

Uses

Acquisition Price (EV)	8,500.0
EV/EBITDA-multiple	4.2x
Transaction expenses	85.0
Cash on hand	0.0
Total Uses	8,585.0

Sources	in thousands	of total %
Revolver	1,985.0	23%
Term Note	2,000.0	23%
Seller Debt	2,000.0	23%
Mezzanine Debt	0.0	0%
Equity	2,600.0	30%
Total Sources	8,585.0	

Other Inputs

Depreciation and capitalization of sales %	1.6%
Corporate tax rate	30.0%
Last Fiscal Year	2017
Deal fee expenses	1.0%

Year 5 Assumptions

	in thousands
EBITDA	3,876.5
Exit Multiple	4.2x
Net Debt	-590.4

Year 5 IRR Calc**Equity value**

Company ABC Projected Debt & Interest

Debt & Interest Projections

<u>Debt</u>	<u>2018E</u>	<u>2019E</u>	<u>2020E</u>	<u>2021E</u>	<u>2022E</u>	<u>2023E</u>
Revolver	\$ 1,985	\$ 2,751	\$ 2,531	\$ 2,028	\$ 1,165	\$ (40)
Term Note	\$ 2,000	\$ 1,600	\$ 1,200	\$ 800	\$ 400	\$ -
Seller Debt	\$ 2,000	\$ 1,600	\$ 1,200	\$ 800	\$ 400	\$ -
Mezzanine Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Note payable Vehicles	\$ 300	\$ 240	\$ 180	\$ 120	\$ 60	\$ -
Total	\$ 6,285	\$ 6,191	\$ 5,111	\$ 3,748	\$ 2,025	\$ (40)

Interest Rate

	<u>2018E</u>	<u>2019E</u>	<u>2020E</u>	<u>2021E</u>	<u>2022E</u>	<u>2023E</u>
Revolver		5.50%	5.50%	5.50%	5.50%	5.50%
Term Note		6.00%	6.00%	6.00%	6.00%	6.00%
Seller Debt		7.00%	7.00%	7.00%	7.00%	7.00%
Mezzanine Debt		12.00%	12.00%	12.00%	12.00%	12.00%
Note payable Vehicles		4.00%	4.00%	4.00%	4.00%	4.00%

Interest Expense

	<u>2018E</u>	<u>2019E</u>	<u>2020E</u>	<u>2021E</u>	<u>2022E</u>	<u>2023E</u>
Revolver		109	151	139	112	64
Term Note		108	84	60	36	12
Seller Debt		126	98	70	42	14
Mezzanine Debt		-	-	-	-	-
Note payable Vehicles		11	8	6	4	1
Total		354	342	275	193	91

Credit Statistics

	<u>2019E</u>	<u>2020E</u>	<u>2021E</u>	<u>2022E</u>	<u>2023E</u>	
EBITDA	\$ 1,569	\$ 2,298	\$ 2,858	\$ 3,368	\$ 3,876	
Cap Ex	\$ (249)	\$ (266)	\$ (279)	\$ (293)	\$ (308)	
EBITDA- Cap Ex	\$ 1,321	\$ 2,032	\$ 2,578	\$ 3,075	\$ 3,568	
Increase / (Decrease) in Working Capital	\$ (283)	\$ (103)	\$ (183)	\$ (212)	\$ (267)	
EBITDA- Cap Ex - Chg in Working Capital	\$ 1,038	\$ 1,929	\$ 2,395	\$ 2,863	\$ 3,302	
Debt - Total	\$ 6,285	\$ 6,191	\$ 5,111	\$ 3,748	\$ 2,025	\$ (40)
Cash	\$ 300	\$ 300	\$ 367	\$ 449	\$ 550	
Interest Expense	\$ 354	\$ 342	\$ 275	\$ 193	\$ 91	

