

Titan International Inc (TWI)

Price:	\$18.02	Net Tang. Bk Value Incl. Cash, Excl.	\$635,030,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$858,443,125.00
Market Cap:	\$964,430,400	Goodwill (NTBVIC):		Avg. Year FCF/Share:	\$38,772,625.00
Cash:	\$508,450,000	NTBVIC/Market Downside Recovery:	65.85%	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$865,660,000	Op. Cash Flow:	\$98,772,625	Year 5 Disposition Price:	\$974,761,000.00
Net Cash:	-\$357,210,000	Implied Years to Fill Gap:	3.33		
Enterprise Value:	\$1,321,640,400	Today's Equity if 5x Op. CF:	\$931,347,875		
		Net Tang. Book+ Gain Disposition:			\$974,761,000.00
Shares Outstanding:	53,520,000	IRR:			0.21%
		Price:			\$18.21
		Target Market Cap:			\$974,761,000
		Target Enterprise Value:			\$1,331,971,000

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

Titan sells tires/wheels/disc to earth movers, agricultural vehicles. Largest customers include John Deere. So, they may the wheels, tires for tractors, dirt plowers and etc. Low margin business that is pressured by price movements in rubber and steel.

Nonetheless, the Co. owns most of their factories. Has a lot of debt. Acquired assets from Goodyear in N. America/Latin America to grow. We don't like acquisition growth since it is difficult to measure operational efficiency and it destroys value with premiums paid during the acquisition.

We don't like low margin companies, so we will pass on this one.

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	635.03	679.71	724.40	769.08	813.76	858.44				858.44
Annual Change		44.68	44.68	44.68	44.68	44.68				
Annual FCF	64.43	38.77	38.77	38.77	38.77	38.77	38.77	38.77	38.77	116.32
Annual Op. Cash Flow	130.17	98.77	98.77	98.77	98.77	98.77	98.77	98.77	98.77	
Annual PP&E Investment	(65.74)	(60.00)	(60.00)	(60.00)	(60.00)	(60.00)	(60.00)	(60.00)	(60.00)	
Today's Tangible Book Value	635.03	674.49	716.41	760.93	808.22	858.44				974.76
Intrinsic Value IRR	6.21%									
Market Price	964.43	966.49	968.55	970.62	972.69	974.76				974.76
Market Price IRR	0.21%									

Debt	0.00%	0.00
Equity	100.00%	964.43
Total	100.00%	964.43

	Present Value	Holding Period					Terminal Value			Sale Price
	Historic	ProForma	1	2	3	4	5	6	7	8
Book Equity	659.97	964.43	1,018.38	1,072.33	1,126.28	1,180.22	1,234.17			
Goodwill	24.94	329.40	329.40	329.40	329.40	329.40	329.40			
Debt	635	635.00	635.00	635.00	635.00	635.00	635.00			
Debt Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%			
Additional Interest Expense		-14.26	-14.26	-14.26	-14.26	-14.26				
Tangible Book Value	635.03	635.03	688.98	742.93	796.88	850.82	904.77			904.77
Annual Change			53.95	53.95	53.95	53.95	53.95			
Annual FCF	64.43	48.04	48.04	48.04	48.04	48.04	48.04	48.04	48.04	144.12
Annual Net Income	95.55		53.95	53.95	53.95	53.95	53.95	53.95	53.95	
Annual Op. Cash Flow	130.17	108.04	108.04	108.04	108.04	108.04	108.04	108.04	108.04	
Dividend Payments										
Annual PP&E Investment	(65.74)		(60.00)	(60.00)	(60.00)	(60.00)	(60.00)	(60.00)	(60.00)	
Debt Paydown	0.00						0.00	0.00	0.00	

Sale Price in Year 5										1,048.89
Remaining Debt Balance										0.00
Capital Left for Equity Investor										1,048.89
Dividend Payments										0.00
Total Cash In Flow										1,048.89
Invested Equity	964.43	980.76	997.36	1,014.25	1,031.42	1,048.89				
IRR	1.69%									

<u>Value Creation</u>	
TBV Growth (equals sum of NI Year 1-5)	269.74
Cash Flow (Year 6-8)	144.12
Total	413.86

