

January 17, 2012

# SN VALUATION [Stocks, Real Estate, Bonds]

Analyst: Sung Nam

## Amtech Systems Inc (ASYS)

Price:	\$10.11	Price/Book:	0.82	EV/EBITDA 5x TV:	\$28.24
Market Cap:	\$95,337,297	Price/Earnings:	4.17	Net Tangible Asset TV:	\$14.51
Cash:	\$67,380,000	EV/EBITA:	0.64	SN Defined TV:	\$21.45
Debt:	\$0	EV/FCF:	3.04	Economic Value Added:	\$22.31
Net Cash:	\$67,380,000	Net Tang. Asset/Share:	\$10.39	Average Year 5 Target:	\$21.63
Enterprise Value:	\$27,957,297	FCF/Share:	\$0.97	Appreciation:	113.956%

### Overview

Company makes wafers for solar panels. With oil prices increasing over geopolitical concerns in the Middle East and an alternative energy play, we would like to include ASYS into the mix. The shares dropped in 2011 over the lack of government support, in subsidized benefits, for solar energy. Yet, cash flows, margins and balance sheet strength support a turnaround in share price.

### **Dividend?**

Dividend yield is 0.00%.

### **Price to Book**

Price to book is 0.82. Price to book excluding goodwill is 0.97.

### **Cashflow Generation**

Cashflows are \$22 MM from operating cashflow.

Capex is \$5 MM, minority interest payment is \$0 MM, intangibles are \$1 MM and dividend is \$80 MM.

Free cash flow is about \$16 MM.

16.7% EBITA margin and FCF yield is 57.8%.

The company has \$67 MM in cash/short term investment and \$0 MM in debt.

We are projecting a \$0 MM paydown annually.

### **Profitability**

ROA is 11.1%, and ROC is 19.7%.

### **Bankruptcy Risk**

Altman Z is above 3.00.

### **LBO?**

We don't believe a 60% debt/40% equity would be sustainable.

### **Price**

We are forecasting a \$21.60/share in Year 5, or a 114.0% holding return, or 16.4% annual return. Thus, the 1 year forecasted price is \$11.77.

Financial Times is showing 1 Buys, 1 Outperform, 3 Hold, 1 Underperform. High of \$12.50, median \$10.00, low \$7.00.

The information contained here reflects the views of SN Valuation or its affiliates and sources it believes are reliable as of the date of this publication. SN Valuation makes no representations or warranties concerning the accuracy of any data. There is no guarantee that any projection, forecast or opinion in this material will be realized. Past performance does not guarantee future results. The views expressed here may change at any time after the date of this publication. This document is for informational purposes only and does not constitute investment advice. SN Valuation does not provide tax, legal or accounting advice. It does not take an investor's personal investment objectives or financial situation into account; investors should discuss their individual circumstances with appropriate professionals before making any decisions. This information should not be construed as sales or marketing material or an offer on solicitation for the purchase or sale of any financial instrument, product or service sponsored by SN Valuation or its affiliates.

# Altman Z Score

Company Name:

Amtech Systems Inc

Ticker:

