

Public Storage (PSA)

Price:	\$147.96
Market Cap:	\$25,397,334,000
Cash:	\$535,750,000
Debt:	\$600,000,000
Net Cash:	-\$64,250,000
Enterprise Value:	\$25,461,584,000
Target Market Cap:	\$14,793,116,313
Target Enterprise Value:	\$14,857,366,313

Price/Book:	3.06
EV/FCF:	22.85
Net Tang. Asset/Share:	\$47.77
Avg. Year 1-5 FCF/Share:	\$4.66
5 Years of FCF:	\$23.29
Net Tang. Asset+5 FCF:	\$71.06

Net Tang. Asset Yr. 5/Share:	\$62.89
Avg. Year FCF/Share:	\$4.66
Year 5 Disposition FCF Multiple:	5.0
Year 5 Disposition Price:	\$86.18
Gain Year 5:	\$15.12

Net Tang. Asset+5 FCF+ Gain Disposition:	\$86.18
IRR:	-10.25%

Assumed Deal Details

Debt	60.00%	\$15,238,400,400
Equity	40.00%	\$10,158,933,600
Shares Outstanding		171,650,000

Levered Return

New market cap in 5 years	\$14,793,116,313
Nominal Gain for Equity	-\$10,604,217,687
Levered Equity Return	-153.50%

Co. is making \$1BB in cash flow and is taking advantage of the NOL balance, where they are not paying taxes on their NI. Even with the taxes, the NI margin is near 30%. \$8BB net asset with only \$800MM in debt outstanding. Phenomenal balance sheet.

We would buy the REIT out at \$15BB, but it is too expensive at \$25BB EV.

Nonetheless, this is a great example of a great REIT, that is generating tons of cash and distributing a lot back. (\$850MM)

The REIT owns 2000 self-storage facilities in 30 plus states.

We would buy it for \$80. We believe many investors are purchasing the stock at the premium level since the dividend yield is 3%, which is higher than the 10 year Treasury at 2%. The EV is backed by the actual real estate and the cash flow so there is a partial insurance for the investment.

Overall, great REIT, but too pricey. Entry at ~\$80, or a 55% discount from the current price.

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LBO Analysis

WACC Terminal Value:	N/A	Intrinsic Price in 5 Years:	61.82	Non-LBO Forecast	Non-LBO Forecast	Desired Return Rate	20.00%
EV/EBITDA with 3X Multiple Terminal Value:	\$44.89	Market Price:	147.96	Year 1 Target	124.26	Implied Today's Price	24.84
Net Tangible Asset Terminal Value:	\$71.67	LBO Price:	147.96	Year 2 Target	104.36	Overvalued/(Undervalued)	495.58%
EV/EBITDA with Today's Multiple Terminal Value:	\$59.54	Premium to Market Price:	0.00%	Year 3 Target	87.64		
EVA Enterprise Value:	\$71.16	LBO Price/Intrinsic Price Target:	-16.02%	Year 4 Target	73.61		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-16.90%	Year 5 Target	61.82		
Average (Excluding Dividend Discount):	\$61.82	Implied IRR at today's EV/EBITDA:	-16.64%	Implied IRR (Market Price):	-16.02%		
		5 Year Return:	-58.22%				

