

January 21, 2013

SN VALUATION [Stocks, Real Estate, Bonds]

Church and Dwight Co. (CHD)

Price:	\$56.74
Market Cap:	\$7,927,712,800
Cash:	\$241,200,000
Debt:	\$254,400,000
Net Cash:	-\$13,200,000
Enterprise Value:	\$7,940,912,800
Target Market Cap:	\$4,289,571,116
Target Enterprise Value:	\$4,302,771,116

Price/Book:	3.53
EV/FCF:	21.98
Net Tang. Asset/Share:	\$8.21
Avg. Year 1-5 FCF/Share:	\$2.26
5 Years of FCF:	\$11.31
Net Tang. Asset+5 FCF:	\$19.52

Net Tang. Asset Yr. 5/Share:	\$19.39
Avg. Year FCF/Share:	\$2.26
Year 5 Disposition FCF Multiple:	5.0
Year 5 Disposition Price:	\$30.70
Gain Year 5:	\$11.18

Net Tang. Asset+5 FCF+ Gain Disposition:	\$30.70
IRR:	-11.56%

Assumed Deal Details		
Debt	60.00%	\$4,756,627,680
Equity	40.00%	\$3,171,085,120
Shares Outstanding		139,720,000

Levered Return	
New market cap in 5 years	\$4,289,571,116
Nominal Gain for Equity	-\$3,638,141,684
Levered Equity Return	-168.18%

Great fundamentals, but the co. is too pricey. (4x P/B, +20x EV/FCF)

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LBO Analysis

WACC Terminal Value:	N/A	Intrinsic Price in 5 Years:	23.98	Non-LBO Forecast		Non-LBO Forecast	
EV/EBITDA with 3X Multiple Terminal Value:	\$22.29	Market Price:	56.74	Year 1 Target	47.76	Desired Return Rate	20.00%
Net Tangible Asset Terminal Value:	\$13.10	LBO Price:	56.74	Year 2 Target	40.20	Implied Today's Price	9.64
EV/EBITDA with Today's Multiple Terminal Value:	\$29.68	Premium to Market Price:	0.00%	Year 3 Target	33.84	Overvalued/(Undervalued)	488.85%
EVA Enterprise Value:	\$30.84	LBO Price/Intrinsic Price Target:	-15.83%	Year 4 Target	28.48		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-12.70%	Year 5 Target	23.98		
Average (Excluding Dividend Discount):	\$23.98	Implied IRR at today's EV/EBITDA:	-12.15%	Implied IRR (Market Price):	-15.83%		
		5 Year Return:	-57.74%				

