

Universal Corp. (UVV)

Price:	\$55.05	Net Tang. Bk Value Incl.	\$1,277,240,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$1,802,401,005.73
Market Cap:	\$1,283,766,000	Cash (NTBVIC):		Avg. Year FCF/Share:	\$110,197,589.08
Cash:	\$341,570,000	Market Price/NTBVIC:	1.01	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$482,420,000	Op. Cash Flow:	\$146,635,846	Year 5 Disposition Price:	\$2,132,993,772.97
Net Cash:	-\$140,850,000	Implied Years to Fill Gap:	0.04		
Enterprise Value:	\$1,424,616,000	Today's Equity if 5x Op. CF:	\$1,717,147,538		
		Net Tang. Book+5 FCF+ Gain Disposition:			\$2,132,993,772.97
Shares Outstanding:	23,320,000	IRR:			10.69%
		Price:			\$91.47
		Target Market Cap:			\$2,132,993,773
		Target Enterprise Value:			\$2,273,843,773

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

The largest provider of flued tobacco leaf, located in Virginia with revenue at \$2BB. 20-30% of Brazil's, 30-40% of Africa, 20-30% of N. America production. It is a sizable business, and it is currently underpriced in the market. Why?

There is concern the customers such as Philip Morris will cut back business with the Co. by growing their own tobacco leaves. The large, branded tobacco end product sellers may try to create a vertically integrated co., to reduce costs. The co. listed this risk in their most recent 10-K and we believe it will take years for the hit to be material in the top line results. We know commodity prices are rising and it makes sense for the larger brands to do so. Also, the product is on the "sin list" so that might be a minor factor. Also, a recent bribery scandal involving the Mozambique government left a fresh scar on the co.'s reputation, but it boiled down to a negligible \$10MM fine. In the big scheme of things, the co. is very attractive on a pure value basis. The co. is cheap and the risk of replacement is inherent in every business deal, so we don't place much concerns on the risk of eliminating the co. as a middle man.

The price is selling par to net tangible book value. We feel there is much more value hidden in the land holdings, as the co. is 100 years old and the recorded land value is very cheap at \$20 MM. So the downside risk is limited by the book value support. We were alarmed at the large inventory of tobacco leaves, but only 20% was unaccounted for by the customers.

The co. is generating \$150MM from operating activities and reinvesting \$40MM into capex and paying out \$60MM in dividends, with about \$40MM going to common stock shareholders. With the remainder, the co. has been either repaying debt or buying back shares.

The co. has about \$200 MM in debt maturing in 2013, but is sitting on \$300 MM in cash so there is ample capital for liquidity and working capital purposes.

The business is resistant to economic downturns and we feel this business will continue for at least the next 8 years while sustaining their revenue. We will refrain from including this stock as it is a "sin" stock.

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We are the leading global leaf tobacco supplier. We operate in over 30 countries on five continents. Tobacco has been our principal focus since our founding in 1918. The largest portion of our business involves the procuring and processing of flue-cured and burley leaf tobacco for manufacturers of consumer tobacco products. Our reportable segments for our flue-cured and burley tobacco operations are North America and Other Regions. We also have a third reportable segment, Other Tobacco Operations, which comprises our dark tobacco business, our oriental tobacco joint venture, and certain tobacco-related services. We generated approximately \$2.4 billion in consolidated revenues and earned approximately \$223.5 million in total segment operating income in fiscal year 2012.

