

Duff & Phelps (DUF)

Price:	\$15.62
Market Cap:	\$631,672,800
Cash:	\$46,840,000
Debt:	\$0
Net Cash:	\$46,840,000
Enterprise Value:	\$584,832,800
Target Market Cap:	\$727,157,832
Target Enterprise Value:	\$680,317,832

Price/Book:	1.76
EV/FCF:	14.86
Net Tang. Asset/Share:	\$4.01
Avg. Year 1-5 FCF/Share:	\$1.43
5 Years of FCF:	\$7.17
Net Tang. Asset+5 FCF:	\$11.18

Net Tang. Asset Yr. 5/Share:	\$10.81
Avg. Year FCF/Share:	\$1.43
Year 5 Disposition FCF Multiple:	5.0
Year 5 Disposition Price:	\$17.98
Gain Year 5:	\$6.80

Net Tang. Asset+5 FCF+ Gain Disposition:	\$17.98
IRR:	2.86%

Assumed Deal Details

Debt	60.00%	\$379,003,680
Equity	40.00%	\$252,669,120
Shares Outstanding		40,440,000

Levered Return

New market cap in 5 years	\$727,157,832
Nominal Gain for Equity	\$95,485,032
Levered Equity Return	6.62%

Corporate advisory co. was sold by Vestar and other shareholders to Carlyle Group's syndicate team for 8x EBITDA, or \$580MM EV. The co. has been cash flow positive for the past 4 years, around \$50 MM, which demonstrates the co's resiliency to the secular environment. Analysts are projecting a 18% growth for 2012, but we sandbagged estimates at 5% for the next 5 years. Even with the ultra-conservative assumptions, the levered annualized equity return would be 6%. We thought the deal was pricey at 8x EBITDA, but come Year 5, the deal would have been justified with Year 5 EBITDA/today's EV at 7x. The co. has zero debt and is running SG&A near \$100MM for the past 4 years. The other \$200MM is primarily compensation. Therefore, the business is cost effective and can leverage up the balance sheet with the buyout, if the investors want to remit dividends through the bond issuance, which is a common practice by PE firms to pad the returns on their investments.

The firm has room for expansion, since 90% of business is conducted in N. America. The firm can grow by establishing a presence in Europe and Asia.

