

REX AMERICAN RESOURCES (REX)

Price:	\$58.20	Net Tang. Bk Value Incl. Cash, Excl.	\$346,300,000	Net Tang. Book Yr. 5 (Inc. Cash):	\$371,433,225.00
Shares Outstanding:	8,000,000	Goodwill (NTBVIC):		Avg. Year Op. Cash:	\$22,306,645.00
Market Cap:	\$465,600,000	NTBVIC/Market Downside Recovery:	74.38%	Year 5 Disposition FCF Multiple:	3.0
Cash:	\$164,270,000	Op. Cash Flow:	\$22,306,645	Year 5 Disposition Price:	\$438,353,160.00
Debt:	\$83,000,000	Implied Years to Fill Gap:	5.35		
Net Cash:	\$81,270,000	Today's Equity if 5x Op. CF:	\$413,219,935		
Enterprise Value:	\$384,330,000			Net Tang. Book+ Gain Disposition:	\$438,353,160.00
				IRR:	-1.20%
				Price:	\$54.79
				Target Market Cap:	\$438,353,160
				Target Enterprise Value:	\$357,083,160

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

Owner of 2 ethanol plants. They get bushels of grain, and turn it into ethanol. Crush spread is the difference between the price for a gallon of ethanol versus the cost of a bushel of grain. They expect to make 2.8 gallons of ethanol per bushel of grain.

"average CBOT near-month corn price was approximately \$5.45 per bushel"

- drought
- harvest production

"Ethanol prices had significant fluctuations ranging from approximately \$1.61 per gallon"

Negative to slightly positive crush spread

The Co. used to be in consumer electronics retail business, but exited in 2009. They switched into ethanol. They own properties from the legacy, discontinued operations, which they are trying to sell or lease. 4 are leased and 7 are on the market. Income is negligible.

Lately, the price of a barrel of oil has been cut to half of what it was trading for a year prior. We saw REX's stock price rise exponentially in 2014, from 40 to 120, then fell to the current 60 today. At the current price, we are not comfortable, as it was trading historically at 30-40. Also, the price of oil is at historic lows, and experts anticipate the price to lull for the next 2-3 years. This will dampen the price of ethanol, since oil is abundant and cheap. We don't see an immediate catalyst for the stock.

Own 2 entities - One Earth and NuGen

Acquisition cost

One Earth - 74% owned; 50.8MM

NuGen - 99% owned; 14MM for 48% and 13MM for 50%

The topline growth is not from any operational improvement. Rather, they are from equity investments in the plants which generate the ethanol.

However, one thing that stands out is the very small equity investment (60MM) for an entity that generates 200-300MM in revenue.

