

The logo for IMG (Investment Management Group) features the letters 'IMG' in a large, bold, white sans-serif font on a dark blue rectangular background.

Baruch College
**Investment
Management
Group**



PARSONS

(NYSE:PSN)

Current: 36.59\$

Target: \$45.16 (+23%)

Time Horizon: 12-18 Months

Industry Director: Michael Betancur
Analysts: Bricen Fisher, Nirmal Malhotra, Ray Hatton

Company Overview



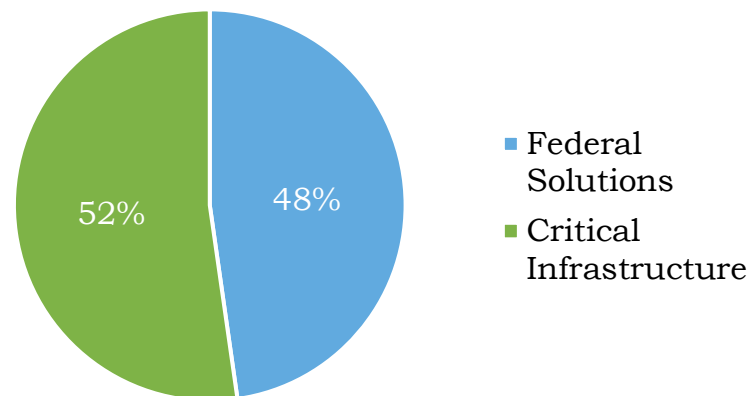
Business Description

- ▶ Parsons is an intelligence and infrastructure company headquartered out of Centreville, VA
- ▶ Parsons provides tech-based solutions in the defense & infrastructure markets internationally
- ▶ The company operates in two segments being the Federal Solutions & Critical Infrastructure
- ▶ Founded in 1944, Parsons retains over 16,000 skilled employees across nine major product lines in 30 countries around the globe

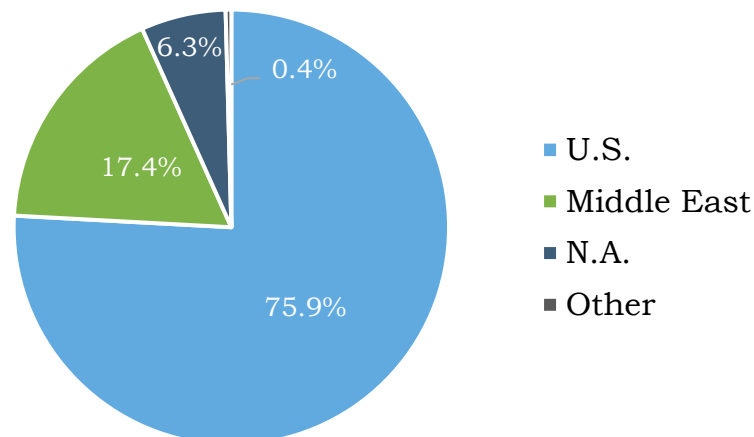
Business Highlights

- ▶ The company is headed by CEO Chuck Harrington with 32 years of industry experience
- ▶ Recent completion of the acquisition of Braxton Science & Tech Group for \$300M added to Parsons Space & Geospatial Solutions market
- ▶ As a part of Parsons COVID Campaign, DetectWise offers touchless health screenings in high traffic areas, adding six clients in the Q3
- ▶ Parsons won a \$51M contract for the 1st DoD ground-based laser system placed into production, totaling Q3 new contracts to \$473M

