

Dolan Media Co (DM)

Price:	\$1.51	Net Tang. Bk Value Incl. Cash (NTBVIC):	-\$98,840,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	-\$42,617,610.08
Market Cap:	\$45,798,300	NTBVIC/Market Downside Recovery:	-215.82%	Avg. Year FCF/Share:	\$29,286,894.06
Cash:	\$2,450,000	Op. Cash Flow:	\$35,085,926	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$165,150,000	Implied Years to Fill Gap:	4.12	Year 5 Disposition Price:	\$45,243,072.11
Net Cash:	-\$162,700,000	Today's Equity if 5x Op. CF:	\$6,417,778	Net Tang. Book+ Gain Disposition:	\$45,243,072.11
Enterprise Value:	\$208,498,300	IRR:			-0.24%
Shares Outstanding:	30,330,000			Price:	\$1.49
				Target Market Cap:	\$45,243,072
				Target Enterprise Value:	\$207,943,072

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

Dolan Co. is a publisher that has a print and website business. It is a niche business which caters to the legal, finance industry with their publications, and we liked the balance sheet back in Dec. 2011. We placed a 5 year value at \$10/share, but our current model says \$7/share. We assumed a steady revenue growth rate and steady amortization of the intangibles on hand - goodwill, which we always write off, and \$140MM of finite intangible assets, of which \$100MM is customer relationships/long-term service contracts. This seem very shady. Why is a customer relationship booked as an intangible asset? So, if we write off the intangible assets, the value drops to \$1.49, which is the market value today.

Now that we look at the company, it doesnt make much sense for a legacy print business to have \$300MM in intangible assets, which makes sense for high tech companies with valuable patents.

Therefore, the NTBVIC drops to negative \$100MM. Still, the co. makes a strong operating cash flow.

A negative tangible book value means the debt holders can take a hit as well, should the business declare bankruptcy today.

This is another reason why we need to substantiate our valuation with thoroughly researched due diligence regarding the company's business fundamentals. On paper in Dec. 2011, the Co. was a \$10/share entity, but now we place a value from \$7/share to \$1.50/share.

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	(98.84)	(87.97)	(76.91)	(65.67)	(54.24)	(42.62)					(42.62)
Annual Change		10.87	11.06	11.24	11.43	11.62					
Annual FCF	29.19	28.09	28.42	29.68	30.08	30.16	29.29	29.29	29.29		87.86
Annual Op. Cash Flow	36.71	35.09	35.42	36.68	37.08	37.16	36.29	36.29	36.29		
Annual PP&E Investment	(7.52)	(7.00)	(7.00)	(7.00)	(7.00)	(7.00)	(7.00)	(7.00)	(7.00)		
Today's Tangible Book Value	(98.84)	84.54	-72.31	61.84	-52.90	45.24					45.24
Intrinsic Value IRR	-185.53%										
Market Price	45.80	45.69	45.58	45.46	45.35	45.24					45.24
Market Price IRR	-0.24%										

Debt	0.00%	0.00
Equity	100.00%	45.80
Total	100.00%	45.80

	Historic	Present Value ProForma	Holding Period					Terminal Value			Sale Price
			1	2	3	4	5	6	7	8	
Book Equity	-98.84	45.80	57.34	69.06	80.97	93.07	105.35				
Goodwill	0	144.64	144.64	144.64	144.64	144.64	144.64				
Debt	150	150.00	150.00	150.00	150.00	150.00	150.00				
Debt Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%				
Additional Interest Expense		-1.03	-1.03	-1.03	-1.03	-1.03					
Tangible Book Value	-98.84	-98.84	-87.30	-75.58	-63.67	-51.57	-39.29				-39.29
Annual Change			11.54	11.72	11.91	12.10	12.29				
Annual FCF	29.19		28.75	29.09	30.35	30.75	30.83	30.83	30.83	30.83	92.48
Annual Net Income	(87.21)		11.54	11.72	11.91	12.10	12.29	12.29	12.29	12.29	
Annual Op. Cash Flow	36.71		35.75	36.09	37.35	37.75	37.83	37.83	37.83	37.83	
Dividend Payments											
Annual PP&E Investment	(7.52)		(7.00)	(7.00)	(7.00)	(7.00)	(7.00)	(7.00)	(7.00)	(7.00)	
Debt Paydown	0.00						0.00	0.00	0.00		