Current Evaluation				Exit Evaluation			
Current Market Price:	147.96	LBO Price:	147.96	Exit Price:	61.82	Exit Price:	59.54
Outstanding Shares:	171,650,000	Outstanding Shares:	171,650,000	Outstanding Shares:	171,650,000	Outstanding Shares:	171,650,000
Market Capitalization:	25,397,334,000	Market Capitalization:	25,397,334,000	Market Capitalization:	10,611,036,736	Market Capitalization:	10,220,731,840
Available Cash:	535,750,000	Available Cash:	535,750,000	Available Cash:	4,533,736,920	Available Cash:	4,533,736,920
Debt:	600,000,000	Debt:	600,000,000	Debt:	600,000,000	Debt:	600,000,000
Net Cash:	-64,250,000	Net Cash:	-64,250,000	Net Cash:	3,933,736,920	Net Cash:	3,933,736,920
Enterprise Value:	25,461,584,000	Enterprise Value:	25,461,584,000	Enterprise Value:	6,677,299,816	Enterprise Value:	6,286,994,920
Original EV/EBITDA:	30.53	EV/EBITDA:	30.53	EV/EBITDA at 5 Years:	7.52	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	16.71	EV/EBITDA:	21.85	EV/EBITDA at 5 Years:	7.06	EV/EBITDA at 5 Years:	4.90
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:	147.96	143.11	120.19	100.94	84.77	71.19	59.79
Shares Outstanding:	171,650,000	171,650,000	171,650,000	171,650,000	171,650,000	171,650,000	171,650,000
Market Capitalization:	25,397,334,000	24,564,529,804	20,630,150,354	17,325,921,034	14,550,913,809	12,220,365,790	10,263,090,140
Available Cash:	535,750,000	535,750,000	1,289,611,460	2,065,888,078	2,865,028,157	3,687,488,966	4,533,736,920
Debt:	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Net Cash:	-64,250,000	-64,250,000	689,611,460	1,465,888,078	2,265,028,157	3,087,488,966	3,933,736,920
Enterprise Value:	25,461,584,000	24,628,779,804	19,940,538,894	15,860,032,956	12,285,885,652	9,132,876,824	6,329,353,220
EBIT	806,760,000	806,760,000	791,642,300	814,875,146	5	862,744,102	887,398,984
EV/EBIT:	31.56	30.53	25.19	19.46	2,457,177,130.43	10.59	7.13
EBITDA	1,165,280,000	1,165,280,000	1,157,332,700	1,187,879,354	1,219,036,941	1,250,817,680	1,283,234,033
EV/EBITDA:	21.85	21.85	17.23	13.35	10.08	7.30	4.93

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	147.96	143.11	144.81	153.47	13.20	171.43	180.74
Shares Outstanding:	171,650,000	171,650,000	171,650,000	171,650,000	171,650,000	171,650,000	171,650,000
Market Capitalization:	25,397,334,000	24,564,529,804	24,856,877,921	26,342,407,165	2,265,028,309	29,425,352,163	31,024,264,678
Available Cash:	535,750,000	535,750,000	1,289,611,460	2,065,888,078	2,865,028,157	3,687,488,966	4,533,736,920
Debt:	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Net Cash:	-64,250,000	-64,250,000	689,611,460	1,465,888,078	2,265,028,157	3,087,488,966	3,933,736,920
Enterprise Value:	25,461,584,000	24,628,779,804	24,167,266,461	24,876,519,087	153	26,337,863,197	27,090,527,758
EBIT	806,760,000	806,760,000	791,642,300	814,875,146	5	862,744,102	887,398,984
EV/EBIT:	31.56	30.53	30.53	30.53	30.53	30.53	30.53
EBITDA	1,165,280,000	1,165,280,000	1,157,332,700	1,187,879,354	1,219,036,941	1,250,817,680	1,283,234,033
EV/EBITDA:	21.85	21.85	20.88	20.94	0.00	21.06	21.11

LBO Price	147.96	Equity Partners:	25,795,644,000	Weighting	100.00%	Annualized Return for Equity Partners: -16.90%
Shares Outstanding	171,650,000	Debt Partners:	0		0.00%	
Market Capitalization	25,397,334,000	Total Funds for LBO:	25,795,644,000		100.00%	
Debt	398,310,000					
Cash	535,750,000					
Enterprise Value	25,259,894,000					
Capital Investment	25,795,644,000					

Book Value	Enterprise Value	Stock Valuation	Debt Reduction
Beginning Book Value	8,292.94	Current Market Price	Starting Debt
Year 5 Book Value	10,887.86	Year 5 Market Price	Debt Repayment
Annualized Return	5.60%	Annualized Return	-16.64%
			Year 5 Ending Debt
			% of Starting Debt
			100.00%

SN VALUATION

LBO Pro Forma Income Statement

Name:

Public Storage

Ticker:

PSA

	Historical				Forecasted				
	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	2013	2014	2015	2016	2017
Revenue	1,718.74	1,622.92	1,644.91	1,752.10	1,787.14	1,822.88	1,859.34	1,896.53	1,934.46
COGS	553.49	520.91	529.20	543.03	571.89	583.32	594.99	606.89	619.03
Gross margin	1,165.25	1,102.01	1,115.71	1,209.07	1,215.26	1,239.56	1,264.35	1,289.64	1,315.43
SG&A	62.51	35.73	38.49	52.41	53.61	54.69	55.78	56.90	58.03
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	-336.02	-37.54	0.17	-8.62	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	414.20	342.13	354.39	358.52	370.00	370.00	370.00	370.00	370.00
Operating Income (EBITA)	1,024.26	761.69	722.66	806.76	791.64	814.88	838.57	862.74	887.40
Interest income/(expense)	0.00	0.00	0.00	0.00	-40.61	-40.61	-40.61	-40.61	-40.61
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
Income before tax	981.71	797.36	689.21	834.04	751.03	774.27	797.96	822.13	846.79
Tax	0.00	0.00	0.00	0.00	262.86	270.99	279.29	287.75	296.38
Income after tax	981.71	797.36	689.21	834.04	488.17	503.27	518.68	534.39	550.41
Minority Interest	-38.70	44.16	-24.08	-12.62	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	943.01	841.52	665.13	821.42	488.17	503.27	518.68	534.39	550.41
*Figures are in millions (\$)									
EPS (based off today's share count)	\$5.49	\$4.90	\$3.87	\$4.79	\$2.84	\$2.93	\$3.02	\$3.11	\$3.21
P/E (historical today's price; forecasted intrinsic price)	26.93	30.18	38.18	30.92	43.69	35.59	29.01	23.64	19.28
Revenue Growth	N/A	-5.58%	1.35%	6.52%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Rate	0.00%	0.00%	0.00%	0.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	0.00%	0.00%	0.00%	0.00%	-6.77%	-6.77%	-6.77%	-6.77%	-6.77%
Margins									
COGS	32.20%	32.10%	32.17%	30.99%	32.00%	32.00%	32.00%	32.00%	32.00%
Gross margin	67.80%	67.90%	67.83%	69.01%	68.00%	68.00%	68.00%	68.00%	68.00%
SG&A	3.65%	2.20%	2.34%	2.99%	3.00%	3.00%	3.00%	3.00%	3.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	-19.55%	-2.31%	0.01%	-0.49%	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	24.10%	21.08%	21.54%	20.45%	20.70%	20.30%	19.90%	19.51%	19.13%
Operating Income (EBITA)	59.59%	46.93%	43.93%	46.05%	44.30%	44.70%	45.10%	45.49%	45.87%
Interest income/(expense)	0.00%	0.00%	0.00%	0.00%	-2.27%	-2.23%	-2.18%	-2.14%	-2.10%
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%
Income before tax	57.12%	49.13%	41.90%	47.60%	42.02%	42.47%	42.92%	43.35%	43.77%
Tax	0.00%	0.00%	0.00%	0.00%	14.71%	14.87%	15.02%	15.17%	15.32%
Income after tax	57.12%	49.13%	41.90%	47.60%	27.32%	28.16%	29.02%	29.90%	30.80%
Minority Interest	-2.25%	7.2%	-1.46%	-0.72%	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	54.87%	51.85%	40.44%	46.88%	27.32%	27.61%	27.90%	28.16%	28.45%

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LBO Adjusted Proforma Balance Sheet

						Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2008-12-31	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-09-30	+	-						
Cash	680.70	763.79	456.25	139.01	535.75			535.75	1,289.61	2,065.89	2,865.03	3,687.49	4,533.74
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	680.70	763.79	456.25	139.01	535.75			535.75	1,289.61	2,065.89	2,865.03	3,687.49	4,533.74
Accounts Receivable	0.00	0.00	0.00	0.00	0.00			0.00	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	0.00	0.00
Total Receivables	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Inventory	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Current Assets	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Current Assets	680.70	763.79	456.25	139.01	535.75	0.00	0.00	535.75	1,289.61	2,065.89	2,865.03	3,687.49	4,533.74
PP&E, Gross	10,227.36	10,296.48	10,594.27	11,000.00	11,000.00			11,000.00	11,100.00	11,200.00	11,300.00	11,400.00	11,500.00
Change in Depreciation		342.13	354.39	358.52	358.52			358.52	365.69	373.00	380.46	388.07	395.84
Accumulated Depreciation	2,405.47	2,734.45	3,061.46	3,100.00	3,100.00			3,100.00	3,465.69	3,838.69	4,219.16	4,607.23	5,003.07
PP&E, Net	7,821.89	7,562.03	7,532.81	7,900.00	7,900.00			7,900.00	7,634.31	7,361.31	7,080.84	6,792.77	6,496.93
Goodwill	174.63	174.63	174.60	174.60	174.60	0.00		174.60	174.60	174.60	174.60	174.60	174.60
Intangibles	52.01	38.27	42.12	35.23	35.55			35.55	35.55	35.55	35.55	35.55	35.55
Long term investments	544.60	612.32	703.85	714.63	716.40			716.40	716.40	716.40	716.40	716.40	716.40
Other long term assets	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long Term Assets	8,593.13	8,387.25	8,453.38	8,824.46	8,826.55			8,826.55	8,560.86	8,287.86	8,007.39	7,719.32	7,423.48
Total Assets	9,273.83	9,151.04	8,909.63	8,963.47	9,362.30	0.00	0.00	9,362.30	9,850.47	10,353.74	10,872.42	11,406.81	11,957.22
Accounts Payable	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Accrued Expense	212.35	212.25	205.77	210.97	210.97			210.97	210.97	210.97	210.97	210.97	210.97
Other current Liabilities	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Current Liabilities	212.35	212.25	205.77	210.97	210.97	0.00	0.00	210.97	210.97	210.97	210.97	210.97	210.97
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	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	643.81	518.89	568.42	398.31	600.00	0.00	0.00	600.00	600.00	600.00	600.00	600.00	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	643.81	518.89	568.42	398.31	600.00	0.00	0.00	600.00	600.00	600.00	600.00	600.00	600.00
Deferred Income tax	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Minority Interest	370.89	146.10	44.55	35.07	29.52			29.52	29.52	29.52	29.52	29.52	29.52
Other liabilities	0.00	0.00	0.00	0.00	147.00			147.00	147.00	147.00	147.00	147.00	147.00
Total Liabilities	1,227.05	877.24	818.74	644.35	987.49	0.00	0.00	987.49	987.49	987.49	987.49	987.49	987.49
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	3,424.33	3,399.78	3,396.03	3,111.27	3,200.00			3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00
Common Stock	16.83	16.84	16.93	17.02	17.02		0.00	17.02	17.02	17.02	17.02	17.02	17.02
Additional Paid-in capital	5,590.09	5,680.55	5,515.83	5,442.51	5,411.62	0.00	0.00	5,411.62	5,411.62	5,411.62	5,411.62	5,411.62	5,411.62
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	-290.32	-153.76	-236.41	-259.58	-312.69		0.00	-312.69	175.48	678.75	1,197.43	1,731.82	2,282.23
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	-31.93	-15.00	-15.77	-23.01	-23.01		0.00	-23.01	-23.01	-23.01	-23.01	-23.01	-23.01
Total Equity	8,709.00	8,928.41	8,676.61	8,288.21	8,292.94	0.00	0.00	8,292.94	8,781.11	9,284.38	9,803.06	10,337.45	10,887.86
Liability + Equity	9,936.05	9,805.65	9,495.35	8,932.56	9,280.43	0.00	0.00	9,280.43	9,768.60	10,271.87	10,790.55	11,324.94	11,875.35
Variance	-662.22	-654.61	-585.72	30.91	81.87			81.87	81.87	81.87	81.87	81.87	81.87
Debt/Equity	0.07	0.06	0.07	0.05	0.07			0.07	0.07	0.06	0.06	0.06	0.06
Inventory Turnover	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Inventory Turnover Days	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Days Inventory Outstanding	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable Turnover	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Accounts Receivable Turnover Days	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Days Payable Outstanding	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Days Sales Outstanding	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Cash Conversion Cycle	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Net tangible assets/share	\$45.86	\$47.18	\$46.12	\$47.45	\$47.77				\$50.62	\$53.55	\$56.57	\$59.68	\$62.89

