

Courier Corp (CRRC)

Price:	\$13.95	Net Tang. Bk Value Incl.	\$135,160,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$162,200,884.09
Market Cap:	\$161,262,000	Cash (NTBVIC):		Avg. Year FCF/Share:	\$21,230,076.30
Cash:	\$910,000	Market Price/NTBVIC:	1.19	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$15,890,000	Op. Cash Flow:	\$30,597,480	Year 5 Disposition Price:	\$225,891,112.99
Net Cash:	-\$14,980,000	Implied Years to Fill Gap:	0.85		
Enterprise Value:	\$176,242,000	Today's Equity if 5x Op. CF:	\$226,952,441		
		Net Tang. Book+5 FCF+ Gain Disposition:			\$225,891,112.99
Shares Outstanding:	11,560,000	IRR:			6.97%
		Price:			\$19.54
		Target Market Cap:			\$225,891,113
		Target Enterprise Value:			\$240,871,113

We know, we know, we know. Books are out, Kindle is in, but we had to jump into this investment because it is so cheap on an absolute basis. The co. has only a 10% D/E ratio, has \$135 MM in tangible book value, selling at 1x P/B, generates \$20MM of FCF, which is a 8% FCF/Market equity yield, and pays out 5% dividend yield.

The co. operates a 1) manufacturing, 2) publishing business. The main business is the manufacturing business. Their clients are the large publishers such as Pearson (educational) and Gideon (religious). The co. receives orders from the clients to make the books. It is actually growing by 1-2% annually and comprises 90% of revenue, or \$233MM while the balance is from publishing, which is shrinking from \$46MM in 2010 to \$38MM in 2012. The publishing business was hurt with Borders closing, which was a large client.

We feel the key component is 1) health of the client publishers, 2) resale value of the PP&E, and manufacturing facilities. If book publishers are going out of business, we don't see the resale of the tangible assets fetching anywhere near the book value. We feel books will always be around. As great as digital books are, it is hard to imagine books not being used by schools, churches, because it is easy on the eye, and not everyone is willing to purchase tablets. So, we feel the cash flow for the co. is secure for at least the next 8 years.

If there is a buyer of the co. after 8 years, we believe that person is a sucker because the risk of obsolescence will be much higher a decade later. Nonetheless, we feel the current price is a discount to intrinsic value.

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Courier Corporation, together with its subsidiaries, ("Courier," the "Company," "We," "Our," or "Us") is among America's largest book manufacturers and a leader in content management and customization in new and traditional media. The Company also publishes books under three brands offering award-winning content and thousands of titles. Courier Corporation, founded in 1824, was incorporated under the laws of Massachusetts on June 30, 1972. The Company has two operating segments: book manufacturing and publishing.

