

Camtek Ltd (NASDAQ:CAMT)

Tejasva Gavankar - SIF 2024

Tear Sheet

Business Description:

Camtek is a developer and manufacturer of high-end inspection and metrology equipment for the semiconductor industry. Camtek's systems inspect integrated circuits (ICs) and measure IC features on wafers throughout the production process of semiconductor devices, covering the front and mid-end and up to the beginning of assembly (Post Dicing). Camtek's systems inspect wafers for the most demanding semiconductor market segments, including Advanced Packaging, Heterogeneous Integration (HI), Compound Semiconductors, Memory, CMOS Image Sensors, Power, RF and MEMS, serving the industry's leading global IDMs, OSATs, and foundries.

Investment Thesis:

The AI tailwinds are not just momentary, but have the potential to impact life as we know it. This revolution will come in phases - 1) Infra, 2) Platform, 3) Applications. Camtek lies between phases 1 and 2, and is part of a group of industries that goes hand in hand with chip manufacturing but does not get as much attention as the NVIDIEAs and ASMLs of the world. While the stock is at an all time high, I believe that it is undervalued relative to its peers still has 20% upside. For the first time, Camtek raised debt in 2021 that it now plans on investing in acquisitions and R&D.

Catalysts:

Research and Development: R&D efforts at Camtek are at an all-time high and are primarily focused on improving defect detection capabilities, simplifying operation and reducing the level of user expertise required to realize the benefits of their systems.

Global Diversification: Camtek has a significant presence in the Asia Pacific, United States, and Europe. In 2022, sales in Asia Pacific (mostly China, Taiwan and South Korea) accounted for approximately 77% of total revenue.

FRT Acquisition: Camtek has agreed to buy FormFactor's FRT Metrology business for \$100 million in cash. The acquisition is expected to enhance Camtek's product portfolio, expand its customer base, and increase its revenues and margins. The acquisition is also expected to create synergies in technology, innovation, and growth opportunities.

Risks:

Inventory Write Offs: A longer sales process for new products may increase costs and delay time to market of Camtek's products, both of which may negatively impact revenues, results of operations, cash flow and may result in inventory write-offs.

Geopolitical Risk: A number of Asian countries have experienced or could experience political and economic instability. General risks are heightened in China, Camtek's largest territory, where the nature of the economy, policies, and legislation are rapidly evolving and foreign companies may face the negative effects.

Global and Local Price Pressures: Customers' manufacturing processes are highly complex, require advanced and costly equipment, and are continuously being modified. Disruptions could lower production yields or interrupt manufacturing, which could result in the cancellation or delay of product purchase.

Summary Statistics

As of: October 5th, 2023

Stock Rating:	Buy
Price Estimate	\$80.00
Valuation Range (Low / High)	\$69.81 / \$87.11
Current Price	\$63.33
52 Week Low / High	\$20.82 / \$95.13
% Upside	25.32%
Market Beta	1.42
Dividend Yield	0.4%
Fully Diluted Shares Outstanding (MM)	44.4
Market Capitalization (\$MM)	\$2,812.5
+ Debt (\$MM)	\$295.0
+ Preferred Stock (\$MM)	\$0.0
- Minority Interest (\$MM)	\$399.7
- Cash and Cash Equivalents (\$MM)	\$399.7
Enterprise Value (\$MM)	\$2,707.8

Financial Projections for Year Ending December 31

All numbers in \$MM except per share data:

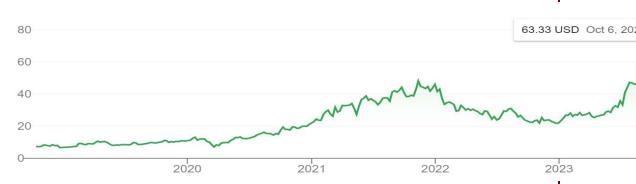
	2022A	2023E	2024E	2025E	2026E	2027E
Revenue	\$309.9	\$314.3	\$324.1	\$340.6	\$340.5	\$394.6
YoY Growth	19.0%	8.2%	8.2%	6.9%	2.4%	10.0%
EBITDA	\$84.9	\$140.0	\$222.1	\$353.3	\$438.4	\$482.9
YoY Growth	11.5%	64.9%	58.7%	59.1%	24.1%	50.1%
Net Income	\$80.0	\$109.7	\$172.2	\$272.3	\$336.8	\$369.9
YoY Growth	32.6%	37.2%	57.0%	58.2%	23.7%	9.8%
Diluted EPS	\$1.66	\$2.27	\$3.57	\$5.65	\$6.98	\$7.67
YoY Growth	23.9%	37.0%	57.0%	58.2%	23.7%	9.8%
FCF	\$96.3	\$55.6	\$11.4	\$82.2	\$267.9	\$340.6
CapEx	\$8.2	\$8.4	\$8.5	\$8.7	\$8.8	\$9.0
EV/Sales	8.44x	5.27x	3.29x	2.05x	1.65x	1.50x
EV/EBITDA	31.89x	19.35x	12.19x	7.66x	6.16x	5.61x
Debt/EBITDA	3.47x	2.11x	1.33x	0.84x	0.67x	0.61x

