

MKS Instruments

USF SMIF

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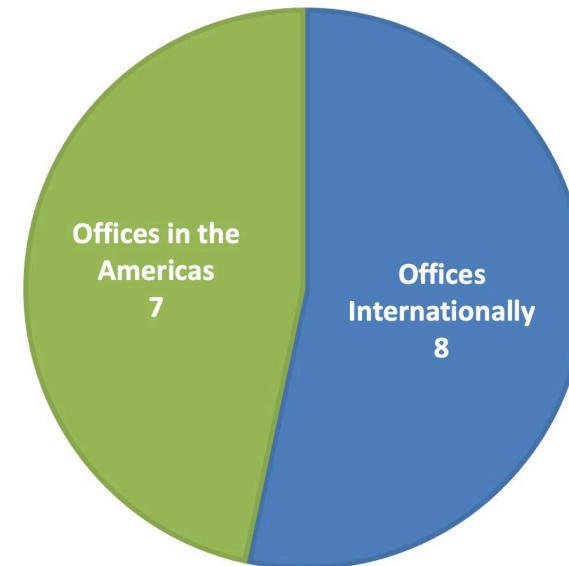
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Company Overview



MKS Instruments (Nasdaq: MKSI) is a global provider of measuring and controlling devices used in advanced manufacturing processes. They also provide services related to their products including installation, maintenance, repair and training. Primary industries are semiconductor, healthcare, research and defense.

- **Founded:** 1961
- **IPO Date:** Mar 26, 1999
- **Headquarters:** Andover, Massachusetts
- **Offices:** 15 offices
- **Employees:** 6,400



Executive Teams



James A. Schreiner
COO

Tenure: 9.2019 – Present

Compensation: \$1.52 million

- Joined MKSI in 2019
- 30 years of operations, management, and engineering experience.



John T.C. Lee
CEO

Tenure: 01.2020 – Present

Compensation: \$6.12 million

- Joined MKSI in 2007



Seth H. Bagshaw
CFO

Tenure: 05.2017 – Present

Compensation: \$3.38 million

- Joined MKSI in 2010

Products

MKS Instruments has a very wide range of products that they provide to many manufacturers to help aid the semiconductors sector of technology. Being that technology is growing so rapidly in the 21st century, and a need for compatible technology for machinery is at an all-time high, MKS Instruments steps up to the plate to be able to provide instruments for products such as:

- Capacitance Manometers
- Mass Flow. Controllers & Meters.
- Baratron® Capacitance. Manometers.
- Granville-Phillips® Vacuum Gauges.
- Gas Analyzers.
- Vacuum Flanges & Fittings.
- RF & Microwave. Generators.

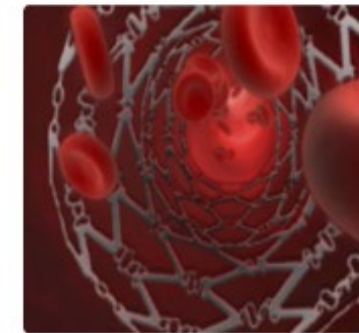
Market Solutions



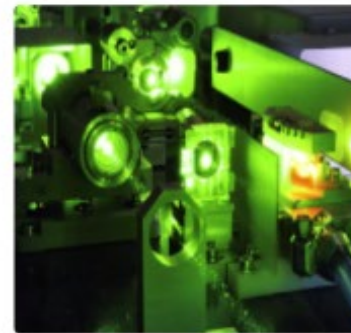
Semiconductor



Industrial Technologies



Life & Health Sciences



Research & Defense

Key Financials



Recommendation: BUY

Price as of 04/18/2022: \$114.99

Sector: Semiconductor

Industry: Semiconductor Equipment

Market Cap: 6.58B

Beta: 1.44

P/E: 11.61x

Forward P/E: 9.15

Dividend Yield: 0.72%

2 Year Target Price: \$175.00

Credit Rating: BB+



Potential Technology & Equipment Breakthrough With Higher Operation Efficiency

- Completed acquisition of Photon Control Inc. & upcoming acquisition of Atotech Ltd
- A significant increase in intangible asset amortization including 682 U.S. patents, 1656 foreign patents, and 90 pending U.S. patent applications with the biggest budget allocation for research & development in this year
- A decrease in interest income to fund acquisitions and internal projects from 3 to 30 months

High Demand From Partners' Orders With Diversified Product Lines

- Leading semiconductor manufacturers such as Applied Materials, Inc., and Lam Research Corporation

Stable Past and Expected Performance While Being Undervalued

- Consistent gross margin of above 40% and increasing dividend growth of 10%
- Higher YoY revenue quarterly growth compared to the industry

Competitors



Lam Research Company (NASDAQ: LRCX) Price: \$476.00

- Engages in manufacturing and servicing of wafer processing semiconductor manufacturing equipment, operates internationally
- Provides manufacturing equipment to companies such as, Intel, Samsung Electronics, and Micron Technology. Average margin of 24.4%



Applied Materials Inc. (NASDAQ: AMAT) Price: \$116.95

- Semiconductor manufacturer that provides integrated solutions to optimize equipment.
- Creates products for manufacturing liquid crystal and OLED displays for televisions, smartphones, and equipment upgrades. Average margin of 45.27%



Cohu Inc. (NASDAQ: COHU) Price: \$36.08

- Provides semiconductor test equipment and services internationally.
- Offers test equipment for wafer level and device package testing for medical equipment, as well as for electronic manufactures
- Average margin of 18.86%



Financial Competitors



- MKS Instruments is in a strong position with a P/E ratio of 11.61x as of 4/18/2022. Given that the higher P/E ratios can normally be a bad thing, MKS Instruments has a lower P/E ratio than 60% of the industry.
- Compared to other companies such as *Lam Research Company* and *Applied Materials Inc.*, who make up about 27% of MKS Instrument's net revenue, these company's financials can be compared to MKS Instruments as inferior in terms of key financial ratios, and MKS continues to win.

