

Coffee Holding Company Inc (JVA)

Price:	\$6.70	Net Tang. Bk Value Incl. Cash (NTBVIC):	\$23,750,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$26,648,996.54
Market Cap:	\$42,679,000	NTBVIC/Market Downside Recovery:	55.65%	Avg. Year FCF/Share:	\$543,480.66
Cash:	\$7,570,000	Op. Cash Flow:	\$1,022,784	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$560,000	Implied Years to Fill Gap:	18.51	Year 5 Disposition Price:	\$28,279,438.53
Net Cash:	\$7,010,000	Today's Equity if 5x Op. CF:	\$26,818,352		
Enterprise Value:	\$35,669,000	Net Tang. Book+5 FCF+ Gain Disposition:		\$28,279,438.53	
Shares Outstanding:	6,370,000	IRR:		-7.90%	
		Price:		\$4.44	
		Target Market Cap:		\$28,279,439	
		Target Enterprise Value:		\$21,269,439	

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

Family operated business that essentially imports coffee beans to their plant in USA and they make them into private label/branded coffee products. Margins are very slim, with GM at 5%. Revenue is growing at a rapid pace, growing revenue from \$75 MM in 2008 to \$175 MM in 2012.

The co. has no debt, is sitting on mainly inventory, receivables, marginal net PP&E and cash. The operations generates about \$2 MM in op. cash flow.

We believe this co. may generate double digit growth in revenue over the next few years, but CF may grow at a frustratingly low pace, since GM is so low. If GM was high and operating margin was low, that could be easily rectified by growing sales, since the fixed operating costs would be an easier hurdle to overcome. However, this is a very commoditized business so every dollar generated in revenue is offset by the cost of the beans and related product costs, so increasing revenues doesn't flow down to offset the SG&A, at least at the current revenue levels.

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Stock Price	6.70
Stocks	6,370,000.00
Target Price	42,679,000.00
Price/Book	1.81
Price/EBITDA	48.67
Pay off Debt?	No
Debt	0.00
Total EV Cost	42,679,000.00
Equity	80.00%
Debt	20.00%
Equity	34,143,200.00
Debt	8,535,800.00
Cost of Debt	10%
Annual Additional Interest Cost	853,580.00

	Historical	Source
Assets	38,820,000.00	19,059,000.00
Interest Bearing Debt	0.00	8,535,800.00
Other Liabilities	14,070,000.00	
Equity	23,620,000.00	34,143,200.00
Assets=L+SE?	FALSE	

Variance	1,130,000.00
Debt/Equity	0.00

Book Value **23,620,000.00**
Downside Protection 55.34%

	0	1	2
Growth		1.00%	1.00%
EBITDA	876,983.00	885,752.83	894,610.36
Depreciation	454,500.00	454,500.00	459,045.00
EBIT	422,483.00	431,252.83	435,565.36
Interest	853,580.00	(12,146,420.00)	(25,146,420.00)
EBT	(431,097.00)	12,577,672.83	25,581,985.36
Tax	(142,262.01)	4,150,632.03	8,442,055.17
NI	(288,834.99)	8,427,040.80	17,139,930.19
Depreciation	454,500.00	454,500.00	459,045.00
FCF before Capex	165,665.01	8,881,540.80	17,598,975.19
Debt paydown		130,000,000	130,000,000
Debt Balance	8,535,800.00	-121,464,200.00	-251,464,200.00
FCF/Equity Yield	0.39%	20.81%	41.24%
EBIT/Interest Coverage	0.49	-0.04	-0.02

	0	1	2
Use	Proforma	Proforma	Proforma
	57,879,000.00	-63,239,459.20	-175,640,484.01
0.00	8,535,800.00	-121,464,200.00	-251,464,200.00
	14,070,000.00	14,070,000.00	14,070,000.00
-23,620,000.00	34,143,200.00	43,024,740.80	60,623,715.99
	FALSE	FALSE	FALSE