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	2011	2012	2013	2014	2015
Net Income	973.87	790.46	696.11	836.46	488.17	503.27	518.68	534.39	550.41
Depreciation	414.20	342.13	354.39	358.52	365.69	373.00	380.46	388.07	395.84
Net Income + Depreciation	1,388.07	1,132.59	1,050.50	1,194.98	853.86	876.28	899.14	922.46	946.25
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Cash Items	-311.10	-19.73	42.72	8.47	0.00	0.00	0.00	0.00	0.00
Change in Working capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	1,076.97	1,112.86	1,093.22	1,203.45	853.86	876.28	899.14	922.46	946.25
Capital Expenditures Expenditures	-150.92	-76.52	-94.26	-88.94	-100.00	-100.00	-100.00	-100.00	-100.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	490.94	-14.89	-172.35	7.59	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	340.02	-91.41	-266.61	-81.35	-100.00	-100.00	-100.00	-100.00	-100.00
Financing Cash flow items	-39.33	-181.27	-124.94	-132.73	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-733.68	-624.66	-754.77	-846.25	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-175.60	-15.34	-175.91	-285.21	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	-35.47	-117.13	-77.09	-174.35	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-984.08	-938.40	-1,132.71	-1,438.54	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	2.34	0.04	-1.44	-0.80	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	245.44	680.70	763.79	456.25	535.75	1,289.61	2,065.89	2,865.03	3,687.49
Net Change in Cash	435.26	83.09	-307.54	-317.24	753.86	776.28	799.14	822.46	846.25
Ending Cash Balance	680.70	763.79	456.25	139.01	1,289.61	2,065.89	2,865.03	3,687.49	4,533.74
Capex to Revenue	8.78%	4.71%	5.73%	5.08%	5.60%	5.49%	5.38%	5.27%	5.17%
Depreciation to Sales	24.10%	21.08%	21.54%	20.46%	20.46%	20.46%	20.46%	20.46%	20.46%
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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Distributable FCF Yield	5.57%	4.01%	3.25%	4.41%	2.96%	3.05%	3.14%	3.23%	3.32%
Dividend Yield	-2.89%	-2.46%	-2.97%	-3.33%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	1,659.73	1,661.00	1,753.73	1,960.76	753.86	776.28	799.14	822.46	846.25

SN VALUATION

LBO Debt Schedule

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	-317.24	753.86	776.28	799.14	822.46	846.25
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	600.00	600.00	600.00	600.00	600.00	600.00
Current Portion Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt Balance	600.00	600.00	600.00	600.00	600.00	600.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%
Interest Expense		42.00	42.00	42.00	42.00	42.00
Cash Balance		139.01				
Interest @ 1.0%		1.39	1.39	1.39	1.39	1.39
Net Interest Expense/(Income)		40.61	40.61	40.61	40.61	40.61
Net Interest Rate		6.77%	6.77%	6.77%	6.77%	6.77%
EBITDA		791.64	814.88	838.57	862.74	887.40
EBITDA/Interest Expense Coverage		18.85	19.40	19.97	20.54	21.13

Interest Rate Coverage Table

Debt Rating	2013	2014	2015	2016	2017
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:

Public Storage

Ticker:

PSA

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	468.35	551.54	250.48	324.78	1,078.64	1,854.92	2,654.06	3,476.52	4,322.77
Total Assets	9,273.83	9,151.04	8,909.63	9,362.30	9,850.47	10,353.74	10,872.42	11,406.81	11,957.22
X1	0.05	0.06	0.03	0.03	0.11	0.18	0.24	0.30	0.36
Retained Earnings	-290.32	-153.76	-236.41	-312.69	175.48	678.75	1,197.43	1,731.82	2,282.23
Total Assets	9,273.83	9,151.04	8,909.63	9,362.30	9,850.47	10,353.74	10,872.42	11,406.81	11,957.22
X2	-0.03	-0.02	-0.03	-0.03	0.02	0.07	0.11	0.15	0.19
EBITDA	1,438.46	1,103.82	1,077.05	1,165.28	1,161.64	1,184.88	1,208.57	1,232.74	1,257.40
Total Assets	9,273.83	9,151.04	8,909.63	9,362.30	9,850.47	10,353.74	10,872.42	11,406.81	11,957.22
X3	0.16	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11
Market Value of Equity	25,397.33	25,397.33	25,397.33	25,397.33	21,329.57	17,913.32	15,044.23	12,634.67	10,611.04
Total Liabilities	1,227.05	877.24	818.74	987.49	987.49	987.49	987.49	987.49	987.49
X4	20.70	28.95	31.02	25.72	21.60	18.14	15.23	12.79	10.75
Net Sales	1,718.74	1,622.92	1,644.91	1,752.10	1,787.14	1,822.88	1,859.34	1,896.53	1,934.46
Total Assets	9,273.83	9,151.04	8,909.63	9,362.30	9,850.47	10,353.74	10,872.42	11,406.81	11,957.22
X5	0.19	0.18	0.18	0.19	0.18	0.18	0.17	0.17	0.16
Altman Z Score	13.13	18.00	19.19	16.02	13.69	11.74	10.13	8.78	7.66

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

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