Revenue Breakdown



Geographic Breakdown



Segment Overview

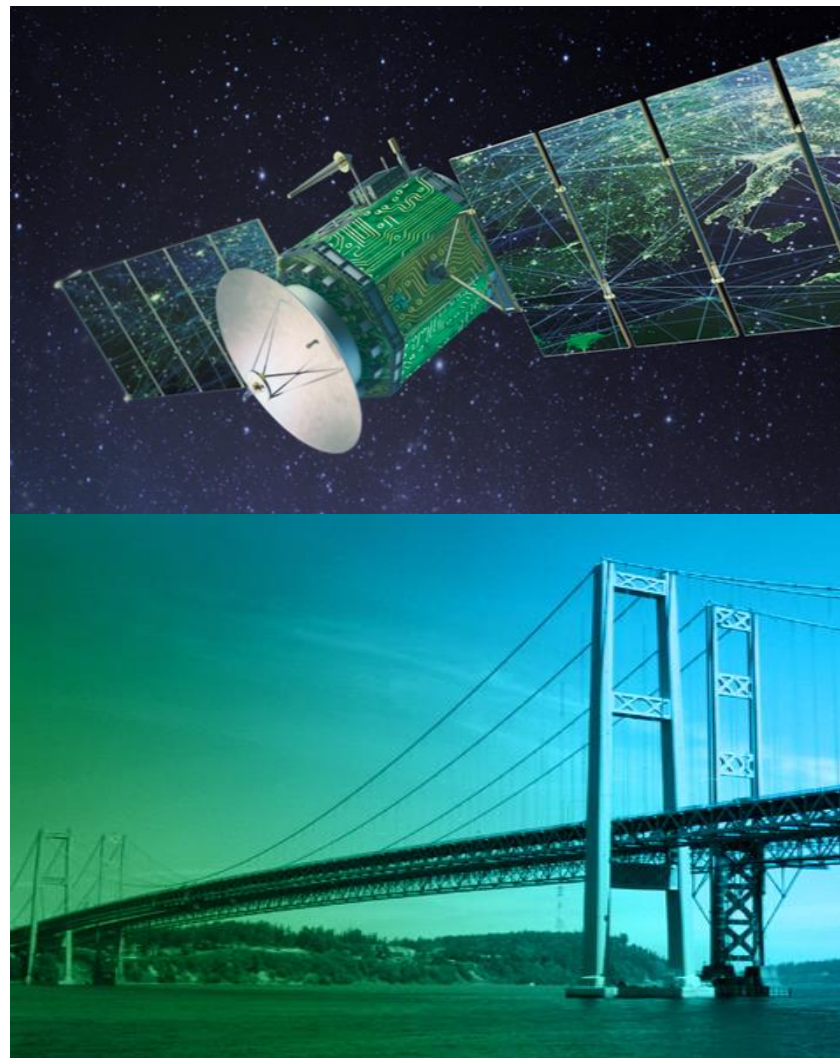


Federal Solutions

- ▶ Consists of five business lines being Cyber & Intelligence, Geospatial Solutions, Defense, Mission Solutions and Engineered Systems
- ▶ These business lines provide cybersecurity, defense systems, space launch & situational awareness, geospatial, & nuclear remediation
- ▶ Federal Solutions has a book-to-bill ratio of 1.5x with revenue increasing 2.5% YOY to \$498M
- ▶ Parsons has +50yrs of experience working with the Dept. of Energy & +40yrs with the US Army

Critical Infrastructure

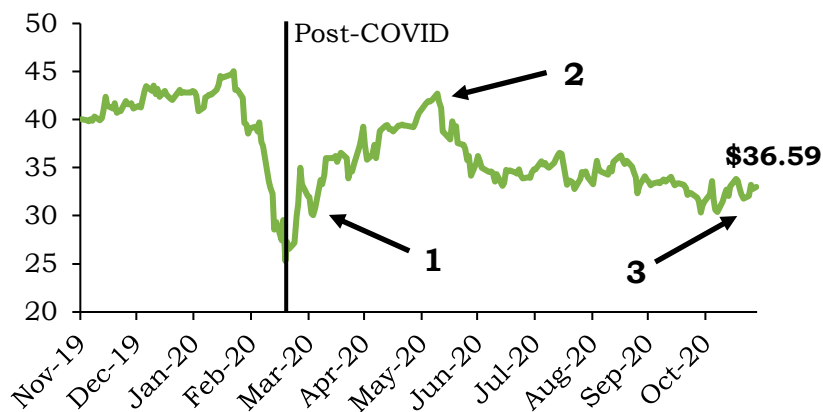
- ▶ Provides integrated engineering for complex physical & digital infrastructure focused on next-gen infrastructure by leveraging data
- ▶ Customers include the Federal Aviation Administration, DoD, U.S. Intelligence Community, NATO, NASA, Goddard & FEMA
- ▶ EBITDA margin increased from 7.2% to 10.8% YoY due to favorable contract conditions
- ▶ Focused on Connected Communities, providing transportation infrastructure for some of the largest cities globally like NYC, LA & Paris



Financial Overview



52 Week Price Change



Enterprise Value Walkthrough

\$ in Millions

Equity Value	3,322
(+) Long Term Debt	537
(+) Short Term Borrowings	50
(+) Minority Interest	42
(-) Cash & Equivalents	614
(-) Equity Method Investments	71
Enterprise Value	3,266

Financial Highlights

1. Alongside market correction, PSN is upgraded to buy at Stifel at target of \$45

- ▶ Analyst Joseph DeNardi upgrades to buy from hold, increases target by \$1.00, citing understated EBITDA relative to balance sheet capability for acquisitions

2. Market rallies on hopeful economic outlook

- ▶ Combination of stimulus, positive trends in COVID, reopening's & hopes for a vaccine drove stocks higher

3. EPS increased 7.55% YoY to \$0.57

- ▶ Rising nearly 8% YoY, EPS rose by \$0.24 beating last years Q3 of \$0.33, giving shares a boost in November

Key Metrics

Market Cap	\$3.32B
Debt/Equity	20.00%
EV/EBITDA	13.28x
LTM Gross Margin	21.50%
LTM P/E	36.63x
5Y Beta	1.15

Industry Overview



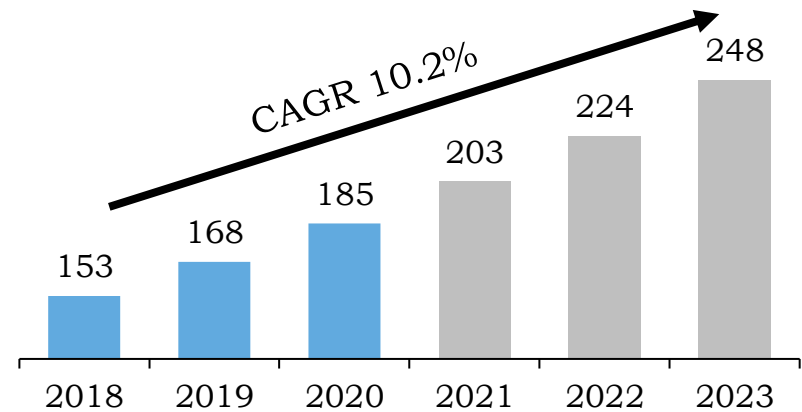
Cybersecurity

- ▶ The United States federal cybersecurity market is projected to reach \$22 billion by the year 2022, growing at a CAGR of over 12%
- ▶ M2M interaction in Retail, Banking, Telecom, IT, Healthcare, Automotive growing at 5.5% CAGR
- ▶ Rapid development of cybersecurity industry, as implementing technical defenses has become a standard best practice in every enterprise
- ▶ In 2019, 1,473 data breaches occurred in the US with over 165 million records exposed