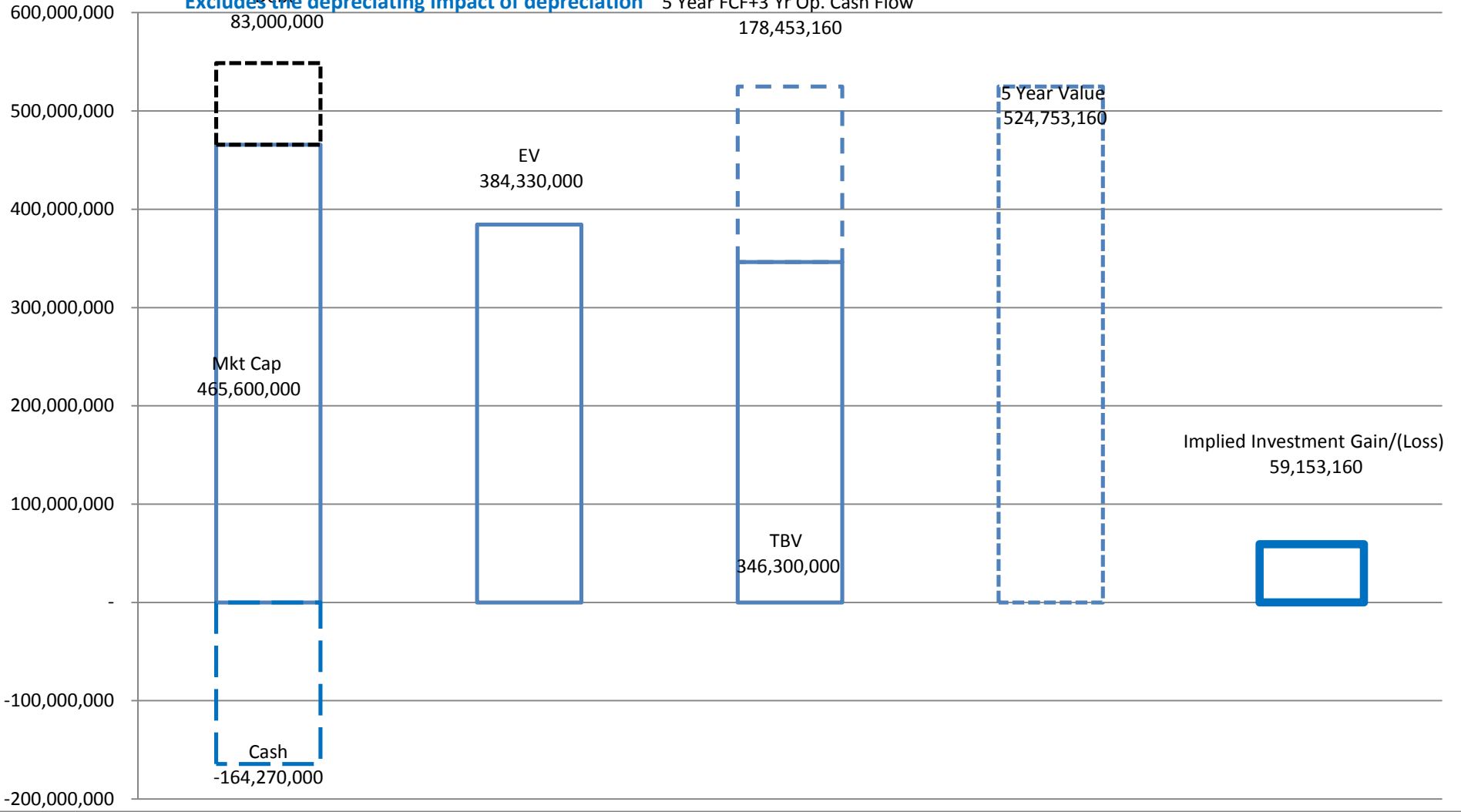
Buy this Co. if ethanol price goes up. The stock price slid after oversupply cut into the price, making price fall to 4 year low.

2008, corn prices spiked. In 2014, corn price fell, but the oversupply crashed ethanol price.

Corn price has to stay low/Ethanol price has to go up.

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Excludes the depreciating impact of depreciation 5 Year FCF+3 Yr Op. Cash Flow



Error

Company Name:	REX AMERICAN RESOURCES
Ticker Symbol:	REX
Last Price:	\$58.20
Net Cash/Share:	\$10.16
Net Cash to Last Price:	17.45%
Shares Outstanding:	8,000,000
Industry:	Conglomerates
Sector:	Industrials
Institutional Ownership:	#VALUE!
Mutual Fund Ownership:	#VALUE!
Insider Ownership:	#VALUE!
Float:	#VALUE!

Market Capitalization:	\$465,600,000.00
Total Debt:	\$83,000,000.00
RCH Total Cash:	\$164,270,000.00
Net Cash/(Debt):	\$81,270,000.00
Enterprise Value:	\$384,330,000.00
RCH Current EV/Share:	\$48.04
EBITDA:	\$63,570,000.00
EV/EBITDA Multiple:	6.05
EV/EBITDA Multiple Average Year 1-5:	12.56
EV/FCF Multiple (excluding acquisition):	6.31
	20.99

Income Statement		
Revenue:	\$590,710,000.00	100.0%
Cost of Goods Sold:	\$526,560,000.00	89.1%
Gross Profit:	\$64,150,000.00	10.9%
EBITDA:	\$134,140,000.00	22.7%
Net Income:	\$82,860,000.00	14.0%

Balance Sheet		
Cash:	\$164,270,000.00	
Short Term Investment:	\$0.00	
A/R:	\$17,000,000.00	
PP&E:	\$198,000,000.00	
Assets:	\$473,290,000.00	

