

0 (MAT)

Price:	\$34.41
Shares Outstanding:	337,850,000
Market Cap:	\$11,625,418,500
Cash:	\$518,220,000
Debt:	\$1,620,480,000
Net Cash:	-\$1,102,260,000
Enterprise Value:	\$12,727,678,500

Net Tang. Bk Value Incl. Cash, Excl.	\$2,603,370,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$5,798,721,575.00
Goodwill (NTBVIC):		Avg. Year Op. Cash:	\$818,400,315.00
NTBVIC/Market Downside Recovery:	22.39%	Year 5 Disposition FCF Multiple:	3.0
Op. Cash Flow:	\$818,400,315	Year 5 Disposition Price:	\$8,253,922,520.00
Implied Years to Fill Gap:	11.02		
Today's Equity if 5x Op. CF:	\$5,058,570,945		
Net Tang. Book+ Gain Disposition:		\$8,253,922,520.00	
IRR:		-6.62%	

Price:	\$24.43
Target Market Cap:	\$8,253,922,520
Target Enterprise Value:	\$9,356,182,520

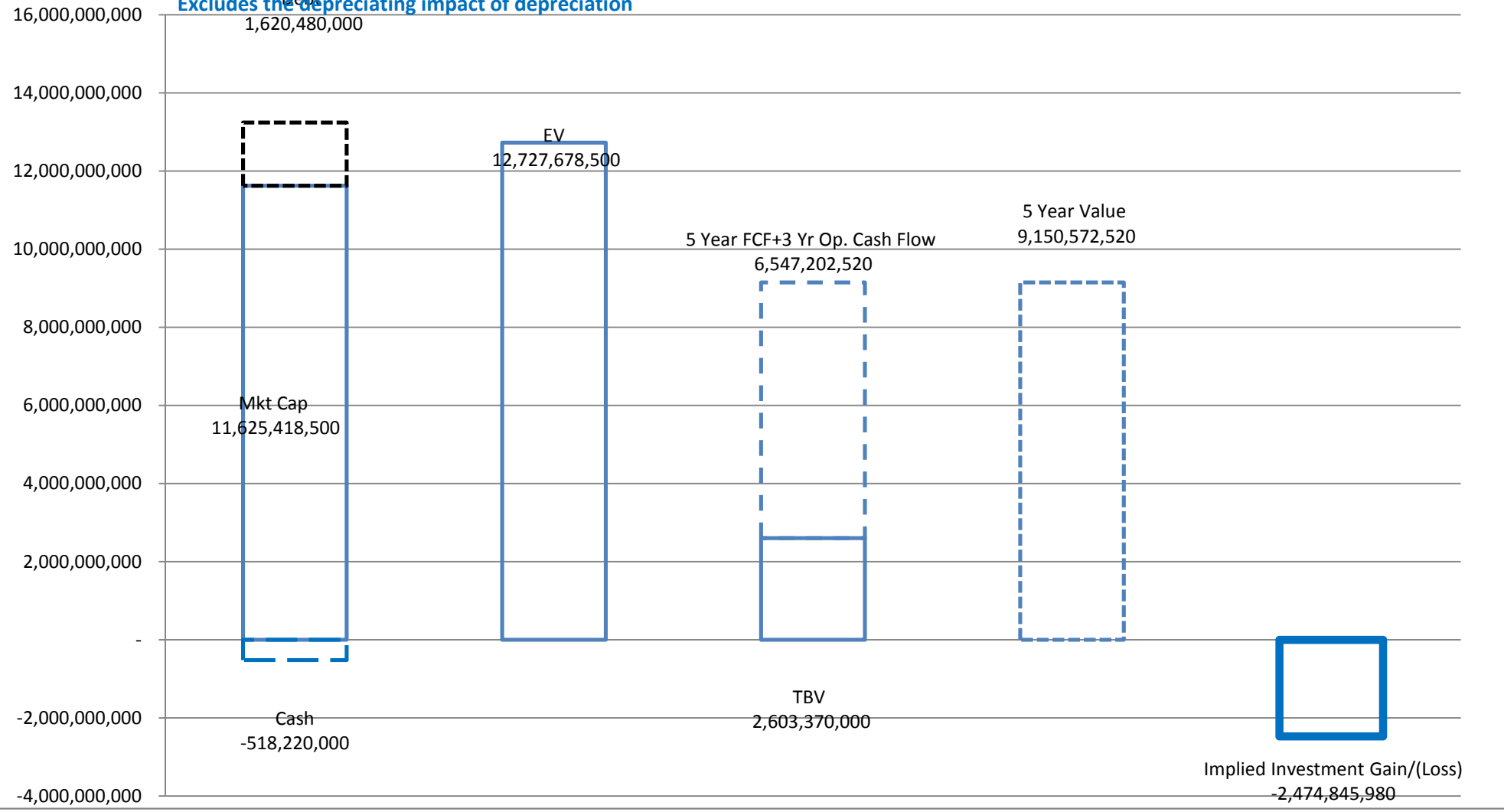
* Our future intrinsic value measures the total return, which includes both capital appreciation and dividend income.