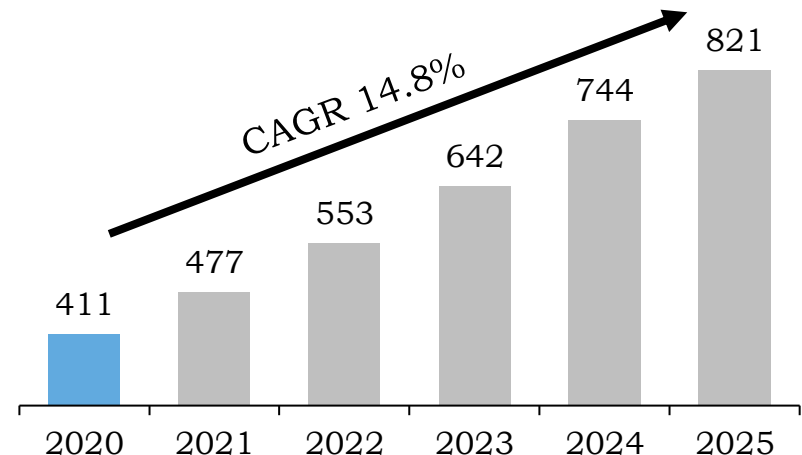
Smart Cities

- ▶ By 2030, the world is projected to have 43 megacities with +10 million inhabitants, most of them in new and developing regions
- ▶ Emerging economies are expected to offer new market opportunities in connected communities
- ▶ Average contract amount per mile for improvements is \$400 with 4.3 million miles of road across the United States
- ▶ With \$88 billion in productivity lost to congestion, Parson cities have seen up to a 40% reduction in traffic delay from updated tech

Cybersecurity Market Size (\$Bn)



Connected Communities Market Size (\$Bn)



Investment Rationale



► Parsons strong financial health ensures growth

- Diverse revenue streams, exposure to other industries and to emerging markets: Asia (1), Latin America (1), Middle East (7)
- Completed +12 strategic acquisitions since 2011 expanding product offerings and market exposure
- Current debt-to-equity ratio of .48 and a quick ratio of 1.61

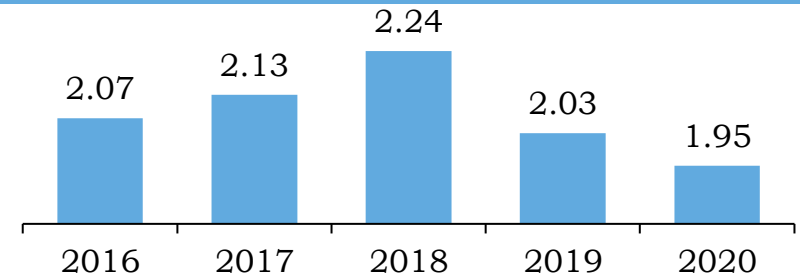
► New COVID virtual touchless health campaigns represent entrance to new growth market

- PSN product DetectWise implements screening kiosks and modular testing infrastructures
- PSN was awarded a \$50M contract to extend pre-existing work with the Houston Airports IAH systems to implement health facilities

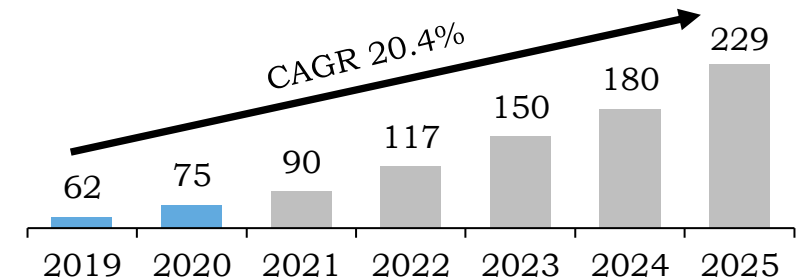
► Increased focus on critical and evolving space market as well as geospatial

- PSNs Braxton allows to capitalize in low earth orbit constellations, small satellites, and space cyber
- For 2021 Braxton is expecting earnings of \$133M
- Pearl product operates manned/unmanned platforms providing imagery of 4 centimeters from 10,000ft above and has been deployed by SOCOM

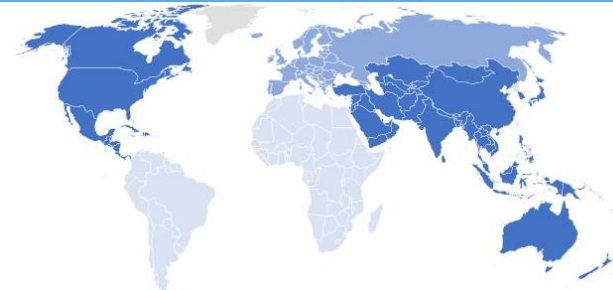
PSN Backlog/Revenue



Global Healthcare Mobility (\$B)



Spacecraft Market Global Growth Rate



Investment Rationale



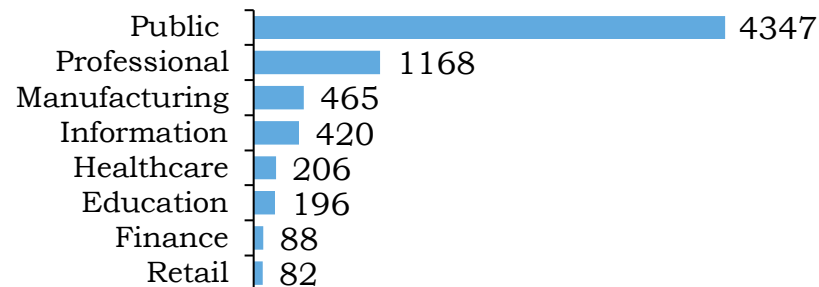
► Parsons is poised to capture trends in the high growth cybersecurity market