Upper Range
DCF: EV/EBITDA Terminal Value

Technicals			
52 week low:	Error	Implied TV from 3 X EV/EBITDA Multiple	\$39,965,400.00
Today from 52 week low:	#VALUE!	Enterprise Value	\$39,965,400.00
52 week high:	Error	Cash at Year 5:	\$255,803,225.00
Today from 52 week high:	#VALUE!	Debt at Year 5:	\$83,000,000.00
		Equity Value Year 5:	\$212,768,625.00
		Equity/Share at Year 5:	\$26.60
		Annualized Return:	-14.50%

Analyst/Consensus	
Analyst Sales Growth FY1:	N/A
Analyst Sales Growth FY2:	2.00%
SN Valuation Estimate FY1:	0.00%
SN Valuation Estimate FY2:	0.00%

Lower Range
DCF: Net Tangible Asset excluding Cash/Debt Terminal Value

		Year 5 Net Tangible Assets excluding cash and debt	\$241,340,000.00
		Enterprise Value	\$241,340,000.00
		Cash at Year 5:	\$255,803,225.00
		Debt at Year 5:	\$83,000,000.00
		Equity Value Year 5:	\$414,143,225.00
		Equity/Share at Year 5:	\$51.77
		Annualized Return:	-2.32%

Analyst Earnings Estimate FY1:	\$10.37
Analyst Earnings Estimate FY2:	\$8.59
SN Valuation Earnings Est. FY1:	\$0.63
SN Valuation Earnings Est. FY2:	\$0.63

A/P:	\$6,000,000.00
Deferred Tax:	\$19,600,000.00
Other Liabilities:	\$22,330,000.00
Short term Debt:	\$19,000,000.00
Long Term Debt:	\$64,000,000.00
Liabilities:	\$130,930,000.00

Retained Earnings:	\$424,000,000.00
Paid-In Capital:	\$144,300,000.00
Treasury Stock:	-\$222,000,000.00
Stockholder's Equity:	\$346,300,000.00

Multiples	
Market Value to Book:	1.34
EV to Book:	1.11
Market Value to Tangible Net Assets:	2.81
P/E Ratio:	5.62
Trailing P/E Ratio:	5.73
Forward P/E Ratio:	6.78
Beta:	Error
Dividend:	0.00
Dividend Yield:	0.00%
Dividend Date:	N/A
Ex-Dividend Date:	N/A

Cash Flow		
Net Income:	40,230,000.00	
Depreciation/Amortization:	17,280,000.00	
Change in Working capital:	10,780,000.00	
Cash from Operating Activities:	64,440,000.00	

Capital Expenditures:	-3,520,000.00
Cash from Investing Activities:	6,830,000.00

Total Cash Dividends Paid:	0.00
Issuance (Retirement) of Stock:	-2,410,000.00
Issuance (Retirement) of Debt:	-31,200,000.00
Cash from Financing Activities:	-35,190,000.00

EVA		
EVA today:	\$333,427,145.88	
EVA in 5 Years:	\$280,657,246.82	
EVA/Share:	\$35.08	
Cash at Year 5:	\$255,803,225.00	
Debt at Year 5:	\$83,000,000.00	
Equity Value Year 5:	\$453,460,471.82	
Equity/Share at Year 5:	\$56.68	
Annualized return:	-3.39%	

Profitability Margins		
Debt to Equity:	23.97%	
Return on Assets:	7.17%	
Return on Capital:	7.90%	
Return on Equity:	9.79%	

Competitors	
Average EV to EBITDA:	N/A
Company EV to EBITDA:	6.05
Average EV to EBIT:	N/A
Company EV to EBITA:	8.30

Current Net Tangible Asset		
Net Tangible Asset/Share:	\$42.80	
Net Tangible Asset/Share in Year 5:	\$45.94	
Annualized return:	1.43%	

Current Equity Price:	\$58.20
Selling at Discount?	Premium
Appreciation Potential:	-26.47%

SN VALUATION

LBO Pro Forma Income Statement

Name:

REX AMERICAN RESOURCES

Ticker:

REX

	Historical				Forecasted				
	12 months ending 2011-01-31	12 months ending 2012-01-31	12 months ending 2013-01-31	12 months ending 2014-01-31	2014	2015	2016	2017	2018
Revenue	235.54	408.88	656.64	666.09	666.09	666.09	666.09	666.09	666.09
COGS	201.99	374.05	643.04	601.94	632.79	632.79	632.79	632.79	632.79
Gross margin	33.55	34.83	13.60	64.15	33.30	33.30	33.30	33.30	33.30
SG&A	8.81	10.98	12.55	17.85	19.98	19.98	19.98	19.98	19.98
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	0.05	0.00	0.49	0.01	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	-3.54	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)	24.69	27.99	0.56	46.29	13.32	13.32	13.32	13.32	13.32
Interest income/(expense)	9.94	17.31	-4.47	13.37	-5.59	-5.59	-5.59	-5.59	-5.59
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	0.01	0.62	0.08	0.10	0.00	0.00	0.00	0.00	0.00
Income before tax	34.65	46.81	-3.82	59.77	7.73	7.73	7.73	7.73	7.73
Tax	12.36	16.25	-1.63	20.69	2.71	2.71	2.71	2.71	2.71
Income after tax	22.29	32.56	-2.19	39.08	5.03	5.03	5.03	5.03	5.03
Minority Interest	-3.67	-5.43	-0.71	-5.16	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	18.61	27.13	-2.90	33.92	5.03	5.03	5.03	5.03	5.03
* Figures are in millions (\$)									
EPS (based off today's share count)	\$2.33	\$3.39	-\$0.36	\$4.24	\$0.63	\$0.63	\$0.63	\$0.63	\$0.63
P/E (historical today's price; forecasted intrinsic price)	25.02	17.16	-160.55	13.73	91.52	90.42	89.33	88.26	87.21
Revenue Growth	N/A	73.59%	60.59%	1.44%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	35.67%	33.23%	42.67%	34.62%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	12.27%	13.99%	-4.18%	17.65%	-8.73%	-8.73%	-8.73%	-8.73%	-8.73%
Margins									
COGS	85.76%	91.48%	97.93%	90.37%	95.00%	95.00%	95.00%	95.00%	95.00%
Gross margin	14.24%	8.52%	2.07%	9.63%	5.00%	5.00%	5.00%	5.00%	5.00%
SG&A	3.74%	2.54%	1.91%	2.68%	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	0.02%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	-0.87%	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)	10.48%	6.85%	0.09%	6.95%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest income/(expense)	4.22%	4.23%	-0.68%	2.01%	-0.84%	-0.84%	-0.84%	-0.84%	-0.84%
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%	0.15%	0.01%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	14.71%	11.94%	-0.58%	8.97%	1.16%	1.16%	1.16%	1.16%	1.16%
Tax	5.25%	3.97%	-0.25%	3.11%	0.41%	0.41%	0.41%	0.41%	0.41%
Income after tax	9.46%	7.96%	-0.33%	5.87%	0.75%	0.75%	0.75%	0.75%	0.75%
Minority Interest	-1.56%	-1.33%	-0.11%	-0.77%	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	7.90%	6.64%	-0.44%	5.09%	0.75%	0.75%	0.75%	0.75%	0.75%