Good business, but too expensive.

Good dividend at 4%. Mature business. Not much upside, especially with the rich market valuation.

It's a good sit and receive dividend play.

Excludes the depreciating impact of depreciation



Mattel Inc was incorporated in California in 1948 and reincorporated in Delaware in 1968. The Company designs, manufactures and markets toy products through sales to its customers and directly to consumers. The Company provides toy brands- today and tomorrow. The Company's portfolio of brands and products are grouped in the following categories: Mattel Girls & Boys Brands- including Barbie fashion dolls and accessories, Polly Pocket, Little Mommy, Disney Classics and High School Musical, Hot Wheels, Matchbox, Speed Racer and Tyco R/C vehicles and play sets and CARS, Radica, Speed Racer, Batman and Kung Fu Panda products and games and puzzles. Fisher-Price Brands -including Fisher-Price, Little People, BabyGear and View-Master, Sesame Street, Dora the Explorer, Winnie the Pooh, Go-Diego-Go! and See Say and Power Wheels . American Girl Brands including Just Like You, the historical collection and Bitty Baby. American Girl Brands products are sold directly to consumers via its catalogue, website and proprietary retail stores. The domestic segment develops toys that it markets and sells through the Mattel Girls & Boys Brands, Fisher-Price Brands and American Girl Brands segments. In the Mattel Girls & Boys Brands segment, Barbie includes brands such as Barbie fashion dolls and accessories and Polly Pocket, Little Mommy, Disney Classics and High School Musical are included within Other Girls Brands. Wheels are comprised of Hot Wheels, Matchbox, Speed Racer and Tyco R/C vehicles and play sets. Entertainment includes CARS, Radica, Speed Racer, Batman and Kung Fu Panda products, as well as games and puzzles. The Fisher-Price Brands segment includes Fisher-Price, Little People, BabyGear, View-Master, Sesame Street, Dora the Explorer, Go-Diego-Go!, Mickey Mouse Clubhouse, Winnie the Pooh, My Friends Tigger & Pooh, Handy Manny, See N Say, Ni Hao, Kai-lan! and Power Wheels. New product introductions for 2009 are expected to include the TrioBuilding Set line, Laugh & LearnFarm, My Town TV, Splatster, Imaginext Dragon line, Precious Planetline, Elmo LiveEncore, Super Special Friend Kai-lan, Manny Repair Shop, Dora Saves the Crystal Kingdom and Mickey's Magic Choo Choo. The American Girl Brands segment is a direct marketer, childrens publisher and retailer known for its flagship line of historical dolls, books and accessories, as well as the Just Like You and Bitty Baby brands. American Girl Brands also publishes Advice & Activity books and the award-winning American Girl magazine. In January 2014, American Girl introduced Isabelle, the 2014 Girl of the Year doll. American Girl products are sold in the US and Canada. Competition in the manufacture, marketing, and sale of toys is based primarily on quality, play value, and price. The Company's products sold in the United States are subject to the provisions of the Consumer Product Safety Act, the Federal Hazardous Substances Act and the Consumer Product Safety Improvement Act of 2008.

