

Body Central (BODY)

Price:	\$1.26	Net Tang. Bk Value Incl. Cash, Excl.	\$60,000,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	-\$158,097,900.00
Shares Outstanding:	16,620,000	Goodwill (NTBVIC):		Avg. Year Op. Cash:	-\$35,717,580.00
Market Cap:	\$20,941,200	NTBVIC/Market Downside Recovery:	286.52%	Year 5 Disposition FCF Multiple:	3.0
Cash:	\$16,510,000	Op. Cash Flow:	-\$35,717,580	Year 5 Disposition Price:	-\$265,250,640.00
Debt:	\$5,000,000	Implied Years to Fill Gap:	1.09		
Net Cash:	\$11,510,000	Today's Equity if 5x Op. CF:	-\$47,152,740		
Enterprise Value:	\$9,431,200			Net Tang. Book+ Gain Disposition:	-\$265,250,640.00
				IRR:	-266.16%
				Price:	-\$15.96
				Target Market Cap:	-\$265,250,640
				Target Enterprise Value:	-\$276,760,640

* Our future intrinsic value measures the total return, which includes both capital appreciation and dividend income.

The Co's tangible book value is \$60MM, but the market cap is only \$20MM. What gives?

The Co. has expanded rapidly over the past 2 years, but reported quarterly losses, and more importantly, negative operational cash flow in the most recent 2 quarters. The Co. sells apparel and accessories targeted to teens to mid-30s, and they sell discounted, low end products through 294 stores, located mainly in the South and MidWest.

Valuation

The balance sheet must be adjusted for a liquidation scenario. I expect the intangibles to be the brand value, so that should be wiped out to zero. Inventory should be zero. Also, the PP&E is most likely the improvements made to the stores, so that should also be zero. Thus, the adjusted tangible book value in a liquidation scenario is a negative \$20 MM.

Turnaround Strategy

We believe the Co. needs to close down stores, and focus on the profitable locations. Namely, the Co. should close down about 100 stores, to get to the pre-IPO activity level, when they were operational cash flow positive. There is no reason for an apparel store business to generate negative cash flow. Every single apparel co. we have seen generates positive cash flow and has zero debt. This co. will never be able to compete with such companies, if they are saddled with debt, mainly due to the unsustainable growth.

History

Westview Capital Partners, a Boston based PE firm, and other outsiders, participated in a recap in 2006, resulting in their majority stake in the Co. They brought in a former COO of American Eagle (AEO) and tried to turn the business around. The Co. IPOd in 2010, and outperformed the index until 2012 Q3, when the stock plummeted 67%, and it was halved in 2013 Q4. Westview sold their 25% stake before the downturn in 2012.

Stores:					
Comparable store sales change	(16.8)%	(8.1)%	11.3%	14.8%	4.9%
Number of stores open at end of period	294	276	241	209	185
Sales per gross square foot (in whole dollars)	\$ 204	\$ 234	\$ 253	\$ 233	\$ 207
Average square feet per store	4,248	4,258	4,287	4,300	4,312
Total gross square feet at end of period (in thousands)	1,249	1,175	1,033	899	798

Issue Stems from Hasty Exit by previous owners, the PE firms

Looking at the table above, we can see profitability went out the door as a result of the expansion. In the S1, we can see the Co. hardly grew their net store print before 2010, keeping the store count near 180 for 3 years. Of course, that is when the economy tanked (2007 to 2010) However, they ramped their additions to 30-40 after the IPO. The Co. raised \$90MM, or \$15 for 5MM shares, and the Co. modeled \$1MM in revenue per store, with an initial investment of \$100K per store. At the time of the filing, Westview owned 29% and Pineview Investments owned 31% of the shares. The founder, Rossenbaum, owned 20%.

