

Analyst: Sung Nam

Medifast Inc (MED)

Market Price:	\$15.20	EBITDA/Share:	\$2.26	Net Asset/Share:	\$5.07
DCF: EV/EBITDA Terminal Value	3.097%	DCF: Net Tangible Asset excluding Cash/Debt Terminal Value	-13.557%		
EBITDA-Cap Ex/Share	\$1.40	EVA Analysis:	9.195%		

Overview**Dividend?**

Dividend yield is 0.0%.

Price to Book

Price to book is 2.95. Price to book excluding goodwill is 3.00.

Cashflow Generation

Cashflows are \$30 MM from operating cashflow.

Capex is \$12 MM, minority interest payment is \$0 MM, intangibles are \$12 MM and dividend is \$0 MM.

Free cash flow is about \$6 MM.

12.3% EBITA margin and FCF yield is 3.5%.

The company has \$34 MM in cash/short term investment and \$6 MM in debt.

We are projecting a \$0 MM paydown annually.

Profitability

ROA is 20.9%, and ROC is 27.3%.

Bankruptcy Risk

Altman Z is above 3.0. Low Risk.

LBO?

We don't believe a 60% debt/40% equity would be sustainable.

Price

Altman Z Score

Company Name:

Medifast Inc

Ticker:

MED

Period	2007	2008	2009	2010	2011	2012	2013	2014	2015
Working Capital	6.76	7.66	20.20	39.18	42.26	48.05	54.75	62.36	70.93
Total Assets	43.72	50.32	62.96	94.06	114.69	137.40	160.79	184.88	209.70
X1	0.15	0.15	0.32	0.42	0.37	0.35	0.34	0.34	0.34
Retained Earnings	9.82	12.30	22.51	42.12	62.75	85.46	108.85	132.94	157.76
Total Assets	43.72	50.32	62.96	94.06	114.69	137.40	160.79	184.88	209.70
X2	0.22	0.24	0.36	0.45	0.55	0.62	0.68	0.72	0.75
EBITDA	5.72	7.37	18.50	31.64	31.16	34.28	35.31	36.37	37.46
Total Assets	43.72	50.32	62.96	94.06	114.69	137.40	160.79	184.88	209.70
X3	0.13	0.15	0.29	0.34	0.27	0.25	0.22	0.20	0.18
Market Value of Equity	212.65	212.65	212.65	212.65	204.94	197.51	190.36	183.46	176.81
Total Liabilities	11.30	15.10	15.14	22.10	22.10	22.10	22.10	22.10	22.10
X4	18.82	14.08	14.05	9.62	9.27	8.94	8.61	8.30	8.00
Net Sales	83.78	110.08	169.74	257.55	283.31	311.64	320.98	330.61	340.53
Total Assets	43.72	50.32	62.96	94.06	114.69	137.40	160.79	184.88	209.70
X5	1.92	2.19	2.70	2.74	2.47	2.27	2.00	1.79	1.62
Altman Z Score	14.14	11.65	12.98	10.75	10.14	9.74	9.25	8.83	8.47

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

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

Medifast, Inc. (Medifast) is engaged in the production, distribution, and sale of weight management and disease management products and other consumable health and diet products. The product lines include weight and disease management, meal replacement, and vitamins. The Company offers a range of weight and disease management products under the Medifast and Essential brand and for select private label customers. The Medifast line includes Medifast 55 Shakes, Medifast 70 Shakes, Medifast Plus for Appetite Suppression Shakes, Medifast Plus for Women's Health Shakes, Medifast Plus for Diabetics Shakes, Medifast Plus for Joint Health Shakes, Medifast Plus for Coronary Health Shakes and Essential 1 Calorie Burn Drinks. The Company's operations are primarily conducted through five of its wholly owned subsidiaries: Jason Pharmaceuticals, Inc. (Jason), Take Shape for Life, Inc. (TSFL), Jason Enterprises, Inc., Jason Properties, LLC and Seven Crondall, LLC.

