

SeaCube Container (BOX)

Price:	\$19.72
Market Cap:	\$400,118,800
Cash:	\$18,090,000
Debt:	\$1,231,410,000
Net Cash:	-\$1,213,320,000
Enterprise Value:	\$1,613,438,800
Target Market Cap:	\$926,925,390
Target Enterprise Value:	\$2,140,245,390

Price/Book:	1.49
EV/FCF:	-6.61
Net Tang. Asset/Share:	\$14.47
Avg. Year 1-5 FCF/Share:	\$4.39
5 Years of FCF:	\$21.94
Net Tang. Asset+5 FCF:	\$36.41

Net Tang. Asset Yr. 5/Share:	\$23.75
Avg. Year FCF/Share:	\$4.39
Year 5 Disposition FCF Multiple:	5.0
Year 5 Disposition Price:	\$45.68
Gain Year 5:	\$9.27

Net Tang. Asset+5 FCF+ Gain Disposition:	\$45.68
IRR:	18.30%

Assumed Deal Details

Debt	60.00%	\$240,071,280
Equity	40.00%	\$160,047,520
Shares Outstanding		20,290,000

Levered Return

New market cap in 5 years	\$926,925,390
Nominal Gain for Equity	\$526,806,590
Levered Equity Return	33.82%

Co. purchases sea bound containers and leases them out to customers. Current utilization rate is 98%, so the co. took out a large loan balance in the past couple years to expand their asset base, from which they can generate additional revenue. It is essentially a function of units, since the supply/demand is out of synch (short supply of containers), so the more units they purchase, the more revenue they can generate.

They could fairly ascertain the utilization of their container assets at 98%, even if it goes down to 80% in the next few years. As long as the return on the assets is greater than the cost of the debt, which is roughly 5% (1BB and \$50MM int. exp), then it is justified.

The co. classifies their revenue source as 1) leasing, 2) financing. Leasing are clients who don't need financing and sign an operating lease. Financing on the other hand is where the client receives financing from the co. and has the option to purchase the container at the end of the lease term for the residual value.

If a car co. leases their cars, they receive monthly installment payments from their customers. If the customer was to also get financing from the co., they would get interest payment from the financing as well.

So if the co. purchases containers for 10,000 and leases them out on a sell to lease term, then the co. would receive gross income from the interest spread - the interest charged by the co. on the container and the interest paid by the co. to finance the purchase of the containers. The interest on the loan, which is a Collateralized security, charges a weighted average higher than 5% (\$50MM finance revenue/ smaller container asset base than the outstanding debt outstanding) and the interest expense is 5%, so the financing cost for acquiring the containers is offset by the finance revenue.

This means, the leasing revenue can be grown at a direct relationship with the loan outstanding, which would be collateralized asset. The co. is operating at a highly leveraged environment with D/E at +400%. We are not sure what the co. would do if the capital market freezes and they have \$250MM upcoming maturity in 2013. Could they take out another collateralized security loan, or sell their containers at fire sale prices?

In summary: Highly leveraged, assets back the stock price, requires minimal employees (70 workers) and maintenance, highly vulnerable to the economy, generates 5% FCF, \$80MM in FCF. Growth rate is 8% annually.

We believe co. selling at a discount because of the highly leveraged, economically sensitive business model. Valuation is tempting, but we were burned by EXM. Will try to stay away from shipping related, but it is the best to buy when everyone else is retreating. Will need more time to look over this co.

We are one of the world's largest container leasing companies based on total assets. Containers are the primary means by which products are shipped internationally because they facilitate the secure and efficient movement of goods via multiple transportation modes, including ships, rail and trucks. The principal activities of our business include the acquisition, leasing, re-leasing and subsequent sale of refrigerated and dry containers and generator sets. We lease our containers primarily under long-term contracts to a diverse group of the world's leading shipping lines. As of December 31, 2011, we employed 75 people in seven offices worldwide and have total assets of \$1.5 billion. We operate in a single segment.