<u>Value Dilution</u>	
Debt	0.00
Goodwill	304.46
Additional Interest	-71.28
Total	233.18

Titan International, Inc. (Titan) through its subsidiaries, is engaged in the manufacturing of wheels and tires. The Company operates in three segments: agricultural, earthmoving/construction and consumer. Titan produces a range of specialty products to meet the specifications of original equipment manufacturers (OEMs) and aftermarket customers in the agricultural, earthmoving/construction and consumer markets. Titan's earthmoving/ construction market includes wheels and tires supplied to the mining industry, while the consumer market includes products for all-terrain vehicles (ATVs) and recreational/utility trailers. The Company's customers include AGCO Corporation, CNH Global N.V., Deere & Company and Kubota Corporation. In August 2012, it acquired Planet Corporation Group (Planet). Titan acquired 56% of the Corporation. In December 2012, Titan acquired 100% (Titan Europe).

Company Name:		Titan International Inc			Income Statement	
Ticker Symbol:	TWI	Market Capitalization:	\$964,430,400.00	Revenue:	\$1,940,000,000.00	100.0%
Last Price:	\$18.02	Total Debt:	\$865,660,000.00	Cost of Goods Sold:	\$1,645,860,000.00	84.8%
Net Cash/Share:	-\$6.67	Total Cash:	\$508,450,000.00	Gross Profit:	\$294,140,000.00	15.2%
Net Cash to Last Price:	-37.04%	Net Cash/(Debt):	-\$357,210,000.00	EBITDA:	\$204,020,000.00	10.5%
Shares Outstanding:	53,520,000	Enterprise Value:	\$1,321,640,400.00	Net Income:	\$79,610,000.00	4.1%
Industry:	Rubber & Plastics	Current EV/Share:	\$24.69			
Sector:	Consumer Cyclical	EBITDA:	\$228,790,000.00	Balance Sheet		
			EV/EBITDA Multiple:	5.78	Cash:	\$508,450,000.00
			EV/EBITDA Multiple Average Year 1-5:	7.28	Short Term Investment:	\$0.00
Institutional Ownership:	#VALUE!	EV/FCF Multiple (excluding acquisition):	20.51	A/R:	\$330,000,000.00	
Mutual Fund Ownership:	5.20%	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	34.09	PP&E:	\$550,000,000.00	
Insider Ownership:	5.97%			Assets:	\$2,038,280,000.00	
Retail Ownership:	#VALUE!			A/P:	\$210,000,000.00	
Float:	94.03%			Deferred Tax:	\$61,070,000.00	
		Upper Range		Other Liabilities:	\$254,780,000.00	
		DCF: EV/EBITDA Terminal Value		Short term Debt:	\$230,660,000.00	
		Implied TV from 3 X EV/EBITDA Multiple	\$382,342,800.00	Long Term Debt:	\$635,000,000.00	
		Enterprise Value	\$382,342,800.00	Liabilities:	\$1,391,510,000.00	
		Cash at Year 5:	\$702,313,125.00	Retained Earnings:	\$180,000,000.00	
		Debt at Year 5:	\$865,660,000.00	Paid-In Capital:	\$554,000,000.00	
		Equity Value Year 5:	\$218,995,925.00	Treasury Stock:	-\$16,000,000.00	
		Equity/Share at Year 5:	\$4.09	Stockholder's Equity:	\$659,970,000.00	
		Annualized Return:	-25.66%			
		Lower Range		Cash Flow		
		DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		Net Income:	93,960,000.00	
		Year 5 Net Tangible Assets excluding cash and debt	\$965,850,000.00	Depreciation/Amortization:	54,090,000.00	
		Enterprise Value	\$965,850,000.00	Change in Working capital:	13,290,000.00	
		Cash at Year 5:	\$702,313,125.00	Cash from Operating Activities:	130,170,000.00	
		Debt at Year 5:	\$865,660,000.00	Capital Expenditures:	-65,740,000.00	
		Equity Value Year 5:	\$802,503,125.00	Cash from Investing Activities:	-63,890,000.00	
		Equity/Share at Year 5:	\$14.99	Total Cash Dividends Paid:	-840,000.00	
		Annualized Return:	-3.61%	Issuance (Retirement) of Stock:	930,000.00	
		EVA		Issuance (Retirement) of Debt:	-3,640,000.00	
		EVA today:	\$622,318,401.41	Cash from Financing Activities:	-4,640,000.00	
		EVA in 5 Years:	\$1,308,214,533.44	Profitability Margins		
		EVA/Share:	\$24.44	Debt to Equity:	131.17%	
		Cash at Year 5:	\$702,313,125.00	Return on Assets:	4.69%	
		Debt at Year 5:	\$865,660,000.00	Return on Capital:	6.26%	
		Equity Value Year 5:	\$1,144,867,658.44	Return on Equity:	14.48%	
		Equity/Share at Year 5:	\$21.39			
		Annualized return	16.02%			
		Current Net Tangible Asset				
		Net Tangible Asset/Share:	\$11.62			
		Net Tangible Asset/Share in Year 5:	\$15.79			
		Annualized return	6.33%			
		Average EV to EBITDA:	N/A			
		Company EV to EBITDA:	5.78			
		Average EV to EBIT:	N/A			
		Company EV to EBITA:	7.56			
		Current Equity Price:	\$18.02			
		Selling at Discount?	Premium			
		Appreciation Potential:	-35.52%			
		Dividend Model				
		Next Year Dividend	\$1,223,288.09			
		WACC:	8.43%			
		Dividend:	\$1,070,400.00			
		Net Income:	\$79,610,000.00			

