

## Miller Industries (MLR)

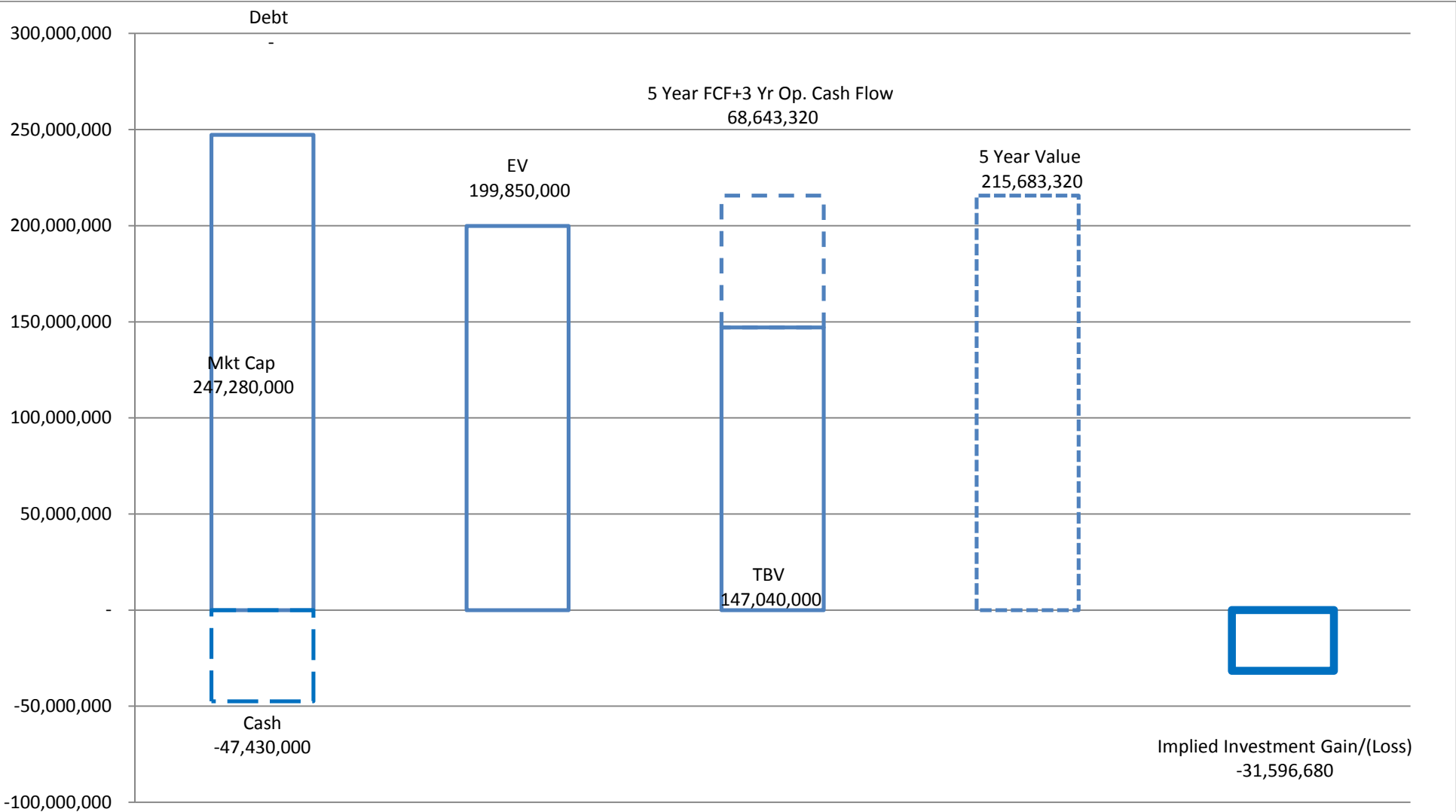
Price:	\$22.00	Net Tang. Bk Value Incl. Cash, Excl.	\$147,040,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$170,892,075.00
Market Cap:	\$247,280,000	Goodwill (NTBVIC):		Avg. Year Op. Cash:	\$8,580,415.00
Cash:	\$47,430,000	NTBVIC/Market Downside Recovery:	59.46%	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$0	Op. Cash Flow:	\$8,580,415	Year 5 Disposition Price:	\$196,633,320.00
Net Cash:	\$47,430,000	Implied Years to Fill Gap:	11.68		
Enterprise Value:	\$199,850,000	Today's Equity if 5x Op. CF:	\$172,781,245		
		Net Tang. Book+ Gain Disposition:			\$196,633,320.00
Shares Outstanding:	11,240,000	IRR:			-4.48%
		Price:			\$17.49
		Target Market Cap:			\$196,633,320
		Target Enterprise Value:			\$149,203,320

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

Manufactures tow truck equipment - wrecker, which lifts the front end of the car; chassis - flat bed vehicle tow.

The Co. has manufacturing plants 7 sites in US and in UK and France. \$200MM in assets - \$60MM cash, \$50MM A/R, \$60MM inventory, \$30MM net PP&E. No debt, \$150MM paid in capital, \$50MM payables. Op. cash flow is \$8MM, with \$2MM in cap ex and \$5MM in dividend, yield 2.5%.

The Co. buys the steel frames, and bends them to their specification at their factories. Then, assembles them. A 3rd party distributor sells the manufactured equipment. So the costs includes steel input, machines to bend the frames, workers to assemble, and commission to 3rd party. Misc costs include shipping, storage costs. It is clear, the products are not high tech, but rather labor intensive, commodity dependent business. That is why GM is only 10%. The Co. owns a line of brands, which are industry leaders, since the Co's longevity (been in business since 1970) plays a factor. Sales did dip 17% YoY in 2012, so we are not very bullish on the stock. In addition, the industry is catered to tow truck operators, who are not willing to pay premium for additional function, other than the ability to tow a vehicle. The business is mature as evidenced by the Co's initiation of dividends 2 years ago to remunerate the shareholders still loyal to a flat growth business. Valuation doesn't support an appreciation, so we will not include in our portfolio.



Miller Industries, Inc. was incorporated in Tennessee. The Company is a manufacturer of vehicle towing and recovery equipment. It manufactures the bodies of wreckers and car carriers, which are installed on truck chassis manufactured by third parties. Wreckers are generally used to recover and tow disabled vehicles and other equipment. Car carriers are specialized flatbed vehicles with hydraulic tilt mechanisms that enable a towing operator to drive or winch a vehicle onto the bed for transport. The Company's products are sold through independent distributors that serve all 50 states, Canada and Mexico, and other foreign markets including Europe, the Pacific Rim, the Middle East, South America and Africa, and through prime contractors to governmental entities. Its product lines comprises of Wreckers, Car Carriers, and Transport Trailer. The Company manufactures and markets its products under 10 separate brand names including Century, Vulcan, Challenger, Champion, and Boniface™.

Company Name:		Miller Industries		Market Capitalization:		\$247,280,000.00		Revenue:		\$351,140,000.00		100.0%	
Ticker Symbol:	MLR	Total Debt:	\$0.00	Cost of Goods Sold:	\$311,090,000.00	88.6%		Gross Profit:	\$40,050,000.00	11.4%		EBITDA:	
Last Price:	\$22.00	Enterprise Value:	\$199,850,000.00	Net Income:	\$8,800,000.00	2.5%							
Net Cash/Share:	\$4.22	Current EV/Share:	\$17.78										
Net Cash to Last Price:	19.18%	EBITDA:	\$17,160,000.00										
Shares Outstanding:	11,240,000	EV/EBITDA Multiple:	11.65										
Industry:	Auto Parts	EV/EBITDA Multiple Average Year 1-5:	18.74										
Sector:	Consumer Cyclical	EV/FCF Multiple (excluding acquisition):	62.07										
Institutional Ownership:	82.34%	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	35.81										
Mutual Fund Ownership:	49.34%												
Insider Ownership:	4.10%												
Float:	81.00%												
<b>Upper Range</b>													
<b>DCF: EV/EBITDA Terminal Value</b>													
Technicals		Implied TV from 3 X EV/EBITDA Multiple	\$20,559,600.00										
52 week low:	\$14.00	Enterprise Value	\$20,559,600.00										
Today from 52 week low:	57.14%	Cash at Year 5:	\$75,332,075.00										
52 week high:	\$17.25	Debt at Year 5:	\$0.00										
Today from 52 week high:	-21.59%	Equity Value Year 5:	\$95,891,675.00										
Analyst/Consensus		<b>Equity/Share at Year 5:</b>	<b>\$8.53</b>										
Analyst Sales Growth FY1:	N/A	Annualized Return:	-17.26%										
Analyst Sales Growth FY2:	N/A												
SN Valuation Estimate FY1:	0.00%	<b>Lower Range</b>											
SN Valuation Estimate FY2:	0.00%	<b>DCF: Net Tangible Asset excluding Cash/Debt Terminal Value</b>											
Analyst Earnings Estimate FY1:		Year 5 Net Tangible Assets excluding cash and debt	\$65,080,000.00										
Analyst Earnings Estimate FY2:		Enterprise Value	\$65,080,000.00										
SN Valuation Earnings Est. FY1:		Cash at Year 5:	\$75,332,075.00										
SN Valuation Earnings Est. FY2:		Debt at Year 5:	\$0.00										
Multiples		Equity Value Year 5:	\$140,412,075.00										
Market Value to Book:	1.56	<b>Equity/Share at Year 5:</b>	<b>\$12.49</b>										
EV to Book:	1.26	Annualized Return:	-10.70%										
Market Value to Tangible Net Assets:	3.80												
P/E Ratio:	28.10	<b>EVA</b>											
Trailing P/E Ratio:	20.16	EVA today:	\$150,280,264.03										
Forward P/E Ratio:	N/A	EVA in 5 Years:	\$101,800,265.98										
Beta:	0.7	EVA/Share:	\$9.06										
Dividend:	0.56	Cash at Year 5:	\$75,332,075.00										
Dividend Yield:	3.52%	Debt at Year 5:	\$0.00										
Dividend Date:	Jun 23, 2013	Equity Value Year 5:	\$177,132,340.98										
Ex-Dividend Date:	Sep 12, 2013	<b>Equity/Share at Year 5:</b>	<b>\$15.76</b>										
Competitors		Annualized return	-7.49%										
Average EV to EBITDA:	N/A	<b>Current Net Tangible Asset</b>											
Company EV to EBITDA:	11.65	Net Tangible Asset/Share:	\$12.73										
Average EV to EBIT:	N/A	Net Tangible Asset/Share in Year 5:	\$14.85										
Company EV to EBITA:	15.80	Annualized return	3.13%										
Income Statement		Current Equity Price:	\$22.00										
Balance Sheet		Selling at Discount?	Premium										
Cash Flow		Appreciation Potential:	-42.13%										
Profitability Margins													
Debt to Equity:													
Return on Assets:													
Return on Capital:													
Return on Equity:													

SN VALUATION

LBO Pro Forma Income Statement

Name:

Miller Industries

Ticker:

MLR

	Historical				Forecasted				
	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	2013	2014	2015	2016	2017
Revenue	237.57	306.90	412.66	342.66	342.66	342.66	342.66	342.66	342.66
COGS	202.27	260.57	342.56	302.61	308.39	308.39	308.39	308.39	308.39
Gross margin	35.30	46.33	70.10	34.27	34.27	34.27	34.27	34.27	34.27
SG&A	24.91	26.96	31.41	27.51	27.41	27.41	27.41	27.41	27.41
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	-0.44	0.07	-0.16	-0.81	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
<b>Operating Income (EBITA)</b>	<b>10.83</b>	<b>19.60</b>	<b>38.85</b>	<b>13.35</b>	<b>6.85</b>	<b>6.85</b>	<b>6.85</b>	<b>6.85</b>	<b>6.85</b>
Interest income/(expense)	0.00	0.00	0.00	0.00	0.49	0.49	0.49	0.49	0.49
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	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Income before tax</b>	<b>9.95</b>	<b>19.29</b>	<b>38.13</b>	<b>12.65</b>	<b>7.34</b>	<b>7.34</b>	<b>7.34</b>	<b>7.34</b>	<b>7.34</b>
Tax	3.33	7.58	15.12	3.53	2.57	2.57	2.57	2.57	2.57
<b>Income after tax</b>	<b>6.02</b>	<b>11.71</b>	<b>23.01</b>	<b>9.12</b>	<b>4.77</b>	<b>4.77</b>	<b>4.77</b>	<b>4.77</b>	<b>4.77</b>
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
<b>Net income</b>	<b>6.02</b>	<b>11.71</b>	<b>23.01</b>	<b>9.12</b>	<b>4.77</b>	<b>4.77</b>	<b>4.77</b>	<b>4.77</b>	<b>4.77</b>
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.54	\$1.04	\$2.05	\$0.81	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42
P/E (historical today's price; forecasted intrinsic price)	41.08	21.12	10.75	27.11	49.51	47.30	45.18	43.15	41.22
<b>Revenue Growth</b>	<b>N/A</b>	<b>29.18%</b>	<b>34.46%</b>	<b>-16.96%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
Tax Rate	39.50%	39.29%	39.65%	27.91%	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
<b>Margins</b>									
COGS	85.14%	84.90%	83.01%	88.31%	90.00%	90.00%	90.00%	90.00%	90.00%
<b>Gross margin</b>	<b>14.86%</b>	<b>15.10%</b>	<b>16.99%</b>	<b>11.69%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>
SG&A	10.49%	8.69%	7.61%	8.03%	8.00%	8.00%	8.00%	8.00%	8.00%
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	-0.19%	0.02%	-0.04%	-0.24%	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%
<b>Operating Income (EBITA)</b>	<b>4.56%</b>	<b>6.39%</b>	<b>9.41%</b>	<b>3.90%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>
Interest income/(expense)	0.00%	0.00%	0.00%	0.00%	0.14%	0.14%	0.14%	0.14%	0.14%
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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Income before tax</b>	<b>4.19%</b>	<b>6.29%</b>	<b>9.24%</b>	<b>3.69%</b>	<b>2.14%</b>	<b>2.14%</b>	<b>2.14%</b>	<b>2.14%</b>	<b>2.14%</b>
Tax	1.65%	2.47%	3.66%	1.03%	0.75%	0.75%	0.75%	0.75%	0.75%
<b>Income after tax</b>	<b>2.53%</b>	<b>3.82%</b>	<b>5.58%</b>	<b>2.66%</b>	<b>1.39%</b>	<b>1.39%</b>	<b>1.39%</b>	<b>1.39%</b>	<b>1.39%</b>
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%
<b>Net income</b>	<b>2.53%</b>	<b>3.82%</b>	<b>5.58%</b>	<b>2.66%</b>	<b>1.39%</b>	<b>1.39%</b>	<b>1.39%</b>	<b>1.39%</b>	<b>1.39%</b>

	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-12-31	As of 2013-03-31	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	36.16	46.33	50.15	48.59	47.43			47.43	53.01	58.59	64.17	69.75	75.33
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>36.16</b>	<b>46.33</b>	<b>50.15</b>	<b>48.59</b>	<b>47.43</b>			<b>47.43</b>	<b>53.01</b>	<b>58.59</b>	<b>64.17</b>	<b>69.75</b>	<b>75.33</b>
Accounts Receivable	44.67	60.11	61.09	59.11	59.00			59.00	59.00	59.00	59.00	59.00	59.00
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>44.67</b>	<b>60.11</b>	<b>61.09</b>	<b>59.11</b>	<b>59.00</b>			<b>59.00</b>	<b>59.00</b>	<b>59.00</b>	<b>59.00</b>	<b>59.00</b>	<b>59.00</b>
Total Inventory	36.06	38.94	48.24	45.05	49.97			49.97	49.97	49.97	49.97	49.97	49.97
Prepaid Expenses	2.30	3.56	2.22	1.95	3.35			3.35	3.35	3.35	3.35	3.35	3.35
Other Current Assets	5.88	5.22	5.14	3.58	3.58			3.58	3.58	3.58	3.58	3.58	3.58
<b>Current Assets</b>	<b>125.07</b>	<b>154.16</b>	<b>166.84</b>	<b>158.28</b>	<b>163.33</b>	<b>0.00</b>	<b>0.00</b>	<b>163.33</b>	<b>168.91</b>	<b>174.49</b>	<b>180.07</b>	<b>185.65</b>	<b>191.23</b>
PP&E, Gross	72.09	76.41	78.62	0.00	79.00			79.00	82.00	85.00	88.00	91.00	94.00
Change in Depreciation	3.51	3.53	3.67	3.81	3.81			3.81	3.81	3.81	3.81	3.81	3.81
Accumulated Depreciation	39.88	42.60	45.50	0.00	45.00			45.00	48.81	52.62	56.43	60.24	64.05
<b>PP&amp;E, Net</b>	<b>32.21</b>	<b>33.81</b>	<b>33.12</b>	<b>0.00</b>	<b>34.00</b>			<b>34.00</b>	<b>33.19</b>	<b>32.38</b>	<b>31.57</b>	<b>30.76</b>	<b>29.95</b>
Goodwill	11.62	11.62	11.62	11.62	11.00	0.00		11.00	11.00	11.00	11.00	11.00	11.00
Intangibles	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
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	3.43	0.29	0.26	0.26	0.29			0.29	0.29	0.29	0.29	0.29	0.29
<b>Long Term Assets</b>	<b>47.26</b>	<b>45.72</b>	<b>45.00</b>	<b>11.88</b>	<b>45.29</b>			<b>45.29</b>	<b>44.48</b>	<b>43.67</b>	<b>42.86</b>	<b>42.05</b>	<b>41.24</b>
<b>Total Assets</b>	<b>172.33</b>	<b>199.88</b>	<b>211.84</b>	<b>170.16</b>	<b>208.62</b>	<b>0.00</b>	<b>0.00</b>	<b>208.62</b>	<b>213.39</b>	<b>218.16</b>	<b>222.93</b>	<b>227.70</b>	<b>232.47</b>
Accounts Payable	19.14	34.01	39.69	30.75	31.00			31.00	31.00	31.00	31.00	31.00	31.00
Accrued Expense	10.30	12.24	15.76	12.30	12.00			12.00	12.00	12.00	12.00	12.00	12.00
Other current Liabilities	1.20	1.04	1.63	0.06	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Current Liabilities</b>	<b>30.64</b>	<b>47.29</b>	<b>57.08</b>	<b>43.11</b>	<b>43.00</b>	<b>0.00</b>	<b>0.00</b>	<b>43.00</b>	<b>43.00</b>	<b>43.00</b>	<b>43.00</b>	<b>43.00</b>	<b>43.00</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	0.18	0.04	0.01	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	0.06	0.01	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>0.24</b>	<b>0.05</b>	<b>0.01</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	1.98	2.11	1.76	1.76			1.76	1.76	1.76	1.76	1.76	1.76
Minority Interest	0.00	0.00	0.00	0.00	-0.10			-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
Other liabilities	0.00	0.00	0.00	0.00	9.85			9.85	9.85	9.85	9.85	9.85	9.85
<b>Total Liabilities</b>	<b>30.88</b>	<b>49.32</b>	<b>59.20</b>	<b>44.87</b>	<b>54.51</b>	<b>0.00</b>	<b>0.00</b>	<b>54.51</b>	<b>54.51</b>	<b>54.51</b>	<b>54.51</b>	<b>54.51</b>	<b>54.51</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	0.12	0.12	0.11	0.11	0.11		0.00	0.11	0.11	0.11	0.11	0.11	0.11
Additional Paid-in capital	161.51	162.45	147.00	148.69	149.00	0.00	0.00	149.00	149.00	149.00	149.00	149.00	149.00
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	-22.61	-12.66	5.40	8.76	9.00			9.00	13.77	18.54	23.31	28.08	32.85
Treasury Stock	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	2.42	0.07	0.14	-0.07	-0.07		0.00	-0.07	-0.07	-0.07	-0.07	-0.07	-0.07
<b>Total Equity</b>	<b>141.44</b>	<b>150.58</b>	<b>152.65</b>	<b>157.49</b>	<b>158.04</b>	<b>0.00</b>	<b>0.00</b>	<b>158.04</b>	<b>162.81</b>	<b>167.58</b>	<b>172.35</b>	<b>177.12</b>	<b>181.89</b>
<b>Liability + Equity</b>	<b>172.32</b>	<b>199.90</b>	<b>211.85</b>	<b>202.36</b>	<b>212.55</b>	<b>0.00</b>	<b>0.00</b>	<b>212.55</b>	<b>217.32</b>	<b>222.09</b>	<b>226.86</b>	<b>231.63</b>	<b>236.40</b>
<b>Variance</b>	0.01	-0.02	-0.01	-32.20	-3.93			-3.93	-3.93	-3.93	-3.93	-3.93	-3.93
<b>Debt/Equity</b>	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Inventory Turnover	6.59	7.88	8.55	7.61	6.86			6.86	6.86	6.86	6.86	6.86	6.86
Inventory Turnover Days	55.40	46.31	42.67	47.99	53.23			53.23	53.23	53.23	53.23	53.23	53.23
Days Inventory Outstanding	65.07	54.55	51.40	54.34	59.14			60.27	59.14	59.14	59.14	59.14	59.14
Accounts Receivable Turnover	5.32	5.11	6.75	5.80	5.81			5.81	5.81	5.81	5.81	5.81	5.81
Accounts Receivable Turnover Days	68.63	71.49	54.03	62.96	62.85			62.85	62.85	62.85	62.85	62.85	62.85
Days Payable Outstanding	34.54	47.64	42.29	37.09	36.69			37.39	36.69	36.69	36.69	36.69	36.69
Days Sales Outstanding	68.63	71.49	54.03	62.96	62.85			62.96	62.85	62.85	62.85	62.85	62.85
Cash Conversion Cycle	99.16	78.40	63.14	80.21	85.30			85.84	85.30	85.30	85.30	85.30	85.30
Net tangible assets/share	\$11.55	\$12.36	\$12.55	\$12.98	\$13.08				\$13.51	\$13.93	\$14.36	\$14.78	\$15.20

	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	2011	2012	2013	2014	2015
Net Income	6.02	11.71	23.01	9.12	4.77	4.77	4.77	4.77	4.77
Depreciation	3.51	3.53	3.67	3.81	3.81	3.81	3.81	3.81	3.81
<b>Net Income + Depreciation</b>	<b>9.53</b>	<b>15.24</b>	<b>26.68</b>	<b>12.93</b>	<b>8.58</b>	<b>8.58</b>	<b>8.58</b>	<b>8.58</b>	<b>8.58</b>
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	1.74	6.01	1.21	1.21	0.00	0.00	0.00	0.00	0.00
Non Cash Items	1.26	0.68	-0.55	0.24	0.00	0.00	0.00	0.00	0.00
Change in Working capital	7.20	-4.41	1.99	-8.27	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-15.44	-0.98	1.98	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	-2.88	-9.30	3.19	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-1.26	1.34	0.27	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	14.87	5.68	-8.94	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>19.73</b>	<b>17.52</b>	<b>28.33</b>	<b>6.11</b>	<b>8.58</b>	<b>8.58</b>	<b>8.58</b>	<b>8.58</b>	<b>8.58</b>
Capital Expenditures Expenditures	-0.76	-5.28	-3.96	-2.89	-3.00	-3.00	-3.00	-3.00	-3.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	0.21	0.41	1.19	0.05	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>-0.55</b>	<b>-4.87</b>	<b>-2.77</b>	<b>-2.84</b>	<b>-3.00</b>	<b>-3.00</b>	<b>-3.00</b>	<b>-3.00</b>	<b>-3.00</b>
Financing Cash flow items	0.00	-0.05	1.28	0.42	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	-1.16	-5.55	-5.76	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	0.12	0.44	-17.23	0.85	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	-4.05	-0.18	-0.05	-0.01	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>-3.93</b>	<b>-0.95</b>	<b>-21.55</b>	<b>-4.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Foreign Exchange effect	1.47	-1.54	-0.21	-0.34	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	19.45	36.16	46.33	50.15	47.43	53.01	58.59	64.17	69.75
<b>Net Change in Cash</b>	<b>16.71</b>	<b>10.17</b>	<b>3.82</b>	<b>-1.56</b>	<b>5.58</b>	<b>5.58</b>	<b>5.58</b>	<b>5.58</b>	<b>5.58</b>
Ending Cash Balance	36.16	46.33	50.15	48.59	53.01	58.59	64.17	69.75	75.33
Capex to Revenue	0.32%	1.72%	0.96%	0.84%	0.88%	0.88%	0.88%	0.88%	0.88%
Depreciation to Sales	1.48%	1.15%	0.89%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%
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	18.80%	19.59%	14.80%	17.25%	17.25%	17.25%	17.25%	17.25%	17.25%
Distributable FCF/EV Yield	9.60%	6.33%	12.79%	1.64%	2.79%	2.79%	2.79%	2.79%	2.79%
Dividend Yield	0.00%	-0.47%	-2.24%	-2.33%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	<b>18.97</b>	<b>13.40</b>	<b>29.92</b>	<b>8.98</b>	<b>5.58</b>	<b>5.58</b>	<b>5.58</b>	<b>5.58</b>	<b>5.58</b>

