

Precision Castparts Corp (PCP)

Price:	\$208.46	Net Tang. Bk Value Incl. Cash (NTBVIC):	\$3,598,800,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$15,147,019,113.60
Market Cap:	\$30,528,967,000	NTBVIC/Market Downside Recovery:	11.79%	Avg. Year FCF/Share:	\$2,412,903,905.92
Cash:	\$483,300,000	Op. Cash Flow:	\$1,715,649,600	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$204,900,000	Implied Years to Fill Gap:	15.70	Year 5 Disposition Price:	\$22,385,730,831.36
Net Cash:	\$278,400,000	Today's Equity if 5x Op. CF:	\$8,745,748,800		
Enterprise Value:	\$30,250,567,000			Net Tang. Book+5 FCF+ Gain Disposition:	\$22,385,730,831.36
				IRR:	-6.02%
Shares Outstanding:	146,450,000			Price:	\$152.86
				Target Market Cap:	\$22,385,730,831
				Target Enterprise Value:	\$22,107,330,831

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

The 2nd place winner of the Moon Lee Prize from Columbia College set a price target for \$275/share on April 16th, 2013. It moved from \$185 to today's \$208, or a 12% appreciation in less than 1 month. He made a great call.

However, we disagree on the long term value from our standards. We feel there is a lot of bullish expectations over the company's prospect, which values in 17 years of operating cash flow on top of the tangible book value. We smell a frothy premium brewing in the market price and we must say the value proposition is not justified with a \$275/share call.

We say short the stock down to \$150. =)

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SN VALUATION

LBO Pro Forma Income Statement

Name:

Precision Castparts Corp

Ticker:

PCP

	Historical				Forecasted				
	52 weeks ending 2010-03-28	52 weeks ending 2011-04-03	52 weeks ending 2012-04-01	52 weeks ending 2013-03-31	2013	2014	2015	2016	2017
Revenue	5,459.20	6,220.10	7,201.90	8,377.80	10,053.36	12,064.03	14,476.84	17,372.21	20,846.65
COGS	3,668.80	4,326.70	4,939.60	5,680.30	6,836.28	8,203.54	9,844.25	11,813.10	14,175.72
<b>Gross margin</b>	<b>1,790.40</b>	<b>1,893.40</b>	<b>2,262.30</b>	<b>2,697.50</b>	<b>3,217.08</b>	<b>3,860.49</b>	<b>4,632.59</b>	<b>5,559.11</b>	<b>6,670.93</b>
SG&A	367.10	390.60	446.40	536.20	703.74	844.48	1,015.38	1,216.05	1,459.27
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					180.00	180.00	180.00	180.00	180.00
<b>Operating Income (EBITA)</b>	<b>1,423.30</b>	<b>1,502.80</b>	<b>1,815.90</b>	<b>2,161.30</b>	<b>2,333.34</b>	<b>2,836.01</b>	<b>3,439.21</b>	<b>4,163.05</b>	<b>5,031.66</b>
Interest income/(expense)	0.00	0.00	0.00	0.00	-7.36	-7.36	-7.36	-7.36	-7.36
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>1,410.20</b>	<b>1,493.80</b>	<b>1,810.70</b>	<b>2,129.50</b>	<b>2,325.98</b>	<b>2,828.65</b>	<b>3,431.85</b>	<b>4,155.70</b>	<b>5,024.31</b>
Tax	485.70	499.70	594.00	695.60	814.09	990.03	1,201.15	1,454.49	1,758.51
<b>Income after tax</b>	<b>924.50</b>	<b>994.10</b>	<b>1,216.70</b>	<b>1,433.90</b>	<b>1,511.89</b>	<b>1,838.62</b>	<b>2,230.70</b>	<b>2,701.20</b>	<b>3,265.80</b>
Minority Interest	-0.80	-1.30	-1.70	-2.50	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	1.40	16.60	14.60	0.60	9.23	9.35	10.82	13.43	15.96
<b>Net income</b>	<b>925.10</b>	<b>1,009.40</b>	<b>1,229.60</b>	<b>1,432.00</b>	<b>1,521.12</b>	<b>1,847.97</b>	<b>2,241.53</b>	<b>2,714.63</b>	<b>3,281.76</b>
*Figures are in millions (\$)									
EPS (based off today's share count)	\$6.32	\$6.89	\$8.40	\$9.78	\$10.39	\$12.62	\$15.31	\$18.54	\$22.41
P/E (historical today's price; forecasted intrinsic price)	33.00	30.24	24.83	21.32	18.86	14.59	11.31	8.77	6.82
<b>Revenue Growth</b>	<b>N/A</b>	<b>13.94%</b>	<b>15.78%</b>	<b>16.33%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>
Tax Rate	34.44%	33.45%	32.80%	32.66%	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	67.20%	69.56%	68.59%	67.80%	68.00%	68.00%	68.00%	68.00%	68.00%
<b>Gross margin</b>	<b>32.80%</b>	<b>30.44%</b>	<b>31.41%</b>	<b>32.20%</b>	<b>32.00%</b>	<b>32.00%</b>	<b>32.00%</b>	<b>32.00%</b>	<b>32.00%</b>
SG&A	6.72%	6.28%	6.20%	6.40%	7.00%	7.00%	7.00%	7.00%	7.00%
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%	1.79%	1.43%	1.24%	1.04%	0.96%
<b>Operating Income (EBITA)</b>	<b>26.07%</b>	<b>24.16%</b>	<b>25.21%</b>	<b>25.80%</b>	<b>23.21%</b>	<b>23.51%</b>	<b>23.76%</b>	<b>23.96%</b>	<b>24.14%</b>
Interest income/(expense)	0.00%	0.00%	0.00%	0.00%	-0.07%	-0.06%	-0.05%	-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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Income before tax</b>	<b>25.83%</b>	<b>24.02%</b>	<b>25.14%</b>	<b>25.42%</b>	<b>23.14%</b>	<b>23.45%</b>	<b>23.71%</b>	<b>23.92%</b>	<b>24.10%</b>
Tax	8.90%	8.03%	8.25%	8.30%	8.10%	8.21%	8.30%	8.37%	8.44%
<b>Income after tax</b>	<b>16.93%</b>	<b>15.99%</b>	<b>16.89%</b>	<b>17.12%</b>	<b>15.04%</b>	<b>18.29%</b>	<b>22.19%</b>	<b>26.87%</b>	<b>32.48%</b>
Minority Interest	-0.01%	-0.02%	-0.02%	-0.03%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	0.03%	0.27%	0.20%	0.01%	0.09%	0.08%	0.07%	0.08%	0.08%
<b>Net income</b>	<b>16.95%</b>	<b>16.23%</b>	<b>17.07%</b>	<b>17.09%</b>	<b>15.13%</b>	<b>15.32%</b>	<b>15.48%</b>	<b>15.63%</b>	<b>15.74%</b>