Company Name:	
Ticker Symbol:	MAT
Last Price:	\$34.41
Net Cash/Share:	-\$3.26
Net Cash to Last Price:	-9.48%
Shares Outstanding:	337,850,000
Industry:	Leisure
Sector:	Consumer Cyclical
Institutional Ownership:	94.67%
Mutual Fund Ownership:	59.65%
Insider Ownership:	0.66%
Float:	100.00%

Market Capitalization:	\$11,625,418,500.00
Total Debt:	\$1,620,480,000.00
Total Cash:	\$518,220,000.00
Net Cash/(Debt):	-\$1,102,260,000.00
Enterprise Value:	\$12,727,678,500.00
Current EV/Share:	\$37.67
EBITDA:	\$1,377,070,000.00
EV/EBITDA Multiple:	9.24
EV/EBITDA Multiple Average Year 1-5:	9.93
EV/FCF Multiple (excluding acquisition):	28.51
	22.39

Income Statement		
Revenue:	\$6,330,000,000.00	100.0%
Cost of Goods Sold:	\$2,851,120,000.00	45.0%
Gross Profit:	\$3,478,880,000.00	55.0%
EBITDA:	\$1,260,000,000.00	19.9%
Net Income:	\$801,790,000.00	12.7%

Balance Sheet	
Cash:	\$518,220,000.00
Short Term Investment:	\$0.00
A/R:	\$1,260,000,000.00
PP&E:	\$700,000,000.00
Assets:	\$6,374,690,000.00

A/P:	\$375,000,000.00
Deferred Tax:	\$157,640,000.00
Other Liabilities:	\$1,373,810,000.00
Short term Debt:	\$20,480,000.00
Long Term Debt:	\$1,600,000,000.00
Liabilities:	\$3,526,930,000.00
Retained Earnings:	\$3,918,000,000.00
Paid-In Capital:	\$2,225,370,000.00
Treasury Stock:	-\$2,450,000,000.00
Stockholder's Equity:	\$3,693,370,000.00

Technicals	
52 week low:	\$34.25
Today from 52 week low:	0.47%
52 week high:	\$47.94
Today from 52 week high:	39.32%
Analyst/Consensus	
Analyst Sales Growth FY1:	-0.70%
Analyst Sales Growth FY2:	4.20%
SN Valuation Estimate FY1:	0.00%
SN Valuation Estimate FY2:	0.00%

Upper Range		
DCF: EV/EBITDA Terminal Value		
Implied TV from 3 X EV/EBITDA Multiple	\$3,307,293,900.00	
Enterprise Value	\$3,307,293,900.00	
Cash at Year 5:	\$3,360,221,575.00	
Debt at Year 5:	\$1,620,480,000.00	
Equity Value Year 5:	\$5,047,035,475.00	
Equity/Share at Year 5:	\$14.94	
Annualized Return:	-15.37%	

Lower Range		
DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		
Year 5 Net Tangible Assets excluding cash and debt	\$2,097,660,000.00	
Enterprise Value	\$2,097,660,000.00	
Cash at Year 5:	\$3,360,221,575.00	
Debt at Year 5:	\$1,620,480,000.00	
Equity Value Year 5:	\$3,837,401,575.00	
Equity/Share at Year 5:	\$11.36	
Annualized Return:	-19.88%	

Analyst Earnings Estimate FY1:	\$2.17
Analyst Earnings Estimate FY2:	\$2.54
SN Valuation Earnings Est. FY1:	\$1.89
SN Valuation Earnings Est. FY2:	\$1.89

Multiples	
Market Value to Book:	3.15
EV to Book:	3.45
Market Value to Tangible Net Assets:	23.56
P/E Ratio:	14.50
Trailing P/E Ratio:	14.02
Forward P/E Ratio:	13.55
Beta:	0.72
Dividend:	1.52
Dividend Yield:	4.42%
Dividend Date:	Sep 19, 2014
Ex-Dividend Date:	Aug 25, 2014

EVA		
EVA today:	\$4,123,671,952.95	
EVA in 5 Years:	\$6,283,187,542.84	
EVA/Share:	\$18.60	
Cash at Year 5:	\$3,360,221,575.00	
Debt at Year 5:	\$1,620,480,000.00	
Equity Value Year 5:	\$8,022,929,117.84	
Equity/Share at Year 5:	\$23.75	
Annualized return	8.79%	