Comparables Analysis

All numbers in \$MM except per share data and ratios:

	Market	Enterprise	LTM EV /	LTM	LTM	LTM
Camtek Ltd	Cap	Value	EBITDA	P/E	EBITDA	EPS
	\$2,812.49	\$2,707.8	11.0x	34.0x	\$69.8	\$1.86
	\$0.01	\$2,823.82	11.7x	29.3x	\$241.84	\$3.67
	\$0.01	\$2,823.82	12.1x	36.8x	\$241.84	\$3.67
	\$0.01	\$2,823.82	9.8x	17.7x	\$241.84	\$3.67

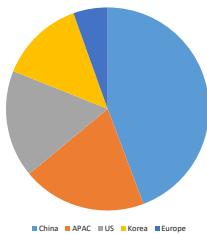
Historical Stock Price (Last 3 Years)



[R&D] Research & Development Expense



Revenue by Region



Model Instructions

DCF

- 1 Only hardcode text into cells that are blue font...the black cells are formulas and are driven from the inputs
- 2 Insert the key info into the Company Info box on Assumptions Sheet and fill in the historical financials (Income Statement and Balance Sheet)
- 3 On the assumptions page, the historical growth rates/ratios will automatically populate, then fill out your assumptions in the dotted boxes. Depending what scenario you toggle to, the correct assumption will toggle through
- 4 Project out company's financials, CapEx, D&A, and Balance Sheet items. (NWC will calculate automatically)
- 5 Fill out company's debt structure in the "Capitalization" Tab to calculate their annual interest expense and WACD (weighted avg. cost of debt) for WACC
- 6 Calculate WACC
- 7 Toggle the scenarios to get the DCF outputs per share to put in the outcomes box on the assumptions tab
- 8 Fill out Tearsheet

Comps

- 1 Pick out comp set on CapIQ and download the page of all the financial information of the comp set to excel. (Doesn't have to be as many companies as there are listed on the template, could be more, or less)
- 2 Once downloaded, take the tab that has the "Financial Data" of the comp set and copy and paste that data into the "Financial Data" Tab in the model in the same cells (Also copy and paste in your target company's information
***Note, don't just copy and replace the entire page, if you do, the formulas on the Comps page will get mixed up*
- 3 The information should flow through to the "Comps" page and give you an implied valuation for your target company based on both LTM and NTM numbers
- 4 The implied valuation flows into the outputs box on the assumptions page to help calculate Target Price

You can adjust how you want to calculate the target price in that box...it doesn't need to be the avg. of all the cases...that's just the default case

Assumptions for Camtek Ltd

Valuation Prepared by
Recommendation

Tejasa Gavankar
BUY

SF 2023

Company Information	Input	Definition
Company Name	Camtek Ltd	"name"
Ticker	"TCKT"	"ticker"
Exchange	NASDAQ	"exchange"
Valuation Date	9/10/2023	"valldate"
Last Fiscal Year End	31/12/2022	"FYE"
Last Share Price	\$ 63.33	"shareprice"
Book Value	\$ 44.4	"bookvalue"
Diluted Shares	48.2	"dilutedShares"
Market Cap (\$MM)	\$ 2,812.5	"marketcap"
\$2-Wk High Price	\$ 65.13	"highP"
\$2-Wk Low Price	\$ 20.83	"lowP"
Dividend Yield	0.40%	"yield"
Beta	1.42	"beta"
Total Debt (\$MM)	\$ 295.00	"totaldebt"
Minority Interest (\$MM)	\$ -	"minorint"
Prefershare (\$MM)	\$ -	"prefshare"
Cash & Cash Equivalents (\$MM)	\$ 399.7	"cash"

Share Price Outputs	Method
Scenario	DCF
Base	\$ 60.88
Bull	\$ 85.13
Bear	\$ 60.79
Target Price	\$ 60.00

*Run each scenario and manually insert DCF outputs into those cells

DCF	\$ 64.96
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Scenarios	
Base	1
Bull	2
Bear	3