Current Evaluation				Exit Evaluation			
Current Market Price:	56.74	LBO Price:	56.74	Exit Price:	23.98	Exit Price:	29.68
Outstanding Shares:	139,720,000	Outstanding Shares:	139,720,000	Outstanding Shares:	139,720,000	Outstanding Shares:	139,720,000
Market Capitalization:	7,927,712,800	Market Capitalization:	7,927,712,800	Market Capitalization:	3,350,041,817	Market Capitalization:	4,147,005,391
Available Cash:	241,200,000	Available Cash:	241,200,000	Available Cash:	1,821,273,441	Available Cash:	1,821,273,441
Debt:	254,400,000	Debt:	254,400,000	Debt:	254,400,000	Debt:	254,400,000
Net Cash:	-13,200,000	Net Cash:	-13,200,000	Net Cash:	1,566,873,441	Net Cash:	1,566,873,441
Enterprise Value:	7,940,912,800	Enterprise Value:	7,940,912,800	Enterprise Value:	1,783,168,376	Enterprise Value:	2,580,131,949
Original EV/EBITDA:	16.12	EV/EBITDA:	16.12	EV/EBITDA at 5 Years:	3.46	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	13.94	EV/EBITDA:	14.64	EV/EBITDA at 5 Years:	4.69	EV/EBITDA at 5 Years:	4.52
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:	56.74	56.74	47.76	40.20	33.84	28.48	23.98
Shares Outstanding:	139,720,000	139,720,000	139,720,000	139,720,000	139,720,000	139,720,000	139,720,000
Market Capitalization:	7,927,712,800	7,927,712,800	6,673,111,360	5,617,057,069	4,728,128,817	3,979,878,045	3,350,041,817
Available Cash:	241,200,000	241,200,000	541,580,177	849,744,323	1,165,383,938	1,489,014,098	1,821,273,441
Debt:	254,400,000	254,400,000	254,400,000	254,400,000	254,400,000	254,400,000	254,400,000
Net Cash:	-13,200,000	-13,200,000	287,180,177	595,344,323	910,983,938	1,234,614,098	1,566,873,441
Enterprise Value:	7,940,912,800	7,940,912,800	6,385,931,184	5,021,712,746	3,817,144,879	2,745,263,947	1,783,168,376
EBIT	492,600,000	492,600,000	476,728,620	486,263,192	5	505,908,225	516,026,390
EV/EBIT:	16.12	16.12	13.40	10.33	763,428,975.82	5.43	3.46
EBITDA	542,400,000	542,400,000	527,524,620	538,075,112	548,836,615	559,813,347	571,009,614
EV/EBITDA:	14.64	14.64	12.11	9.33	6.95	4.90	3.12

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	56.74	56.74	57.06	60.36	6.52	67.21	70.75
Shares Outstanding:	139,720,000	139,720,000	139,720,000	139,720,000	139,720,000	139,720,000	139,720,000
Market Capitalization:	7,927,712,800	7,927,239,861	7,972,239,861	8,434,105,201	9,190,984,018	9,390,060,916	9,885,429,195
Available Cash:	241,200,000	241,200,000	541,580,177	849,744,323	1,165,383,938	1,489,014,098	1,821,273,441
Debt:	254,400,000	254,400,000	254,400,000	254,400,000	254,400,000	254,400,000	254,400,000
Net Cash:	-13,200,000	-13,200,000	287,180,177	595,344,323	910,983,938	1,234,614,098	1,566,873,441
Enterprise Value:	7,940,912,800	7,940,912,800	7,685,059,685	7,838,760,878	81	8,155,446,818	8,318,555,754
EBIT	492,600,000	492,600,000	476,728,620	486,263,192	5	505,908,225	516,026,390
EV/EBIT:	16.12	16.12	16.12	16.12	16.12	16.12	16.12
EBITDA	542,400,000	542,400,000	527,524,620	538,075,112	548,836,615	559,813,347	571,009,614
EV/EBITDA:	14.64	14.64	14.57	14.57	0.00	14.57	14.57

LBO Price	56.74	Equity Partners:	8,180,012,800	Weighting	100.00%	Annualized Return for Equity Partners: -12.70%
Shares Outstanding	139,720,000	Debt Partners:	0		0.00%	
Market Capitalization	7,927,712,800	Total Funds for LBO:	8,180,012,800		100.00%	
Debt	252,300,000					
Cash	241,200,000					
Enterprise Value	7,938,812,800					
Capital Investment	8,180,012,800					

Book Value	Enterprise Value	Stock Valuation	Debt Reduction		
Beginning Book Value	2,247.80	Current Market Price	Starting Debt	0.00	
Year 5 Book Value	3,810.10	Year 5 Market Price	Debt Repayment	0.00	
Annualized Return	11.13%	Annualized Return	-12.15%	Year 5 Ending Debt	0.00
			% of Starting Debt	#DIV/0!	

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LBO Pro Forma Income Statement

Name:

Church and Dwight Co.