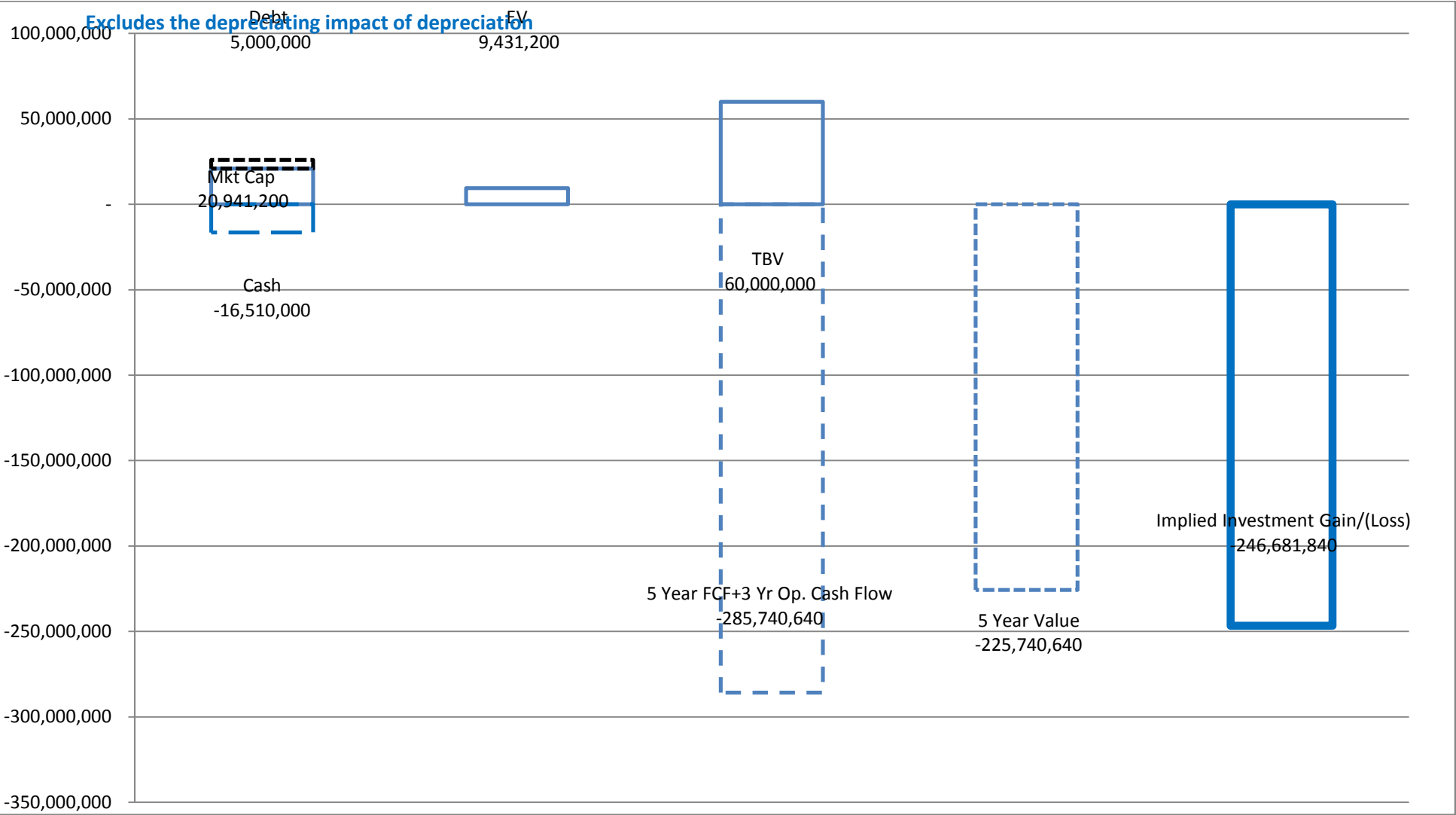
The Co. sold 5MM shares, of which 3.3 was from Co. and 1.7 from the original owners on Oct. 2010 for \$15, raising \$50MM. On Jan 2011, the Co. executed a secondary offering selling another 5MM shares, of which 100K was from Co, and the rest was from the original owners. 16MM shares outstanding.