	As of 2009-03-29	As of 2010-03-28	As of 2011-04-03	As of 2012-04-01	As of 2012-12-30	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	554.50	112.40	1,159.00	698.70	483.30			483.30	1,998.95	3,882.09	6,206.20	9,059.50	12,547.82
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>554.50</b>	<b>112.40</b>	<b>1,159.00</b>	<b>698.70</b>	<b>483.30</b>			<b>483.30</b>	<b>1,998.95</b>	<b>3,882.09</b>	<b>6,206.20</b>	<b>9,059.50</b>	<b>12,547.82</b>
Accounts Receivable	906.10	846.60	978.70	1,188.40	1,200.00			1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
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>906.10</b>	<b>846.60</b>	<b>978.70</b>	<b>1,188.40</b>	<b>1,200.00</b>			<b>1,200.00</b>	<b>1,200.00</b>	<b>1,200.00</b>	<b>1,200.00</b>	<b>1,200.00</b>	<b>1,200.00</b>
Total Inventory	1,225.70	1,435.30	1,459.40	1,817.60	3,049.80			3,049.80	3,049.80	3,049.80	3,049.80	3,049.80	3,049.80
Prepaid Expenses	16.00	21.70	21.00	29.60	146.80			146.80	146.80	146.80	146.80	146.80	146.80
Other Current Assets	82.40	27.40	12.50	43.60	98.20			98.20	98.20	98.20	98.20	98.20	98.20
<b>Current Assets</b>	<b>2,784.70</b>	<b>2,443.40</b>	<b>3,630.60</b>	<b>3,777.90</b>	<b>4,978.10</b>	<b>0.00</b>	<b>0.00</b>	<b>4,978.10</b>	<b>6,493.75</b>	<b>8,376.89</b>	<b>10,701.00</b>	<b>13,554.30</b>	<b>17,042.62</b>
PP&E, Gross	2,048.20	2,220.60	2,360.20	3,593.40	3,600.00			3,600.00	3,800.00	4,000.00	4,200.00	4,400.00	4,600.00
Change in Depreciation		151.80	163.80	169.80	169.80			169.80	203.76	244.51	293.41	352.10	422.52
Accumulated Depreciation	905.20	1,014.10	1,165.40	1,403.00	1,400.00			1,400.00	1,603.76	1,848.27	2,141.69	2,493.78	2,916.30
<b>PP&amp;E, Net</b>	<b>1,143.00</b>	<b>1,206.50</b>	<b>1,194.80</b>	<b>2,190.40</b>	<b>2,200.00</b>			<b>2,200.00</b>	<b>2,196.24</b>	<b>2,151.73</b>	<b>2,058.31</b>	<b>1,906.22</b>	<b>1,683.70</b>
Goodwill	2,417.80	2,835.90	2,889.20	3,514.50	5,673.80	0.00		5,673.80	5,673.80	5,673.80	5,673.80	5,673.80	5,673.80
Intangibles	138.40	468.40	455.10	1,228.10	2,804.80			2,804.80	2,804.80	2,804.80	2,804.80	2,804.80	2,804.80
Long term investments	0.00	372.40	411.90	442.80	446.30			446.30	446.30	446.30	446.30	446.30	446.30
Other long term assets	237.50	255.40	354.30	265.40	360.00			360.00	360.00	360.00	360.00	360.00	360.00
<b>Long Term Assets</b>	<b>3,936.70</b>	<b>5,138.60</b>	<b>5,305.30</b>	<b>7,641.20</b>	<b>11,484.90</b>	<b>0.00</b>	<b>0.00</b>	<b>11,484.90</b>	<b>11,481.14</b>	<b>11,436.63</b>	<b>11,343.21</b>	<b>11,191.12</b>	<b>10,968.60</b>
<b>Total Assets</b>	<b>6,721.40</b>	<b>7,582.00</b>	<b>8,935.90</b>	<b>11,419.10</b>	<b>16,463.00</b>	<b>0.00</b>	<b>0.00</b>	<b>16,463.00</b>	<b>17,974.89</b>	<b>19,813.51</b>	<b>22,044.22</b>	<b>24,745.42</b>	<b>28,011.22</b>
Accounts Payable	600.20	581.80	607.80	715.20	715.20			715.20	715.20	715.20	715.20	715.20	715.20
Accrued Expense	344.90	242.50	256.40	293.50	293.50			293.50	293.50	293.50	293.50	293.50	293.50
Other current Liabilities	60.70	54.40	63.10	61.70	14.40			14.40	14.40	14.40	14.40	14.40	14.40