SN VALUATION

LBO Pro Forma Income Statement

Name:

Titan International Inc

Ticker:

TWI

	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	727.60	881.59	1,487.00	1,820.68	1,820.68	1,820.68	1,820.68	1,820.68	1,820.68
COGS	671.63	777.50	1,254.89	1,526.54	1,547.58	1,547.58	1,547.58	1,547.58	1,547.58
Gross margin	55.97	104.09	232.11	294.14	273.10	273.10	273.10	273.10	273.10
SG&A	54.31	66.63	95.71	138.42	145.65	145.65	145.65	145.65	145.65
R&D	8.85	6.32	4.23	7.15	0.00	0.00	0.00	0.00	0.00
Unusual expense	11.70	0.00	16.14	0.00	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	0.00	-26.13	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)	-18.89	30.94	116.03	174.70	127.45	127.45	127.45	127.45	127.45
Interest income/(expense)	-13.30	-40.03	-23.42	1.32	-58.71	-58.71	-58.71	-58.71	-58.71
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	0.19	-0.11	3.27	4.54	0.00	0.00	0.00	0.00	0.00
Income before tax	-32.00	-9.19	95.89	180.57	68.74	68.74	68.74	68.74	68.74
Tax	-7.36	-3.26	37.75	86.61	24.06	24.06	24.06	24.06	24.06
Income after tax	-24.64	-5.93	58.14	93.96	44.68	44.68	44.68	44.68	44.68
Minority Interest	0.00	0.00	0.02	1.59	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	-24.64	-5.93	58.15	95.55	44.68	44.68	44.68	44.68	44.68
*Figures are in millions (\$)									
EPS (based off today's share count)	-\$0.46	-\$0.11	\$1.09	\$1.79	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83
P/E (historical today's price; forecasted intrinsic price)	-39.14	-162.64	16.59	10.09	21.63	21.68	21.72	21.77	21.82
Revenue Growth	N/A	21.16%	68.67%	22.44%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	23.00%	35.47%	38.37%	47.96%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-3.63%	-10.72%	-7.11%	0.22%	-9.24%	-9.24%	-9.24%	-9.24%	-9.24%
Margins									
COGS	92.31%	88.19%	84.39%	83.84%	85.00%	85.00%	85.00%	85.00%	85.00%
Gross margin	7.69%	11.81%	15.61%	16.16%	15.00%	15.00%	15.00%	15.00%	15.00%
SG&A	7.46%	7.58%	6.44%	7.60%	8.00%	8.00%	8.00%	8.00%	8.00%
R&D	1.22%	0.72%	0.28%	0.39%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	1.61%	0.00%	1.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	0.00%	-1.44%	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)	-2.60%	3.51%	7.80%	9.60%	7.00%	7.00%	7.00%	7.00%	7.00%
Interest income/(expense)	-1.83%	-4.54%	-1.57%	0.07%	-3.22%	-3.22%	-3.22%	-3.22%	-3.22%
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	0.03%	-0.01%	0.22%	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	-4.40%	-1.04%	6.45%	9.92%	3.78%	3.78%	3.78%	3.78%	3.78%
Tax	-1.01%	-0.37%	2.54%	4.76%	1.32%	1.32%	1.32%	1.32%	1.32%
Income after tax	-3.39%	-0.67%	3.91%	5.16%	2.45%	2.45%	2.45%	2.45%	2.45%
Minority Interest	0.00%	0.00%	0.00%	0.09%	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	-3.39%	-0.67%	3.91%	5.25%	2.45%	2.45%	2.45%	2.45%	2.45%