\$24+\$27+\$26=\$80MM from common stock. The total capitalization was roughly \$70MM before the IPO, and if it was a split between Westview and Pineview, this means Westview invested \$35MM but made \$80MM in 4 years, or a 130% return, or 30% annual return. Great earnings for the firm, but it was a pump and dump strategy, screwing the subsequent owners, as the store count growth, which helped the stock price rally, was never sustainable.

News

Recently, the Co. has contracted with Houlihan Lokey to market the Co. for a possible suitors.

Excludes the depreciating impact of depreciation



NA

Company Name:	Body Central
Ticker Symbol:	BODY
Last Price:	\$1.26
Net Cash/Share:	\$0.69
Net Cash to Last Price:	54.96%
Shares Outstanding:	16,620,000
Industry:	Apparel Stores
Sector:	Consumer Cyclical
Institutional Ownership:	70.53%
Mutual Fund Ownership:	10.42%
Insider Ownership:	3.49%
Float:	98.00%

Technicals	
52 week low:	\$0.86
Today from 52 week low:	46.51%
52 week high:	\$13.39
Today from 52 week high:	962.70%

Analyst/Consensus	
Analyst Sales Growth FY1:	-13.10%
Analyst Sales Growth FY2:	9.50%
SN Valuation Estimate FY1:	-10.00%
SN Valuation Estimate FY2:	0.00%

Analyst Earnings Estimate FY1:	-\$1.30
Analyst Earnings Estimate FY2:	-\$0.61
SN Valuation Earnings Est. FY1:	-\$2.62
SN Valuation Earnings Est. FY2:	-\$2.62

Multiples	
Market Value to Book:	0.35
EV to Book:	0.16
Market Value to Tangible Net Assets:	-0.64
P/E Ratio:	-0.49
Trailing P/E Ratio:	N/A
Forward P/E Ratio:	N/A
Beta:	1.62
Dividend:	0.00
Dividend Yield:	0.00%
Dividend Date:	N/A
Ex-Dividend Date:	N/A

Competitors	
Average EV to EBITDA:	N/A
Company EV to EBITDA:	-0.26
Average EV to EBIT:	N/A
Company EV to EBITA:	-0.18

Market Capitalization:	\$20,941,200.00
Total Debt:	\$5,000,000.00
RCH Total Cash:	\$16,510,000.00
Net Cash/(Debt):	\$11,510,000.00
Enterprise Value:	\$9,431,200.00
RCH Current EV/Share:	\$0.57
EBITDA:	-\$35,800,000.00
EV/EBITDA Multiple:	-0.26
EV/EBITDA Multiple Average Year 1-5:	-0.27
EV/FCF Multiple (excluding acquisition):	-0.30
	-0.26

Upper Range
DCF: EV/EBITDA Terminal Value

Implied TV from 3 X EV/EBITDA Multiple	-\$130,154,040.00
Enterprise Value	-\$130,154,040.00
Cash at Year 5:	-\$162,077,900.00
Debt at Year 5:	\$5,000,000.00
Equity Value Year 5:	-\$297,231,940.00
Equity/Share at Year 5:	-\$17.88
Annualized Return:	-269.99%

Lower Range
DCF: Net Tangible Asset excluding Cash/Debt Terminal Value

Year 5 Net Tangible Assets excluding cash and debt	-\$27,630,000.00
Enterprise Value	-\$27,630,000.00
Cash at Year 5:	-\$162,077,900.00
Debt at Year 5:	\$5,000,000.00
Equity Value Year 5:	-\$194,707,900.00
Equity/Share at Year 5:	-\$11.72
Annualized Return:	-256.20%

EVA

EVA today:	\$17,678,630.26
EVA in 5 Years:	-\$102,573,732.52
EVA/Share:	-\$6.17
Cash at Year 5:	-\$162,077,900.00
Debt at Year 5:	\$5,000,000.00
Equity Value Year 5:	-\$269,651,632.52
Equity/Share at Year 5:	-\$16.22
Annualized return	-242.14%

Current Net Tangible Asset

Net Tangible Asset/Share:	\$2.59
Net Tangible Asset/Share in Year 5:	-\$10.53
Annualized return	-232.36%