Company Name:		Medifast Inc			Income Statement	
Ticker Symbol:	MED	Market Capitalization:	\$212,648,000.00	Revenue:	\$291,640,000.00	100.0%
Last Price:	\$15.20	Total Debt:	\$5,800,000.00	Cost of Goods Sold:	\$99,170,000.00	34.0%
Net Cash/Share:	\$2.05	Total Cash:	\$34,440,000.00	Gross Profit:	\$192,470,000.00	66.0%
Net Cash to Last Price:	13.47%	Net Cash/(Debt):	\$28,640,000.00	EBITDA:	\$38,190,000.00	13.1%
Shares Outstanding:	13,990,000	Enterprise Value:	\$184,008,000.00	Net Income:	\$20,790,000.00	7.1%
Industry:	Specialty Retail	Current EV/Share:	\$13.15			
Sector:	Consumer Cyclical	EBITDA:	\$31,640,000.00	Balance Sheet		
Institutional Ownership:	69.60%	EV/EBITDA Multiple:	5.82	Cash:	\$0.00	
Mutual Fund Ownership:	0.28%	EV/EBITDA Multiple Average Year 1-5:	5.27	Short Term Investment:	\$34,440,000.00	
Insider Ownership:	11.68%	EV/FCF Multiple:	13.71	A/R:	\$620,000.00	
Retail Ownership:	6.76%	EV/FCF Multiple Year 1:	59.76	PP&E:	\$48,190,000.00	
Float:	88.32%	Upper Range		Assets:	\$94,060,000.00	
		DCF: EV/EBITDA Terminal Value		A/P:	\$9,300,000.00	
		Implied TV from 5 X EV/EBITDA Multiple	\$187,292,888.75	Deferred Tax:	\$1,280,000.00	
		Enterprise Value	\$187,292,888.75	Other Liabilities:	\$5,720,000.00	
		Cash at Year 5:	\$66,186,439.79	Short term Debt:	\$940,000.00	
		Debt at Year 5:	\$5,800,000.00	Long Term Debt:	\$4,860,000.00	
		Equity Value Year 5:	\$247,679,328.55	Liabilities:	\$22,100,000.00	
		Equity/Share at Year 5:	\$17.70	Retained Earnings:	\$42,120,000.00	
		Annualized Return:	3.10%	Paid-In Capital:	\$32,940,000.00	
		Lower Range		Treasury Stock:	-\$3,350,000.00	
		DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		Stockholder's Equity:	\$71,960,000.00	
		Year 5 Net Tangible Assets excluding cash and debt	\$42,250,000.00	Cash Flow		
		Enterprise Value	\$42,250,000.00	Net Income:	19,610,000.00	
		Cash at Year 5:	\$66,186,439.79	Depreciation/Amortization:	5,860,000.00	
		Debt at Year 5:	\$5,800,000.00	Change in Working capital:	490,000.00	
		Equity Value Year 5:	\$102,636,439.79	Cash from Operating Activities:	28,770,000.00	
		Equity/Share at Year 5:	\$7.34	Capital Expenditures:	-12,050,000.00	
		Annualized Return:	-13.56%	Cash from Investing Activities:	-23,540,000.00	
		EVA		Total Cash Dividends Paid:	0.00	
		EVA today:	\$79,728,039.58	Issuance (Retirement) of Stock:	0.00	
		EVA in 5 Years:	\$123,771,925.60	Issuance (Retirement) of Debt:	-440,000.00	
		EVA/Share:	\$8.85	Cash from Financing Activities:	1,330,000.00	
		Cash at Year 5:	\$66,186,439.79	Profitability Margins		
		Debt at Year 5:	\$5,800,000.00	Debt to Equity:	8.06%	
		Equity Value Year 5:	\$184,158,365.39	Return on Assets:	20.85%	
		Equity/Share at Year 5:	\$13.16	Return on Capital:	25.22%	
		Annualized return	9.19%	Return on Equity:	27.25%	
		Current Net Tangible Asset				
		Net Tangible Asset/Share:	\$5.07			
		Net Tangible Asset/Share in Year 5:	\$9.04			
		Annualized return	12.28%			
		Average EV to EBITDA:	N/A			
		Company EV to EBITDA:	5.82			
		Average EV to EBIT:	N/A			
		Company EV to EBITA:	5.82			
		Current Equity Price:	\$15.20			
		Selling at Discount?	Premium			
		Appreciation Potential:	-66.66%			
		Dividend Model				
		Next Year Dividend	\$0.00			
		WACC:	15.20%			
		Dividend:	\$0.00			
		Net Income:	\$20,790,000.00			