Company Name:	SeaCube Container	Market Capitalization:	\$400,118,800.00	Revenue:	\$194,620,000.00	100.0%
Ticker Symbol:	BOX	Total Debt:	\$1,231,410,000.00	Cost of Goods Sold:	\$31,130,000.00	16.0%
Last Price:	\$19.72	Total Cash:	\$18,090,000.00	Gross Profit:	\$163,490,000.00	84.0%
Net Cash/Share:	-\$59.80	Net Cash/(Debt):	-\$1,213,320,000.00	EBITDA:	\$167,840,000.00	86.2%
Net Cash to Last Price:	-303.24%	Enterprise Value:	\$1,613,438,800.00	Net Income:	\$46,270,000.00	23.8%
Shares Outstanding:	20,290,000	Current EV/Share:	\$79.52			
Industry:	Rental & Leasing Services	EBITDA:	\$187,280,000.00			
Sector:	Industrials	EV/EBITDA Multiple:	8.62	Balance Sheet		
Institutional Ownership:	#VALUE!	EV/EBITDA Multiple Average Year 1-5:	8.26	Cash:	\$18,090,000.00	
Mutual Fund Ownership:	#VALUE!	EV/FCF Multiple (excluding acquisition):	-6.61	Short Term Investment:	\$0.00	
Insider Ownership:	#VALUE!	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	18.12	A/R:	\$40,830,000.00	
Retail Ownership:	#VALUE!			PP&E:	\$950,000,000.00	
Float:	#VALUE!			Assets:	\$1,718,620,000.00	
		Upper Range		A/P:	\$26,300,000.00	
		DCF: EV/EBITDA Terminal Value		Deferred Tax:	\$910,000.00	
				Other Liabilities:	\$143,850,000.00	
	Technicals	Implied TV from 3 X EV/EBITDA Multiple	\$449,087,074.86	Short term Debt:	\$181,410,000.00	
52 week low:	Error	Enterprise Value	\$449,087,074.86	Long Term Debt:	\$1,050,000,000.00	
Today from 52 week low:	#VALUE!	Cash at Year 5:	\$463,200,763.07	Liabilities:	\$1,402,470,000.00	
52 week high:	Error	Debt at Year 5:	\$1,231,410,000.00	Retained Earnings:	\$50,650,000.00	
Today from 52 week high:	#VALUE!	Equity Value Year 5:	-\$319,122,162.07	Paid-In Capital:	\$220,400,000.00	
50 day Moving Average:	Error	Equity/Share at Year 5:	-\$15.73	Treasury Stock:	\$0.00	
200 day Moving Average:	Error	Annualized Return:	-195.58%	Stockholder's Equity:	\$269,200,000.00	
		Lower Range				
Analyst/Consensus		DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		Cash Flow		
Analyst Sales Growth FY1:	18.90%	Year 5 Net Tangible Assets excluding cash and debt	\$1,354,750,000.00	Net Income:	39,440,000.00	
Analyst Sales Growth FY2:	12.20%	Enterprise Value	\$1,354,750,000.00	Depreciation/Amortization:	48,410,000.00	
SN Valuation Estimate FY1:	2.00%	Cash at Year 5:	\$463,200,763.07	Change in Working capital:	2,170,000.00	
SN Valuation Estimate FY2:	2.00%	Debt at Year 5:	\$1,231,410,000.00	Cash from Operating Activities:	93,460,000.00	
Analyst Earnings Estimate FY1:	\$2.60	Equity Value Year 5:	\$586,540,763.07	Capital Expenditures:	-337,630,000.00	
Analyst Earnings Estimate FY2:	\$2.83	Equity/Share at Year 5:	\$28.91	Cash from Investing Activities:	-467,120,000.00	
SN Valuation Earnings Est. FY1:	\$1.67	Annualized Return:	7.95%	Total Cash Dividends Paid:	-22,550,000.00	
SN Valuation Earnings Est. FY2:	\$1.76			Issuance (Retirement) of Stock:	0.00	
		EVA		Issuance (Retirement) of Debt:	406,240,000.00	
Multiples		EVA today:	\$322,044,609.36	Cash from Financing Activities:	370,930,000.00	
Market Value to Book:	1.49	EVA in 5 Years:	\$1,562,933,704.64			
EV to Book:	5.99	EVA/Share:	\$77.03			
Market Value to Tangible Net Assets:	2.59	Cash at Year 5:	\$463,200,763.07	Profitability Margins		
P/E Ratio:	8.65	Debt at Year 5:	\$1,231,410,000.00	Debt to Equity:	457.43%	
Trailing P/E Ratio:	8.88	Equity Value Year 5:	\$794,724,467.71	Return on Assets:	2.29%	
Forward P/E Ratio:	7.17	Equity/Share at Year 5:	\$39.17	Return on Capital:	2.63%	
Beta:	Error	Annualized return	37.15%	Return on Equity:	14.65%	
Dividend:	1.2					
Dividend Yield:	5.91%	Current Net Tangible Asset				
Dividend Date:	Dec 13, 2012	Net Tangible Asset/Share:	\$14.47			
Ex-Dividend Date:	Dec 5, 2012	Net Tangible Asset/Share in Year 5:	\$23.75			
		Annualized return	10.41%			
	Competitors	Current Equity Price:	\$19.72			
Average EV to EBITDA:	N/A	Selling at Discount?	Premium			
Company EV to EBITDA:	8.62	Appreciation Potential:	-26.60%			
Average EV to EBIT:	N/A					
Company EV to EBITA:	41.65	Dividend Model				
		Next Year Dividend	\$26,038,074.38			
		WACC:	5.90%			
		Dividend:	\$24,348,000.00			
		Net Income:	\$46,270,000.00			