Sale Price in Year 5											53.19
Remaining Debt Balance											0.00

Capital Left for Equity Investor											53.19
Dividend Payments											0.00
Total Cash In Flow											53.19

Invested Equity	45.80	47.19	48.62	50.10	51.62	53.19
IRR	3.04%					

Value Losers	
Interest payments to Bank	-4.10
Goodwill Premium to Original Sellers	144.64
Debt Paydown to Bank	
Debt Increase	
Total Value Losers	140.54

Value Gap between LBO and unleveraged (7.95)

Unaccounted Value Losers (148.49)

SN VALUATION

LBO Pro Forma Income Statement

Name:

Dolan Media Co

Ticker:

DM

	Historical				Forecasted				
	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	2013	2014	2015	2016	2017
Revenue	257.93	294.30	268.61	254.31	256.85	259.42	262.02	264.64	267.28
COGS	93.22	112.17	117.49	118.22	120.72	121.93	123.15	124.38	125.62
Gross margin	164.71	182.13	151.12	136.09	136.13	137.49	138.87	140.26	141.66
SG&A	87.21	99.08	101.90	104.44	107.88	108.96	110.05	111.15	112.26
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	1.18	151.61	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	-16.27	-12.13	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)	77.50	83.05	64.31	-107.83	28.25	28.54	28.82	29.11	29.40
Interest income/(expense)	-5.66	-5.21	-5.81	-8.19	-11.53	-11.53	-11.53	-11.53	-11.53
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	3.44	-0.95	-0.22	-1.75	0.00	0.00	0.00	0.00	0.00
Income before tax	53.59	56.78	34.55	-142.31	16.73	17.01	17.30	17.58	17.88
Tax	18.74	21.49	13.09	-45.45	5.85	5.95	6.05	6.15	6.26
Income after tax	34.85	35.29	21.46	-96.86	10.87	11.06	11.24	11.43	11.62
Minority Interest	-13.05	-2.67	5.65	9.65	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	21.80	32.62	27.11	-87.21	10.87	11.06	11.24	11.43	11.62
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.72	\$1.08	\$0.89	-\$2.88	\$0.36	\$0.36	\$0.37	\$0.38	\$0.38
P/E (historical today's price; forecasted intrinsic price)	2.10	1.40	1.69	-0.53	4.20	4.12	4.04	3.97	3.89
Revenue Growth	N/A	14.10%	-8.73%	-5.32%	1.00%	1.00%	1.00%	1.00%	1.00%
Tax Rate	34.97%	37.85%	37.89%	31.94%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-3.54%	-3.74%	-3.29%	-4.93%	-7.68%	-7.68%	-7.68%	-7.68%	-7.68%
Margins									
COGS	36.14%	38.11%	43.74%	46.49%	47.00%	47.00%	47.00%	47.00%	47.00%
Gross margin	63.86%	61.89%	56.26%	53.51%	53.00%	53.00%	53.00%	53.00%	53.00%
SG&A	33.81%	33.67%	37.94%	41.07%	42.00%	42.00%	42.00%	42.00%	42.00%
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%	0.44%	59.62%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	-6.06%	-4.77%	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)	30.05%	28.22%	23.94%	-42.40%	11.00%	11.00%	11.00%	11.00%	11.00%
Interest income/(expense)	-2.19%	-1.77%	-2.16%	-3.22%	-4.49%	-4.44%	-4.40%	-4.36%	-4.31%
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	1.33%	-0.32%	-0.08%	-0.69%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	20.78%	19.29%	12.86%	-55.96%	6.51%	6.56%	6.60%	6.64%	6.69%
Tax	7.27%	7.30%	4.87%	-17.87%	2.28%	2.30%	2.31%	2.33%	2.34%
Income after tax	13.51%	11.99%	7.99%	-38.09%	4.23%	4.30%	4.38%	4.45%	4.52%
Minority Interest	-5.06%	-0.91%	2.10%	3.79%	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	8.45%	11.08%	10.09%	-34.29%	4.23%	4.26%	4.29%	4.32%	4.35%

						Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-12-31	As of 2013-03-31	+	-						
Cash	2.89	4.86	0.75	3.51	2.45			2.45	30.54	58.96	88.64	118.73	148.88
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	2.89	4.86	0.75	3.51	2.45			2.45	30.54	58.96	88.64	118.73	148.88
Accounts Receivable	57.20	59.80	72.12	60.30	60.00			60.00	60.00	60.00	60.00	60.00	60.00
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	57.20	59.80	72.12	60.30	60.00			60.00	60.00	60.00	60.00	60.00	60.00
Total Inventory	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	2.95	4.19	3.98	3.27	4.44			4.44	4.44	4.44	4.44	4.44	4.44
Other Current Assets	13.09	7.14	4.57	4.67	7.87			7.87	7.87	7.87	7.87	7.87	7.87
Current Assets	76.13	75.99	81.42	71.75	74.76	0.00	0.00	74.76	102.85	131.27	160.95	191.04	221.19
PP&E, Gross	35.41	44.16	53.84	0.00	54.00			54.00	61.00	68.00	75.00	82.00	89.00
Change in Depreciation	9.35	9.59	7.65	7.61	7.61			7.61	7.69	7.76	7.84	7.92	8.00
Accumulated Depreciation	19.96	27.01	34.58	0.00	34.00			34.00	41.69	49.45	57.29	65.21	73.21
PP&E, Net	15.45	17.15	19.26	0.00	20.00			20.00	19.31	18.55	17.71	16.79	15.79
Goodwill	222.58	225.37	283.04	151.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	193.69	194.69	212.95	162.21	0.00	0.00	0.00	-16.53	-33.13	-50.73	-68.46	-86.01	-86.01
Long term investments	15.48	13.81	11.90	10.07	9.40			9.40	9.40	9.40	9.40	9.40	9.40
Other long term assets	4.95	4.21	2.56	25.27	25.54			25.54	25.54	25.54	25.54	25.54	25.54
Long Term Assets	452.15	455.23	529.71	348.88	54.94			54.94	37.73	20.36	1.92	-16.73	-35.27
Total Assets	528.28	531.22	611.13	420.63	129.70	0.00	0.00	129.70	140.57	151.63	162.87	174.30	185.92
Accounts Payable	16.03	15.59	18.76	20.86	21.00			21.00	21.00	21.00	21.00	21.00	21.00
Accrued Expense	35.68	29.22	19.60	23.84	24.00			24.00	24.00	24.00	24.00	24.00	24.00
Other current Liabilities	23.48	25.37	40.69	18.30	13.02			13.02	13.02	13.02	13.02	13.02	13.02
Total Current Liabilities	75.19	70.18	79.05	63.00	58.02	0.00	0.00	58.02	58.02	58.02	58.02	58.02	58.02
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	22.00	7.58	7.67	15.16	15.15			15.15	15.15	15.15	15.15	15.15	15.15
Long term Debt	137.96	131.31	168.50	150.54	150.00	0.00	0.00	150.00	150.00	150.00	150.00	150.00	150.00
Capital Lease Obligations	0.00	0.26	0.22	0.34	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	159.96	139.15	176.39	166.04	165.15	0.00	0.00	165.15	165.15	165.15	165.15	165.15	165.15
Deferred Income tax	8.16	7.79	20.74	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Minority Interest	26.60	26.58	12.73	0.43	2.59			2.59	2.59	2.59	2.59	2.59	2.59
Other liabilities	9.51	12.85	20.01	7.24	-14.51			-14.51	-14.51	-14.51	-14.51	-14.51	-14.51
Total Liabilities	279.42	256.55	308.92	236.71	211.25	0.00	0.00	211.25	211.25	211.25	211.25	211.25	211.25
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	0.03	0.03	0.03	0.03	0.03		0.00	0.03	0.03	0.03	0.03	0.03	0.03
Additional Paid-in capital	287.21	286.15	294.48	301.96	302.00	0.00	0.00	302.00	302.00	302.00	302.00	302.00	302.00
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	-38.38	-6.02	13.47	-88.28	-400.00		0.00	-400.00	-389.13	-378.07	-366.83	-355.40	-343.78
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	-1.30	-1.28	-0.87	-0.87			-0.87	-0.87	-0.87	-0.87	-0.87	-0.87
Total Equity	248.86	278.86	306.70	212.84	-98.84	0.00	0.00	-98.84	-87.97	-76.91	-65.67	-54.24	-42.62
Liability + Equity	528.28	535.41	615.62	449.55	112.41	0.00	0.00	112.41	123.28	134.34	145.58	157.01	168.63
Variance	0.00	-4.19	-4.49	-28.92	17.29			17.29	17.29	17.29	17.29	17.29	17.29
Debt/Equity	0.64	0.50	0.58	0.78	-1.67			-1.67	-1.88	-2.15	-2.51	-3.04	-3.88
Inventory Turnover	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Inventory Turnover Days	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Days Inventory Outstanding	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable Turnover	4.51	4.92	3.72	4.22	4.28			4.24	4.32	4.37	4.41	4.45	4.45
Accounts Receivable Turnover Days	80.94	74.17	98.00	86.55	85.26			86.12	85.26	84.42	83.58	82.76	81.94
Days Payable Outstanding	62.76	50.73	58.28	64.40	63.49			64.84	63.49	62.86	62.24	61.63	61.02
Days Sales Outstanding	80.94	74.17	98.00	86.55	85.26			86.55	86.12	85.26	84.42	83.58	82.76
Cash Conversion Cycle	18.18	23.44	39.72	22.14	21.77			21.71	22.62	22.40	22.18	21.96	21.74
Net tangible assets/share	\$0.87	\$1.63	\$0.63	\$1.07	(\$2.69)			(\$2.33)	(\$1.97)	(\$1.60)	(\$1.22)	(\$0.84)	(\$0.84)