Company	Fiscal Year ending 2021				
	EV/Earnings	EV/EBITDA	EV/EBIT	P/E	Debt/EBITDA
<u>MKS Instruments</u>	12.65	8.77	10.09	12.71	1.29
Lam Research Company	14.95	12.50	13.28	15.46	0.91
Cohu Inc.	6.33	4.26	5.33	7.76	0.56
Applied Materials Inc.	16.37	13.26	13.95	16.96	0.67
Entegris Inc.	39.62	24.62	31.16	38.32	1.51
Trio-Tech International	21.85	4.43	12.88	28.86	1.14
Average	18.63	11.31	14.45	20.01	1.01
Median	15.66	10.64	13.08	16.21	1.03

Advantages Over Competitors

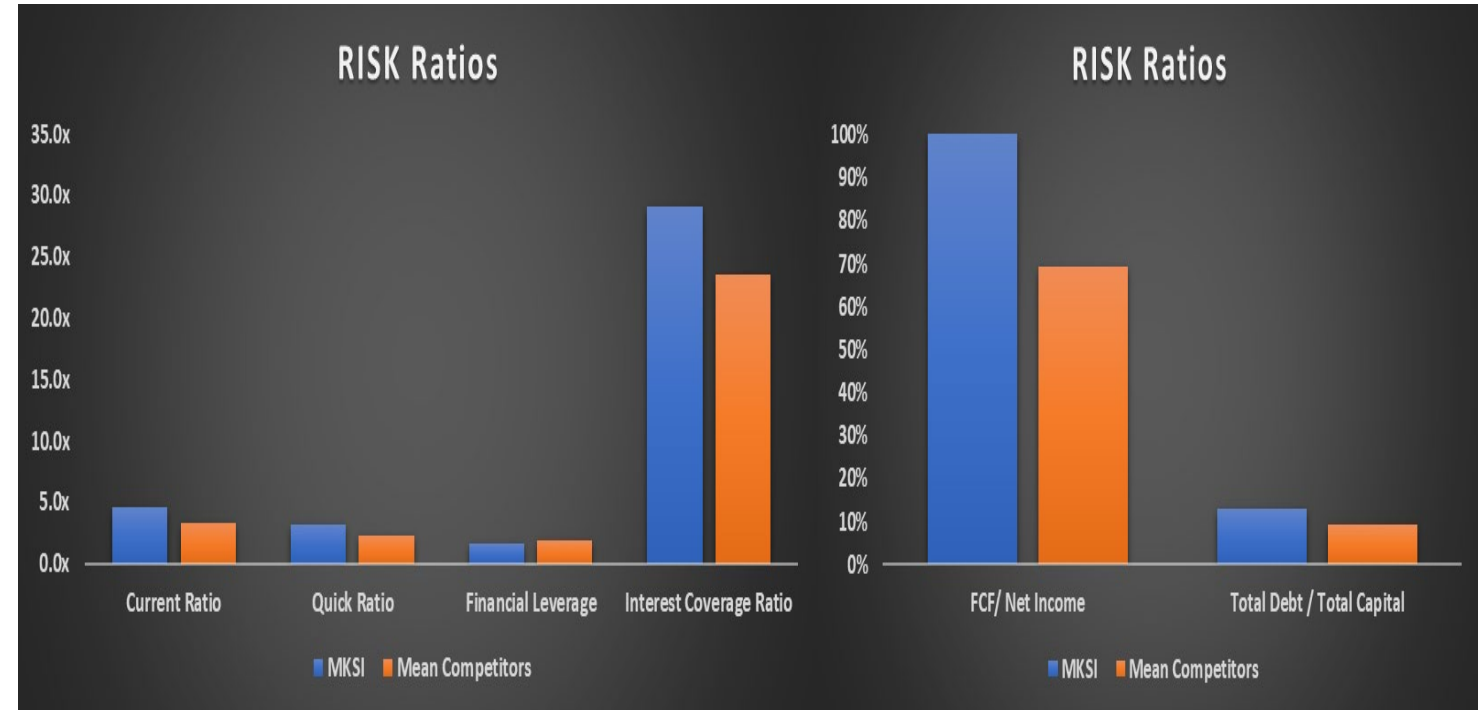


- **Lowest PE Ratio**
 - 12.71 against 16.28 (AMAT) and 14.85 (LRCX)
- **Lowest PB Ratio**
 - 2.43 against 11.32 (LRCX) and 8.91 (AMAT)
- **Lowest PS Ratio**
 - 2.31 against 4.34 (AMAT) and 4.09 (LRCX)
- **Highest 5-year Average Growth Rate (2016 – 2021)**
 - 25.39% against 20.94% (AMAT) and 19.97% (LRCX)
- **Highest ROE Since Q4 2021**
 - 22.27% against 3.63% (AMAT) and 17.68% (LRCX)

Ratios

➤ Historical Risk Ratios:

