

GAS Manufact

GAS Manufact Outputs Summary

Base Scenario Summary

	<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	<i>projected</i>				
				<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Net Revenue	213.5	236.6	204.8	252.46	233.58	281.23	281.23	268.17
Growth		10.8%	-13.4%	23.3%	-7.5%	20.4%	0.0%	-4.6%
EBITDA	50.2	68.4	33.1	73.88	47.11	86.46	76.73	54.36
Margin	23.5%	28.9%	16.2%	29.3%	20.2%	30.7%	27.3%	20.3%
Growth		36%	-52%	123%	-36%	84%	-11%	-29%
Net Income	14.1	23.7	2.2	29.70	12.92	38.90	33.34	19.42
Margin	6.6%	10.0%	1.1%	11.8%	5.5%	13.8%	11.9%	7.2%
Growth		68%	-91%	1250%	-57%	201%	-14%	-42%

Best Scenario Summary

	<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	<i>projected</i>				
				<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Net Revenue	213.5	236.6	204.8	264.11	244.64	297.22	300.42	281.50
Growth		10.8%	-13.4%	29.0%	-7.4%	21.5%	1.1%	-6.3%
EBITDA	50.2	68.4	33.1	85.52	58.54	102.07	95.27	70.59
Margin	23.5%	28.9%	16.2%	32.4%	23.9%	34.3%	31.7%	25.1%
Growth		36%	-52%	158%	-32%	74%	-7%	-26%
Net Income	14.1	23.7	2.2	37.27	20.32	49.21	45.32	29.79
Margin	6.6%	10.0%	1.1%	14.1%	8.3%	16.6%	15.1%	10.6%
Growth		68%	-91%	1594%	-45%	142%	-8%	-34%

WorstScenario Summary

	<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	<i>projected</i>				
				<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Net Revenue	213.5	236.6	204.8	264.11	244.64	297.22	300.42	281.50
Growth		10.8%	-13.4%	29.0%	-7.4%	21.5%	1.1%	-6.3%
EBITDA	50.2	68.4	33.1	85.52	58.54	102.07	95.27	70.59
Margin	23.5%	28.9%	16.2%	32.4%	23.9%	34.3%	31.7%	25.1%
Growth		36%	-52%	158%	-32%	74%	-7%	-26%
Net Income	14.1	23.7	2.2	37.27	20.32	49.21	45.32	29.79
Margin	6.6%	10.0%	1.1%	14.1%	8.3%	16.6%	15.1%	10.6%
Growth		68%	-91%	1594%	-45%	142%	-8%	-34%

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Inputs Assumptions

GENERAL	
Forecast first year	2022
The sceanrios have been used for Inflation, Product Pricing, Volume Growth	

EQITY	
Closing share price 11/06/24	\$11.50
Common Shares Outstanding (MM)	14.8
Dividend pay ratio	20%

PRODUCT PRICING	
The product case used	2022-2026
Base Scenario	General Research
Best Scenario	4%
Worst Scenario	(4%)

DEBT	
Interest rate	
Cash	1%
Revolver	6%
Senior Secured debt	6%
Amortization on senior secured term debt on "Other Assumptions"	

COSTS	
Row Material	226.0 (\$/unit) Inflation on a unit basis
Utilities	66.2 (\$/unit) Inflation on a unit basis
Rent	23.5 (\$MM) Inflation on total \$
Operating Labour	43.5 (\$MM) Inflation on total \$
Other	2.0 (\$MM) Inflation on total \$
SG&A	3.9 (\$MM) Inflation on total \$

TAXES	
Taxe rate	35%
The aggregate reduction in government pre-tax earnings due to timing differences on "Other Assumptions"	

DEPRECIATION	
Depreciation method	Straight-Line method
Depreciation to Existing Assets	25 years
Depreciation to New Assets	30 years

OPERATION	
Capacity	420
The aggregate reduction in government pre-tax earnings due to timing differences on "Other Assumptions"	