1,130,000.00 1,130,000.00 1,130,000.00

0.25 -2.82 -4.15

3	4	5
1.00%	1.00%	1.00%
903,556.46	912,592.03	921,717.95
463,635.45	468,271.80	472,954.52
439,921.01	444,320.22	448,763.42
(27,346,420.00)	(27,346,430.00)	(27,346,440.00)
27,786,341.01	27,790,750.22	27,795,203.42
9,169,492.53	9,170,947.57	9,172,417.13
18,616,848.48	18,619,802.65	18,622,786.29
463,635.45	468,271.80	472,954.52
19,080,483.93	19,088,074.45	19,095,740.82
22,000,000	100	100
-273,464,200.00	-273,464,300.00	-273,464,400.00
44.71%	44.72%	44.74%
-0.02	-0.02	-0.02

3	4	5
Proforma	Proforma	Proforma
-178,560,000.09	-159,472,025.63	-140,376,384.82
-273,464,200.00	-273,464,300.00	-273,464,400.00
14,070,000.00	14,070,000.00	14,070,000.00
79,704,199.91	98,792,274.37	117,888,015.18
FALSE	FALSE	FALSE

1,130,000.00	1,130,000.00	1,130,000.00
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-3.43	-2.77	-2.32
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EBITDA Year 5	921,717.95
Disposition Price	4,608,589.73
Implied Price/Share	0.72
Price/EBITDA	5.00

	Balance
Debt remaining	0.00
Equity Invested	34,143,200.00
<i>Annualized Return</i>	<i>-33.00%</i>

Contributors

P/EBITDA Exit higher than entry?	No
Higher EBITDA?	Yes
Higher Book Value?	Yes
Lower Debt Level?	Yes

If I was the buyer in year 5, why would I pay more for a co. that is laden with debt, an

Book Value Year 5	117,888,015.18
Disposition Price	235,776,030.37
Implied Price/Share	37.01
Price/Book	2.00

Allocation from Disposition		Balance	
0.00	Debt remaining		0.00
4,608,589.73	Equity Invested		34,143,200.00
	<i>Annualized Return</i>		<i>47.18%</i>

d generates the same EBITDA amount, and has the same net tangible book value?

Allocation from Disposition

0.00

235,776,030.37

SN VALUATION

LBO Pro Forma Income Statement

Name:

Coffee Holding Company Inc

Ticker:

JVA

	Historical				Forecasted				
	12 months ending 2009-10-31	12 months ending 2010-10-31	12 months ending 2011-10-31	12 months ending 2012-10-31	2013	2014	2015	2016	2017
Revenue	74.45	83.49	146.76	173.66	175.40	177.15	178.92	180.71	182.52
COGS	64.44	72.93	138.21	161.65	166.63	168.29	169.98	171.68	173.39
Gross margin	10.01	10.56	8.55	12.01	8.77	8.86	8.95	9.04	9.13
SG&A	6.39	6.54	7.35	7.61	7.89	7.97	8.05	8.13	8.21
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	-2.11	0.00	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: Excluded from COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	5.73	4.02	1.20	4.40	0.88	0.89	0.89	0.90	0.91
Interest income/(expense)	-0.25	-0.15	-0.13	-0.34	0.00	0.00	0.00	0.00	0.00
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	0.01	0.00	0.01	-0.01	0.00	0.00	0.00	0.00	0.00
Income before tax	5.49	3.87	1.08	4.05	0.87	0.88	0.89	0.90	0.91
Tax	2.16	1.46	0.23	1.47	0.31	0.31	0.31	0.32	0.32
Income after tax	3.33	2.39	0.85	2.58	0.57	0.57	0.58	0.59	0.59
Minority Interest	-0.04	0.00	-0.03	-0.10	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	3.29	2.39	0.81	2.49	0.57	0.57	0.58	0.59	0.59
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.52	\$0.38	\$0.13	\$0.39	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
P/E (historical today's price; forecasted intrinsic price)	12.97	17.86	52.69	17.14	69.17	63.07	57.51	52.44	47.82
Revenue Growth	N/A	12.14%	75.78%	18.33%	1.00%	1.00%	1.00%	1.00%	1.00%
Tax Rate	39.34%	38.24%	21.90%	36.30%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-31.65%	-6.49%	-7.14%	-60.71%	NA	NA	NA	NA	NA
Margins									
COGS	86.55%	87.35%	94.17%	93.08%	95.00%	95.00%	95.00%	95.00%	95.00%
Gross margin	13.45%	12.65%	5.83%	6.92%	5.00%	5.00%	5.00%	5.00%	5.00%
SG&A	8.58%	7.83%	5.01%	4.38%	4.50%	4.50%	4.50%	4.50%	4.50%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	-2.83%	0.00%	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: Excluded from COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	7.70%	4.81%	0.82%	2.53%	0.50%	0.50%	0.50%	0.50%	0.50%
Interest income/(expense)	-0.34%	-0.18%	-0.09%	-0.20%	0.00%	0.00%	0.00%	0.00%	0.00%
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	0.01%	0.00%	0.01%	-0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	7.37%	4.64%	0.74%	2.33%	0.50%	0.50%	0.50%	0.50%	0.50%
Tax	2.90%	1.77%	0.16%	0.85%	0.17%	0.17%	0.17%	0.17%	0.17%
Income after tax	4.47%	2.86%	0.58%	1.49%	0.32%	0.33%	0.33%	0.33%	0.34%
Minority Interest	-0.05%	0.00%	-0.02%	-0.06%	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	4.42%	2.86%	0.55%	1.43%	0.32%	0.32%	0.32%	0.32%	0.32%