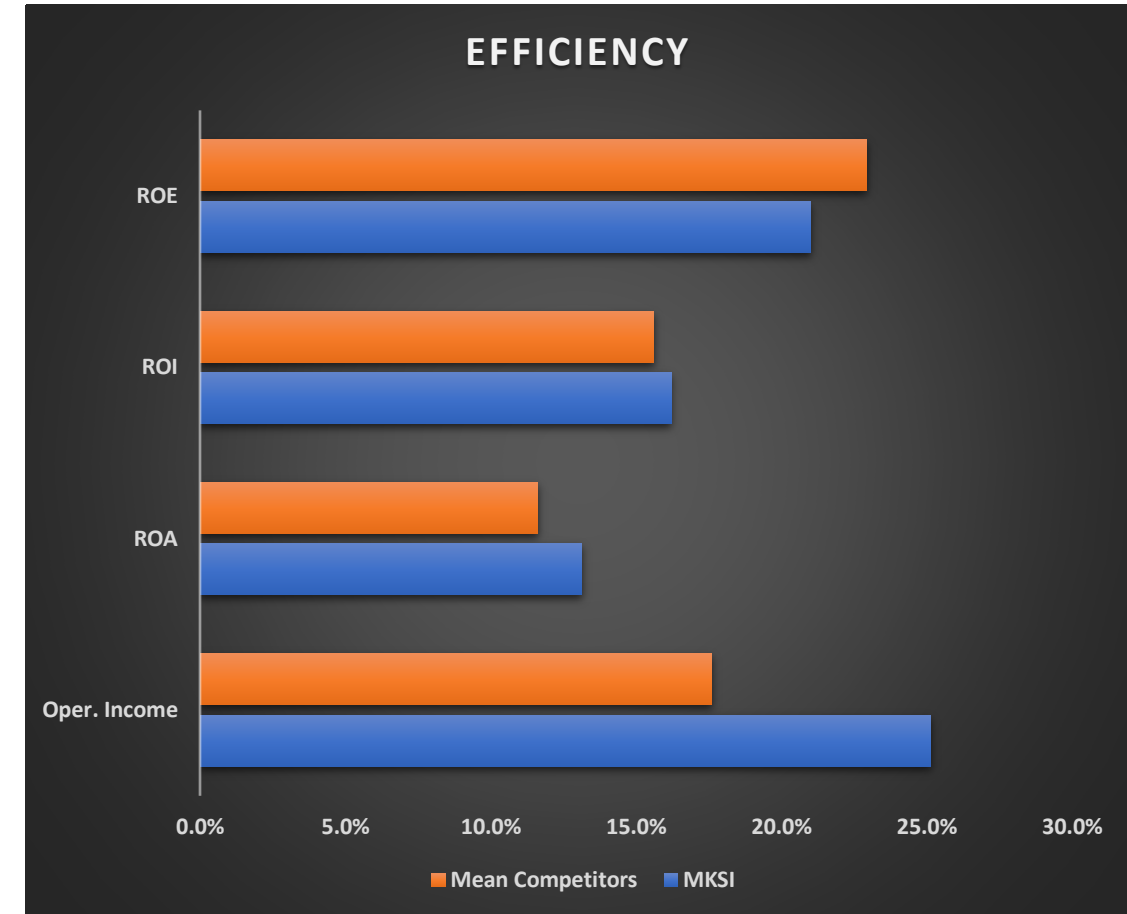
- Current ratio above 4.3x since 2015
- Quick ratio was 3.2x vs 2.27 the mean of its competitors
- Interest Coverage Ratio was 29.13, greater than its competitors mean, 23.56.
- FCF/ NI was 100.3% versus 69% MKS Instrument Competitors mean.



Ratios

➤ Historical Efficiency Ratios:

- MKS Instruments Profit Margin is above 44% in the past 5 years.
- Operating Income was 25.1% versus 17.6% MKS Instrument Competitors' mean.
- ROA was 13.1% versus 11.6% competitors' mean.
- ROI was 16.2% versus 15.6% competitors' mean.
- However, the company ROE was 21%, 1.9% below the mean of its competitors.