Other Assumptions		F2019A	F2020A	F2021A	<i>projected</i>				
					2022	2023	2024	2025	2026
Change in Debt and Equity									
Secured Term Debt	(\$MM)				\$25.0	\$25.0	\$25.0	\$25.0	\$25.0
Common Stock Issuance / (Buy-back)	(\$MM)				\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Income Taxes									
Reduction government pre-tax earnings	(\$MM)				\$5.0	\$5.0	\$5.0	\$5.0	\$5.0
Capex									
Capital Expenditure	(\$MM)				\$16.0	\$17.0	\$17.3	\$17.5	\$18.0
Worrking Capita									
Accounts Receivable	(days)				45.0	40.0	40.0	40.0	40.0
Inventory	(days)				70.0	65.0	60.0	60.0	55.0
Prepaid Expenses	(days)				30.0	30.0	30.0	30.0	30.0
Other Assets	(days)				3.0	3.0	3.0	3.0	3.0
Accounts Payable	(days)				40.0	40.0	40.0	40.0	40.0
Other Liabilities	(days)				10.0	10.0	10.0	10.0	10.0

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Income Statement

(\$ Millions)

	<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	prejected				
				<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Gross Revenue	244.8	269.3	239.2	300.9	283.6	338.9	345.0	327.6
Freight & Warehousing	31.3	32.7	34.4	36.8	39.0	41.7	44.6	46.1
Net Revenue	213.5	236.6	204.8	264.1	244.6	297.2	300.4	281.5
Cost of Sales	159.9	164.6	167.9	174.7	182.1	191.1	201.0	206.7
SG&A	3.4	3.6	3.8	3.9	4.0	4.0	4.1	4.2
Total Costs	163.3	168.2	171.7	178.6	186.1	195.2	205.1	210.9
Cost Adjustments - Gain/(Loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	50.2	68.4	33.1	85.5	58.5	102.1	95.3	70.6
Depreciation	15.4	15.5	15.8	16.2	16.7	17.3	17.9	18.5
EBIT	34.8	52.9	17.3	69.3	41.8	84.8	77.4	52.1
Interest Expense	15.0	15.0	14.0	12.0	10.6	9.1	7.7	6.3
EBT	19.8	37.9	3.3	57.3	31.3	75.7	69.7	45.8
Current Taxes	3.0	8.0	0.0	18.32	9.19	24.75	22.65	14.29
Deferred Income Taxes	2.7	6.2	1.1	1.8	1.8	1.8	1.8	1.8
Total Income Taxes	5.7	14.2	1.1	20.1	10.9	26.5	24.4	16.0
Net Income to Common	\$14.1	\$23.7	\$2.2	\$37.3	\$20.3	\$49.2	\$45.3	\$29.8
<i>EBITDA Margin</i>	24%	29%	16%	32%	24%	34%	32%	25%
<i>EBIT Margin</i>	9%	16%	2%	22%	13%	25%	23%	16%
<i>Net Margin</i>	7%	10%	1%	14%	8%	17%	15%	11%

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Cash Flow Statement

(\$ Millions)

	<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	projected				
				<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Operating Activities								
Net Income	14.1	23.7	2.2	37.3	20.3	49.2	45.3	29.8
Depreciation	15.4	15.5	15.8	16.2	16.7	17.3	17.9	18.5
Deferred Income Taxes	2.7	6.2	1.1	1.8	1.8	1.8	1.8	1.8
Changes in Working Capital	0.0	0.0	0.0	(1.4)	7.2	(4.2)	(1.7)	4.2
Operating Cash Flow	32.2	45.4	19.1	53.8	46.0	64.1	63.3	54.2
Investing Activities								
CAPEX	(14.1)	(15.0)	(15.5)	(16.0)	(17.0)	(17.3)	(17.5)	(18.0)
Other	(5.0)	4.0	3.0	0	0	0	0	0
Investing Cash Flow	(\$19.1)	(\$11.0)	(\$12.5)	(\$16.0)	(\$17.0)	(\$17.3)	(\$17.5)	(\$18.0)
Financing Activities								
Revolver Issuance / (Repayment)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Term Debt Issuance / (Repayment)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)
Common Shares Issuance/ (Buy-Back)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Dividends	(2.8)	(4.7)	(2.4)	(7.5)	(4.1)	(9.8)	(9.1)	(6.0)
Financing Cash Flow	(27.8)	(29.7)	(27.4)	(32.5)	(29.1)	(34.8)	(34.1)	(31.0)
Change in Cash Position	(14.7)	4.7	(20.8)	5.3	(0.1)	11.9	11.7	5.3
Beginning Cash	31.1	16.4	21.1	0.3	5.6	5.5	17.5	29.2
Ending Cash	16.4	21.1	0.3	5.6	5.5	17.5	29.2	34.5