Company Name:	Universal Corp.	Market Capitalization:	\$1,283,766,000.00	Revenue:	\$2,470,000,000.00	100.0%
Ticker Symbol:	UVV	Total Debt:	\$482,420,000.00	Cost of Goods Sold:	\$1,998,010,000.00	80.9%
Last Price:	\$55.05	Total Cash:	\$341,570,000.00	Gross Profit:	\$471,990,000.00	19.1%
Net Cash/Share:	-\$6.04	Net Cash/(Debt):	-\$140,850,000.00	EBITDA:	\$274,350,000.00	11.1%
Net Cash to Last Price:	-10.97%	Enterprise Value:	\$1,424,616,000.00	Net Income:	\$117,550,000.00	4.8%
Shares Outstanding:	23,320,000	Current EV/Share:	\$61.09			
Industry:	Tobacco	EBITDA:	\$224,180,000.00			
Sector:	Consumer Defensive	EV/EBITDA Multiple:	6.35	Income Statement		
Institutional Ownership:	#VALUE!	EV/EBITDA Multiple Average Year 1-5:	5.81	Cash:	\$341,570,000.00	
Mutual Fund Ownership:	#VALUE!	EV/FCF Multiple (excluding acquisition):	8.81	Short Term Investment:	\$0.00	
Insider Ownership:	#VALUE!	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	12.93	A/R:	\$390,000,000.00	
Retail Ownership:	#VALUE!			PP&E:	\$290,000,000.00	
Float:	#VALUE!			Assets:	\$2,329,990,000.00	
		Upper Range				
		DCF: EV/EBITDA Terminal Value		A/P:	\$290,000.00	
		Implied TV from 3 X EV/EBITDA Multiple	\$617,206,913.13	Deferred Tax:	\$45,790,000.00	
		Enterprise Value	\$617,206,913.13	Other Liabilities:	\$524,250,000.00	
		Cash at Year 5:	\$892,557,945.40	Short term Debt:	\$297,420,000.00	
		Debt at Year 5:	\$482,420,000.00	Long Term Debt:	\$185,000,000.00	
		Equity Value Year 5:	\$1,027,344,858.53	Liabilities:	\$1,052,750,000.00	
		Equity/Share at Year 5:	\$44.05	Retained Earnings:	\$855,000,000.00	
		Annualized Return:	-4.36%	Paid-In Capital:	\$196,130,000.00	
		Lower Range		Treasury Stock:	\$0.00	
		DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		Stockholder's Equity:	\$1,183,790,000.00	
		Year 5 Net Tangible Assets excluding cash and debt	\$1,533,850,000.00			
		Enterprise Value	\$1,533,850,000.00	Cash Flow		
		Cash at Year 5:	\$892,557,945.40	Net Income:	100,820,000.00	
		Debt at Year 5:	\$482,420,000.00	Depreciation/Amortization:	43,870,000.00	
		Equity Value Year 5:	\$1,943,987,945.40	Change in Working capital:	-48,590,000.00	
		Equity/Share at Year 5:	\$83.36	Cash from Operating Activities:	199,790,000.00	
		Annualized Return:	8.65%	Capital Expenditures:	-38,170,000.00	
				Cash from Investing Activities:	-9,880,000.00	
		EVA		Total Cash Dividends Paid:	-59,560,000.00	
		EVA today:	\$1,146,142,146.07	Issuance (Retirement) of Stock:	-3,870,000.00	
		EVA in 5 Years:	\$1,565,313,215.24	Issuance (Retirement) of Debt:	-13,640,000.00	
		EVA/Share:	\$67.12	Cash from Financing Activities:	-67,320,000.00	
		Cash at Year 5:	\$892,557,945.40			
		Debt at Year 5:	\$482,420,000.00	Profitability Margins		
		Equity Value Year 5:	\$1,975,451,160.64	Debt to Equity:	40.75%	
		Equity/Share at Year 5:	\$84.71	Return on Assets:	3.95%	
		Annualized return	6.43%	Return on Capital:	5.53%	
				Return on Equity:	7.78%	
		Current Net Tangible Asset				
		Net Tangible Asset/Share:	\$50.52			
		Net Tangible Asset/Share in Year 5:	\$73.41			
		Annualized return	7.76%			
		Average EV to EBITA:	N/A			
		Company EV to EBITA:	6.35			
		Average EV to EBIT:	N/A			
		Company EV to EBITA:	7.90			
		Current Equity Price:	\$55.05			
		Selling at Discount?	Premium			
		Appreciation Potential:	-8.23%			
		Dividend Model				
		Next Year Dividend	\$48,827,961.61			
		WACC:	9.00%			
		Dividend:	\$46,640,000.00			
		Net Income:	\$117,550,000.00			

SN VALUATION

LBO Pro Forma Income Statement

Name:

Universal Corp.