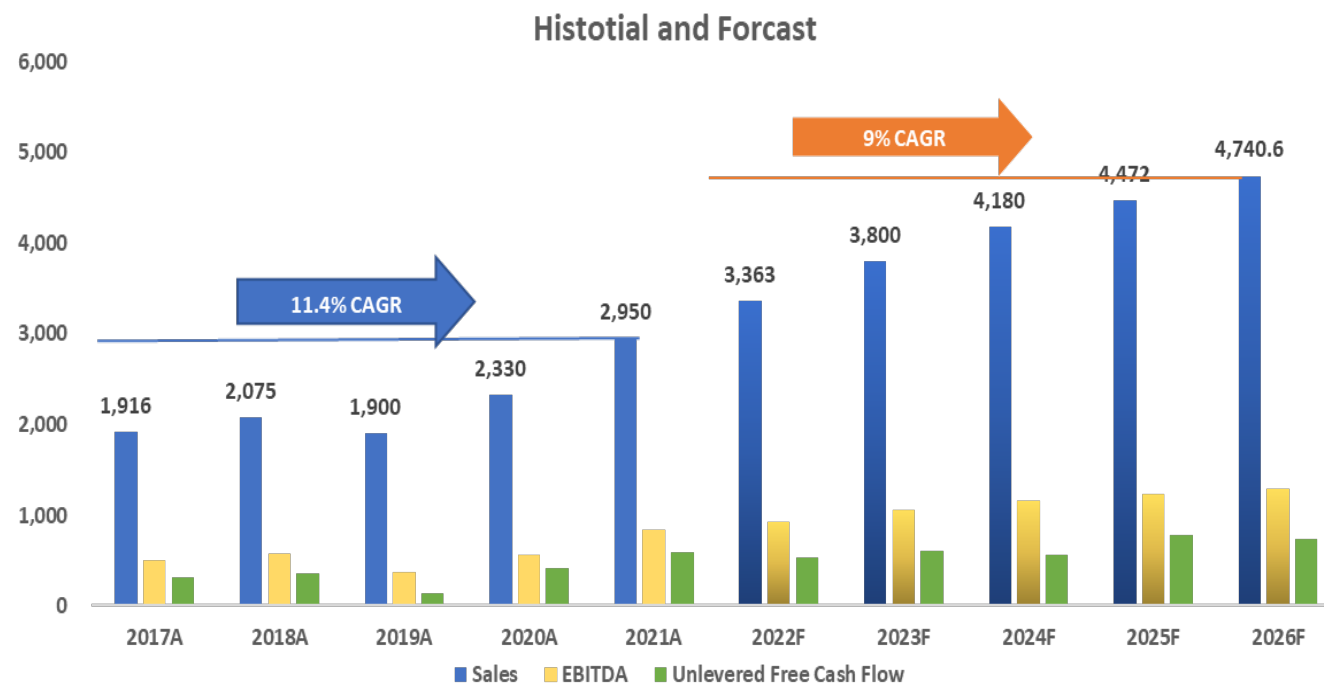
Valuation

➤ Discounted Cash Flow:

- Enterprise Value after valuation is \$8,789.8 Billion.
- Terminal Value is \$10,308.8 Billion.
- Implied EV/EBITDA is 10.4x.
- Implied MKS Instrument Share Price is \$ 168.73.

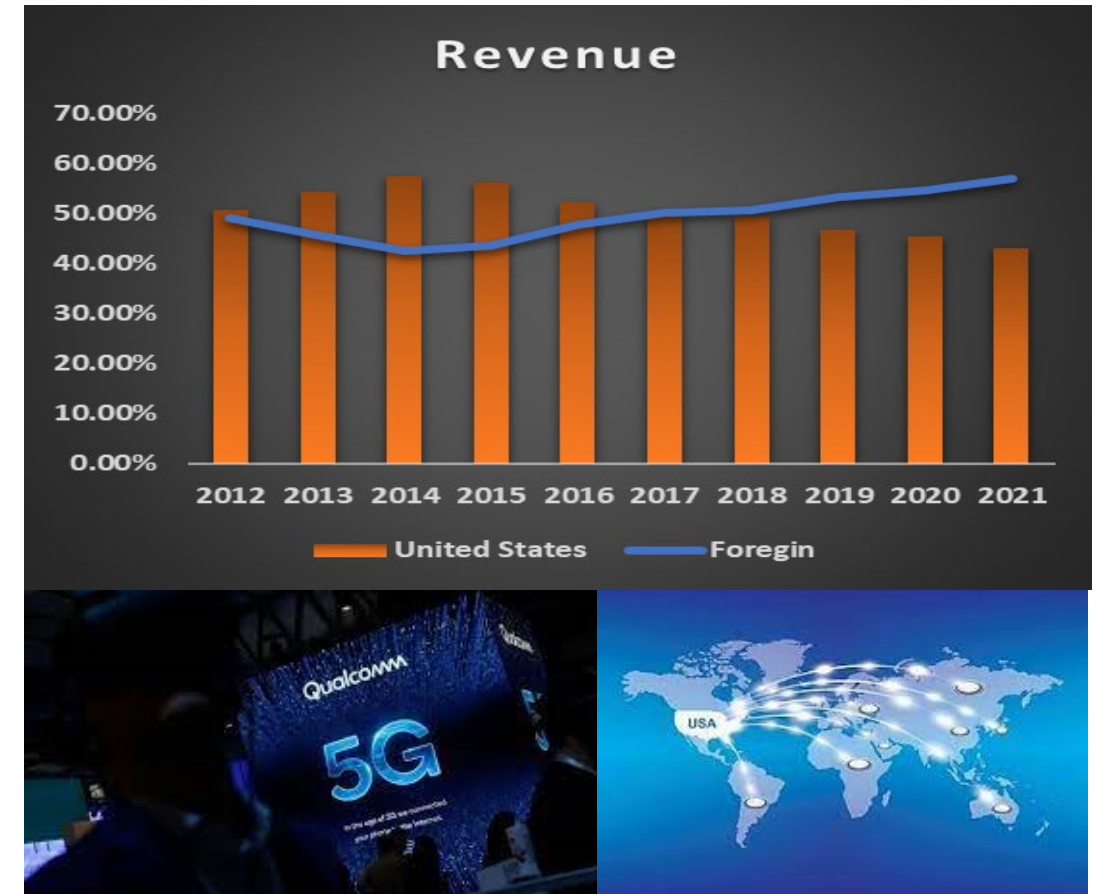
➤ Revenue

- Increased from \$1.9 billion to 2.9 billion from 2017 to 2021.
- Historical compound annual growth rate was 11.4% and 9.2% from 2022 to 2026.
- EBITDA CAGR from 2017 to 2021 was 13.7%, expected to be 8.5% in the next 5 years.
- Unleveraged Cash Flow CAGR was 17.2% and expected to be 11% in the next 5 years.



International Market

- **International Market:** More than 80% of the U.S. semiconductor companies' sales are to overseas customers.



Acquisition



July 1, 2021: Implementation Agreement to acquire Atotech Ltd (ATC), a chemicals technology company operating in two segments, Electronics (EL) and General Metal Finishing (GMF).