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Balance Sheet

(\$ Millions)

	<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	prejected				
				<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
ASSETS								
Cash and Equivalents	16.4	21.1	0.3	5.6	5.5	17.5	29.2	34.5
Accounts Receivable	27.0	27.8	28.3	32.6	26.8	32.5	32.9	30.8
Inventory	36.5	36.1	35.1	33.5	32.4	31.3	33.0	31.1
Prepaid Expenses	14.6	14.4	14.9	14.4	15.0	15.7	16.5	17.0
Other	1.4	1.8	1.2	1.4	1.5	1.6	1.7	1.7
Total Current Assets	95.9	101.2	79.8	87.5	81.2	98.5	113.3	115.1
Net PP&E	398.5	398.0	397.7	397.5	397.8	397.8	397.4	397.0
Other	19.0	15.0	12.0	12.0	12.0	12.0	12.0	12.0
Total Long Term Assets	417.5	413.0	409.7	409.5	409.8	409.8	409.4	409.0
Total Assets	\$513.4	\$514.2	\$489.5	\$497.0	\$491.0	\$508.3	\$522.7	\$524.1
LIABILITIES AND EQUITY								
Bank Debt - Revolver	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts Payable	18.3	18.7	18.2	19.1	20.0	20.9	22.0	22.7
Other	4.7	4.9	4.8	4.8	5.0	5.2	5.5	5.7
Total Current Liabilities	23.0	23.6	23.0	23.9	24.9	26.1	27.5	28.3
Deferred Income Taxes	0.7	6.9	8.0	9.8	11.5	13.3	15.0	16.8
Senior Secured Term Debt	250.0	225.0	200.0	175	150	125	100	75
Total Long Term Liabilities	250.7	231.9	208.0	184.8	161.5	138.3	115.0	91.8
Total Liabilities	273.7	255.5	231.0	208.7	186.4	164.4	142.5	120.1
Common Shares	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Retained Earnings	119.7	138.7	138.5	168.3	184.6	223.9	260.2	284.0
Shareholder's Equity	239.7	258.7	258.5	288.3	304.6	343.9	380.2	404.0
Total Liabilities and Equity	\$513.4	\$514.2	\$489.5	\$497.0	\$491.0	\$508.3	\$522.7	\$524.1
Chrcck	-	-	-	-	-	-	-	-

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Revenue Schedule

(\$ Millions)

		<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	projected				
					<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
PRICING									
Gross Sales Price	(\$ unit)			\$694.40	\$832.00	\$754.00	\$858.00	\$832.00	\$780.00
Cost Inflation	(%)				1.8%	1.8%	1.8%	2.0%	2.0%
Freight & Warehousing	(\$ unit)			\$100.00	\$101.80	\$103.63	\$105.50	\$107.61	\$109.76
Net Sales Price	(\$ unit)			\$594.40	\$730.20	\$650.37	\$752.50	\$724.39	\$670.24
SALES VOLUME									
Annual Capacity	(000's unit)				420	420	420	420	420
Volume Growth	(%)				5%	4%	5%	5%	4%
Annual Sales Volume	(000's unit)			344.47	361.69	376.16	394.97	414.72	420.00
Capacity implementation					86%	90%	94%	99%	100%
REVENUE									
Gross Revenue	(\$MM)			239.2	\$300.93	\$283.63	\$338.88	\$345.05	\$327.60
Freight & Warehousing	(\$MM)			34.4	\$36.82	\$38.98	\$41.67	\$44.63	\$46.10
Net Revenue	(\$MM)			\$204.80	\$264.11	\$244.64	\$297.22	\$300.42	\$281.50

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Costs Schedule

(\$ Millions)

	<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	prejected				
				<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Sales Volume			344.5	361.7	376.2	395.0	414.7	420.0
Inflation				1.8%	1.8%	1.8%	2.0%	2.0%

COSTS PER UNIT

Variable Costs

Row Material	(\$/ unit)			226.0	230.1	234.2	238.9	243.7
Utilities	(\$/ unit)			66.2	67.4	68.6	70.0	71.4
Total Variable costs	(\$/ unit)			292.2	297.5	302.8	308.9	315.0

