

## Ennis Inc (EBF)

Price:	\$18.55	Net Tang. Bk Value Incl. Cash, Excl.	\$248,420,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$359,758,500.00
Market Cap:	\$486,381,000	Goodwill (NTBVIC):		Avg. Year Op. Cash:	\$34,969,956.71
Cash:	\$14,400,000	NTBVIC/Market Downside Recovery:	51.08%	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$45,000,000	Op. Cash Flow:	\$34,874,874	Year 5 Disposition Price:	\$464,668,370.14
Net Cash:	-\$30,600,000	Implied Years to Fill Gap:	6.82		
Enterprise Value:	\$516,981,000	Today's Equity if 5x Op. CF:	\$353,044,623		
		Net Tang. Book+ Gain Disposition:			\$464,668,370.14
Shares Outstanding:	26,220,000	IRR:			-0.91%
		Price:			\$17.72
		Target Market Cap:			\$464,668,370
		Target Enterprise Value:			\$495,268,370

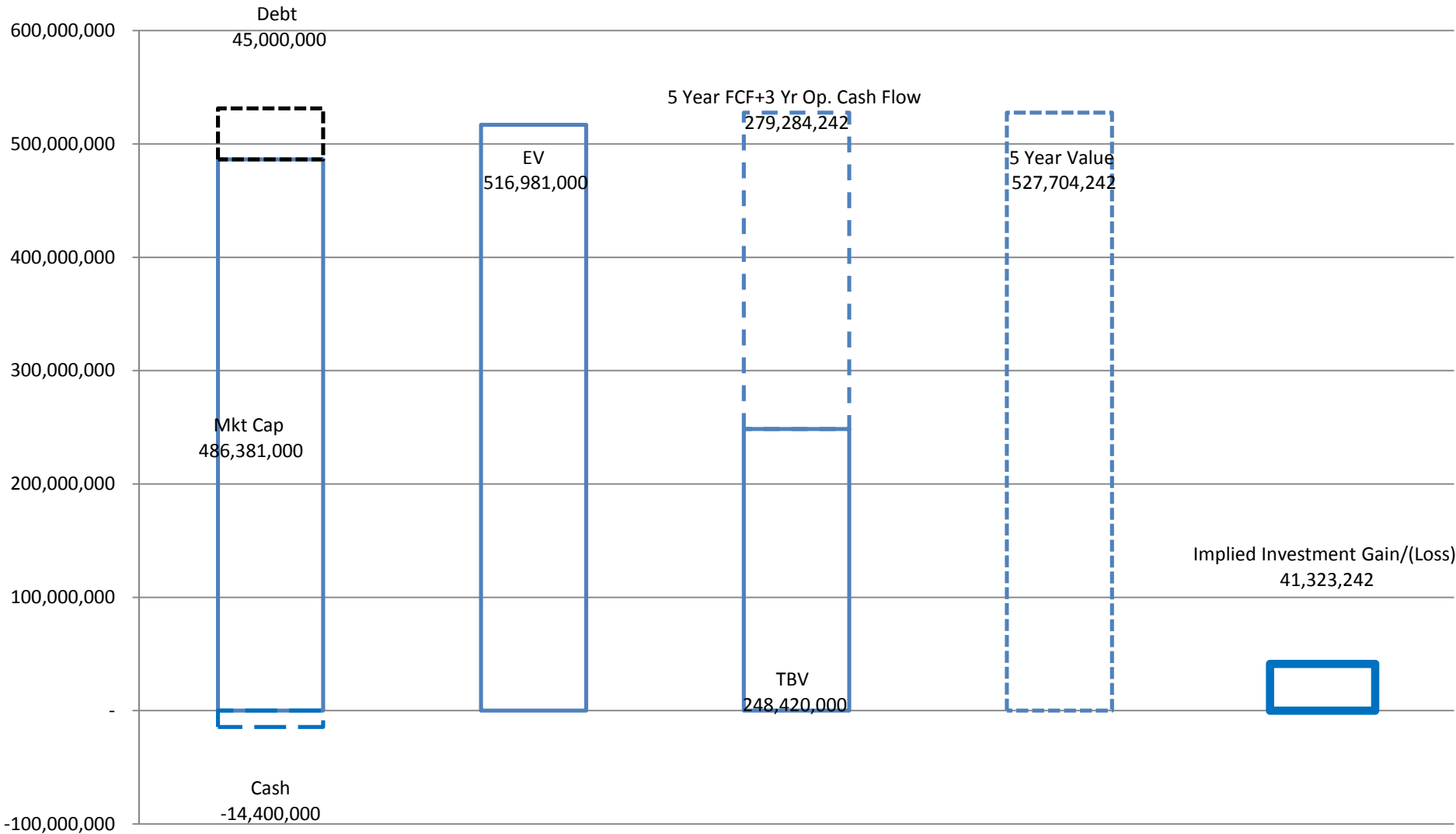
\* Our future intrinsic value measures the total return, which includes both capital appreciation and dividend income.

