

## Sportsman's Warehouse (SPWH)

Price:	\$7.75	Net Tang. Bk Value Incl. Cash, Excl.	-\$64,670,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$32,056,175.00
Shares Outstanding:	41,280,000	Goodwill (NTBVIC):		Avg. Year Op. Cash:	\$32,575,235.00
Market Cap:	\$319,920,000	NTBVIC/Market Downside Recovery:	-20.21%	Year 5 Disposition FCF Multiple:	3.0
Cash:	\$1,350,000	Op. Cash Flow:	\$32,575,235	Year 5 Disposition Price:	\$129,781,880.00
Debt:	\$190,910,000	Implied Years to Fill Gap:	11.81		
Net Cash:	-\$189,560,000	Today's Equity if 5x Op. CF:	\$33,055,705		
Enterprise Value:	\$509,480,000			Net Tang. Book+ Gain Disposition:	\$129,781,880.00
				IRR:	-16.51%
				Price:	\$3.14
				Target Market Cap:	\$129,781,880
				Target Enterprise Value:	\$319,341,880

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

**Beginnings**

Stuart Utgaard - founder of the business. Bought a store at Utah in 1996. Grew it to 70+ stores, but expansion occurred during the financial crisis. Liquidity dried up. Seider invested \$50MM initially. Now, the founder is broke, only \$2,000 net asset. He divorced in 2011, and now working on olive oil production at Kentucky. Stuart's Olive Oil.

He was a big deal maker in the Twin Cities, Minnesota area. He ran his family's chicken hatchery which operated for 100 years. However, he lost that in the bankruptcy. He secured some of the loans with private money, which is a big no, no.

Kind of a sad story to the founder, but he hasn't given up.

**Seider Period**

Seider, the PE firm, grew the business over the past 4 years, and recently IPOd company. Retail store. Kind of wary of retail with the weakness in mall traffic, and penny pinching consumers not really willing to pay for leisure goods. Case in point is HGG, SPLS, AEO.

The store sells outdoor gear like hunting, fishing, camping. YoY revenue growth in the teens, but we think its from store count expansion, not same store sales. Went from 29 stores in 2012 to 47 in 2014, or \$376MM to \$643MM. \$13MM in revenue per store. Most importantly, SSS, or same store sales was -3.7%. NOT A GOOD SIGN.

We hate how the PE firm, Seidler, which owns the majority of shares, did essentially a dividend recap, by placing \$200MM in loans on the Co's balance sheet, while using the proceeds to pay themselves a dividend. The Co. has no real assets except \$100MM in inventory, no cash, only \$30MM in PP&E. We find this IPO very hard to swallow. There is no meat for the investors. Seidler owned 82% of the shares before the IPO and 56% subsequent to the IPO.

As much as we hate the debt load, Seidler acquired the business when the Co. filed for bankruptcy, in 2009.