Ratio & Assumptions

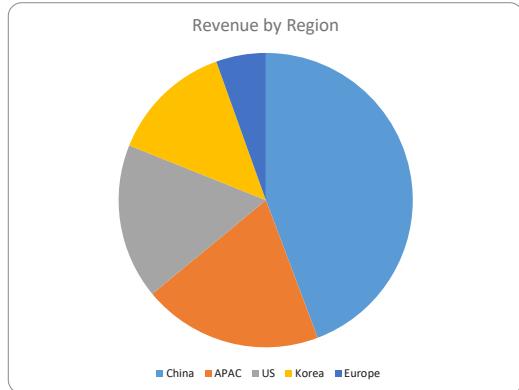
	Historical Year Ending December 31,			Projected Year Ending December 31,			
	2020	2021	2022	2023	2024	2025	2026
Revenue Growth	73.03%	19.01%		60.25%	60.25%	60.25%	24.25%
Base				60.25%	60.25%	60.25%	10.00%
Bull				60.25%	60.25%	60.25%	10.00%
Bear				58.91%	58.91%	58.91%	13.00%
Scale penalty	10%			23.31%	23.31%	22.33%	5.00%
Chetek Mall	135.00			27.00%	37.00%	45.00%	
HBM (000s)	3,036.00			3,867.00	4,658.00	6,539.00	
%Change	14.4%			26.4%	26.4%	26.4%	
Cost of Goods Sold (as % of Revenue)	53.02%	49.07%	50.19%	50.76%	50.76%	50.76%	50.76%
Base				50.76%	50.76%	50.76%	50.76%
Bull				43.76%	43.76%	43.76%	43.76%
Bear				58.76%	58.76%	58.76%	58.76%
Operating Margin	14.51%	26.29%	25.40%	25.40%	25.40%	25.40%	25.40%
Base				25.40%	25.40%	25.40%	25.40%
Bull				30.40%	30.40%	30.40%	30.40%
Bear				20.40%	20.40%	20.40%	20.40%
DAE (as % of Net PPE&E)	15.79%	14.92%	16.17%	15.63%	15.63%	15.63%	15.63%
Base				15.63%	15.63%	15.63%	15.63%
Bull				15.63%	15.63%	15.63%	15.63%
Bear				19.63%	19.63%	19.63%	19.63%
Gross Margin (as % of Sales)	1.55%	1.51%	2.56%	1.87%	1.87%	1.87%	1.87%
Base				1.87%	1.87%	1.87%	1.87%
Bull				1.37%	1.37%	1.37%	1.37%
Bear				2.37%	2.37%	2.37%	2.37%
Interest Income (as % of Sales)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Base				0.00%	0.00%	0.00%	0.00%
Bull				0.50%	0.50%	0.50%	0.50%
Bear				0.00%	0.00%	0.00%	0.00%
Income/(Loss) From Affiliates (as % of S)	0.00%	0.00%	0.00%	0.80%	0.80%	0.80%	0.80%
Base				0.80%	0.80%	0.80%	0.80%
Bull				1.30%	1.30%	1.30%	1.30%
Bear				0.50%	0.50%	0.50%	0.50%
Days Sales Outstanding	99.9x	80.7x	93.5x	91.3x	91.3x	91.3x	91.3x
Base				91.3x	91.3x	91.3x	91.3x
Bull				71.3x	71.3x	71.3x	71.3x
Bear				111.3x	111.3x	111.3x	111.3x
Days Sales of Inventory	175.1x	189.9x	146.5x	150.8x	159.8x	159.8x	159.8x
Base				159.8x	159.8x	159.8x	159.8x
Bull				149.8x	149.8x	149.8x	149.8x
Bear				169.8x	169.8x	169.8x	169.8x
Days Payable Outstanding (A/P)	182.0x	136.9x	108.1x	142.3x	142.3x	142.3x	142.3x
Base				142.3x	142.3x	142.3x	142.3x
Bull				137.3x	137.3x	137.3x	137.3x
Bear				172.3x	172.3x	172.3x	172.3x
Days Payable Outstanding (Accrued)	#REF!	#REF!	#REF!	7.0x	6.0x	5.0x	5.0x
Base				10.0x	10.0x	10.0x	10.0x
Bull				15.0x	15.0x	15.0x	15.0x
Bear				7.0x	7.0x	7.0x	7.0x
Deferred Tax Assets (Curr.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Base				\$ -	\$ -	\$ -	\$ -
Bull				\$ -	\$ -	\$ -	\$ -
Bear				\$ -	\$ -	\$ -	\$ -
Other Current Assets	\$ 0.64	\$ 1.00	\$ 4.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73
Base				\$ 4.73	\$ 4.73	\$ 4.73	\$ 4.73
Bull				\$ 4.73	\$ 4.73	\$ 4.73	\$ 4.73
Bear				\$ 4.73	\$ 4.73	\$ 4.73	\$ 4.73
Uncashed Revenue	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Base				#REF!	#REF!	#REF!	#REF!
Bull				#REF!	#REF!	#REF!	#REF!
Bear				#REF!	#REF!	#REF!	#REF!
Other Current Liabilities	\$ 14.87	\$ 38.57	\$ 38.86	\$ 38.86	\$ 38.86	\$ 38.86	\$ 38.86
Base				\$ 38.86	\$ 38.86	\$ 38.86	\$ 38.86
Bull				\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Bear				\$ 14.87	\$ 14.87	\$ 14.87	\$ 14.87
Dividend Growth Rate	-	#DIV/0!	#DIV/0!	1.00%	1.00%	1.00%	1.00%
Base				1.00%	1.00%	1.00%	1.00%
Bull				2.00%	2.00%	2.00%	2.00%
Bear				0.00%	0.00%	0.00%	0.00%