- Estimated \$600B annual global cost impact from hacks, cyber criminals, corporate espionage, etc.
- 68% of US businesses have not purchased any form of cyber coverage
- Increased demand through federal directives: Executive Order 13636, Presidential Policy Directive 8 & 21, National Infrastructure Protection Plan (NIPP), HSPD-7
- 70% of breaches start at endpoints despite competitors focusing on prevention, PSN focuses on detection, monitoring, and endpoints

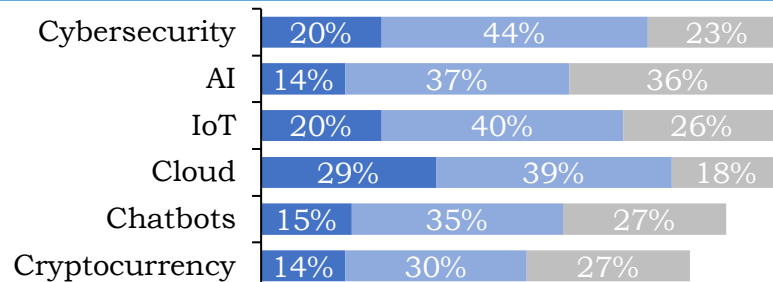
► Products and services address underlying issues

- Implementing SharkSeer 2.0 as of October through a \$28M deal with DISA and DoD
- PacketWolf ensures zero packet transfer loss, up to 4.8B packets per second, optimization through IPv4, IPv6, TCP Port, UDP Port, 30-tuple, and 5-tuple
- Qp2 enables cloud service applicable user interfaces for increased resilience
- Japan has the lowest mobile malware infections at 1.34% due to urban efficient environments such as Smart Cities

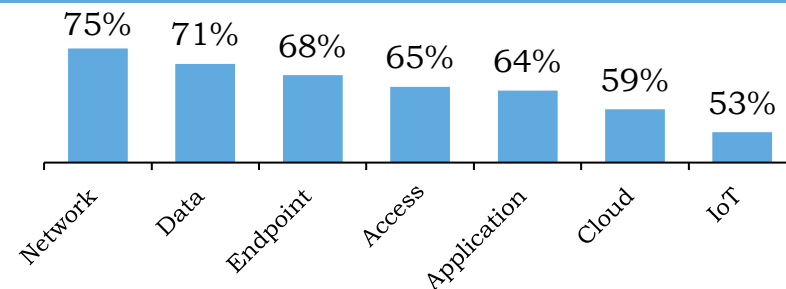
Global Industry Sector Malware Incidents



Industrial Revolution 4.0 Transformation



Top AI Use In Cybersecurity



Investment Rationale



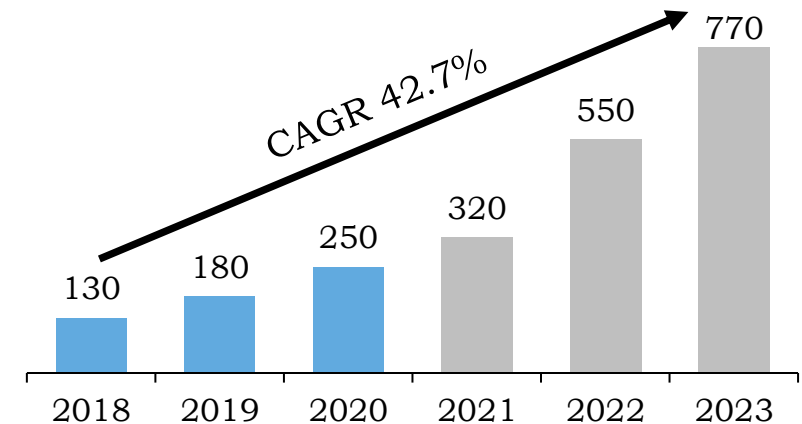
► Set to seize growth through “Smart Cities”

- By 2023 expected 100 smart streetlight projects and 88 smart parking projects
- PSN received a \$224 million contract for Riyadh Metro. The worlds longest ongoing metro project
- PSN Genesis Competition pooled +50 cities from US, Canada, and the Middle East
- To battle climate issues such as wildfires and power outages, PSN sells Formed Grid Armor and PSN recently worked to rebuild U.S. Navy in China Lake after a 7.1 magnitude earthquake

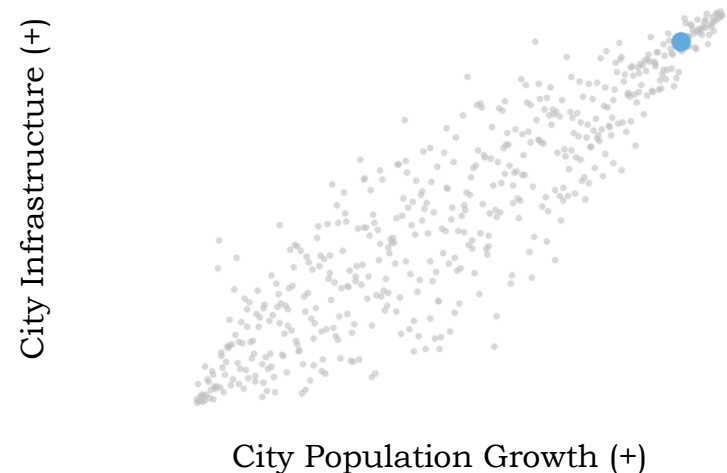
► Strong operations in transportation

- PSN has linked +63k devices and +12k traffic lights across the United States
- PSN iNet reduced traffic delays by 15-40% through updated signals, reduced 4.9B tons of greenhouse gasses, saved \$27B in productivity. Used in +40 cities making it the most operated traffic software
- Denver’s PSN Smart City switch will recover costs within about 3 years and projects them as the 5th highest growth large city and 41st overall
- \$32M San Bernardino County Transportation to improve freeways, interchanges, grade separations, and other projects

Total US Smart Cities Project Revenue (\$M)