Agreeing to pay \$16.20 per share in cash and 0.0552 of share of our common stock for each outstanding common with the total acquisition cost of approximately \$5.1 billion.

J.P.Morgan



Economic Outlook



- The semiconductor sector's 2022 sales may keep increasing despite oil sanction & interest rate hike.
- Oil Price won't be a drag on chip demand despite the compression of household disposal income.
- Semiconductor inventory still insufficient with the US government support and new factory buildings.

International/Regulatory Risk:

- The Atotech acquisition has received approval from 12 out of 13 global antitrust regulatory authorities, with China the last remaining approval.
- MKS extends the date for ATC's acquisition to September 30, from March 31 in 2022, allowing additional time for the regulatory approval from China.

Interest Rate Risk:

- Although interest rate risk is systematic risk, the company is dealing with many international clients especially Japanese clients, thus, diversifying geographically and reducing the effect of interest rate hike.
- ATC acquisition will bring new patent assets and revenue to the firm, which outweighs the interest rate paid for the debt used to finance this acquisition.

Market/Volatility Risk:

- Although the U.S. semiconductor industry ranks second out of 288 U.S. manufacturing industries for competitiveness, MKSI is expanding their product lines to industrial technologies, life and health sciences, research, and defense to hedge the risk.

Q & A

APPENDICES

Discounted Cash Flows



Discounted Cash Flows	2017A	2018A	2019A	2020A	2021A	('17 - '21)	2022F	2023F	2024F	2025F	2026F	('22 - '26)
Fiscal Year end date	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	CAGR	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	CAGR
Sales	1,916.0	2,075.1	1,899.8	2,330.0	2,949.6	11.4%	3,362.5	3,799.7	4,179.6	4,472.2	4,740.6	9.0%
COGS	1,024.5	1,095.6	1,069.3	1,280.5	1,569.4	11.3%	1,815.7	2,051.8	2,256.9	2,414.9	2,559.8	9.0%
Gross Profit	891.5	979.5	830.4	1,049.5	1,380.2	11.5%	1,546.8	1,747.9	1,922.7	2,057.3	2,180.7	9.0%
R&D	132.6	135.7	164.1	173.1	200.0	10.8%	231.1	256.7	285.1	316.7	351.8	11.1%
Total Depreciation & Amortization	82.6	79.8	110.0	99.2	104.1	6.0%	111.8	120.1	129.0	138.5	148.8	7.4%
Amort. of Goodwill and Intangibles	45.7	43.5	67.4	55.2	55.3	4.9%	58.0	60.8	63.8	66.9	70.2	4.9%
SG&A	290.5	298.1	330.3	353.1	385.1	7.3%	439.0	496.1	545.7	583.9	618.9	9.0%
EBITDA	505.2	582.0	378.6	567.3	843.9	13.7%	930.5	1,054.4	1,157.1	1,228.3	1,288.6	8.5%
EBITDA Growth %		15%	-35%	50%	49%		10%	13%	10%	6%	5%	
Depreciation & Amortization	82.6	79.8	110.0	99.2	104.1		111.8	120.1	129.0	138.5	148.8	
EBIT	422.67	502.18	268.62	468.10	739.80	15.0%	818.7	934.3	1028.1	1089.8	1139.8	8.6%
% margin	22.1%	24.2%	14.1%	20.1%	25.1%		24.3%	24.6%	24.6%	24.4%	24.0%	
Taxes	108.5	88.1	37.4	72.9	114.1		144.3	168.2	195.3	218.0	239.4	
EBIAT	314.2	414.1	231.2	395.2	625.7	18.8%	674.4	766.1	832.7	871.8	900.4	7.5%
Plus: Depreciation & Amortization	83	80	110	99	104		112	120	129	139	149	
Less: Capital Expenditures	(31)	(63)	(64)	(85)	(87)	29.0%	(98)	(129)	(167)	(215)	(237)	24.9%
Less: Increase in Net Working Capital	(52)	(77)	(137)	0	(51)		(152)	(159)	(239)	(16)	(69)	
Unlevered Free Cash Flow	\$313.7	\$353.5	\$140.4	\$409.9	\$592.0	17.2%	\$536.6	\$598.3	\$555.4	\$780.1	\$743.2	8.5%
WACC						10.5%						
Discount Period	0.5	1.5	2.5	3.5	3.5		0.5	1.5	2.5	3.5	3.5	
Discount Factor	0.95	0.86	0.78	0.71	0.71		0.95	0.86	0.78	0.71	0.71	
Present Value of Free Cash Flow	\$298.4	\$304.3	\$109.4	\$289.0	\$417.4	8.7%	\$510.5	\$515.1	\$432.7	\$550.0	\$524.0	0.7%
Assumptions						Average	Average					
Sales (% growth)	NA	8.3%	(8.4%)	22.6%	26.6%	12.3%	14.0%	13.0%	10.0%	7.0%	6.0%	10.0%
EBITDA Margin	26.4%	28.0%	19.9%	24.3%	28.6%	25.5%	27.7%	27.7%	27.7%	27.5%	27.2%	27.6%
COGS (% sales)	53.5%	52.8%	56.3%	55.0%	53.2%	54.1%	61.0%	61.0%	61.0%	61.0%	61.0%	61.0%
SG&A (% sales)	15.2%	14.4%	17.4%	15.2%	13.1%	15.0%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%
Depreciation & Amortization (% sales)	1.6%	3.0%	3.4%	3.6%	2.9%	2.9%	3.0%	3.1%	3.2%	3.4%	3.6%	3.2%
Tax (% EBIT)	25.7%	17.5%	13.9%	15.6%	15.4%	17.6%	17.6%	18.0%	19.0%	20.0%	21.0%	19.1%
Capital Expenditure (% Sale)	1.6%	3.0%	3.4%	3.6%	2.9%	2.9%	2.9%	3.4%	4.0%	4.8%	5.0%	4.0%