ASYS

Period	2007	2008	2009	2010	2011	2012	2013	2014	2015
Working Capital	52.96	49.64	59.96	89.24	72.98	79.31	93.53	109.74	128.12
Total Assets	102.36	92.53	136.10	205.87	194.21	204.42	222.33	241.99	263.56
<b>X1</b>	<b>0.52</b>	<b>0.54</b>	<b>0.44</b>	<b>0.43</b>	<b>0.38</b>	<b>0.39</b>	<b>0.42</b>	<b>0.45</b>	<b>0.49</b>
Retained Earnings	4.24	2.65	12.21	35.10	23.44	33.65	51.56	71.22	92.79
Total Assets	102.36	92.53	136.10	205.87	194.21	204.42	222.33	241.99	263.56
<b>X2</b>	<b>0.04</b>	<b>0.03</b>	<b>0.09</b>	<b>0.17</b>	<b>0.12</b>	<b>0.16</b>	<b>0.23</b>	<b>0.29</b>	<b>0.35</b>
EBITDA	3.80	-1.94	15.91	41.14	-12.34	14.80	26.46	29.11	32.02
Total Assets	102.36	92.53	136.10	205.87	194.21	204.42	222.33	241.99	263.56
<b>X3</b>	<b>0.04</b>	<b>-0.02</b>	<b>0.12</b>	<b>0.20</b>	<b>-0.06</b>	<b>0.07</b>	<b>0.12</b>	<b>0.12</b>	<b>0.12</b>
Market Value of Equity	95.34	95.34	95.34	95.34	111.00	129.24	150.47	175.20	203.98
Total Liabilities	27.82	18.72	51.86	89.55	89.55	89.55	89.55	89.55	89.55
<b>X4</b>	<b>3.43</b>	<b>5.09</b>	<b>1.84</b>	<b>1.06</b>	<b>1.24</b>	<b>1.44</b>	<b>1.68</b>	<b>1.96</b>	<b>2.28</b>
Net Sales	80.30	52.97	120.02	246.71	123.36	185.03	203.54	223.89	246.28
Total Assets	102.36	92.53	136.10	205.87	194.21	204.42	222.33	241.99	263.56
<b>X5</b>	<b>0.78</b>	<b>0.57</b>	<b>0.88</b>	<b>1.20</b>	<b>0.64</b>	<b>0.91</b>	<b>0.92</b>	<b>0.93</b>	<b>0.93</b>
<b>Altman Z Score</b>	<b>3.64</b>	<b>4.24</b>	<b>3.02</b>	<b>3.26</b>	<b>1.79</b>	<b>2.71</b>	<b>3.15</b>	<b>3.45</b>	<b>3.78</b>

$$Z = 1.2 \times X1 + 1.4 \times X2 + 3.3 \times X3 + 0.6 \times X4 + 1.0 \times X5$$

Z-SCORE ABOVE 3.0 –The company is considered 'Safe' based on the financial figures only.

Blue

Z-SCORE BETWEEN 2.7 and 2.99 – 'On Alert'. This zone is an area where one should 'Exercise Caution'.

Green

Z-SCORE BETWEEN 1.8 and 2.7 – Good chance of the company going bankrupt within 2 years.

Yellow

Z-SCORE BELOW 1.80- Probability of Financial Catastrophe is Very High.

Red



# SN VALUATION

# LBO Analysis

WACC Terminal Value:		<b>Intrinsic Price in 5 Years:</b>	<b>21.63</b>	<b>Non-LBO Forecast</b>	<b>Non-LBO Forecast</b>	<b>Desired Return Rate</b>	<b>20.00%</b>
EV/EBITDA with 5X Multiple Terminal Value:	\$28.24	Market Price:	10.11	Year 1 Target	11.77	<b>Implied Today's Price</b>	<b>8.69</b>
Net Tangible Asset Terminal Value:	\$14.51	LBO Price:	<b>3.74</b>	Year 2 Target	13.71	Overvalued/(Undervalued)	16.30%
EV/EBITDA with Today's Multiple Terminal Value:	\$21.45	Premium to Market Price:	-63.01%	Year 3 Target	15.96		
EVA Enterprise Value:	\$22.31	LBO Price/Intrinsic Price Target:	42.05%	Year 4 Target	18.58		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	41.82%	Year 5 Target	21.63		
Average (Excluding Dividend Discount):	<b>\$21.63</b>	Implied IRR at today's EV/EBITDA:	16.24%	<b>Implied IRR (Market Price):</b>	<b>16.43%</b>		
		5 Year Return:	113.96%				

Current Evaluation				Exit Evaluation			
Current Market Price:	10.11	LBO Price:	3.74	Exit Price:	21.63	Exit Price:	21.45
Outstanding Shares:	9,430,000	Outstanding Shares:	9,430,000	Outstanding Shares:	9,430,000	Outstanding Shares:	9,430,000
<b>Market Capitalization:</b>	<b>95,337,297</b>	<b>Market Capitalization:</b>	<b>35,268,200</b>	<b>Market Capitalization:</b>	<b>203,979,762</b>	<b>Market Capitalization:</b>	<b>202,305,022</b>
Available Cash:	67,380,000	Available Cash:	67,380,000	Available Cash:	106,256,501	Available Cash:	106,256,501
Debt:	0	Debt:	0	Debt:	0	Debt:	0
Net Cash:	67,380,000	Net Cash:	67,380,000	Net Cash:	106,256,501	Net Cash:	106,256,501
<b>Enterprise Value:</b>	<b>27,957,297</b>	<b>Enterprise Value:</b>	<b>-32,111,800</b>	<b>Enterprise Value:</b>	<b>97,723,261</b>	<b>Enterprise Value:</b>	<b>96,048,520</b>
Original EV/EBITDA:	0.73	EV/EBITDA:	-0.84	EV/EBITDA at 5 Years:	3.05	EV/EBITDA at 5 Years:	<b>3.00</b>
Original EV/EBITDA:	0.64	EV/EBITDA:	-0.73	EV/EBITDA at 5 Years:	4.01	EV/EBITDA at 5 Years:	2.76
Competitor Average EV/EBIT:	N/A						
Competitor Average EV/EBITDA:	N/A						