Current Equity Price:	\$1.26
Selling at Discount?	Discount
Appreciation Potential:	105.72%

Income Statement

Revenue:	\$283,560,000.00	100.0%
Cost of Goods Sold:	\$210,800,000.00	74.3%
Gross Profit:	\$72,760,000.00	25.7%
EBITDA:	-\$22,140,000.00	-7.8%
Net Income:	-\$42,310,000.00	-14.9%

Balance Sheet

Cash:	\$16,510,000.00
Short Term Investment:	\$0.00
A/R:	\$3,000,000.00
PP&E:	\$44,000,000.00
Assets:	\$120,050,000.00
A/P:	\$9,000,000.00
Deferred Tax:	\$6,910,000.00
Other Liabilities:	\$39,060,000.00
Short term Debt:	\$0.00
Long Term Debt:	\$5,000,000.00
Liabilities:	\$59,970,000.00
Retained Earnings:	-\$33,000,000.00
Paid-In Capital:	\$93,000,000.00
Treasury Stock:	\$0.00
Stockholder's Equity:	\$60,000,000.00

Cash Flow

Net Income:	-\$42,310,000.00
Depreciation/Amortization:	8,780,000.00
Change in Working capital:	-6,070,000.00
Cash from Operating Activities:	-13,620,000.00
Capital Expenditures:	-17,750,000.00
Cash from Investing Activities:	-17,940,000.00
Total Cash Dividends Paid:	0.00
Issuance (Retirement) of Stock:	330,000.00
Issuance (Retirement) of Debt:	5,000,000.00
Cash from Financing Activities:	6,940,000.00

Profitability Margins

Debt to Equity:	8.33%
Return on Assets:	-35.24%
Return on Capital:	-65.09%
Return on Equity:	-70.52%

SN VALUATION

LBO Pro Forma Income Statement

Name:

Body Central

Ticker:

BODY

	Historical				Forecasted				
	52 weeks ending 2011-01-01	52 weeks ending 2011-12-31	52 weeks ending 2012-12-29	52 weeks ending 2013-12-28	2013	2014	2015	2016	2017
Revenue	243.36	296.50	310.96	283.56	255.20	255.20	255.20	255.20	255.20
COGS	161.80	193.10	210.91	210.80	196.51	196.51	196.51	196.51	196.51
Gross margin	81.56	103.40	100.05	72.76	58.70	58.70	58.70	58.70	58.70
SG&A	59.92	68.80	74.65	94.90	102.08	102.08	102.08	102.08	102.08
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	0.00	0.00	0.00	22.44	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)	24.64	36.60	25.40	-44.58	-43.38	-43.38	-43.38	-43.38	-43.38
Interest income/(expense)	-3.29	0.01	0.01	-0.02	-0.23	-0.23	-0.23	-0.23	-0.23
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	-0.31	0.24	0.20	1.02	0.00	0.00	0.00	0.00	0.00
Income before tax	16.27	31.64	19.33	-52.36	-43.62	-43.62	-43.62	-43.62	-43.62
Tax	6.46	11.92	7.39	-10.05	0.00	0.00	0.00	0.00	0.00
Income after tax	9.81	19.72	11.95	-42.31	-43.62	-43.62	-43.62	-43.62	-43.62
Minority Interest	0.00	0.00	0.00	0.00	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	9.81	19.72	11.95	-42.31	-43.62	-43.62	-43.62	-43.62	-43.62
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.59	\$1.19	\$0.72	-\$2.55	-\$2.62	-\$2.62	-\$2.62	-\$2.62	-\$2.62
P/E (historical today's price; forecasted intrinsic price)	2.13	1.06	1.75	-0.49	0.80	-1.33	2.20	-3.66	6.08
Revenue Growth	N/A	21.84%	4.89%	-8.81%	-10.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	39.70%	37.67%	38.18%	19.19%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	0.00%	0.00%	0.00%	-0.40%	-4.70%	-4.70%	-4.70%	-4.70%	-4.70%
Margins									
COGS	66.49%	65.13%	67.83%	74.34%	77.00%	77.00%	77.00%	77.00%	77.00%
Gross margin	33.51%	34.87%	32.17%	25.66%	23.00%	23.00%	23.00%	23.00%	23.00%
SG&A	23.39%	22.53%	24.01%	33.47%	40.00%	40.00%	40.00%	40.00%	40.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.00%	0.00%	0.00%	7.91%	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)	10.12%	12.34%	8.17%	-15.72%	-17.00%	-17.00%	-17.00%	-17.00%	-17.00%
Interest income/(expense)	-1.35%	0.00%	0.00%	-0.01%	-0.09%	-0.09%	-0.09%	-0.09%	-0.09%
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	-0.13%	0.08%	0.06%	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	6.69%	10.67%	6.22%	-18.47%	-17.09%	-17.09%	-17.09%	-17.09%	-17.09%
Tax	2.65%	4.02%	2.37%	-3.54%	0.00%	0.00%	0.00%	0.00%	0.00%
Income after tax	4.03%	6.65%	3.84%	-14.92%	-17.09%	-17.09%	-17.09%	-17.09%	-17.09%
Minority Interest	0.00%	0.00%	0.00%	0.00%	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	4.03%	6.65%	3.84%	-14.92%	-17.09%	-17.09%	-17.09%	-17.09%	-17.09%