Fixed Costs

Rent	(\$/ unit)			65.0	63.6	61.7	59.9	60.3
Operating Labour	(\$/ unit)			120.3	117.7	114.1	110.9	111.7
Other	(\$/ unit)			5.5	5.4	5.2	5.1	5.1
Total Fixed Costs	(\$/ unit)			190.8	186.7	181.0	175.9	177.1
Total Costs	(\$/ unit)			\$482.97	\$484.19	\$483.86	\$484.74	\$492.18

COSTS IN MILLIONS

Variable Costs

Row Material	(\$MM)			81.7	86.5	92.5	99.1	102.3
Utilities	(\$MM)			23.9	25.4	27.1	29.0	30.0
Total Variable costs	(\$MM)			105.7	111.9	119.6	128.1	132.3

Fixed Costs

Rent	(\$MM)			23.5	23.9	24.4	24.8	25.3
Operating Labour	(\$MM)			43.5	44.3	45.1	46.0	46.9
Other	(\$MM)			2.0	2.0	2.1	2.1	2.2
Total Fixed Costs	(\$MM)			69.0	70.2	71.5	72.9	74.4
Total Costs	(\$MM)			\$174.69	\$182.13	\$191.11	\$201.03	\$206.72

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Capex and Depreciation Schedule

(\$ Millions)

			<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	prejected				
						<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Remaining assets to depreciate			25 years							
New assets to depreciate			30 years							
Capex beginning						397.7	397.9	397.6	397.6	398.0
Depreciation Remaining Assets						15.9	15.9	15.9	15.9	15.9
Depreciation New Assets										
CAPEX										
	2022	\$16.0				0.3	0.5	0.5	0.5	0.5
	2023	\$17.0					0.3	0.6	0.6	0.6
	2024	\$17.3						0.3	0.6	0.6
	2025	\$17.5							0.3	0.6
	2026	\$18.0								0.3
Total Depreciation						<u>(\$16.175)</u>	<u>(\$16.725)</u>	<u>(\$17.296)</u>	<u>(\$17.876)</u>	<u>(\$18.468)</u>
Capex Ending					\$397.70	\$397.87	\$397.60	\$397.60	\$397.97	\$398.44

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Income Taxes Schedule

(\$ Millions)

		<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	prejected				
					<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Taxe Rate		35%							
Accounting EBIT	(\$MM)			17.3	57.3	31.3	75.7	69.7	45.8
Reduction government pre-tax earnings	(\$MM)				5.0	5.0	5.0	5.0	5.0
Government EBIT	(\$MM)				52.3	26.3	70.7	64.7	40.8
Accounting Tax					20.1	10.9	26.5	24.4	16.0
Current Tax	(\$MM)				18.32	9.19	24.75	22.65	14.29
Increase (Decrease) Deferred Taxe Base	(\$MM)				1.8	1.8	1.8	1.8	1.8
Total Income Taxe	(\$MM)				20.1	10.9	26.5	24.4	16.0

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Working Capital Schedule

(\$ Millions)

		projected							
		<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
DAYS		365	366	365	365	365	366	365	365
Revenue		213.5	236.6	204.8	264.1	244.6	297.2	300.4	281.5
Costs of Sales		159.9	164.6	167.9	174.7	182.1	191.1	201.0	206.7
WORKING CAPITAL IN DAYS									
Accounts Receivable	(days)	46	43	50	45	40	40	40	40
Inventory	(days)	83	80	76	70	65	60	60	55
Prepaid Expenses	(days)	33	32	32	30	30	30	30	30
Other Assets	(days)	3	4	3	3	3	3	3	3
Accounts Payable	(days)	42	42	40	40	40	40	40	40
Other Liabilities	(days)	11	11	10	10	10	10	10	10
WORKING CAPITAL IN MILLIONS									
Accounts Receivable	(\$MM)	27.0	27.8	28.3	32.6	26.8	32.5	32.9	30.8
Inventory	(\$MM)	36.5	36.1	35.1	33.5	32.4	31.3	33.0	31.1
Prepaid Expenses	(\$MM)	14.6	14.4	14.9	14.4	15.0	15.7	16.5	17.0
Other Assets	(\$MM)	1.4	1.8	1.2	1.4	1.5	1.6	1.7	1.7
Accounts Payable	(\$MM)	18.3	18.7	18.2	19.1	20.0	20.9	22.0	22.7
Other Liabilities	(\$MM)	4.7	4.9	4.8	4.8	5.0	5.2	5.5	5.7
Net Working Capital		56.5	56.5	56.5	57.9	50.8	54.9	56.6	52.4
Change in Working Caputal			0.0	0.0	(1.4)	7.2	(4.2)	(1.7)	4.2

