

## Geeknet Inc (GKNT)

Price:	\$9.38	Net Tang. Bk Value Incl. Cash, Excl.	\$64,510,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$66,235,100.00
Shares Outstanding:	6,710,000	Goodwill (NTBVIC):		Avg. Year Op. Cash:	\$1,605,020.00
Market Cap:	\$62,939,800	NTBVIC/Market Downside Recovery:	102.49%	Year 5 Disposition FCF Multiple:	3.0
Cash:	\$45,280,000	Op. Cash Flow:	\$1,605,020	Year 5 Disposition Price:	\$71,050,160.00
Debt:	\$0	Implied Years to Fill Gap:	-0.98		
Net Cash:	\$45,280,000	Today's Equity if 5x Op. CF:	\$69,325,060		
Enterprise Value:	\$17,659,800			Net Tang. Book+ Gain Disposition:	\$71,050,160.00
				IRR:	2.45%
				Price:	\$10.59
				Target Market Cap:	\$71,050,160
				Target Enterprise Value:	\$25,770,160

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

At the age of 75, Kenneth Langone, the banker for Home Depot's IPO, and now a billionaire, took on the role as Chariman and CEO of GKNT. One would imagine, he would want to retire at the age. But something about GKNT must have captured his attention to want to be CEO, at 75, when he is a billionaire. He actually quit in mid-2013, but he has a 10% stake in the Co. He was buying at \$12 recently, so now that it is at \$9, I want to invest alongside the guy.

The financials are solid, there is potential for growth. It is cash flow positive, no debt, \$45MM in cash.

Sales are growing at double digits, and our valuation is assuming a flat growth. Even with the sandbagged figures, we see value at the current price.

"Today, Geeknet sells collectibles, apparel, gadgets, electronics, toys and other retail products for technology enthusiasts and general consumers through the website and certain exclusive products to the Company's wholesale channel customers." (Recent 10K)

Gross margin is 20%, kinda slim, but consistent over the past 5 years. Revenue is growing, it is a simple business to follow.

Invest in the growth, moreso than the value, although the value is present. Me likey! ADD ADD ADD!

Names and Addresses of Beneficial Owners (1)	Number of Shares (2)	Awards (3)	Options (4)	Total	Percent of Common Stock Outstanding
Matthew Blank	8,607	—	—	8,607	* %
Matthew Carey	32,184	—	7,000	39,184	* %
Thomas Coughlin	9,610	—	—	9,610	* %
Carol DiBattiste <sup>(1)</sup>	35,470	—	—	35,470	* %
Peter Georgescu	59,006	—	7,000	66,006	* %
Sir Ronald Hampel	8,083	—	—	8,083	* %
<b>Kenneth Langone</b>	<b>742,736</b>	<b>—</b>	<b>7,000</b>	<b>749,736</b>	<b>11.25%</b>
Kathryn K. McCarthy <sup>(1)</sup>	51,631	—	—	51,631	* %
Julie A. Pangelinan	—	—	—	—	* %
Frank A. Riddick, III	10,101	—	7,000	17,101	* %
Eric Semler	648,746	2,782	—	651,528	9.78%
Derek Smith	10,000	—	7,000	17,000	* %
Kirk L. Somers	—	903	1,505	2,408	* %
All R. Sorbi <sup>(2)</sup>	—	—	—	—	* %
William M. Sams <sup>(1)</sup>	685,000	—	—	685,000	10.28 %
Entities affiliated with Impala Asset Management, LLC <sup>(3)</sup>	450,000	—	—	450,000	6.75%
Current Directors and Officers, as a group, a total number of 12 persons	1,580,704	3,685	36,505	1,620,894	24.33 %