	As of					Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	2009-10-31	2010-10-31	2011-10-31	2012-10-31	2012-10-31	+	-						
Cash	1.77	1.67	4.24	7.57	7.57			7.57	8.09	8.63	9.17	9.72	10.29
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	1.77	1.67	4.24	7.57	7.57			7.57	8.09	8.63	9.17	9.72	10.29
Accounts Receivable	10.17	8.85	16.02	12.63	13.00			13.00	13.00	13.00	13.00	13.00	13.00
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	10.17	8.85	16.02	12.63	13.00			13.00	13.00	13.00	13.00	13.00	13.00
Total Inventory	4.80	8.19	13.48	11.30	11.30			11.30	11.30	11.30	11.30	11.30	11.30
Prepaid Expenses	0.46	1.85	1.04	0.92	0.92			0.92	0.92	0.92	0.92	0.92	0.92
Other Current Assets	0.29	0.06	0.90	0.70	0.70			0.70	0.70	0.70	0.70	0.70	0.70
Current Assets	17.49	20.62	35.68	33.12	33.49	0.00	0.00	33.49	34.01	34.55	35.09	35.64	36.21
PP&E, Gross	6.33	3.33	3.85	4.00	4.00			4.00	4.50	5.00	5.50	6.00	6.50
Change in Depreciation		0.47	0.43	0.45	0.45			0.45	0.45	0.46	0.46	0.47	0.47
Accumulated Depreciation	4.68	1.77	2.19	2.00	2.00			2.00	2.45	2.91	3.38	3.85	4.32
PP&E, Net	1.65	1.56	1.66	2.00	2.00			2.00	2.05	2.09	2.12	2.15	2.18
Goodwill	0.00	0.44	0.44	0.44	0.44	18.97		19.41	19.41	19.41	19.41	19.41	19.41
Intangibles	0.00	0.33	0.32	0.31	0.31			0.31	0.31	0.31	0.31	0.31	0.31
Long term investments	0.00	0.00	0.00	1.93	1.93			1.93	1.93	1.93	1.93	1.93	1.93
Other long term assets	0.59	0.70	0.68	0.65	0.65			0.65	0.65	0.65	0.65	0.65	0.65
Long Term Assets	2.24	3.03	3.10	5.33	5.33			24.30	24.34	24.39	24.42	24.45	24.48
Total Assets	19.73	23.65	38.78	38.45	38.82	18.97	0.00	57.79	58.36	58.93	59.51	60.10	60.69
Accounts Payable	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Accrued Expense	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other current Liabilities	0.57	0.28	1.87	1.39	0.02			0.02	0.02	0.02	0.02	0.02	0.02
Total Current Liabilities	0.57	0.28	1.87	1.39	0.02	0.00	0.00	0.02	0.02	0.02	0.02	0.02	0.02
Notes Payables/Short Term Debt	0.79	2.31	1.82	0.56	0.56			0.56	0.56	0.56	0.56	0.56	0.56
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	0.00	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	0.79	2.31	1.82	0.56	0.56	0.00	0.00	0.56	0.56	0.56	0.56	0.56	0.56
Deferred Income tax	0.01	0.02	0.04	0.03	0.03			0.03	0.03	0.03	0.03	0.03	0.03
Minority Interest	0.05	0.05	0.08	0.18	0.18			0.18	0.18	0.18	0.18	0.18	0.18
Other liabilities	0.59	0.67	0.69	0.70	13.84			13.84	13.84	13.84	13.84	13.84	13.84
Total Liabilities	2.01	3.33	4.50	2.86	14.63	0.00	0.00	14.63	14.63	14.63	14.63	14.63	14.63
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	0.01	0.01	0.01	0.01			0.01	0.01	0.01	0.01	0.01	0.01
Additional Paid-in capital	7.33	7.58	15.88	15.90	16.00	43.24	16.00	43.24	43.24	43.24	43.24	43.24	43.24
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	4.10	6.15	6.27	7.98	8.00		8.00	0.00	0.57	1.14	1.72	2.31	2.90
Treasury Stock	-0.30	-0.30	-0.27	-0.27	-0.30		(0.30)	0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	0.00	0.04	0.02	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Equity	11.14	13.48	21.91	23.62	23.71	43.24	23.70	43.25	43.82	44.39	44.97	45.56	46.15
Liability + Equity	13.15	16.81	26.41	26.48	38.34	43.24	23.70	57.88	58.45	59.02	59.60	60.19	60.78
Variance	6.58	6.84	12.37	11.97	0.48			-0.09	-0.09	-0.09	-0.09	-0.09	-0.09
Debt/Equity	0.07	0.17	0.08	0.02	0.02			0.01	0.01	0.01	0.01	0.01	0.01
Inventory Turnover	15.51	10.19	10.89	15.37	15.52			15.37	15.52	15.68	15.83	15.99	16.15
Inventory Turnover Days	23.53	35.80	33.53	23.75	23.52			23.75	23.52	23.28	23.05	22.82	22.60
Days Inventory Outstanding	27.19	40.99	35.60	25.52	24.75			25.52	24.75	24.51	24.27	24.02	23.79
Accounts Receivable Turnover	7.32	9.43	9.16	13.75	13.49			13.36	13.49	13.63	13.76	13.90	14.04
Accounts Receivable Turnover Days	49.86	38.69	39.84	26.55	27.05			27.32	27.05	26.79	26.52	26.26	26.00
Days Payable Outstanding	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Days Sales Outstanding	49.86	38.69	39.84	26.55	27.05			26.55	27.32	27.05	26.79	26.52	26.26
Cash Conversion Cycle	77.05	79.68	75.44	52.06	51.81			52.06	52.08	51.56	51.05	50.54	50.04
Net tangible assets/share	\$2.78	\$3.12	\$5.31	\$5.52	\$3.73			\$3.82	\$3.91	\$4.00	\$4.09	\$4.18	\$4.27