	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	2011	2012	2013	2014	2015
Net Income	34.60	35.24	21.33	-111.41	10.87	11.06	11.24	11.43	11.62
Depreciation	9.35	9.59	7.65	7.61	7.69	7.76	7.84	7.92	8.00
Net Income + Depreciation	43.95	44.83	28.98	-103.80	18.56	18.82	19.08	19.35	19.62
Amortization	16.95	15.10	18.21	18.45	16.53	16.60	17.60	17.73	17.54
Deferred Taxes	2.31	2.91	8.95	-43.21	0.00	0.00	0.00	0.00	0.00
Non Cash Items	-2.15	0.18	-14.63	158.00	0.00	0.00	0.00	0.00	0.00
Change in Working capital	0.20	1.40	-0.20	7.27	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-2.50	-12.32	11.92	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-1.24	0.21	0.71	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-0.44	3.17	2.10	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	61.26	64.42	41.31	36.71	35.09	35.42	36.68	37.08	37.16
Capital Expenditures Expenditures	-3.00	-8.52	-6.96	-7.52	-7.00	-7.00	-7.00	-7.00	-7.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-53.26	-18.25	-69.82	0.15	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-56.26	-26.77	-76.78	-7.37	-7.00	-7.00	-7.00	-7.00	-7.00
Financing Cash flow items	-0.50	-5.18	-4.23	-14.84	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	0.00	0.00	-1.69	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	-4.05	-30.51	37.28	-11.74	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-4.55	-35.69	31.36	-26.58	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	2.45	2.89	4.86	0.75	2.45	30.54	58.96	88.64	118.73
Net Change in Cash	0.44	1.97	-4.11	2.76	28.09	28.42	29.68	30.08	30.16
Ending Cash Balance	2.89	4.86	0.75	3.51	30.54	58.96	88.64	118.73	148.88
Capex to Revenue	1.16%	2.90%	2.59%	2.96%	2.73%	2.70%	2.67%	2.65%	2.62%
Depreciation to Sales	3.63%	3.26%	2.85%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
Amortization to Sales	6.57%	5.13%	6.78%	7.25%	6.43%	6.40%	6.72%	6.70%	6.56%
A/R to Sales	22.18%	20.32%	26.85%	23.71%	23.48%	23.24%	23.01%	22.79%	22.56%
Distributable FCF/EV Yield	2.40%	18.06%	-17.01%	14.07%	13.47%	13.63%	14.24%	14.43%	14.47%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	58.26	55.90	34.35	29.19	28.09	28.42	29.68	30.08	30.16