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Company Name:	Duff & Phelps	Market Capitalization:	\$631,672,800.00	Revenue:	\$448,230,000.00	100.0%
Ticker Symbol:	DUF	Total Debt:	\$0.00	Cost of Goods Sold:	\$284,710,000.00	63.5%
Last Price:	\$15.62	Total Cash:	\$46,840,000.00	Gross Profit:	\$163,520,000.00	36.5%
Net Cash/Share:	\$1.16	Net Cash/(Debt):	\$46,840,000.00	EBITDA:	\$80,890,000.00	18.0%
Net Cash to Last Price:	7.42%	Enterprise Value:	\$584,832,800.00	Net Income:	\$21,940,000.00	4.9%
Shares Outstanding:	40,440,000	Current EV/Share:	\$14.46			
Industry:	Asset Management	EBITDA:	\$67,590,000.00			
Sector:	Financial Services	EV/EBITDA Multiple:	8.65	Balance Sheet		
Institutional Ownership:	#VALUE!	EV/EBITDA Multiple Average Year 1-5:	8.80	Cash:	\$46,840,000.00	
Mutual Fund Ownership:	#VALUE!	EV/FCF Multiple (excluding acquisition):	14.86	Short Term Investment:	\$0.00	
Insider Ownership:	#VALUE!	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	10.09	A/R:	\$73,450,000.00	
Retail Ownership:	#VALUE!			PP&E:	\$123,000,000.00	
Float:	#VALUE!			Assets:	\$677,570,000.00	
		Upper Range		A/P:	\$4,150,000.00	
		DCF: EV/EBITDA Terminal Value		Deferred Tax:	\$0.00	
				Other Liabilities:	\$315,390,000.00	
Technicals		Implied TV from 3 X EV/EBITDA Multiple	\$212,737,502.76	Short term Debt:	\$0.00	
52 week low:	Error	Enterprise Value	\$212,737,502.76	Long Term Debt:	\$0.00	
Today from 52 week low:	#VALUE!	Cash at Year 5:	\$236,643,589.54	Liabilities:	\$319,540,000.00	
52 week high:	Error	Debt at Year 5:	\$0.00	Retained Earnings:	\$31,810,000.00	
Today from 52 week high:	#VALUE!	Equity Value Year 5:	\$449,381,092.29	Paid-In Capital:	\$327,450,000.00	
50 day Moving Average:	Error	Equity/Share at Year 5:	\$11.11	Treasury Stock:	\$0.00	
200 day Moving Average:	Error	Annualized Return:	-6.58%	Stockholder's Equity:	\$359,550,000.00	
		Lower Range		Cash Flow		
Analyst/Consensus		DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		Net Income:	29,730,000.00	
Analyst Sales Growth FY1:	18.90%	Year 5 Net Tangible Assets excluding cash and debt	-\$46,190,000.00	Depreciation/Amortization:	11,160,000.00	
Analyst Sales Growth FY2:	9.20%	Enterprise Value	-\$46,190,000.00	Change in Working capital:	-26,820,000.00	
SN Valuation Estimate FY1:	5.00%	Cash at Year 5:	\$236,643,589.54	Cash from Operating Activities:	47,430,000.00	
SN Valuation Estimate FY2:	5.00%	Debt at Year 5:	\$0.00	Capital Expenditures:	-8,060,000.00	
Analyst Earnings Estimate FY1:	\$0.99	Equity Value Year 5:	\$190,453,589.54	Cash from Investing Activities:	-74,120,000.00	
Analyst Earnings Estimate FY2:	\$1.10	Equity/Share at Year 5:	\$4.71	Total Cash Dividends Paid:	-9,990,000.00	
SN Valuation Earnings Est. FY1:	\$0.77	Annualized Return:	-21.32%	Issuance (Retirement) of Stock:	-28,620,000.00	
SN Valuation Earnings Est. FY2:	\$0.81			Issuance (Retirement) of Debt:	0.00	
				Cash from Financing Activities:	-47,360,000.00	
Multiples		EVA				
Market Value to Book:	1.76	EVA today:	\$358,504,524.10	Profitability Margins		
EV to Book:	1.63	EVA in 5 Years:	\$370,331,744.82	Debt to Equity:	0.00%	
Market Value to Tangible Net Assets:	-13.68	EVA/Share:	\$9.16	Return on Assets:	2.75%	
P/E Ratio:	28.79	Cash at Year 5:	\$236,643,589.54	Return on Capital:	5.18%	
Trailing P/E Ratio:	22.97	Debt at Year 5:	\$0.00	Return on Equity:	5.18%	
Forward P/E Ratio:	14.20	Equity Value Year 5:	\$606,975,334.36			
Beta:	Error	Equity/Share at Year 5:	\$15.01			
Dividend:	0.36	Annualized return	0.65%			
Dividend Yield:	2.30%					
Dividend Date:	Nov 15, 2012	Current Net Tangible Asset				
Ex-Dividend Date:	Nov 2, 2012	Net Tangible Asset/Share:	\$3.17			
		Net Tangible Asset/Share in Year 5:	\$7.50			
		Annualized return	18.78%			
Competitors		Current Equity Price:	\$15.62			
Average EV to EBITDA:	N/A	Selling at Discount?	Premium			
Company EV to EBITDA:	8.65	Appreciation Potential:	-79.69%			
Average EV to EBIT:	N/A	Dividend Model				
Company EV to EBITA:	12.92	Next Year Dividend	\$14,811,921.39			
		WACC:	11.00%			
		Dividend:	\$14,558,400.00			
		Net Income:	\$21,940,000.00			