Ticker:

UVV

	Historical				Forecasted				
	12 months ending 2009-03-31	12 months ending 2010-03-31	12 months ending 2011-03-31	12 months ending 2012-03-31	2013	2014	2015	2016	2017
Revenue	2,554.66	2,491.74	2,571.53	2,446.88	2,471.35	2,496.06	2,521.02	2,546.23	2,571.70
COGS	2,035.32	1,949.47	2,063.19	1,974.88	2,001.79	2,021.81	2,042.03	2,062.45	2,083.07
Gross margin	519.34	542.27	508.34	472.00	469.56	474.25	478.99	483.78	488.62
SG&A	309.41	285.06	259.04	251.64	271.85	274.57	277.31	280.09	282.89
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	0.00	0.00	14.06	60.75	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	-19.37	-20.70	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)	209.93	257.21	254.61	180.31	197.71	199.68	201.68	203.70	205.74
Interest income/(expense)	-12.78	-0.58	-11.70	-18.32	-40.11	-40.11	-40.11	-40.11	-40.11
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	197.15	256.63	242.90	161.98	157.59	159.57	161.57	163.58	165.62
Tax	64.59	86.29	78.35	61.16	55.16	55.85	56.55	57.25	57.97
Income after tax	132.56	170.34	164.55	100.82	102.44	103.72	105.02	106.33	107.65
Minority Interest	-0.82	-1.95	-7.99	-8.76	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	131.74	168.40	156.56	92.06	102.44	103.72	105.02	106.33	107.65
*Figures are in millions (\$)									
EPS (based off today's share count)	\$5.65	\$7.22	\$6.71	\$3.95	\$4.39	\$4.45	\$4.50	\$4.56	\$4.62
P/E (historical today's price; forecasted intrinsic price)	9.74	7.62	8.20	13.94	13.09	13.50	13.93	14.37	14.83
Revenue Growth	N/A	-2.46%	3.20%	-4.85%	1.00%	1.00%	1.00%	1.00%	1.00%
Tax Rate	32.76%	33.62%	32.26%	37.76%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-2.20%	-0.10%	-2.07%	-3.41%	-21.68%	-21.68%	-21.68%	-21.68%	-21.68%
Margins									
COGS	79.67%	78.24%	80.23%	80.71%	81.00%	81.00%	81.00%	81.00%	81.00%
Gross margin	20.33%	21.76%	19.77%	19.29%	19.00%	19.00%	19.00%	19.00%	19.00%
SG&A	12.11%	11.44%	10.07%	10.28%	11.00%	11.00%	11.00%	11.00%	11.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.00%	0.00%	0.55%	2.48%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	-0.75%	-0.85%	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)	8.22%	10.32%	9.90%	7.37%	8.00%	8.00%	8.00%	8.00%	8.00%
Interest income/(expense)	-0.50%	-0.02%	-0.45%	-0.75%	-1.62%	-1.61%	-1.59%	-1.58%	-1.56%
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	7.72%	10.30%	9.45%	6.62%	6.38%	6.39%	6.41%	6.42%	6.44%
Tax	2.53%	3.46%	3.05%	2.23%	2.23%	2.24%	2.24%	2.25%	2.25%
Income after tax	5.19%	6.84%	6.40%	4.12%	4.14%	4.20%	4.25%	4.30%	4.36%
Minority Interest	-0.03%	-0.08%	-0.31%	-0.36%	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	5.16%	6.76%	6.09%	3.76%	4.14%	4.16%	4.17%	4.18%	4.19%