SN VALUATION

LBO Analysis

WACC Terminal Value:		Intrinsic Price in 5 Years:	12.64	Non-LBO Forecast	14.65	Non-LBO Forecast	Desired Return Rate	20.00%
EV/EBITDA with 5X Multiple Terminal Value:	\$17.70	Market Price:	15.20	Year 1 Target	14.12	Year 2 Target	Implied Today's Price	5.08
Net Tangible Asset Terminal Value:	\$7.34	LBO Price:	15.20	Year 3 Target	13.61	Year 4 Target	Overvalued/(Undervalued)	199.27%
EV/EBITDA with Today's Multiple Terminal Value:	\$12.35	Premium to Market Price:	0.00%	Year 5 Target	12.64			
EVA Enterprise Value:	\$13.16	LBO Price/Intrinsic Price Target:	-3.62%					
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-4.58%					
Average (Excluding Dividend Discount):	\$12.64	Implied IRR at today's EV/EBITDA:	-4.07%	Implied IRR (Market Price):	-3.62%			
		5 Year Return:	-16.85%					

Current Evaluation				Exit Evaluation			
Current Market Price:	15.20	LBO Price:	15.20	Exit Price:	12.64	Exit Price:	12.35
Outstanding Shares:	13,990,000	Outstanding Shares:	13,990,000	Outstanding Shares:	13,990,000	Outstanding Shares:	13,990,000
Market Capitalization:	212,648,000	Market Capitalization:	212,648,000	Market Capitalization:	176,809,077	Market Capitalization:	172,762,173
Available Cash:	34,440,000	Available Cash:	34,440,000	Available Cash:	66,186,440	Available Cash:	66,186,440
Debt:	5,800,000	Debt:	5,800,000	Debt:	5,800,000	Debt:	5,800,000
Net Cash:	28,640,000	Net Cash:	28,640,000	Net Cash:	60,386,440	Net Cash:	60,386,440
Enterprise Value:	184,008,000	Enterprise Value:	184,008,000	Enterprise Value:	116,422,637	Enterprise Value:	112,375,733
Original EV/EBITDA:	5.82	EV/EBITDA:	5.82	EV/EBITDA at 5 Years:	3.11	EV/EBITDA at 5 Years:	3.00
Original EV/EBITDA:	5.82	EV/EBITDA:	4.91	EV/EBITDA at 5 Years:	3.58	EV/EBITDA at 5 Years:	2.49
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:	15.20	15.20	14.65	14.12	13.61	13.11	12.64
Shares Outstanding:	13,990,000	13,990,000	13,990,000	13,990,000	13,990,000	13,990,000	13,990,000
Market Capitalization:	212,648,000	212,648,000	204,941,520	197,514,327	190,356,300	183,457,684	176,809,077
Available Cash:	34,440,000	34,440,000	37,519,359	43,313,433	50,005,898	57,620,717	66,186,440
Debt:	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000
Net Cash:	28,640,000	28,640,000	31,719,359	37,513,433	44,205,898	51,820,717	60,386,440
Enterprise Value:	184,008,000	184,008,000	173,222,162	160,000,894	146,150,402	131,636,967	116,422,637
EBIT	31,640,000	31,640,000	31,163,550	34,279,905	35,308,302	36,367,551	37,458,578
EV/EBIT:	5.82	5.82	5.56	4.67	4.14	3.62	3.11
EBITDA	37,500,000	37,500,000	37,609,550	41,370,505	42,611,620	43,889,969	45,206,668
EV/EBITDA:	4.91	4.91	4.61	3.87	3.43	3.00	2.58