SN VALUATION

LBO Analysis

WACC Terminal Value:	N/A	Intrinsic Price in 5 Years:	11.36	Non-LBO Forecast	Non-LBO Forecast	Desired Return Rate	20.00%
EV/EBITDA with 3X Multiple Terminal Value:	\$11.11	Market Price:	15.62	Year 1 Target	14.66	Implied Today's Price	4.57
Net Tangible Asset Terminal Value:	\$4.71	LBO Price:	15.62	Year 2 Target	13.75	Overvalued/(Undervalued)	242.07%
EV/EBITDA with Today's Multiple Terminal Value:	\$14.62	Premium to Market Price:	0.00%	Year 3 Target	12.91		
EVA Enterprise Value:	\$15.01	LBO Price/Intrinsic Price Target:	-6.17%	Year 4 Target	12.11		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-1.32%	Year 5 Target	11.36		
Average (Excluding Dividend Discount):	\$11.36	Implied IRR at today's EV/EBITDA:	-1.32%	Implied IRR (Market Price):	-6.17%		
		5 Year Return:	-27.26%				

Current Evaluation				Exit Evaluation			
Current Market Price:	15.62	LBO Price:	15.62	Exit Price:	11.36	Exit Price:	14.62
Outstanding Shares:	40,440,000	Outstanding Shares:	40,440,000	Outstanding Shares:	40,440,000	Outstanding Shares:	40,440,000
Market Capitalization:	631,672,800	Market Capitalization:	631,672,800	Market Capitalization:	459,504,028	Market Capitalization:	591,206,094
Available Cash:	46,840,000	Available Cash:	46,840,000	Available Cash:	236,643,590	Available Cash:	236,643,590
Debt:	0	Debt:	0	Debt:	0	Debt:	0
Net Cash:	46,840,000	Net Cash:	46,840,000	Net Cash:	236,643,590	Net Cash:	236,643,590
Enterprise Value:	584,832,800	Enterprise Value:	584,832,800	Enterprise Value:	222,860,438	Enterprise Value:	354,562,505
Original EV/EBITDA:	12.92	EV/EBITDA:	12.92	EV/EBITDA at 5 Years:	3.72	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	8.65	EV/EBITDA:	10.36	EV/EBITDA at 5 Years:	4.17	EV/EBITDA at 5 Years:	4.78
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:	15.62	15.62	14.66	13.75	12.91	12.11	11.36
Shares Outstanding:	40,440,000	40,440,000	40,440,000	40,440,000	40,440,000	40,440,000	40,440,000
Market Capitalization:	631,672,800	631,672,800	592,722,762	556,174,451	521,879,772	489,699,762	459,504,028
Available Cash:	46,840,000	46,840,000	79,582,364	114,806,673	152,637,027	193,203,727	236,643,590
Debt:	0	0	0	0	0	0	0
Net Cash:	46,840,000	46,840,000	79,582,364	114,806,673	152,637,027	193,203,727	236,643,590
Enterprise Value:	584,832,800	584,832,800	513,140,399	441,367,778	369,242,745	296,496,036	222,860,438
EBIT	45,270,000	45,270,000	47,339,890	50,256,885	5	56,535,715	59,912,501
EV/EBIT:	12.92	12.92	10.84	8.78	73,848,548.99	5.24	3.72
EBITDA	56,430,000	56,430,000	59,057,890	62,560,785	66,238,824	70,100,765	74,155,803
EV/EBITDA:	10.36	10.36	8.69	7.06	5.57	4.23	3.01