	As of 2009-03-31	As of 2010-03-31	As of 2011-03-31	As of 2012-03-31	As of 2012-12-31	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	212.63	245.95	141.01	261.70	341.57			341.57	448.21	556.73	666.88	778.84	892.56
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	212.63	245.95	141.01	261.70	341.57			341.57	448.21	556.73	666.88	778.84	892.56
Accounts Receivable	283.75	278.63	346.01	398.16	390.00			390.00	390.00	390.00	390.00	390.00	390.00
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	283.75	278.63	346.01	398.16	390.00			390.00	390.00	390.00	390.00	390.00	390.00
Total Inventory	646.85	865.14	791.07	735.29	921.34			921.34	921.34	921.34	921.34	921.34	921.34
Prepaid Expenses	227.46	180.91	179.28	156.14	15.73			15.73	15.73	15.73	15.73	15.73	15.73
Other Current Assets	133.23	122.44	120.87	139.34	105.59			105.59	105.59	105.59	105.59	105.59	105.59
Current Assets	1,503.92	1,693.07	1,578.24	1,690.63	1,774.23	0.00	0.00	1,774.23	1,880.87	1,989.39	2,099.54	2,211.50	2,325.22
PP&E, Gross	759.86	815.21	827.55	830.00	830.00			830.00	870.00	910.00	950.00	990.00	1,030.00
Change in Depreciation		41.29	43.65	42.16	42.16			42.16	42.58	43.01	43.44	43.87	44.31
Accumulated Depreciation	447.57	485.72	510.84	540.00	540.00			540.00	582.58	625.59	669.03	712.90	757.21
PP&E, Net	312.29	329.49	316.71	290.00	290.00			290.00	287.42	284.41	280.97	277.10	272.79
Goodwill	106.10	105.56	99.55	99.27	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	99.12			99.12	97.50	95.71	94.01	92.26	90.50
Long term investments	103.99	106.34	115.48	93.31	92.78			92.78	92.78	92.78	92.78	92.78	92.78
Other long term assets	111.89	136.58	117.91	80.52	73.86			73.86	73.86	73.86	73.86	73.86	73.86
Long Term Assets	634.27	677.97	649.65	563.10	555.76			555.76	546.76	541.62	536.00	530.00	529.93
Total Assets	2,138.19	2,371.04	2,227.89	2,253.73	2,329.99	0.00	0.00	2,329.99	2,432.43	2,536.15	2,641.17	2,747.50	2,855.15
Accounts Payable	19.19	6.46	4.15	0.29	0.29			0.29	0.29	0.29	0.29	0.29	0.29
Accrued Expense	24.71	30.10	30.20	30.66	30.66			30.66	30.66	30.66	30.66	30.66	30.66
Other current Liabilities	21.03	126.85	20.69	29.70	79.80			79.80	79.80	79.80	79.80	79.80	79.80
Total Current Liabilities	64.93	163.41	55.04	60.65	110.75	0.00	0.00	110.75	110.75	110.75	110.75	110.75	110.75
Notes Payables/Short Term Debt	168.61	177.01	149.29	128.02	87.42			87.42	87.42	87.42	87.42	87.42	87.42
Current port. Of LT Debt/Capital Leases	79.50	15.00	95.00	16.25	210.00			210.00	210.00	210.00	210.00	210.00	210.00
Long term Debt	331.81	414.76	320.19	392.50	185.00	0.00	0.00	185.00	185.00	185.00	185.00	185.00	185.00
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	579.92	606.77	564.48	536.77	482.42	0.00	0.00	482.42	482.42	482.42	482.42	482.42	482.42
Deferred Income tax	52.84	46.13	42.85	44.58	45.79			45.79	45.79	45.79	45.79	45.79	45.79
Minority Interest	3.77	5.80	13.80	22.54	28.47			28.47	28.47	28.47	28.47	28.47	28.47
Other liabilities	170.41	166.77	153.07	231.14	385.32			385.32	385.32	385.32	385.32	385.32	385.32
Total Liabilities	871.87	988.88	829.24	895.68	1,052.75	0.00	0.00	1,052.75	1,052.75	1,052.75	1,052.75	1,052.75	1,052.75
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	213.02	213.02	213.02	213.02	213.02			213.02	213.02	213.02	213.02	213.02	213.02
Common Stock	194.04	195.00	191.61	196.13	196.13		0.00	196.13	196.13	196.13	196.13	196.13	196.13
Additional Paid-in capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	686.96	767.21	825.75	854.65	855.00		0.00	855.00	957.44	1,061.16	1,166.18	1,272.51	1,380.16
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	-64.55	-52.67	-44.78	-80.36	-80.36		0.00	-80.36	-80.36	-80.36	-80.36	-80.36	-80.36
Total Equity	1,029.47	1,122.56	1,185.60	1,183.44	1,183.79	0.00	0.00	1,183.79	1,286.23	1,389.95	1,494.97	1,601.30	1,708.95
Liability + Equity	1,901.34	2,111.44	2,014.84	2,079.12	2,236.54	0.00	0.00	2,236.54	2,338.98	2,442.70	2,547.72	2,654.05	2,761.70
Variance	236.85	259.60	213.05	174.61	93.45			93.45	93.45	93.45	93.45	93.45	93.45
Debt/Equity	0.56	0.54	0.48	0.45	0.41			0.41	0.38	0.35	0.32	0.30	0.28
Inventory Turnover	3.95	2.88	3.25	3.33	2.68			2.66	2.68	2.71	2.74	2.76	2.79
Inventory Turnover Days	92.42	126.73	112.28	109.68	136.08			137.44	136.08	134.73	133.39	132.07	130.77
Days Inventory Outstanding	116.00	161.98	139.95	135.90	167.99			170.28	167.99	166.33	164.68	163.05	161.44
Accounts Receivable Turnover	9.00	8.94	7.43	6.15	6.34			6.27	6.34	6.40	6.46	6.53	6.59
Accounts Receivable Turnover Days	40.54	40.81	49.11	59.39	57.60			58.18	57.60	57.03	56.47	55.91	55.35
Days Payable Outstanding	3.44	1.21	0.73	0.05	0.05			0.05	0.05	0.05	0.05	0.05	0.05
Days Sales Outstanding	40.54	40.81	49.11	59.39	57.60			59.39	58.18	57.60	57.03	56.47	55.91
Cash Conversion Cycle	153.10	201.59	188.33	195.24	225.54			229.62	226.12	223.88	221.66	219.47	217.29
Net tangible assets/share	\$49.75	\$54.74	\$55.71	\$53.98	\$54.77			\$59.16	\$63.61	\$68.11	\$72.67	\$77.29	\$81.91