	As of 2011-01-01	As of 2011-12-31	As of 2012-12-29	As of 2013-12-28	Adjustment		Adjusted Proforma	2014	2015	2016	2017	2018
					+	-						
Cash	16.20	41.99	41.14	16.51	16.51		16.51	-19.20758	-54.93	-90.64	-126.36	-162.08
Short term investment	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Cash and Short term	16.20	41.99	41.14	16.51	16.51		16.51	-19.21	-54.93	-90.64	-126.36	-162.08
Accounts Receivable	1.26	2.61	4.71	2.80	3.00		3.00	3.00	3.00	3.00	3.00	3.00
Other receivables	0.00	0.00	0.00	0.00	15.00		15.00	15.00	15.00	15.00	15.00	15.00
Total Receivables	1.26	2.61	4.71	2.80	18.00		18.00	18.00	18.00	18.00	18.00	18.00
Total Inventory	18.37	21.14	22.97	18.81	18.81		18.81	18.81	18.81	18.81	18.81	18.81
Prepaid Expenses	3.93	4.29	4.75	2.06	2.06		2.06	2.06	2.06	2.06	2.06	2.06
Other Current Assets	1.43	1.95	1.96	3.32	3.32		3.32	3.32	3.32	3.32	3.32	3.32
Current Assets	41.19	71.98	75.53	43.50	58.70	0.00	58.70	22.98242	-12.74	-48.45	-84.17	-119.89
PP&E, Gross	32.70	42.05	70.84	0.00	71.00		71.00	71.00	71.00	71.00	71.00	71.00
Change in Depreciation	4.77	5.20	6.27	8.78	8.78		8.78	7.90	7.90	7.90	7.90	7.90
Accumulated Depreciation	15.63	19.89	30.36	0.00	27.00		27.00	34.90	42.80	50.71	58.61	66.51
PP&E, Net	17.07	22.16	40.48	0.00	44.00		44.00	36.10	28.20	20.29	12.39	4.49
Goodwill	21.51	21.51	21.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	17.13	16.54	16.57	16.57	17.00		17.00	17.00	17.00	17.00	17.00	17.00
Long term investments	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	0.10	0.11	0.25	0.35	0.35		0.35	0.35	0.35	0.35	0.35	0.35
Long Term Assets	55.81	60.32	78.81	16.92	61.35		61.35	53.45	45.55	37.64	29.74	21.84
Total Assets	97.00	132.30	154.34	60.42	120.05	0.00	120.05	76.43	32.81	-10.81	-54.43	-98.05
Accounts Payable	14.88	16.50	13.71	8.97	9.00		9.00	9.00	9.00	9.00	9.00	9.00
Accrued Expense	8.65	11.24	19.73	24.62	25.00		25.00	25.00	25.00	25.00	25.00	25.00
Other current Liabilities	5.96	7.37	0.00	0.74	0.74		0.74	0.74	0.74	0.74	0.74	0.74
Total Current Liabilities	29.49	35.11	33.44	34.33	34.74	0.00	34.74	34.74	34.74	34.74	34.74	34.74
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	0.00
Current port. Of LT Debt/Capital Leases	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	0.00	0.00	0.00	5.00	5.00	0.00	5.00	5.00	5.00	5.00	5.00	5.00