Balance Sheet for Camtek Ltd

(Dollars in Millions unless stated)

	Historical Year Ending December 31,				Projected Year Ending December 31,			
	2020	2021	2022	2023	2024	2025	2026	2027
Current Assets								
Short-Term Investments - Total	\$ 72.0	\$ 156.0	\$ 251.5	\$ 251.5	# \$ 251.5	# \$ 251.5	# \$ 251.5	# \$ 251.5
Cash & Equivalents	\$ 105.8	\$ 241.9	\$ 148.2	\$ 148.2	\$ 148.2	\$ 148.2	\$ 148.2	\$ 148.2
Total Cash & ST Investments	\$ 177.8	\$ 397.9	\$ 399.7	\$ 399.7	# \$ 399.7	# \$ 399.7	# \$ 399.7	# \$ 399.7
Accounts Receivables	\$ 43.3	\$ 60.5	\$ 83.2	\$ 130.5	\$ 209.1	\$ 335.0	\$ 416.2	\$ 457.8
Inventory	\$ 39.7	\$ 58.8	\$ 65.5	\$ 115.9	\$ 185.7	\$ 297.6	\$ 369.7	\$ 406.7
Prepaid Expenses	\$ 0.5	\$ 2.0	\$ 3.8	\$ 3.8	\$ 3.8	\$ 3.8	\$ 3.8	\$ 3.8
Restricted Cash	\$ 1.1	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3
Deferred Tax Assets, Curr.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Assets	\$ 0.6	\$ 1.0	\$ 4.7	\$ 4.7	\$ 4.7	\$ 4.7	\$ 4.7	\$ 4.7
Total Current Assets	\$ 263.0	\$ 521.4	\$ 558.3	\$ 655.9	\$ 804.3	\$ 1,042.1	\$ 1,195.4	\$ 1,274.0
Gross Property, Plant & Equipment	\$ 36.0	\$ 43.3	\$ 54.0	\$ 62.4	\$ 70.9	\$ 79.6	\$ 88.4	\$ 97.4
Accumulated Depreciation	\$ (15.6)	\$ (17.9)	\$ (20.9)	\$ (27.1)	\$ (34.3)	\$ (35.4)	\$ (43.8)	\$ (46.5)
Net Property, Plant & Equipment	\$ 20.4	\$ 25.4	\$ 33.1	\$ 35.3	\$ 36.6	\$ 44.2	\$ 44.6	\$ 50.9
Liabilities								
Trade Accounts Payable & Accruals - Short-Ter	\$ 41.8	\$ 50.3	\$ 48.3	\$ 103.2	\$ 103.2	\$ 165.3	\$ 265.0	\$ 329.2
Trade Accounts & Trade Notes Payable - Short-	\$ 27.2	\$ 33.6	\$ 31.7					
Accrued Expenses - Short-Term	\$ 14.6	\$ 16.8	\$ 16.7					
Curr. Portion of Leases	\$ 0.7	\$ 1.0	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3
Other Current Liabilities	\$ 14.9	\$ 38.4	\$ 38.9	\$ 38.9	\$ 38.9	\$ 38.9	\$ 38.9	\$ 38.9
Total Current Liabilities	\$ 57.4	\$ 89.7	\$ 88.5	\$ 143.3	\$ 143.3	\$ 205.5	\$ 305.1	\$ 369.3

	Revenue	
China	141959	44%
APAC	63455	20%
US	54741	17%
Korea	43256	13%
Europe	17498	5%
	320909	



Income Statement for Camtek Ltd

(Dollars in Millions unless stated)