	12 months ending 2009-03-31	12 months ending 2010-03-31	12 months ending 2011-03-31	12 months ending 2012-03-31	2011	2012	2013	2014	2015
Net Income	132.56	170.34	164.55	100.82	102.44	103.72	105.02	106.33	107.65
Depreciation	40.76	41.29	43.65	42.16	42.58	43.01	43.44	43.87	44.31
Net Income + Depreciation	173.32	211.63	208.20	142.98	145.02	146.73	148.46	150.20	151.96
Amortization	1.03	2.21	1.62	1.71	1.62	1.79	1.70	1.75	1.76
Deferred Taxes	20.48	13.76	-1.04	6.77	0.00	0.00	0.00	0.00	0.00
Non Cash Items	68.40	122.59	-79.22	96.93	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-164.17	-187.95	-75.34	-48.59	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	5.12	-67.38	-52.15	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	-218.29	74.07	55.78	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	46.55	1.63	23.14	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-12.73	-2.31	-3.86	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	99.06	162.24	54.22	199.80	146.64	148.52	150.16	151.95	153.72
Capital Expenditures Expenditures	-35.66	-57.58	-39.13	-38.17	-40.00	-40.00	-40.00	-40.00	-40.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	77.77	5.55	40.78	28.30	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	42.11	-52.03	1.65	-9.87	-40.00	-40.00	-40.00	-40.00	-40.00
Financing Cash flow items	-0.10	-1.30	-0.10	9.75	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-60.79	-60.73	-60.17	-59.56	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-111.04	-31.46	-46.93	-	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	59.93	14.46	-54.35	-13.64	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-112.00	-79.03	-161.55	-67.32	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	-2.63	2.15	0.73	-1.90	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	186.07	212.63	245.95	141.01	341.57	448.21	556.73	666.88	778.84
Net Change in Cash	26.56	33.33	-104.95	120.69	106.64	108.52	110.16	111.95	113.72
Ending Cash Balance	212.63	245.95	141.00	261.70	448.21	556.73	666.88	778.84	892.56
Capex to Revenue	1.40%	2.31%	1.52%	1.56%	1.62%	1.60%	1.59%	1.57%	1.56%
Depreciation to Sales	1.60%	1.66%	1.70%	1.72%	1.72%	1.72%	1.72%	1.72%	1.72%
Amortization to Sales	0.04%	0.09%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
A/R to Sales	11.11%	11.18%	13.46%	16.27%	16.11%	15.95%	15.79%	15.64%	15.48%
Distributable FCF Yield	9.91%	7.74%	3.92%	13.33%	7.49%	7.62%	7.73%	7.86%	7.98%
Dividend Yield	-4.74%	-4.73%	-4.69%	-4.64%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	124.19	165.39	75.26	221.19	106.64	108.52	110.16	111.95	113.72