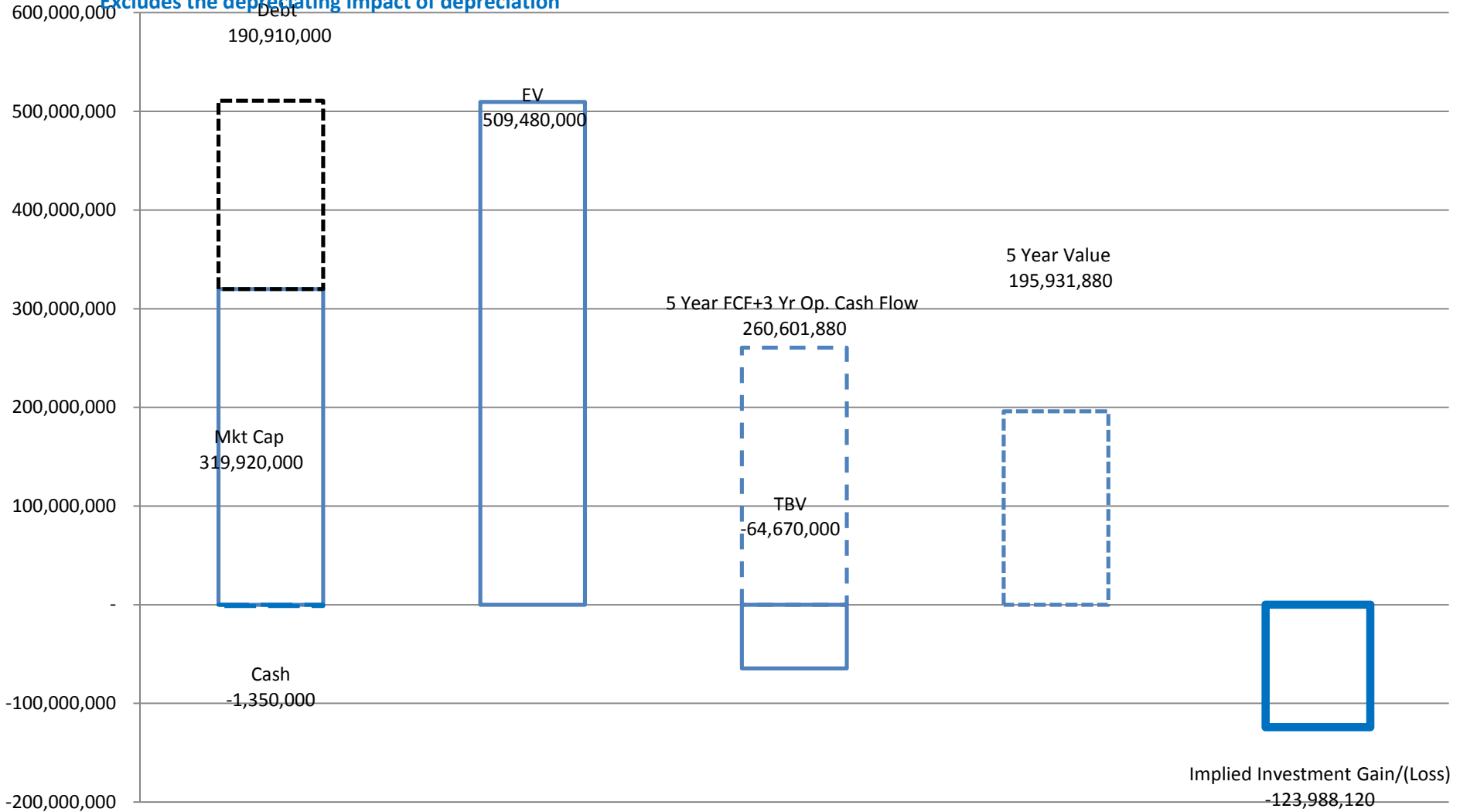
**Post-IPO**

30MM shares before IPO owned by PE/insiders, 26MM owned by PE/insiders. 4MM offered to new holders from the owner pool, plus 8MM offered by the Co.

The additional 12MM in shares came from the restricted shares (5.67MM), which converted into common shares at a 2.87:1 stock-split. Summarily, the Co. only benefits from 8MM shares x \$8.835 = \$73MM, with the option to sell 4MM shares later.

Caution. Buyer Beware.

Excludes the depreciating impact of depreciation



Sportsman's Warehouse Holdings Inc is an outdoor sporting goods retailer providing a one-stop shopping experience that equips its customers with the right hunting, shooting, fishing and camping gear. The Company operates approximately 47 stores across 18 states. Most of Company's stores are located in power, neighborhood and lifestyle centers. Its website serves as both a sales channel and a platform for marketing and product education. The Company also provides its online customers with multi-channel services. It offers products from manufactures such as Browning, Carhartt, Coleman, Columbia Sportswear, Federal Premium Ammunition, Honda, Johnson Outdoors, Remington, Shakespeare, Shimano, Smith & Wesson and Under Armour. The Company's competitors include Bass Pro Shops, Cabela's and Gander Mountain, Amazon, Target and Wal-Mart.

