

May 22, 2013

SN VALUATION [Stocks, Real Estate, Bonds]

Skullcandy Inc (SKUL)

Price:	\$5.81	Net Tang. Bk Value Incl. Cash (NTBVIC):	\$121,250,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$211,898,340.47
Market Cap:	\$160,995,100	NTBVIC/Market Downside Recovery:	75.31%	Avg. Year FCF/Share:	\$14,566,774.83
Cash:	\$33,510,000	Op. Cash Flow:	\$24,005,593	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$0	Implied Years to Fill Gap:	1.66	Year 5 Disposition Price:	\$255,598,664.96
Net Cash:	\$33,510,000	Today's Equity if 5x Op. CF:	\$193,266,780	Net Tang. Book+ Gain Disposition:	\$255,598,664.96
Enterprise Value:	\$127,485,100	IRR:	9.69%	Price:	\$9.22
Shares Outstanding:	27,710,000			Target Market Cap:	\$255,598,665
				Target Enterprise Value:	\$222,088,665

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

We have updated our 5 year price target to \$9.22 from \$13.04 on Jan. 03, 2013.

75% downside protection, \$15 MM in FCF, or a 10% FCF/equity yield is an attractive cash flow at the current price of \$5.81/share.

A 40% debt to 60% equity LBO deal at the current price would generate a low 12%. We are working on implementing the LBO worksheet in more of our reports.

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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	121.11	138.83	156.77	174.93	193.30	211.90				211.90
Annual Change		17.72	17.94	18.16	18.37	18.60				
Annual FCF	2.83	14.01	14.28	14.56	14.85	15.13	14.57	14.57	14.57	43.70
Annual Op. Cash Flow	13.55	24.01	24.28	24.56	24.85	25.13	24.57	24.57	24.57	
Annual PP&E Investment	(10.72)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	
Today's Tangible Book Value	121.11	140.62	163.28	189.59	220.13	255.60				255.60
Intrinsic Value IRR	16.11%									
Market Price	161.00	176.59	193.69	212.45	233.03	255.60				255.60
Market Price IRR	9.69%									

LBO?	No
Debt	40.00% 64.40
Equity	60.00% 96.60
Total	100.00% 161.00

	Present Value		Holding Period					Terminal Value			Sale Price
	Historic	ProForma	1	2	3	4	5				
Book Equity	134.98	96.60	111.39	126.90	143.13	160.12	177.92				
Goodwill	13.87	39.89	39.89	39.89	39.89	39.89	39.89				
Debt	0	64.40	53.40	42.40	30.40	17.40	4.40				
Debt Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%				
Additional Interest Expense		4.51	3.74	2.97	2.13	1.22	0.31				
Tangible Book Value	121.11	56.71	71.51	87.01	103.24	120.23	138.04				138.04
Annual Change			14.79	15.51	16.23	16.99	17.80				
Annual FCF	2.83	0.08	0.85	0.63	0.46	1.34	14.34	14.34	14.34	43.03	
Annual Net Income	25.88	14.79	15.51	16.23	16.99	17.80	17.80	17.80	17.80		
Annual Op. Cash Flow	13.55	21.08	21.85	22.63	23.46	24.34	24.34	24.34	24.34		
Annual PP&E Investment	(10.72)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)		
Debt Paydown	0.00	(11.00)	(11.00)	(12.00)	(13.00)	(13.00)	0.00	0.00	0.00		

Sale Price in Year 5	181.06
Remaining Debt Balance	4.40
Capital Left for Equity Investor	176.66

Invested Equity	96.60	108.99	122.98	138.76	156.57	176.66
IRR	12.83%					

Value Losers	
Interest payments to Bank	11.28
Goodwill Premium to Original Sellers	39.89
Debt Paydown to Bank	60.00
Debt Increase	24.51
Total Value Losers	135.68

Value Gap between LBO and unleveraged 74.54

Unaccounted Value Losers (61.14)

SN VALUATION

LBO Pro Forma Income Statement

Name:

Skullcandy Inc

Ticker:

SKUL

	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	118.31	160.58	232.47	297.69	300.67	303.67	306.71	309.78	312.88
COGS	60.85	75.08	116.93	156.77	159.35	160.95	162.56	164.18	165.82
Gross margin	57.46	85.50	115.54	140.92	141.31	142.73	144.15	145.60	147.05
SG&A	28.57	67.50	73.38	99.44	102.23	103.25	104.28	105.32	106.38
R&D	0.00	0.00	0.00	0.00	6.01	6.07	6.13	6.20	6.26
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: Included within COGS					6.00	6.00	6.00	6.00	6.00
Operating Income (EBITA)	28.89	17.90	42.16	41.48	27.07	27.40	27.74	28.08	28.42
Interest income/(expense)	-8.34	-8.38	-7.47	-0.73	0.19	0.19	0.19	0.19	0.19
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	0.11	-14.56	-1.76	-0.36	0.00	0.00	0.00	0.00	0.00
Income before tax	20.66	-5.04	32.93	40.39	27.27	27.60	27.93	28.27	28.61
Tax	6.32	4.65	14.31	14.57	9.54	9.66	9.78	9.89	10.01
Income after tax	12.34	-9.69	18.62	25.82	17.72	17.94	18.16	18.37	18.60
Minority Interest	0.00	0.00	0.00	0.06	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	12.34	-9.69	18.62	25.88	17.72	17.94	18.16	18.37	18.60
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.45	-\$0.35	\$0.67	\$0.93	\$0.64	\$0.65	\$0.66	\$0.66	\$0.67
P/E (historical today's price; forecasted intrinsic price)	13.05	-16.61	8.65	6.22	9.96	10.80	11.70	12.68	13.74
Revenue Growth	N/A	35.73%	44.77%	28.06%	1.00%	1.00%	1.00%	1.00%	1.00%
Tax Rate	40.27%	-92.26%	43.46%	36.07%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-14.15%	-9.67%	-75.61%	0.00%	NA	NA	NA	NA	NA
Margins									
COGS	51.43%	46.76%	50.30%	52.66%	53.00%	53.00%	53.00%	53.00%	53.00%
Gross margin	48.57%	53.24%	49.70%	47.34%	47.00%	47.00%	47.00%	47.00%	47.00%
SG&A	24.15%	42.10%	31.57%	33.40%	34.00%	34.00%	34.00%	34.00%	34.00%
R&D	0.00%	0.00%	0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%
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: Included within COGS	0.00%	0.00%	0.00%	0.00%	2.00%	1.98%	1.96%	1.94%	1.92%
Operating Income (EBITA)	24.42%	11.15%	18.14%	13.93%	9.00%	9.02%	9.04%	9.06%	9.08%
Interest income/(expense)	-7.05%	-5.22%	-3.21%	-0.25%	0.06%	0.06%	0.06%	0.06%	0.06%
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	0.09%	-9.07%	-0.76%	-0.12%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	17.46%	-3.14%	14.17%	13.57%	9.07%	9.09%	9.11%	9.13%	9.14%
Tax	7.03%	2.90%	6.16%	4.89%	3.17%	3.18%	3.19%	3.19%	3.20%
Income after tax	10.43%	-6.03%	8.01%	8.67%	5.89%	5.97%	6.04%	6.11%	6.19%
Minority Interest	0.00%	0.00%	0.00%	0.02%	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	10.43%	-6.03%	8.01%	8.69%	5.89%	5.91%	5.92%	5.93%	5.94%

