

## Shiloh Industries (SHLO)

Price:	\$11.22
Market Cap:	\$189,618,000
Cash:	\$170,000
Debt:	\$22,450,000
Net Cash:	-\$22,280,000
Enterprise Value:	\$211,898,000
Target Market Cap:	\$224,952,181
Target Enterprise Value:	\$247,232,181

Price/Book:	1.77
EV/FCF:	59.02
<b>Net Tang. Asset/Share:</b>	<b>\$5.27</b>
Avg. Year 1-5 FCF/Share:	\$0.95
<b>5 Years of FCF:</b>	<b>\$4.75</b>
Net Tang. Asset+5 FCF:	\$10.02

Net Tang. Asset Yr. 5/Share:	\$8.56
Avg. Year FCF/Share:	\$0.95
Year 5 Disposition FCF Multiple:	5.0
Year 5 Disposition Price:	\$13.31
<b>Gain Year 5:</b>	<b>\$3.29</b>

<b>Net Tang. Asset+5 FCF+ Gain Disposition:</b>	<b>\$13.31</b>
<b>IRR:</b>	<b>3.48%</b>

Assumed Deal Details

Debt	60.00%	\$113,770,800
Equity	40.00%	\$75,847,200
Shares Outstanding		16,900,000

Levered Return

New market cap in 5 years	\$224,952,181
Nominal Gain for Equity	\$35,334,181
<b>Levered Equity Return</b>	<b>7.95%</b>

The co. processes raw steel into customer specified shapes and size. Customers are the Big 3 domestic auto manufacturer, Japanese automakers. There is no price risk since the customers bear the cost of the steel. This is why the co. has slim gross margin (8%), since they just stamp and shape the steel. If the co. requires minimal mandatory capex investments, then it would be a sustainable business. It is easy for the co. to burn cash since the gross margin is so slim. This is why the co. slashed 1,500 jobs during the Great Recession, while other auto suppliers were going out of business.

9 steel mills, operating at 56% capacity. Building is \$100MM, equipment is \$300MM and depreciation is \$350MM. 9 plants for \$100MM? About \$10MM each for buildings with sq. footage of 250k, in places like Ohio, or a price/sq. footage of \$40/sq. ft. Per Loopnet, average price for industrials in Cleveland, OH is \$35, so it is a good estimate.

The co. needs to either 1) increase volume to support SG&A costs, 2) grow a higher margin business asap.

Co. has low debt, leverage at D/E of 21%. Debt is a 3%, \$80MM revolving line of credit, of which they tapped \$20MM. Return on Capital is ~10%, so a net profitability of 7% on borrowed/invested capital. The bigger concern is the pension, health insurance for the growing workforce and they are most likely protected by a union. Debt is \$20MM, long term liability, which is mainly pension related is \$30MM.

The co. generates about \$30MM in op. cashflow, so 6-7x EV/op. cash flow. Net assets alone account for half of the value. 4 more years of op. cash flow would help to set the break-even level.

Shiloh is a leading supplier providing light weighting and noise, vibration and harshness (NVH) solutions to automotive, commercial vehicle and other industrial markets. Shiloh delivers these solutions through design engineering and manufacturing of first operation blanks, engineered welded blanks, complex stampings and modular assemblies. In addition, Shiloh is a designer and engineer of precision tools and dies and welding and assembly equipment for use in its blanking, welded blank and stamping operations and for sale to original equipment manufacturers ("OEMs"), Tier I automotive suppliers and other industrial customers. The Company's blanks, which are engineered two dimensional shapes cut from flat-rolled steel, are principally sold to automotive and truck OEMs and are used for exterior and structural components, such as fenders, hoods and doors. These blanks include first operation exposed and unexposed blanks and more advanced engineered welded blanks. Engineered welded blanks generally consist of two or more sheets of steel of the same or different material grade, thickness or coating that are welded together utilizing both mash seam resistance and laser welding.