Cash Flow	
Net Income:	903,940,000.00
Depreciation/Amortization:	196,390,000.00
Change in Working capital:	-446,820,000.00
Cash from Operating Activities:	698,430,000.00
Capital Expenditures:	-252,050,000.00
Cash from Investing Activities:	-242,110,000.00
Total Cash Dividends Paid:	-494,370,000.00
Issuance (Retirement) of Stock:	-358,230,000.00
Issuance (Retirement) of Debt:	85,690,000.00
Cash from Financing Activities:	-739,960,000.00

Competitors	
Average EV to EBITDA:	N/A
Company EV to EBITDA:	9.24
Average EV to EBIT:	N/A
Company EV to EBITA:	10.90

Current Net Tangible Asset	
Net Tangible Asset/Share:	\$3.19
Net Tangible Asset/Share in Year 5:	\$12.65
Annualized return	31.72%

Profitability Margins	
Debt to Equity:	43.88%
Return on Assets:	14.18%
Return on Capital:	17.01%
Return on Equity:	24.47%

Current Equity Price:	\$34.41
Selling at Discount?	Premium
Appreciation Potential:	-90.73%

SN VALUATION

LBO Pro Forma Income Statement

Name:

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Ticker:

MAT

	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	5,856.19	6,266.04	6,420.88	6,484.89	6,484.89	6,484.89	6,484.89	6,484.89	6,484.89
COGS	2,901.22	3,120.21	3,011.68	3,006.01	3,047.90	3,047.90	3,047.90	3,047.90	3,047.90
Gross margin	2,954.97	3,145.83	3,409.20	3,478.88	3,436.99	3,436.99	3,436.99	3,436.99	3,436.99
SG&A	1,855.82	1,902.00	2,043.43	2,096.76	2,140.01	2,140.01	2,140.01	2,140.01	2,140.01
R&D	173.83	178.98	195.07	201.94	194.55	194.55	194.55	194.55	194.55
Unusual expense	12.96	14.86	137.80	0.00	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation is: Excluded from COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	912.26	1,049.99	1,032.90	1,180.68	1,102.43	1,102.43	1,102.43	1,102.43	1,102.43
Interest income/(expense)	-56.40	-67.24	-74.11	-56.24	-119.25	-119.25	-119.25	-119.25	-119.25
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	-3.19	-1.86	-12.73	0.00	0.00	0.00	0.00	0.00
Income before tax	846.83	970.67	945.04	1,099.13	983.19	983.19	983.19	983.19	983.19
Tax	161.97	202.16	168.58	195.19	344.11	344.11	344.11	344.11	344.11
Income after tax	684.86	768.51	776.46	903.94	639.07	639.07	639.07	639.07	639.07
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	684.86	768.51	776.46	903.94	639.07	639.07	639.07	639.07	639.07
*Figures are in millions (\$)									
EPS (based off today's share count)	\$2.03	\$2.27	\$2.30	\$2.68	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89
P/E (historical today's price; forecasted intrinsic price)	16.97	15.13	14.97	12.86	16.99	15.86	14.81	13.83	12.92
Revenue Growth	N/A	7.00%	2.47%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	19.13%	20.83%	17.84%	17.76%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-4.70%	-4.32%	-4.91%	-3.51%	-7.45%	-7.45%	-7.45%	-7.45%	-7.45%
Margins									
COGS	49.54%	49.80%	46.90%	46.35%	47.00%	47.00%	47.00%	47.00%	47.00%
Gross margin	50.46%	53.10%	53.10%	53.65%	53.00%	53.00%	53.00%	53.00%	53.00%
SG&A	31.69%	30.35%	31.82%	32.33%	33.00%	33.00%	33.00%	33.00%	33.00%
R&D	2.97%	2.86%	3.04%	3.11%	3.00%	3.00%	3.00%	3.00%	3.00%
Unusual expense	0.22%	0.24%	2.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Excluded from COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	15.58%	16.76%	16.09%	18.21%	17.00%	17.00%	17.00%	17.00%	17.00%
Interest income/(expense)	-0.96%	-1.07%	-1.15%	-0.87%	-1.84%	-1.84%	-1.84%	-1.84%	-1.84%
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	0.02%	-0.05%	-0.03%	-0.20%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	14.46%	15.49%	14.72%	16.95%	15.16%	15.16%	15.16%	15.16%	15.16%
Tax	2.77%	3.23%	2.63%	3.01%	5.31%	5.31%	5.31%	5.31%	5.31%
Income after tax	11.69%	12.26%	12.09%	13.94%	9.85%	9.85%	9.85%	9.85%	9.85%
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	11.69%	12.26%	12.09%	13.94%	9.85%	9.85%	9.85%	9.85%	9.85%