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	0.00	0.00	0.00	5.00	5.00	0.00	5.00	5.00	5.00	5.00	5.00	5.00
Deferred Income tax	4.22	4.22	5.30	6.91	6.91		6.91	6.91	6.91	6.91	6.91	6.91
Minority Interest	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	5.15	7.90	10.49	13.73	13.32		13.32	13.32	13.32	13.32	13.32	13.32
Total Liabilities	38.86	47.23	49.23	59.97	59.97	0.00	59.97	59.97	59.97	59.97	59.97	59.97
Redeemable Preferred Stock	0.00	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	0.00
Common Stock	0.01	0.02	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Additional Paid-in capital	85.50	92.70	0.00	0.00	93.00	0.00	93.00	93.00	93.00	93.00	93.00	93.00
Dividends Paid	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	-27.37	-7.65	0.00	0.00	-33.00		-33.00	-76.62	-120.24	-163.86	-207.48	-251.10
Treasury Stock	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	0.00	0.00	100.35	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Total Equity	58.14	85.07	100.35	60.99	60.00	0.00	60.00	16.38	-27.24	-70.86	-114.48	-158.10
Liability + Equity	97.00	132.30	149.58	120.96	119.97	0.00	119.97	76.35	32.73	-10.89	-54.51	-98.13
Variance	0.00	0.00	4.76	-60.54	0.08		0.08	0.08	0.08	0.08	0.08	0.08
Debt/Equity	0.00	0.00	0.00	0.08	0.08		0.08	0.31	-0.18	-0.07	-0.04	-0.03
Inventory Turnover	13.25	14.03	13.54	15.07	13.57		15.07	13.57	13.57	13.57	13.57	13.57
Inventory Turnover Days	27.55	26.02	26.96	24.21	26.90		24.21	26.90	26.90	26.90	26.90	26.90
Days Inventory Outstanding	41.44	39.96	39.75	32.57	34.94		32.57	34.94	34.94	34.94	34.94	34.94
Accounts Receivable Turnover	193.14	113.60	66.02	101.27	85.07		15.75	14.18	14.18	14.18	14.18	14.18
Accounts Receivable Turnover Days	1.89	3.21	5.53	3.60	4.29		23.17	25.74	25.74	25.74	25.74	25.74
Days Payable Outstanding	33.57	31.19	23.73	15.53	16.72		15.58	16.72	16.72	16.72	16.72	16.72
Days Sales Outstanding	1.89	3.21	5.53	3.60	25.74		3.60	23.17	25.74	25.74	25.74	25.74
Cash Conversion Cycle	9.76	11.98	21.55	20.64	43.97		20.59	41.39	43.97	43.97	43.97	43.97
Net tangible assets/share	\$1.17	\$2.83	\$3.75	\$2.67	\$2.59			(\$0.04)	(\$2.66)	(\$5.29)	(\$7.91)	(\$10.54)