Company Name:		Shiloh Industries		Market Capitalization:		\$189,618,000.00		Revenue:		\$586,070,000.00		100.0%	
Ticker Symbol:	SHLO	Total Debt:	\$22,450,000.00	Cost of Goods Sold:	\$535,330,000.00	91.3%		Cost of Goods Sold:	\$535,330,000.00	91.3%			
Last Price:	\$11.22	Total Cash:	\$170,000.00	Gross Profit:	\$50,740,000.00	8.7%		Gross Profit:	\$50,740,000.00	8.7%			
Net Cash/Share:	-\$1.32	Net Cash/(Debt):	-\$22,280,000.00	EBITDA:	\$42,010,000.00	7.2%		EBITDA:	\$42,010,000.00	7.2%			
Net Cash to Last Price:	-11.75%	Enterprise Value:	\$211,898,000.00	Net Income:	\$13,530,000.00	2.3%		Net Income:	\$13,530,000.00	2.3%			
Shares Outstanding:	16,900,000	Current EV/Share:	\$12.54										
Industry:	Auto Parts	EBITDA:	\$42,860,000.00										
Sector:	Consumer Cyclical	EV/EBITDA Multiple:	4.94										
Institutional Ownership:	#VALUE!	EV/EBITDA Multiple Average Year 1-5:	5.49										
Mutual Fund Ownership:	#VALUE!	EV/FCF Multiple (excluding acquisition):	59.02										
Insider Ownership:	#VALUE!	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	13.19										
Retail Ownership:	#VALUE!	<b>Upper Range</b>											
Float:	#VALUE!	<b>DCF: EV/EBITDA Terminal Value</b>											
<b>Technicals</b>		Implied TV from 3 X EV/EBITDA Multiple	\$58,236,177.27										
52 week low:	Error	Enterprise Value	\$58,236,177.27										
Today from 52 week low:	#VALUE!	Cash at Year 5:	\$80,470,886.73										
52 week high:	Error	Debt at Year 5:	\$22,450,000.00										
Today from 52 week high:	#VALUE!	Equity Value Year 5:	\$116,257,064.00										
50 day Moving Average:	Error	<b>Equity/Share at Year 5:</b>	<b>\$6.88</b>										
200 day Moving Average:	Error	Annualized Return:	-9.32%										
<b>Analyst/Consensus</b>		<b>Lower Range</b>											
Analyst Sales Growth FY1:	4.90%	<b>DCF: Net Tangible Asset excluding Cash/Debt Terminal Value</b>											
Analyst Sales Growth FY2:	N/A	Year 5 Net Tangible Assets excluding cash and debt	\$110,530,000.00										
SN Valuation Estimate FY1:	2.00%	Enterprise Value	\$110,530,000.00										
SN Valuation Estimate FY2:	2.00%	Cash at Year 5:	\$80,470,886.73										
Analyst Earnings Estimate FY1:	\$0.89	Debt at Year 5:	\$22,450,000.00										
Analyst Earnings Estimate FY2:	N/A	Equity Value Year 5:	\$168,550,886.73										
SN Valuation Earnings Est. FY1:	\$0.63	<b>Equity/Share at Year 5:</b>	<b>\$9.97</b>										
SN Valuation Earnings Est. FY2:	\$0.64	Annualized Return:	-2.33%										
<b>Multiples</b>		<b>EVA</b>											
Market Value to Book:	1.77	EVA today:	\$108,487,134.03										
EV to Book:	1.97	EVA in 5 Years:	\$125,613,483.61										
Market Value to Tangible Net Assets:	2.13	EVA/Share:	\$7.43										
P/E Ratio:	14.01	Cash at Year 5:	\$80,470,886.73										
Trailing P/E Ratio:	13.96	Debt at Year 5:	\$22,450,000.00										
Forward P/E Ratio:	N/A	Equity Value Year 5:	\$183,634,370.34										
Beta:	Error	<b>Equity/Share at Year 5:</b>	<b>\$10.87</b>										
Dividend:	0	Annualized return	<b>2.97%</b>										
Dividend Yield:	0.00%	<b>Current Net Tangible Asset</b>											
Dividend Date:	Dec 27, 2012	<b>Net Tangible Asset/Share:</b>	<b>\$5.27</b>										
Ex-Dividend Date:	Dec 18, 2012	<b>Net Tangible Asset/Share in Year 5:</b>	<b>\$8.56</b>										
<b>Competitors</b>		Annualized return	10.18%										
Average EV to EBITDA:	N/A	Current Equity Price:	\$11.22										
Company EV to EBITDA:	4.94	Selling at Discount?	Premium										
Average EV to EBIT:	N/A	Appreciation Potential:	-53.02%										
Company EV to EBITA:	8.80	<b>Dividend Model</b>											
		<b>Next Year Dividend</b>	<b>\$0.00</b>										
		<b>WACC:</b>	<b>10.30%</b>										
		Dividend:	\$0.00										
		Net Income:	\$13,530,000.00										