Really odd business model - blank tshirts and business forms. The printing business is making up a larger share of total revenue, near 60% now, and is done primarily with independent domestic businesses. The blank tshirt, apparel business has a sewing, manufacturing plant in Mexico.

We think this Co. should think about spinning off, or selling the apparel business and focus on printing. Printings sales have been decreasing YoY for the past 3 years, and the business is too commoditized for a publicly traded business. Not sure if this is a cash cow, since most of the production is done in labor cheap Mexico, but if the ROA is better for print, they should switch to a purely print related business.

Print maintains a steady 30% GM, while apparel went from 27% to 22% to 13% from 2011 to 2013. Higher cotton prices as well as lack of pricing power is putting pressure on the print business.

50% downside protection, 3.75% dividend yield, 30MM in op. cash flow, 5MM capex, 20MM in dividend, means it is a dividend paying Co. that has respectable asset coverage for the equity, but don't anticipate extraordinary growth. We would have scooped up shares if we had uncovered this stock earlier when it was trading at \$15 a couple months ago, but it is not appealing for us right now.



Ennis, Inc., formerly Ennis Business Forms, Inc., is organized under the laws of Texas in 1909. The Company is a provider of business forms to independent distributors in the United States and is also a provider of blank t-shirts in North America to the active-wear market. It operates in two business segments, the Print Segment and the Apparel Segment. The Print Segment is in the business of manufacturing, designing and selling business forms and other printed business products mainly to distributors located in the United States. The products sold include snap sets, continuous forms, laser cut sheets, tags, labels, envelopes, integrated products, jumbo rolls and pressure sensitive products in short, medium and long runs under the following labels: Ennis&#174;, Royal Business FormsSM, Block Graphics&#174;, Specialized Printed FormsSM, 360&#186; Custom LabelsSM, Enfusion&#174;, Uncompromised Check Solutions&#174;, Witt PrintingSM, B&D Litho of ArizonaSM, Genforms&#174; and Calibrated Forms&#174;. The Print Segment also sells the Adams-McClure&#174; brand (which provides Point of Purchase advertising for large franchise and fast food chains as well as kitting and fulfillment); the Admore&#174; brand (which provides presentation folders and document folders); Ennis Tag & LabelSM (which provides tags and labels, promotional products and advertising concept products); Trade Envelopes&#174; and Block Graphics&#174; (which provide custom and imprinted envelopes) and Northstar&#174; and GFS&#174; (which provide financial and security documents). The Print Segment sells predominantly through private printers and independent distributors. Northstar and Adams McClure also sell to a small number of direct customers. Raw materials of the Print Segment mainly consist of a variety of weights, widths, colors, sizes, and qualities of paper for business products purchased from a number of major suppliers at prevailing market prices. The Apparel Segment operates under the name of Alstyle Apparel (Alstyle). Alstyle markets high quality knit basic activewear (t-shirts, tank tops and fleece) across all market segments. Alstyle's branded product lines are sold under the AAA label, Murina&#174; and Hyland&#174; Headwear brands. The products of the Apparel Segment are standardized shirts manufactured in a variety of sizes and colors. It is subject to various federal, state, and local environment laws and regulations concerning, among other things, wastewater discharges, air emissions and solid waste disposal.