						Adjustment		Adjusted Proforma	2014	2015	2016	2017	2018
	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	+	-						
Cash	1,281.12	1,369.11	1,335.71	1,039.22	518.22			518.22	1086.620315	1,655.02	2,223.42	2,791.82	3,360.22
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	1,281.12	1,369.11	1,335.71	1,039.22	518.22			518.22	1,086.62	1,655.02	2,223.42	2,791.82	3,360.22
Accounts Receivable	1,146.11	1,246.69	1,226.83	1,260.11	1,260.00			1,260.00	1,260.00	1,260.00	1,260.00	1,260.00	1,260.00
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	1,146.11	1,246.69	1,226.83	1,260.11	1,260.00			1,260.00	1,260.00	1,260.00	1,260.00	1,260.00	1,260.00
Total Inventory	463.84	487.00	465.06	568.84	885.36			885.36	885.36	885.36	885.36	885.36	885.36
Prepaid Expenses	335.54	340.91	272.48	313.54	595.61			595.61	595.61	595.61	595.61	595.61	595.61
Other Current Assets	0.00	0.00	256.73	196.29	7.26			7.26	7.26	7.26	7.26	7.26	7.26
Current Assets	3,226.61	3,443.71	3,556.81	3,378.00	3,266.45	0.00	0.00	3,266.45	3834.850315	4,403.25	4,971.65	5,540.05	6,108.45
PP&E, Gross	1,875.63	1,985.62	2,133.09	2,347.57	2,350.00			2,350.00	2,600.00	2,850.00	3,100.00	3,350.00	3,600.00
Change in Depreciation	149.98	147.46	157.54	179.33	179.33			179.33	179.33	179.33	179.33	179.33	179.33
Accumulated Depreciation	1,390.92	1,461.68	1,539.88	1,643.14	1,650.00			1,650.00	1,829.33	2,008.66	2,187.99	2,367.32	2,546.65
PP&E, Net	484.71	523.94	593.21	704.43	700.00			700.00	770.67	841.34	912.01	982.68	1,053.35
Goodwill	824.01	822.14	1,080.80	1,083.24	1,090.00	0.00		1,090.00	1,090.00	1,090.00	1,090.00	1,090.00	1,090.00
Intangibles	213.58	206.71	706.01	680.82	680.00			680.00	680.00	680.00	680.00	680.00	680.00
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	668.83	675.14	589.96	638.24	638.24			638.24	638.24	638.24	638.24	638.24	638.24
Long Term Assets	2,191.13	2,227.93	2,969.98	3,106.73	3,108.24	0.00	0.00	3,108.24	3,178.91	3,249.58	3,320.25	3,390.92	3,461.59
Total Assets	5,417.74	5,671.64	6,526.79	6,484.73	6,374.69	0.00	0.00	6,374.69	7,013.76	7,652.83	8,291.90	8,930.97	9,570.04
Accounts Payable	406.27	335.00	385.38	375.33	375.00			375.00	375.00	375.00	375.00	375.00	375.00
Accrued Expense	642.21	618.80	879.02	625.90	630.00			630.00	630.00	630.00	630.00	630.00	630.00
Other current Liabilities	51.80	27.11	41.78	41.93	30.98			30.98	30.98	30.98	30.98	30.98	30.98
Total Current Liabilities	1,100.28	980.91	1,306.18	1,043.16	1,035.98	0.00	0.00	1,035.98	1,035.98	1,035.98	1,035.98	1,035.98	1,035.98
Notes Payables/Short Term Debt	0.00	8.02	9.84	4.28	20.48			20.48	20.48	20.48	20.48	20.48	20.48