	Historical Year Ending December 31,				Projected Year Ending December 31,			
	2020	2021	2022	2023	2024	2025	2026	2027
Revenue								
Revenue	\$ 155.9	\$ 269.7	\$ 320.9	\$ 514.3	\$ 824.1	\$ 1,320.6	\$ 1,640.5	\$ 1,804.6
Total Revenues	\$ 155.9	\$ 269.7	\$ 320.9	\$ 514.3	\$ 824.1	\$ 1,320.6	\$ 1,640.5	\$ 1,804.6
Cost of Good Sold	\$ (82.6)	\$ (132.3)	\$ (161.1)	\$ (261.0)	\$ (418.3)	\$ (670.3)	\$ (832.7)	\$ (916.0)
Gross Profit	\$ 73.2	\$ 137.3	\$ 159.9	\$ 253.2	\$ 405.8	\$ 650.3	\$ 807.9	\$ 888.6
Selling General & Admin Exp. (Unclassified)	\$ (31.0)	\$ (43.0)	\$ (49.5)	\$ (77.5)	\$ (124.1)	\$ (198.9)	\$ (247.1)	\$ (271.8)
Research & Development Expense	\$ (19.6)	\$ (23.5)	\$ (28.9)	\$ (45.2)	\$ (72.4)	\$ (116.0)	\$ (144.1)	\$ (158.5)
Selling General & Admin Exp. Total	\$ (50.6)	\$ (66.4)	\$ (78.4)	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Income	\$ 22.6	\$ 70.9	\$ 81.5	\$ 130.6	\$ 209.3	\$ 335.4	\$ 416.6	\$ 458.3
Interest Expense	\$ 1.3	\$ 1.4	\$ 8.7	\$ 8.7	\$ 8.7	\$ 8.7	\$ 8.7	\$ 8.7
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income / (Loss) From Affiliates	\$ -	\$ -	\$ -	\$ 4.1	\$ 6.6	\$ 10.6	\$ 13.1	\$ 14.4
Currency Exchange Gains (Loss)	\$ (0.4)	\$ 0.1	\$ (0.4)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)
Other Non-Operating Inc. (Exp.)	\$ (0.2)	\$ (0.4)	\$ (1.6)	\$ (0.7)	\$ (0.7)	\$ (0.7)	\$ (0.7)	\$ (0.7)
Asset Written down/Unusual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings Before Income Taxes	\$ 23.4	\$ 71.9	\$ 88.2	\$ 142.4	\$ 223.6	\$ 353.7	\$ 437.5	\$ 480.4
Income Taxes	\$ (1.6)	\$ (11.7)	\$ (8.2)	\$ (32.8)	\$ (51.4)	\$ (81.3)	\$ (100.6)	\$ (110.5)
Earnings after tax	\$ 21.8	\$ 60.3	\$ 80.0	\$ 109.7	\$ 172.2	\$ 272.3	\$ 336.8	\$ 369.9
Minority Int. in Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income	\$ 21.8	\$ 60.3	\$ 80.0	\$ 109.7	\$ 172.2	\$ 272.3	\$ 336.8	\$ 369.9
Supplemental Information								
	2020	2021	2022	2023	2024	2025	2026	2027
Diluted EPS	\$ 0.54	\$ 1.34	\$ 1.66	\$ 2.27	\$ 3.57	\$ 5.65	\$ 6.98	\$ 7.67
Dividends Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation & Amortization	\$ 3.2	\$ 3.8	\$ 5.4	\$ 6.2	\$ 7.2	\$ 8.3	\$ 9.6	\$ 11.1
EBITDA	\$ 26.8	\$ 76.2	\$ 84.9	\$ 140.0	\$ 222.1	\$ 353.3	\$ 438.4	\$ 482.9
CapEx	\$ (2.4)	\$ (4.1)	\$ (8.2)	\$ (8.4)	\$ (8.5)	\$ (8.7)	\$ (8.8)	\$ (9.0)
Net Working Capital	\$ 27.8	\$ 33.8	\$ 70.1	\$ 112.9	\$ 261.3	\$ 437.0	\$ 490.6	\$ 505.0
Change in Working Capital	\$ -	\$ 5.93	\$ 36.36	\$ 42.76	\$ 148.43	\$ 175.68	\$ 53.65	\$ 14.39
Margins & Growth								
	2020	2021	2022	2023	2024	2025	2026	2027
Margins								
Gross Margin	47.0%	50.9%	49.8%	49.2%	49.2%	49.2%	49.2%	49.2%
EBITDA Margin	17.2%	28.2%	26.5%	27.2%	27.0%	26.8%	26.7%	26.8%
Operating Margin	14.5%	26.3%	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%
Net Income Margin	14.0%	22.4%	24.9%	21.3%	20.9%	20.6%	20.5%	20.5%
Growth								
Revenue	73.0%	19.0%	60.2%	60.2%	60.2%	24.2%	10.0%	
Total Revenues	73.0%	19.0%	60.2%	60.2%	60.2%	24.2%	10.0%	
Cost of Goods Sold	60.1%	21.7%	62.1%	60.2%	60.2%	24.2%	10.0%	
Selling General & Admin Exp.	38.5%	15.2%	56.5%	60.2%	60.2%	24.2%	10.0%	
Depreciation & Amortization	17.7%	41.4%	15.6%	15.6%	15.6%	15.6%	15.6%	
EBITDA	184.5%	11.5%	64.9%	58.7%	59.1%	24.1%	10.1%	
Operating Income	213.4%	15.0%	60.2%	60.2%	60.2%	24.2%	10.0%	
Net Income	176.8%	32.6%	37.2%	57.0%	58.2%	23.7%	9.8%	
EPS	148.1%	23.9%	37.0%	57.0%	58.2%	23.7%	9.8%	