	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	229.18	239.50	129.17	189.11	508.45			508.45	547.22	586.00	624.77	663.54	702.31
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	229.18	239.50	129.17	189.11	508.45			508.45	547.22	586.00	624.77	663.54	702.31
Accounts Receivable	67.51	89.00	189.53	297.80	330.00			330.00	330.00	330.00	330.00	330.00	330.00
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	67.51	89.00	189.53	297.80	330.00			330.00	330.00	330.00	330.00	330.00	330.00
Total Inventory	110.14	118.14	190.87	366.38	378.37			378.37	378.37	378.37	378.37	378.37	378.37
Prepaid Expenses	27.28	14.06	20.25	55.59	74.87			74.87	74.87	74.87	74.87	74.87	74.87
Other Current Assets	11.11	20.65	34.77	70.11	32.21			32.21	32.21	32.21	32.21	32.21	32.21
Current Assets	445.22	481.35	564.59	978.99	1,323.90	0.00	0.00	1,323.90	1,362.67	1,401.45	1,440.22	1,478.99	1,517.76
PP&E, Gross	553.78	577.40	701.70	1,002.42	1,000.00			1,000.00	1,060.00	1,120.00	1,180.00	1,240.00	1,300.00
Change in Depreciation	34.30	37.57	44.91	54.09	54.09			54.09	54.09	54.09	54.09	54.09	54.09
Accumulated Depreciation	299.32	329.35	366.95	435.87	450.00			450.00	504.09	558.18	612.27	666.36	720.45
PP&E, Net	254.46	248.05	334.75	566.55	550.00			550.00	555.91	561.82	567.73	573.64	579.55
Goodwill	0.00	0.00	19.84	24.94	24.94	0.00		24.94	24.94	24.94	24.94	24.94	24.94
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	6.46	22.69	29.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	30.33	28.78	62.11	120.83	139.44			139.44	139.44	139.44	139.44	139.44	139.44
Long Term Assets	291.25	299.52	445.70	712.32	714.38	0.00	0.00	714.38	720.29	726.20	732.11	738.02	743.93
Total Assets	736.47	780.87	1,010.29	1,691.31	2,038.28	0.00	0.00	2,038.28	2,082.96	2,127.65	2,172.33	2,217.01	2,261.69
Accounts Payable	24.25	35.28	76.57	180.06	210.00			210.00	210.00	210.00	210.00	210.00	210.00
Accrued Expense	7.66	8.58	7.09	6.88	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other current Liabilities	38.17	48.49	80.38	128.95	128.90			128.90	128.90	128.90	128.90	128.90	128.90
Total Current Liabilities	70.08	92.35	164.04	315.89	338.90	0.00	0.00	338.90	338.90	338.90	338.90	338.90	338.90
Notes Payables/Short Term Debt	0.00	0.00	11.72	145.80	230.66			230.66	230.66	230.66	230.66	230.66	230.66
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	366.30	373.56	317.88	438.33	635.00	0.00	0.00	635.00	635.00	635.00	635.00	635.00	635.00
Capital Lease Obligations	0.00	0.00	0.00	3.11	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	366.30	373.56	329.60	587.24	865.66	0.00	0.00	865.66	865.66	865.66	865.66	865.66	865.66
Deferred Income tax	0.00	1.66	38.69	62.26	61.07			61.07	61.07	61.07	61.07	61.07	61.07
Minority Interest	0.00	0.00	1.64	26.16	26.07			26.07	26.07	26.07	26.07	26.07	26.07
Other liabilities	38.14	41.27	81.07	107.10	99.81			99.81	99.81	99.81	99.81	99.81	99.81
Total Liabilities	474.52	508.84	615.04	1,098.65	1,391.51	0.00	0.00	1,391.51	1,391.51	1,391.51	1,391.51	1,391.51	1,391.51
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	0.03	0.03	0.04	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additional Paid-in capital	299.52	300.54	380.30	507.20	554.00	0.00	0.00	554.00	554.00	554.00	554.00	554.00	554.00
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	16.38	9.74	67.05	161.73	180.00		0.00	180.00	224.68	269.37	314.05	358.73	403.41
Treasury Stock	-20.27	-19.32	-17.34	-16.45	-16.00		0.00	-16.00	-16.00	-16.00	-16.00	-16.00	-16.00
Other Equity	-33.70	-30.43	-50.29	-58.03	-58.03		0.00	-58.03	-58.03	-58.03	-58.03	-58.03	-58.03
Total Equity	261.96	260.56	379.76	594.45	659.97	0.00	0.00	659.97	704.65	749.34	794.02	838.70	883.38
Liability + Equity	736.48	769.40	994.80	1,693.10	2,051.48	0.00	0.00	2,051.48	2,096.16	2,140.85	2,185.53	2,230.21	2,274.89
Variance	-0.01	11.47	15.49	-1.79	-13.20			-13.20	-13.20	-13.20	-13.20	-13.20	-13.20
Debt/Equity	1.40	1.43	0.87	0.99	1.31			1.31	1.23	1.16	1.09	1.03	0.98
Inventory Turnover	6.61	7.46	7.79	4.97	4.81			4.81	4.81	4.81	4.81	4.81	4.81
Inventory Turnover Days	55.25	48.91	46.85	73.45	75.85			75.85	75.85	75.85	75.85	75.85	75.85
Days Inventory Outstanding	59.86	55.46	55.52	87.60	89.24			89.24	89.24	89.24	89.24	89.24	89.24
Accounts Receivable Turnover	10.78	9.91	7.85	6.11	5.52			5.52	5.52	5.52	5.52	5.52	5.52
Accounts Receivable Turnover Days	33.87	36.85	46.52	59.70	66.16			66.16	66.16	66.16	66.16	66.16	66.16
Days Payable Outstanding	13.18	16.56	22.27	43.05	49.53			50.21	49.53	49.53	49.53	49.53	49.53
Days Sales Outstanding	33.87	36.85	46.52	59.70	66.16			59.70	66.16	66.16	66.16	66.16	66.16
Cash Conversion Cycle	80.54	75.75	79.77	104.25	105.87			99.96	105.87	105.87	105.87	105.87	105.87
Net tangible assets/share	\$4.89	\$4.87	\$6.72	\$10.64	\$11.87			\$12.70	\$13.54	\$14.37	\$15.20	\$16.04	\$16.87