# SN VALUATION

# LBO Analysis

WACC Terminal Value:	N/A	<b>Intrinsic Price in 5 Years:</b>	<b>9.22</b>	<b>Non-LBO Forecast</b>	<b>Non-LBO Forecast</b>
EV/EBITDA with 3X Multiple Terminal Value:	\$6.88	Market Price:	11.22	Year 1 Target	<b>10.79</b>
Net Tangible Asset Terminal Value:	\$9.97	LBO Price:	<b>11.22</b>	Year 2 Target	<b>10.37</b>
EV/EBITDA with Today's Multiple Terminal Value:	\$9.18	Premium to Market Price:	0.00%	Year 3 Target	<b>9.98</b>
<b>EVA Enterprise Value:</b>	\$10.87	LBO Price/Intrinsic Price Target:	-3.84%	Year 4 Target	<b>9.59</b>
<b>Dividend Discount Model:</b>	N/A	LBO Price/EV/EBIT Exit Price:	-5.99%	Year 5 Target	<b>9.22</b>
<b>Average (Excluding Dividend Discount):</b>	<b>\$9.22</b>	Implied IRR at today's EV/EBITDA:	-3.94%	<b>Implied IRR (Market Price):</b>	<b>-3.84%</b>
		5 Year Return:	-17.79%		
				<b>Desired Return Rate</b>	<b>20.00%</b>
				<b>Implied Today's Price</b>	<b>3.71</b>
				Overvalued/(Undervalued)	202.69%

Current Evaluation				Exit Evaluation			
Current Market Price:	11.22	LBO Price:	11.22	Exit Price:	9.22	Exit Price:	9.18
Outstanding Shares:	16,900,000	Outstanding Shares:	16,900,000	Outstanding Shares:	16,900,000	Outstanding Shares:	16,900,000
<b>Market Capitalization:</b>	<b>189,618,000</b>	<b>Market Capitalization:</b>	<b>189,618,000</b>	<b>Market Capitalization:</b>	<b>155,880,876</b>	<b>Market Capitalization:</b>	<b>155,081,182</b>
Available Cash:	170,000	Available Cash:	170,000	Available Cash:	80,470,887	Available Cash:	80,470,887
Debt:	22,450,000	Debt:	22,450,000	Debt:	22,450,000	Debt:	22,450,000
Net Cash:	<b>-22,280,000</b>	Net Cash:	<b>-22,280,000</b>	Net Cash:	58,020,887	Net Cash:	58,020,887
<b>Enterprise Value:</b>	<b>211,898,000</b>	<b>Enterprise Value:</b>	<b>211,898,000</b>	<b>Enterprise Value:</b>	<b>97,859,989</b>	<b>Enterprise Value:</b>	<b>97,060,295</b>
Original EV/EBITDA:	8.80	EV/EBITDA:	8.80	EV/EBITDA at 5 Years:	5.04	EV/EBITDA at 5 Years:	<b>5.00</b>
Original EV/EBITDA:	4.94	EV/EBITDA:	4.94	EV/EBITDA at 5 Years:	3.03	EV/EBITDA at 5 Years:	2.42
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:	11.22	11.21	10.78	10.37	9.97	9.59	9.22
Shares Outstanding:	16,900,000	16,900,000	16,900,000	16,900,000	16,900,000	16,900,000	16,900,000
<b>Market Capitalization:</b>	<b>189,618,000</b>	<b>189,530,002</b>	<b>182,247,099</b>	<b>175,244,049</b>	<b>168,510,099</b>	<b>162,034,909</b>	<b>155,808,535</b>
Available Cash:	170,000	170,000	14,972,362	30,391,179	46,438,780	63,127,740	80,470,887
Debt:	22,450,000	22,450,000	22,450,000	22,450,000	22,450,000	22,450,000	22,450,000
Net Cash:	-22,280,000	-22,280,000	-7,477,638	7,941,179	23,988,780	40,677,740	58,020,887
<b>Enterprise Value:</b>	<b>211,898,000</b>	<b>211,810,002</b>	<b>189,724,736</b>	<b>167,302,870</b>	<b>144,521,319</b>	<b>121,357,169</b>	<b>97,787,648</b>
EBIT	24,070,000	24,070,000	17,933,742	18,292,417	5	19,031,430	19,412,059
EV/EBIT:	8.80	8.80	10.58	9.15	28,904,263.81	6.38	5.04
EBITDA	42,860,000	42,860,000	37,099,542	37,841,533	38,598,363	39,370,331	40,157,737
EV/EBITDA:	4.94	4.94	5.11	4.42	3.74	3.08	2.44