	2022 FCF
EBIT	\$ 81.5
Less: Tax	\$ (18.7)
NOPAT	\$ 62.8
Plus: D&A	\$ 5.36
Less: CapEx	\$ (8.20)
Less: NWC	\$ 36.4
FCF	\$ 96.3

Debt Capitalization for Camtek Ltd

(Dollars in Millions unless stated)

Debt Instrument	Amount	Maturity	Rate
Foreign Credit Lines	\$ 0.4		3.600%
Op. Lease	\$ 330.8		3.600%
Other Debt	\$ 3.1		0.00%
Noncurrent Liabilities	\$ 12.2		0.00%
Ryerson Credit Facility	\$ 398.0		6.300%
Total Debt	\$ 744.5	WACD	4.97%

Interest Expense Schedule

Security	Interest Payable					
	2023	2024	2025	2026	2027	
Foreign Credit Lines	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Op. Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Noncurrent Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ryerson Credit Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Interest Expense	\$ 439.57	\$ 472.38	\$ 502.17	\$ 551.23	\$ 608.96	

Debt Maturity Schedule

Security	2023	2024	2025	2026	2027
Foreign Credit Lines	\$ -	\$ -	\$ -	\$ -	\$ -
Op. Lease	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Noncurrent Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Ryerson Credit Facility	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt Outstanding	\$ -				

WACC Calculation for Camtek Ltd

WACC Calculation	
Cost of Equity	
Risk-Free Rate	4.30%
Market-Risk Premium	6.00%
Camtek Ltd Beta	1.42
Cost of Equity	12.82%
Cost of Debt	
Weighted Cost of Debt	4.97%
Effective Tax Rate	23.00%
Total Equity	\$ 2,812.5
Total Debt	\$ 295.0
Implied E/V	90.51%
Implied D/V	9.49%
Implied Debt/Equity	0.10x
WACC	11.97%

Discounted Cash Flows for Camtek Ltd

(Dollars in Millions unless stated)

	Projected Year Ending December 31 _s				
	2023	2024	2025	2026	2027
Operating Income	\$ 130.6	\$ 209.3	\$ 335.4	\$ 416.6	\$ 458.3
Less: Taxes	\$ (30.0)	\$ (48.1)	\$ (77.1)	\$ (95.8)	\$ (105.4)
NOPAT	\$ 100.6	\$ 161.2	\$ 258.2	\$ 320.8	\$ 352.9
Plus: Depreciation & Amortization	\$ 6.2	\$ 7.2	\$ 8.3	\$ 9.6	\$ 11.1
Less: CapEx	\$ (8.4)	\$ (8.5)	\$ (8.7)	\$ (8.8)	\$ (9.0)
Less: Change in NWC	\$ (42.8)	\$ (148.4)	\$ (175.7)	\$ (53.6)	\$ (14.4)
Plus: Terminal Value					\$ 3,912.45
Unlevered Free Cash Flow	\$ 55.6	\$ 11.4	\$ 82.2	\$ 267.9	\$ 340.6
WACC	11.97%				
PV of Unlevered FCF	\$ 55.6	\$ 10.2	\$ 65.6	\$ 190.9	\$ 216.7
PV of Terminal Value					\$ 2,489.4
Cumulative PV of FCF	\$ 55.6	\$ 65.8	\$ 131.4	\$ 322.2	\$ 3,028.4
Non-operating Assets	\$ 399.7				
Minority Interest	\$ -				
Implied Enterprise Value	\$ 3,428.0				
Total Debt	\$ 295.0				
Minority Interest & Preferred	\$ -				
Equity Value	\$ 3,133.04				
Total Diluted Shares	48.2				
Implied Value per Share	\$ 64.96				

Terminal Value Calculation

2027 EBITDA	\$ 482.87
EBITDA Multiple	10.47x
Terminal Value	\$ 5,053.65
2027 FCF	\$ 340.6
Growth	3.00%
WACC	11.97%
Terminal Value	\$ 3,912.45