Ticker:

CHD

	Historical				Forecasted				
	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	2013	2014	2015	2016	2017
Revenue	2,422.40	2,520.92	2,589.22	2,749.30	2,804.29	2,860.37	2,917.58	2,975.93	3,035.45
COGS	1,450.68	1,419.93	1,431.45	1,534.80	1,570.40	1,601.81	1,633.84	1,666.52	1,699.85
Gross margin	971.72	1,100.99	1,157.77	1,214.50	1,233.89	1,258.56	1,283.73	1,309.41	1,335.60
SG&A	625.69	708.10	712.81	721.90	757.16	772.30	787.75	803.50	819.57
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	5.70	-20.00	0.00	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: Included within COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	340.33	412.89	444.96	492.60	476.73	486.26	495.99	505.91	516.03
Interest income/(expense)	-28.86	-22.19	-22.14	3.20	-15.48	-15.48	-15.48	-15.48	-15.48
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	-3.21	1.54	-4.55	-1.20	0.00	0.00	0.00	0.00	0.00
Income before tax	308.26	392.24	418.26	494.60	461.25	470.79	480.51	490.43	500.55
Tax	113.08	148.72	147.57	185.00	161.44	164.78	168.18	171.65	175.19
Income after tax	195.18	243.52	270.69	309.60	299.81	306.01	312.33	318.78	325.36
Minority Interest	-0.01	0.01	0.02	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	195.17	243.53	270.72	309.60	299.81	306.01	312.33	318.78	325.36
*Figures are in millions (\$)									
EPS (based off today's share count)	\$1.40	\$1.74	\$1.94	\$2.22	\$2.15	\$2.19	\$2.24	\$2.28	\$2.33
P/E (historical today's price; forecasted intrinsic price)	40.62	32.55	29.28	25.61	22.26	18.36	15.14	12.48	10.30
Revenue Growth	N/A	4.07%	2.71%	6.18%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Rate	36.68%	37.92%	35.28%	37.40%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-3.37%	-2.72%	-6.52%	1.27%	NA	NA	NA	NA	NA
Margins									
COGS	59.89%	56.33%	55.28%	55.83%	56.00%	56.00%	56.00%	56.00%	56.00%
Gross margin	40.11%	43.67%	44.72%	44.17%	44.00%	44.00%	44.00%	44.00%	44.00%
SG&A	25.83%	28.09%	27.53%	26.26%	27.00%	27.00%	27.00%	27.00%	27.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.24%	-0.79%	0.00%	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: Included within COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	14.05%	16.38%	17.19%	17.92%	17.00%	17.00%	17.00%	17.00%	17.00%
Interest income/(expense)	-1.19%	-0.88%	-0.12%	0.12%	-0.55%	-0.54%	-0.53%	-0.52%	-0.51%
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%	0.06%	-0.18%	-0.04%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	12.73%	15.56%	16.15%	17.99%	16.45%	16.46%	16.47%	16.48%	16.49%
Tax	4.67%	5.90%	5.70%	6.73%	5.76%	5.76%	5.76%	5.77%	5.77%
Income after tax	8.06%	9.66%	10.45%	11.26%	10.69%	10.91%	11.14%	11.37%	11.60%
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	8.06%	9.66%	10.46%	11.26%	10.69%	10.70%	10.71%	10.71%	10.72%

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LBO Adjusted Proforma Balance Sheet