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	11.22	11.21	8.90	9.99	1.42	12.32	13.54
Shares Outstanding:	16,900,000	16,900,000	16,900,000	16,900,000	16,900,000	16,900,000	16,900,000
<b>Market Capitalization:</b>	<b>189,618,000</b>	<b>189,530,002</b>	<b>150,334,823</b>	<b>168,909,890</b>	<b>23,988,824</b>	<b>208,149,586</b>	<b>228,842,170</b>
Available Cash:	170,000	170,000	14,972,362	30,391,179	46,438,780	63,127,740	80,470,887
Debt:	22,450,000	22,450,000	22,450,000	22,450,000	22,450,000	22,450,000	22,450,000
Net Cash:	-22,280,000	-22,280,000	-7,477,638	7,941,179	23,988,780	40,677,740	58,020,887
<b>Enterprise Value:</b>	<b>211,898,000</b>	<b>211,810,002</b>	<b>157,812,461</b>	<b>160,968,710</b>	<b>44</b>	<b>167,471,846</b>	<b>170,821,283</b>
EBIT	24,070,000	24,070,000	17,933,742	18,292,417	5	19,031,430	19,412,059
EV/EBIT:	8.80	8.80	8.80	8.80	8.80	8.80	8.80
EBITDA	42,860,000	42,860,000	37,099,542	37,841,533	38,598,363	39,370,331	40,157,737
EV/EBITDA:	4.94	4.94	4.25	4.25	0.00	4.25	4.25

LBO Price	11.22	Equity Partners:	211,218,000	Weighting	<b>100.00%</b>	<b>Annualized Return for Equity Partners:</b>	<b>-5.99%</b>
Shares Outstanding	16,900,000	Debt Partners:	0		0.00%		
<b>Market Capitalization</b>	<b>189,618,000</b>	<b>Total Funds for LBO:</b>	<b>211,218,000</b>		<b>100.00%</b>		
Debt	21,600,000						
Cash	170,000						
<b>Enterprise Value</b>	<b>211,048,000</b>						
<b>Capital Investment</b>	<b>211,218,000</b>						

<b>Book Value</b>		<b>Enterprise Value</b>		<b>Stock Valuation</b>		<b>Debt Reduction</b>	
Beginning Book Value	107.40	Beginning Enterprise Value	211.90	Current Market Price	\$11.22	Starting Debt	22.00
Year 5 Book Value	162.96	Year 5 Enterprise Value	97.06	Year 5 Market Price	\$9.18	Debt Repayment	0.00
<b>Annualized Return</b>	<b>8.70%</b>	<b>Annualized Return</b>	<b>-14.46%</b>	<b>Annualized Return</b>	<b>-3.94%</b>	Year 5 Ending Debt	22.00
						<b>% of Starting Debt</b>	<b>100.00%</b>

SN VALUATION

LBO Pro Forma Income Statement

Name:

Shiloh Industries

Ticker:

SHLO

	Historical				Forecasted				
	12 months ending 2009-10-31	12 months ending 2010-10-31	12 months ending 2011-10-31	12 months ending 2012-10-31	2013	2014	2015	2016	2017
Revenue	269.38	457.27	517.74	586.07	597.79	609.75	621.94	634.38	647.07
COGS	274.51	422.61	478.81	535.34	549.97	560.97	572.19	583.63	595.30
Gross margin	-5.13	34.66	38.93	50.73	47.82	48.78	49.76	50.75	51.77
SG&A	19.43	19.92	23.66	27.52	29.89	30.48	31.10	31.72	32.35
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	1.62	4.84	0.45	-0.86	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	0.00
Operating Income (EBITA)	-23.18	9.90	14.82	24.07	17.93	18.29	18.66	19.03	19.41
Interest income/(expense)	-3.29	-3.76	-1.71	-1.52	-1.57	-1.57	-1.57	-1.57	-1.57
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	-0.25	-0.04	-0.05	0.00	0.00	0.00	0.00	0.00
Income before tax	-26.48	5.90	13.08	22.51	16.36	16.72	17.09	17.46	17.84
Tax	-3.70	2.04	5.24	8.96	5.73	5.85	5.98	6.11	6.24
Income after tax	-17.78	3.86	7.84	13.53	10.64	10.87	11.11	11.35	11.60
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	-17.78	3.86	7.84	13.53	10.64	10.87	11.11	11.35	11.60
*Figures are in millions (\$)									
EPS (based off today's share count)	-\$1.05	\$0.23	\$0.46	\$0.80	\$0.63	\$0.64	\$0.66	\$0.67	\$0.69
P/E (historical today's price; forecasted intrinsic price)	-10.66	49.12	24.19	14.01	17.14	16.13	15.18	14.28	13.44
Revenue Growth	N/A	69.75%	13.22%	13.20%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Rate	32.85%	34.58%	40.06%	39.69%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-6.27%	-13.61%	-6.54%	-7.04%	-7.14%	-7.14%	-7.14%	-7.14%	-7.14%
Margins									
COGS	101.90%	92.42%	92.48%	91.34%	92.00%	92.00%	92.00%	92.00%	92.00%
Gross margin	-1.90%	7.58%	7.52%	8.66%	8.00%	8.00%	8.00%	8.00%	8.00%
SG&A	6.10%	4.36%	4.57%	4.70%	5.00%	5.00%	5.00%	5.00%	5.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.60%	1.06%	0.09%	-0.15%	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%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	-8.60%	2.17%	2.86%	4.11%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest income/(expense)	-1.22%	-0.82%	-0.33%	-0.26%	-0.26%	-0.26%	-0.25%	-0.25%	-0.24%
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%	-0.05%	-0.01%	-0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	-9.83%	1.29%	2.53%	3.84%	2.74%	2.74%	2.75%	2.75%	2.76%
Tax	-3.23%	0.45%	1.01%	1.53%	0.96%	0.96%	0.96%	0.96%	0.97%
Income after tax	-6.60%	0.84%	1.51%	2.31%	1.78%	1.82%	1.86%	1.90%	1.94%
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	-6.60%	0.84%	1.51%	2.31%	1.78%	1.78%	1.79%	1.79%	1.79%