SN VALUATION

LBO Adjusted Proforma Cash Flow

Ticker:

BODY

	52 weeks ending 2011-01-01	52 weeks ending 2011-12-31	52 weeks ending 2012-12-29	52 weeks ending 2013-12-28	2014	2015	2016	2017	2018
Net Income	9.81	19.72	11.95	-42.31	-43.62	-43.62	-43.62	-43.62	-43.62
Depreciation	4.77	5.20	6.27	8.78	7.90	7.90	7.90	7.90	7.90
Net Income + Depreciation	14.58	24.92	18.22	-33.53	-35.72	-35.72	-35.72	-35.72	-35.72
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	2.08	-0.52	1.07	0.23	0.00	0.00	0.00	0.00	0.00
Non Cash Items	1.10	-2.36	1.82	25.75	0.00	0.00	0.00	0.00	0.00
Change in Working capital	1.65	7.41	-4.93	-6.07	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-1.35	-2.10	1.91	0.00	0.00	0.00	0.00	0.00
Other Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	0.00	-2.77	-1.83	4.16	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-0.36	-0.46	2.69	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	1.62	-2.79	-4.74	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	19.41	29.45	16.18	-13.62	-35.72	-35.72	-35.72	-35.72	-35.72
Capital Expenditures Expenditures	-6.80	-9.81	-17.89	-17.75	0.00	0.00	0.00	0.00	0.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	0.00	0.00	-0.43	-0.19	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-6.80	-9.81	-18.32	-17.94	0.00	0.00	0.00	0.00	0.00
Financing Cash flow items	0.00	3.45	0.76	1.61	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	34.62	2.70	0.54	0.33	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	-38.25	0.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-3.63	6.15	1.30	6.94	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	7.22	16.20	41.99	41.14	16.51	-19.21	-54.93	-90.64	-126.36
Net Change in Cash	8.98	25.79	-0.86	-24.62	-35.72	-35.72	-35.72	-35.72	-35.72
Ending Cash Balance	16.20	41.99	41.13	16.52	-19.21	-54.93	-90.64	-126.36	-162.08
Capex to Revenue	2.79%	3.31%	5.75%	6.26%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation to Sales	1.96%	1.75%	2.02%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
Amortization to Sales	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A/R to Sales	0.52%	0.88%	1.51%	0.99%	1.10%	1.10%	1.10%	1.10%	1.10%
Distributable FCF/EV Yield	133.71%	208.24%	-22.69%	-334.63%	-378.72%	-378.72%	-378.72%	-378.72%	-378.72%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	12.61	19.64	-1.71	-31.37	-35.72	-35.72	-35.72	-35.72	-35.72

SN VALUATION

LBO Debt Schedule

Ticker:

BODY

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	-24.62	-35.72	-35.72	-35.72	-35.72	-35.72
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	5.00	5.00	5.00	5.00	5.00	5.00
Current Portion Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt Balance	5.00	5.00	5.00	5.00	5.00	5.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		5.00%	5.00%	5.00%	5.00%	5.00%
Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%
Interest Expense		0.40	0.40	0.40	0.40	0.40
Cash Balance		16.51				
Interest @ 1.0%		0.17	0.17	0.17	0.17	0.17
Net Interest Expense/(Income)		0.23	0.23	0.23	0.23	0.23
Net Interest Rate		4.70%	4.70%	4.70%	4.70%	4.70%
EBITDA		(43.38)	(43.38)	(43.38)	(43.38)	(43.38)
EBITDA/Interest Expense Coverage		(108.46)	(108.46)	(108.46)	(108.46)	(108.46)

Interest Rate Coverage Table

Debt Rating					
AAA					
AA					
A+					
A					
A-					
BBB					
BB+					
BB					
B+					
B					
B-					
CCC					
CC					
C					
D	D	D	D	D	D