	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	1.73	6.46	23.30	19.34	33.51			33.51	47.52	61.80	76.36	91.21	106.34
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	1.73	6.46	23.30	19.34	33.51			33.51	47.52	61.80	76.36	91.21	106.34
Accounts Receivable	29.27	46.68	50.62	76.31	34.00			34.00	34.00	34.00	34.00	34.00	34.00
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	29.27	46.68	50.62	76.31	34.00			34.00	34.00	34.00	34.00	34.00	34.00
Total Inventory	17.86	22.56	43.98	41.57	51.18			51.18	51.18	51.18	51.18	51.18	51.18
Prepaid Expenses	1.06	5.16	8.50	5.60	3.66			3.66	3.66	3.66	3.66	3.66	3.66
Other Current Assets	1.76	3.71	3.98	2.94	7.18			7.18	7.18	7.18	7.18	7.18	7.18
Current Assets	51.68	84.57	130.38	145.76	129.53	0.00	0.00	129.53	143.54	157.82	172.38	187.23	202.36
PP&E, Gross	2.53	5.16	12.99	21.55	22.00			22.00	32.00	42.00	52.00	62.00	72.00
Change in Depreciation	0.41	0.68	2.03	6.22	6.22			6.22	6.28	6.35	6.41	6.47	6.54
Accumulated Depreciation	0.51	1.19	2.70	8.58	9.00			9.00	15.28	21.63	28.04	34.51	41.05
PP&E, Net	2.02	3.97	10.29	12.97	13.00			13.00	16.72	20.37	23.96	27.49	30.95
Goodwill	0.00	0.00	13.87	13.87	13.87	0.00		13.87	13.87	13.87	13.87	13.87	13.87
Intangibles	0.25	0.56	13.68	12.48	12.11			12.11	12.11	12.11	12.11	12.11	12.11
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	3.70	4.23	0.40	0.16	0.10			0.10	0.10	0.10	0.10	0.10	0.10
Long Term Assets	5.97	8.76	38.24	39.48	39.08			39.08	42.80	46.45	50.04	53.57	57.03
Total Assets	57.65	93.33	168.62	185.24	168.61	0.00	0.00	168.61	186.33	204.27	222.43	240.80	259.40
Accounts Payable	5.26	13.46	23.21	22.89	17.00			17.00	17.00	17.00	17.00	17.00	17.00
Accrued Expense	11.40	15.53	14.98	14.98	14.00			14.00	14.00	14.00	14.00	14.00	14.00
Other current Liabilities	0.00	0.00	0.00	6.06	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Current Liabilities	16.66	28.99	48.31	43.93	31.00	0.00	0.00	31.00	31.00	31.00	31.00	31.00	31.00
Notes Payables/Short Term Debt	0.00	10.80	9.88	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	58.93	75.89	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
Total Interest Earning Debt	58.93	86.69	9.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Income tax	0.49	0.00	3.61	2.22	2.06			2.06	2.06	2.06	2.06	2.06	2.06
Minority Interest	0.00	0.00	0.60	0.54	0.51			0.51	0.51	0.51	0.51	0.51	0.51
Other liabilities	0.00	0.00	0.00	0.00	-0.08			-0.08	-0.08	-0.08	-0.08	-0.08	-0.08
Total Liabilities	76.08	115.68	62.40	46.69	33.49	0.00	0.00	33.49	33.49	33.49	33.49	33.49	33.49
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	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additional Paid-in capital	3.40	9.20	119.04	128.68	129.00	0.00	0.00	129.00	129.00	129.00	129.00	129.00	129.00
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	21.46	11.74	30.34	56.22	49.00		0.00	49.00	66.72	84.66	102.82	121.19	139.79
Treasury Stock	-43.29	-43.29	-43.29	-43.29	-43.00		0.00	-43.00	-43.00	-43.00	-43.00	-43.00	-43.00
Other Equity	0.00	0.00	0.12	-0.02	-0.02		0.00	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02
Total Equity	-18.43	-22.35	106.21	141.59	134.98	0.00	0.00	134.98	152.70	170.64	188.80	207.17	225.77
Liability + Equity	57.65	93.33	168.61	188.28	168.47	0.00	0.00	168.47	186.19	204.13	222.29	240.66	259.26
Variance	0.00	0.00	0.01	-3.04	0.14			0.14	0.14	0.14	0.14	0.14	0.14
Debt/Equity	-3.20	-3.88	0.09	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Inventory Turnover	6.62	7.12	5.29	7.16	5.87			5.82	5.87	5.93	5.99	6.05	6.11
Inventory Turnover Days	55.10	51.28	69.05	50.97	62.13			62.75	62.13	61.52	60.91	60.30	59.71
Days Inventory Outstanding	107.13	109.68	137.28	96.79	117.23			119.16	117.23	116.07	114.92	113.78	112.65
Accounts Receivable Turnover	4.04	3.44	4.59	3.90	8.84			8.76	8.84	8.93	9.02	9.11	9.20
Accounts Receivable Turnover Days	90.30	106.10	79.48	93.56	41.27			41.69	41.27	40.87	40.46	40.06	39.66
Days Payable Outstanding	31.55	65.44	72.45	53.29	38.94			39.58	38.94	38.55	38.17	37.79	37.42
Days Sales Outstanding	90.30	106.10	79.48	93.56	41.27			93.56	41.69	41.27	40.87	40.46	40.06
Cash Conversion Cycle	165.88	150.34	144.31	137.06	119.56			173.14	119.98	118.79	117.61	116.45	115.30
Net tangible assets/share	(\$0.67)	(\$0.81)	\$3.33	\$4.50	\$4.38			\$5.02	\$5.02	\$5.66	\$6.32	\$6.98	\$7.65