<b>Company Name:</b>		<b>Sportsman's Warehouse</b>			<b>Income Statement</b>	
Ticker Symbol:	SPWH	Market Capitalization:	\$319,920,000.00	Revenue:	\$643,160,000.00	100.0%
<b>Last Price:</b>	<b>\$7.75</b>	Total Debt:	\$190,910,000.00	Cost of Goods Sold:	\$435,930,000.00	67.8%
Net Cash/Share:	-\$4.59	RCH Total Cash:	\$1,350,000.00	Gross Profit:	\$207,230,000.00	32.2%
Net Cash to Last Price:	-59.25%	Net Cash/(Debt):	-\$189,560,000.00	EBITDA:	\$74,240,000.00	11.5%
Shares Outstanding:	41,280,000	Enterprise Value:	\$509,480,000.00	Net Income:	\$21,750,000.00	3.4%
Industry:	Leisure	RCH Current EV/Share:	\$12.34			
Sector:	Consumer Cyclical	EBITDA:	\$73,260,000.00	<b>Balance Sheet</b>		
Institutional Ownership:	#VALUE!	EV/EBITDA Multiple:	6.95	Cash:	\$1,350,000.00	
Mutual Fund Ownership:	#VALUE!	EV/EBITDA Multiple Average Year 1-5:	8.75	Short Term Investment:	\$0.00	
Insider Ownership:	#VALUE!	EV/FCF Multiple (excluding acquisition):	-25.00	A/R:	\$0.00	
Float:	36.00%		22.57	PP&E:	\$32,000,000.00	
			Assets:			
			\$221,540,000.00			
			A/P:			
			\$28,000,000.00			
			Deferred Tax:			
			\$0.00			
			Other Liabilities:			
			\$66,410,000.00			
			Short term Debt:			
			\$30,910,000.00			
			Long Term Debt:			
			\$160,000,000.00			
			Liabilities:			
			\$285,320,000.00			
			Retained Earnings:			
			-\$125,000,000.00			
			Paid-In Capital:			
			\$60,330,000.00			
			Treasury Stock:			
			\$0.00			
			Stockholder's Equity:			
			-\$64,670,000.00			
			<b>Cash Flow</b>			
			Net Income:			
			21,750,000.00			
			Depreciation/Amortization:			
			13,230,000.00			
			Change in Working capital:			
			-37,800,000.00			
			Cash from Operating Activities:			
			30,000.00			
			Capital Expenditures:			
			-20,420,000.00			
			Cash from Investing Activities:			
			-68,060,000.00			
			Total Cash Dividends Paid:			
			-101,060,000.00			
			Issuance (Retirement) of Stock:			
			-300,000.00			
			Issuance (Retirement) of Debt:			
			132,500,000.00			
			Cash from Financing Activities:			
			32,860,000.00			
			<b>Profitability Margins</b>			
			Debt to Equity:			
			-295.21%			
			Return on Assets:			
			9.82%			
			Return on Capital:			
			17.23%			
			Return on Equity:			
			-33.63%			
<b>Technicals</b>		Implied TV from 3 X EV/EBITDA Multiple	\$135,063,600.00			
52 week low:	\$7.75	Enterprise Value	\$135,063,600.00			
Today from 52 week low:	0.00%	Cash at Year 5:	\$114,226,175.00			
52 week high:	\$11.00	Debt at Year 5:	\$190,910,000.00			
Today from 52 week high:	41.94%	Equity Value Year 5:	\$58,379,775.00			
<b>Analyst/Consensus</b>		<b>Equity/Share at Year 5:</b>	<b>\$1.41</b>			
Analyst Sales Growth FY1:	N/A	Annualized Return:	-28.84%			
Analyst Sales Growth FY2:	0.00%	<b>Lower Range</b>				
SN Valuation Estimate FY1:	0.00%	<b>DCF: Net Tangible Asset excluding Cash/Debt Terminal Value</b>				
SN Valuation Estimate FY2:	0.00%	Year 5 Net Tangible Assets excluding cash and debt	\$126,960,000.00			
Analyst Earnings Estimate FY1:	N/A	Enterprise Value	\$126,960,000.00			
Analyst Earnings Estimate FY2:	\$0.51	Cash at Year 5:	\$114,226,175.00			
SN Valuation Earnings Est. FY1:	\$0.47	Debt at Year 5:	\$190,910,000.00			
SN Valuation Earnings Est. FY2:	\$0.47	Equity Value Year 5:	\$50,276,175.00			
<b>Multiples</b>		<b>Equity/Share at Year 5:</b>	<b>\$1.22</b>			
<b>Market Value to Book:</b>	<b>-4.95</b>	Annualized Return:	-30.93%			
EV to Book:	-7.88	<b>EVA</b>				
Market Value to Tangible Net Assets:	-2.40	EVA today:	-\$36,959,725.48			
P/E Ratio:	14.71	EVA in 5 Years:	\$226,572,072.96			
Trailing P/E Ratio:	14.90	EVA/Share:	\$5.49			
Forward P/E Ratio:	15.20	Cash at Year 5:	\$114,226,175.00			
Beta:	NA	Debt at Year 5:	\$190,910,000.00			
Dividend:	0.00	Equity Value Year 5:	\$149,888,247.96			
<b>Dividend Yield:</b>	<b>0.00%</b>	<b>Equity/Share at Year 5:</b>	<b>\$3.63</b>			
Dividend Date:	N/A	Annualized return	-243.71%			
Ex-Dividend Date:	N/A	<b>Current Net Tangible Asset</b>				
<b>Competitors</b>		<b>Net Tangible Asset/Share:</b>	<b>-\$1.74</b>			
Average EV to EBITDA:	N/A	<b>Net Tangible Asset/Share in Year 5:</b>	<b>-\$0.85</b>			
Company EV to EBITDA:	6.95	Annualized return	-13.35%			
Average EV to EBIT:	N/A	Current Equity Price:	\$7.75			
Company EV to EBITA:	8.49	Selling at Discount?	Premium			
		Appreciation Potential:	-122.44%			
			Copyright SN Valuation All Rights Reserved www.snvaluation.com			

SN VALUATION

LBO Pro Forma Income Statement

Name:

Sportsman's Warehouse

Ticker:

SPWH

	Historical				Forecasted				
	52 weeks ending 2011-01-29	52 weeks ending 2012-01-28	53 weeks ending 2013-02-02	52 weeks ending 2014-02-01	2014	2015	2016	2017	2018
Revenue	311.36	376.55	526.94	643.16	643.16	643.16	643.16	643.16	643.16
COGS	215.07	259.35	364.33	435.93	450.21	450.21	450.21	450.21	450.21
Gross margin	96.29	117.20	162.61	207.23	192.95	192.95	192.95	192.95	192.95
SG&A	81.84	89.66	109.41	147.14	147.93	147.93	147.93	147.93	147.93
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	3.54	0.92	-0.26	0.06	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	0.00
Operating Income (EBITA)	10.91	26.62	53.46	60.03	45.02	45.02	45.02	45.02	45.02
Interest income/(expense)	-5.68	-4.39	-6.32	-25.44	-15.26	-15.26	-15.26	-15.26	-15.26
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	5.24	22.23	47.15	34.59	29.76	29.76	29.76	29.76	29.76
Tax	0.00	-11.46	19.08	12.84	10.42	10.42	10.42	10.42	10.42
Income after tax	5.24	33.69	28.07	21.75	19.35	19.35	19.35	19.35	19.35
Minority Interest	0.00	0.00	0.00	0.00	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	5.24	33.69	28.07	21.75	19.35	19.35	19.35	19.35	19.35
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.13	\$0.82	\$0.68	\$0.53	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47
P/E (historical today's price; forecasted intrinsic price)	61.05	9.50	11.40	14.71	13.81	11.53	9.62	8.04	6.71
Revenue Growth	N/A	20.94%	39.94%	22.06%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	0.00%	-51.55%	40.47%	37.12%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	0.00%	-7.38%	-5.06%	-9.78%	-9.54%	-9.54%	-9.54%	-9.54%	-9.54%
Margins									
COGS	69.07%	68.88%	69.14%	67.78%	70.00%	70.00%	70.00%	70.00%	70.00%
Gross margin	30.93%	31.12%	30.86%	32.22%	30.00%	30.00%	30.00%	30.00%	30.00%
SG&A	26.28%	23.81%	20.76%	22.88%	23.00%	23.00%	23.00%	23.00%	23.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	1.14%	0.24%	-0.05%	0.01%	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%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	3.50%	7.07%	10.15%	9.33%	7.00%	7.00%	7.00%	7.00%	7.00%
Interest income/(expense)	-1.82%	-1.17%	-1.20%	-3.96%	-2.37%	-2.37%	-2.37%	-2.37%	-2.37%
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	1.68%	5.90%	8.95%	5.38%	4.63%	4.63%	4.63%	4.63%	4.63%
Tax	0.00%	-3.04%	3.62%	2.00%	1.62%	1.62%	1.62%	1.62%	1.62%
Income after tax	1.68%	8.95%	5.33%	3.38%	3.01%	3.01%	3.01%	3.01%	3.01%
Minority Interest	0.00%	0.00%	0.00%	0.00%	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	1.68%	8.95%	5.33%	3.38%	3.01%	3.01%	3.01%	3.01%	3.01%

	Error	As of 2012-01-28	As of 2013-02-02	As of 2014-02-01	As of 2014-02-01	Adjustment		Adjusted Proforma	2014	2015	2016	2017	2018
						+	-						
Cash	#VALUE!	0.24	36.52	1.35	1.35			1.35	23.925235	46.50	69.08	91.65	114.23
Short term investment	Error	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>#VALUE!</b>	<b>0.24</b>	<b>36.52</b>	<b>1.35</b>	<b>1.35</b>			<b>1.35</b>	<b>23.93</b>	<b>46.50</b>	<b>69.08</b>	<b>91.65</b>	<b>114.23</b>
Accounts Receivable	Error	0.40	0.35	0.41	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other receivables	Error	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>#VALUE!</b>	<b>0.40</b>	<b>0.35</b>	<b>0.41</b>	<b>0.00</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Total Inventory	Error	105.92	98.97	161.33	161.33			161.33	161.33	161.33	161.33	161.33	161.33
Prepaid Expenses	Error	3.67	6.16	7.75	7.75			7.75	7.75	7.75	7.75	7.75	7.75
Other Current Assets	Error	1.68	1.52	2.23	2.23			2.23	2.23	2.23	2.23	2.23	2.23
<b>Current Assets</b>	<b>#VALUE!</b>	<b>111.91</b>	<b>143.52</b>	<b>173.07</b>	<b>172.66</b>	<b>0.00</b>	<b>0.00</b>	<b>172.66</b>	<b>195.235235</b>	<b>217.81</b>	<b>240.39</b>	<b>262.96</b>	<b>285.54</b>
PP&E, Gross	Error	40.04	19.75	44.56	45.00			45.00	55.00	65.00	75.00	85.00	95.00
Change in Depreciation	Error	3.82	5.24	13.23	13.23			13.23	13.23	13.23	13.23	13.23	13.23
Accumulated Depreciation	#VALUE!	6.99	8.41	13.07	13.00			13.00	26.23	39.46	52.69	65.92	79.15
<b>PP&amp;E, Net</b>	<b>#VALUE!</b>	<b>33.05</b>	<b>11.34</b>	<b>31.49</b>	<b>32.00</b>			<b>32.00</b>	<b>28.77</b>	<b>25.54</b>	<b>22.31</b>	<b>19.08</b>	<b>15.85</b>
Goodwill	Error	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	Error	0.00	0.00	7.54	8.00			8.00	8.00	8.00	8.00	8.00	8.00
Long term investments	Error	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	Error	10.07	11.71	8.88	8.88			8.88	8.88	8.88	8.88	8.88	8.88
<b>Long Term Assets</b>	<b>#VALUE!</b>	<b>43.12</b>	<b>23.05</b>	<b>47.91</b>	<b>48.88</b>			<b>48.88</b>	<b>45.65</b>	<b>42.42</b>	<b>39.19</b>	<b>35.96</b>	<b>32.73</b>
<b>Total Assets</b>	<b>#VALUE!</b>	<b>155.03</b>	<b>166.57</b>	<b>220.98</b>	<b>221.54</b>	<b>0.00</b>	<b>0.00</b>	<b>221.54</b>	<b>240.89</b>	<b>260.23</b>	<b>279.58</b>	<b>298.92</b>	<b>318.27</b>
Accounts Payable	Error	18.98	26.33	27.66	28.00			28.00	28.00	28.00	28.00	28.00	28.00
Accrued Expense	Error	17.73	16.41	23.30	24.00			24.00	24.00	24.00	24.00	24.00	24.00
Other current Liabilities	Error	6.03	18.37	11.22	11.22			11.22	11.22	11.22	11.22	11.22	11.22
<b>Total Current Liabilities</b>	<b>0.00</b>	<b>42.74</b>	<b>61.11</b>	<b>62.18</b>	<b>63.22</b>	<b>0.00</b>	<b>0.00</b>	<b>63.22</b>	<b>63.22</b>	<b>63.22</b>	<b>63.22</b>	<b>63.22</b>	<b>63.22</b>
Notes Payables/Short Term Debt	Error	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	Error	38.33	3.55	30.91	30.91			30.91	30.91	30.91	30.91	30.91	30.91
Long term Debt	Error	21.15	121.26	229.27	160.00	0.00	0.00	160.00	160.00	160.00	160.00	160.00	160.00
Capital Lease Obligations	Error	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>0.00</b>	<b>59.48</b>	<b>124.81</b>	<b>260.18</b>	<b>190.91</b>	<b>0.00</b>	<b>0.00</b>	<b>190.91</b>	<b>190.91</b>	<b>190.91</b>	<b>190.91</b>	<b>190.91</b>	<b>190.91</b>
Deferred Income tax	Error	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Minority Interest	Error	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	Error	2.47	22.49	22.95	91.19			91.19	91.19	91.19	91.19	91.19	91.19
<b>Total Liabilities</b>	<b>0.00</b>	<b>104.69</b>	<b>208.41</b>	<b>345.31</b>	<b>285.32</b>	<b>0.00</b>	<b>0.00</b>	<b>345.32</b>	<b>345.32</b>	<b>345.32</b>	<b>345.32</b>	<b>345.32</b>	<b>345.32</b>
Redeemable Preferred Stock	Error	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	Error	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	Error	0.02	0.33	0.33	0.33		0.00	0.33	0.33	0.33	0.33	0.33	0.33
Additional Paid-in capital	Error	9.21	0.00	0.36	60.00	0.00	0.00	60.00	60.00	60.00	60.00	60.00	60.00
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	Error	41.10	-42.18	-121.79	-125.00			-125.00	-105.65	-86.31	-66.96	-47.62	-28.27
Treasury Stock	Error	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	Error	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Equity</b>	<b>0.00</b>	<b>50.33</b>	<b>-41.85</b>	<b>-121.10</b>	<b>-64.67</b>	<b>0.00</b>	<b>0.00</b>	<b>-64.67</b>	<b>-45.32</b>	<b>-25.98</b>	<b>-6.63</b>	<b>12.71</b>	<b>32.06</b>
<b>Liability + Equity</b>	<b>0.00</b>	<b>155.02</b>	<b>166.56</b>	<b>224.21</b>	<b>220.65</b>	<b>0.00</b>	<b>0.00</b>	<b>280.65</b>	<b>300.00</b>	<b>319.34</b>	<b>338.69</b>	<b>358.03</b>	<b>377.38</b>
<b>Variance</b>	<b>#VALUE!</b>	<b>0.01</b>	<b>0.01</b>	<b>-3.23</b>	<b>0.89</b>			<b>-59.11</b>	<b>-59.11</b>	<b>-59.11</b>	<b>-59.11</b>	<b>-59.11</b>	<b>-59.11</b>
<b>Debt/Equity</b>	<b>#DIV/0!</b>	<b>1.18</b>	<b>-2.98</b>	<b>-2.15</b>	<b>-2.95</b>			<b>-2.95</b>	<b>-4.21</b>	<b>-7.35</b>	<b>-28.78</b>	<b>15.02</b>	<b>5.96</b>
Inventory Turnover	#VALUE!	3.56	5.32	3.99	3.99			3.99	3.99	3.99	3.99	3.99	3.99
Inventory Turnover Days	#VALUE!	102.67	68.55	91.56	91.56			91.56	91.56	91.56	91.56	91.56	91.56
Days Inventory Outstanding	#VALUE!	149.07	99.15	135.08	130.79			135.08	130.79	130.79	130.79	130.79	130.79
Accounts Receivable Turnover	#VALUE!	941.38	1,505.54	1,568.68	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Accounts Receivable Turnover Days	#VALUE!	0.39	0.24	0.23	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Days Payable Outstanding	#VALUE!	26.71	26.38	23.16	22.70			23.44	22.70	22.70	22.70	22.70	22.70
Days Sales Outstanding	#VALUE!	0.39	0.24	0.23	0.00			0.23	0.00	0.00	0.00	0.00	0.00
Cash Conversion Cycle	#VALUE!	122.74	73.02	112.15	108.09			111.87	108.09	108.09	108.09	108.09	108.09
Net tangible assets/share	#VALUE!	\$1.22	(\$1.01)	(\$3.12)	(\$1.76)				(\$1.29)	(\$0.82)	(\$0.35)	\$0.11	\$0.58

	Error	52 weeks ending 2012-01-28	53 weeks ending 2013-02-02	52 weeks ending 2014-02-01	2014	2015	2016	2017	2018
Net Income	Error	33.69	28.07	21.75	19.35	19.35	19.35	19.35	19.35
Depreciation	Error	3.82	5.24	13.23	13.23	13.23	13.23	13.23	13.23
<b>Net Income + Depreciation</b>	<b>#VALUE!</b>	<b>37.51</b>	<b>33.31</b>	<b>34.98</b>	<b>32.58</b>	<b>32.58</b>	<b>32.58</b>	<b>32.58</b>	<b>32.58</b>
Amortization	Error	0.00	0.00	0.00					
Deferred Taxes	Error	-11.74	1.29	2.17	0.00	0.00	0.00	0.00	0.00
Non Cash Items	Error	0.79	2.17	0.69	0.00	0.00	0.00	0.00	0.00
Change in Working capital	Error	-11.50	25.12	-37.80	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	#VALUE!	0.05	-0.06	0.00	0.00	0.00	0.00	0.00
Other Receivables	0.00	#VALUE!	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	0.00	#VALUE!	6.95	-62.36	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	#VALUE!	-2.49	-1.59	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	#VALUE!	7.35	1.33	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>#VALUE!</b>	<b>15.06</b>	<b>61.89</b>	<b>0.04</b>	<b>32.58</b>	<b>32.58</b>	<b>32.58</b>	<b>32.58</b>	<b>32.58</b>
Capital Expenditures	Error	-6.65	-6.86	-20.42	-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	Error	0.01	45.20	-47.64	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>0.00</b>	<b>-6.64</b>	<b>38.34</b>	<b>-68.06</b>	<b>-10.00</b>	<b>-10.00</b>	<b>-10.00</b>	<b>-10.00</b>	<b>-10.00</b>
Financing Cash flow items	Error	0.69	-7.71	1.74	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	Error	0.00	-120.25	-101.06	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	Error	0.23	0.00	-0.30	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	Error	-10.65	63.99	132.50	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>0.00</b>	<b>-9.73</b>	<b>-63.97</b>	<b>32.88</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Foreign Exchange effect	Error	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	#VALUE!	Error	0.24	36.52	1.35	23.93	46.50	69.08	91.65
<b>Net Change in Cash</b>	<b>Error</b>	<b>-1.31</b>	<b>36.27</b>	<b>-35.16</b>	<b>22.58</b>	<b>22.58</b>	<b>22.58</b>	<b>22.58</b>	<b>22.58</b>
Ending Cash Balance	Error	0.24	36.51	1.36	23.93	46.50	69.08	91.65	114.23
Capex to Revenue	#VALUE!	1.77%	1.30%	3.17%	1.55%	1.55%	1.55%	1.55%	1.55%
Depreciation to Sales	#VALUE!	1.01%	0.99%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%
Amortization to Sales	#VALUE!	0.00%	0.00%	0.00%	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
A/R to Sales	#VALUE!	0.11%	0.07%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%
Distributable FCF/EV Yield	#VALUE!	1.65%	19.67%	-13.35%	4.43%	4.43%	4.43%	4.43%	4.43%
Dividend Yield	#VALUE!	0.00%	-37.59%	-31.59%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	#VALUE!	<b>8.41</b>	<b>175.28</b>	<b>80.68</b>	<b>22.58</b>	<b>22.58</b>	<b>22.58</b>	<b>22.58</b>	<b>22.58</b>

# SN VALUATION

# LBO Debt Schedule

Ticker:

SPWH

	Proforma	2014	2015	2016	2017	2018
<b>Net Change in Cash</b>	<b>-35.16</b>	<b>22.58</b>	<b>22.58</b>	<b>22.58</b>	<b>22.58</b>	<b>22.58</b>
Current Portion Debt Repayment						
Long Term Debt Repayment						
<b>Outstanding Debt</b>	<b>190.91</b>	<b>190.91</b>	<b>190.91</b>	<b>190.91</b>	<b>190.91</b>	<b>190.91</b>
Current Portion Debt Balance	30.91	30.91	30.91	30.91	30.91	30.91
Long Term Debt Balance	160.00	160.00	160.00	160.00	160.00	160.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		5.00%	5.00%	5.00%	5.00%	5.00%
<b>Interest Rate</b>		<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>
<b>Interest Expense</b>		<b>15.27</b>	<b>15.27</b>	<b>15.27</b>	<b>15.27</b>	<b>15.27</b>
Cash Balance		1.35				
Interest @ 1.0%		0.01	0.01	0.01	0.01	0.01
<b>Net Interest Expense/(Income)</b>		<b>15.26</b>	<b>15.26</b>	<b>15.26</b>	<b>15.26</b>	<b>15.26</b>
<b>Net Interest Rate</b>		<b>9.54%</b>	<b>9.54%</b>	<b>9.54%</b>	<b>9.54%</b>	<b>9.54%</b>
EBITDA		45.02	45.02	45.02	45.02	45.02
<b>EBITDA/Interest Expense Coverage</b>		<b>2.95</b>	<b>2.95</b>	<b>2.95</b>	<b>2.95</b>	<b>2.95</b>

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:

Sportsman's Warehouse

Ticker:

SPWH

Period	2010	2011	2012	2013	2014	2015	2016	2017	2018
Working Capital	#VALUE!	69.17	82.41	109.44	132.02	154.59	177.17	199.74	222.32
Total Assets	#VALUE!	155.03	166.57	221.54	240.89	260.23	279.58	298.92	318.27
<b>X1</b>	<b>#VALUE!</b>	<b>0.45</b>	<b>0.49</b>	<b>0.49</b>	<b>0.55</b>	<b>0.59</b>	<b>0.63</b>	<b>0.67</b>	<b>0.70</b>
Retained Earnings	Error	41.10	-42.18	-125.00	-105.65	-86.31	-66.96	-47.62	-28.27
Total Assets	#VALUE!	155.03	166.57	221.54	240.89	260.23	279.58	298.92	318.27
<b>X2</b>	<b>#VALUE!</b>	<b>0.27</b>	<b>-0.25</b>	<b>-0.56</b>	<b>-0.44</b>	<b>-0.33</b>	<b>-0.24</b>	<b>-0.16</b>	<b>-0.09</b>
EBITDA	10.91	26.62	53.46	60.03	45.02	45.02	45.02	45.02	45.02
Total Assets	#VALUE!	155.03	166.57	221.54	240.89	260.23	279.58	298.92	318.27
<b>X3</b>	<b>#VALUE!</b>	<b>0.17</b>	<b>0.32</b>	<b>0.27</b>	<b>0.19</b>	<b>0.17</b>	<b>0.16</b>	<b>0.15</b>	<b>0.14</b>
Market Value of Equity	319.92	319.92	319.92	319.92	267.10	223.00	186.19	155.45	129.78
Total Liabilities	0.00	104.69	208.41	345.32	345.32	345.32	345.32	345.32	345.32
<b>X4</b>	<b>#DIV/0!</b>	<b>3.06</b>	<b>1.54</b>	<b>0.93</b>	<b>0.77</b>	<b>0.65</b>	<b>0.54</b>	<b>0.45</b>	<b>0.38</b>
Net Sales	311.36	376.55	526.94	643.16	643.16	643.16	643.16	643.16	643.16
Total Assets	#VALUE!	155.03	166.57	221.54	240.89	260.23	279.58	298.92	318.27
<b>X5</b>	<b>#VALUE!</b>	<b>2.43</b>	<b>3.16</b>	<b>2.90</b>	<b>2.67</b>	<b>2.47</b>	<b>2.30</b>	<b>2.15</b>	<b>2.02</b>
<b>Altman Z Score</b>	<b>#VALUE!</b>	<b>5.74</b>	<b>5.38</b>	<b>4.16</b>	<b>3.79</b>	<b>3.68</b>	<b>3.58</b>	<b>3.50</b>	<b>3.43</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



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
<b>Tangible Book Value</b>	(64.67)	(45.32)	(25.98)	(6.63)	12.71	32.06				32.06
Annual Change		19.35	19.35	19.35	19.35	19.35				
<b>Annual FCF</b>	(20.38)	22.58	22.58	22.58	22.58	22.58	22.58	22.58	22.58	67.73
Annual Op. Cash Flow	0.04	32.58	32.58	32.58	32.58	32.58	32.58	32.58	32.58	
Annual PP&E Investment	(20.42)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	
<b>Today's Tangible Book Value</b>	(64.67)	56.20	-48.84	42.45	-36.89	32.06				99.78
Intrinsic Value IRR	-186.90%									
<b>Market Price</b>	319.92	253.42	200.75	159.02	125.96	99.78				99.78
Market Price IRR	-20.79%									

Debt	50.00%	159.96
Equity	50.00%	159.96
<b>Total</b>	<b>100.00%</b>	<b>319.92</b>

	Present Value	Holding Period					Terminal Value			Sale Price
	Historic	ProForma	1	2	3	4	5	6	7	8
Book Equity	-64.67	159.96	172.59	185.21	197.84	210.46	223.09			
Goodwill	0	384.59	384.59	384.59	384.59	384.59	384.59			
Debt	160	319.96	319.96	319.96	319.96	319.96	319.96			
Debt Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%	8.00%			
Additional Interest Expense		10.34	10.34	10.34	10.34	10.34				
<b>Tangible Book Value</b>	-64.67	-224.63	-212.00	-199.38	-186.75	-174.13	-161.50			-161.50
Annual Change			12.63	12.63	12.63	12.63	12.63			
<b>Annual FCF</b>	(20.38)		15.86	15.86	15.86	15.86	15.86	15.86	15.86	47.57
Annual Net Income	21.75		12.63	12.63	12.63	12.63	12.63	12.63	12.63	
<b>Annual Op. Cash Flow</b>	0.04		25.86	25.86	25.86	25.86	25.86	25.86	25.86	
Dividend Payments										
<b>Annual PP&amp;E Investment</b>	(20.42)		(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	
Debt Paydown	0.00							0.00	0.00	0.00

Sale Price in Year 5 (113.93)

Capital Left for Equity Investor (113.93)  
 Dividend Payments 0.00  
 Total Cash In Flow (113.93)

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 159.96  
 IRR -193.44%

Value Creation  
 TBV Growth (equals sum of NI Year 1-5) 63.13  
 Cash Flow (Year 6-8) 47.57  
**110.70**

Value Dilution  
 Debt 159.96  
 Goodwill 384.59  
 Additional Interest 51.69  
**596.24**