Company Name:		Courier Corp			Income Statement	
Ticker Symbol:		CRRC	Market Capitalization:	\$161,262,000.00	Revenue:	\$263,140,000.00 100.0%
Last Price:		\$13.95	Total Debt:	\$15,890,000.00	Cost of Goods Sold:	\$200,930,000.00 76.4%
Net Cash/Share:		-\$1.30	Total Cash:	\$910,000.00	Gross Profit:	\$62,210,000.00 23.6%
Net Cash to Last Price:		-9.29%	Net Cash/(Debt):	-\$14,980,000.00	EBITDA:	\$39,550,000.00 15.0%
Shares Outstanding:		11,560,000	Enterprise Value:	\$176,242,000.00	Net Income:	\$10,130,000.00 3.8%
Industry:		Publishing	Current EV/Share:	\$15.25		
Sector:		Consumer Cyclical	EBITDA:	\$40,130,000.00	Balance Sheet	
Institutional Ownership:		#VALUE!	EV/EBITDA Multiple:	4.39	Cash:	\$140,000.00
Mutual Fund Ownership:		#VALUE!	EV/EBITDA Multiple Average Year 1-5:	5.00	Short Term Investment:	\$770,000.00
Insider Ownership:		#VALUE!	EV/FCF Multiple (excluding acquisition):	6.06	A/R:	\$35,000,000.00
Retail Ownership:		#VALUE!	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	8.30	PP&E:	\$90,000,000.00
Float:		#VALUE!			Assets:	\$196,540,000.00
			Upper Range		A/P:	\$11,360,000.00
			DCF: EV/EBITDA Terminal Value		Deferred Tax:	\$0.00
			Implied TV from 3 X EV/EBITDA Multiple	\$28,838,244.36	Other Liabilities:	\$18,150,000.00
			Enterprise Value	\$28,838,244.36	Short term Debt:	\$1,890,000.00
			Cash at Year 5:	\$107,060,381.50	Long Term Debt:	\$14,000,000.00
			Debt at Year 5:	\$15,890,000.00	Liabilities:	\$45,400,000.00
			Equity Value Year 5:	\$120,008,625.86	Retained Earnings:	\$121,000,000.00
			Equity/Share at Year 5:	\$10.38	Paid-In Capital:	\$30,420,000.00
			Annualized Return:	-5.74%	Treasury Stock:	\$0.00
			Lower Range		Stockholder's Equity:	\$150,470,000.00
			DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		Cash Flow	
			Year 5 Net Tangible Assets excluding cash and debt	\$141,410,000.00	Net Income:	9,170,000.00
			Enterprise Value	\$141,410,000.00	Depreciation/Amortization:	25,060,000.00
			Cash at Year 5:	\$107,060,381.50	Change in Working capital:	3,440,000.00
			Debt at Year 5:	\$15,890,000.00	Cash from Operating Activities:	38,980,000.00
			Equity Value Year 5:	\$232,580,381.50	Capital Expenditures:	-9,930,000.00
			Equity/Share at Year 5:	\$20.12	Cash from Investing Activities:	-13,040,000.00
			Annualized Return:	7.60%	Total Cash Dividends Paid:	-10,100,000.00
			EVA		Issuance (Retirement) of Stock:	-9,660,000.00
			EVA today:	\$142,529,055.03	Issuance (Retirement) of Debt:	-5,950,000.00
			EVA in 5 Years:	\$116,418,453.55	Cash from Financing Activities:	-25,980,000.00
			EVA/Share:	\$10.07		
			Cash at Year 5:	\$107,060,381.50	Profitability Margins	
			Debt at Year 5:	\$15,890,000.00	Debt to Equity:	10.56%
			Equity Value Year 5:	\$207,588,835.05	Return on Assets:	4.67%
			Equity/Share at Year 5:	\$17.96	Return on Capital:	5.51%
			Annualized return	-3.97%	Return on Equity:	6.09%
			Current Net Tangible Asset			
			Net Tangible Asset/Share:	\$11.54		
			Net Tangible Asset/Share in Year 5:	\$13.88		
			Annualized return	3.76%		
			Average EV to EBITDA:	N/A		
			Company EV to EBITDA:	4.39		
			Average EV to EBIT:	N/A		
			Company EV to EBITA:	11.69		
			Current Equity Price:	\$13.95		
			Selling at Discount?	Premium		
			Appreciation Potential:	-17.30%		
			Dividend Model			
			Next Year Dividend	\$9,734,912.22		
			WACC:	10.40%		
			Dividend:	\$9,710,400.00		
			Net Income:	\$10,130,000.00		

SN VALUATION

LBO Pro Forma Income Statement

Name:

Courier Corp

Ticker:

CRRC

	Historical				Forecasted				
	52 weeks ending 2009-09-26	52 weeks ending 2010-09-25	52 weeks ending 2011-09-24	52 weeks ending 2012-09-29	2013	2014	2015	2016	2017
Revenue	248.82	257.14	259.38	261.32	263.93	266.57	269.24	271.93	274.65
COGS	191.09	193.13	203.34	199.11	205.87	207.93	210.01	212.11	214.23
Gross margin	57.73	64.01	56.04	62.21	58.07	58.65	59.23	59.82	60.42
SG&A	45.92	47.02	47.45	47.14	48.83	49.32	49.81	50.31	50.81
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	16.48	4.73	8.61	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)	-4.27	12.26	-0.02	15.07	9.24	9.33	9.42	9.52	9.61
Interest income/(expense)	-0.68	-0.61	-0.92	-0.90	-1.10	-1.10	-1.10	-1.10	-1.10
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	0.59	0.00	0.00	0.00	0.00	0.00
Income before tax	-4.94	11.65	-0.94	14.76	8.13	8.23	8.32	8.41	8.51
Tax	-1.80	4.54	-1.07	5.59	2.85	2.88	2.91	2.94	2.98
Income after tax	-3.14	7.11	0.13	9.17	5.29	5.35	5.41	5.47	5.53
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	-3.14	7.11	0.13	9.17	5.29	5.35	5.41	5.47	5.53
*Figures are in millions (\$)									
EPS (based off today's share count)	-\$0.27	\$0.62	\$0.01	\$0.79	\$0.46	\$0.46	\$0.47	\$0.47	\$0.48
P/E (historical today's price; forecasted intrinsic price)	-51.36	22.68	1,240.48	17.59	31.00	31.15	31.31	31.46	31.62
Revenue Growth	N/A	3.34%	0.87%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%
Tax Rate	36.44%	38.97%	113.83%	37.87%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-5.00%	-2.57%	-4.28%	-5.78%	-7.89%	-7.89%	-7.89%	-7.89%	-7.89%
Margins									
COGS	76.80%	75.11%	78.39%	76.19%	78.00%	78.00%	78.00%	78.00%	78.00%
Gross margin	23.20%	24.89%	21.61%	23.81%	22.00%	22.00%	22.00%	22.00%	22.00%
SG&A	18.29%	18.29%	18.29%	18.04%	18.50%	18.50%	18.50%	18.50%	18.50%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	6.62%	1.84%	3.32%	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)	-1.72%	4.77%	-0.01%	5.77%	3.50%	3.50%	3.50%	3.50%	3.50%
Interest income/(expense)	-0.27%	-0.24%	-0.35%	-0.34%	-0.42%	-0.41%	-0.41%	-0.41%	-0.40%
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%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	-1.99%	4.53%	-0.36%	5.65%	3.08%	3.09%	3.09%	3.09%	3.10%
Tax	-0.72%	1.77%	-0.41%	2.14%	1.08%	1.08%	1.08%	1.08%	1.08%
Income after tax	-1.26%	2.77%	0.05%	3.51%	2.00%	2.03%	2.05%	2.07%	2.10%
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	-1.26%	2.77%	0.05%	3.51%	2.00%	2.01%	2.01%	2.01%	2.01%