Net Working Capital Scheduled



MKSI												
Net Working Capital							2022F	2023F	2024F	2025F	2026F	
Revenue	1,916.0	2,075.1	1,899.8	2,330.0	2,949.6		3,362.5	3,799.7	4,179.6	4,472.2	4,740.6	
Cost of Goods Sold	1,024.5	1,095.6	1,069.3	1,280.5	1,569.4		1,815.7	2,051.8	2,256.9	2,414.9	2,559.8	
Current Assets												
Cash & Short Term Invest.	543.3	719.1	524.4	836.5	1,043.3	18%	1,231.1	1,452.7	1,714.2	2,022.7	2,386.8	18%
Growth		32%	-27%	59%	25%	18%	18%	18%	18%	18%	18%	18%
Total Account Recievable	300.3	299.1	344.6	396.4	446.7	10%	509.2	593.4	687.1	710.7	805.2	12%
Growth		0%	15%	15%	13%	11%	14%	17%	16%	3%	13%	13%
Inventories	339.1	384.7	462.1	501.4	576.7		680.3	843.2	989.3	904.8	1,016.9	
Other Current Assets	53.5	62.2	102.0	70.6	81.2		119.3	134.8	148.2	158.6	168.1	
Total Current Assets	1,236.2	1,465.4	1,433.0	1,805.6	2,148.3	15%	2,540.2	3,024.4	3,539.1	3,797.0	4,377.4	15%
Current Liabilities												
Accounts Payable	82.5	83.8	88.4	110.6	168.1		148.0	167.3	184.0	196.9	208.7	
Accrued Expenses	96.1	82.4	122.2	117.9	131.9		172.1	194.5	214.0	228.9	242.7	
Short term borrowing	3.0	3.4	3.1	5.5	0.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Current Portion of Debt	0.0	0.6	9.0	9.0	9.0	5.5	9.0	9.0	13.0	14.0	15.0	12.0
Current Port. Of LT Leases	0.0	0.0	20.6	15.8	18.0	18.1	18.0	20.0	25.0	19.0	25.0	23.0
Other Current Liabilities	111.2	96.5	77.5	120.6	133.8		165.7	228.0	206.0	111.8	233.6	
Total Current Liabilities	289.8	266.7	320.8	379.4	460.8	12%	\$515.8	\$621.7	\$644.9	\$573.6	\$727.9	9%
Net Working Capital	406	484	620	620	671	13%	823	982	1,221	1,237	1,306	12%
% sales	21.2%	23.3%	32.7%	26.6%	22.8%		24.5%	25.8%	29.2%	27.7%	27.5%	
(Increase) / Decrease in NWC	(51.7)	(77.5)	(136.9)	0.4	(51.1)	-10%	(\$152.1)	(\$158.7)	(\$239.2)	(\$15.5)	(\$69.0)	-18%
Assumptions												
Days Sales Outstanding	57.2	52.6	66.2	62.1	55.3	58.7	55.3	57.0	60.0	58.0	62.0	58.5
Days Inventory Held	120.8	128.2	157.7	142.9	134.1	136.7	136.7	150.0	160.0	136.7	145.0	145.7
Prepays and Other CA (% of sales)	2.8%	3.0%	5.4%	3.0%	2.8%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
Days Payable Outstanding	29.4	27.9	30.2	31.5	39.1	29.8	29.8	29.8	29.8	29.8	29.8	
Accrued Liabilities (% of sales)	5.0%	4.0%	6.4%	5.1%	4.5%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	
Other Current Liabilities (% of sales)	5.8%	4.7%	4.1%	5.2%	4.5%	4.9%	4.9%	6.0%	4.9%	2.5%	4.9%	4.6%

Income Statement



Year	2017A	2018A	2019A	2020A	2021A
The Fiscal Year Ending	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Total Revenue	1,916.0	2,075.1	1,899.8	2,330.0	2,949.6
% Growth		8%	-8%	23%	27%
Cost of Goods Sold	1,024.5	1,095.6	1,069.3	1,280.5	1,569.4
% Growth		7%	-2%	20%	23%
Gross Profit	891.5	979.5	830.4	1,049.5	1,380.2
Gross Margin	47%	47%	44%	45%	47%
Operating Expense					
SG&A	290.5	298.1	330.3	353.1	385.1
% Over Rev	15.2%	14.4%	17.4%	15.2%	13.1%
Research & Development	132.6	135.7	164.1	173.1	200.0
Depreciation and Amort.	36.9	36.3	42.6	44.0	48.8
Amort. of Goodwill and Intangibles	45.7	43.5	67.4	55.2	55.3
Total Operating Expenses	505.7	513.6	604.4	625.4	689.2
Margin	26%	25%	32%	27%	23%
Check	422.7	502.2	268.6	468.1	739.8
EBIT	423.1	502.2	276.2	468.1	739.8
% EBIT Margin	22%	24%	15%	20%	25%
Interest Expense	(31.0)	(16.9)	(44.1)	(29.1)	(25.4)
Interest and Invest. Income	3.0	5.8	5.5	1.4	0.6
Net Interest Exp.	(28.0)	(11.1)	(38.6)	(27.7)	(24.8)
Currency Exchange Gains/ Loss	(9.5)	(2.4)	(4.9)	(5.0)	(3.9)
Other Non-Operating Inc. Exp.	3.7	0.4	1.6	1.9	(4.7)
EBT	389.3	489.1	234.3	437.3	706.4
Margin	20%	24%	12%	19%	24%
EBT incl. Unusual Items	447.6	481.0	177.9	423.0	665.5
Taxes	108.5	88.1	37.4	72.9	114.1
Taxes % EBT	24%	18%	21%	17%	17%
Net Income	339.1	392.9	140.5	350.1	551.4
Profit Margin	18%	19%	7%	15%	19%
Weighted- Average Number of Shares					
Basic	54,137,000.0	54,406,000.0	54,711,000.0	55,100,000.0	55,400,000.0
% Growth YoY		0.0	0.0	0.0	0.0
Diluted	55,074,000.0	54,992,000.0	55,100,000.0	5,530,000.0	55,700,000.0
Basic EPS	6.3	7.2	2.6	6.4	10.0
Diluted EPS	6.2	7.1	2.6	6.3	9.9
EBIT	423.1	502.2	276.2	468.1	739.8
(*) Depreciation Amortization	82.6	79.8	110.0	99.2	104.1
D & A over Rev.	4.3%	3.8%	5.8%	4.3%	3.5%
EBITDA	505.8	581.0	385.7	566.2	843.6
EBITDA Margin	26%	28%	20%	24%	29%

