

Current Balance Sheet	
Cash	120
Other Asset	20
Asset	140
Debt	0
Equity	140

Enterprise Value	
Equity-Mkt Value	130
Debt-Mkt Value	0
Cash	120
EV	10

Transaction			
Source		Use	
Equity	26	Buy Equity	130
Debt	104	Payoff Debt	0
Other		Extra Cash	0
Total	130	Total	130

Debt/Equity: 0

Premium to Book: 0.929
 EBITDA: 10
 EV/EBITDA: 1

Get equity partners Pay for equity
 Get debt partners Pay off current debt

Equity: 0.20
 Debt: 0.80
 1.00

New Balance Sheet	
Cash	120
Other Asset	20
Goodwill	-10
Unexplained Asset	0
Asset	130
Debt	104
Equity	26

Extraordinary Dividend	
Cash	104
Other Asset	20
Goodwill	-10
Unexplained Asset	0
Asset	114
Debt	104
Equity	10

Exit Figures	
Equity-Mkt Value	50
Debt-Mkt Value	104
Cash	104
EV	50

Analysis	
Sale EV	154
Pay back Debt	104
Equity	50
Extraordinary Dividend	16
Total Payout	66
Starting Equity	26

Debt/Equity: 4

Debt/Equity: 10.4

EV Growth Rate: 400%
 EBITDA: 10
 EV/EBITDA Multiple: 5

Holding Return: 254%
 Years: 1
 Annualized Return: 254%

Period	0	1	2	3	4	5
Equity	26	66				

Value increase due to:

- 1) Extraordinary dividend payout of \$120
- 2) Exit Equity has a floor of 0, can't go negative. Calculation based equity should be negative 54.
- 3) EV/EBITDA increased from 1 to 5