	As of 2009-09-26	As of 2010-09-25	As of 2011-09-24	As of 2012-09-29	As of 2012-12-29	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	0.49	0.11	0.11	0.06	0.14			0.14	20.74	41.65	62.88	84.42	106.29
Short term investment	1.02	1.09	1.14	0.77	0.77			0.77	0.77	0.77	0.77	0.77	0.77
Cash and Short term	1.51	1.20	1.25	0.83	0.91			0.91	21.51	42.42	63.65	85.19	107.06
Accounts Receivable	34.18	35.12	35.32	35.15	35.00			35.00	35.00	35.00	35.00	35.00	35.00
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	34.18	35.12	35.32	35.15	35.00			35.00	35.00	35.00	35.00	35.00	35.00
Total Inventory	38.03	39.93	39.35	36.36	36.02			36.02	36.02	36.02	36.02	36.02	36.02
Prepaid Expenses	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Current Assets	5.87	5.24	5.87	5.22	5.22			5.22	5.22	5.22	5.22	5.22	5.22
Current Assets	79.59	81.49	81.79	77.56	77.15	0.00	0.00	77.15	97.75	118.66	139.89	161.43	183.30
PP&E, Gross	250.54	269.54	283.44	280.00	280.00			280.00	290.00	300.00	310.00	320.00	330.00
Change in Depreciation		20.68	23.16	25.06	25.06			25.06	25.31	25.56	25.82	26.08	26.34
Accumulated Depreciation	160.78	166.53	182.92	190.00	190.00			190.00	215.31	240.87	266.69	292.77	319.11
PP&E, Net	89.76	103.01	100.52	90.00	90.00			90.00	74.69	59.13	43.31	27.23	10.89
Goodwill	24.98	24.70	16.02	15.99	15.98	0.00		15.98	15.98	15.98	15.98	15.98	15.98
Intangibles	3.72	2.71	2.30	1.89	1.79			1.79	1.79	1.79	1.79	1.79	1.79
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	10.41	9.03	12.38	11.96	11.62			11.62	11.62	11.62	11.62	11.62	11.62
Long Term Assets	128.87	139.45	131.22	119.84	119.39			119.39	104.08	88.52	72.70	56.62	40.28
Total Assets	208.46	220.94	213.01	197.40	196.54	0.00	0.00	196.54	201.83	207.17	212.58	218.05	223.58
Accounts Payable	10.97	14.40	12.06	11.36	11.36			11.36	11.36	11.36	11.36	11.36	11.36
Accrued Expense	8.98	9.41	9.92	12.22	12.22			12.22	12.22	12.22	12.22	12.22	12.22
Other current Liabilities	7.10	6.57	7.70	7.42	10.36			10.36	10.36	10.36	10.36	10.36	10.36
Total Current Liabilities	27.05	30.38	29.68	31.00	33.94	0.00	0.00	33.94	33.94	33.94	33.94	33.94	33.94
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	0.10	1.79	1.80	1.87	1.89			1.89	1.89	1.89	1.89	1.89	1.89
Long term Debt	13.51	21.90	19.72	13.70	14.00	0.00	0.00	14.00	14.00	14.00	14.00	14.00	14.00
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	13.61	23.69	21.52	15.57	15.89	0.00	0.00	15.89	15.89	15.89	15.89	15.89	15.89
Deferred Income tax	0.18	1.39	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
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	3.01	3.79	7.50	6.28	-4.43			-4.43	-4.43	-4.43	-4.43	-4.43	-4.43
Total Liabilities	43.85	59.25	58.70	52.85	45.40	0.00	0.00	45.40	45.40	45.40	45.40	45.40	45.40
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	11.96	12.06	12.24	11.46	11.46		0.00	11.46	11.46	11.46	11.46	11.46	11.46
Additional Paid-in capital	16.48	17.76	19.13	18.96	18.96	0.00	0.00	18.96	18.96	18.96	18.96	18.96	18.96
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	136.78	133.83	123.81	115.04	121.00		0.00	121.00	126.29	131.63	137.04	142.51	148.04
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	-0.63	-0.70	-0.85	-0.95	-0.95		0.00	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95
Total Equity	164.59	162.95	154.33	144.51	150.47	0.00	0.00	150.47	155.76	161.10	166.51	171.98	177.51
Liability + Equity	208.44	222.20	213.03	197.36	195.87	0.00	0.00	195.87	201.16	206.50	211.91	217.38	222.91
Variance	0.02	-1.26	-0.02	0.04	0.67			0.67	0.67	0.67	0.67	0.67	0.67
Debt/Equity	0.08	0.15	0.14	0.11	0.11			0.11	0.10	0.10	0.10	0.09	0.09
Inventory Turnover	6.54	6.44	6.59	7.19	7.33			7.25	7.33	7.40	7.47	7.55	7.62
Inventory Turnover Days	55.79	56.68	55.37	50.79	49.81			50.31	49.81	49.32	48.83	48.35	47.87
Days Inventory Outstanding	72.64	75.46	70.63	66.65	63.86			66.03	63.86	63.23	62.60	61.98	61.37
Accounts Receivable Turnover	7.28	7.32	7.34	7.43	7.54			7.47	7.54	7.62	7.69	7.77	7.85
Accounts Receivable Turnover Days	50.14	49.85	49.70	49.10	48.40			48.89	48.40	47.92	47.45	46.98	46.51
Days Payable Outstanding	20.95	27.21	21.65	20.82	20.14			20.82	20.14	19.94	19.74	19.55	19.36
Days Sales Outstanding	50.14	49.85	49.70	49.10	48.40			49.10	48.89	48.40	47.92	47.45	46.98
Cash Conversion Cycle	101.83	98.10	98.69	94.92	92.12			94.30	92.61	91.69	90.78	89.88	88.99
Net tangible assets/share	\$12.08	\$11.85	\$11.96	\$11.12	\$11.69				\$12.15	\$12.61	\$13.08	\$13.55	\$14.03