	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	12.34	-9.69	18.62	25.82	17.72	17.94	18.16	18.37	18.60
Depreciation	0.41	0.68	2.03	6.22	6.28	6.35	6.41	6.47	6.54
Net Income + Depreciation	12.75	-9.01	20.65	32.04	24.01	24.28	24.56	24.85	25.13
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	-0.31	-2.58	0.81	-0.35	0.00	0.00	0.00	0.00	0.00
Non Cash Items	5.50	46.65	12.34	10.43	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-6.19	-18.42	-5.00	-28.57	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-17.41	-3.94	-25.69	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	-4.70	-21.42	2.41	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-4.10	-3.34	2.90	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	8.20	9.75	-0.32	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	11.75	16.64	28.80	13.55	24.01	24.28	24.56	24.85	25.13
Capital Expenditures Expenditures	-1.31	-2.94	-7.59	-10.72	-10.00	-10.00	-10.00	-10.00	-10.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	0.00	0.00	-29.46	0.00	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-1.31	-2.94	-37.05	-10.72	-10.00	-10.00	-10.00	-10.00	-10.00
Financing Cash flow items	-10.09	0.66	1.17	0.70	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	-17.90	0.28	71.64	2.37	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	-0.10	-9.91	-47.70	-9.88	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-28.09	-8.97	25.11	-6.81	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	0.00	0.00	-0.03	0.03	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	19.36	1.73	6.46	23.30	33.51	47.52	61.80	76.36	91.21
Net Change in Cash	-17.63	4.73	16.84	-3.96	14.01	14.28	14.56	14.85	15.13
Ending Cash Balance	1.73	6.46	23.30	19.34	47.52	61.80	76.36	91.21	106.34
Capex to Revenue	1.11%	1.83%	3.26%	3.60%	3.33%	3.29%	3.26%	3.23%	3.20%
Depreciation to Sales	0.35%	0.42%	0.87%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%
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	24.74%	29.07%	21.77%	25.63%	25.38%	25.13%	24.88%	24.63%	24.39%
Distributable FCF/EV Yield	8.19%	10.75%	-6.47%	2.22%	10.99%	11.20%	11.42%	11.65%	11.87%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	10.44	13.70	21.21	2.83	14.01	14.28	14.56	14.85	15.13

SN VALUATION

LBO Debt Schedule

Ticker:

SKUL

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	-3.96	14.01	14.28	14.56	14.85	15.13
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		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		0.00	0.00	0.00	0.00	0.00
Cash Balance		19.34				
Interest @ 1.0%		0.19	0.19	0.19	0.19	0.19
Net Interest Expense/(Income)		(0.19)	(0.19)	(0.19)	(0.19)	(0.19)
Net Interest Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
EBITDA		27.07	27.40	27.74	28.08	28.42
EBITDA/Interest Expense Coverage		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Interest Rate Coverage Table

Debt Rating	2013	2014	2015	2016	2017
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:

Skullcandy Inc

Ticker:

SKUL

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	35.02	55.58	82.07	98.53	112.54	126.82	141.38	156.23	171.36
Total Assets	57.65	93.33	168.62	168.61	186.33	204.27	222.43	240.80	259.40
X1	0.61	0.60	0.49	0.58	0.60	0.62	0.64	0.65	0.66
Retained Earnings	21.46	11.74	30.34	49.00	66.72	84.66	102.82	121.19	139.79
Total Assets	57.65	93.33	168.62	168.61	186.33	204.27	222.43	240.80	259.40
X2	0.37	0.13	0.18	0.29	0.36	0.41	0.46	0.50	0.54
EBITDA	28.89	17.90	42.16	41.48	33.07	33.40	33.74	34.08	34.42
Total Assets	57.65	93.33	168.62	168.61	186.33	204.27	222.43	240.80	259.40
X3	0.50	0.19	0.25	0.25	0.18	0.16	0.15	0.14	0.13
Market Value of Equity	161.00	161.00	161.00	161.00	176.59	193.69	212.45	233.03	255.60
Total Liabilities	76.08	115.68	62.40	33.49	33.49	33.49	33.49	33.49	33.49
X4	2.12	1.39	2.58	4.81	5.27	5.78	6.34	6.96	7.63
Net Sales	118.31	160.58	232.47	297.69	300.67	303.67	306.71	309.78	312.88
Total Assets	57.65	93.33	168.62	168.61	186.33	204.27	222.43	240.80	259.40
X5	2.05	1.72	1.38	1.77	1.61	1.49	1.38	1.29	1.21
Altman Z Score	6.23	4.08	4.59	6.57	6.59	6.82	7.10	7.41	7.77

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

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