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	3.74	3.49	4.95	7.03	9.99	14.19	20.16
Shares Outstanding:	9,430,000	9,430,000	9,430,000	9,430,000	9,430,000	9,430,000	9,430,000
<b>Market Capitalization:</b>	<b>35,268,200</b>	<b>32,869,043</b>	<b>46,690,423</b>	<b>66,323,673</b>	<b>94,212,673</b>	<b>133,828,954</b>	<b>190,103,818</b>
Available Cash:	67,380,000	67,380,000	51,123,300	57,445,224	71,671,549	87,876,036	106,256,501
Debt:	0	0	0	0	0	0	0
Net Cash:	67,380,000	67,380,000	51,123,300	57,445,224	71,671,549	87,876,036	106,256,501
<b>Enterprise Value:</b>	<b>-32,111,800</b>	<b>-34,510,957</b>	<b>-4,432,877</b>	<b>8,878,449</b>	<b>22,541,123</b>	<b>45,952,917</b>	<b>83,847,317</b>
EBIT	41,140,000	41,140,000	-12,335,500	14,802,600	26,459,648	29,105,612	32,016,173
EV/EBIT:	-0.78	-0.84	0.36	0.60	0.85	1.58	2.62
EBITDA	43,950,000	43,950,000	-10,930,500	16,910,100	28,777,898	31,655,687	34,821,256
EV/EBITDA:	-0.73	-0.73	0.41	0.53	0.78	1.45	2.41

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	3.74	3.49	6.52	4.77	5.25	6.73	8.42
Shares Outstanding:	9,430,000	9,430,000	9,430,000	9,430,000	9,430,000	9,430,000	9,430,000
<b>Market Capitalization:</b>	<b>35,268,200</b>	<b>32,869,043</b>	<b>61,471,135</b>	<b>45,027,822</b>	<b>49,475,444</b>	<b>63,460,321</b>	<b>79,399,214</b>
Available Cash:	67,380,000	67,380,000	51,123,300	57,445,224	71,671,549	87,876,036	106,256,501
Debt:	0	0	0	0	0	0	0
Net Cash:	67,380,000	67,380,000	51,123,300	57,445,224	71,671,549	87,876,036	106,256,501
<b>Enterprise Value:</b>	<b>-32,111,800</b>	<b>-34,510,957</b>	<b>10,347,835</b>	<b>-12,417,402</b>	<b>-22,196,105</b>	<b>-24,415,716</b>	<b>-26,857,287</b>
EBIT	41,140,000	41,140,000	-12,335,500	14,802,600	26,459,648	29,105,612	32,016,173
EV/EBIT:	-0.78	-0.84	-0.84	-0.84	-0.84	-0.84	-0.84
EBITDA	43,950,000	43,950,000	-10,930,500	16,910,100	28,777,898	31,655,687	34,821,256
EV/EBITDA:	-0.73	-0.73	-0.95	-0.73	-0.77	-0.77	-0.77

LBO Price	3.74	Equity Partners:	35,268,200	Weighting	<b>100.00%</b>	<b>Annualized Return for Equity Partners: 41.82%</b>
Shares Outstanding	9,430,000	Debt Partners:	0		0.00%	
<b>Market Capitalization</b>	<b>35,268,200</b>	<b>Total Funds for LBO:</b>	<b>35,268,200</b>		<b>100.00%</b>	
Debt	0					
Cash	67,380,000					
<b>Enterprise Value</b>	<b>-32,111,800</b>					
<b>Capital Investment</b>	<b>35,268,200</b>					

<b>Book Value</b>		<b>Enterprise Value</b>		<b>Stock Valuation</b>		<b>Debt Reduction</b>	
Beginning Book Value	116.32	Beginning Enterprise Value	-32.11	Current Market Price	\$10.11	Starting Debt	0.00
Year 5 Book Value	174.01	Year 5 Enterprise Value	96.05	Year 5 Market Price	\$21.45	Debt Repayment	0.00
<b>Annualized Return</b>	<b>8.39%</b>	<b>Annualized Return</b>	<b>-224.50%</b>	<b>Annualized Return</b>	<b>16.24%</b>	Year 5 Ending Debt	0.00
						% of Starting Debt	#DIV/0!