SN VALUATION

LBO Analysis

WACC Terminal Value:	N/A	Intrinsic Price in 5 Years:	16.78	Non-LBO Forecast	19.09	Non-LBO Forecast	20.00%
EV/EBITDA with 3X Multiple Terminal Value:	\$0.00	Market Price:	19.72	Year 1 Target	18.48	Desired Return Rate	20.00%
Net Tangible Asset Terminal Value:	\$28.91	LBO Price:	19.72	Year 2 Target	17.90	Implied Today's Price	6.74
EV/EBITDA with Today's Multiple Terminal Value:	(\$0.97)	Premium to Market Price:	0.00%	Year 3 Target	17.33	Overvalued/(Undervalued)	192.50%
EVA Enterprise Value:	\$39.17	LBO Price/Intrinsic Price Target:	-3.18%	Year 4 Target	16.78		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-141.51%	Year 5 Target			
Average (Excluding Dividend Discount):	\$16.78	Implied IRR at today's EV/EBITDA:	-154.78%	Implied IRR (Market Price):	-3.18%		
		5 Year Return:	-14.93%				

Current Evaluation				Exit Evaluation			
Current Market Price:	19.72	LBO Price:	19.72	Exit Price:	16.78	Exit Price:	-0.97
Outstanding Shares:	20,290,000	Outstanding Shares:	20,290,000	Outstanding Shares:	20,290,000	Outstanding Shares:	20,290,000
Market Capitalization:	400,118,800	Market Capitalization:	400,118,800	Market Capitalization:	340,383,613	Market Capitalization:	-19,730,779
Available Cash:	18,090,000	Available Cash:	18,090,000	Available Cash:	463,200,763	Available Cash:	463,200,763
Debt:	1,231,410,000	Debt:	1,231,410,000	Debt:	1,231,410,000	Debt:	1,231,410,000
Net Cash:	-1,213,320,000	Net Cash:	-1,213,320,000	Net Cash:	-768,209,237	Net Cash:	-768,209,237
Enterprise Value:	1,613,438,800	Enterprise Value:	1,613,438,800	Enterprise Value:	1,108,592,850	Enterprise Value:	748,478,458
Original EV/EBITDA:	41.65	EV/EBITDA:	41.65	EV/EBITDA at 5 Years:	7.41	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	8.62	EV/EBITDA:	8.62	EV/EBITDA at 5 Years:	11.69	EV/EBITDA at 5 Years:	3.68
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:	19.72	225.25	218.08	211.14	204.42	197.92	191.62
Shares Outstanding:	20,290,000	20,290,000	20,290,000	20,290,000	20,290,000	20,290,000	20,290,000
Market Capitalization:	400,118,800	4,570,320,840	4,424,891,501	4,284,089,778	4,147,768,420	4,015,784,859	3,888,001,064
Available Cash:	18,090,000	18,090,000	101,428,802	187,553,012	276,518,338	368,381,602	463,200,763
Debt:	1,231,410,000	1,231,410,000	1,231,410,000	1,231,410,000	1,231,410,000	1,231,410,000	1,231,410,000
Net Cash:	-1,213,320,000	-1,213,320,000	-1,129,981,198	-1,043,856,988	-954,891,662	-863,028,398	-768,209,237
Enterprise Value:	1,613,438,800	5,783,640,840	5,554,872,699	5,327,946,767	5,102,660,082	4,878,813,257	4,656,210,301
EBIT	138,870,000	138,870,000	138,295,680	141,061,594	5	146,760,482	149,695,692
EV/EBIT:	11.62	41.65	40.17	37.77	1,020,532,016.43	33.24	31.10
EBITDA	187,280,000	187,280,000	187,673,880	191,427,358	195,255,905	199,161,023	203,144,243
EV/EBITDA:	8.62	8.62	29.60	27.83	26.13	24.50	22.92

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	19.72	225.25	228.18	238.10	-47.06	258.71	269.41
Shares Outstanding:	20,290,000	20,290,000	20,290,000	20,290,000	20,290,000	20,290,000	20,290,000
Market Capitalization:	400,118,800	4,570,320,840	4,629,740,433	4,831,059,075	-954,891,454	5,249,234,274	5,466,298,689
Available Cash:	18,090,000	18,090,000	101,428,802	187,553,012	276,518,338	368,381,602	463,200,763
Debt:	1,231,410,000	1,231,410,000	1,231,410,000	1,231,410,000	1,231,410,000	1,231,410,000	1,231,410,000
Net Cash:	-1,213,320,000	-1,213,320,000	-1,129,981,198	-1,043,856,988	-954,891,662	-863,028,398	-768,209,237
Enterprise Value:	1,613,438,800	5,783,640,840	5,759,721,631	5,874,916,064	208	6,112,262,673	6,234,507,926
EBIT	138,870,000	138,870,000	138,295,680	141,061,594	5	146,760,482	149,695,692
EV/EBIT:	11.62	41.65	41.65	41.65	41.65	41.65	41.65
EBITDA	187,280,000	187,280,000	187,673,880	191,427,358	195,255,905	199,161,023	203,144,243
EV/EBITDA:	8.62	8.62	30.69	30.69	0.00	30.69	30.69

LBO Price	19.72	Equity Partners:	1,600,558,800	Weighting	100.00%	Annualized Return for Equity Partners:	-141.51%
Shares Outstanding	20,290,000	Debt Partners:	0		0.00%		
Market Capitalization	400,118,800	Total Funds for LBO:	1,600,558,800		100.00%		
Debt	1,200,440,000						
Cash	18,090,000						
Enterprise Value	1,582,468,800						
Capital Investment	1,600,558,800						

Book Value	Enterprise Value	Stock Valuation	Debt Reduction				
Beginning Book Value	269.20	Beginning Enterprise Value	1,613.44	Current Market Price	\$19.72	Starting Debt	1,050.00
Year 5 Book Value	457.34	Year 5 Enterprise Value	748.48	Year 5 Market Price	-\$0.97	Debt Repayment	0.00
Annualized Return	11.18%	Annualized Return	-14.24%	Annualized Return	-154.78%	Year 5 Ending Debt	1,050.00
						% of Starting Debt	100.00%

SN VALUATION

LBO Pro Forma Income Statement

Name:

SeaCube Container

Ticker:

BOX

	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	238.82	141.88	137.25	169.48	172.87	176.33	179.85	183.45	187.12
COGS	13.78	9.07	6.14	5.99	8.64	8.82	8.99	9.17	9.36
Gross margin	225.04	132.81	131.11	163.49	164.23	167.51	170.86	174.28	177.76
SG&A	27.68	26.66	20.16	23.63	25.93	26.45	26.98	27.52	28.07
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	7.10	29.64	1.34	1.29	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.67	4.25	0.38	-0.50	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)	189.59	72.26	109.23	138.87	138.30	141.06	143.88	146.76	149.70
Interest income/(expense)	0.00	0.00	0.00	0.00	-86.05	-86.05	-86.05	-86.05	-86.05
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	30.04	-14.76	30.42	38.74	52.25	55.01	57.83	60.71	63.65
Tax	0.00	0.24	0.60	-0.70	18.29	19.25	20.24	21.25	22.28
Income after tax	30.04	-15.00	29.82	39.44	33.96	35.76	37.59	39.46	41.37
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	30.04	-15.00	29.82	39.44	33.96	35.76	37.59	39.46	41.37
*Figures are in millions (\$)									
EPS (based off today's share count)	\$1.48	-\$0.74	\$1.46	\$1.94	\$1.67	\$1.76	\$1.85	\$1.94	\$2.04
P/E (historical today's price; forecasted intrinsic price)	13.32	-26.67	13.51	10.15	11.41	10.49	9.66	8.91	8.23
Revenue Growth	N/A	-40.59%	-3.26%	23.48%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Rate	0.00%	-1.63%	2.63%	-1.81%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	0.00%	0.00%	0.00%	0.00%	-8.20%	-8.20%	-8.20%	-8.20%	-8.20%
Margins									
COGS	5.77%	6.39%	4.47%	3.53%	5.00%	5.00%	5.00%	5.00%	5.00%
Gross margin	94.23%	93.61%	95.53%	96.47%	95.00%	95.00%	95.00%	95.00%	95.00%
SG&A	11.59%	18.79%	14.69%	14.06%	15.00%	15.00%	15.00%	15.00%	15.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	2.97%	20.89%	0.98%	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.28%	3.00%	0.28%	-0.30%	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)	79.39%	50.93%	79.58%	81.94%	80.00%	80.00%	80.00%	80.00%	80.00%
Interest income/(expense)	0.00%	0.00%	0.00%	0.00%	-49.78%	-48.80%	-47.84%	-46.91%	-45.99%
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	12.58%	-10.40%	22.16%	22.86%	30.22%	31.2%	32.16%	33.09%	34.01%
Tax	0.00%	0.17%	0.58%	-0.41%	10.58%	10.92%	11.25%	11.58%	11.90%
Income after tax	12.58%	-10.57%	21.58%	23.27%	19.65%	20.69%	21.75%	22.83%	23.93%
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	12.58%	-10.57%	21.58%	23.27%	19.65%	20.28%	20.90%	21.51%	22.11%

SN VALUATION

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	30.57	8.01	17.87	15.01	18.09			18.09	101.43	187.55	276.52	368.38	463.20
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	30.57	8.01	17.87	15.01	18.09			18.09	101.43	187.55	276.52	368.38	463.20
Accounts Receivable	38.29	29.80	27.17	41.57	40.83			40.83	40.83	40.83	40.83	40.83	40.83
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	38.29	29.80	27.17	41.57	40.83			40.83	40.83	40.83	40.83	40.83	40.83
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	68.86	37.81	45.04	56.58	58.92	0.00	0.00	58.92	142.26	228.38	317.35	409.21	504.03
PP&E, Gross	1,051.58	477.37	618.35	900.00	1,100.00			1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
Change in Depreciation		38.99	36.53	48.41	48.41			48.41	49.38	50.37	51.37	52.40	53.45
Accumulated Depreciation	187.85	116.52	141.78	150.00	150.00			150.00	199.38	249.74	301.12	353.52	406.97
PP&E, Net	863.73	360.85	476.57	750.00	950.00			950.00	900.62	850.26	798.88	746.48	693.03
Goodwill	22.48	22.48	22.48	22.48	22.48	0.00		22.48	22.48	22.48	22.48	22.48	22.48
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	582.32	555.99	516.16	639.25	652.61			652.61	652.61	652.61	652.61	652.61	652.61
Other long term assets	30.06	22.06	17.13	29.65	34.61			34.61	34.61	34.61	34.61	34.61	34.61
Long Term Assets	1,498.59	961.38	1,032.34	1,441.38	1,659.70			1,659.70	1,610.32	1,559.96	1,508.58	1,456.18	1,402.73
Total Assets	1,567.45	999.19	1,077.38	1,497.96	1,718.62	0.00	0.00	1,718.62	1,752.58	1,788.34	1,825.93	1,865.39	1,906.76
Accounts Payable	0.76	0.27	39.38	26.30	26.30			26.30	26.30	26.30	26.30	26.30	26.30
Accrued Expense	16.13	16.88	24.07	37.10	37.10			37.10	37.10	37.10	37.10	37.10	37.10
Other current Liabilities	2.53	4.04	2.37	2.04	1.98			1.98	1.98	1.98	1.98	1.98	1.98
Total Current Liabilities	19.42	21.19	65.82	65.44	65.38	0.00	0.00	65.38	65.38	65.38	65.38	65.38	65.38
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	131.27	130.09	161.17	181.41			181.41	181.41	181.41	181.41	181.41	181.41
Long term Debt	1,216.21	666.99	664.11	1,039.27	1,050.00	0.00	0.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00
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	1,216.21	798.26	794.20	1,200.44	1,231.41	0.00	0.00	1,231.41	1,231.41	1,231.41	1,231.41	1,231.41	1,231.41
Deferred Income tax	0.04	0.12	3.41	1.53	0.91			0.91	0.91	0.91	0.91	0.91	0.91
Minority Interest	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	92.11	43.30	45.50	38.75	104.77			104.77	104.77	104.77	104.77	104.77	104.77
Total Liabilities	1,327.78	862.87	908.93	1,306.16	1,402.47	0.00	0.00	1,402.47	1,402.47	1,402.47	1,402.47	1,402.47	1,402.47
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	0.16	0.16	0.20	0.20	0.20		0.00	0.20	0.20	0.20	0.20	0.20	0.20
Additional Paid-in capital	289.83	289.83	217.79	218.88	220.20	0.00	0.00	220.20	220.20	220.20	220.20	220.20	220.20
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	61.42	-13.59	12.03	32.92	50.65		0.00	50.65	84.61	120.37	157.96	197.42	238.79
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	-97.80	-42.05	-5.55	-1.85	-1.85		0.00	-1.85	-1.85	-1.85	-1.85	-1.85	-1.85
Total Equity	253.61	234.35	224.47	250.15	269.20	0.00	0.00	269.20	303.16	338.92	376.51	415.97	457.34
Liability + Equity	1,581.39	1,097.22	1,133.40	1,556.31	1,671.67	0.00	0.00	1,671.67	1,705.63	1,741.39	1,778.98	1,818.44	1,859.81
Variance	-13.94	-98.03	-56.02	-58.35	46.95			46.95	46.95	46.95	46.95	46.95	46.95
Debt/Equity	4.80	3.41	3.54	4.80	4.57			4.57	4.06	3.63	3.27	2.96	2.69
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	6.24	4.76	5.05	4.08	4.23			4.15	4.23	4.32	4.40	4.49	4.58
Accounts Receivable Turnover Days	58.52	76.66	72.26	89.53	86.21			87.93	86.21	84.52	82.86	81.24	79.64
Days Payable Outstanding	20.13	10.87	2,340.99	1,602.59	1,110.61			1,602.59	1,110.61	1,088.83	1,067.48	1,046.55	1,026.03
Days Sales Outstanding	58.52	76.66	72.26	89.53	86.21			89.53	87.93	86.21	84.52	82.86	81.24
Cash Conversion Cycle	38.39	65.80	-2,268.74	-1,513.06	-1,024.40			-1,513.06	-1,022.67	-1,002.62	-982.96	-963.69	-944.79
Net tangible assets/share	\$10.70	\$5.61	\$7.19	\$8.34	\$14.47				\$16.15	\$17.91	\$19.76	\$21.71	\$23.75