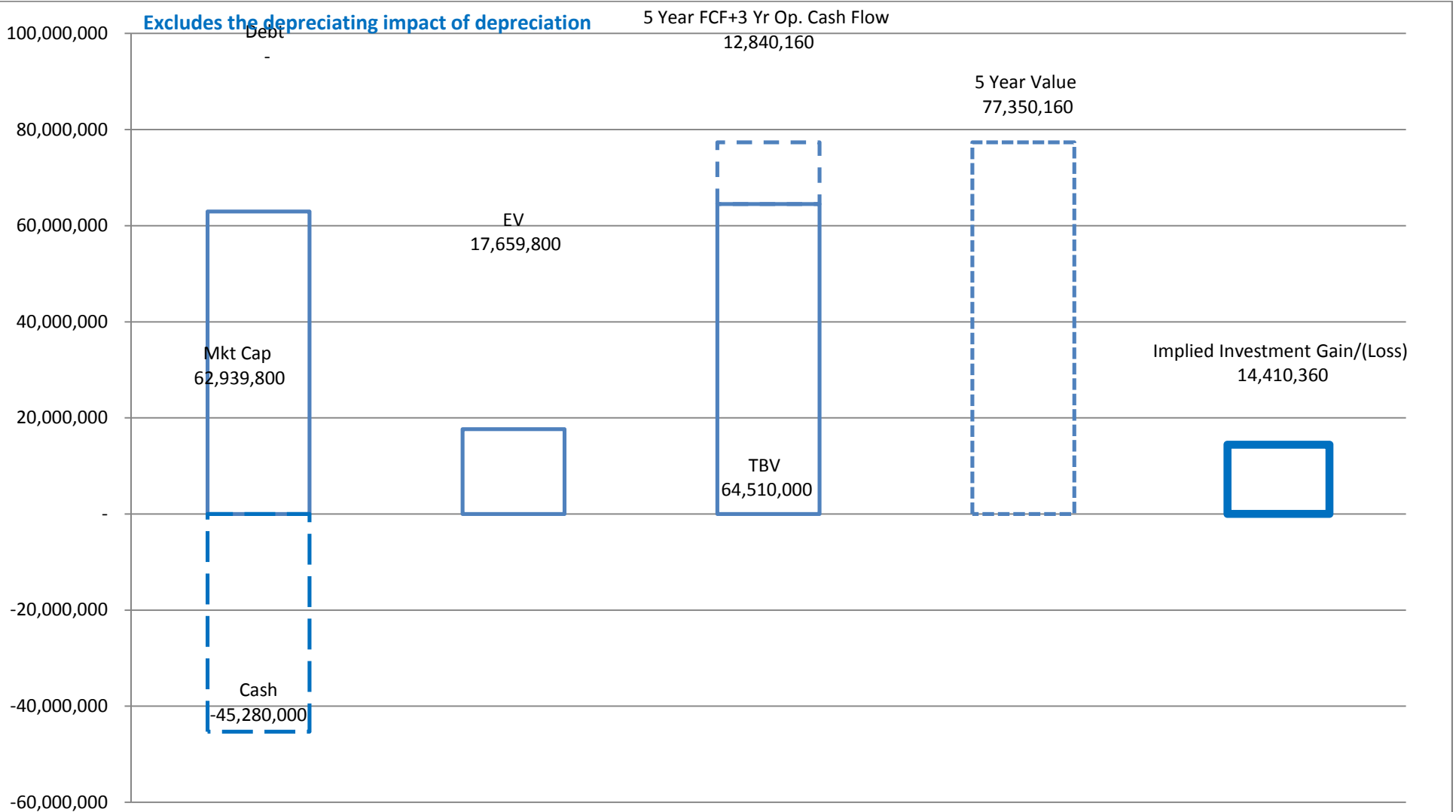
Date	Shares	Transaction	Value
08/07/2014	1,000	Acquisition at \$12.09 per share.	12,090
08/07/2014	1,161	Acquisition at \$12.25 per share.	14,222
05/09/2014	5,103	Derivative/Non-derivative trans. at \$0 per share.	0
08/28/2013	2,485	Acquisition at \$16.36 per share.	40,654
08/28/2013	5,000	Acquisition at \$16.62 per share.	83,100
08/23/2013	5,000	Acquisition at \$16 per share.	80,000
08/21/2013	5,000	Acquisition at \$15.47 per share.	77,350
08/21/2013	1,057	Acquisition at \$15.27 per share.	16,140

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	2013	2012	2011	2010	2009
Selected Consolidated Statements of Operations Data:					
Net revenue from continuing operations <sup>(1)</sup>	\$138,262	\$118,913	\$99,057	\$76,335	\$49,091
Cost of revenue from continuing operations	111,145	97,848	83,602	63,036	38,343
Gross margin from continuing operations	27,117	21,065	15,455	13,299	10,748

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Excludes the depreciating impact of depreciation