Current port. Of LT Debt/Capital Leases	250.00	50.00	400.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	950.00	1,500.00	1,100.00	1,600.00	1,600.00	0.00	0.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00
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	1,200.00	1,558.02	1,509.84	1,604.28	1,620.48	0.00	0.00	1,620.48	1,620.48	1,620.48	1,620.48	1,620.48	1,620.48
Deferred Income tax	113.53	103.94	213.66	186.06	157.64			157.64	157.64	157.64	157.64	157.64	157.64
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	375.34	418.17	430.07	354.57	712.83			712.83	712.83	712.83	712.83	712.83	712.83
Total Liabilities	2,789.15	3,061.04	3,459.75	3,188.07	3,526.93	0.00	0.00	3,526.93	3,526.93	3,526.93	3,526.93	3,526.93	3,526.93
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	441.37	441.37	441.37	441.37	441.37		0.00	441.37	441.37	441.37	441.37	441.37	441.37
Additional Paid-in capital	1,706.46	1,690.40	1,727.68	1,784.44	1,784.00	0.00	0.00	1,784.00	1,784.00	1,784.00	1,784.00	1,784.00	1,784.00
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	2,720.64	3,168.00	3,515.18	3,918.12	3,918.00			3,918.00	4,557.07	5,196.14	5,835.21	6,474.28	7,113.35
Treasury Stock	-1,890.69	-2,242.52	-2,152.70	-2,448.70	-2,450.00		0.00	-2,450.00	-2,450.00	-2,450.00	-2,450.00	-2,450.00	-2,450.00
Other Equity	-359.20	-446.64	-464.49	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Equity	2,628.58	2,610.61	3,067.04	3,251.55	3,693.37	0.00	0.00	3,693.37	4,332.44	4,971.51	5,610.58	6,249.65	6,888.72
Liability + Equity	5,417.73	5,671.65	6,526.79	6,439.62	7,220.30	0.00	0.00	7,220.30	7,859.37	8,498.44	9,137.51	9,776.58	10,415.65
Variance	0.01	-0.01	0.00	45.11	-845.61			-845.61	-845.61	-845.61	-845.61	-845.61	-845.61
Debt/Equity	0.46	0.60	0.49	0.49	0.44			0.44	0.37	0.33	0.29	0.26	0.24
Inventory Turnover	12.63	12.87	13.81	11.40	7.32			7.32	7.32	7.32	7.32	7.32	7.32
Inventory Turnover Days	28.91	28.37	26.44	32.02	49.83			49.83	49.83	49.83	49.83	49.83	49.83
Days Inventory Outstanding	58.36	56.97	56.36	69.07	106.03			107.50	106.03	106.03	106.03	106.03	106.03
Accounts Receivable Turnover	5.11	5.03	5.23	5.15	5.15			5.15	5.15	5.15	5.15	5.15	5.15
Accounts Receivable Turnover Days	71.43	72.62	69.74	70.92	70.92			70.92	70.92	70.92	70.92	70.92	70.92
Days Payable Outstanding	51.11	39.19	46.71	45.57	44.91			45.53	44.91	44.91	44.91	44.91	44.91
Days Sales Outstanding	71.43	72.62	69.74	70.92	70.92			70.92	70.92	70.92	70.92	70.92	70.92
Cash Conversion Cycle	78.68	90.40	79.40	94.42	132.04			132.89	132.04	132.04	132.04	132.04	132.04
Net tangible assets/share	\$4.71	\$4.68	\$3.79	\$4.40	\$5.69				\$7.58	\$9.48	\$11.37	\$13.26	\$15.15