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	15.20	15.20	15.22	16.93	17.84	18.82	19.89
Shares Outstanding:	13,990,000	13,990,000	13,990,000	13,990,000	13,990,000	13,990,000	13,990,000
Market Capitalization:	212,648,000	212,648,000	212,956,480	236,874,266	249,547,556	263,322,625	278,233,405
Available Cash:	34,440,000	34,440,000	37,519,359	43,313,433	50,005,898	57,620,717	66,186,440
Debt:	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000
Net Cash:	28,640,000	28,640,000	31,719,359	37,513,433	44,205,898	51,820,717	60,386,440
Enterprise Value:	184,008,000	184,008,000	181,237,121	199,360,833	205,341,658	211,501,908	217,846,965
EBIT	31,640,000	31,640,000	31,163,550	34,279,905	35,308,302	36,367,551	37,458,578
EV/EBIT:	5.82	5.82	5.82	5.82	5.82	5.82	5.82
EBITDA	37,500,000	37,500,000	37,609,550	41,370,505	42,611,620	43,889,969	45,206,668
EV/EBITDA:	4.91	4.91	4.82	4.82	4.82	4.82	4.82

LBO Price	15.20	Equity Partners:	218,448,000	Weighting	100.00%	Annualized Return for Equity Partners:	-4.58%
Shares Outstanding	13,990,000	Debt Partners:	0		0.00%		
Market Capitalization	212,648,000	Total Funds for LBO:	218,448,000		100.00%		
Debt	5,800,000						
Cash	34,440,000						
Enterprise Value	184,008,000						
Capital Investment	218,448,000						

Book Value		Enterprise Value		Stock Valuation		Debt Reduction	
Beginning Book Value	71.97	Beginning Enterprise Value	184.01	Current Market Price	\$15.20	Starting Debt	4.86
Year 5 Book Value	187.61	Year 5 Enterprise Value	112.38	Year 5 Market Price	\$12.35	Debt Repayment	0.00
Annualized Return	21.12%	Annualized Return	-9.39%	Annualized Return	-4.07%	Year 5 Ending Debt	4.86
						% of Starting Debt	100.00%

SN VALUATION

LBO Pro Forma Income Statement

Name:

Medifast Inc

Ticker:

MED

	Historical				Forecasted				
	12 months ending 2007-12-31	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	2011	2012	2013	2014	2015
Revenue	83.78	110.08	169.74	257.55	283.31	311.64	320.98	330.61	340.53
COGS	21.46	30.99	45.35	65.08	73.66	81.03	83.46	85.96	88.54
Gross margin	62.32	79.09	124.39	192.47	209.65	230.61	237.53	244.65	251.99
SG&A	56.60	71.72	105.89	160.83	178.48	196.33	202.22	208.29	214.54
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	0.00	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: Excluded from COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	5.72	7.37	18.50	31.64	31.16	34.28	35.31	36.37	37.46
Interest income/(expense)	-0.28	-0.22	0.00	0.27	-0.12	-0.12	-0.12	-0.12	-0.12
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	0.11	-0.13	-0.08	-0.22	-0.22	-0.24	-0.25	-0.26	-0.26
Income before tax	5.54	7.02	18.42	31.69	31.26	34.40	35.44	36.50	37.60
Tax	2.11	2.71	7.06	12.08	10.63	11.70	12.05	12.41	12.78
Income after tax	3.43	4.31	11.36	19.61	20.63	22.70	23.39	24.09	24.82
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	3.43	4.31	11.36	19.61	20.63	22.70	23.39	24.09	24.82
*Figures are in millions (\$)									
Revenue Growth	N/A	31.39%	54.20%	51.73%	10.00%	10.00%	3.00%	3.00%	3.00%
Tax Rate	38.09%	38.60%	38.33%	38.12%	34.00%	34.00%	34.00%	34.00%	34.00%
Implied Debt Interest Rate	-4.35%	-2.85%	0.00%	4.66%	-2.46%	-2.46%	-2.46%	-2.46%	-2.46%
Margins									
COGS	25.61%	28.15%	26.72%	25.27%	26.00%	26.00%	26.00%	26.00%	26.00%
Gross margin	74.39%	71.85%	73.28%	74.73%	74.00%	74.00%	74.00%	74.00%	74.00%
SG&A	67.56%	65.15%	62.38%	62.45%	63.00%	63.00%	63.00%	63.00%	63.00%
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%	0.00%	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: Excluded from COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	6.83%	6.70%	10.90%	12.28%	11.00%	11.00%	11.00%	11.00%	11.00%
Interest income/(expense)	-0.33%	-0.20%	0.00%	0.10%	-0.04%	-0.04%	-0.04%	-0.04%	-0.04%
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	0.13%	-0.12%	-0.05%	-0.09%	-0.08%	-0.08%	-0.08%	-0.08%	-0.08%
Income before tax	6.61%	6.38%	10.85%	12.30%	11.03%	11.04%	11.04%	11.04%	11.04%
Tax	2.52%	2.46%	4.16%	4.69%	3.75%	3.75%	3.75%	3.75%	3.75%
Income after tax	4.09%	3.92%	6.69%	7.61%	7.28%	8.01%	8.26%	8.50%	8.76%
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	4.09%	3.92%	6.69%	7.61%	7.28%	7.29%	7.29%	7.29%	7.29%

					Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2007-12-31	As of 2008-12-31	As of 2009-12-31	As of 2010-12-31	+	-						
Cash	2.19	1.84	0.00	0.00			0.00	3.08	8.87	15.57	23.18	31.75
Short term investment	1.44	1.10	16.30	34.44			34.44	34.44	34.44	34.44	34.44	34.44
Cash and Short term	3.63	2.94	16.30	34.44			34.44	37.52	43.31	50.01	57.62	66.19
Accounts Receivable	0.49	0.45	0.68	0.62			0.62	0.62	0.62	0.62	0.62	0.62
Other receivables	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	0.49	0.45	0.68	0.62			0.62	0.62	0.62	0.62	0.62	0.62
Deferred Income Tax	-5.31	-8.15	-7.71	-6.46			-6.46	-6.46	-6.46	-6.46	-6.46	-6.46
Total Inventory	9.18	13.86	11.23	19.53			19.53	19.53	19.53	19.53	19.53	19.53
Prepaid Expenses	2.73	3.17	6.73	5.37			5.37	5.37	5.37	5.37	5.37	5.37
Other Current Assets	0.91	0.89	0.68	0.70			0.70	0.70	0.70	0.70	0.70	0.70
Current Assets	11.63	13.16	27.91	54.20	0.00	0.00	54.20	57.28	63.07	69.77	77.38	85.95
PP&E, Gross	23.73	31.11	36.22	48.19			48.19	60.19	72.19	84.19	96.19	108.19
Change in Depreciation	3.47	4.57	5.27	5.86			5.86	6.45	7.09	7.30	7.52	7.75
Accumulated Depreciation	0.00	0.00	5.27	11.13			11.13	17.58	24.67	31.97	39.49	47.24
PP&E, Net	23.73	31.11	30.95	37.06			37.06	42.61	47.52	52.22	56.70	60.95
Goodwill	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	7.36	5.55	1.36	1.07			1.07	13.07	25.07	37.07	49.07	61.07
Long term investments	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	1.00	0.50	2.74	1.73			1.73	1.73	1.73	1.73	1.73	1.73
Long Term Assets	32.09	37.16	35.05	39.86			39.86	57.41	74.32	91.02	107.50	123.75
Total Assets	43.72	50.32	62.96	94.06	0.00	0.00	94.06	114.69	137.40	160.79	184.88	209.70
Accounts Payable	3.18	3.66	4.20	9.30			9.30	9.30	9.30	9.30	9.30	9.30
Accrued Expense	0.56	0.17	0.60	1.77			1.77	1.77	1.77	1.77	1.77	1.77
Other current Liabilities	1.13	1.67	2.91	3.95			3.95	3.95	3.95	3.95	3.95	3.95
Total Current Liabilities	4.87	5.50	7.71	15.02	0.00	0.00	15.02	15.02	15.02	15.02	15.02	15.02
Notes Payables/Short Term Debt	1.60	3.16	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Current port. Of LT Debt/Capital Leases	0.26	0.26	0.80	0.94			0.94	0.94	0.94	0.94	0.94	0.94
Long term Debt	4.57	4.31	5.44	4.86	0.00	0.00	4.86	4.86	4.86	4.86	4.86	4.86
Capital Lease Obligations	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	6.43	7.73	6.24	5.80	0.00	0.00	5.80	5.80	5.80	5.80	5.80	5.80
Deferred Income tax	0.00	1.87	1.19	1.28			1.28	1.28	1.28	1.28	1.28	1.28