<b>Total Current Liabilities</b>	<b>1,005.80</b>	<b>878.70</b>	<b>927.30</b>	<b>1,070.40</b>	<b>1,023.10</b>	<b>0.00</b>	<b>0.00</b>	<b>1,023.10</b>	<b>1,023.10</b>	<b>1,023.10</b>	<b>1,023.10</b>	<b>1,023.10</b>	<b>1,023.10</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	55.00	15.10	14.70	0.50	204.90			204.90	204.90	204.90	204.90	204.90	204.90
Long term Debt	250.30	234.90	221.90	207.70	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>305.30</b>	<b>250.00</b>	<b>236.60</b>	<b>208.20</b>	<b>204.90</b>	<b>0.00</b>	<b>0.00</b>	<b>204.90</b>	<b>204.90</b>	<b>204.90</b>	<b>204.90</b>	<b>204.90</b>	<b>204.90</b>
Deferred Income tax	111.80	137.60	194.40	259.10	769.30			769.30	769.30	769.30	769.30	769.30	769.30
Minority Interest	3.30	2.90	3.00	4.10	391.00			391.00	391.00	391.00	391.00	391.00	391.00
Other liabilities	435.40	502.70	433.10	656.30	4,802.10			4,802.10	4,802.10	4,802.10	4,802.10	4,802.10	4,802.10
<b>Total Liabilities</b>	<b>1,861.60</b>	<b>1,771.90</b>	<b>1,794.40</b>	<b>2,198.10</b>	<b>7,190.40</b>	<b>0.00</b>	<b>0.00</b>	<b>7,190.40</b>	<b>7,190.40</b>	<b>7,190.40</b>	<b>7,190.40</b>	<b>7,190.40</b>	<b>7,190.40</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	139.90	141.90	143.70	145.30	145.30			145.30	145.30	145.30	145.30	145.30	145.30
Additional Paid-in capital	1,112.70	1,263.80	1,455.70	1,653.60	1,650.00	0.00	0.00	1,650.00	1,650.00	1,650.00	1,650.00	1,650.00	1,650.00
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	3,895.40	4,800.30	5,796.70	7,003.50	8,000.00			8,000.00	9,511.89	11,350.51	13,581.22	16,282.42	19,548.22
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	-288.20	-319.50	-236.30	-442.40	-442.40			-442.40	-442.40	-442.40	-442.40	-442.40	-442.40
<b>Total Equity</b>	<b>4,859.80</b>	<b>5,886.50</b>	<b>7,159.80</b>	<b>8,360.00</b>	<b>9,352.90</b>	<b>0.00</b>	<b>0.00</b>	<b>9,352.90</b>	<b>10,864.79</b>	<b>12,703.41</b>	<b>14,934.12</b>	<b>17,635.32</b>	<b>20,901.12</b>
<b>Liability + Equity</b>	<b>6,721.40</b>	<b>7,582.00</b>	<b>8,935.20</b>	<b>10,558.10</b>	<b>16,543.30</b>	<b>0.00</b>	<b>0.00</b>	<b>16,543.30</b>	<b>18,055.19</b>	<b>19,893.81</b>	<b>22,124.52</b>	<b>24,825.72</b>	<b>28,091.52</b>
<b>Variance</b>	0.00	-76.40	-18.30	861.00	-80.30			-80.30	-80.30	-80.30	-80.30	-80.30	-80.30
<b>Debt/Equity</b>	0.06	0.04	0.03	0.02	0.02			0.02	0.02	0.02	0.01	0.01	0.01
Inventory Turnover	4.45	4.33	4.93	4.61	3.30			2.75	3.30	3.96	4.75	5.70	6.84
Inventory Turnover Days	81.95	84.22	73.96	79.19	110.73			132.87	110.73	92.27	76.89	64.08	53.40
Days Inventory Outstanding	121.94	121.08	107.84	116.79	162.83			195.97	162.83	135.69	113.08	94.23	78.53
Accounts Receivable Turnover	6.02	7.35	7.36	7.05	6.98			8.38	8.38	10.05	12.06	14.48	17.37
Accounts Receivable Turnover Days	60.58	49.68	49.60	51.78	43.57			52.28	43.57	36.31	30.26	25.21	21.01
Days Payable Outstanding	59.71	49.08	44.91	45.96	38.19			45.96	38.19	31.82	26.52	22.10	18.42
Days Sales Outstanding	60.58	49.68	49.60	51.78	43.57			51.78	52.28	43.57	36.31	30.26	25.21
Cash Conversion Cycle	122.81	121.68	112.53	122.61	168.22			201.79	176.93	147.44	122.87	102.39	85.32
Net tangible assets/share	\$16.67	\$20.31	\$29.04	\$38.97	\$24.57				\$34.90	\$47.45	\$62.68	\$81.13	\$103.43