SN VALUATION

LBO Pro Forma Income Statement

Name:

Amtech Systems Inc

Ticker:

ASYS

	Historical				Forecasted				
	12 months ending 2008-09-30	12 months ending 2009-09-30	12 months ending 2010-09-30	12 months ending 2011-09-30	2011	2012	2013	2014	2015
Revenue	80.30	52.97	120.02	246.71	123.36	185.03	203.54	223.89	246.28
COGS	57.34	37.95	77.31	156.05	88.82	118.42	130.26	143.29	157.62
Gross margin	22.96	15.02	42.71	90.66	34.54	66.61	73.27	80.60	88.66
SG&A	17.71	14.77	24.07	43.74	43.17	46.26	40.71	44.78	49.26
R&D	1.09	0.51	2.12	5.78	3.70	5.55	6.11	6.72	7.39
Unusual expense	0.36	1.68	0.61	0.00	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation is: Excluded from COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	3.80	-1.94	15.91	41.14	-12.34	14.80	26.46	29.11	32.02
Interest income/(expense)	0.75	-0.07	-0.20	0.03	0.67	0.67	0.67	0.67	0.67
Gain (loss) on sale of asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income before tax	4.55	-2.01	15.71	38.31	-11.66	15.48	27.13	29.78	32.69
Tax	1.69	-0.42	6.15	16.19	0.00	5.26	9.23	10.13	11.11
Income after tax	2.86	-1.59	9.56	22.12	-11.66	10.21	17.91	19.65	21.58
Minority Interest	0.00	0.00	0.00	0.76	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	2.86	-1.59	9.56	22.88	-11.66	10.21	17.91	19.65	21.58
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.30	-\$0.17	\$1.01	\$2.43	-\$1.24	\$1.08	\$1.90	\$2.08	\$2.29
P/E (historical today's price; forecasted intrinsic price)	33.33	-59.96	9.97	4.17	-9.52	12.65	8.40	8.91	9.45
Revenue Growth	N/A	-34.03%	126.58%	105.56%	-50.00%	50.00%	10.00%	10.00%	10.00%
Tax Rate	37.14%	20.90%	39.15%	42.26%	34.00%	34.00%	34.00%	34.00%	34.00%
Implied Debt Interest Rate	174.42%	-25.00%	-666.67%	0.00%	NA	NA	NA	NA	NA
<b>Margins</b>									
COGS	71.41%	71.64%	64.41%	63.25%	72.00%	64.00%	64.00%	64.00%	64.00%
Gross margin	28.59%	28.36%	35.59%	36.75%	28.00%	36.00%	36.00%	36.00%	36.00%
SG&A	22.05%	27.88%	20.05%	17.73%	35.00%	25.00%	20.00%	20.00%	20.00%
R&D	1.36%	0.96%	1.77%	2.34%	3.00%	3.00%	3.00%	3.00%	3.00%
Unusual expense	0.45%	3.17%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Excluded from COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	4.73%	-3.66%	13.26%	16.68%	-10.00%	8.00%	13.00%	13.00%	13.00%
Interest income/(expense)	0.93%	-0.13%	-0.17%	0.01%	0.55%	0.36%	0.33%	0.30%	0.27%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	5.67%	-3.79%	13.09%	15.53%	-9.45%	8.36%	13.33%	13.30%	13.27%
Tax	2.10%	-0.79%	5.12%	6.56%	0.00%	2.84%	4.53%	4.52%	4.51%
Income after tax	3.56%	-3.00%	7.97%	8.97%	-9.45%	8.28%	14.52%	15.93%	17.49%
Minority Interest	0.00%	0.00%	0.00%	0.31%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	3.56%	-3.00%	7.97%	9.27%	-9.45%	5.52%	8.80%	8.78%	8.76%

					Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2008-09-30	As of 2009-09-30	As of 2010-09-30	As of 2011-09-30	+	-						
Cash	37.50	42.30	56.76	67.38			67.38	51.12	57.45	71.67	87.88	106.26
Short term investment	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Cash and Short term</b>	<b>37.50</b>	<b>42.30</b>	<b>56.76</b>	<b>67.38</b>			<b>67.38</b>	<b>51.12</b>	<b>57.45</b>	<b>71.67</b>	<b>87.88</b>	<b>106.26</b>
Accounts Receivable	23.02	13.56	24.48	45.27			45.27	45.27	45.27	45.27	45.27	45.27
Other receivables	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Receivables</b>	<b>23.02</b>	<b>13.56</b>	<b>24.48</b>	<b>45.27</b>			<b>45.27</b>	<b>45.27</b>	<b>45.27</b>	<b>45.27</b>	<b>45.27</b>	<b>45.27</b>
Deferred Income Tax	-5.46	-6.35	-5.67	-4.81			-4.81	-4.81	-4.81	-4.81	-4.81	-4.81
Total Inventory	15.90	13.46	24.32	37.16			37.16	37.16	37.16	37.16	37.16	37.16
Prepaid Expenses	1.51	0.84	0.00	4.26			4.26	4.26	4.26	4.26	4.26	4.26
Other Current Assets	6.50	3.79	10.89	20.78			20.78	20.78	20.78	20.78	20.78	20.78
<b>Current Assets</b>	<b>78.97</b>	<b>67.60</b>	<b>110.78</b>	<b>170.04</b>	<b>0.00</b>	<b>0.00</b>	<b>170.04</b>	<b>153.78</b>	<b>160.11</b>	<b>174.33</b>	<b>190.54</b>	<b>208.92</b>
PP&E, Gross	13.88	14.82	17.01	22.07			22.07	27.07	32.07	37.07	42.07	47.07
Change in Depreciation	1.34	1.56	1.76	2.81			2.81	1.41	2.11	2.32	2.55	2.81
Accumulated Depreciation	0.00	0.00	1.76	4.57			4.57	5.98	8.08	10.40	12.95	15.76
PP&E, Net	13.88	14.82	15.25	17.50			17.50	21.10	23.99	26.67	29.12	31.31
Goodwill	4.45	5.14	4.84	13.31	0.00		13.31	13.31	13.31	13.31	13.31	13.31
Intangibles	4.38	3.83	2.57	5.02			5.02	6.02	7.02	8.02	9.02	10.02
Long term investments	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	0.68	1.14	2.66	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Long Term Assets</b>	<b>23.39</b>	<b>24.93</b>	<b>25.32</b>	<b>35.83</b>	<b>0.00</b>	<b>0.00</b>	<b>35.83</b>	<b>40.43</b>	<b>44.32</b>	<b>48.00</b>	<b>51.45</b>	<b>54.64</b>
<b>Total Assets</b>	<b>102.36</b>	<b>92.53</b>	<b>136.10</b>	<b>205.87</b>	<b>0.00</b>	<b>0.00</b>	<b>205.87</b>	<b>194.21</b>	<b>204.42</b>	<b>222.33</b>	<b>241.99</b>	<b>263.56</b>
Accounts Payable	6.53	4.18	12.45	8.93			8.93	8.93	8.93	8.93	8.93	8.93
Accrued Expense	8.21	6.03	11.75	19.73			19.73	19.73	19.73	19.73	19.73	19.73
Other current Liabilities	11.27	7.75	26.62	52.14			52.14	52.14	52.14	52.14	52.14	52.14
<b>Total Current Liabilities</b>	<b>26.01</b>	<b>17.96</b>	<b>50.82</b>	<b>80.80</b>	<b>0.00</b>	<b>0.00</b>	<b>80.80</b>	<b>80.80</b>	<b>80.80</b>	<b>80.80</b>	<b>80.80</b>	<b>80.80</b>
Notes Payables/Short Term Debt	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Current port. Of LT Debt/Capital Leases	0.15	0.12	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	0.28	0.16	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Lease Obligations	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Interest Earning Debt</b>	<b>0.43</b>	<b>0.28</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Deferred Income tax	0.94	0.00	0.00	0.11			0.11	0.11	0.11	0.11	0.11	0.11
Minority Interest	0.00	0.00	0.00	6.01			6.01	6.01	6.01	6.01	6.01	6.01
Other liabilities	0.44	0.48	1.01	2.63			2.63	2.63	2.63	2.63	2.63	2.63