Minority Interest	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities	11.30	15.10	15.14	22.10	0.00	0.00	22.10	22.10	22.10	22.10	22.10	22.10
Redeemable Preferred Stock	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
Common Stock	0.01	0.01	0.02	0.02		0.00	0.02	0.02	0.02	0.02	0.02	0.02
Additional Paid-in capital	26.95	25.25	28.46	32.94	0.00	0.00	32.94	32.94	32.94	32.94	32.94	32.94
Dividends Paid	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	9.82	12.30	22.51	42.12		0.00	42.12	62.75	85.46	108.85	132.94	157.76
Treasury Stock	-1.97	-1.96	-3.32	-3.35			-3.35	-3.35	-3.35	-3.35	-3.35	-3.35
Other Equity	-2.39	-0.39	0.16	0.24		0.00	0.24	0.24	0.24	0.24	0.24	0.24
Total Equity	32.42	35.21	47.83	71.97	0.00	0.00	71.97	92.60	115.31	138.70	162.79	187.61
Liability + Equity	43.72	50.31	62.97	94.07	0.00	0.00	94.07	114.70	137.41	160.80	184.89	209.71
Variance	0.00	0.01	-0.01	-0.01			-0.01	-0.01	-0.01	-0.01	-0.01	-0.01
Debt/Equity	0.20	0.22	0.13	0.08			0.08	0.06	0.05	0.04	0.04	0.03
Inventory Turnover	9.13	7.94	15.11	13.19			13.19	14.51	15.96	16.44	16.93	17.44
Inventory Turnover Days	39.99	45.96	24.15	27.68			27.68	25.16	22.87	22.21	21.56	20.93
Days Inventory Outstanding	156.14	163.24	90.38	109.53			109.53	96.78	87.98	85.42	82.93	80.51
Accounts Receivable Turnover	170.98	244.62	249.62	415.40			415.40	456.94	502.64	517.72	533.25	549.25
Accounts Receivable Turnover Days	2.13	1.49	1.46	0.88			0.88	0.80	0.73	0.71	0.68	0.66
Days Payable Outstanding	54.09	43.11	33.80	52.16			52.16	46.08	41.89	40.67	39.49	38.34
Days Sales Outstanding	2.13	1.49	1.46	0.88			0.88	0.88	0.80	0.73	0.71	0.68
Cash Conversion Cycle	104.19	121.63	58.04	58.25			58.25	51.57	46.88	45.47	44.14	42.86

SN VALUATION

LBO Debt Schedule

	Proforma	2011	2012	2013	2014	2015
Net Change in Cash	6.56	3.08	5.79	6.69	7.61	8.57
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	5.80	5.80	5.80	5.80	5.80	5.80
Current Portion Debt Balance	0.94	0.94	0.94	0.94	0.94	0.94
Long Term Debt Balance	4.86	4.86	4.86	4.86	4.86	4.86
Forward Libor Curve		4.00%	4.00%	4.00%	4.00%	4.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%
Interest Expense		0.46	0.46	0.46	0.46	0.46
Cash Balance		34.44				
Interest @ 1.0%		0.34	0.34	0.34	0.34	0.34
Net Interest Expense/(Income)		0.12	0.12	0.12	0.12	0.12
Net Interest Rate		2.46%	2.46%	2.46%	2.46%	2.46%
EBITDA		31.16	34.28	35.31	36.37	37.46
EBITDA/Interest Expense Coverage		67.16	73.88	76.10	78.38	80.73

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran