

Power-One (PWER)

Price:	\$4.14	Price/Book:	0.97	Net Tang. Asset Yr. 5/Share:	\$7.24
Market Cap:	\$502,844,400	EV/FCF:	-53.20	Avg. Year FCF/Share:	\$0.32
Cash:	\$287,380,000	Net Tang. Asset/Share:	\$4.23	Year 5 Disposition FCF Multipl:	3.0
Debt:	\$0	Avg. Year 1-5 FCF/Share:	\$0.32	Year 5 Disposition Price:	\$8.21
Net Cash:	\$287,380,000	5 Years of FCF:	\$1.62	Gain Year 5:	\$3.98
Enterprise Value:	\$215,464,400	Net Tang. Asset+5 FCF:	\$5.85		
		Net Tang. Asset+5 FCF+ Gain Disposition:			\$9.83
Target Market Cap:	\$1,194,025,274	IRR:			18.88%
Target Enterprise Value:	\$906,645,274				

We are renewing our interest in this stock after the stock price took a nose dive in 2012 summer. The co. is on track to generate +\$1B in sales and 13% EBIT margin. The co. stock is affected by the secular news surrounding the renewable energy market and legislation, which is not very friendly at the moment, as it once did a few years ago. It seems it is losing steam and may need another rise in commodity energy prices for renewable energy to be embraced as in the past.

Co. has zero debt, \$280M in liquid cash and short term investments, providing support for the co's stock price. Current equity market price is \$500M, so EV is \$215MM. The co. recognizes about \$150MM in operating cash flow, so EV/FCF is less than 2x. We are not aware of any major news to materially affect the co's finances. The co. is selling at a steep discount and a 5 year Price target of \$10, the investor would realize a 18% IRR.

SN VALUATION

LBO Analysis

WACC Terminal Value:	N/A	Intrinsic Price in 5 Years:	7.40	Non-LBO Forecast	Year 1 Target	4.65	Non-LBO Forecast	Desired Return Rate	20.00%
EV/EBITDA with 3X Multiple Terminal Value:	\$6.51	Market Price:	4.14		Year 2 Target	5.22		Implied Today's Price	2.97
Net Tangible Asset Terminal Value:	\$5.81	LBO Price:	4.14		Year 3 Target	5.86		Overvalued/(Undervalued)	39.28%
EV/EBITDA with Today's Multiple Terminal Value:	\$8.19	Premium to Market Price:	0.00%		Year 4 Target	6.59			
EVA Enterprise Value:	\$9.08	LBO Price/Intrinsic Price Target:	12.31%		Year 5 Target	7.40			
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	14.63%	Implied IRR (Market Price):	12.31%				
Average (Excluding Dividend Discount):	\$7.40	Implied IRR at today's EV/EBITDA:	14.63%						
		5 Year Return:	78.66%						

Current Evaluation				Exit Evaluation			
Current Market Price:	4.14	LBO Price:	4.14	Exit Price:	7.40	Exit Price:	8.19
Outstanding Shares:	121,460,000	Outstanding Shares:	121,460,000	Outstanding Shares:	121,460,000	Outstanding Shares:	121,460,000
Market Capitalization:	502,844,400	Market Capitalization:	502,844,400	Market Capitalization:	898,367,602	Market Capitalization:	995,168,897
Available Cash:	287,380,000	Available Cash:	287,380,000	Available Cash:	483,806,866	Available Cash:	483,806,866
Debt:	0	Debt:	0	Debt:	0	Debt:	0
Net Cash:	287,380,000	Net Cash:	287,380,000	Net Cash:	483,806,866	Net Cash:	483,806,866
Enterprise Value:	215,464,400	Enterprise Value:	215,464,400	Enterprise Value:	414,560,736	Enterprise Value:	511,362,031
Original EV/EBITDA:	1.25	EV/EBITDA:	1.25	EV/EBITDA at 5 Years:	4.05	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	1.11	EV/EBITDA:	1.12	EV/EBITDA at 5 Years:	5.04	EV/EBITDA at 5 Years:	4.38
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:	4.14	4.14	4.65	5.22	5.86	6.59	7.40
Shares Outstanding:	121,460,000	121,460,000	121,460,000	121,460,000	121,460,000	121,460,000	121,460,000
Market Capitalization:	502,844,400	502,844,400	564,725,906	634,222,731	712,272,039	799,926,324	898,367,602
Available Cash:	287,380,000	287,380,000	336,121,615	379,892,736	418,941,886	453,505,165	483,806,866
Debt:	0	0	0	0	0	0	0
Net Cash:	287,380,000	287,380,000	336,121,615	379,892,736	418,941,886	453,505,165	483,806,866
Enterprise Value:	215,464,400	215,464,400	228,604,290	254,329,995	293,330,153	346,421,159	414,560,736
EBIT	172,990,000	172,990,000	125,563,685	119,285,501	113,321,226	107,655,164	102,272,406
EV/EBIT:	1.25	1.25	1.82	2.13	2.59	3.22	4.05
EBITDA	191,720,000	191,720,000	143,357,185	136,189,326	129,379,859	122,910,866	116,765,323
EV/EBITDA:	1.12	1.12	1.59	1.87	2.27	2.82	3.55

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	4.14	4.14	4.05	4.35	4.61	4.84	5.03
Shares Outstanding:	121,460,000	121,460,000	121,460,000	121,460,000	121,460,000	121,460,000	121,460,000
Market Capitalization:	502,844,400	502,844,400	492,515,072	528,466,519	560,086,981	587,593,005	611,190,314
Available Cash:	287,380,000	287,380,000	336,121,615	379,892,736	418,941,886	453,505,165	483,806,866
Debt:	0	0	0	0	0	0	0
Net Cash:	287,380,000	287,380,000	336,121,615	379,892,736	418,941,886	453,505,165	483,806,866
Enterprise Value:	215,464,400	215,464,400	156,393,457	148,573,784	141,145,095	134,087,840	127,383,448
EBIT	172,990,000	172,990,000	125,563,685	119,285,501	113,321,226	107,655,164	102,272,406
EV/EBIT:	1.25	1.25	1.25	1.25	1.25	1.25	1.25
EBITDA	191,720,000	191,720,000	143,357,185	136,189,326	129,379,859	122,910,866	116,765,323
EV/EBITDA:	1.12	1.12	1.09	1.09	1.09	1.09	1.09

LBO Price	4.14	Equity Partners:	502,844,400	Weighting	100.00%	Annualized Return for Equity Partners:	14.63%
Shares Outstanding	121,460,000	Debt Partners:	0		0.00%		
Market Capitalization	502,844,400	Total Funds for LBO:	502,844,400		100.00%		
Debt	0						
Cash	287,380,000						
Enterprise Value	215,464,400						
Capital Investment	502,844,400						

Book Value	Enterprise Value	Stock Valuation	Debt Reduction
Beginning Book Value	519.02	Current Market Price	Starting Debt
Year 5 Book Value	884.94	Year 5 Market Price	Debt Repayment
Annualized Return	11.26%	Annualized Return	14.63%
			% of Starting Debt
			#DIV/0!

SN VALUATION

LBO Pro Forma Income Statement

Name:

Power-One

Ticker:

PWER

	Historical				Forecasted				
	12 months ending 2008-12-28	52 weeks ending 2010-01-03	52 weeks ending 2011-01-02	52 weeks ending 2012-01-01	2013	2014	2015	2016	2017
Revenue	537.46	431.57	1,047.14	1,016.71	965.87	917.58	871.70	828.12	786.71
COGS	426.88	335.28	644.02	704.01	705.09	669.83	636.34	604.53	574.30
Gross margin	110.58	96.29	403.12	312.70	260.79	247.75	235.36	223.59	212.41
SG&A	75.06	57.66	74.63	88.46	86.93	82.58	78.45	74.53	70.80
R&D	43.80	30.31	36.40	48.08	48.29	45.88	43.59	41.41	39.34
Unusual expense	-2.22	56.43	31.64	1.34	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	2.40	1.55	1.53	1.83	0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	-8.46	-49.66	258.92	172.99	125.56	119.29	113.32	107.66	102.27
Interest income/(expense)	-9.34	-7.51	-8.67	-3.54	2.05	2.05	2.05	2.05	2.05
Gain (loss) on sale of asset	0.00	0.00	0.00	18.43	0.00	0.00	0.00	0.00	0.00
Other	-2.58	0.20	0.00	7.76	0.00	0.00	0.00	0.00	0.00
Income before tax	-20.38	-56.97	250.25	195.64	127.61	121.33	115.37	109.70	104.32
Tax	-0.18	6.86	103.61	59.92	44.66	42.47	40.36	38.40	36.51
Income after tax	-20.20	-63.83	146.64	135.72	82.95	78.87	74.99	71.31	67.81
Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	2.66	0.57	1.22	0.58	0.80	0.72	0.67	0.65	0.61
Net income	-17.54	-63.27	147.86	136.30	83.74	79.58	75.66	71.95	68.42
*Figures are in millions (\$)									
EPS (based off today's share count)	-\$0.14	-\$0.52	\$1.22	\$1.12	\$0.69	\$0.66	\$0.62	\$0.59	\$0.56
P/E (historical today's price; forecasted intrinsic price)	-28.67	-7.95	3.40	3.69	6.74	7.97	9.41	11.12	13.13
Revenue Growth	N/A	-19.70%	142.64%	-2.91%	-5.00%	-5.00%	-5.00%	-5.00%	-5.00%
Tax Rate	0.88%	-12.04%	41.40%	30.63%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-9.55%	-9.40%	-24.08%	0.00%	NA	NA	NA	NA	NA
Margins									
COGS	79.43%	77.69%	61.50%	69.24%	73.00%	73.00%	73.00%	73.00%	73.00%
Gross margin	20.57%	22.31%	38.50%	30.76%	27.00%	27.00%	27.00%	27.00%	27.00%
SG&A	13.97%	13.36%	7.13%	8.70%	9.00%	9.00%	9.00%	9.00%	9.00%
R&D	8.15%	7.02%	3.48%	4.73%	5.00%	5.00%	5.00%	5.00%	5.00%
Unusual expense	-0.41%	13.08%	3.02%	0.13%	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	0.45%	0.36%	0.15%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	-1.57%	-11.51%	24.73%	17.01%	13.00%	13.00%	13.00%	13.00%	13.00%
Interest income/(expense)	-1.74%	-0.83%	-0.35%	-0.35%	0.21%	0.22%	0.24%	0.25%	0.26%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	1.81%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	-0.48%	0.05%	0.00%	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	-3.79%	-13.20%	19.24%	13.24%	13.21%	13.22%	13.24%	13.25%	13.26%
Tax	-0.03%	1.59%	9.89%	5.89%	4.62%	4.63%	4.63%	4.64%	4.64%
Income after tax	-3.76%	-14.79%	14.00%	13.35%	8.59%	8.17%	7.76%	7.38%	7.02%
Minority Interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	0.49%	0.13%	0.12%	0.06%	0.08%	0.08%	0.08%	0.08%	0.08%
Net income	-3.26%	-14.66%	14.12%	13.41%	8.67%	8.67%	8.66%	8.69%	8.70%

SN VALUATION

LBO Adjusted Proforma Balance Sheet

	As of 2008-12-28	As of 2010-01-03	As of 2011-01-02	As of 2012-01-01	As of 2012-09-30	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	28.41	89.55	227.91	204.88	251.94			251.94	300.88	344.45	383.50	418.07	448.37
Short term investment	0.00	0.00	0.00	0.00	35.44			35.44	35.44	35.44	35.44	35.44	35.44
Cash and Short term	28.41	89.55	227.91	204.88	287.38			287.38	336.12	379.89	418.94	453.51	483.81
Accounts Receivable	143.09	119.78	262.55	233.25	249.02			249.02	249.02	249.02	249.02	249.02	249.02
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	143.09	119.78	262.55	233.25	249.02			249.02	249.02	249.02	249.02	249.02	249.02
Total Inventory	101.61	73.17	152.29	160.51	187.56			187.56	187.56	187.56	187.56	187.56	187.56
Prepaid Expenses	8.31	10.61	21.67	15.35	14.38			14.38	14.38	14.38	14.38	14.38	14.38
Other Current Assets	2.72	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Current Assets	284.14	293.11	664.42	613.99	738.34	0.00	0.00	738.34	787.08	830.85	869.90	904.47	934.77
PP&E, Gross	136.58	137.11	136.22	180.00	180.00			180.00	230.00	280.00	330.00	380.00	430.00
Change in Depreciation		17.05	15.36	18.73	18.73			18.73	17.79	16.90	16.06	15.26	14.49
Accumulated Depreciation	81.20	88.20	72.90	80.00	80.00			80.00	97.79	114.70	130.76	146.01	160.50
PP&E, Net	55.38	48.91	63.32	100.00	100.00			100.00	132.21	165.30	199.24	233.99	269.50
Goodwill	59.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	20.28	18.60	18.80	17.41	15.98	0.00	0.00	15.98	15.98	15.98	15.98	15.98	15.98
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	7.42	7.94	7.29	15.24	12.57			12.57	12.57	12.57	12.57	12.57	12.57
Long Term Assets	142.11	75.45	89.41	132.65	128.55			128.55	160.76	193.85	227.79	262.54	298.05
Total Assets	426.25	368.56	753.83	746.64	866.89	0.00	0.00	866.89	947.84	1,024.71	1,097.70	1,167.00	1,232.81
Accounts Payable	100.66	89.07	213.10	177.33	177.33			177.33	177.33	177.33	177.33	177.33	177.33
Accrued Expense	23.84	26.12	67.34	64.75	64.75			64.75	64.75	64.75	64.75	64.75	64.75
Other current Liabilities	6.35	18.82	104.29	4.02	26.22			26.22	26.22	26.22	26.22	26.22	26.22
Total Current Liabilities	130.85	134.01	384.73	246.10	268.30	0.00	0.00	268.30	268.30	268.30	268.30	268.30	268.30
Notes Payables/Short Term Debt	26.95	0.50	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	0.47	1.27	0.10	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	70.42	78.15	35.91	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	0.00	0.00
Total Interest Earning Debt	97.84	79.92	36.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Income tax	4.66	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	11.38	16.28	39.45	56.82	84.77			84.77	84.77	84.77	84.77	84.77	84.77
Total Liabilities	244.73	230.21	460.19	302.92	353.07	0.00	0.00	353.07	353.07	353.07	353.07	353.07	353.07
Redeemable Preferred Stock	0.00	18.53	19.60	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	36.33	36.33			36.33	36.33	36.33	36.33	36.33	36.33
Common Stock	0.09	0.00	0.10	0.12	0.12		0.00	0.12	0.12	0.12	0.12	0.12	0.12
Additional Paid-in capital	618.25	620.26	629.69	652.97	658.59	0.00	0.00	658.59	658.59	658.59	658.59	658.59	658.59
Dividends Paid	0.00	0.00	0.00	0.00	0.00			0.00	-2.00	-4.00	-6.00	-8.00	-10.00
Retained Earnings	-473.77	-537.03	-389.18	-252.88	-180.07		0.00	-180.07	-97.12	-18.25	56.74	128.04	195.85
Treasury Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	39.65	39.27	41.42	4.05	4.05		0.00	4.05	4.05	4.05	4.05	4.05	4.05
Total Equity	184.22	141.12	301.63	440.59	519.02	0.00	0.00	519.02	599.97	676.84	749.83	819.13	884.94
Liability + Equity	428.95	371.33	761.82	743.51	872.09	0.00	0.00	872.09	953.04	1,029.91	1,102.90	1,172.20	1,238.01
Variance	-2.70	-2.77	-7.99	3.13	-5.20			-5.20	-5.20	-5.20	-5.20	-5.20	-5.20
Debt/Equity	0.53	0.57	0.12	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Inventory Turnover	5.29	5.90	6.88	6.33	5.15			5.42	5.15	4.89	4.65	4.42	4.19
Inventory Turnover Days	69.01	61.88	53.08	57.62	70.88			67.33	70.88	74.61	78.54	82.67	87.02
Days Inventory Outstanding	86.88	79.66	86.31	83.22	97.09			97.24	97.09	102.20	107.58	113.24	119.21
Accounts Receivable Turnover	3.76	3.60	3.99	4.36	3.88			4.08	3.88	3.68	3.50	3.33	3.16
Accounts Receivable Turnover Days	97.18	101.30	91.52	83.74	94.10			89.40	94.10	99.06	104.27	109.76	115.53
Days Payable Outstanding	86.07	96.97	120.77	91.94	91.80			91.94	91.80	96.63	101.71	107.07	112.70
Days Sales Outstanding	97.18	101.30	91.52	83.74	94.10			83.74	89.40	94.10	99.06	104.27	109.76
Cash Conversion Cycle	97.99	83.99	57.05	75.02	99.40			89.04	94.69	99.68	104.92	110.45	116.26
Net tangible assets/share	\$1.01	\$1.14	\$2.42	\$3.65	\$4.23			\$4.90	\$5.53	\$6.13	\$6.70	\$7.24	\$7.74

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2008-12-28	52 weeks ending 2010-01-03	52 weeks ending 2011-01-02	52 weeks ending 2012-01-01	2011	2012	2013	2014	2015
Net Income	-17.54	-63.27	147.86	136.30	82.95	78.87	74.99	71.31	67.81
Depreciation	18.90	17.05	15.36	18.73	17.79	16.90	16.06	15.26	14.49
Net Income + Depreciation	1.36	-46.22	163.22	155.03	100.74	95.77	91.05	86.56	82.30
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	-1.65	-0.21	-3.73	-2.78	0.00	0.00	0.00	0.00	0.00
Non Cash Items	4.04	43.44	12.36	-9.57	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-26.06	57.96	38.09	-104.12	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	23.31	-142.77	29.30	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	28.44	-79.12	-8.22	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-2.30	-11.06	6.32	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-11.59	124.03	-35.77	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	-22.31	54.97	209.94	38.56	100.74	95.77	91.05	86.56	82.30
Capital Expenditures Expenditures	-8.80	-6.75	-27.63	-42.21	-50.00	-50.00	-50.00	-50.00	-50.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	7.56	0.19	-2.26	-0.40	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-1.24	-6.56	-29.89	-42.61	-50.00	-50.00	-50.00	-50.00	-50.00
Financing Cash flow items	-0.36	-0.17	-2.92	-4.63	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	-0.94	-2.36	-2.02	2.00	2.00	2.00	2.00	2.00
Issuance (Retirement) of Stock	0.30	20.41	-22.75	-4.70	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	22.90	-8.75	-14.84	-0.11	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	22.84	10.55	-42.87	-11.46	-2.00	-2.00	-2.00	-2.00	-2.00
Foreign Exchange effect	0.76	2.17	1.20	-7.50	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	28.36	28.41	89.55	227.91	251.94	300.68	344.45	383.50	418.07
Net Change in Cash	0.05	61.14	138.35	-23.03	48.74	43.77	39.05	34.56	30.30
Ending Cash Balance	28.41	89.55	227.90	204.88	300.68	344.45	383.50	418.07	448.37
Capex to Revenue	1.64%	1.56%	2.64%	4.15%	5.18%	5.45%	5.74%	6.04%	6.36%
Depreciation to Sales	3.52%	3.95%	1.47%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%
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	26.62%	27.75%	25.07%	22.94%	24.15%	25.42%	26.76%	28.17%	29.65%
Distributable FCF Yield	-10.93%	22.47%	83.56%	-1.88%	23.55%	21.24%	19.05%	16.97%	14.99%
Dividend Yield	0.00%	-0.19%	-0.47%	-0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
FCF (Ops-Investing-Dividends)	-23.55	49.35	182.41	-2.03	48.74	43.77	39.05	34.56	30.30

SN VALUATION

LBO Debt Schedule

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	-23.03	48.74	43.77	39.05	34.56	30.30
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	0.00	0.00	0.00	0.00	0.00	0.00
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		1.00%	1.00%	1.00%	1.00%	1.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		5.00%	5.00%	5.00%	5.00%	5.00%
Interest Expense		0.00	0.00	0.00	0.00	0.00
Cash Balance		204.88				
Interest @ 1.0%		2.05	2.05	2.05	2.05	2.05
Net Interest Expense/(Income)		(2.05)	(2.05)	(2.05)	(2.05)	(2.05)
Net Interest Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
EBITDA		125.56	119.29	113.32	107.66	102.27
EBITDA/Interest Expense Coverage		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Interest Rate Coverage Table

Debt Rating					
AAA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
AA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BBB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CCC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
C	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
D	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Power-One

Ticker:

PWER

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	153.29	159.10	279.69	470.04	518.78	562.55	601.60	636.17	666.47
Total Assets	426.25	368.56	753.83	866.89	947.84	1,024.71	1,097.70	1,167.00	1,232.81
X1	0.36	0.43	0.37	0.54	0.55	0.55	0.55	0.55	0.54
Retained Earnings	-473.77	-537.03	-389.18	-180.07	-97.12	-18.25	56.74	128.04	195.85
Total Assets	426.25	368.56	753.83	866.89	947.84	1,024.71	1,097.70	1,167.00	1,232.81
X2	-1.11	-1.46	-0.52	-0.21	-0.10	-0.02	0.05	0.11	0.16
EBITDA	-6.06	-48.11	260.45	174.82	125.56	119.29	113.32	107.66	102.27
Total Assets	426.25	368.56	753.83	866.89	947.84	1,024.71	1,097.70	1,167.00	1,232.81
X3	-0.01	-0.13	0.35	0.20	0.13	0.12	0.10	0.09	0.08
Market Value of Equity	502.84	502.84	502.84	502.84	564.73	634.22	712.27	799.93	898.37
Total Liabilities	244.73	230.21	460.19	353.07	353.07	353.07	353.07	353.07	353.07
X4	2.05	2.18	1.09	1.42	1.60	1.80	2.02	2.27	2.54
Net Sales	537.46	431.57	1,047.14	1,016.71	965.87	917.58	871.70	828.12	786.71
Total Assets	426.25	368.56	753.83	866.89	947.84	1,024.71	1,097.70	1,167.00	1,232.81
X5	1.26	1.17	1.39	1.17	1.02	0.90	0.79	0.71	0.64
Altman Z Score	1.32	0.53	2.91	3.05	2.93	2.99	3.08	3.18	3.31

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

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