SN VALUATION

LBO Adjusted Proforma Balance Sheet

						Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2009-10-31	As of 2010-10-31	As of 2011-10-31	As of 2012-10-31	As of 2012-10-31	+	-						
Cash	0.13	0.03	0.02	0.17	0.17			0.17	14.97	30.39	46.44	63.13	80.47
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
<b>Cash and Short term</b>	<b>0.13</b>	<b>0.03</b>	<b>0.02</b>	<b>0.17</b>	<b>0.17</b>			<b>0.17</b>	<b>14.97</b>	<b>30.39</b>	<b>46.44</b>	<b>63.13</b>	<b>80.47</b>
Accounts Receivable	66.30	73.06	77.07	78.09	78.09			78.09	78.09	78.09	78.09	78.09	78.09
Other receivables	0.00	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>66.30</b>	<b>73.06</b>	<b>77.07</b>	<b>78.09</b>	<b>78.09</b>			<b>78.09</b>	<b>78.09</b>	<b>78.09</b>	<b>78.09</b>	<b>78.09</b>	<b>78.09</b>
Total Inventory	23.54	20.92	33.98	44.69	44.69			44.69	44.69	44.69	44.69	44.69	44.69
Prepaid Expenses	1.18	2.59	1.73	1.53	1.53			1.53	1.53	1.53	1.53	1.53	1.53
Other Current Assets	2.12	2.63	2.23	2.15	2.15			2.15	2.15	2.15	2.15	2.15	2.15
<b>Current Assets</b>	<b>93.27</b>	<b>99.23</b>	<b>115.03</b>	<b>126.63</b>	<b>126.63</b>	<b>0.00</b>	<b>0.00</b>	<b>126.63</b>	<b>141.43</b>	<b>156.85</b>	<b>172.90</b>	<b>189.59</b>	<b>206.93</b>
PP&E, Gross	466.97	465.20	478.21	500.00	500.00			500.00	515.00	530.00	545.00	560.00	575.00
Change in Depreciation		26.22	22.37	18.79	18.79			18.79	19.17	19.55	19.94	20.34	20.75
Accumulated Depreciation	315.17	340.10	363.57	400.00	400.00			400.00	419.17	438.71	458.66	478.99	499.74
<b>PP&amp;E, Net</b>	<b>151.80</b>	<b>125.10</b>	<b>114.64</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100.00</b>	<b>95.83</b>	<b>91.29</b>	<b>86.34</b>	<b>81.01</b>	<b>75.26</b>
Goodwill	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	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	0.82	2.16	2.50	4.16	4.16			4.16	4.16	4.16	4.16	4.16	4.16
<b>Long Term Assets</b>	<b>152.62</b>	<b>127.26</b>	<b>117.14</b>	<b>104.16</b>	<b>104.16</b>	<b>0.00</b>	<b>0.00</b>	<b>104.16</b>	<b>99.99</b>	<b>95.45</b>	<b>90.50</b>	<b>85.17</b>	<b>79.42</b>
<b>Total Assets</b>	<b>245.89</b>	<b>226.49</b>	<b>232.17</b>	<b>230.79</b>	<b>230.79</b>	<b>0.00</b>	<b>0.00</b>	<b>230.79</b>	<b>241.43</b>	<b>252.30</b>	<b>263.40</b>	<b>274.75</b>	<b>286.35</b>
Accounts Payable	60.30	54.17	57.21	63.63	63.63			63.63	63.63	63.63	63.63	63.63	63.63
Accrued Expense	13.65	17.65	23.73	21.39	21.39			21.39	21.39	21.39	21.39	21.39	21.39
Other current Liabilities	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Current Liabilities</b>	<b>73.95</b>	<b>71.82</b>	<b>80.94</b>	<b>85.02</b>	<b>85.02</b>	<b>0.00</b>	<b>0.00</b>	<b>85.02</b>	<b>85.02</b>	<b>85.02</b>	<b>85.02</b>	<b>85.02</b>	<b>85.02</b>
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	0.88	0.72	0.43	0.45	0.45			0.45	0.45	0.45	0.45	0.45	0.45
Long term Debt	51.62	26.90	25.70	21.15	22.00	0.00	0.00	22.00	22.00	22.00	22.00	22.00	22.00
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
<b>Total Interest Earning Debt</b>	<b>52.50</b>	<b>27.62</b>	<b>26.13</b>	<b>21.60</b>	<b>22.45</b>	<b>0.00</b>	<b>0.00</b>	<b>22.45</b>	<b>22.45</b>	<b>22.45</b>	<b>22.45</b>	<b>22.45</b>	<b>22.45</b>
Deferred Income tax	1.09	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
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	29.40	26.02	25.95	35.07	34.23			34.23	34.23	34.23	34.23	34.23	34.23
<b>Total Liabilities</b>	<b>156.94</b>	<b>125.46</b>	<b>133.02</b>	<b>141.69</b>	<b>141.70</b>	<b>0.00</b>	<b>0.00</b>	<b>141.70</b>	<b>141.70</b>	<b>141.70</b>	<b>141.70</b>	<b>141.70</b>	<b>141.70</b>
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	0.17	0.17	0.17	0.17	0.17		0.00	0.17	0.17	0.17	0.17	0.17	0.17
Additional Paid-in capital	61.34	62.32	63.95	65.12	65.12	0.00	0.00	65.12	65.12	65.12	65.12	65.12	65.12
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	58.62	62.48	68.32	73.42	73.42		0.00	73.42	84.06	94.93	106.03	117.38	128.98
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	-24.64	-22.78	-24.79	-31.31	-31.31		0.00	-31.31	-31.31	-31.31	-31.31	-31.31	-31.31
<b>Total Equity</b>	<b>95.49</b>	<b>102.19</b>	<b>107.65</b>	<b>107.40</b>	<b>107.40</b>	<b>0.00</b>	<b>0.00</b>	<b>107.40</b>	<b>118.04</b>	<b>128.91</b>	<b>140.01</b>	<b>151.36</b>	<b>162.96</b>
<b>Liability + Equity</b>	<b>252.43</b>	<b>227.65</b>	<b>240.67</b>	<b>249.09</b>	<b>249.10</b>	<b>0.00</b>	<b>0.00</b>	<b>249.10</b>	<b>259.74</b>	<b>270.61</b>	<b>281.71</b>	<b>293.06</b>	<b>304.66</b>
<b>Variance</b>	<b>-6.54</b>	<b>-1.16</b>	<b>-8.50</b>	<b>-18.30</b>	<b>-18.31</b>			<b>-18.31</b>	<b>-18.31</b>	<b>-18.31</b>	<b>-18.31</b>	<b>-18.31</b>	<b>-18.31</b>
<b>Debt/Equity</b>	<b>0.55</b>	<b>0.27</b>	<b>0.24</b>	<b>0.20</b>	<b>0.21</b>			<b>0.21</b>	<b>0.19</b>	<b>0.17</b>	<b>0.16</b>	<b>0.15</b>	<b>0.14</b>
Inventory Turnover	11.44	21.86	15.24	13.11	13.38			13.11	13.38	13.64	13.92	14.20	14.48
Inventory Turnover Days	31.90	16.70	23.96	27.83	27.29			27.83	27.29	26.75	26.23	25.71	25.21
Days Inventory Outstanding	31.30	18.07	25.90	30.47	29.66			30.47	29.66	29.08	28.51	27.95	27.40
Accounts Receivable Turnover	4.06	6.26	6.72	7.51	7.66			7.51	7.66	7.81	7.96	8.12	8.29
Accounts Receivable Turnover Days	89.83	58.32	54.33	48.63	47.68			48.63	47.68	46.75	45.83	44.93	44.05
Days Payable Outstanding	80.18	46.79	43.61	43.38	42.23			43.38	42.23	41.40	40.59	39.79	39.01
Days Sales Outstanding	89.83	58.32	54.33	48.63	47.68			48.63	48.63	47.68	46.75	45.83	44.93
Cash Conversion Cycle	40.96	29.60	36.62	35.72	35.11			35.72	36.06	35.36	34.66	33.98	33.32
Net tangible assets/share	\$5.26	\$5.98	\$5.87	\$5.27	\$5.27			\$5.90	\$6.54	\$7.20	\$7.87	\$8.56	\$8.56