	12 months ending 2009-10-31	12 months ending 2010-10-31	12 months ending 2011-10-31	12 months ending 2012-10-31	2011	2012	2013	2014	2015
Net Income	3.33	2.39	0.85	2.58	0.57	0.57	0.58	0.59	0.59
Depreciation	0.54	0.47	0.43	0.45	0.45	0.46	0.46	0.47	0.47
Net Income + Depreciation	3.87	2.86	1.28	3.03	1.02	1.03	1.04	1.05	1.06
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	0.69	0.11	-0.82	0.19	0.00	0.00	0.00	0.00	0.00
Non Cash Items	-2.32	-0.15	2.21	-0.31	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-2.02	-1.48	-6.72	5.12	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	1.32	-7.17	3.39	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	-3.39	-5.29	2.18	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-1.39	0.81	0.12	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	0.22	1.34	-4.05	8.03	1.02	1.03	1.04	1.05	1.06
Capital Expenditures Expenditures	-0.20	-2.62	-0.53	-0.57	-0.50	-0.50	-0.50	-0.50	-0.50
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	2.94	0.00	0.00	-2.10	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	2.74	-2.62	-0.53	-2.67	-0.50	-0.50	-0.50	-0.50	-0.50
Financing Cash flow items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	-0.33	-0.69	-0.77	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-0.01	0.00	8.33	0.00	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	-2.73	1.52	-0.49	-1.26	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-2.74	1.19	7.15	-2.03	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	1.55	1.77	1.67	4.24	7.57	8.09	8.63	9.17	9.72
Net Change in Cash	0.22	-0.10	2.57	3.32	0.52	0.53	0.54	0.55	0.56
Ending Cash Balance	1.77	1.67	4.24	7.56	8.09	8.63	9.17	9.72	10.29
Capex to Revenue	0.27%	3.14%	0.36%	0.33%	0.29%	0.28%	0.28%	0.28%	0.27%
Depreciation to Sales	0.73%	0.56%	0.29%	0.26%	0.26%	0.26%	0.26%	0.26%	0.26%
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	13.66%	10.60%	10.92%	7.27%	7.20%	7.13%	7.06%	6.99%	6.92%
Distributable FCF Yield	8.30%	-3.59%	-12.84%	15.03%	1.47%	1.49%	1.52%	1.55%	1.58%
Dividend Yield	0.00%	-0.77%	-1.62%	-1.80%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	0.02	-0.95	-3.89	8.23	0.52	0.53	0.54	0.55	0.56

