	86,887			
Less: Cash Taxes		9,966.45	9,222.56	9,253.17	18,565.80	21,721.72			
NOPAT		29,899.35	27,667.68	27,759.50	55,697.39	65,165.17			
Plus: D&A		13,132	13,786	14,211	14,487	14,667			
EBITDA		52,998.17	50,676.28	51,223.59	88,750.28	101,553.51			
Less: CAPEX		15,000	15,000	15,000	15,000	15,000			
Less: Changes in NWC		3,175	5,062	5,768	(2,613)	2,041			
<b>Unlevered FCF</b>		<b>24,856.33</b>	<b>21,391.46</b>	<b>21,202.50</b>	<b>57,797.14</b>	<b>62,790.65</b>	<b>814,353.26</b>		
<b>Transactiong FCFF</b>	<b>-</b>	<b>18,642</b>	<b>21,391</b>	<b>21,203</b>	<b>57,797</b>	<b>62,791</b>	<b>814,353</b>		
<b>IRR FCFF</b>	<b>(210,450)</b>	<b>18,642</b>	<b>21,391</b>	<b>21,203</b>	<b>57,797</b>	<b>62,791</b>	<b>814,353</b>		
<b>Intrinsic Value</b>								<b>Market Value</b>	<b>Rate of Return</b>
Enterprise Value	599,588				320,000			Market Cap	Current Price
Plus: Cash	139,550				30,000			Plus: Debt	Target Price
Less: Debt	30,000				139,550			Less: Cash	TP Upside
Equity Value	709,138				210,450			Enterprise Value	IRR
<b>Equity Value/Share</b>	<b>35</b>				<b>Equity Value/Share</b>	<b>16</b>			