Sensitivity Analysis

Discount Rate	PV Planning Period	PV Terminal Value - Gordon Growth			Enterprise Value - Gordon Growth			Implied Price Per Share - Gordon Growth		
		2.5%	3.0%	3.5%	2.5%	3.0%	3.5%	2.5%	3.0%	3.5%
11.0%	\$498.7	\$2,719.5	\$2,904.3	\$3,113.8	\$3,617.8	\$3,802.6	\$4,012.2	\$75.01	\$78.84	\$83.19
11.5%	\$489.9	\$2,522.1	\$2,684.1	\$2,866.4	\$3,411.7	\$3,573.6	\$3,756.0	\$70.74	\$74.10	\$77.88
12.0%	\$481.3	\$2,346.5	\$2,489.4	\$2,649.3	\$3,227.5	\$3,370.4	\$3,530.3	\$66.92	\$69.88	\$73.20
12.5%	\$473.0	\$2,189.4	\$2,316.3	\$2,457.3	\$3,062.1	\$3,188.9	\$3,330.0	\$63.49	\$66.12	\$69.04
13.0%	\$464.8	\$2,048.1	\$2,161.4	\$2,286.6	\$2,912.6	\$3,025.9	\$3,151.1	\$60.39	\$62.74	\$65.33

Discount Rate	PV Planning Period	PV Terminal Value - EBITDA Multiple			Enterprise Value - EBITDA Multiple			Implied Price Per Share - EBITDA Multiple		
		10.0x	10.5x	11.0x	10.0x	10.5x	11.0x	10.0x	10.5x	11.0x
11.0%	\$498.7	\$3,173.8	\$3,333.0	\$3,492.3	\$4,072.1	\$4,231.4	\$4,390.6	\$84.43	\$87.73	\$91.03
11.5%	\$489.9	\$3,117.2	\$3,273.6	\$3,430.0	\$4,006.8	\$4,163.2	\$4,319.6	\$83.08	\$86.32	\$89.56
12.0%	\$481.3	\$3,061.9	\$3,215.6	\$3,369.2	\$3,942.9	\$4,096.6	\$4,250.2	\$81.75	\$84.94	\$88.12
12.5%	\$473.0	\$3,007.9	\$3,158.8	\$3,309.7	\$3,880.5	\$4,031.4	\$4,182.3	\$80.46	\$83.59	\$86.72
13.0%	\$464.8	\$2,955.0	\$3,103.2	\$3,251.5	\$3,819.4	\$3,967.7	\$4,116.0	\$79.19	\$82.27	\$85.34

\$79.19

\$83.19

Comparable Companies Analysis for Camtek Ltd

(Dollars in Millions except share price & EPS)

1,000,000

Camtek Ltd

CAMT

Inputs for Comparable Companies Analysis						LTM Financials			NTM Financials			EV Weight
Company	Price	Shares	Mkt Cap	Net Debt	Enterprise Value	LTM Revenue	LTM EBITDA	LTM EPS	NTM Revenue	NTM EBITDA	NTM EPS	
Onto Innovation Inc	\$134.76	49.1	0.0	-547.8	2,823.8	897.4	241.8	\$3.67	1,005.9	334.2	\$4.36	0.6%
Applied Materials Inc	\$140.29	836.5	0.1	3,081.0	80,268.0	26,543.0	8,198.5	\$7.90	29,001.6	9,189.8	\$8.99	15.9%
Tokyo Electron Ltd	\$130.19	471.6	0.1	-3,463.2	53,506.4	15,444.3	4,418.4	\$4.44	17,795.8	5,495.9	\$5.65	10.6%
Teradyne Inc				12,761								2.5%
Axcelis Technologies Inc				2,221								0.4%
Broadcom Inc				227,833								45.0%
Intel Corp				125,462								24.8%
Veeco Instruments Inc				928								0.2%
Camtek Ltd	\$63.33	44.7	0.0	-203.9	770.8	310.4	69.8	\$1.86	339.8	69.8	\$2.13	

Comparable Companies Analysis					
Valuation					
Company	EV/LTM Revenue	EV/LTM EBITDA	LTM P/E	EV/NTM Revenue	EV/NTM EBITDA
Onto Innovation Inc	3.1	11.7	36.8		
Applied Materials Inc	3.0	9.8	17.7		
Tokyo Electron Ltd	3.5	12.1	29.3		
Teradyne Inc	13.3				
Axcelis Technologies Inc	9.9				
Broadcom Inc	11.8				
Intel Corp	7.4				
Veeco Instruments Inc	10.8				

Camtek Ltd	2.5	11.0	34.0	
Max	3.5	12.1	36.8	
Median	3.1	11.7	29.3	
Weighted Mean	0.9	10.5	6.1	
Min	3.0	9.8	17.7	

Implied Valuation					
	LTM Revenue	LTM EBITDA	LTM EPS	NTM Revenue	NTM EBITDA
Camtek Ltd	\$310.38	\$69.76	\$1.86	\$514.25	\$139.97

Implied Enterprise Values					
	LTM Revenue	LTM EBITDA	LTM EPS	NTM Revenue	NTM EBITDA
Max	\$1,075.30	\$844.80	\$68.53	\$1,781.62	\$1,694.99
Median	\$976.72	\$814.56	\$54.66	\$1,618.28	\$1,634.32
Weighted Mean	\$268.16	\$730.11	\$11.42	\$444.30	\$1,464.88
Min	\$938.61	\$683.01	\$33.09	\$1,555.14	\$1,370.36