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	30.04	-15.00	29.62	39.44	33.96	35.76	37.59	39.46	41.37
Depreciation	81.13	38.99	36.53	48.41	49.38	50.37	51.37	52.40	53.45
Net Income + Depreciation	111.17	23.99	66.15	87.85	83.34	86.12	88.97	91.86	94.82
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	0.00	0.08	0.79	-0.69	0.00	0.00	0.00	0.00	0.00
Non Cash Items	16.11	46.28	5.93	4.14	0.00	0.00	0.00	0.00	0.00
Change in Working capital	0.11	-19.38	3.87	2.17	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	8.49	2.63	-14.40	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	-0.49	39.11	-13.08	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	127.39	50.97	76.74	93.47	83.34	86.12	88.97	91.86	94.82
Capital Expenditures Expenditures	-7.20	-0.09	-128.84	-337.63	0.00	0.00	0.00	0.00	0.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	57.98	443.14	46.49	-129.49	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	50.78	443.05	-82.35	-467.12	0.00	0.00	0.00	0.00	0.00
Financing Cash flow items	-1.71	-98.59	-5.00	-12.76	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	0.00	-2.80	-22.55	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	0.00	0.00	27.31	0.00	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	-157.36	-417.95	-4.06	406.24	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-159.07	-516.54	15.45	370.93	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	0.32	-0.04	0.02	-0.14	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	11.15	30.57	8.01	17.87	18.09	101.43	187.55	276.52	368.38
Net Change in Cash	19.42	-22.55	9.85	-2.86	83.34	86.12	88.97	91.86	94.82
Ending Cash Balance	30.57	8.01	17.86	15.01	101.43	187.55	276.52	368.38	463.20
Capex to Revenue	3.01%	0.06%	93.87%	199.22%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation to Sales	33.97%	27.48%	26.62%	28.56%	28.56%	28.56%	28.56%	28.56%	28.56%
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	16.03%	21.00%	19.80%	24.53%	24.05%	23.58%	23.11%	22.66%	22.22%
Distributable FCF Yield	11.04%	30.62%	-0.35%	-23.16%	5.17%	5.34%	5.51%	5.69%	5.88%
Dividend Yield	0.00%	0.00%	-0.70%	-5.64%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	120.19	50.88	-49.30	-221.61	83.34	86.12	88.97	91.86	94.82

SN VALUATION

LBO Debt Schedule

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	-2.86	83.34	86.12	88.97	91.86	94.82
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	1231.41	1231.41	1231.41	1231.41	1231.41	1231.41
Current Portion Debt Balance	181.41	181.41	181.41	181.41	181.41	181.41
Long Term Debt Balance	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00
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		86.20	86.20	86.20	86.20	86.20
Cash Balance		15.01				
Interest @ 1.0%		0.15	0.15	0.15	0.15	0.15
Net Interest Expense/(Income)		86.05	86.05	86.05	86.05	86.05
Net Interest Rate		8.20%	8.20%	8.20%	8.20%	8.20%
EBITDA		138.30	141.06	143.88	146.76	149.70
EBITDA/Interest Expense Coverage		1.60	1.64	1.67	1.70	1.74

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

Altman Z Score

Company Name:

SeaCube Container

Ticker:

BOX

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	49.44	16.62	-20.78	-6.46	76.88	163.00	251.97	343.83	438.65
Total Assets	1,567.45	999.19	1,077.38	1,718.62	1,752.58	1,788.34	1,825.93	1,865.39	1,906.76
X1	0.03	0.02	-0.02	0.00	0.04	0.09	0.14	0.18	0.23
Retained Earnings	61.42	-13.59	12.03	50.65	84.61	120.37	157.96	197.42	238.79
Total Assets	1,567.45	999.19	1,077.38	1,718.62	1,752.58	1,788.34	1,825.93	1,865.39	1,906.76
X2	0.04	-0.01	0.01	0.03	0.05	0.07	0.09	0.11	0.13
EBITDA	189.59	72.26	109.23	138.87	138.30	141.06	143.88	146.76	149.70
Total Assets	1,567.45	999.19	1,077.38	1,718.62	1,752.58	1,788.34	1,825.93	1,865.39	1,906.76
X3	0.12	0.07	0.10	0.08	0.08	0.08	0.08	0.08	0.08
Market Value of Equity	400.12	400.12	400.12	400.12	387.39	375.06	363.13	351.57	340.38
Total Liabilities	1,327.78	862.87	908.93	1,402.47	1,402.47	1,402.47	1,402.47	1,402.47	1,402.47
X4	0.30	0.46	0.44	0.29	0.28	0.27	0.26	0.25	0.24
Net Sales	238.82	141.88	137.25	169.48	172.87	176.33	179.85	183.45	187.12
Total Assets	1,567.45	999.19	1,077.38	1,718.62	1,752.58	1,788.34	1,825.93	1,865.39	1,906.76
X5	0.15	0.14	0.13	0.10	0.10	0.10	0.10	0.10	0.10
Altman Z Score	0.83	0.66	0.72	0.57	0.64	0.72	0.80	0.88	0.95

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

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