Leverage Statistics

Debt / EBITDA	3.9x	2.2x	1.3x	0.6x	(0.0x)
Debt / EBITDA - Capex	4.7x	2.5x	1.5x	0.7x	(0.0x)
Debt / EBITDA - Chg in Working Capital	6.0x	2.6x	1.6x	0.7x	(0.0x)

Interest Coverage

EBITDA / Interest	4.4x	6.7x	10.4x	17.4x	42.5x
EBITDA - Capex / Interest	3.7x	5.9x	9.4x	15.9x	39.1x

Revolver Revolver

Proj Max Max allowed Does revolver forecast comply with revolver maximum of \$3.200k:

3,161.1 3,200.0 Yes, comply with revolver max

3161.14 Monthly 1st two years

2,751.2 Annual Dec Y/E balances

Company ABC Monthly Forecast

		Fcst Jan 2019	Fcst Feb 2019	Fcst Mar 2019	Fcst Apr 2019	Fcst May 2019	Fcst Jun 2019	Fcst Jul 2019	Fcst Aug 2019	Fcst Sep 2019	Fcst Oct 2019	Fcst Nov 2019	Fcst Dec 2019	Fcst Jan 2020	Fcst Feb 2020	Fcst Mar 2020	Fcst Apr 2020	Fcst May 2020	Fcst Jun 2020	Fcst Jul 2020	Fcst Aug 2020	Fcst Sep 2020	Fcst Oct 2020	Fcst Nov 2020	Fcst Dec 2020		
P & L	Sales	1,192	1,544	1,475	1,191	1,258	1,385	1,144	1,338	1,128	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	
	Cost of Sales	355	460	440	355	375	413	341	399	336	386	386	386	386	386	386	386	386	386	386	386	386	386	386	386	386	386
	Gross Margin	837	1,084	1,036	836	883	972	803	939	792	909	909	909	909	908	1,176	1,124	907	958	1,055	871	1,019	860	987	987	987	987
	GM%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	71%	71%	71%	71%	71%	71%	71%	71%	71%	71%	71%	71%	71%
	Expenses	844	776	823	735	888	777	702	766	692	778	778	778	778	862	793	841	751	907	794	718	782	707	795	795	795	795
	EBITDA	(7)	308	212	101	(5)	195	100	173	100	131	131	131	131	46	383	283	156	51	261	154	237	153	191	191	191	191
	Interest	29	29	29	29	29	29	29	29	29	29	29	29	29	28	28	28	28	28	28	28	28	28	28	28	28	28
	Depreciation & Amortization	21	21	21	21	21	21	21	21	21	21	21	21	21	22	22	22	22	22	22	22	22	22	22	22	22	22
	Taxes	24	24	24	24	24	24	24	24	24	24	24	24	24	42	42	42	42	42	42	42	42	42	42	42	42	42
	Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	(82)	233	138	26	(79)	121	26	99	26	56	56	56	56	(47)	290	190	63	(42)	168	61	144	60	99	99	99	99	
B a l a n c e	Cash	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	
	Accounts Receivable	1,544	1,475	1,191	1,258	1,385	1,144	1,338	1,128	1,295	1,295	1,295	1,295	1,275	1,652	1,579	1,275	1,346	1,482	1,224	1,431	1,207	1,386	1,386	1,386	1,339	
	Inventory	4,091	4,104	4,118	4,128	4,140	4,152	4,162	4,174	4,184	4,196	4,208	4,219	4,224	4,229	4,235	4,239	4,244	4,249	4,253	4,258	4,262	4,267	4,272	4,276	4,276	
	Prepaid & Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Fixed Assets	1,521	1,541	1,562	1,583	1,604	1,624	1,645	1,666	1,687	1,707	1,728	1,749	1,771	1,793	1,815	1,837	1,860	1,882	1,904	1,926	1,948	1,970	1,993	2,015	2,015	
	Depreciation & Amortization	(21)	(41)	(62)	(83)	(104)	(124)	(145)	(166)	(186)	(207)	(228)	(249)	(271)	(293)	(315)	(337)	(360)	(382)	(404)	(426)	(448)	(470)	(493)	(515)	(515)	
	Goodwill	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	
	Total Assets	10,361	10,307	10,036	10,113	10,252	10,022	10,227	10,029	10,206	10,218	10,229	10,221	10,602	10,535	10,236	10,312	10,453	10,199	10,411	10,192	10,374	10,379	10,384	10,342	10,342	
	Accounts Payable	815	900	795	730	788	754	739	735	722	772	772	753	843	931	822	755	815	779	765	760	747	798	798	771	771	