Geeknet Inc was incorporated in California in January 1995 and reincorporated in Delaware in December 1999. The Company is the parent company of ThinkGeek, Inc. an online premier retailer for the global geek community, comprised of technology enthusiasts and general consumers of geek-themed, technology-oriented and popular culture goods. ThinkGeek has sought to provide the tech, gadget and game-obsessed communities with all the things that geeks crave through its ThinkGeek.com website. The Company has one segment, e-Commerce that sells geek-themed retail products to technology enthusiasts and general consumers through its ThinkGeek website and wholesale channel. The Company also sells ThinkGeek products through its wholesale channel. It has wholesale partnerships with brick and mortar retailers that allow the Company to reach a new consumer audience and expand ThinkGeek's brand. Its e-Commerce marketing and promotion strategy is acquires new customers and building brand loyalty with existing customers. It competes with a variety of companies in different consumer verticals. As a distributor of consumer products, the Company is subject to various government regulations and is subjected to additional regulations.

<b>Company Name:</b>	<b>Geeknet Inc</b>	Market Capitalization:	\$62,939,800.00	<b>Income Statement</b>		
Ticker Symbol:	GKNT	Total Debt:	\$0.00	Revenue:	\$142,790,000.00 100.0%	
<b>Last Price:</b>	<b>\$9.38</b>	RCH Total Cash:	\$45,280,000.00	Cost of Goods Sold:	\$115,670,000.00 81.0%	
Net Cash/Share:	\$6.75	Net Cash/(Debt):	\$45,280,000.00	Gross Profit:	\$27,120,000.00 19.0%	
Net Cash to Last Price:	71.94%	Enterprise Value:	\$17,659,800.00	EBITDA:	-\$1,710,000.00 -1.2%	
Shares Outstanding:	6,710,000	Current EV/Share:	\$2.63	Net Income:	-\$2,760,000.00 -1.9%	
Industry:	Internet Content & Information	EBITDA:	\$1,120,000.00	<b>Balance Sheet</b>		
Sector:	Technology	EV/EBITDA Multiple:	15.77	Cash:	\$45,280,000.00	
Institutional Ownership:	46.33%	EV/EBITDA Multiple Average Year 1-5:	14.02	Short Term Investment:	\$0.00	
Mutual Fund Ownership:	5.44%	EV/FCF Multiple (excluding acquisition):	-2.83	A/R:	\$4,000,000.00	
Insider Ownership:	#VALUE!		11.00	PP&E:	\$2,000,000.00	
Float:	66.00%			Assets:	\$72,780,000.00	
<b>Upper Range</b>				A/P:	\$3,000,000.00	
<b>DCF: EV/EBITDA Terminal Value</b>				Deferred Tax:	\$0.00	
			Implied TV from 3 X EV/EBITDA Multiple	Other Liabilities:	\$5,520,000.00	
				Short term Debt:	\$0.00	
<b>Technicals</b>			Enterprise Value	Long Term Debt:	\$0.00	
52 week low:	\$9.00		Cash at Year 5:	Liabilities:	\$8,520,000.00	
Today from 52 week low:	4.22%		Debt at Year 5:	Retained Earnings:	-\$749,000,000.00	
52 week high:	\$20.00		Equity Value Year 5:	Paid-In Capital:	\$817,010,000.00	
Today from 52 week high:	113.22%		<b>Equity/Share at Year 5:</b>	Treasury Stock:	-\$3,500,000.00	
			Annualized Return:	Stockholder's Equity:	\$64,510,000.00	
				<b>Cash Flow</b>		
<b>Analyst/Consensus</b>		<b>Lower Range</b>				
Analyst Sales Growth FY1:	10.90%	<b>DCF: Net Tangible Asset excluding Cash/Debt Terminal Value</b>				
Analyst Sales Growth FY2:	15.30%	Year 5 Net Tangible Assets excluding cash and debt	\$16,380,000.00	Net Income:	-230,000.00	
SN Valuation Estimate FY1:	0.00%			Depreciation/Amortization:	1,260,000.00	
SN Valuation Estimate FY2:	0.00%	Enterprise Value	\$16,380,000.00	Change in Working capital:	-9,210,000.00	
		Cash at Year 5:	\$53,305,100.00	Cash from Operating Activities:	-6,010,000.00	
		Debt at Year 5:	\$0.00	Capital Expenditures:	-220,000.00	
		Equity Value Year 5:	\$69,685,100.00	Cash from Investing Activities:	2,780,000.00	
		<b>Equity/Share at Year 5:</b>	<b>\$10.39</b>	Total Cash Dividends Paid:	0.00	
		Annualized Return:	2.06%	Issuance (Retirement) of Stock:	-980,000.00	
				Issuance (Retirement) of Debt:	0.00	
		<b>EVA</b>			Cash from Financing Activities:	-980,000.00
Analyst Earnings Estimate FY1:	-\$0.48	EVA today:	\$57,273,900.00	<b>Profitability Margins</b>		
Analyst Earnings Estimate FY2:	-\$0.08	EVA in 5 Years:	\$31,982,086.25	Debt to Equity:	0.00%	
SN Valuation Earnings Est. FY1:	\$0.05	EVA/Share:	\$4.77	Return on Assets:	-0.23%	
SN Valuation Earnings Est. FY2:	\$0.05	Cash at Year 5:	\$53,305,100.00	Return on Capital:	-0.26%	
		Debt at Year 5:	\$0.00	Return on Equity:	-0.26%	
		Equity Value Year 5:	\$85,287,186.25			
		<b>Equity/Share at Year 5:</b>	<b>\$12.71</b>			
		Annualized return:	-11.00%			
		<b>Current Net Tangible Asset</b>				
<b>Multiples</b>		<b>Net Tangible Asset/Share:</b>	<b>\$9.58</b>			
<b>Market Value to Book:</b>	<b>0.98</b>	<b>Net Tangible Asset/Share in Year 5:</b>	<b>\$9.83</b>			
EV to Book:	0.27	Annualized return	0.53%			
Market Value to Tangible Net Assets:	3.84					
P/E Ratio:	-22.80	Current Equity Price:	\$9.38			
Trailing P/E Ratio:	N/A	Selling at Discount?	Discount			
Forward P/E Ratio:	N/A	Appreciation Potential:	2.10%			
Beta:	0.48					
Dividend:	0.00					
<b>Dividend Yield:</b>	<b>0.00%</b>					
Dividend Date:	N/A					
Ex-Dividend Date:	N/A					
<b>Competitors</b>						
Average EV to EBITDA:	N/A					
Company EV to EBITDA:	15.77					
Average EV to EBIT:	N/A					
Company EV to EBITA:	-126.14					