Company Name:		Ennis Inc		Market Capitalization:		\$486,381,000.00		Revenue:		\$529,440,000.00		100.0%	
Ticker Symbol:	EBF	Total Debt:	\$45,000,000.00	Cost of Goods Sold:	\$405,280,000.00	76.5%		Gross Profit:	\$124,160,000.00	23.5%		EBITDA:	
Last Price:	\$18.55	Total Cash:	\$14,400,000.00	EBITDA:	\$60,780,000.00	11.5%		Net Income:	\$29,340,000.00	5.5%		Balance Sheet	
Net Cash/Share:	-\$1.17	Net Cash/(Debt):	-\$30,600,000.00	Net Income:	\$29,340,000.00			Cash:	\$14,400,000.00			Short Term Investment:	
Net Cash to Last Price:	-6.29%	Enterprise Value:	\$516,981,000.00	Current EV/Share:	\$19.72			A/R:	\$63,000,000.00			PP&E:	
Shares Outstanding:	26,220,000	EBITDA:	\$53,640,000.00	EV/EBITDA Multiple:	9.64			Assets:	\$488,230,000.00			A/P:	
Industry:	Business Equipment	EV/EBITDA Multiple Average Year 1-5:	10.93	EV/FCF Multiple (excluding acquisition):	10.91			Deferred Tax:	\$23,280,000.00			Other Liabilities:	
Sector:	Industrials	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	17.25	Upper Range				Short term Debt:	\$0.00			Long Term Debt:	
Institutional Ownership:	5.24%			DCF: EV/EBITDA Terminal Value				Liabilities:	\$119,140,000.00			Retained Earnings:	
Mutual Fund Ownership:	47.57%			Implied TV from 3 X EV/EBITDA Multiple	\$112,037,100.00			Treasury Stock:	-\$73,000,000.00			Stockholder's Equity:	
Insider Ownership:	3.61%			Enterprise Value	\$112,037,100.00			Stockholder's Equity:	\$370,230,000.00			Cash Flow	
Float:	98.00%			Cash at Year 5:	\$164,249,783.57			Net Income:	24,710,000.00			Depreciation/Amortization:	
				Debt at Year 5:	\$45,000,000.00			Depreciation/Amortization:	13,240,000.00			Change in Working capital:	
				Equity Value Year 5:	\$231,286,883.57			Change in Working capital:	9,480,000.00			Cash from Operating Activities:	
				Equity/Share at Year 5:	\$8.82			Cash from Operating Activities:	49,960,000.00			Capital Expenditures:	
				Annualized Return:	-13.81%			Cash from Investing Activities:	1,200,000.00			Cash from Financing Activities:	
				Lower Range				Total Cash Dividends Paid:	-22,860,000.00			Issuance (Retirement) of Stock:	
				DCF: Net Tangible Asset excluding Cash/Debt Terminal Value				Issuance (Retirement) of Stock:	80,000.00			Issuance (Retirement) of Debt:	
				Year 5 Net Tangible Assets excluding cash and debt	\$205,310,000.00			Cash from Financing Activities:	-55,220,000.00			Profitability Margins	
				Enterprise Value	\$205,310,000.00			Debt to Equity:	12.15%			Return on Assets:	
				Cash at Year 5:	\$164,249,783.57			Return on Assets:	5.06%			Return on Capital:	
				Debt at Year 5:	\$45,000,000.00			Return on Capital:	5.95%			Return on Equity:	
				Equity Value Year 5:	\$324,559,783.57			Return on Equity:	6.67%				
				Equity/Share at Year 5:	\$12.38								
				Annualized Return:	-7.77%								
				EVA									
				EVA today:	\$353,388,705.21								
				EVA in 5 Years:	\$330,446,927.72								
				EVA/Share:	\$12.60								
				Cash at Year 5:	\$164,249,783.57								
				Debt at Year 5:	\$45,000,000.00								
				Equity Value Year 5:	\$449,696,711.29								
				Equity/Share at Year 5:	\$17.15								
				Annualized return	-1.33%								
				Current Net Tangible Asset									
				Net Tangible Asset/Share:	\$6.27								
				Net Tangible Asset/Share in Year 5:	\$11.03								
				Annualized return	11.99%								
				Current Equity Price:	\$18.55								
				Selling at Discount?	Premium								
				Appreciation Potential:	-66.22%								
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SN VALUATION

LBO Pro Forma Income Statement

Name:

Ennis Inc

Ticker:

EBF

	Historical				Forecasted				
	12 months ending 2010-02-28	12 months ending 2011-02-28	12 months ending 2012-02-29	12 months ending 2013-02-28	2013	2014	2015	2016	2017
Revenue	517.74	550.00	517.01	533.51	533.51	533.51	533.51	533.51	533.51
COGS	382.42	395.50	386.50	409.35	410.80	410.80	410.80	410.80	410.80
Gross margin	135.32	154.50	130.51	124.16	122.71	122.71	122.71	122.71	122.71
SG&A	76.74	83.68	78.98	83.76	85.36	85.36	85.36	85.36	85.36
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	-0.14	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)	58.58	70.82	51.69	40.40	37.35	37.35	37.35	37.35	37.35
Interest income/(expense)	-2.62	-1.23	-2.29	-1.52	-3.09	-3.09	-3.09	-3.09	-3.09
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	-0.29	-0.17	-0.02	-0.25	0.00	0.00	0.00	0.00	0.00
Income before tax	55.57	69.42	49.38	38.62	34.26	34.26	34.26	34.26	34.26
Tax	20.46	24.79	18.02	13.91	11.99	11.99	11.99	11.99	11.99
Income after tax	35.21	44.63	31.36	24.71	22.27	22.27	22.27	22.27	22.27
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	35.21	44.63	31.36	24.71	22.27	22.27	22.27	22.27	22.27
*Figures are in millions (\$)									
EPS (based off today's share count)	\$1.34	\$1.70	\$1.20	\$0.94	\$0.85	\$0.85	\$0.85	\$0.85	\$0.85
P/E (historical today's price; forecasted intrinsic price)	13.81	10.90	15.51	19.68	21.64	21.45	21.25	21.06	20.87
Revenue Growth	N/A	6.23%	-6.00%	3.19%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	36.75%	35.71%	36.49%	36.02%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-6.26%	-2.43%	-2.54%	-2.64%	-6.86%	-6.86%	-6.86%	-6.86%	-6.86%
Margins									
COGS	73.86%	71.91%	74.76%	76.73%	77.00%	77.00%	77.00%	77.00%	77.00%
Gross margin	26.14%	28.09%	25.24%	23.27%	23.00%	23.00%	23.00%	23.00%	23.00%
SG&A	14.82%	15.21%	15.27%	15.70%	16.00%	16.00%	16.00%	16.00%	16.00%
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%	-0.03%	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)	11.31%	12.88%	10.00%	7.57%	7.00%	7.00%	7.00%	7.00%	7.00%
Interest income/(expense)	-0.51%	-0.22%	-0.44%	-0.28%	-0.58%	-0.58%	-0.58%	-0.58%	-0.58%
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	-0.06%	-0.03%	0.00%	-0.05%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	10.75%	12.62%	9.55%	7.24%	6.42%	6.42%	6.42%	6.42%	6.42%
Tax	3.95%	4.51%	3.49%	2.61%	2.25%	2.25%	2.25%	2.25%	2.25%
Income after tax	6.80%	8.11%	6.07%	4.63%	4.17%	4.17%	4.17%	4.17%	4.17%
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	6.80%	8.11%	6.07%	4.63%	4.17%	4.17%	4.17%	4.17%	4.17%