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2009-10-31	12 months ending 2010-10-31	12 months ending 2011-10-31	12 months ending 2012-10-31	2011	2012	2013	2014	2015
Net Income	-17.78	3.86	7.84	13.53	10.64	10.87	11.11	11.35	11.60
Depreciation	29.49	26.22	22.37	18.79	19.17	19.55	19.94	20.34	20.75
<b>Net Income + Depreciation</b>	<b>11.71</b>	<b>30.08</b>	<b>30.21</b>	<b>32.32</b>	<b>29.80</b>	<b>30.42</b>	<b>31.05</b>	<b>31.69</b>	<b>32.34</b>
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	-1.30	-3.22	1.92	1.90	0.00	0.00	0.00	0.00	0.00
Non Cash Items	1.84	6.06	1.39	0.15	0.00	0.00	0.00	0.00	0.00
Change in Working capital	8.38	-3.75	-13.23	-13.69	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-6.76	-4.01	-1.02	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	2.62	-13.06	-10.71	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-1.41	0.86	0.20	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-6.13	3.04	6.42	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>20.63</b>	<b>29.17</b>	<b>20.29</b>	<b>20.68</b>	<b>29.80</b>	<b>30.42</b>	<b>31.05</b>	<b>31.69</b>	<b>32.34</b>
Capital Expenditures Expenditures	-7.30	-3.85	-18.45	-17.09	-15.00	-15.00	-15.00	-15.00	-15.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	1.01	0.07	0.25	4.37	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>-6.29</b>	<b>-3.78</b>	<b>-18.20</b>	<b>-12.72</b>	<b>-15.00</b>	<b>-15.00</b>	<b>-15.00</b>	<b>-15.00</b>	<b>-15.00</b>
Financing Cash flow items	1.78	-0.88	0.53	4.75	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	0.00	-2.00	-8.42	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	0.25	0.19	0.57	0.42	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	-18.45	-24.80	-1.20	-4.55	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>-16.42</b>	<b>-25.49</b>	<b>-2.10</b>	<b>-7.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Foreign Exchange effect	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	2.21	0.13	0.03	0.02	0.17	14.97	30.39	46.44	63.13
<b>Net Change in Cash</b>	<b>-2.08</b>	<b>-0.09</b>	<b>-0.01</b>	<b>0.15</b>	<b>14.80</b>	<b>15.42</b>	<b>16.05</b>	<b>16.69</b>	<b>17.34</b>
Ending Cash Balance	0.13	0.03	0.02	0.17	14.97	30.39	46.44	63.13	80.47
Capex to Revenue	2.71%	0.84%	3.56%	2.92%	2.51%	2.46%	2.41%	2.36%	2.32%
Depreciation to Sales	10.95%	5.73%	4.32%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%
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	24.61%	15.98%	14.89%	13.32%	13.06%	12.81%	12.56%	12.31%	12.07%
Distributable FCF Yield	6.77%	11.98%	0.99%	3.76%	6.99%	7.28%	7.57%	7.88%	8.18%
Dividend Yield	0.00%	0.00%	-1.05%	-4.44%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>FCF (Ops-Investing-Dividends)</b>	<b>13.33</b>	<b>25.32</b>	<b>3.84</b>	<b>12.01</b>	<b>14.80</b>	<b>15.42</b>	<b>16.05</b>	<b>16.69</b>	<b>17.34</b>