SN VALUATION

LBO Pro Forma Income Statement

Name:

Geeknet Inc

Ticker:

GKNT

	Historical				Forecasted				
	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	12 months ending 2013-12-31	2014	2015	2016	2017	2018
Revenue	76.33	99.06	118.91	138.26	138.26	138.26	138.26	138.26	138.26
COGS	63.04	83.60	97.85	111.14	110.61	110.61	110.61	110.61	110.61
Gross margin	13.29	15.46	21.06	27.12	27.65	27.65	27.65	27.65	27.65
SG&A	16.00	18.18	19.18	21.18	20.74	20.74	20.74	20.74	20.74
R&D	1.51	1.86	3.97	6.08	6.91	6.91	6.91	6.91	6.91
Unusual expense	0.00	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: Included within COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	-4.22	-4.58	-2.09	-0.14	0.00	0.00	0.00	0.00	0.00
Interest income/(expense)	0.06	0.00	4.03	-0.03	0.53	0.53	0.53	0.53	0.53
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	0.00	0.00	-0.13	0.00	0.00	0.00	0.00	0.00	0.00
Income before tax	-4.16	-4.58	1.81	-0.17	0.53	0.53	0.53	0.53	0.53
Tax	0.10	-1.13	0.01	0.00	0.19	0.19	0.19	0.19	0.19
Income after tax	-4.26	-3.45	1.80	-0.17	0.35	0.35	0.35	0.35	0.35
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	-4.26	-3.45	1.80	-0.17	0.35	0.35	0.35	0.35	0.35
*Figures are in millions (\$)									
EPS (based off today's share count)	-\$0.63	-\$0.51	\$0.27	-\$0.03	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
P/E (historical today's price; forecasted intrinsic price)	-14.77	-18.24	34.97	-370.23	186.90	191.49	196.18	201.00	205.93
Revenue Growth	N/A	29.78%	20.04%	16.27%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	-2.40%	24.67%	0.55%	0.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	0.00%	0.00%	0.00%	0.00%	NA	NA	NA	NA	NA
Margins									
COGS	82.59%	84.39%	82.29%	80.38%	80.00%	80.00%	80.00%	80.00%	80.00%
Gross margin	17.41%	15.61%	17.71%	19.62%	20.00%	20.00%	20.00%	20.00%	20.00%
SG&A	20.96%	18.35%	16.13%	15.32%	15.00%	15.00%	15.00%	15.00%	15.00%
R&D	1.98%	1.88%	3.34%	4.40%	5.00%	5.00%	5.00%	5.00%	5.00%
Unusual expense	0.00%	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: Included within COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	-5.53%	-4.62%	-1.76%	-0.10%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest income/(expense)	0.08%	0.00%	3.39%	-0.02%	0.38%	0.38%	0.38%	0.38%	0.38%
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%	-0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	-5.45%	-4.62%	1.52%	-0.12%	0.38%	0.38%	0.38%	0.38%	0.38%
Tax	0.13%	-1.14%	0.01%	0.00%	0.13%	0.13%	0.13%	0.13%	0.13%
Income after tax	-5.58%	-3.48%	1.51%	-0.12%	0.25%	0.25%	0.25%	0.25%	0.25%
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	-5.58%	-3.48%	1.51%	-0.12%	0.25%	0.25%	0.25%	0.25%	0.25%

	As of 2010-12-31	As of 2011-12-31	As of 2012-12-31	As of 2013-12-31	As of 2014-06-30	Adjustment		Adjusted Proforma	2014	2015	2016	2017	2018
						+	-						
Cash	5.07	18.65	57.29	53.08	45.28			45.28	46.88502	48.49	50.10	51.70	53.31
Short term investment	30.27	18.26	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>35.34</b>	<b>36.91</b>	<b>57.29</b>	<b>53.08</b>	<b>45.28</b>			<b>45.28</b>	<b>46.89</b>	<b>48.49</b>	<b>50.10</b>	<b>51.70</b>	<b>53.31</b>
Accounts Receivable	5.08	6.26	1.05	9.72	4.00			4.00	4.00	4.00	4.00	4.00	4.00
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>5.08</b>	<b>6.26</b>	<b>1.05</b>	<b>9.72</b>	<b>4.00</b>			<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
Total Inventory	13.32	8.94	16.66	20.19	17.74			17.74	17.74	17.74	17.74	17.74	17.74
Prepaid Expenses	2.92	2.98	2.79	3.43	3.58			3.58	3.58	3.58	3.58	3.58	3.58
Other Current Assets	0.00	0.00	1.22	0.78	0.13			0.13	0.13	0.13	0.13	0.13	0.13
<b>Current Assets</b>	<b>56.66</b>	<b>54.49</b>	<b>79.01</b>	<b>87.20</b>	<b>70.73</b>	<b>0.00</b>	<b>0.00</b>	<b>70.73</b>	<b>72.33502</b>	<b>73.94</b>	<b>75.55</b>	<b>77.15</b>	<b>78.76</b>
PP&E, Gross	10.61	11.95	6.70	6.56	7.00			7.00	7.00	7.00	7.00	7.00	7.00
Change in Depreciation	0.51	1.20	1.39	1.26	1.26			1.26	1.26	1.26	1.26	1.26	1.26
Accumulated Depreciation	5.49	6.23	3.17	4.61	5.00			5.00	6.26	7.52	8.78	10.04	11.30
<b>PP&amp;E, Net</b>	<b>5.12</b>	<b>5.72</b>	<b>3.53</b>	<b>1.95</b>	<b>2.00</b>			<b>2.00</b>	<b>0.74</b>	<b>-0.52</b>	<b>-1.78</b>	<b>-3.04</b>	<b>-4.30</b>
Goodwill	1.68	1.68	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	0.16	0.10	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term investments	1.98	1.98	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	0.45	0.33	0.34	0.05	0.05			0.05	0.05	0.05	0.05	0.05	0.05
<b>Long Term Assets</b>	<b>9.39</b>	<b>9.81</b>	<b>3.87</b>	<b>2.00</b>	<b>2.05</b>			<b>2.05</b>	<b>0.79</b>	<b>-0.47</b>	<b>-1.73</b>	<b>-2.99</b>	<b>-4.25</b>
<b>Total Assets</b>	<b>66.05</b>	<b>64.30</b>	<b>82.88</b>	<b>89.20</b>	<b>72.78</b>	<b>0.00</b>	<b>0.00</b>	<b>72.78</b>	<b>73.13</b>	<b>73.47</b>	<b>73.82</b>	<b>74.16</b>	<b>74.51</b>
Accounts Payable	13.38	6.33	11.64	10.25	3.00			3.00	3.00	3.00	3.00	3.00	3.00
Accrued Expense	3.59	3.41	2.82	6.66	1.00			1.00	1.00	1.00	1.00	1.00	1.00
Other current Liabilities	1.84	3.50	2.30	2.83	1.84			1.84	1.84	1.84	1.84	1.84	1.84
<b>Total Current Liabilities</b>	<b>18.81</b>	<b>13.24</b>	<b>16.76</b>	<b>19.74</b>	<b>5.84</b>	<b>0.00</b>	<b>0.00</b>	<b>5.84</b>	<b>5.84</b>	<b>5.84</b>	<b>5.84</b>	<b>5.84</b>	<b>5.84</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	0.00	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
<b>Total Interest Earning Debt</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
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	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	0.08	0.07	0.03	0.00	2.68			2.68	2.68	2.68	2.68	2.68	2.68
<b>Total Liabilities</b>	<b>18.89</b>	<b>13.31</b>	<b>16.79</b>	<b>19.74</b>	<b>8.52</b>	<b>0.00</b>	<b>0.00</b>	<b>8.52</b>	<b>8.52</b>	<b>8.52</b>	<b>8.52</b>	<b>8.52</b>	<b>8.52</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	0.01	0.01	0.01	0.01	0.01		0.00	0.01	0.01	0.01	0.01	0.01	0.01
Additional Paid-in capital	803.16	807.83	814.41	816.83	817.00	0.00	0.00	817.00	817.00	817.00	817.00	817.00	817.00
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	-754.68	-755.87	-743.17	-743.40	-749.00			-749.00	-748.65	-748.31	-747.96	-747.62	-747.27
Treasury Stock	-0.62	-0.98	-2.18	-3.48	-3.50		0.00	-3.50	-3.50	-3.50	-3.50	-3.50	-3.50
Other Equity	0.01	0.00	0.02	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Equity</b>	<b>47.88</b>	<b>50.99</b>	<b>69.09</b>	<b>69.98</b>	<b>64.51</b>	<b>0.00</b>	<b>0.00</b>	<b>64.51</b>	<b>64.86</b>	<b>65.20</b>	<b>65.55</b>	<b>65.89</b>	<b>66.24</b>
<b>Liability + Equity</b>	<b>66.77</b>	<b>64.30</b>	<b>85.88</b>	<b>89.72</b>	<b>73.03</b>	<b>0.00</b>	<b>0.00</b>	<b>73.03</b>	<b>73.38</b>	<b>73.72</b>	<b>74.07</b>	<b>74.41</b>	<b>74.76</b>
<b>Variance</b>	<b>-0.72</b>	<b>0.00</b>	<b>-3.00</b>	<b>-0.52</b>	<b>-0.25</b>			<b>-0.25</b>	<b>-0.25</b>	<b>-0.25</b>	<b>-0.25</b>	<b>-0.25</b>	<b>-0.25</b>
<b>Debt/Equity</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Inventory Turnover	5.73	11.08	7.14	6.85	7.79			7.79	7.79	7.79	7.79	7.79	7.79
Inventory Turnover Days	63.69	32.94	51.14	53.30	46.83			46.83	46.83	46.83	46.83	46.83	46.83
Days Inventory Outstanding	77.12	39.03	62.15	66.31	58.54			58.26	58.54	58.54	58.54	58.54	58.54
Accounts Receivable Turnover	15.03	15.82	113.25	14.22	34.57			34.57	34.57	34.57	34.57	34.57	34.57
Accounts Receivable Turnover Days	24.29	23.07	3.22	25.66	10.56			10.56	10.56	10.56	10.56	10.56	10.56
Days Payable Outstanding	77.47	27.64	43.42	33.66	9.90			9.85	9.90	9.90	9.90	9.90	9.90
Days Sales Outstanding	24.29	23.07	3.22	25.66	10.56			25.66	10.56	10.56	10.56	10.56	10.56
Cash Conversion Cycle	23.94	34.46	21.95	58.30	59.20			74.07	59.20	59.20	59.20	59.20	59.20
Net tangible assets/share	\$6.86	\$7.33	\$10.30	\$10.43	\$9.61			\$9.67	\$9.72	\$9.77	\$9.82	\$9.87	\$9.87

	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	12 months ending 2013-12-31	2014	2015	2016	2017	2018
Net Income	-4.85	-1.51	13.91	-0.23	0.35	0.35	0.35	0.35	0.35
Depreciation	0.51	1.20	1.39	1.26	1.26	1.26	1.26	1.26	1.26
<b>Net Income + Depreciation</b>	<b>-4.34</b>	<b>-0.31</b>	<b>15.30</b>	<b>1.03</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Cash Items	2.44	2.83	-10.09	2.17	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-1.15	0.03	-4.70	-9.21	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-1.18	5.21	-8.67	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	4.38	-7.72	-3.53	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	0.54	-0.41	-0.64	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-7.05	5.31	-1.39	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>-3.05</b>	<b>2.55</b>	<b>0.51</b>	<b>-6.01</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>
Capital Expenditures Expenditures	-3.99	-1.73	-0.11	-0.22	0.00	0.00	0.00	0.00	0.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	11.63	0.10	20.83	3.00	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>7.64</b>	<b>-1.63</b>	<b>20.72</b>	<b>2.78</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	1.80	0.66	-0.85	-0.98	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>1.80</b>	<b>0.66</b>	<b>-0.85</b>	<b>-0.98</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Foreign Exchange effect	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	-6.39	0.00	0.00	57.29	45.28	46.89	48.49	50.10	51.70
<b>Net Change in Cash</b>	<b>6.39</b>	<b>1.58</b>	<b>20.38</b>	<b>-4.21</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>
Ending Cash Balance	0.00	0.00	20.38	53.08	46.89	48.49	50.10	51.70	53.31
Capex to Revenue	5.23%	1.75%	0.09%	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation to Sales	0.67%	1.21%	1.17%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%
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	6.66%	6.32%	0.88%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%
Distributable FCF/EV Yield	25.99%	5.21%	120.22%	-18.29%	9.09%	9.09%	9.09%	9.09%	9.09%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	<b>-7.04</b>	<b>0.82</b>	<b>0.40</b>	<b>-6.23</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>