	As of 2010-02-28	As of 2011-02-28	As of 2012-02-29	As of 2013-02-28	As of 2013-05-31	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	21.06	12.30	10.41	6.23	14.40			14.40	44.27	74.19	104.20	134.28	164.25
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
<b>Cash and Short term</b>	<b>21.06</b>	<b>12.30</b>	<b>10.41</b>	<b>6.23</b>	<b>14.40</b>			<b>14.40</b>	<b>44.27</b>	<b>74.19</b>	<b>104.20</b>	<b>134.28</b>	<b>164.25</b>
Accounts Receivable	57.25	58.36	58.79	60.07	63.00			63.00	63.00	63.00	63.00	63.00	63.00
Other receivables	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Receivables</b>	<b>57.25</b>	<b>58.36</b>	<b>58.79</b>	<b>60.07</b>	<b>63.00</b>			<b>63.00</b>	<b>63.00</b>	<b>63.00</b>	<b>63.00</b>	<b>63.00</b>	<b>63.00</b>
Total Inventory	75.14	100.36	132.57	109.70	97.97			97.97	97.97	97.97	97.97	97.97	97.97
Prepaid Expenses	6.87	5.33	11.95	11.60	7.59			7.59	7.59	7.59	7.59	7.59	7.59
Other Current Assets	6.12	6.04	5.49	5.82	6.53			6.53	6.53	6.53	6.53	6.53	6.53
<b>Current Assets</b>	<b>166.44</b>	<b>182.39</b>	<b>219.21</b>	<b>193.42</b>	<b>189.49</b>	<b>0.00</b>	<b>0.00</b>	<b>189.49</b>	<b>219.36</b>	<b>249.28</b>	<b>279.29</b>	<b>309.37</b>	<b>339.34</b>
PP&E, Gross	216.25	252.48	256.83	257.86	258.00			258.00	263.00	268.00	273.00	278.00	283.00
Change in Depreciation	8.98	8.07	9.52	9.96	9.96			9.96	9.96	9.96	9.96	9.96	9.96
Accumulated Depreciation	150.53	158.82	157.32	167.81	168.00			168.00	177.96	187.92	197.88	207.84	217.80
<b>PP&amp;E, Net</b>	<b>65.72</b>	<b>93.66</b>	<b>99.51</b>	<b>90.05</b>	<b>90.00</b>			<b>90.00</b>	<b>85.04</b>	<b>80.08</b>	<b>75.12</b>	<b>70.16</b>	<b>65.20</b>
Goodwill	117.34	117.34	121.63	121.81	121.81	0.00		121.81	121.81	121.81	121.81	121.81	121.81
Intangibles	78.65	76.31	86.66	83.51	83.00			83.00	80.35	77.66	74.88	72.03	69.29
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	4.55	4.02	4.94	4.64	3.93			3.93	3.93	3.93	3.93	3.93	3.93
<b>Long Term Assets</b>	<b>266.26</b>	<b>291.33</b>	<b>312.74</b>	<b>300.01</b>	<b>298.74</b>	<b>0.00</b>	<b>0.00</b>	<b>298.74</b>	<b>291.13</b>	<b>283.48</b>	<b>275.74</b>	<b>267.93</b>	<b>260.23</b>
<b>Total Assets</b>	<b>432.70</b>	<b>473.72</b>	<b>531.95</b>	<b>493.43</b>	<b>488.23</b>	<b>0.00</b>	<b>0.00</b>	<b>488.23</b>	<b>510.50</b>	<b>532.77</b>	<b>555.03</b>	<b>577.30</b>	<b>599.57</b>
Accounts Payable	27.46	18.87	27.92	22.26	21.00			21.00	21.00	21.00	21.00	21.00	21.00
Accrued Expense	21.63	24.71	21.13	20.16	20.00			20.00	20.00	20.00	20.00	20.00	20.00
Other current Liabilities	0.70	2.94	1.18	0.62	1.69			1.69	1.69	1.69	1.69	1.69	1.69
<b>Total Current Liabilities</b>	<b>49.79</b>	<b>46.52</b>	<b>50.23</b>	<b>43.04</b>	<b>42.69</b>	<b>0.00</b>	<b>0.00</b>	<b>42.69</b>	<b>42.69</b>	<b>42.69</b>	<b>42.69</b>	<b>42.69</b>	<b>42.69</b>
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	0.00	0.59	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	41.82	50.00	90.00	57.50	45.00	0.00	0.00	45.00	45.00	45.00	45.00	45.00	45.00
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
<b>Total Interest Earning Debt</b>	<b>41.82</b>	<b>50.59</b>	<b>90.00</b>	<b>57.50</b>	<b>45.00</b>	<b>0.00</b>	<b>0.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>
Deferred Income tax	19.82	25.38	23.03	23.18	23.28			23.28	23.28	23.28	23.28	23.28	23.28
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	8.00	3.57	8.82	10.35	8.17			8.17	8.17	8.17	8.17	8.17	8.17
<b>Total Liabilities</b>	<b>119.43</b>	<b>126.06</b>	<b>172.08</b>	<b>134.07</b>	<b>119.14</b>	<b>0.00</b>	<b>0.00</b>	<b>119.14</b>	<b>119.14</b>	<b>119.14</b>	<b>119.14</b>	<b>119.14</b>	<b>119.14</b>
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	75.13	75.13	75.13	75.13	75.13		0.00	75.13	75.13	75.13	75.13	75.13	75.13
Additional Paid-in capital	121.98	121.31	121.39	122.19	123.00	0.00	0.00	123.00	123.00	123.00	123.00	123.00	123.00
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	206.06	234.64	249.86	251.71	260.00		0.00	260.00	282.27	304.54	326.80	349.07	371.34
Treasury Stock	-76.65	-74.94	-73.73	-72.91	-73.00		0.00	-73.00	-73.00	-73.00	-73.00	-73.00	-73.00
Other Equity	-12.11	-8.08	-12.79	-14.90	-14.90		0.00	-14.90	-14.90	-14.90	-14.90	-14.90	-14.90
<b>Total Equity</b>	<b>314.41</b>	<b>348.06</b>	<b>359.86</b>	<b>361.22</b>	<b>370.23</b>	<b>0.00</b>	<b>0.00</b>	<b>370.23</b>	<b>392.50</b>	<b>414.77</b>	<b>437.03</b>	<b>459.30</b>	<b>481.57</b>
<b>Liability + Equity</b>	<b>433.84</b>	<b>474.12</b>	<b>531.94</b>	<b>495.29</b>	<b>489.37</b>	<b>0.00</b>	<b>0.00</b>	<b>489.37</b>	<b>511.64</b>	<b>533.91</b>	<b>556.17</b>	<b>578.44</b>	<b>600.71</b>
<b>Variance</b>	-1.14	-0.40	0.01	-1.86	-1.14			-1.14	-1.14	-1.14	-1.14	-1.14	-1.14
<b>Debt/Equity</b>	0.13	0.15	0.25	0.16	0.12			0.12	0.11	0.11	0.10	0.10	0.09
Inventory Turnover	6.89	5.48	3.90	4.86	5.45			5.45	5.45	5.45	5.45	5.45	5.45
Inventory Turnover Days	52.97	66.60	93.59	75.05	67.03			67.03	67.03	67.03	67.03	67.03	67.03
Days Inventory Outstanding	71.72	92.62	125.20	97.81	87.05			87.36	87.05	87.05	87.05	87.05	87.05
Accounts Receivable Turnover	9.04	9.42	8.79	8.88	8.47			8.47	8.47	8.47	8.47	8.47	8.47
Accounts Receivable Turnover Days	40.36	38.73	41.50	41.10	43.10			43.10	43.10	43.10	43.10	43.10	43.10
Days Payable Outstanding	26.21	17.41	26.37	19.85	18.66			18.72	18.66	18.66	18.66	18.66	18.66
Days Sales Outstanding	40.36	38.73	41.50	41.10	43.10			41.10	43.10	43.10	43.10	43.10	43.10
Cash Conversion Cycle	85.87	113.94	140.33	119.06	111.49			109.73	111.49	111.49	111.49	111.49	111.49
Net tangible assets/share	\$4.52	\$5.89	\$5.78	\$5.95	\$6.31				\$7.26	\$8.21	\$9.17	\$10.12	\$11.08

	12 months ending 2010-02-28	12 months ending 2011-02-28	12 months ending 2012-02-29	12 months ending 2013-02-28	2011	2012	2013	2014	2015
Net Income	35.21	44.63	31.36	24.71	22.27	22.27	22.27	22.27	22.27
Depreciation	8.98	8.07	9.52	9.96	9.96	9.96	9.96	9.96	9.96
<b>Net Income + Depreciation</b>	<b>44.19</b>	<b>52.70</b>	<b>40.88</b>	<b>34.67</b>	<b>32.23</b>	<b>32.23</b>	<b>32.23</b>	<b>32.23</b>	<b>32.23</b>
Amortization	2.40	2.40	2.43	3.28	2.65	2.69	2.78	2.85	2.74
Deferred Taxes	2.71	4.37	-2.02	0.24	0.00	0.00	0.00	0.00	0.00
Non Cash Items	3.60	3.41	1.40	2.29	0.00	0.00	0.00	0.00	0.00
Change in Working capital	29.68	-30.11	-18.12	9.48	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-1.11	-0.43	-1.28	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	-25.22	-32.21	22.87	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	1.54	-6.62	0.35	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-8.59	9.05	-5.66	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>82.58</b>	<b>32.77</b>	<b>24.57</b>	<b>49.96</b>	<b>34.87</b>	<b>34.92</b>	<b>35.01</b>	<b>35.08</b>	<b>34.97</b>
Capital Expenditures Expenditures	-20.28	-33.75	-5.09	-2.56	-5.00	-5.00	-5.00	-5.00	-5.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	0.04	-2.23	-45.72	3.75	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>-20.24</b>	<b>-35.98</b>	<b>-50.81</b>	<b>1.19</b>	<b>-5.00</b>	<b>-5.00</b>	<b>-5.00</b>	<b>-5.00</b>	<b>-5.00</b>
Financing Cash flow items	0.10	-0.05	-0.39	0.07	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-16.00	-16.06	-16.13	-22.86	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-0.38	0.10	0.21	0.08	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	-34.21	10.00	40.00	-32.50	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>-50.49</b>	<b>-6.01</b>	<b>23.69</b>	<b>-55.21</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Foreign Exchange effect	-0.06	0.47	0.65	-0.12	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	-11.78	0.00	0.00	0.00	14.40	44.27	74.19	104.20	134.28
<b>Net Change in Cash</b>	<b>11.78</b>	<b>-8.76</b>	<b>-1.90</b>	<b>-4.18</b>	<b>29.87</b>	<b>29.92</b>	<b>30.01</b>	<b>30.08</b>	<b>29.97</b>
Ending Cash Balance	0.00	0.00	-1.90	-4.18	44.27	74.19	104.20	134.28	164.25
Capex to Revenue	3.92%	6.14%	0.98%	0.48%	0.94%	0.94%	0.94%	0.94%	0.94%
Depreciation to Sales	1.73%	1.47%	1.84%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%
Amortization to Sales	0.46%	0.44%	0.47%	0.61%	0.50%	0.50%	0.52%	0.53%	0.51%
A/R to Sales	11.06%	10.61%	11.37%	11.26%	11.26%	11.26%	11.26%	11.26%	11.26%
Distributable FCF/EV Yield	12.06%	-0.62%	-5.08%	9.89%	5.78%	5.79%	5.80%	5.82%	5.80%
Dividend Yield	-3.29%	-3.30%	-3.32%	-4.70%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>FCF (Ops-Investing)</b>	<b>78.30</b>	<b>15.08</b>	<b>35.61</b>	<b>70.26</b>	<b>29.87</b>	<b>29.92</b>	<b>30.01</b>	<b>30.08</b>	<b>29.97</b>