	As of 2011-01-31	As of 2012-01-31	As of 2013-01-31	As of 2014-01-31	As of 2014-10-31	Adjustment		Adjusted Proforma	2014	2015	2016	2017	2018
						+	-						
Cash	91.02	75.01	69.07	105.15	164.27			164.27	182.576645	200.88	219.19	237.50	255.80
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	91.02	75.01	69.07	105.15	164.27			164.27	182.58	200.88	219.19	237.50	255.80
Accounts Receivable	9.62	12.78	11.57	16.49	17.00			17.00	17.00	17.00	17.00	17.00	17.00
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	9.62	12.78	11.57	16.49	17.00			17.00	17.00	17.00	17.00	17.00	17.00
Total Inventory	7.82	30.35	24.92	19.37	11.50			11.50	11.50	11.50	11.50	11.50	11.50
Prepaid Expenses	3.06	3.99	4.09	4.89	5.03			5.03	5.03	5.03	5.03	5.03	5.03
Other Current Assets	5.83	3.09	3.93	2.65	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Current Assets	117.35	125.22	113.58	148.55	197.80	0.00	0.00	197.80	216.106645	234.41	252.72	271.03	289.33
PP&E, Gross	195.65	286.16	283.71	281.06	282.00			282.00	286.00	290.00	294.00	298.00	302.00
Change in Depreciation	17.94	12.09	16.60	17.28	17.28			17.28	17.28	17.28	17.28	17.28	17.28
Accumulated Depreciation	25.84	46.08	60.53	83.42	84.00			84.00	101.28	118.56	135.84	153.12	170.40
PP&E, Net	169.81	240.08	223.18	197.64	198.00			198.00	184.72	171.44	158.16	144.88	131.60
Goodwill	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	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	67.35	61.68	59.96	71.19	75.52			75.52	75.52	75.52	75.52	75.52	75.52
Other long term assets	12.71	9.25	4.65	1.97	1.97			1.97	1.97	1.97	1.97	1.97	1.97
Long Term Assets	249.87	311.01	287.79	270.80	275.49	0.00	0.00	275.49	262.21	248.93	235.65	222.37	209.09
Total Assets	367.22	436.23	401.37	419.35	473.29	0.00	0.00	473.29	478.32	483.34	488.37	493.40	498.42
Accounts Payable	2.56	6.99	4.66	6.63	6.00			6.00	6.00	6.00	6.00	6.00	6.00
Accrued Expense	6.18	11.48	9.32	12.15	12.00			12.00	12.00	12.00	12.00	12.00	12.00
Other current Liabilities	5.82	3.56	1.86	1.14	14.89			14.89	14.89	14.89	14.89	14.89	14.89
Total Current Liabilities	14.56	22.03	15.84	19.92	32.89	0.00	0.00	32.89	32.89	32.89	32.89	32.89	32.89
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	10.01	15.22	15.62	12.23	19.00			19.00	19.00	19.00	19.00	19.00	19.00
Long term Debt	70.97	108.53	91.31	63.50	64.00	0.00	0.00	64.00	64.00	64.00	64.00	64.00	64.00
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	80.98	123.75	106.93	75.73	83.00	0.00	0.00	83.00	83.00	83.00	83.00	83.00	83.00
Deferred Income tax	0.00	4.64	7.14	19.61	19.60			19.60	19.60	19.60	19.60	19.60	19.60
Minority Interest	25.03	29.33	27.93	31.47	43.95			43.95	43.95	43.95	43.95	43.95	43.95
Other liabilities	10.22	5.80	1.14	1.86	-48.51			-48.51	-48.51	-48.51	-48.51	-48.51	-48.51
Total Liabilities	130.79	185.55	158.98	148.59	130.93	0.00	0.00	130.93	130.93	130.93	130.93	130.93	130.93
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	0.30	0.30	0.30	0.30	0.30		0.00	0.30	0.30	0.30	0.30	0.30	0.30
Additional Paid-in capital	142.29	142.99	143.57	144.05	144.00	0.00	0.00	144.00	144.00	144.00	144.00	144.00	144.00
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	296.05	324.32	322.03	357.10	424.00			424.00	429.03	434.05	439.08	444.11	449.13
Treasury Stock	-193.71	-215.10	-219.55	-222.17	-222.00		0.00	-222.00	-222.00	-222.00	-222.00	-222.00	-222.00
Other Equity	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Equity	244.93	252.51	246.35	279.28	346.30	0.00	0.00	346.30	351.33	356.35	361.38	366.41	371.43
Liability + Equity	375.72	438.06	405.33	427.87	477.23	0.00	0.00	477.23	482.26	487.28	492.31	497.34	502.36
Variance	-8.50	-1.83	-3.96	-8.52	-3.94			-3.94	-3.94	-3.94	-3.94	-3.94	-3.94
Debt/Equity	0.33	0.49	0.43	0.27	0.24			0.24	0.24	0.23	0.23	0.23	0.22
Inventory Turnover	30.12	13.47	26.35	34.39	57.92			57.92	57.92	57.92	57.92	57.92	57.92
Inventory Turnover Days	12.12	27.09	13.85	10.61	6.30			6.30	6.30	6.30	6.30	6.30	6.30
Days Inventory Outstanding	14.13	29.62	14.14	11.75	6.63			6.97	6.63	6.63	6.63	6.63	6.63
Accounts Receivable Turnover	24.48	31.99	56.75	40.39	39.18			39.18	39.18	39.18	39.18	39.18	39.18
Accounts Receivable Turnover Days	14.91	11.41	6.43	9.04	9.32			9.32	9.32	9.32	9.32	9.32	9.32
Days Payable Outstanding	4.63	6.82	2.65	4.02	3.46			3.64	3.46	3.46	3.46	3.46	3.46
Days Sales Outstanding	14.91	11.41	6.43	9.04	9.32			9.04	9.32	9.32	9.32	9.32	9.32
Cash Conversion Cycle	24.41	34.20	17.93	16.76	12.49			12.37	12.49	12.49	12.49	12.49	12.49
Net tangible assets/share	\$30.62	\$31.56	\$30.79	\$34.91	\$43.29				\$43.92	\$44.54	\$45.17	\$45.80	\$46.43