# SN VALUATION

# LBO Debt Schedule

Ticker:

GKNT

	Proforma	2014	2015	2016	2017	2018
<b>Net Change in Cash</b>	<b>-4.21</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>	<b>1.61</b>
Current Portion Debt Repayment						
Long Term Debt Repayment						
<b>Outstanding Debt</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
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		5.00%	5.00%	5.00%	5.00%	5.00%
<b>Interest Rate</b>		<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>
<b>Interest Expense</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Cash Balance		53.08				
Interest @ 1.0%		0.53	0.53	0.53	0.53	0.53
<b>Net Interest Expense/(Income)</b>		<b>(0.53)</b>	<b>(0.53)</b>	<b>(0.53)</b>	<b>(0.53)</b>	<b>(0.53)</b>
<b>Net Interest Rate</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
EBITDA		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<b>EBITDA/Interest Expense Coverage</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Interest Rate Coverage Table

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

\*Source: NYU; Professor Damodaran

# SN VALUATION

## Altman Z Score

Company Name:

Geeknet Inc

Ticker:

GKNT

Period	2010	2011	2012	2013	2014	2015	2016	2017	2018
Working Capital	37.85	41.25	62.25	64.89	66.50	68.10	69.71	71.31	72.92
Total Assets	66.05	64.30	82.88	72.78	73.13	73.47	73.82	74.16	74.51
<b>X1</b>	<b>0.57</b>	<b>0.64</b>	<b>0.75</b>	<b>0.89</b>	<b>0.91</b>	<b>0.93</b>	<b>0.94</b>	<b>0.96</b>	<b>0.98</b>
Retained Earnings	-754.68	-755.87	-743.17	-749.00	-748.65	-748.31	-747.96	-747.62	-747.27
Total Assets	66.05	64.30	82.88	72.78	73.13	73.47	73.82	74.16	74.51
<b>X2</b>	<b>-11.43</b>	<b>-11.76</b>	<b>-8.97</b>	<b>-10.29</b>	<b>-10.24</b>	<b>-10.19</b>	<b>-10.13</b>	<b>-10.08</b>	<b>-10.03</b>
EBITDA	-4.22	-4.58	-2.09	-0.14	0.00	0.00	0.00	0.00	0.00
Total Assets	66.05	64.30	82.88	72.78	73.13	73.47	73.82	74.16	74.51
<b>X3</b>	<b>-0.06</b>	<b>-0.07</b>	<b>-0.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Market Value of Equity	62.94	62.94	62.94	62.94	64.48	66.07	67.69	69.35	71.05
Total Liabilities	18.89	13.31	16.79	8.52	8.52	8.52	8.52	8.52	8.52
<b>X4</b>	<b>3.33</b>	<b>4.73</b>	<b>3.75</b>	<b>7.39</b>	<b>7.57</b>	<b>7.75</b>	<b>7.94</b>	<b>8.14</b>	<b>8.34</b>
Net Sales	76.33	99.06	118.91	138.26	138.26	138.26	138.26	138.26	138.26
Total Assets	66.05	64.30	82.88	72.78	73.13	73.47	73.82	74.16	74.51
<b>X5</b>	<b>1.16</b>	<b>1.54</b>	<b>1.43</b>	<b>1.90</b>	<b>1.89</b>	<b>1.88</b>	<b>1.87</b>	<b>1.86</b>	<b>1.86</b>
<b>Altman Z Score</b>	<b>-12.36</b>	<b>-11.54</b>	<b>-8.05</b>	<b>-7.01</b>	<b>-6.81</b>	<b>-6.61</b>	<b>-6.41</b>	<b>-6.21</b>	<b>-6.01</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>	64.51	64.86	65.20	65.55	65.89	66.24				66.24
Annual Change		0.35	0.35	0.35	0.35	0.35				
<b>Annual FCF</b>	(6.23)	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	4.82
Annual Op. Cash Flow	(6.01)	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	
Annual PP&E Investment	(0.22)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Today's Tangible Book Value</b>	64.51	64.85	65.19	65.54	65.89	66.24				71.05
Intrinsic Value IRR	0.53%									
<b>Market Price</b>	62.94	64.48	66.07	67.69	69.35	71.05				71.05
Market Price IRR	2.45%									

Debt	50.00%	31.47
Equity	50.00%	31.47
<b>Total</b>	<b>100.00%</b>	<b>62.94</b>

	Present Value	Holding Period					Terminal Value			Sale Price	
	Historic	ProForma	1	2	3	4	5	6	7	8	
Book Equity	64.51	31.47	28.95	26.43	23.92	21.40	18.88				
Goodwill	0	(1.57)	(1.57)	(1.57)	(1.57)	(1.57)	(1.57)				
Debt	0	31.47	31.47	31.47	31.47	31.47	31.47				
Debt Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%	8.00%				
Additional Interest Expense		3.05	3.05	3.05	3.05	3.05					
<b>Tangible Book Value</b>	64.51	33.04	30.52	28.00	25.49	22.97	20.45				20.45
Annual Change			-2.52	-2.52	-2.52	-2.52	-2.52				
<b>Annual FCF</b>	(6.23)		(1.26)	(1.26)	(1.26)	(1.26)	(1.26)	(1.26)	(1.26)	(1.26)	(3.77)
Annual Net Income	(0.17)		(2.52)	(2.52)	(2.52)	(2.52)	(2.52)	(2.52)	(2.52)	(2.52)	
<b>Annual Op. Cash Flow</b>	(6.01)		(1.26)	(1.26)	(1.26)	(1.26)	(1.26)	(1.26)	(1.26)	(1.26)	
Dividend Payments											
<b>Annual PP&amp;E Investment</b>	(0.22)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Debt Paydown	0.00							0.00	0.00	0.00	
<b>Sale Price in Year 5</b>											16.68
<b>Capital Left for Equity Investor</b>											16.68
<b>Dividend Payments</b>											0.00
<b>Total Cash In Flow</b>											16.68
<b>Invested Equity</b>	31.47	27.72	24.41	21.50	18.94	16.68					
IRR	-11.92%										

We assume the debt taken on by the investor is now on the Co's books, so the investor has no more liability from the deal.

<u>Value Creation</u>	
TBV Growth (equals sum of NI Year 1-5)	-12.59
Cash Flow (Year 6-8)	-3.77
	<b>-16.36</b>

<u>Value Dilution</u>	
Debt	31.47
Goodwill	-1.57
Additional Interest	15.24
	<b>45.14</b>