	As of 2008-12-31	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-09-30	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	198.00	447.14	189.20	251.40	241.20			241.20	541.58	849.74	1,165.38	1,489.01	1,821.27
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	198.00	447.14	189.20	251.40	241.20			241.20	541.58	849.74	1,165.38	1,489.01	1,821.27
Accounts Receivable	211.19	222.16	231.10	264.60	278.30			278.30	278.30	278.30	278.30	278.30	278.30
Other receivables	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	211.19	222.16	231.10	264.60	278.30			278.30	278.30	278.30	278.30	278.30	278.30
Total Inventory	198.89	216.87	195.40	200.70	225.10			225.10	225.10	225.10	225.10	225.10	225.10
Prepaid Expenses	10.23	11.44	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Current Assets	15.11	20.43	33.80	38.50	691.30			691.30	691.30	691.30	691.30	691.30	691.30
Current Assets	633.42	918.04	649.50	755.20	1,435.90	0.00	0.00	1,435.90	1,736.28	2,044.44	2,360.08	2,683.71	3,015.97
PP&E, Gross	730.25	806.26	863.20	900.00	900.00			900.00	980.00	1,060.00	1,140.00	1,220.00	1,300.00
Change in Depreciation		56.92	44.11	49.80	49.80			49.80	50.80	51.81	52.85	53.91	54.98
Accumulated Depreciation	345.74	350.63	394.90	400.00	400.00			400.00	450.80	502.61	555.46	609.36	664.34
PP&E, Net	384.51	455.63	468.30	500.00	500.00			500.00	529.20	557.39	584.54	610.64	635.66
Goodwill	845.23	838.08	857.40	868.40	868.40	0.00		868.40	868.40	868.40	868.40	868.40	868.40
Intangibles	810.17	794.89	872.50	904.10	886.60			886.60	856.83	826.49	796.03	765.09	733.17
Long term investments	10.06	12.81	9.20	12.00	20.30			20.30	20.30	20.30	20.30	20.30	20.30
Other long term assets	86.33	88.76	88.30	71.90	86.20			86.20	86.20	86.20	86.20	86.20	86.20
Long Term Assets	2,136.30	2,190.17	2,295.70	2,356.40	2,361.50			2,361.50	2,360.93	2,358.78	2,355.48	2,350.63	2,343.72
Total Assets	2,769.72	3,108.21	2,945.20	3,111.60	3,797.40	0.00	0.00	3,797.40	4,097.21	4,403.23	4,715.56	5,034.34	5,359.70
Accounts Payable	187.00	177.78	206.30	231.80	231.80			231.80	231.80	231.80	231.80	231.80	231.80
Accrued Expense	123.62	154.67	149.00	147.50	147.50			147.50	147.50	147.50	147.50	147.50	147.50
Other current Liabilities	1.76	15.63	1.80	1.70	11.00			11.00	11.00	11.00	11.00	11.00	11.00
Total Current Liabilities	312.38	348.08	357.10	381.00	390.30	0.00	0.00	390.30	390.30	390.30	390.30	390.30	390.30
Notes Payables/Short Term Debt	3.25	34.90	90.00	2.60	254.40			254.40	254.40	254.40	254.40	254.40	254.40
Current port. Of LT Debt/Capital Leases	71.49	184.05	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	781.40	597.35	249.70	249.70	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	0.00
Total Interest Earning Debt	856.14	816.30	339.70	252.30	254.40	0.00	0.00	254.40	254.40	254.40	254.40	254.40	254.40
Deferred Income tax	171.98	201.26	254.30	292.30	302.80			302.80	302.80	302.80	302.80	302.80	302.80
Minority Interest	0.19	0.19	0.20	0.20	0.20			0.20	0.20	0.20	0.20	0.20	0.20
Other liabilities	129.23	151.04	123.20	151.20	834.10			834.10	834.10	834.10	834.10	834.10	834.10
Total Liabilities	1,469.92	1,516.87	1,074.50	1,077.00	1,781.80	0.00	0.00	1,781.80	1,781.80	1,781.80	1,781.80	1,781.80	1,781.80
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	73.21	73.21	146.40	146.40	146.40		0.00	146.40	146.40	146.40	146.40	146.40	146.40
Additional Paid-in capital	252.13	276.10	230.80	271.70	310.90	0.00	0.00	310.90	310.90	310.90	310.90	310.90	310.90
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	1,063.93	1,275.12	1,501.80	1,714.00	1,882.00		0.00	1,882.00	2,181.81	2,487.83	2,800.16	3,118.94	3,444.30
Treasury Stock	-37.30	-32.92	-24.60	-94.40	-94.40			-94.40	-94.40	-94.40	-94.40	-94.40	-94.40
Other Equity	-20.45	10.08	16.30	2.90	2.90		0.00	2.90	2.90	2.90	2.90	2.90	2.90
Total Equity	1,331.52	1,601.59	1,870.70	2,040.60	2,247.80	0.00	0.00	2,247.80	2,547.61	2,853.63	3,165.96	3,484.74	3,810.10
Liability + Equity	2,801.44	3,118.46	2,945.20	3,117.60	4,029.60	0.00	0.00	4,029.60	4,329.41	4,635.43	4,947.76	5,266.54	5,591.90
Variance	-31.72	-10.25	0.00	-6.00	-232.20			-232.20	-232.20	-232.20	-232.20	-232.20	-232.20
Debt/Equity	0.64	0.51	0.18	0.12	0.11			0.11	0.10	0.09	0.08	0.07	0.07
Inventory Turnover	12.18	11.62	13.25	13.70	12.46			12.21	12.46	12.71	12.96	13.22	13.48
Inventory Turnover Days	29.97	31.40	27.55	26.65	29.30			29.88	29.30	28.72	28.16	27.61	27.07
Days Inventory Outstanding	50.04	55.75	49.82	47.73	52.32			53.53	52.32	51.29	50.29	49.30	48.33
Accounts Receivable Turnover	11.47	11.35	11.20	10.39	10.08			9.88	10.08	10.28	10.48	10.69	10.91
Accounts Receivable Turnover Days	31.82	32.17	32.58	35.13	36.22			36.95	36.22	35.51	34.82	34.13	33.46
Days Payable Outstanding	47.05	45.70	52.60	55.13	53.88			55.13	53.88	52.82	51.78	50.77	49.77
Days Sales Outstanding	31.82	32.17	32.58	35.13	36.22			35.13	36.95	36.22	35.51	34.82	34.13
Cash Conversion Cycle	34.81	42.21	29.80	27.73	34.67			33.54	35.39	34.70	34.02	33.35	32.70
Net tangible assets/share	\$3.25	\$5.39	\$7.25	\$8.35	\$8.21				\$10.36	\$12.55	\$14.78	\$17.06	\$19.39