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	15.62	15.62	17.09	18.89	3.77	22.84	24.99
Shares Outstanding:	40,440,000	40,440,000	40,440,000	40,440,000	40,440,000	40,440,000	40,440,000
Market Capitalization:	631,672,800	631,672,800	691,155,600	764,063,896	152,637,092	923,575,730	1,010,639,518
Available Cash:	46,840,000	46,840,000	79,582,364	114,806,673	152,637,027	193,203,727	236,643,590
Debt:	0	0	0	0	0	0	0
Net Cash:	46,840,000	46,840,000	79,582,364	114,806,673	152,637,027	193,203,727	236,643,590
Enterprise Value:	584,832,800	584,832,800	611,573,237	649,257,223	65	730,372,003	773,995,928
EBIT	45,270,000	45,270,000	47,339,890	50,256,885	5	56,535,715	59,912,501
EV/EBIT:	12.92	12.92	12.92	12.92	12.92	12.92	12.92
EBITDA	56,430,000	56,430,000	59,057,890	62,560,785	66,238,824	70,100,765	74,155,803
EV/EBITDA:	10.36	10.36	10.36	10.38	0.00	10.42	10.44

LBO Price	15.62	Equity Partners:	631,672,800	Weighting	100.00%	Annualized Return for Equity Partners:	-1.32%
Shares Outstanding	40,440,000	Debt Partners:	0		0.00%		
Market Capitalization	631,672,800	Total Funds for LBO:	631,672,800		100.00%		
Debt	0						
Cash	46,840,000						
Enterprise Value	584,832,800						
Capital Investment	631,672,800						

Book Value		Enterprise Value		Stock Valuation		Debt Reduction	
Beginning Book Value	359.55	Beginning Enterprise Value	584.83	Current Market Price	\$15.62	Starting Debt	0.00
Year 5 Book Value	534.60	Year 5 Enterprise Value	354.56	Year 5 Market Price	\$14.62	Debt Repayment	0.00
Annualized Return	8.26%	Annualized Return	-9.52%	Annualized Return	-1.32%	Year 5 Ending Debt	0.00
						% of Starting Debt	#DIV/0!

SN VALUATION

LBO Pro Forma Income Statement

Name:

Duff & Phelps

Ticker:

DUF

	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	392.02	381.99	375.03	396.87	416.71	437.55	459.43	482.40	506.52
COGS	234.98	228.69	223.05	231.73	250.03	262.53	275.66	289.44	303.91
Gross margin	157.04	153.30	151.98	165.14	166.69	175.02	183.77	192.96	202.61
SG&A	108.31	99.16	97.45	100.62	108.35	113.76	119.45	125.42	131.69
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	0.79	1.74	1.39	8.09	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	9.82	10.25	9.92	11.16	11.00	11.00	11.00	11.00	11.00