	52 weeks ending 2009-03-29	52 weeks ending 2010-03-28	52 weeks ending 2011-04-03	52 weeks ending 2012-04-01	2011	2012	2013	2014	2015
Net Income	1,044.80	922.60	1,014.80	1,225.80	1,511.89	1,838.62	2,230.70	2,701.20	3,265.80
Depreciation	135.80	151.80	163.80	169.80	203.76	244.51	293.41	352.10	422.52
<b>Net Income + Depreciation</b>	<b>1,180.60</b>	<b>1,074.40</b>	<b>1,178.60</b>	<b>1,395.60</b>	<b>1,715.65</b>	<b>2,083.14</b>	<b>2,524.12</b>	<b>3,053.30</b>	<b>3,688.32</b>
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	116.80	150.90	77.70	70.80	0.00	0.00	0.00	0.00	0.00
Non Cash Items	41.70	18.10	-5.00	-17.30	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-236.00	-333.60	-213.30	-410.80	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	59.50	-132.10	-209.70	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	-209.60	-24.10	-358.20	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-5.70	0.70	-8.60	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-18.40	26.00	107.40	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>1,103.10</b>	<b>909.80</b>	<b>1,038.00</b>	<b>1,038.30</b>	<b>1,715.65</b>	<b>2,083.14</b>	<b>2,524.12</b>	<b>3,053.30</b>	<b>3,688.32</b>
Capital Expenditures Expenditures	-203.90	-169.50	-120.40	-192.10	-200.00	-200.00	-200.00	-200.00	-200.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-460.20	-1,206.30	-12.50	-1,397.50	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>-664.10</b>	<b>-1,375.80</b>	<b>-132.90</b>	<b>-1,589.60</b>	<b>-200.00</b>	<b>-200.00</b>	<b>-200.00</b>	<b>-200.00</b>	<b>-200.00</b>
Financing Cash flow items	10.60	22.10	29.10	27.20	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-16.70	-16.90	-17.10	-17.30	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	36.70	89.00	116.30	122.10	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	-50.00	-55.30	-14.70	-28.60	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>-19.40</b>	<b>38.90</b>	<b>113.60</b>	<b>103.40</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Foreign Exchange effect	-86.40	-15.00	27.90	-12.40	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	221.30	554.50	112.40	1,159.00	483.30	1,998.95	3,882.09	6,206.20	9,059.50
<b>Net Change in Cash</b>	<b>333.20</b>	<b>-442.10</b>	<b>1,046.60</b>	<b>-460.30</b>	<b>1,515.65</b>	<b>1,883.14</b>	<b>2,324.12</b>	<b>2,853.30</b>	<b>3,488.32</b>
Ending Cash Balance	554.50	112.40	1,159.00	698.70	1,998.95	3,882.09	6,206.20	9,059.50	12,547.82
Capex to Revenue	3.73%	2.73%	1.67%	2.29%	1.99%	1.66%	1.38%	1.15%	0.96%
Depreciation to Sales	2.49%	2.44%	2.27%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%
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	16.60%	13.61%	13.59%	14.19%	11.82%	9.85%	8.21%	6.84%	5.70%
Distributable FCF/EV Yield	1.45%	-1.54%	2.99%	-1.82%	5.01%	6.23%	7.68%	9.43%	11.53%
Dividend Yield	-0.05%	-0.06%	-0.06%	-0.06%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>FCF (Ops-Investing-Dividends)</b>	<b>915.90</b>	<b>757.20</b>	<b>934.70</b>	<b>863.50</b>	<b>1,515.65</b>	<b>1,883.14</b>	<b>2,324.12</b>	<b>2,853.30</b>	<b>3,488.32</b>