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LBO Adjusted Proforma Cash Flow

	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	2011	2012	2013	2014	2015
Net Income	195.18	243.52	270.69	309.60	299.81	306.01	312.33	318.78	325.36
Depreciation	45.60	56.92	44.11	49.80	50.80	51.81	52.85	53.91	54.98
Net Income + Depreciation	240.78	300.44	314.80	359.40	350.61	357.82	365.18	372.69	380.34
Amortization	25.80	28.43	27.46	27.30	29.77	30.34	30.46	30.94	31.92
Deferred Taxes	15.15	23.14	38.85	59.40	0.00	0.00	0.00	0.00	0.00
Non Cash Items	19.50	13.50	15.78	2.70	0.00	0.00	0.00	0.00	0.00
Change in Working capital	34.92	35.43	31.58	-11.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-10.97	-8.94	-33.50	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	-17.98	21.47	-5.30	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-1.21	11.44	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-9.22	28.52	25.50	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	336.15	400.94	428.47	437.80	380.38	388.16	395.64	403.63	412.26
Capital Expenditures Expenditures	-98.32	-135.38	-63.83	-76.60	-80.00	-80.00	-80.00	-80.00	-80.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-367.84	31.24	-116.61	-71.20	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-466.16	-104.14	-180.44	-147.80	-80.00	-80.00	-80.00	-80.00	-80.00
Financing Cash flow items	-2.06	4.97	1.06	11.40	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-23.11	-32.34	-44.04	-97.40	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	12.32	9.64	15.88	-53.10	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	100.07	-40.58	-476.63	-87.40	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	87.22	-58.31	-503.73	-226.50	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	-9.04	10.65	-2.25	-1.30	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	249.81	198.00	447.14	189.20	241.20	541.58	849.74	1,165.38	1,489.01
Net Change in Cash	-51.81	62.20	-257.94	62.20	300.38	308.16	315.64	323.63	332.26
Ending Cash Balance	198.00	447.14	189.20	251.40	541.58	849.74	1,165.38	1,489.01	1,821.27
Capex to Revenue	4.06%	5.37%	2.47%	2.79%	2.85%	2.80%	2.74%	2.69%	2.64%
Depreciation to Sales	1.88%	2.26%	1.70%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%
Amortization to Sales	1.07%	1.13%	1.06%	0.99%	1.06%	1.06%	1.04%	1.04%	1.05%
A/R to Sales	8.72%	8.81%	8.93%	9.62%	9.44%	9.25%	9.07%	8.89%	8.72%
Distributable FCF Yield	-1.64%	3.74%	3.12%	3.65%	3.78%	3.88%	3.97%	4.08%	4.18%
Dividend Yield	-0.29%	-0.41%	-0.56%	-1.23%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	260.94	297.90	408.68	458.60	300.38	308.16	315.64	323.63	332.26