Operating Income (EBITA)	38.12	42.15	43.22	45.27	47.34	50.26	53.32	56.54	59.91
Interest income/(expense)	-2.81	-1.08	-0.20	-0.20	0.39	0.39	0.39	0.39	0.39
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	-0.40	-0.14	-0.17	-1.50	0.00	0.00	0.00	0.00	0.00
Income before tax	34.91	40.93	42.85	43.57	47.73	50.65	53.71	56.93	60.30
Tax	10.62	12.26	13.50	13.94	16.71	17.73	18.80	19.92	21.11
Income after tax	24.29	28.67	29.35	29.73	31.02	32.92	34.91	37.00	39.20
Minority Interest	-19.07	-17.10	-12.58	-11.12	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	5.22	11.57	16.77	18.61	31.02	32.92	34.91	37.00	39.20
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.13	\$0.29	\$0.41	\$0.46	\$0.77	\$0.81	\$0.86	\$0.91	\$0.97
P/E (historical today's price; forecasted intrinsic price)	121.01	54.60	37.67	33.94	19.11	16.89	14.95	13.23	11.72
Revenue Growth	N/A	-2.56%	-1.82%	5.82%	5.00%	5.00%	5.00%	5.00%	5.00%
Tax Rate	30.42%	29.95%	31.51%	31.76%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-6.54%	0.00%	0.00%	0.00%	NA	NA	NA	NA	NA
Margins									
COGS	59.94%	59.87%	59.48%	58.39%	60.00%	60.00%	60.00%	60.00%	60.00%
Gross margin	40.06%	40.13%	40.52%	41.61%	40.00%	40.00%	40.00%	40.00%	40.00%
SG&A	27.63%	25.96%	25.98%	25.35%	26.00%	26.00%	26.00%	26.00%	26.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.20%	0.46%	0.37%	2.04%	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	2.50%	2.68%	2.65%	2.81%	2.64%	2.51%	2.39%	2.28%	2.17%
Operating Income (EBITA)	9.72%	11.03%	11.52%	11.41%	11.36%	11.49%	11.61%	11.72%	11.83%
Interest income/(expense)	-0.72%	-0.28%	-0.05%	-0.05%	0.09%	0.09%	0.08%	0.08%	0.08%
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	-0.10%	-0.04%	-0.05%	-0.38%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	8.91%	10.71%	11.43%	10.98%	11.45%	11.58%	11.69%	11.80%	11.91%
Tax	2.71%	3.21%	3.60%	3.49%	4.01%	4.05%	4.09%	4.13%	4.17%
Income after tax	6.20%	7.51%	7.83%	7.49%	7.45%	7.90%	8.38%	8.88%	9.41%
Minority Interest	-4.86%	-4.48%	-3.35%	-2.80%	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	1.33%	3.03%	4.47%	4.69%	7.45%	7.52%	7.60%	7.67%	7.74%