Urbanization and Infrastructure



Competitive Landscape



Mkt Cap	14,794
N.I. Margin	5.1%
Quick Ratio	1.1x

- Provides solutions for IT, engineering, and science
- LDOS competes with PSN in cybersecurity, artificial intelligence, health, and other sectors
- LDOS has a high debt to equity ratio of 121.6% compared to PSN's 33.2%
- PSN has a gross profit margin of 21.5% compared to LDOS's gross profit margin of 13.9%



Mkt Cap	5,471
N.I. Margin	3.0%
Quick Ratio	1.03x

- SAIC offers engineering, technology, and equipment platform integration
- SAIC competes against PSN in artificial intelligence, cybersecurity, and other technologies
- SAIC's earnings growth has been ~10% VS PSN's ~17%
- PSN has a gross profit margin of 21.5% is nearly double of SAIC's gross profit margin of 11.0%



Mkt Cap	3,765
N.I. Margin	-11.3%
Quick Ratio	2.41x

- Offers solutions for fuselage systems, propulsion systems, and wing systems
- SPR largely competes in the aviation sector. PSN provides solutions in the commercial aviation sector
- SPR revenue collapsed by 68% in 2Q20 YoY VS PSN's revenue decrease of 1% in 2Q20 YoY
- Airline carriers are rebounding but are still scaling back plans to update fleets. SPR concentrated in this segment will have a slow recovery

Public Comparables



Company	Market Cap (USD)	TEV (USD)	TEV/EBITDA		P/E		Debt / LTM EBITDA	Quick Ratio
			LTM	2021E	LTM	2021E		
Leidos Holdings	\$14,794	\$19,955	15.0x	32.6x	24.2x	11.7x	3.5x	1.1x
Booz Allen Hamilton Holdings	\$12,153	\$13,325	16.7x	15.6x	25.3x	22.5x	3.1x	1.2x
CACI International	\$6,247	\$7,777	12.8x	11.5x	18.0x	15.9x	2.7x	1.0x
Science Applications Intl.	\$5,675	\$8,378	14.5x	11.9x	28.2x	17.2x	5.0x	1.7x
Spirit AeroSystems Holdings	\$4,209	\$5,604	12.3x	27.3x	NM	NM	NM	1.0x
PAE Incorporated	\$879	\$1,685	9.6x	247.9x	28.7x	8.8x	3.5x	2.0x
Triumph Group	\$802	\$3,242	26.2x	NM	NM	4.8x	16.2x	1.1x
25th Percentile			12.3x	11.8x	21.1x	7.8x	3.0x	1.0x
75th Percentile			16.7x	86.4x	28.4x	18.5x	7.8x	1.7x
Mean			15.3x	57.8x	24.9x	13.5x	5.7x	1.3x
Median			14.5x	21.5x	25.3x	13.8x	3.5x	1.1x
Parsons Corporation	\$3,322	\$3,266	13.28x	8.32x	36.63x	22.22x	2.39x	1.20x

DCF



Discounted Cash Flow Analysis Parsons Corporation							
(\$ 'mm)							
Fiscal Year Ending Dec 31	2019A	2020E	2021E	2022E	2023E	2024E	2025E
Revenue	\$3,955	\$4,014	\$4,314	\$4,616	\$4,940	\$5,285	\$5,655
(-) COGS	(3,123)	(3,171)	(3,322)	(3,555)	(3,803)	(4,070)	(4,355)
Gross Profit	832	843	992	1,062	1,136	1,216	1,301
(-) Op. Ex	(742)	(718)	(768)	(822)	(889)	(951)	(995)
Operating Income	90	124	224	240	247	265	305
(-) Tax Effect	70	(26)	(48)	(52)	(53)	(57)	(66)
NOPAT	160	98	176	188	194	208	240
(+) D&A	126	100	86	83	74	79	57
(-) CapEx	(68)	(20)	(22)	(46)	(35)	(37)	(28)
(Inc) / Dec in NWC	(134)	(74)	(54)	(31)	(26)	(22)	(20)
Free Cash Flow	84	104	187	195	208	228	248
PV of Cash Flow			\$179	\$176	\$177	\$184	\$188

DCF Output



WACC	
Risk Free Rate	0.94%
Levered Beta	0.80
Market Risk Premium	7.6%
Cost of Equity	7%
Pre-Tax Cost of Debt	1.2%
After-Tax Cost of Debt	1.0%
% Equity	83.4%
% Debt	16.6%
WACC	6.0%

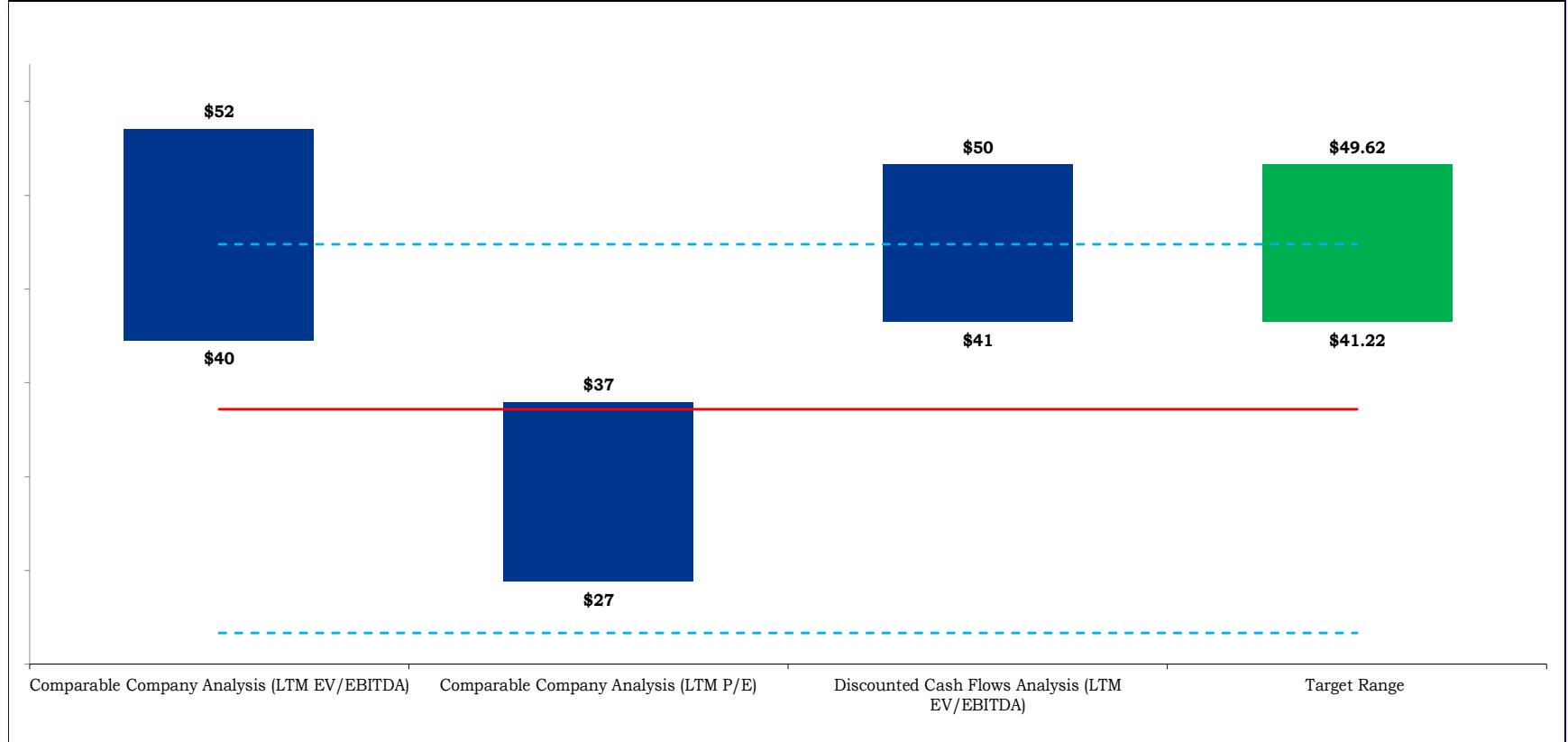
Implied Share Price	
Sum of Free Cash Flow	\$ 904
Exit Multiple (TEV/EBITDA LTM)	14.5x
Terminal Value	\$ 5,236.83
Discounted Terminal Value	\$ 3,913
Implied Enterprise Value	\$ 4,817
Less: Net Debt	213
Less: Noncontrolling Interest	42
Implied Equity Value	\$ 4,561.55
Diluted Shares Outstanding	101
Implied Share Price	\$ 45.16

Sensitivity Analysis										
Weighted Average Cost of Capital	Exit Multiple									
	14.1x	14.2x	14.3x	14.4x	14.5x	14.6x	14.7x	14.8x	14.9x	
	2.0%	\$52	\$52	\$53	\$53	\$53	\$54	\$54	\$54	\$55
	3.0%	50	50	51	51	51	51	52	52	52
	4.0%	48	48	48.45	48.74	49.03	49.33	49.62	50	50
	5.0%	46	46	46.48	46.76	47.04	47.32	47.61	48	48
	6.0%	44	44	44.63	44.90	45.16	45.43	45.70	46	46
	7.0%	42	43	42.88	43.13	43.39	43.64	43.90	44	44
	8.0%	41	41	41.22	41.46	41.71	41.95	42.20	42	43
	9.0%	39	39	40	40	40	40	41	41	41
	10.0%	38	38	38	38	39	39	39	39	40

Football Field Analysis



Valuation Summary	Low	Difference	High	52-Week Low	52-Week High	Current Trading Price
Comparable Company Analysis (LTM EV/EBITD	\$40	\$11.31	\$52	\$24.67	\$45.40	\$36.59
Comparable Company Analysis (LTM P/E)	\$27	\$9.57	\$37	\$24.67	\$45.40	\$36.59
Discounted Cash Flows Analysis (LTM	\$41	\$8.40	\$50	\$24.67	\$45.40	\$36.59
Target Range	\$41.22	\$8.40	\$49.62	\$24.67	\$45.40	\$36.59



Potential Risks



- ▶ The commercial aviation market has taken a drastic downturn
- ▶ Mitigant: Parson's countless acquisitions over the years has allowed it not to be dependent on one segment. Parson is highly competitive in cybersecurity, artificial intelligence, machine learning, Internet of Things (IoT), and smart city solutions

- ▶ Military spending may stagnate under a Joe Biden presidency
- ▶ Mitigant: Although military spending may stagnate, Joe Biden has expressed interest in increasing investment into fields such as cyber security and artificial intelligence. Joe Biden is planning to reinstate a white house cyber security position and increase non-military federal spending (+\$300 over four years) on artificial intelligence

- ▶ Widespread migration from urban cities creates pressure against the movement towards smart cities.
- ▶ Mitigant: There's been a movement away from cities such as New York, and Los Angeles but a movement in cities like Austin, Atlanta, and Denver. Some of these growing cities are allowing Parsons to expand operations

- ▶ Mitigant: According to Joe Biden's campaign website, He wants to invest \$1.3 trillion dollars over the next 10 years in American infrastructure. This plan includes smart cities and their upcoming importance in the future. Parson's fierce innovation in the smart city market will set them up to be a significant competitor

Q&A

Appendix

Appendix



In Millions	2016A	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E
<i>From Income Statement</i>										
Total Revenue	\$3,039	\$3,017	\$3,561	\$3,955	\$4,014	\$4,314	\$4,616	\$4,940	\$5,285	\$5,655
<i>Revenue (Growth Rate)</i>		(1%)	18%	11%	1%	7%	7%	7%	7%	7%
(-) COGS	(2,431)	(2,400)	(2,795)	(3,123)	(3,171)	(3,322)	(3,555)	(3,803)	(4,070)	(4,355)
<i>COGS (% of Sales)</i>	80%	80%	79%	79%	79%	77%	77%	77%	77%	77%
Gross Profit	608	617	766	832	843	992	1,062	1,136	1,216	1,301
(-) Selling, General, & Admin Exp.	(523)	(506)	(597)	(781)	(739)	(790)	(845)	(913)	(977)	(1,024)
<i>SG&A(% of Sales)</i>	17%	17%	17%	20%	18%	18%	18%	18%	18%	18%
Other	(48)	46	35	39	20	22	23	25	26	28
<i>Other (% of Sales)</i>	2%	(2%)	(1%)	(1%)	(1%)	(1%)	(1%)	(1%)	(1%)	(1%)
EBIT	37	156	203	90	124	224	240	247	265	305
(-) Interest Expense	(15)	(13)	(18)	(22)	(15)	(15)	(15)	(15)	(15)	(15)
EBT	21	143	185	67	110	210	226	233	250	291
(-) Income Tax Expense	(14)	(21)	(20)	70	(26)	(48)	(52)	(53)	(57)	(66)
<i>Income Tax Rate</i>	(65%)	(15%)	(11%)	104%	21%	21%	21%	21%	21%	21%
NOPAT	23	135	183	160	98	176	188	194	208	240
(+) Depreciation and Amortization	42	35	70	126	100	86	83	74	79	57
<i>D&A (% of Sales)</i>	1%	1%	2%	3%	2%	2%	2%	2%	2%	1%
(-) CapEX	(30)	(28)	(29)	(68)	(20)	(22)	(46)	(35)	(37)	(28)
<i>CapEx (% of Sales)</i>	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%
(-) Change in Working Cap	NM	NM	(81)	(134)	(74)	(54)	(31)	(26)	(22)	(20)
				66%	(44%)	(28%)	(43%)	(16%)	(15%)	(8%)
Free Cash Flow	\$35	\$142	\$143	\$84	\$104	\$187	\$195	\$208	\$228	\$248
Discount Factor						125%	225%	325%	425%	525%
Stub						1	1	1	1	1
PV of Cash Flow						\$179	\$176	\$177	\$184	\$188

Appendix



WORKING CAPITAL SCHEDULE									
<i>Fiscal Year Ending December 31,</i>	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E
Accounts receivable									
Beginning of period	N/A	\$1,064	\$623	\$671	\$662	\$712	\$762	\$815	\$872
Increases / (decreases)	N/A	(440)	48	(9)	50	50	53	57	61
End of period	1,064	623	671	662	712	762	815	872	933
AR as % of sales	35%	18%	17%	17%	17%	17%	17%	17%	17%
Days sales outstanding (DSO)	129 days	64 days	62 days	60 days	60 days	60 days	60 days	60 days	60 days
Other Current Assets									
Beginning of period	N/A	507	866	855	840	880	942	1,008	1,078
Increases / (decreases)	N/A	358	(11)	(15)	40	62	66	71	54
End of period	507	866	855	840	880	942	1,008	1,078	1,132
Inventory as % of COGS		31%	27%	27%	27%	27%	27%	27%	26%
Accounts payable									
Beginning of period	N/A	207	226	250	269	282	302	342	378
Increases / (decreases)	N/A	19	23	19	13	20	41	36	35
End of period	207	226	250	269	282	302	342	378	413
AP as % of COGS	9%	8%	8%	8%	8%	8%	9%	9%	9%
Days payables outstanding (DPO)	N/A	28 days	28 days	30 days	30 days	30 days	31 days	32 days	33 days
Accrued expenses & Other									
Beginning of period	N/A	504	560	921	959	1,079	1,200	1,304	1,416
Increases / (decreases)	N/A	264	361	38	120	122	104	112	99
End of period	793	768	921	959	1,079	1,200	1,304	1,416	1,516
Accrued expenses as % of sales	26%	22%	23%	24%	25%	26%	26%	27%	27%
Taxes Payable									
Beginning of period	N/A	8	12	7	0	11	12	12	13
Increases / (decreases)	N/A	4	(4)	(7)	11	1	1	1	1
End of period	\$8	\$12	\$7	\$0	\$11	\$12	\$12	\$13	\$14
Tax effect as a % of sales		0%	0%	0%	0%	0%	0%	0%	0%
NWC	\$563	\$483	\$349	\$274	\$221	\$190	\$164	\$142	\$122
(Inc) / Dec in NWC		(\$81)	(\$134)	(\$74)	(\$54)	(\$31)	(\$26)	(\$22)	(\$20)

Appendix



Income Statement				
Income Sheet as of:				
Units	2016 Millions	2017 Millions	2018 Millions	2019 Millions
Revenues				
Revenues	3,039.2	3,017.0	3,560.5	3,954.8
Total Revenues	3,039.2	3,017.0	3,560.5	3,954.8
Expenses				
Direct Cost of Contracts	(2,431.2)	(2,400.1)	(2,795.0)	(3,123.1)
COGS	(2,431.2)	(2,400.1)	(2,795.0)	(3,123.1)
Indirect, General and Administrative Expenses	(522.9)	(506.3)	(597.4)	(781.4)
Impairment of Goodwill, Intangibles and Other Assets	(85.1)	0	0	0
Interest Expense	(16.5)	(15.8)	(20.8)	(23.7)
Interest Income	1.2	2.5	2.7	1.3
Equity in Earnings of Unconsolidated Joint Ventures	35.5	40.1	36.9	41.7
Other Income/expense-net	1.3	5.7	(1.7)	(2.4)
(Interest and Other Expense) Gain Associated with Claim on L	(9.4)	(10.0)	(74.6)	0
Earnings before Taxes	12.0	133.0	259.8	67.2
Taxes and Other Expenses				
Provision for Income Tax	(14.0)	(21.5)	(20.4)	69.9
Minority Interest (After Tax)	(11.2)	(14.2)	(17.1)	(16.6)
Net Income (Loss)	(13.1)	97.3	222.3	120.5

Appendix



Balance Sheet			
Balance Sheet as of:			
Units	2017 Millions	2018 Millions	2019 Millions
Current Assets			
Cash and Cash Equivalents	454.2	280.2	182.7
Accounts Receivables	1,063.6	623.3	671.5
Contract Asset	0	515.3	575.1
Prepaid Expenses and Other Current Assets	52.2	69.0	84.5
Restricted Cash and Investments	1.0	1.0	12.7
Total Current Assets	1,562.0	1,488.8	1,526.4
Non Current Assets			
Right of Use Assets - Operating Leases	0	0	233.4
Property and Equipment, net	87.6	91.8	122.8
Investments in and Advances to Unconsolidated Jo	71.6	63.6	68.6
Deferred Income Taxes	8.5	5.7	130.4
Goodwill	496.8	736.9	1,047.4
Intangible Asset, Net	17.7	179.5	259.9
Other Non-current Assets	28.7	46.2	61.5
Total Assets	2,272.7	2,612.6	3,450.4
Current Liabilities			
Accounts Payable	207.1	226.3	216.6
Accrued Expenses and Other Liabilities	504.2	559.7	639.9
Short-term Lease Liabilities, Operating Leases	0	0	50.0
Income Taxes Payable	7.7	11.5	7.2
Billings in Excess of Costs	145.2	0	0
Contract Liabilities	0	208.6	230.7
Provision for Contract Losses	143.7	0	0
Total Current Liabilities	1,007.7	1,006.2	1,144.4
Non Current Liabilities			
Long-term Debt Net	249.4	429.2	249.4
Long- Term Lease Liabilities - Operating Leases	0	0	203.6
Deferred Gain Resulting from Sale-leaseback Transi	53.3	46.0	0
Deferred Tax Liabilities	8.5	6.2	9.6
Minority Interest	27.5	46.5	30.9
Redeemable Common Stock Held By Employee Stoc	1,855.3	1,876.3	0
Other Long-term Liabilities	106.4	127.9	125.7
Long-term Employee Incentives	41.9	41.9	56.9
Shareholders' Equity			
Common Stock - Par Value	0	0	146.4
Additional Paid in Capital	0	0	2,650.0
Treasury Stock - Common	(876.4)	(957.0)	(934.2)
Accumulated Deficit/retained Earnings	(186.0)	12.4	(218.0)
Accumulated Other Comprehensive Income	0	(23.0)	(14.3)
Accumulated Other Comprehensive Loss	(15.00)	0.00	0.00
Total Shareholders Equity	(1,077.4)	(967.5)	1,629.9
Total Liabilities & Shareholders Equity	2,272.7	2,612.6	3,450.4

Appendix



EV/EBITDA Valuation

75th Percentile	
Implied Target Price	
Exit Multiple (EV/EBITDA)	16.7x
Sum of FCF	\$904
Terminal Value	\$5,761
Discounted TV	\$ 4,304
Implied Enterprise Value	5,208
Less Net Debt	0
Implied Equity Value	5,208
Diluted Shares Outstanding	101
Implied Share Price	\$ 51.56

Mean	
Implied Target Price	
Exit Multiple (EV/EBITDA)	15.3x
Sum of FCF	\$904
Terminal Value	\$5,267
Discounted TV	\$3,936
Implied Enterprise Value	4,839
Less Net Debt	0
Implied Equity Value	4,839
Diluted Shares Outstanding	101
Implied Share Price	\$ 47.91

Median	
Implied Target Price	
Exit Multiple (EV/EBITDA)	14.5x
Sum of FCF	\$904
Terminal Value	\$4,978
Discounted TV	\$ 4,978
Implied Enterprise Value	5,882
Less Net Debt	0
Implied Equity Value	5,882
Diluted Shares Outstanding	101
Implied Share Price	\$ 58.24

25th Percentile	
Implied Target Price	
Exit Multiple (EV/EBITDA)	12.3x
Sum of FCF	\$904
Terminal Value	\$4,232
Discounted TV	\$ 3,162
Implied Enterprise Value	4,066
Less Net Debt	0
Implied Equity Value	4,066
Diluted Shares Outstanding	101
Implied Share Price	\$ 40.26

P/E Valuation

75th Percentile	
Implied Target Price	
Enterprise Value	3265.8
Net Debt	\$1,783
EPS	1.3
Equity Value	\$3,735
Fully Diluted Shares	101
Implied Share Price	\$ 36.98

Mean	
Implied Target Price	
Enterprise Value	3265.8
Net Debt	\$1,783
EPS	1.3
Equity Value	\$3,266
Fully Diluted Shares	101
Implied Share Price	\$ 32.33

Median	
Implied Target Price	
Enterprise Value	3265.8
Net Debt	\$1,783
EPS	1.3
Equity Value	\$3,322
Fully Diluted Shares	101
Implied Share Price	\$ 32.89

25th Percentile	
Implied Target Price	
Enterprise Value	3265.8
Net Debt	\$1,783
EPS	1.3
Equity Value	\$2,769
Fully Diluted Shares	101
Implied Share Price	\$ 27.41