# SN VALUATION

# LBO Debt Schedule

Ticker:

PCP

	Proforma	2013	2014	2015	2016	2017
<b>Net Change in Cash</b>	<b>-460.30</b>	<b>1,515.65</b>	<b>1,883.14</b>	<b>2,324.12</b>	<b>2,853.30</b>	<b>3,488.32</b>
Current Portion Debt Repayment						
Long Term Debt Repayment						
<b>Outstanding Debt</b>	<b>204.90</b>	<b>204.90</b>	<b>204.90</b>	<b>204.90</b>	<b>204.90</b>	<b>204.90</b>
Current Portion Debt Balance	204.90	204.90	204.90	204.90	204.90	204.90
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>14.34</b>	<b>14.34</b>	<b>14.34</b>	<b>14.34</b>	<b>14.34</b>
Cash Balance		698.70				
Interest @ 1.0%		6.99	6.99	6.99	6.99	6.99
<b>Net Interest Expense/(Income)</b>		<b>7.36</b>	<b>7.36</b>	<b>7.36</b>	<b>7.36</b>	<b>7.36</b>
<b>Net Interest Rate</b>		<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
EBITDA		2,333.34	2,836.01	3,439.21	4,163.05	5,031.66
<b>EBITDA/Interest Expense Coverage</b>		<b>162.68</b>	<b>197.73</b>	<b>239.78</b>	<b>290.25</b>	<b>350.81</b>

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

# Altman Z Score

Company Name:

Precision Castparts Corp

Ticker:

PCP

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	1,778.90	1,564.70	2,703.30	3,955.00	5,470.65	7,353.79	9,677.90	12,531.20	16,019.52
Total Assets	6,721.40	7,582.00	8,935.90	16,463.00	17,974.89	19,813.51	22,044.22	24,745.42	28,011.22
<b>X1</b>	<b>0.26</b>	<b>0.21</b>	<b>0.30</b>	<b>0.24</b>	<b>0.30</b>	<b>0.37</b>	<b>0.44</b>	<b>0.51</b>	<b>0.57</b>
Retained Earnings	3,895.40	4,800.30	5,796.70	8,000.00	9,511.89	11,350.51	13,581.22	16,282.42	19,548.22
Total Assets	6,721.40	7,582.00	8,935.90	16,463.00	17,974.89	19,813.51	22,044.22	24,745.42	28,011.22
<b>X2</b>	<b>0.58</b>	<b>0.63</b>	<b>0.65</b>	<b>0.49</b>	<b>0.53</b>	<b>0.57</b>	<b>0.62</b>	<b>0.66</b>	<b>0.70</b>
EBITDA	1,423.30	1,502.80	1,815.90	2,161.30	2,513.34	3,016.01	3,619.21	4,343.05	5,211.66
Total Assets	6,721.40	7,582.00	8,935.90	16,463.00	17,974.89	19,813.51	22,044.22	24,745.42	28,011.22
<b>X3</b>	<b>0.21</b>	<b>0.20</b>	<b>0.20</b>	<b>0.13</b>	<b>0.14</b>	<b>0.15</b>	<b>0.16</b>	<b>0.18</b>	<b>0.19</b>
Market Value of Equity	30,528.97	30,528.97	30,528.97	30,528.97	28,692.21	26,965.95	25,343.56	23,818.78	22,385.73
Total Liabilities	1,861.60	1,771.90	1,794.40	7,190.40	7,190.40	7,190.40	7,190.40	7,190.40	7,190.40
<b>X4</b>	<b>16.40</b>	<b>17.23</b>	<b>17.01</b>	<b>4.25</b>	<b>3.99</b>	<b>3.75</b>	<b>3.52</b>	<b>3.31</b>	<b>3.11</b>
Net Sales	5,459.20	6,220.10	7,201.90	8,377.80	10,053.36	12,064.03	14,476.84	17,372.21	20,846.65
Total Assets	6,721.40	7,582.00	8,935.90	16,463.00	17,974.89	19,813.51	22,044.22	24,745.42	28,011.22
<b>X5</b>	<b>0.81</b>	<b>0.82</b>	<b>0.81</b>	<b>0.51</b>	<b>0.56</b>	<b>0.61</b>	<b>0.66</b>	<b>0.70</b>	<b>0.74</b>
<b>Altman Z Score</b>	<b>12.48</b>	<b>12.95</b>	<b>12.96</b>	<b>4.46</b>	<b>4.52</b>	<b>4.61</b>	<b>4.70</b>	<b>4.80</b>	<b>4.89</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