SN VALUATION

LBO Adjusted Proforma Balance Sheet

						Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	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	+	-						
Cash	81.38	107.31	113.33	38.99	46.84			46.84	79.58	114.81	152.64	193.20	236.64
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	81.38	107.31	113.33	38.99	46.84			46.84	79.58	114.81	152.64	193.20	236.64
Accounts Receivable	55.88	55.08	60.36	77.80	73.45			73.45	73.45	73.45	73.45	73.45	73.45
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	55.88	55.08	60.36	77.80	73.45			73.45	73.45	73.45	73.45	73.45	73.45
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	6.60	6.10	7.48	8.26	9.26			9.26	9.26	9.26	9.26	9.26	9.26
Other Current Assets	4.30	4.60	2.56	2.54	2.29			2.29	2.29	2.29	2.29	2.29	2.29
Current Assets	148.16	173.09	183.73	127.59	131.84	0.00	0.00	131.84	164.58	199.81	237.64	278.20	321.64
PP&E, Gross	42.47	48.03	55.62	60.00	150.00			150.00	160.00	170.00	180.00	190.00	200.00
Change in Depreciation		10.24	9.92	11.16	11.16			11.16	11.72	12.30	12.92	13.57	14.24
Accumulated Depreciation	14.12	20.62	26.38	27.00	27.00			27.00	38.72	51.02	63.94	77.51	91.75
PP&E, Net	28.35	27.41	29.24	33.00	123.00			123.00	121.28	118.98	116.06	112.49	108.25
Goodwill	116.46	122.88	139.17	192.97	195.73	0.00		195.73	195.73	195.73	195.73	195.73	195.73
Intangibles	32.20	27.91	30.41	40.98	34.02			34.02	54.02	74.02	94.02	114.02	134.02
Long term investments	7.95	17.81	23.15	23.54	28.39			28.39	28.39	28.39	28.39	28.39	28.39
Other long term assets	65.15	115.48	119.43	129.77	164.59			164.59	164.59	164.59	164.59	164.59	164.59
Long Term Assets	250.11	311.49	341.40	420.26	545.73			545.73	581.71	598.79	615.22	630.98	630.98
Total Assets	398.27	484.58	525.13	547.85	677.57	0.00	0.00	677.57	728.59	781.51	836.43	893.43	952.62
Accounts Payable	3.69	2.46	2.40	4.15	4.15			4.15	4.15	4.15	4.15	4.15	4.15
Accrued Expense	52.19	47.34	51.13	64.13	64.13			64.13	64.13	64.13	64.13	64.13	64.13
Other current Liabilities	7.54	8.93	9.81	11.04	12.09			12.09	12.09	12.09	12.09	12.09	12.09
Total Current Liabilities	63.42	58.73	63.34	79.32	80.37	0.00	0.00	80.37	80.37	80.37	80.37	80.37	80.37
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	0.79	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	42.18	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	42.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Income tax	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Minority Interest	137.63	98.87	91.29	84.89	17.42			17.42	17.42	17.42	17.42	17.42	17.42
Other liabilities	72.05	134.55	142.32	156.89	221.75			221.75	221.75	221.75	221.75	221.75	221.75
Total Liabilities	316.07	292.15	296.95	321.10	319.54	0.00	0.00	319.54	319.54	319.54	319.54	319.54	319.54
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	0.15	0.27	0.30	0.32	0.32		0.00	0.32	0.32	0.32	0.32	0.32	0.32
Additional Paid-in capital	100.81	207.21	232.64	252.57	327.13	0.00	0.00	327.13	327.13	327.13	327.13	327.13	327.13
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	-1.13	6.71	16.92	25.63	31.81		0.00	31.81	62.83	95.75	130.67	167.67	206.86
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	0.29	0.69	1.40	0.29	0.29		0.00	0.29	0.29	0.29	0.29	0.29	0.29
Total Equity	100.12	214.88	251.26	278.81	359.55	0.00	0.00	359.55	390.57	423.49	458.41	495.41	534.60
Liability + Equity	416.19	507.03	548.21	599.91	679.09	0.00	0.00	679.09	710.11	743.03	777.95	814.95	854.14
Variance	-17.92	-22.45	-23.08	-52.06	-1.52			-1.52	18.48	38.48	58.48	78.48	98.48
Debt/Equity	0.43	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
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	7.02	6.94	6.21	5.10	5.67			5.40	5.96	6.25	6.25	6.90	6.90
Accounts Receivable Turnover Days	52.03	52.63	58.75	71.55	64.33			67.55	64.33	61.27	58.35	55.57	52.93
Days Payable Outstanding	5.73	3.93	3.93	6.54	6.06			6.54	6.06	5.77	5.50	5.23	4.98
Days Sales Outstanding	52.03	52.63	58.75	71.55	64.33			71.55	67.55	64.33	61.27	58.35	55.57
Cash Conversion Cycle	46.30	48.70	54.82	65.02	58.28			65.02	61.49	58.57	55.78	53.12	50.59
Net tangible assets/share	(\$0.85)	\$1.72	\$2.20	\$0.84	\$4.01				\$5.28	\$6.58	\$7.94	\$9.35	\$10.81

SN VALUATION

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	24.29	28.67	29.35	29.73	31.02	32.92	34.91	37.00	39.20
Depreciation	9.82	10.24	9.92	11.16	11.72	12.30	12.92	13.57	14.24
Net Income + Depreciation	34.11	38.91	39.27	40.89	42.74	45.22	47.83	50.57	53.44
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	-0.38	-0.94	3.05	4.81	0.00	0.00	0.00	0.00	0.00
Non Cash Items	35.30	28.08	24.12	28.54	20.00	20.00	20.00	20.00	20.00
Change in Working capital	-29.43	0.93	-6.66	-26.82	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.80	-5.28	-17.44	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	0.50	-1.38	-0.78	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-1.23	-0.06	1.75	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	39.60	66.98	59.78	47.42	62.74	65.22	67.83	70.57	73.44
Capital Expenditures Expenditures	-11.84	-5.52	-7.08	-8.06	-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	-25.29	-11.95	-21.39	-66.06	-20.00	-20.00	-20.00	-20.00	-20.00
Cash from Investing Activities	-37.13	-17.47	-28.47	-74.12	-30.00	-30.00	-30.00	-30.00	-30.00
Financing Cash flow items	-10.34	-22.45	-9.83	-8.75	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	-3.76	-6.62	-9.99	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	0.07	44.52	-8.76	-28.62	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	-0.79	-42.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-11.06	-24.45	-25.21	-47.36	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	-0.26	0.86	-0.08	-0.29	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	90.24	81.38	107.31	113.33	46.84	79.58	114.81	152.64	193.20
Net Change in Cash	-8.86	25.93	6.02	-74.34	32.74	35.22	37.83	40.57	43.44
Ending Cash Balance	81.38	107.31	113.33	38.99	79.58	114.81	152.64	193.20	236.64
Capex to Revenue	3.02%	1.45%	1.89%	2.03%	2.40%	2.29%	2.18%	2.07%	1.97%
Depreciation to Sales	2.50%	2.68%	2.65%	2.81%	2.81%	2.81%	2.81%	2.81%	2.81%
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	14.25%	14.42%	16.09%	19.60%	18.67%	17.78%	16.93%	16.13%	15.36%
Distributable FCF Yield	0.42%	8.47%	5.35%	-4.57%	5.60%	6.02%	6.47%	6.94%	7.43%
Dividend Yield	0.00%	-0.60%	-1.05%	-1.58%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	27.76	65.22	59.32	49.35	52.74	55.22	57.83	60.57	63.44

SN VALUATION

LBO Debt Schedule

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	-74.34	32.74	35.22	37.83	40.57	43.44
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	0.00	0.00	0.00	0.00	0.00	0.00
Current Portion Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
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		0.00	0.00	0.00	0.00	0.00
Cash Balance		38.99				
Interest @ 1.0%		0.39	0.39	0.39	0.39	0.39
Net Interest Expense/(Income)		(0.39)	(0.39)	(0.39)	(0.39)	(0.39)
Net Interest Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
EBITDA		47.34	50.26	53.32	56.54	59.91
EBITDA/Interest Expense Coverage		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Interest Rate Coverage Table

Debt Rating	2013	2014	2015	2016	2017
AAA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
AA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BBB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CCC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
C	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
D	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Duff & Phelps

Ticker:

DUF

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	84.74	114.36	120.39	51.47	84.21	119.44	157.27	197.83	241.27
Total Assets	398.27	484.58	525.13	677.57	728.59	781.51	836.43	893.43	952.62
X1	0.21	0.24	0.23	0.08	0.12	0.15	0.19	0.22	0.25
Retained Earnings	-1.13	6.71	16.92	31.81	62.83	95.75	130.67	167.67	206.86
Total Assets	398.27	484.58	525.13	677.57	728.59	781.51	836.43	893.43	952.62
X2	0.00	0.01	0.03	0.05	0.09	0.12	0.16	0.19	0.22
EBITDA	47.94	52.40	53.14	56.43	58.34	61.26	64.32	67.54	70.91
Total Assets	398.27	484.58	525.13	677.57	728.59	781.51	836.43	893.43	952.62
X3	0.12	0.11	0.10	0.08	0.08	0.08	0.08	0.08	0.07
Market Value of Equity	631.67	631.67	631.67	631.67	592.72	556.17	521.88	489.70	459.50
Total Liabilities	316.07	292.15	296.95	319.54	319.54	319.54	319.54	319.54	319.54
X4	2.00	2.16	2.13	1.98	1.85	1.74	1.63	1.53	1.44
Net Sales	392.02	381.99	375.03	396.87	416.71	437.55	459.43	482.40	506.52
Total Assets	398.27	484.58	525.13	677.57	728.59	781.51	836.43	893.43	952.62
X5	0.98	0.79	0.71	0.59	0.57	0.56	0.55	0.54	0.53
Altman Z Score	2.83	2.75	2.64	2.20	2.21	2.22	2.23	2.24	2.25

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

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