SN VALUATION

LBO Debt Schedule

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	62.20	300.38	308.16	315.64	323.63	332.26
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	257.00	257.00	257.00	257.00	257.00	257.00
Current Portion Debt Balance	257.00	257.00	257.00	257.00	257.00	257.00
Long Term Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%
Interest Expense		17.99	17.99	17.99	17.99	17.99
Cash Balance		251.40				
Interest @ 1.0%		2.51	2.51	2.51	2.51	2.51
Net Interest Expense/(Income)		15.48	15.48	15.48	15.48	15.48
Net Interest Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
EBITDA		476.73	486.26	495.99	505.91	516.03
EBITDA/Interest Expense Coverage		26.50	27.03	27.57	28.12	28.68

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Church and Dwight Co.

Ticker:

CHD

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	321.04	569.96	292.40	1,045.60	1,345.98	1,654.14	1,969.78	2,293.41	2,625.67
Total Assets	2,769.72	3,108.21	2,945.20	3,797.40	4,097.21	4,403.23	4,715.56	5,034.34	5,359.70
X1	0.12	0.18	0.10	0.28	0.33	0.38	0.42	0.46	0.49
Retained Earnings	1,063.93	1,275.12	1,501.80	1,882.00	2,181.81	2,487.83	2,800.16	3,118.94	3,444.30
Total Assets	2,769.72	3,108.21	2,945.20	3,797.40	4,097.21	4,403.23	4,715.56	5,034.34	5,359.70
X2	0.38	0.41	0.51	0.50	0.53	0.57	0.59	0.62	0.64
EBITDA	340.33	412.89	444.96	492.60	476.73	486.26	495.99	505.91	516.03
Total Assets	2,769.72	3,108.21	2,945.20	3,797.40	4,097.21	4,403.23	4,715.56	5,034.34	5,359.70
X3	0.12	0.13	0.15	0.13	0.12	0.11	0.11	0.10	0.10
Market Value of Equity	7,927.71	7,927.71	7,927.71	7,927.71	6,673.11	5,617.06	4,728.13	3,979.88	3,350.04
Total Liabilities	1,469.92	1,516.87	1,074.50	1,781.80	1,781.80	1,781.80	1,781.80	1,781.80	1,781.80
X4	5.39	5.23	7.38	4.45	3.75	3.15	2.65	2.23	1.88
Net Sales	2,422.40	2,520.92	2,589.22	2,749.30	2,804.29	2,860.37	2,917.58	2,975.93	3,035.45
Total Assets	2,769.72	3,108.21	2,945.20	3,797.40	4,097.21	4,403.23	4,715.56	5,034.34	5,359.70
X5	0.87	0.81	0.88	0.72	0.68	0.65	0.62	0.59	0.57
Altman Z Score	5.19	5.18	6.64	4.85	4.46	4.15	3.89	3.68	3.50

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

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