	Credit Card Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Accrued Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Revolver	2,799	2,499	2,267	2,454	2,686	2,441	2,706	2,486	2,721	2,698	2,725	2,751	3,161	2,787	2,479	2,630	2,825	2,510	2,748	2,461	2,669	2,595	2,573	2,531	2,531		
Term Note	1,967	1,933	1,900	1,867	1,833	1,800	1,767	1,733	1,700	1,667	1,633	1,600	1,567	1,533	1,500	1,467	1,433	1,400	1,367	1,333	1,300	1,267	1,233	1,200	1,200		
Seller Debt	1,967	1,933	1,900	1,867	1,833	1,800	1,767	1,733	1,700	1,667	1,633	1,600	1,567	1,533	1,500	1,467	1,433	1,400	1,367	1,333	1,300	1,267	1,233	1,200	1,200		
Mezzanine Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Notes Payable-Vehicles	295	290	285	280	275	270	265	260	255	250	245	240	235	230	225	220	215	210	205	200	195	190	185	180	180		
Other LT Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity contributions	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	3,277	3,277	3,277	3,277	3,277	3,277	3,277	3,277	3,277	3,277	3,277	3,277		
Retained Earnings	(82)	151	289	316	236	357	383	482	508	564	620	677	(47)	243	433	496	623	684	827	887	986	1,084	1,183	1,183	1,183		
Total Liabilities & Equity	10,361	10,307	10,036	10,113	10,252	10,022	10,227	10,029	10,206	10,218	10,229	10,221	10,602	10,535	10,236	10,312	10,453	10,199	10,411	10,192	10,374	10,379	10,384	10,342	10,342		
C a s h	Beg Cash	-	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	
	Net Income	(82)	233	138	26	(79)	121	26	99	26	56	56	56	(47)	290	190	63	(42)	168	61	144	60	99	99	99	99	
	Add back Depreciation	21	21	21	21	21	21	21	21	21	21	21	21	22	22	22	22	22	22	22	22	22	22	22	22	22	
	Accounts Receivable	(352)	69	284	(67)	(127)	242	(194)	209	(167)	-	20	(377)	73	304	(71)	(136)	259	(208)	224	(178)	-	-	-	-	46	
	Inventory	(91)	(14)	(13)	(11)	(11)	(12)	(10)	(12)	(10)	(12)	(12)	(12)	(4)	(6)	(5)	(4)	(5)	(5)	(4)	(5)	(4)	(5)	(5)	(5)	(5)	
	Prepaid & Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Accounts Payable	82	84	(105)	(65)	58	(34)	(14)	(5)	(13)	50	-	(19)	90	87	(109)	(67)	60	(35)	(15)	(5)	(13)	51	-	(27)		
	Credit Card Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Other Accrued Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Revolver	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)		
Notes Payable-Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other LT Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
F i o w	Cash from (used) Operations	(427)	388	319	(100)	(144)	332	(177)	307	(148)	110	61	61	(321)	463	397	(62)	(106)	404	(149)	375	(119)	162	111	131		
	Gross Fixed Assets	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	
	Cash from (used) capital	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	
	Revolver	814	(301)	(232)	187	232	(244)	264	(220)	235	(23)	27	26	410	(374)	(308)	151	195	(315)	238	(286)	207	(74)	(22)	(42)		
	Term Note	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	
	Seller Debt	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	
	Mezzanine Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Contributions/(distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Cash from (used) capital	748	(367)	(299)	121	165	(311)	198	(287)	169	(89)	(4															