*Source: NYU; Professor Damodaran

SN VALUATION

Altman Z Score

	Company Name:				Body Central					Ticker:	BODY
Period	2009	2010	2011	2012	2013	2014	2015	2016	2017		
Working Capital	11.70	36.87	42.09	23.96	-11.76	-47.48	-83.19	-118.91	-154.63		
Total Assets	97.00	132.30	154.34	120.05	76.43	32.81	-10.81	-54.43	-98.05		
X1	0.12	0.28	0.27	0.20	-0.15	-1.45	7.70	2.18	1.58		
Retained Earnings	-27.37	-7.65	0.00	-33.00	-76.62	-120.24	-163.86	-207.48	-251.10		
Total Assets	97.00	132.30	154.34	120.05	76.43	32.81	-10.81	-54.43	-98.05		
X2	-0.28	-0.06	0.00	-0.27	-1.00	-3.66	15.16	3.81	2.56		
EBITDA	24.64	36.60	25.40	-44.58	-43.38	-43.38	-43.38	-43.38	-43.38		
Total Assets	97.00	132.30	154.34	120.05	76.43	32.81	-10.81	-54.43	-98.05		
X3	0.25	0.28	0.16	-0.37	-0.57	-1.32	4.01	0.80	0.44		
Market Value of Equity	20.94	20.94	20.94	20.94	-34.80	57.82	-96.07	159.63	-265.25		
Total Liabilities	38.86	47.23	49.23	59.97	59.97	59.97	59.97	59.97	59.97		
X4	0.54	0.44	0.43	0.35	-0.58	0.96	-1.60	2.66	-4.42		
Net Sales	243.36	296.50	310.96	283.56	255.20	255.20	255.20	255.20	255.20		
Total Assets	97.00	132.30	154.34	120.05	76.43	32.81	-10.81	-54.43	-98.05		
X5	2.51	2.24	2.01	2.36	3.34	7.78	-23.61	-4.69	-2.60		
Altman Z Score	3.42	3.67	3.14	1.20	-0.47	-2.87	19.13	7.50	1.68		

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

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

Year	Present Value	Holding Period					Terminal Value			Sale Price
	0	1	2	3	4	5	6	7	8	TBV at Year 5 + 3 Years FCF
Tangible Book Value	60.00	16.38	(27.24)	(70.86)	(114.48)	(158.10)				(158.10)
Annual Change		(43.62)	(43.62)	(43.62)	(43.62)	(43.62)				
Annual FCF	(31.37)	(35.72)	(35.72)	(35.72)	(35.72)	(35.72)	(35.72)	(35.72)	(35.72)	(107.15)
Annual Op. Cash Flow	(13.62)	(35.72)	(35.72)	(35.72)	(35.72)	(35.72)	(35.72)	(35.72)	(35.72)	
Annual PP&E Investment	(17.75)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Today's Tangible Book Value	60.00	-72.83	88.40	-107.30	130.25	-158.10				(263.25)
Intrinsic Value IRR	-221.38%									
Market Price	20.94	-34.80	57.82	-96.07	159.63	-265.25				(265.25)
Market Price IRR	-266.16%									

Debt	50.00%	10.47
Equity	50.00%	10.47
Total	100.00%	20.94

	Present Value	Holding Period					Terminal Value			Sale Price	
	Historic	ProForma	1	2	3	4	5	6	7	8	
Book Equity	60	10.47	(34.15)	(78.77)	(123.40)	(168.02)	(212.64)				
Goodwill	0	(39.06)	(39.06)	(39.06)	(39.06)	(39.06)	(39.06)				
Debt	5	15.47	15.47	15.47	15.47	15.47	15.47				
Debt Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%	8.00%				
Additional Interest Expense		1.00	1.00	1.00	1.00	1.00	1.00				
Tangible Book Value	60	49.53	4.91	-39.72	-84.34	-128.96	-173.58				-173.58
Annual Change			-44.62	-44.62	-44.62	-44.62	-44.62				
Annual FCF	(31.37)	(36.72)	(36.72)	(36.72)	(36.72)	(36.72)	(36.72)	(36.72)	(36.72)	(36.72)	(110.16)
Annual Net Income	(42.31)	(44.62)	(44.62)	(44.62)	(44.62)	(44.62)	(44.62)	(44.62)	(44.62)	(44.62)	
Annual Op. Cash Flow	(13.62)	(36.72)	(36.72)	(36.72)	(36.72)	(36.72)	(36.72)	(36.72)	(36.72)	(36.72)	
Dividend Payments											
Annual PP&E Investment	(17.75)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Debt Paydown	0.00										

Sale Price in Year 5 **(263.74)**

Capital Left for Equity Investor **(263.74)**
 Dividend Payments 0.00
 Total Cash In Flow **(263.74)**

Invested Equity **10.47**
 IRR **-293.46%**

Value Creation
 TBV Growth (equals sum of NI Year 1-5) -223.11
 Cash Flow (Year 6-8) -110.16
-333.27

Value Dilution
 Debt 10.47
 Goodwill -39.06
 Additional Interest 5.01
(23.57)