SN VALUATION

LBO Debt Schedule

Ticker:

UVV

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	120.69	106.64	108.52	110.16	111.95	113.72
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	610.44	610.44	610.44	610.44	610.44	610.44
Current Portion Debt Balance	425.44	425.44	425.44	425.44	425.44	425.44
Long Term Debt Balance	185.00	185.00	185.00	185.00	185.00	185.00
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		42.73	42.73	42.73	42.73	42.73
Cash Balance		261.70				
Interest @ 1.0%		2.62	2.62	2.62	2.62	2.62
Net Interest Expense/(Income)		40.11	40.11	40.11	40.11	40.11
Net Interest Rate		21.68%	21.68%	21.68%	21.68%	21.68%
EBITDA		197.71	199.68	201.68	203.70	205.74
EBITDA/Interest Expense Coverage		4.63	4.67	4.72	4.77	4.81

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Universal Corp.

Ticker:

UVV

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	1,438.99	1,529.66	1,523.20	1,663.48	1,770.12	1,878.64	1,988.79	2,100.75	2,214.47
Total Assets	2,138.19	2,371.04	2,227.89	2,329.99	2,432.43	2,536.15	2,641.17	2,747.50	2,855.15
X1	0.67	0.65	0.68	0.71	0.73	0.74	0.75	0.76	0.78
Retained Earnings	686.96	767.21	825.75	855.00	957.44	1,061.16	1,166.18	1,272.51	1,380.16
Total Assets	2,138.19	2,371.04	2,227.89	2,329.99	2,432.43	2,536.15	2,641.17	2,747.50	2,855.15
X2	0.32	0.32	0.37	0.37	0.39	0.42	0.44	0.46	0.48
EBITDA	209.93	257.21	254.61	180.31	197.71	199.68	201.68	203.70	205.74
Total Assets	2,138.19	2,371.04	2,227.89	2,329.99	2,432.43	2,536.15	2,641.17	2,747.50	2,855.15
X3	0.10	0.11	0.11	0.08	0.08	0.08	0.08	0.07	0.07
Market Value of Equity	1,283.77	1,283.77	1,283.77	1,283.77	1,340.96	1,400.71	1,463.12	1,528.31	1,596.40
Total Liabilities	871.87	988.88	829.24	1,052.75	1,052.75	1,052.75	1,052.75	1,052.75	1,052.75
X4	1.47	1.30	1.55	1.22	1.27	1.33	1.39	1.45	1.52
Net Sales	2,554.66	2,491.74	2,571.53	2,446.88	2,471.35	2,496.06	2,521.02	2,546.23	2,571.70
Total Assets	2,138.19	2,371.04	2,227.89	2,329.99	2,432.43	2,536.15	2,641.17	2,747.50	2,855.15
X5	1.19	1.05	1.15	1.05	1.02	0.98	0.95	0.93	0.90
Altman Z Score	3.66	3.41	3.80	3.41	3.47	3.52	3.56	3.61	3.66

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

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