SN VALUATION

LBO Debt Schedule

Ticker:

JVA

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	3.32	0.52	0.53	0.54	0.55	0.56
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	1.12	1.12	1.12	1.12	1.12	1.12
Current Portion Debt Balance	1.12	1.12	1.12	1.12	1.12	1.12
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		0.08	0.08	0.08	0.08	0.08
Cash Balance		7.57				
Interest @ 1.0%		0.08	0.08	0.08	0.08	0.08
Net Interest Expense/(Income)		0.00	0.00	0.00	0.00	0.00
Net Interest Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
EBITDA		0.88	0.89	0.89	0.90	0.91
EBITDA/Interest Expense Coverage		11.19	11.30	11.41	11.52	11.64

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Coffee Holding Company Inc

Ticker:

JVA

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	16.92	20.34	33.81	33.47	33.99	34.53	35.07	35.62	36.19
Total Assets	19.73	23.65	38.78	57.79	58.36	58.93	59.51	60.10	60.69
X1	0.86	0.86	0.87	0.58	0.58	0.59	0.59	0.59	0.60
Retained Earnings	4.10	6.15	6.27	0.00	0.57	1.14	1.72	2.31	2.90
Total Assets	19.73	23.65	38.78	57.79	58.36	58.93	59.51	60.10	60.69
X2	0.21	0.26	0.16	0.00	0.01	0.02	0.03	0.04	0.05
EBITDA	5.73	4.02	1.20	4.40	0.88	0.89	0.89	0.90	0.91
Total Assets	19.73	23.65	38.78	57.79	58.36	58.93	59.51	60.10	60.69
X3	0.29	0.17	0.03	0.08	0.02	0.02	0.02	0.02	0.02
Market Value of Equity	42.68	42.68	42.68	42.68	39.31	36.20	33.34	30.71	28.28
Total Liabilities	2.01	3.33	4.50	14.63	14.63	14.63	14.63	14.63	14.63
X4	21.23	12.82	9.48	2.92	2.69	2.47	2.28	2.10	1.93
Net Sales	74.45	83.49	146.76	173.66	175.40	177.15	178.92	180.71	182.52
Total Assets	19.73	23.65	38.78	57.79	58.36	58.93	59.51	60.10	60.69
X5	3.77	3.53	3.78	3.01	3.01	3.01	3.01	3.01	3.01
Altman Z Score	18.79	13.18	10.85	5.70	5.38	5.27	5.17	5.08	5.00

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

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