	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	-24.64	-5.93	58.14	93.96	44.68	44.68	44.68	44.68	44.68
Depreciation	34.30	37.57	44.91	54.09	54.09	54.09	54.09	54.09	54.09
Net Income + Depreciation	9.66	31.64	103.05	148.05	98.77	98.77	98.77	98.77	98.77
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	-2.95	-2.08	-0.45	17.17	0.00	0.00	0.00	0.00	0.00
Non Cash Items	10.72	15.26	16.48	-48.34	0.00	0.00	0.00	0.00	0.00
Change in Working capital	54.89	5.89	-114.85	13.29	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-21.49	-100.53	-108.27	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	-8.00	-72.73	-175.51	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	13.22	-6.19	-35.34	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	11.03	41.29	103.49	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	72.32	50.71	4.43	130.17	98.77	98.77	98.77	98.77	98.77
Capital Expenditures Expenditures	-39.54	-28.85	-35.74	-65.74	-60.00	-60.00	-60.00	-60.00	-60.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-1.36	0.11	-95.06	1.85	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-40.90	-28.74	-130.80	-63.89	-60.00	-60.00	-60.00	-60.00	-60.00
Financing Cash flow items	-7.11	-5.06	0.71	-1.09	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-0.70	-0.71	-0.81	-0.84	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	1.14	0.28	0.52	0.93	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	142.77	-6.17	15.96	-3.64	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	136.10	-11.66	16.38	-4.64	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	0.00	0.00	-0.33	-1.69	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	61.66	229.18	239.50	129.17	508.45	547.22	586.00	624.77	663.54
Net Change in Cash	167.52	10.32	-110.33	59.94	38.77	38.77	38.77	38.77	38.77
Ending Cash Balance	229.18	239.50	129.17	189.11	547.22	586.00	624.77	663.54	702.31
Capex to Revenue	5.43%	3.27%	2.40%	3.61%	3.30%	3.30%	3.30%	3.30%	3.30%
Depreciation to Sales	4.71%	4.26%	3.02%	2.97%	2.97%	2.97%	2.97%	2.97%	2.97%
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	9.28%	10.10%	12.75%	16.36%	16.36%	16.36%	16.36%	16.36%	16.36%
Distributable FCF/EV Yield	2.38%	1.66%	-9.56%	5.01%	2.93%	2.93%	2.93%	2.93%	2.93%
Dividend Yield	-0.07%	-0.07%	-0.08%	-0.09%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	33.48	22.57	-30.50	65.27	38.77	38.77	38.77	38.77	38.77