# SN VALUATION

# LBO Debt Schedule

	Proforma	2013	2014	2015	2016	2017
<b>Net Change in Cash</b>	<b>0.15</b>	<b>14.80</b>	<b>15.42</b>	<b>16.05</b>	<b>16.69</b>	<b>17.34</b>
Current Portion Debt Repayment						
Long Term Debt Repayment						
<b>Outstanding Debt</b>	<b>22.45</b>	<b>22.45</b>	<b>22.45</b>	<b>22.45</b>	<b>22.45</b>	<b>22.45</b>
Current Portion Debt Balance	0.45	0.45	0.45	0.45	0.45	0.45
Long Term Debt Balance	22.00	22.00	22.00	22.00	22.00	22.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
<b>Interest Rate</b>		<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>
<b>Interest Expense</b>		<b>1.57</b>	<b>1.57</b>	<b>1.57</b>	<b>1.57</b>	<b>1.57</b>
Cash Balance		0.17				
Interest @ 1.0%		0.00	0.00	0.00	0.00	0.00
<b>Net Interest Expense/(Income)</b>		<b>1.57</b>	<b>1.57</b>	<b>1.57</b>	<b>1.57</b>	<b>1.57</b>
<b>Net Interest Rate</b>		<b>7.14%</b>	<b>7.14%</b>	<b>7.14%</b>	<b>7.14%</b>	<b>7.14%</b>
EBITDA		17.93	18.29	18.66	19.03	19.41
<b>EBITDA/Interest Expense Coverage</b>		<b>11.41</b>	<b>11.64</b>	<b>11.87</b>	<b>12.11</b>	<b>12.35</b>

Interest Rate Coverage Table

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

\*Source: NYU; Professor Damodaran

# Altman Z Score

Company Name:

Shiloh Industries

Ticker:

SHLO

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	19.32	27.41	34.09	41.61	56.41	71.83	87.88	104.57	121.91
Total Assets	245.89	226.49	232.17	230.79	241.43	252.30	263.40	274.75	286.35
<b>X1</b>	<b>0.08</b>	<b>0.12</b>	<b>0.15</b>	<b>0.18</b>	<b>0.23</b>	<b>0.28</b>	<b>0.33</b>	<b>0.38</b>	<b>0.43</b>
Retained Earnings	58.62	62.48	68.32	73.42	84.06	94.93	106.03	117.38	128.98
Total Assets	245.89	226.49	232.17	230.79	241.43	252.30	263.40	274.75	286.35
<b>X2</b>	<b>0.24</b>	<b>0.28</b>	<b>0.29</b>	<b>0.32</b>	<b>0.35</b>	<b>0.38</b>	<b>0.40</b>	<b>0.43</b>	<b>0.45</b>
EBITDA	-23.18	9.90	14.82	24.07	17.93	18.29	18.66	19.03	19.41
Total Assets	245.89	226.49	232.17	230.79	241.43	252.30	263.40	274.75	286.35
<b>X3</b>	<b>-0.09</b>	<b>0.04</b>	<b>0.06</b>	<b>0.10</b>	<b>0.07</b>	<b>0.07</b>	<b>0.07</b>	<b>0.07</b>	<b>0.07</b>
Market Value of Equity	189.62	189.62	189.62	189.62	182.33	175.33	168.59	162.11	155.88
Total Liabilities	156.94	125.46	133.02	141.70	141.70	141.70	141.70	141.70	141.70
<b>X4</b>	<b>1.21</b>	<b>1.51</b>	<b>1.43</b>	<b>1.34</b>	<b>1.29</b>	<b>1.24</b>	<b>1.19</b>	<b>1.14</b>	<b>1.10</b>
Net Sales	269.38	457.27	517.74	586.07	597.79	609.75	621.94	634.38	647.07
Total Assets	245.89	226.49	232.17	230.79	241.43	252.30	263.40	274.75	286.35
<b>X5</b>	<b>1.10</b>	<b>2.02</b>	<b>2.23</b>	<b>2.54</b>	<b>2.48</b>	<b>2.42</b>	<b>2.36</b>	<b>2.31</b>	<b>2.26</b>
<b>Altman Z Score</b>	<b>1.94</b>	<b>3.60</b>	<b>3.88</b>	<b>4.35</b>	<b>4.26</b>	<b>4.27</b>	<b>4.27</b>	<b>4.28</b>	<b>4.28</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