Balance Sheet



Year	2017A	2018A	2019A	2020A	2021A
The Fiscal Year Ending	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Assets					
Cash and Equivalents	333.9	644.3	414.6	608.3	966.3
Total Cash & ST Investments	543.3	719.1	524.4	836.5	1,043.3
Accounts Receivable	300.3	299.1	344.6	396.4	446.7
Total Account Receivable	300.3	299.1	344.6	396.4	446.7
Inventory	339.1	384.7	462.1	501.4	576.7
Other Current Assets	53.5	62.2	102.0	70.6	81.2
Total Current Assets	1,236.2	1,465.0	1,433.1	1,804.9	2,147.9
Gross PP&E	657.1	706.8	899.9	1,067.8	1,122.7
Accumulated Depreciation	(485.4)	(512.5)	(593.5)	(599.1)	(613.1)
Net PP&E	171.7	194.3	306.4	468.7	509.6
Long-term Investment	16.8	16.4	5.8	6.5	14.9
Good Will	591.0	587.0	1,058.5	1,066.4	1,228.2
Other Intangibles	366.4	319.8	564.6	512.2	576.0
Other Long-Term Assets	31.9	32.6	47.5	45.6	64.3
Total Assets	2,414.0	2,615.1	3,415.9	3,904.3	4,540.9
% Change	na	9.0%	30.6%	14.3%	16.3%
Liabilities					
Total Current Liabilities	289.8	263.3	317.7	373.9	460.8
Long-Term Debt	390.0	343.8	878.2	829.0	812.9
Long-Term Leases	0.0	0.0	44.8	187.4	192.6
Pension & Other Post-Retire. Benefits	0.0	20.6	2.5	2.5	2.6
Def. Tax Liability, Non-Curr.	61.6	48.2	72.4	59.2	99.1
Other Non-Current Liabilities	83.7	65.1	77.4	90.9	85.7
Total Liabilities	825.1	741.1	1,393.0	1,542.9	1,653.7
Common Stock	0.1	0.1	0.1	0.1	0.1
Additional Paid In Capital	789.6	793.9	864.3	873.2	906.7
Retained Earnings	795.7	1,084.8	1,181.2	1,487.3	1,991.0
Treasury Stock	-	-	-	-	-
Comprehensive Inc. and Other	3.5	(5.7)	(22.3)	0.3	(11.2)
Total Common Equity	1,588.9	1,873.1	2,023.3	2,360.9	2,886.6
Total Equity	1,588.9	1,873.1	2,023.3	2,360.9	2,886.6
Total Liabilities And Equity	2,414.0	2,614.2	3,416.3	3,903.8	4,540.3
Balance Sheet Check	ok	ok	ok	ok	ok