SN VALUATION

LBO Debt Schedule

Ticker:

DM

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	2.76	28.09	28.42	29.68	30.08	30.16
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	165.15	165.15	165.15	165.15	165.15	165.15
Current Portion Debt Balance	15.15	15.15	15.15	15.15	15.15	15.15
Long Term Debt Balance	150.00	150.00	150.00	150.00	150.00	150.00
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		11.56	11.56	11.56	11.56	11.56
Cash Balance		3.51				
Interest @ 1.0%		0.04	0.04	0.04	0.04	0.04
Net Interest Expense/(Income)		11.53	11.53	11.53	11.53	11.53
Net Interest Rate		7.68%	7.68%	7.68%	7.68%	7.68%
EBITDA		28.25	28.54	28.82	29.11	29.40
EBITDA/Interest Expense Coverage		2.44	2.47	2.49	2.52	2.54

Interest Rate Coverage Table

Debt Rating	2013	2014	2015	2016	2017
AAA					
AA					
A+					
A					
A-					
BBB					
BB+					
BB					
B+				B+	B+
B	B	B	B		
B-					
CCC					
CC					
C					
D					

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Dolan Media Co

Ticker:

DM

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	0.94	5.81	2.37	16.74	44.83	73.25	102.93	133.02	163.17
Total Assets	528.28	531.22	611.13	129.70	140.57	151.63	162.87	174.30	185.92
X1	0.00	0.01	0.00	0.13	0.32	0.48	0.63	0.76	0.88
Retained Earnings	-38.38	-6.02	13.47	-400.00	-389.13	-378.07	-366.83	-355.40	-343.78
Total Assets	528.28	531.22	611.13	129.70	140.57	151.63	162.87	174.30	185.92
X2	-0.07	-0.01	0.02	-3.08	-2.77	-2.49	-2.25	-2.04	-1.85
EBITDA	77.50	83.05	64.31	-107.83	28.25	28.54	28.82	29.11	29.40
Total Assets	528.28	531.22	611.13	129.70	140.57	151.63	162.87	174.30	185.92
X3	0.15	0.16	0.11	-0.83	0.20	0.19	0.18	0.17	0.16
Market Value of Equity	45.80	45.80	45.80	45.80	45.69	45.58	45.46	45.35	45.24
Total Liabilities	279.42	256.55	308.92	211.25	211.25	211.25	211.25	211.25	211.25
X4	0.16	0.18	0.15	0.22	0.22	0.22	0.22	0.21	0.21
Net Sales	257.93	294.30	268.61	254.31	256.85	259.42	262.02	264.64	267.28
Total Assets	528.28	531.22	611.13	129.70	140.57	151.63	162.87	174.30	185.92
X5	0.49	0.55	0.44	1.96	1.83	1.71	1.61	1.52	1.44
Altman Z Score	0.97	1.17	0.91	-4.82	-0.87	-0.45	-0.07	0.26	0.55

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

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