# SN VALUATION

# LBO Debt Schedule

Ticker:

EBF

	Proforma	2013	2014	2015	2016	2017
<b>Net Change in Cash</b>	<b>-4.18</b>	<b>29.87</b>	<b>29.92</b>	<b>30.01</b>	<b>30.08</b>	<b>29.97</b>
Current Portion Debt Repayment						
Long Term Debt Repayment						
<b>Outstanding Debt</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>
Current Portion Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt Balance	45.00	45.00	45.00	45.00	45.00	45.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
<b>Interest Rate</b>		<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>
<b>Interest Expense</b>		<b>3.15</b>	<b>3.15</b>	<b>3.15</b>	<b>3.15</b>	<b>3.15</b>
Cash Balance		6.23				
Interest @ 1.0%		0.06	0.06	0.06	0.06	0.06
<b>Net Interest Expense/(Income)</b>		<b>3.09</b>	<b>3.09</b>	<b>3.09</b>	<b>3.09</b>	<b>3.09</b>
<b>Net Interest Rate</b>		<b>6.86%</b>	<b>6.86%</b>	<b>6.86%</b>	<b>6.86%</b>	<b>6.86%</b>
EBITDA		37.35	37.35	37.35	37.35	37.35
<b>EBITDA/Interest Expense Coverage</b>		<b>11.86</b>	<b>11.86</b>	<b>11.86</b>	<b>11.86</b>	<b>11.86</b>

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:

Ennis Inc

Ticker:

EBF

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	116.65	135.87	168.98	146.80	176.67	206.59	236.60	266.68	296.65
Total Assets	432.70	473.72	531.95	488.23	510.50	532.77	555.03	577.30	599.57
<b>X1</b>	<b>0.27</b>	<b>0.29</b>	<b>0.32</b>	<b>0.30</b>	<b>0.35</b>	<b>0.39</b>	<b>0.43</b>	<b>0.46</b>	<b>0.49</b>
Retained Earnings	206.06	234.64	249.86	260.00	282.27	304.54	326.80	349.07	371.34
Total Assets	432.70	473.72	531.95	488.23	510.50	532.77	555.03	577.30	599.57
<b>X2</b>	<b>0.48</b>	<b>0.50</b>	<b>0.47</b>	<b>0.53</b>	<b>0.55</b>	<b>0.57</b>	<b>0.59</b>	<b>0.60</b>	<b>0.62</b>
EBITDA	58.58	70.82	51.69	40.40	37.35	37.35	37.35	37.35	37.35
Total Assets	432.70	473.72	531.95	488.23	510.50	532.77	555.03	577.30	599.57
<b>X3</b>	<b>0.14</b>	<b>0.15</b>	<b>0.10</b>	<b>0.08</b>	<b>0.07</b>	<b>0.07</b>	<b>0.07</b>	<b>0.06</b>	<b>0.06</b>
Market Value of Equity	486.38	486.38	486.38	486.38	481.96	477.58	473.23	468.93	464.67
Total Liabilities	119.43	126.06	172.08	119.14	119.14	119.14	119.14	119.14	119.14
<b>X4</b>	<b>4.07</b>	<b>3.86</b>	<b>2.83</b>	<b>4.08</b>	<b>4.05</b>	<b>4.01</b>	<b>3.97</b>	<b>3.94</b>	<b>3.90</b>
Net Sales	517.74	550.00	517.01	533.51	533.51	533.51	533.51	533.51	533.51
Total Assets	432.70	473.72	531.95	488.23	510.50	532.77	555.03	577.30	599.57
<b>X5</b>	<b>1.20</b>	<b>1.16</b>	<b>0.97</b>	<b>1.09</b>	<b>1.05</b>	<b>1.00</b>	<b>0.96</b>	<b>0.92</b>	<b>0.89</b>
<b>Altman Z Score</b>	<b>5.08</b>	<b>5.01</b>	<b>4.03</b>	<b>4.92</b>	<b>4.90</b>	<b>4.90</b>	<b>4.90</b>	<b>4.90</b>	<b>4.90</b>