SN VALUATION

LBO Adjusted Proforma Cash Flow

Ticker:

MAT

	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	684.86	768.51	776.46	903.94	639.07	639.07	639.07	639.07	639.07
Depreciation	149.98	147.46	157.54	179.33	179.33	179.33	179.33	179.33	179.33
Net Income + Depreciation	834.84	915.97	934.00	1,083.27	818.40	818.40	818.40	818.40	818.40
Amortization	15.83	13.84	16.75	17.06	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	-3.87	49.37	-36.18	19.63	0.00	0.00	0.00	0.00	0.00
Non Cash Items	75.05	29.28	27.48	25.28	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-393.88	-343.76	333.61	-446.82	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-100.58	19.85	-33.28	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	-23.16	21.94	-103.78	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-5.37	68.43	-41.06	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-71.27	50.38	-10.05	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	527.97	664.70	1,275.66	698.42	818.40	818.40	818.40	818.40	818.40
Capital Expenditures Expenditures	-152.41	-190.91	-219.05	-252.05	-250.00	-250.00	-250.00	-250.00	-250.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	5.76	16.41	-681.10	9.95	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-146.65	-174.50	-900.15	-242.10	-250.00	-250.00	-250.00	-250.00	-250.00
Financing Cash flow items	-1.45	-15.31	5.06	26.95	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-291.26	-316.50	-423.38	-494.37	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-373.34	-408.40	55.56	-358.23	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	441.23	342.90	-48.17	85.69	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-224.82	-397.31	-410.93	-739.96	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	7.62	-4.89	2.03	-12.85	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	1,116.99	1,281.12	1,369.11	1,335.71	518.22	1,086.62	1,655.02	2,223.42	2,791.82
Net Change in Cash	164.13	87.99	-33.40	-296.50	568.40	568.40	568.40	568.40	568.40
Ending Cash Balance	1,281.12	1,369.11	1,335.71	1,039.21	1,086.62	1,655.02	2,223.42	2,791.82	3,360.22
Capex to Revenue	2.60%	3.05%	3.41%	3.89%	3.86%	3.86%	3.86%	3.86%	3.86%
Depreciation to Sales	2.56%	2.35%	2.45%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%
Amortization to Sales	0.27%	0.22%	0.26%	0.26%	0.25%	0.25%	0.26%	0.26%	0.25%
A/R to Sales	19.57%	19.90%	19.11%	19.43%	19.43%	19.43%	19.43%	19.43%	19.43%
Distributable FCF/EV Yield	3.00%	3.85%	2.95%	3.59%	4.47%	4.47%	4.47%	4.47%	4.47%
Dividend Yield	-2.51%	-2.72%	-3.64%	-4.25%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	666.82	790.29	1,479.99	940.74	568.40	568.40	568.40	568.40	568.40

SN VALUATION

LBO Debt Schedule

Ticker:

MAT

	Proforma	2014	2015	2016	2017	2018
Net Change in Cash	-296.50	568.40	568.40	568.40	568.40	568.40
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	1,620.48	1,620.48	1,620.48	1,620.48	1,620.48	1,620.48
Current Portion Debt Balance	20.48	20.48	20.48	20.48	20.48	20.48
Long Term Debt Balance	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		5.00%	5.00%	5.00%	5.00%	5.00%
Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%
Interest Expense		129.64	129.64	129.64	129.64	129.64
Cash Balance		1,039.22				
Interest @ 1.0%		10.39	10.39	10.39	10.39	10.39
Net Interest Expense/(Income)		119.25	119.25	119.25	119.25	119.25
Net Interest Rate		7.45%	7.45%	7.45%	7.45%	7.45%
EBITDA		1,102.43	1,102.43	1,102.43	1,102.43	1,102.43
EBITDA/Interest Expense Coverage		8.50	8.50	8.50	8.50	8.50

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran

SN VALUATION

Altman Z Score

Company Name:

0

Ticker:

MAT

Period	2010	2011	2012	2013	2014	2015	2016	2017	2018
Working Capital	2,126.33	2,462.80	2,250.63	2,230.47	2,798.87	3,367.27	3,935.67	4,504.07	5,072.47
Total Assets	5,417.74	5,671.64	6,526.79	6,374.69	7,013.76	7,652.83	8,291.90	8,930.97	9,570.04
X1	0.39	0.43	0.34	0.35	0.40	0.44	0.47	0.50	0.53
Retained Earnings	2,720.64	3,168.00	3,515.18	3,918.00	4,557.07	5,196.14	5,835.21	6,474.28	7,113.35
Total Assets	5,417.74	5,671.64	6,526.79	6,374.69	7,013.76	7,652.83	8,291.90	8,930.97	9,570.04
X2	0.50	0.56	0.54	0.61	0.65	0.68	0.70	0.72	0.74
EBITDA	912.26	1,049.99	1,032.90	1,180.68	1,102.43	1,102.43	1,102.43	1,102.43	1,102.43
Total Assets	5,417.74	5,671.64	6,526.79	6,374.69	7,013.76	7,652.83	8,291.90	8,930.97	9,570.04
X3	0.17	0.19	0.16	0.19	0.16	0.14	0.13	0.12	0.12
Market Value of Equity	11,625.42	11,625.42	11,625.42	11,625.42	10,855.73	10,137.00	9,465.85	8,839.14	8,253.92
Total Liabilities	2,789.15	3,061.04	3,459.75	3,526.93	3,526.93	3,526.93	3,526.93	3,526.93	3,526.93
X4	4.17	3.80	3.36	3.30	3.08	2.87	2.68	2.51	2.34
Net Sales	5,856.19	6,266.04	6,420.88	6,484.89	6,484.89	6,484.89	6,484.89	6,484.89	6,484.89
Total Assets	5,417.74	5,671.64	6,526.79	6,374.69	7,013.76	7,652.83	8,291.90	8,930.97	9,570.04
X5	1.08	1.10	0.98	1.02	0.92	0.85	0.78	0.73	0.68
Altman Z Score	5.31	5.30	4.69	4.89	4.68	4.53	4.39	4.26	4.14

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

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
Tangible Book Value	2,603.37	3,242.44	3,881.51	4,520.58	5,159.65	5,798.72				5,798.72
Annual Change		639.07	639.07	639.07	639.07	639.07				
Annual FCF	446.37	568.40	568.40	568.40	568.40	568.40	568.40	568.40	568.40	1,705.20
Annual Op. Cash Flow	698.42	818.40	818.40	818.40	818.40	818.40	818.40	818.40	818.40	
Annual PP&E Investment	(252.05)	(250.00)	(250.00)	(250.00)	(250.00)	(250.00)	(250.00)	(250.00)	(250.00)	
Today's Tangible Book Value	2,603.37	3,055.59	3,586.36	4,209.34	4,940.52	5,798.72				7,503.92
Intrinsic Value IRR	17.37%									
Market Price	11,625.42	10,650.86	9,757.99	8,939.98	8,190.54	7,503.92				7,503.92
Market Price IRR	-8.38%									

Debt	50.00%	5,812.71
Equity	50.00%	5,812.71
Total	100.00%	11,625.42

	Present Value	Holding Period					Terminal Value			Sale Price
	Historic	ProForma	1	2	3	4	5			
Book Equity	3693.37	5,812.71	6,143.83	6,474.95	6,806.07	7,137.19	7,468.31			
Goodwill	1090	9,022.05	9,022.05	9,022.05	9,022.05	9,022.05	9,022.05			
Debt	1600	7,412.71	7,412.71	7,412.71	7,412.71	7,412.71	7,412.71			
Debt Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%	8.00%			
Additional Interest Expense		473.77	473.77	473.77	473.77	473.77				
Tangible Book Value	2603.37	-3,209.34	-2,878.22	-2,547.10	-2,215.98	-1,884.86	-1,553.74			-1,553.74
Annual Change			331.12	331.12	331.12	331.12	331.12			
Annual FCF	446.37	260.45	260.45	260.45	260.45	260.45	260.45	260.45	260.45	781.35
Annual Net Income	903.94	331.12	331.12	331.12	331.12	331.12	331.12	331.12	331.12	
Annual Op. Cash Flow	698.42	510.45	510.45	510.45	510.45	510.45	510.45	510.45	510.45	
Dividend Payments										
Annual PP&E Investment	(252.05)	(250.00)	(250.00)	(250.00)	(250.00)	(250.00)	(250.00)	(250.00)	(250.00)	
Debt Paydown	0.00						0.00	0.00	0.00	

Sale Price in Year 5 (773.39)

Capital Left for Equity Investor (773.39)
 Dividend Payments 0.00
 Total Cash In Flow (773.39)

Invested Equity 5,812.71
 IRR -166.79%

Value Creation
 TBV Growth (equals sum of NI Year 1-5) 1,655.60
 Cash Flow (Year 6-8) 781.35
2,436.95

Value Dilution
 Debt 5,812.71
 Goodwill 7,932.05
 Additional Interest 2,368.85
16,113.61