SN VALUATION

LBO Debt Schedule

Ticker:

TWI

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	59.94	38.77	38.77	38.77	38.77	38.77
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	865.66	865.66	865.66	865.66	865.66	865.66
Current Portion Debt Balance	230.66	230.66	230.66	230.66	230.66	230.66
Long Term Debt Balance	635.00	635.00	635.00	635.00	635.00	635.00
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		60.60	60.60	60.60	60.60	60.60
Cash Balance		189.11				
Interest @ 1.0%		1.89	1.89	1.89	1.89	1.89
Net Interest Expense/(Income)		58.71	58.71	58.71	58.71	58.71
Net Interest Rate		9.24%	9.24%	9.24%	9.24%	9.24%
EBITDA		127.45	127.45	127.45	127.45	127.45
EBITDA/Interest Expense Coverage		2.10	2.10	2.10	2.10	2.10

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:

Titan International Inc

Ticker:

TWI

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	375.14	389.00	400.55	985.00	1,023.77	1,062.55	1,101.32	1,140.09	1,178.86
Total Assets	736.47	780.87	1,010.29	2,038.28	2,082.96	2,127.65	2,172.33	2,217.01	2,261.69
X1	0.51	0.50	0.40	0.48	0.49	0.50	0.51	0.51	0.52
Retained Earnings	16.38	9.74	67.05	180.00	224.68	269.37	314.05	358.73	403.41
Total Assets	736.47	780.87	1,010.29	2,038.28	2,082.96	2,127.65	2,172.33	2,217.01	2,261.69
X2	0.02	0.01	0.07	0.09	0.11	0.13	0.14	0.16	0.18
EBITDA	-18.89	30.94	116.03	174.70	127.45	127.45	127.45	127.45	127.45
Total Assets	736.47	780.87	1,010.29	2,038.28	2,082.96	2,127.65	2,172.33	2,217.01	2,261.69
X3	-0.03	0.04	0.11	0.09	0.06	0.06	0.06	0.06	0.06
Market Value of Equity	964.43	964.43	964.43	964.43	966.49	968.55	970.62	972.69	974.76
Total Liabilities	474.52	508.84	615.04	1,391.51	1,391.51	1,391.51	1,391.51	1,391.51	1,391.51
X4	2.03	1.90	1.57	0.69	0.69	0.70	0.70	0.70	0.70
Net Sales	727.60	881.59	1,487.00	1,820.68	1,820.68	1,820.68	1,820.68	1,820.68	1,820.68
Total Assets	736.47	780.87	1,010.29	2,038.28	2,082.96	2,127.65	2,172.33	2,217.01	2,261.69
X5	0.99	1.13	1.47	0.89	0.87	0.86	0.84	0.82	0.81
Altman Z Score	2.77	3.01	3.36	2.30	2.23	2.25	2.26	2.27	2.29

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

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