# SN VALUATION

# LBO Debt Schedule

Ticker:

MLR

	Proforma	2013	2014	2015	2016	2017
<b>Net Change in Cash</b>	<b>-1.56</b>	<b>5.58</b>	<b>5.58</b>	<b>5.58</b>	<b>5.58</b>	<b>5.58</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		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>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Cash Balance		48.59				
Interest @ 1.0%		0.49	0.49	0.49	0.49	0.49
<b>Net Interest Expense/(Income)</b>		<b>(0.49)</b>	<b>(0.49)</b>	<b>(0.49)</b>	<b>(0.49)</b>	<b>(0.49)</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		6.85	6.85	6.85	6.85	6.85
<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

## Altman Z Score

Company Name:

Miller Industries

Ticker:

MLR

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	94.43	106.87	109.76	120.33	125.91	131.49	137.07	142.65	148.23
Total Assets	172.33	199.88	211.84	208.62	213.39	218.16	222.93	227.70	232.47
<b>X1</b>	<b>0.55</b>	<b>0.53</b>	<b>0.52</b>	<b>0.58</b>	<b>0.59</b>	<b>0.60</b>	<b>0.61</b>	<b>0.63</b>	<b>0.64</b>
Retained Earnings	-22.61	-12.06	5.40	9.00	13.77	18.54	23.31	28.08	32.85
Total Assets	172.33	199.88	211.84	208.62	213.39	218.16	222.93	227.70	232.47
<b>X2</b>	<b>-0.13</b>	<b>-0.06</b>	<b>0.03</b>	<b>0.04</b>	<b>0.06</b>	<b>0.08</b>	<b>0.10</b>	<b>0.12</b>	<b>0.14</b>
EBITDA	10.83	19.60	38.85	13.35	6.85	6.85	6.85	6.85	6.85
Total Assets	172.33	199.88	211.84	208.62	213.39	218.16	222.93	227.70	232.47
<b>X3</b>	<b>0.06</b>	<b>0.10</b>	<b>0.18</b>	<b>0.06</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>
Market Value of Equity	247.28	247.28	247.28	247.28	236.20	225.62	215.51	205.86	196.63
Total Liabilities	30.88	49.32	59.20	54.51	54.51	54.51	54.51	54.51	54.51
<b>X4</b>	<b>8.01</b>	<b>5.01</b>	<b>4.18</b>	<b>4.54</b>	<b>4.33</b>	<b>4.14</b>	<b>3.95</b>	<b>3.78</b>	<b>3.61</b>
Net Sales	237.57	306.90	412.66	342.66	342.66	342.66	342.66	342.66	342.66
Total Assets	172.33	199.88	211.84	208.62	213.39	218.16	222.93	227.70	232.47
<b>X5</b>	<b>1.38</b>	<b>1.54</b>	<b>1.95</b>	<b>1.64</b>	<b>1.61</b>	<b>1.57</b>	<b>1.54</b>	<b>1.50</b>	<b>1.47</b>
<b>Altman Z Score</b>	<b>6.86</b>	<b>5.42</b>	<b>5.72</b>	<b>5.33</b>	<b>5.11</b>	<b>5.00</b>	<b>4.89</b>	<b>4.79</b>	<b>4.70</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>	147.04	151.81	156.58	161.35	166.12	170.89				170.89
Annual Change		4.77	4.77	4.77	4.77	4.77				
<b>Annual FCF</b>	3.22	5.58	5.58	5.58	5.58	5.58	5.58	5.58	5.58	16.74
Annual Op. Cash Flow	6.11	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58	
Annual PP&E Investment	(2.89)	(3.00)	(3.00)	(3.00)	(3.00)	(3.00)	(3.00)	(3.00)	(3.00)	
<b>Today's Tangible Book Value</b>	147.04	151.53	156.15	160.92	165.83	170.89				187.63
Intrinsic Value IRR	3.05%									
<b>Market Price</b>	247.28	234.00	221.43	209.54	198.28	187.63				187.63
Market Price IRR	-5.37%									

Debt	50.00%	123.64
Equity	50.00%	123.64
<b>Total</b>	<b>100.00%</b>	<b>247.28</b>

	Present Value	Holding Period					Terminal Value			Sale Price
	Historic	ProForma	1	2	3	4	5			
Book Equity	158.04	123.64	121.84	120.04	118.24	116.43	114.63			
Goodwill	11	100.24	100.24	100.24	100.24	100.24	100.24			
Debt	0	123.64	123.64	123.64	123.64	123.64	123.64			
Debt Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%			
Additional Interest Expense		9.14	9.14	9.14	9.14	9.14				
<b>Tangible Book Value</b>	147.04	23.40	21.60	19.80	18.00	16.19	14.39			14.39
Annual Change			-1.80	-1.80	-1.80	-1.80	-1.80			
<b>Annual FCF</b>	3.22		(0.99)	(0.99)	(0.99)	(0.99)	(0.99)	(0.99)	(0.99)	(2.97)
Annual Net Income	9.12		(1.80)	(1.80)	(1.80)	(1.80)	(1.80)	(1.80)	(1.80)	
<b>Annual Op. Cash Flow</b>	6.11		2.01	2.01	2.01	2.01	2.01	2.01	2.01	
Dividend Payments										
<b>Annual PP&amp;E Investment</b>	(2.89)		(3.00)	(3.00)	(3.00)	(3.00)	(3.00)	(3.00)	(3.00)	
Debt Paydown	0.00						0.00	0.00	0.00	
<b>Sale Price in Year 5</b>										11.42
<b>Capital Left for Equity Investor</b>										11.42
<b>Dividend Payments</b>										0.00
<b>Total Cash In Flow</b>										11.42
<b>Invested Equity</b>	123.64	76.78	47.68	29.61	18.39	11.42				
IRR	-37.90%									

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)	-9.01
Cash Flow (Year 6-8)	-2.97
	<b>-11.98</b>

<u>Value Dilution</u>	
Debt	123.64
Goodwill	89.24
Additional Interest	45.70
	<b>258.58</b>