

Task 2

What I used for FY22 actuals (in \$mm): Revenue = 51,761; Cost of sales (COGS) = 40,121; SG&A = 8,635, taken from the Consolidated Statements of Earnings in the FY22 Annual Report.

How the model works:

- Revenue: +10% YoY for 2023–2027.
- COGS % of Revenue: linearly eases from 77.0% (2023) to 76.0% (2027).
- SG&A % of Revenue: linearly eases from 16.5% (2023) to 16.0% (2027).
- Depreciation: \$787mm in 2022, then 1.5% of revenue from 2023 onward.
- Amortization: \$82mm in 2022, then \$100mm per year.
- Interest expense: \$25mm per year.
- Tax rate: 20%.
- Output: Gross Profit, EBIT, EBT, Taxes, Net Income, and margin %s by year (all in \$mm; margins in %)

	2022	2023	2024	2025	2026	2027
Revenue	51761	56937.1	62630.8	68893.9	75783.3	83361.6
YoY Growth %		10	10	10	10	10
COGS % Revenue	77.51	77	76.75	76.5	76.25	76
COGS	40121	43841.6	48069.1	52703.8	57784.8	63354.8
Gross Profit	11640	13095.5	14561.7	16190.1	17998.5	20006.8
SG&A % Revenue	16.68	16.5	16.38	16.25	16.12	16
SG&A	8635	9394.6	10255.8	11195.3	12220.1	13337.9
Depreciation	787	854.1	939.5	1033.4	1136.7	1250.4
Amortization	82	100	100	100	100	100
EBIT	2136	2746.9	3266.4	3861.4	4541.7	5318.5
Interest Expense	25	25	25	25	25	25
EBT	2111	2721.9	3241.4	3836.4	4516.7	5293.5
Taxes @20%	422.2	544.4	648.3	767.3	903.3	1058.7
Net Income	1688.8	2177.5	2593.1	3069.1	3613.4	4234.8
EBIT Margin %	4.13	4.82	5.22	5.6	5.99	6.38
Net Margin %	3.26	3.82	4.14	4.45	4.77	5.08