	12 months ending 2011-01-31	12 months ending 2012-01-31	12 months ending 2013-01-31	12 months ending 2014-01-31	2014	2015	2016	2017	2018
Net Income	8.74	33.70	-1.59	40.23	5.03	5.03	5.03	5.03	5.03
Depreciation	17.94	12.09	16.60	17.28	17.28	17.28	17.28	17.28	17.28
Net Income + Depreciation	26.68	45.79	15.01	57.51	22.31	22.31	22.31	22.31	22.31
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	3.80	14.67	-0.50	15.99	0.00	0.00	0.00	0.00	0.00
Non Cash Items	-0.92	-27.76	-2.94	-19.85	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-1.65	2.21	5.48	10.78	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-3.16	1.21	-4.92	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	-22.53	5.43	5.55	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-0.93	-0.10	-0.80	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	4.43	-2.33	1.97	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	27.91	34.91	17.05	64.43	22.31	22.31	22.31	22.31	22.31
Capital Expenditures Expenditures	-6.03	-7.34	-3.68	-3.52	-4.00	-4.00	-4.00	-4.00	-4.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	0.24	17.91	3.71	10.35	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-5.79	10.57	0.03	6.83	-4.00	-4.00	-4.00	-4.00	-4.00
Financing Cash flow items	0.00	-3.96	-2.08	-1.57	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-6.71	-21.86	-4.11	-2.41	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	-24.79	-35.65	-16.82	-31.20	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-31.50	-61.47	-23.01	-35.18	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	100.40	91.02	75.01	69.07	164.27	182.58	200.88	219.19	237.50
Net Change in Cash	-9.38	-16.01	-5.94	36.08	18.31	18.31	18.31	18.31	18.31
Ending Cash Balance	91.02	75.01	69.07	105.15	182.58	200.88	219.19	237.50	255.80
Capex to Revenue	2.56%	1.80%	0.56%	0.53%	0.60%	0.60%	0.60%	0.60%	0.60%
Depreciation to Sales	7.62%	2.96%	2.53%	2.59%	2.59%	2.59%	2.59%	2.59%	2.59%
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	4.08%	3.13%	1.76%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%
Distributable FCF/EV Yield	5.76%	11.83%	4.44%	18.54%	4.76%	4.76%	4.76%	4.76%	4.76%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	21.88	27.57	13.37	60.91	18.31	18.31	18.31	18.31	18.31

SN VALUATION

LBO Debt Schedule

Ticker:

REX

	Proforma	2014	2015	2016	2017	2018
Net Change in Cash	36.08	18.31	18.31	18.31	18.31	18.31
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	83.00	83.00	83.00	83.00	83.00	83.00
Current Portion Debt Balance	19.00	19.00	19.00	19.00	19.00	19.00
Long Term Debt Balance	64.00	64.00	64.00	64.00	64.00	64.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		5.00%	5.00%	5.00%	5.00%	5.00%
Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%
Interest Expense		6.64	6.64	6.64	6.64	6.64
Cash Balance		105.15				
Interest @ 1.0%		1.05	1.05	1.05	1.05	1.05
Net Interest Expense/(Income)		5.59	5.59	5.59	5.59	5.59
Net Interest Rate		8.73%	8.73%	8.73%	8.73%	8.73%
EBITDA		13.32	13.32	13.32	13.32	13.32
EBITDA/Interest Expense Coverage		2.01	2.01	2.01	2.01	2.01

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran

SN VALUATION

Altman Z Score

Company Name:

REX AMERICAN RESOURCES

Ticker:

REX

Period	2010	2011	2012	2013	2014	2015	2016	2017	2018
Working Capital	102.79	103.19	97.74	164.91	183.22	201.52	219.83	238.14	256.44
Total Assets	367.22	436.23	401.37	473.29	478.32	483.34	488.37	493.40	498.42
X1	0.28	0.24	0.24	0.35	0.38	0.42	0.45	0.48	0.51
Retained Earnings	296.05	324.32	322.03	424.00	429.03	434.05	439.08	444.11	449.13
Total Assets	367.22	436.23	401.37	473.29	478.32	483.34	488.37	493.40	498.42
X2	0.81	0.74	0.80	0.90	0.90	0.90	0.90	0.90	0.90
EBITDA	24.69	27.99	0.56	46.29	13.32	13.32	13.32	13.32	13.32
Total Assets	367.22	436.23	401.37	473.29	478.32	483.34	488.37	493.40	498.42
X3	0.07	0.06	0.00	0.10	0.03	0.03	0.03	0.03	0.03
Market Value of Equity	465.60	465.60	465.60	465.60	460.02	454.50	449.06	443.67	438.35
Total Liabilities	130.79	185.55	158.98	130.93	130.93	130.93	130.93	130.93	130.93
X4	3.56	2.51	2.93	3.56	3.51	3.47	3.43	3.39	3.35
Net Sales	235.54	408.88	656.64	666.09	666.09	666.09	666.09	666.09	666.09
Total Assets	367.22	436.23	401.37	473.29	478.32	483.34	488.37	493.40	498.42
X5	0.64	0.94	1.64	1.41	1.39	1.38	1.36	1.35	1.34
Altman Z Score	4.46	3.98	4.81	5.54	5.31	5.31	5.31	5.31	5.31

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

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

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
Tangible Book Value	346.30	351.33	356.35	361.38	366.41	371.43				371.43
Annual Change		5.03	5.03	5.03	5.03	5.03				
Annual FCF	60.91	18.31	18.31	18.31	18.31	18.31	18.31	18.31	18.31	54.92
Annual Op. Cash Flow	64.43	22.31	22.31	22.31	22.31	22.31	22.31	22.31	22.31	
Annual PP&E Investment	(3.52)	(4.00)	(4.00)	(4.00)	(4.00)	(4.00)	(4.00)	(4.00)	(4.00)	
Today's Tangible Book Value	346.30	351.19	356.14	361.17	366.26	371.43				426.35
Intrinsic Value IRR	1.41%									
Market Price	465.60	457.47	449.49	441.64	433.93	426.35				426.35
Market Price IRR	-1.75%									

Debt	50.00%	232.80
Equity	50.00%	232.80
Total	100.00%	465.60

	Present Value	Holding Period					Terminal Value			Sale Price	
	Historic	ProForma	1	2	3	4	5	6	7	8	
Book Equity	346.3	232.80	222.38	211.96	201.53	191.11	180.69				
Goodwill	0	119.30	119.30	119.30	119.30	119.30	119.30				
Debt	64	296.80	296.80	296.80	296.80	296.80	296.80				
Debt Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%	8.00%				
Additional Interest Expense		18.16	18.16	18.16	18.16	18.16					
Tangible Book Value	346.3	113.50	103.08	92.66	82.23	71.81	61.39				61.39
Annual Change			-10.42	-10.42	-10.42	-10.42	-10.42				
Annual FCF	60.91	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	8.57
Annual Net Income	33.92		(10.42)	(10.42)	(10.42)	(10.42)	(10.42)	(10.42)	(10.42)	(10.42)	
Annual Op. Cash Flow	64.43	6.86	6.86	6.86	6.86	6.86	6.86	6.86	6.86	6.86	
Dividend Payments											
Annual PP&E Investment	(3.52)		(4.00)	(4.00)	(4.00)	(4.00)	(4.00)	(4.00)	(4.00)	(4.00)	
Debt Paydown	0.00							0.00	0.00	0.00	

Sale Price in Year 5 **69.96**

Capital Left for Equity Investor **69.96**
 Dividend Payments **0.00**
 Total Cash In Flow **69.96**

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.

Invested Equity **232.80**
 IRR **-21.37%**

Value Creation
 TBV Growth (equals sum of NI Year 1-5) -52.11
 Cash Flow (Year 6-8) 8.57
-43.54

Value Dilution
 Debt 232.80
 Goodwill 119.30
 Additional Interest 90.78
442.88