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

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



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
<b>Tangible Book Value</b>	<b>248.42</b>	<b>270.69</b>	<b>292.96</b>	<b>315.22</b>	<b>337.49</b>	<b>359.76</b>				<b>359.76</b>
Annual Change		22.27	22.27	22.27	22.27	22.27				
<b>Annual FCF</b>	<b>47.40</b>	<b>29.87</b>	<b>29.92</b>	<b>30.01</b>	<b>30.08</b>	<b>29.97</b>	<b>29.97</b>	<b>29.97</b>	<b>29.97</b>	<b>89.91</b>
Annual Op. Cash Flow	49.96	34.87	34.92	35.01	35.08	34.97	34.97	34.97	34.97	
Annual PP&E Investment	(2.56)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	
<b>Today's Tangible Book Value</b>	<b>248.42</b>	<b>267.52</b>	<b>288.08</b>	<b>310.23</b>	<b>334.08</b>	<b>359.76</b>				<b>449.67</b>
Intrinsic Value IRR	7.69%									
<b>Market Price</b>	<b>486.38</b>	<b>478.81</b>	<b>471.35</b>	<b>464.01</b>	<b>456.78</b>	<b>449.67</b>				<b>449.67</b>
Market Price IRR	-1.56%									

Debt	50.00%	243.19
Equity	50.00%	243.19
<b>Total</b>	<b>100.00%</b>	<b>486.38</b>

	Present Value	Holding Period					Terminal Value			Sale Price	
	Historic	ProForma	1	2	3	4	5	6	7	8	
Book Equity	370.23	243.19	254.35	265.51	276.68	287.84	299.00				
Goodwill	121.81	237.96	237.96	237.96	237.96	237.96	237.96				
Debt	45	<b>288.19</b>	<b>288.19</b>	<b>288.19</b>	<b>288.19</b>	<b>288.19</b>	<b>288.19</b>				
Debt Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%				
Additional Interest Expense		17.09	17.09	17.09	17.09	17.09					
<b>Tangible Book Value</b>	<b>248.42</b>	<b>5.23</b>	<b>16.39</b>	<b>27.55</b>	<b>38.72</b>	<b>49.88</b>	<b>61.04</b>				<b>61.04</b>
Annual Change			11.16	11.16	11.16	11.16	11.16				
<b>Annual FCF</b>	<b>47.40</b>	<b>18.77</b>	<b>18.81</b>	<b>18.90</b>	<b>18.97</b>	<b>18.86</b>	<b>18.86</b>	<b>18.86</b>	<b>18.86</b>	<b>18.86</b>	<b>56.59</b>
Annual Net Income	24.71		11.16	11.16	11.16	11.16	11.16	11.16	11.16	11.16	
<b>Annual Op. Cash Flow</b>	<b>49.96</b>	<b>23.77</b>	<b>23.81</b>	<b>23.90</b>	<b>23.97</b>	<b>23.86</b>	<b>23.86</b>	<b>23.86</b>	<b>23.86</b>	<b>23.86</b>	
Dividend Payments											
Annual PP&E Investment	(2.56)		(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	
Debt Paydown	0.00						0.00	0.00	0.00		

Sale Price in Year 5											<b>117.63</b>
Remaining Debt Balance											<b>243.19</b>
<b>Capital Left for Equity Investor</b>											<b>(125.56)</b>
Dividend Payments											<b>0.00</b>
<b>Total Cash In Flow</b>											<b>(125.56)</b>
<b>Invested Equity</b>	<b>243.19</b>	<b>-213.07</b>	<b>186.68</b>	<b>-163.56</b>	<b>143.31</b>	<b>-125.56</b>					
IRR	-187.62%										

<u>Value Creation</u>	
TBV Growth (equals sum of NI Year 1-5)	55.81
Cash Flow (Year 6-8)	56.59
<b>Total</b>	<b>112.40</b>

<u>Value Dilution</u>	
Debt	243.19
Goodwill	116.15
Additional Interest	85.43
<b>Total</b>	<b>444.77</b>