<b>Total Liabilities</b>	<b>27.82</b>	<b>18.72</b>	<b>51.86</b>	<b>89.55</b>	<b>0.00</b>	<b>0.00</b>	<b>89.55</b>	<b>89.55</b>	<b>89.55</b>	<b>89.55</b>	<b>89.55</b>	<b>89.55</b>
Redeemable Preferred Stock	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	0.09	0.09	0.09	0.09		0.00	0.09	0.09	0.09	0.09	0.09	0.09
Additional Paid-in capital	70.14	70.40	72.92	83.21	0.00	0.00	83.21	83.21	83.21	83.21	83.21	83.21
Dividends Paid	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	4.24	2.65	12.21	35.10		0.00	35.10	23.44	33.65	51.56	71.22	92.79
Treasury Stock	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	0.07	0.66	-0.98	-2.08		0.00	-2.08	-2.08	-2.08	-2.08	-2.08	-2.08
<b>Total Equity</b>	<b>74.54</b>	<b>73.80</b>	<b>84.24</b>	<b>116.32</b>	<b>0.00</b>	<b>0.00</b>	<b>116.32</b>	<b>104.66</b>	<b>114.87</b>	<b>132.78</b>	<b>152.44</b>	<b>174.01</b>
<b>Liability + Equity</b>	<b>102.36</b>	<b>92.52</b>	<b>136.10</b>	<b>205.87</b>	<b>0.00</b>	<b>0.00</b>	<b>205.87</b>	<b>194.21</b>	<b>204.42</b>	<b>222.33</b>	<b>241.99</b>	<b>263.56</b>
<b>Variance</b>	0.00	0.01	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Debt/Equity</b>	0.01	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Inventory Turnover	5.05	3.94	4.94	6.64			6.64	3.32	4.98	5.48	6.03	6.63
Inventory Turnover Days	72.27	92.75	73.96	54.98			54.98	109.95	73.30	66.64	60.58	55.07
Days Inventory Outstanding	101.21	129.46	114.82	86.92			86.92	152.71	114.54	104.12	94.66	86.05
Accounts Receivable Turnover	3.49	3.91	4.90	5.45			5.45	2.72	4.09	4.50	4.95	5.44
Accounts Receivable Turnover Days	104.64	93.44	74.45	66.98			66.98	133.95	89.30	81.18	73.80	67.09
Days Payable Outstanding	41.57	40.20	58.78	20.89			20.89	36.70	27.52	25.02	22.75	20.68
Days Sales Outstanding	104.64	93.44	74.45	66.98			66.98	66.98	133.95	89.30	81.18	73.80
Cash Conversion Cycle	164.28	182.69	130.49	133.01			133.01	182.99	220.96	168.40	153.09	139.18



# SN VALUATION

# LBO Debt Schedule

	Proforma	2011	2012	2013	2014	2015
Net Change in Cash	10.62	-16.26	6.32	14.23	16.20	18.38
Current Portion Debt Repayment						
Long Term Debt Repayment						
<b>Outstanding Debt</b>	0.00	0.00	0.00	0.00	0.00	0.00
Current Portion Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Forward Libor Curve		4.00%	4.00%	4.00%	4.00%	4.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
<b>Interest Rate</b>		<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>
<b>Interest Expense</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Cash Balance		67.38				
Interest @ 1.0%		0.67	0.67	0.67	0.67	0.67
<b>Net Interest Expense/(Income)</b>		<b>(0.67)</b>	<b>(0.67)</b>	<b>(0.67)</b>	<b>(0.67)</b>	<b>(0.67)</b>
<b>Net Interest Rate</b>		<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
EBITDA		(12.34)	14.80	26.46	29.11	32.02
<b>EBITDA/Interest Expense Coverage</b>		<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>

## Interest Rate Coverage Table

Debt Rating	2011	2012	2013	2014	2015
AAA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
AA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BBB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CCC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
C	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
D	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

\*Source: NYU; Professor Damodaran