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Debt and Equity Schedule (Part 1)

(\$ Millions)

	<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	projected				
				<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Cash								
Beginnig Amount Cash				0.3	5.6	5.5	17.5	29.2
Changing Amount Cash				5.3	(0.1)	11.9	11.7	5.3
Ending Amount Cash			0.3	5.6	5.5	17.5	29.2	34.5
Interest rate				1%	1%	1%	1%	1%
Interest expense				\$0.00	\$0.06	\$0.06	\$0.17	\$0.29
Revolver								
Operating CF			19.1	53.8	46.0	64.1	63.3	54.2
Investing CF			(12.5)	(16.0)	(17.0)	(17.3)	(17.5)	(18.0)
Revolver Issuance / (Repayment)			0.0	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)
Common Shares Issuance/ (Buy-Back)			0.0	0.0	0.0	0.0	0.0	0.0
Common Dividends			(2.4)	(7.5)	(4.1)	(9.8)	(9.1)	(6.0)
CFF After Mandatory Bedt Repayment and Dividends			\$4.20	\$5.32	(\$0.11)	\$11.94	\$11.71	\$5.28
Beginnig Amount Revolver				0.0	0.0	0.0	0.0	0.0
Changing Amount Revolver				0.0	0.0	0.0	0.0	0.0
Ending Amount Revolver			0.0	0.0	0.0	0.0	0.0	0.0
Interest rate				6%	6%	6%	6%	6%
Interest expense				0	0	0.00	0.00	0.00
Senior Secured debt								
Beginnig Amount Senior Secured debt				200	175	150	125	100
Changing Amount Senior Secured debt			0	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)
Ending Amount Senior Secured debt			200	175	150	125	100	75
Interest rate			6%	6%	6%	6%	6%	6%
Interest expense				\$12.00	\$10.50	\$9.00	\$7.50	\$6.00
Total Interest Expense				\$12.00	\$10.56	\$9.06	\$7.67	\$6.29

GAS Manufact

Debt and Equity Schedule (Part 2)

(\$ Millions)

	<u>F2019A</u>	<u>F2020A</u>	<u>F2021A</u>	projected				
				<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Common Shares								
Beginnig Amount Common Shares				120.0	120.0	120.0	120.0	120.0
New Issuance Common Shares				0	0	0	0	0
Ending Amount Common Shares			120.0	120.0	120.0	120.0	120.0	120.0
Dividend Pay Ratio				20%	20%	20%	20%	20%
Net Income				37.3	20.3	49.2	45.3	29.8
Dividends				7.45	4.06	9.84	9.06	5.96
Retained Earnings								
Beginnig Amount Retained Earnings				138.5	168.3	184.6	223.9	260.2
Net Income				37.3	20.3	49.2	45.3	29.8
Common Dividends				(7.45)	(4.06)	(9.84)	(9.06)	(5.96)
Ending Amount Retained Earnings			\$138.50	\$168.32	\$184.57	\$223.94	\$260.20	\$284.03

GAS Manufact

Scenario Shcedule

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
ECONOMIC SCENARIO	Best case				
Cost Inflation	1.8%	1.8%	1.8%	2.0%	2.0%
Base case	2.0%	2.0%	2.0%	2.5%	2.5%
Best case	1.8%	1.8%	1.8%	2.0%	2.0%
Worst case	2.5%	2.5%	2.5%	2.5%	2.5%
PRODUCT SCENARIO					
Product Pricing	832	754	858	832	780
Base case	\$800	\$725	\$825	\$800	\$750
Best case 4%	\$832	\$754	\$858	\$832	\$780
Worst case- 4%	\$768	\$696	\$792	\$768	\$720
Volume Growth	5.0%	4.0%	5.0%	5.0%	4.0%
Base case	5.0%	4.0%	4.0%	4.0%	4.0%
Best case	5.0%	4.0%	5.0%	5.0%	4.0%
Worst case	4.0%	4.0%	3.0%	3.0%	2.0%