Implied Equity Value					
	LTM Revenue	LTM EBITDA	LTM EPS	NTM Revenue	NTM EBITDA
Max	\$1,279.22	\$1,048.72	\$272.45	\$1,985.54	\$1,898.91
Median	\$1,180.64	\$1,018.48	\$258.58	\$1,822.20	\$1,838.23
Weighted Mean	\$472.07	\$934.03	\$215.33	\$648.21	\$1,668.80
Min	\$1,142.53	\$886.93	\$237.01	\$1,759.06	\$1,574.28

Implied Diluted Price / Share					
	LTM Revenue	LTM EBITDA	LTM EPS	NTM Revenue	NTM EBITDA
Max	\$28.61	\$23.45	\$6.09	\$44.40	\$42.46
Median	\$26.40	\$22.78	\$5.78	\$40.75	\$41.11
Weighted Mean	\$10.56	\$20.89	\$4.82	\$14.50	\$37.32
Min	\$25.55	\$19.83	\$5.30	\$39.34	\$35.20



Template: Capital IQ Default Comps
 Currency: US Dollar
 As Of Date: Oct-05-2023

Company Comp Set

	Prev Close Price (USD)	Shares Outstanding (Lkshs)	Market Capitalization (Lkshs)	LTM Net Debt	LTM Total Prod. Equity	LTM Minority Interest	Total Enterprise Value (Lkshs)	LTM Earnings (USD)	LTM Earnings Date	LTM Total Revenue	LTM EBITDA	LTM EPS	LTM Diluted EPS Excl. Extras	NTM Revenue (Current \$)	NTM EBITDA (Current \$)	NTM EPS (\$ Current \$)
Worthington Industries, Inc. (NYSE:WOR)	59.81	50.0	2,988.4	347.6	-	127.29	3,463.3	21.43	Oct-04-2023	4,701.0	366.8	253.7	0.82	4,436.62	444.93	5.09
ATI Inc. (NYSE:ATI)	39.63	128.6	5,095.8	1,005.2	-	115.2	6,716.2	7.52	Aug-02-2023	4,126.5	558.7	409.1	1.85	4,349.35	656.26	2.56
Schmitz Steel Industries, Inc. (NasdaqGS:RDU8)	20.87	27.5	729.2	464.8	-	3.58	1,205	2.02	Aug-05-2023	1,034	16.5	0.37	2,800.75	169.75	1.39	
Nucor Corporation (NYSE:NUE)	155.43	248.7	38,007.7	1,450.3	-	927.25	41,344.4	51.55	Aug-05-2023	37,457.9	831.3	7,592.1	21.65	32,590.07	5,771.43	13.52
Hangzhou Iron & Steel Co.,Ltd. (SHSE:600126)	0.57	3,377.2	1,919.6	(1,193.2)	-	0.97	1,727.4	0.73	Aug-25-2023	5,925.6	66.3	(82.1)	-	-	-	-
Yenglin Technology Group Co.,Ltd. (SHSE:603995)	2.81	381.4	1,072.4	138.1	-	114.56	1,325.0	1.71	Aug-15-2023	4,919.2	145.5	91.9	0.15	5,324.98	201.75	0.19
Swiss Steel Holding AG (SWX:STLN)	0.12	3,058.6	362.6	990.4	-	6.95	1,374.6	0.16	Aug-10-2023	3,963.0	60.2	(14.1)	(0.04)	15,955.94	5.2	-
United States Steel Corporation (NYSE:X)	33.0	223.0	7,357.8	1,300.0	-	93.0	8,799.8	41.75	Jul-06-2023	19,010.0	2,460.0	1,620.0	1.41	1,414.27	2,141.43	2.13
Reliance Steel & Aluminum Co. (NYSE:RS)	258.44	58.6	16,533.5	548.9	-	9.9	16,533.9	76.93	Aug-05-2023	16,703.8	2,271.4	2,027.7	25.25	15,849.0	1,710.11	17.97
Castrol Lubricants International (NYSE:CRS)	65.39	48.8	3,194.2	701.2	-	-	3,895.4	23.15	Aug-11-2023	2,590.3	237.8	123.1	1.14	3,000.3	433.43	3.64
Camtek Ltd.	28.78	34.4	989.7	709.1	-	8.1	1,706.9	19.19	Ju-31-2023	5,580.9	262.0	202.2	3.12	5,005.55	241.18	3.19

Displaying 11 Companies.

Values converted at today's spot rate.
 Companies are sorted by S&P Capital IQ's proprietary relevancy score.

Historical Equity Pricing Data supplied by Interactive Data Pricing and Reference Data LLC