	52 weeks ending 2009-09-26	52 weeks ending 2010-09-25	52 weeks ending 2011-09-24	52 weeks ending 2012-09-29	2011	2012	2013	2014	2015
Net Income	-3.14	7.11	0.13	9.17	5.29	5.35	5.41	5.47	5.53
Depreciation	21.40	20.68	23.16	25.06	25.31	25.56	25.82	26.08	26.34
Net Income + Depreciation	18.26	27.79	23.29	34.23	30.60	30.91	31.23	31.55	31.87
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	-4.97	1.56	-5.48	0.48	0.00	0.00	0.00	0.00	0.00
Non Cash Items	17.03	5.84	10.05	0.84	0.00	0.00	0.00	0.00	0.00
Change in Working capital	4.51	-1.00	4.45	3.44	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-0.94	-0.20	0.17	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	-1.90	0.58	2.99	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	3.43	-2.34	-0.70	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	34.83	34.19	32.31	38.99	30.60	30.91	31.23	31.55	31.87
Capital Expenditures Expenditures	-10.08	-28.43	-15.67	-9.93	-10.00	-10.00	-10.00	-10.00	-10.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-4.98	-6.64	-4.40	-3.11	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-15.06	-35.07	-20.07	-13.04	-10.00	-10.00	-10.00	-10.00	-10.00
Financing Cash flow items	0.00	0.00	-0.34	-0.28	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-10.00	-10.07	-10.15	-10.10	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	0.67	0.41	-	-9.66	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	-10.13	10.09	-2.18	-5.95	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-19.46	0.49	-12.26	-25.99	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	0.18	0.49	0.11	0.10	0.14	20.74	41.65	62.88	84.42
Net Change in Cash	0.31	-0.39	0.00	-0.04	20.60	20.91	21.23	21.55	21.87
Ending Cash Balance	0.49	0.11	0.11	0.06	20.74	41.65	62.88	84.42	106.29
Capex to Revenue	4.05%	11.06%	6.04%	3.80%	3.79%	3.75%	3.71%	3.68%	3.64%
Depreciation to Sales	8.60%	8.04%	8.93%	9.59%	9.59%	9.59%	9.59%	9.59%	9.59%
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	13.74%	13.66%	13.62%	13.45%	13.32%	13.19%	13.06%	12.93%	12.80%
Distributable FCF Yield	11.22%	-0.50%	6.94%	14.72%	11.69%	11.86%	12.04%	12.23%	12.41%
Dividend Yield	-6.20%	-6.24%	-6.29%	-6.26%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	34.75	15.83	26.79	39.16	20.60	20.91	21.23	21.55	21.87

SN VALUATION

LBO Debt Schedule

Ticker:

CRRC

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	-0.04	20.60	20.91	21.23	21.55	21.87
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	15.89	15.89	15.89	15.89	15.89	15.89
Current Portion Debt Balance	1.89	1.89	1.89	1.89	1.89	1.89
Long Term Debt Balance	14.00	14.00	14.00	14.00	14.00	14.00
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		1.11	1.11	1.11	1.11	1.11
Cash Balance		0.83				
Interest @ 1.0%		0.01	0.01	0.01	0.01	0.01
Net Interest Expense/(Income)		1.10	1.10	1.10	1.10	1.10
Net Interest Rate		7.89%	7.89%	7.89%	7.89%	7.89%
EBITDA		9.24	9.33	9.42	9.52	9.61
EBITDA/Interest Expense Coverage		8.31	8.39	8.47	8.56	8.64

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Courier Corp

Ticker:

CRRC

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	52.54	51.11	52.11	43.21	63.81	84.72	105.95	127.49	149.36
Total Assets	208.46	220.94	213.01	196.54	201.83	207.17	212.58	218.05	223.58
X1	0.25	0.23	0.24	0.22	0.32	0.41	0.50	0.58	0.67
Retained Earnings	136.78	133.83	123.81	121.00	126.29	131.63	137.04	142.51	148.04
Total Assets	208.46	220.94	213.01	196.54	201.83	207.17	212.58	218.05	223.58
X2	0.66	0.61	0.58	0.62	0.63	0.64	0.64	0.65	0.66
EBITDA	-4.27	12.26	-0.02	15.07	9.24	9.33	9.42	9.52	9.61
Total Assets	208.46	220.94	213.01	196.54	201.83	207.17	212.58	218.05	223.58
X3	-0.02	0.06	0.00	0.08	0.05	0.05	0.04	0.04	0.04
Market Value of Equity	161.26	161.26	161.26	161.26	163.89	166.57	169.28	172.05	174.85
Total Liabilities	43.85	59.25	58.70	45.40	45.40	45.40	45.40	45.40	45.40
X4	3.68	2.72	2.75	3.55	3.61	3.67	3.73	3.79	3.85
Net Sales	248.82	257.14	259.38	261.32	263.93	266.57	269.24	271.93	274.65
Total Assets	208.46	220.94	213.01	196.54	201.83	207.17	212.58	218.05	223.58
X5	1.19	1.16	1.22	1.33	1.31	1.29	1.27	1.25	1.23
Altman Z Score	4.55	4.11	3.97	4.84	4.88	5.02	5.15	5.28	5.41

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

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