Cash Flows Statement



Year	0.000001	2017A	2018A	2019A	2020A	2021A
The Fiscal Year Ending		12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Cash Flows from Operating Activities						
Net Income		339.1	392.9	140.5	350.1	551.4
Depreciation & Amort.		36.8	36.3	42.6	44.0	48.8
Amort. of Goodwill and Intangibles		45.7	43.5	67.4	55.2	55.3
Depreciation & Amort., Total		82.6	79.8	110.0	99.2	104.1
			-3.3%	37.8%	-9.8%	4.9%
Other Amortization		10.7	4.7	7.1	2.7	2.3
(Gain) Loss From Sale Of Assets		(74.9)	-	-	-	-
(Gain) Loss On Sale Of Invest.		-	-	4.7	-	-
Asset Writedown & Restructuring Costs		6.7	-	-	2.3	-
Stock-Based Compensation		24.4	27.3	49.2	29.5	36.7
Provision & Write-off of Bad debts		0.8	1.4	-	-	-
Other Operating Activities		16.2	5.5	21.6	18.0	16.5
Change in Acc. Receivable		(44.1)	(0.5)	(0.1)	(44.8)	(52.7)
Change In Inventories		(72.5)	(73.8)	(29.3)	(52.2)	(91.7)
Change in Acc. Payable		11.4	2.0	(24.2)	21.0	55.5
Change in Inc. Taxes		12.8	(11.4)	(12.4)	21.6	1.3
Change in Other Net Operating Assets		41.9	(14.1)	(22.5)	65.8	16.1
Cash from Ops.		355.2	413.8	244.5	513.2	639.5
Capital Expenditure		(31.3)	(62.9)	(63.9)	(84.9)	(86.7)
Sale of Property, Plant, and Equipment		-	-	42.1	-	-
Cash Acquisitions		-	-	(988.6)	-	(268.4)
Divestitures		72.5	-	-	-	-
Invest. in Marketable & Equity Securt.		(18.7)	135.6	63.2	(117.5)	150.5
Net (Inc.) Dec. in Loans Originated/Sold		-	-	-	-	-
Other Investing Activities		0.1	-	-	-	-
Cash from Investing		22.6	72.7	(947.2)	(202.4)	(204.6)
Short Term Debt Issued		-	-	-	-	-
Long-Term Debt Issued		28.5	67.7	642.2	27.0	1.0
Total Debt Issued		28.5	67.7	642.2	27.0	1.0
Short Term Debt Repaid		(29.7)	(67.2)	-	-	-
Long-Term Debt Repaid		(228.1)	(50.0)	(111.5)	(83.8)	(15.2)
Total Debt Repaid		(257.8)	(117.2)	(111.5)	(83.8)	(15.2)
Repurchase of Common Stock		-	(75.0)	-	-	-
Total Dividends Paid		(38.2)	(42.4)	(43.5)	(44.0)	(47.6)
Special Dividend Paid		-	-	-	-	-
Other Financing Activities		(12.2)	(11.1)	(11.0)	(20.7)	(3.3)
Cash from Financing		(279.7)	(103.0)	476.2	(121.5)	(65.1)
Foreign Exchange Rate Adj.		1.8	1.9	(3.2)	4.4	(11.8)
Net Change in Cash		100.0	385.4	(229.7)	193.7	358.0

Ratios



	2017A	2018A	2019A	2020A	2021A
Profitability					
Return on Assets %	11.4%	12.5%	5.7%	8.0%	11.0%
Return on Capital %	13.8%	14.9%	6.6%	9.2%	12.6%
Return on Equity %	24.0%	22.7%	7.2%	16.0%	21.0%
Return on Common Equity %	24.0%	22.7%	7.2%	16.0%	21.0%
Margin Analysis					
Gross Margin %	46.5%	47.2%	44.1%	45.0%	Mar
SG&A Margin %	15.1%	14.4%	17.4%	15.2%	13.1%
EBITDA Margin %	26.4%	28.0%	20.3%	24.3%	28.6%
EBITA Margin %	24.5%	26.3%	18.1%	22.5%	27.0%
EBIT Margin %	22.1%	24.2%	14.5%	20.1%	25.1%
Earnings from Cont. Ops Margin %	17.7%	18.9%	7.4%	15.0%	18.7%
Net Income Margin %	17.7%	18.9%	7.4%	15.0%	18.7%
Net Income Avail. for Common Margin %	17.7%	18.9%	7.4%	15.0%	18.7%
Normalized Net Income Margin %	12.7%	14.7%	7.7%	11.7%	15.0%
Levered Free Cash Flow Margin %	14.6%	13.1%	5.8%	13.7%	15.5%
Unlevered Free Cash Flow Margin %	15.1%	13.4%	6.9%	14.4%	16.0%
Asset Turnover					
Total Asset Turnover	0.8x	0.8x	0.6x	0.6x	0.7x
Fixed Asset Turnover	11.1x	11.3x	7.6x	6.0x	6.0x
Accounts Receivable Turnover	7.0x	6.9x	5.9x	6.3x	7.0x
Inventory Turnover	3.3x	3.0x	2.5x	2.7x	2.9x
Short Term Liquidity					
Current Ratio	4.3x	5.6x	4.5x	4.8x	4.7x
Quick Ratio	2.9x	3.9x	2.7x	3.3x	3.2x
Cash from Ops. to Curr. Liab.	1.2x	1.6x	0.8x	1.4x	1.4x
Avg. Days Sales Out.	52.3	52.7	61.8	58.2	52.2
Avg. Days Inventory Out.	109.5	120.6	145.5	137.7	125.4
Avg. Days Payable Out.	25.5	26.6	27.6	27.6	30.9
Avg. Cash Conversion Cycle	136.4	146.7	179.8	168.3	146.6
Long Term Solvency					
Total Debt/Equity	24.7%	18.6%	47.2%	44.3%	35.8%
Total Debt/Capital	19.8%	15.7%	32.1%	30.7%	26.3%
LT Debt/Equity	24.5%	18.4%	45.6%	43.1%	34.8%
LT Debt/Capital	19.7%	15.5%	31.0%	29.8%	25.7%
Total Liabilities/Total Assets	34.2%	28.3%	40.8%	39.5%	36.4%
EBIT / Interest Exp.	13.7x	29.7x	6.3x	16.1x	29.1x
EBITDA / Interest Exp.	16.3x	34.4x	9.4x	20.7x	34.5x
(EBITDA-CAPEX) / Interest Exp.	15.3x	30.7x	7.9x	17.7x	31.1x
Total Debt/EBITDA	0.8x	0.6x	2.3x	1.7x	1.2x
Net Debt/EBITDA	NM	NM	1.0x	0.4x	NM
Total Debt/(EBITDA-CAPEX)	0.8x	0.7x	2.7x	2.0x	1.3x
Net Debt/(EBITDA-CAPEX)	NM	NM	1.2x	0.4x	NM