

DCF Valuation

Free Cash Flow Calculation

Profit & Loss	Projected					
	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26
Total Income		XXXX	XXXX	XXXX	XXXX	XXXX
COS		XXXX	XXXX	XXXX	XXXX	XXXX
Gross profit	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Personnel Cost		XXXX	XXXX	XXXX	XXXX	XXXX
General & Administrative		XXXX	XXXX	XXXX	XXXX	XXXX
R & D		XXXX	XXXX	XXXX	XXXX	XXXX
Marketing		XXXX	XXXX	XXXX	XXXX	XXXX
Other Expenses		XXXX	XXXX	XXXX	XXXX	XXXX
EBITDA		XXXX	XXXX	XXXX	XXXX	XXXX
Interest Expense and Income		XXXX	XXXX	XXXX	XXXX	XXXX
Depreciation & Amortization		XXXX	XXXX	XXXX	XXXX	XXXX
Tax		XXXX	XXXX	XXXX	XXXX	XXXX
Net Income	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

Cash Flow (\$):	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26
EBITDA	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Less: Capital Expenditure		XXXX	XXXX	XXXX	XXXX	XXXX
Less: Changes in Working Capital		XXXX	XXXX	XXXX	XXXX	XXXX
Less: Tax		XXXX	XXXX	XXXX	XXXX	XXXX
Free Cash Flow to firm - FCF		XXXX	XXXX	XXXX	XXXX	XXXX

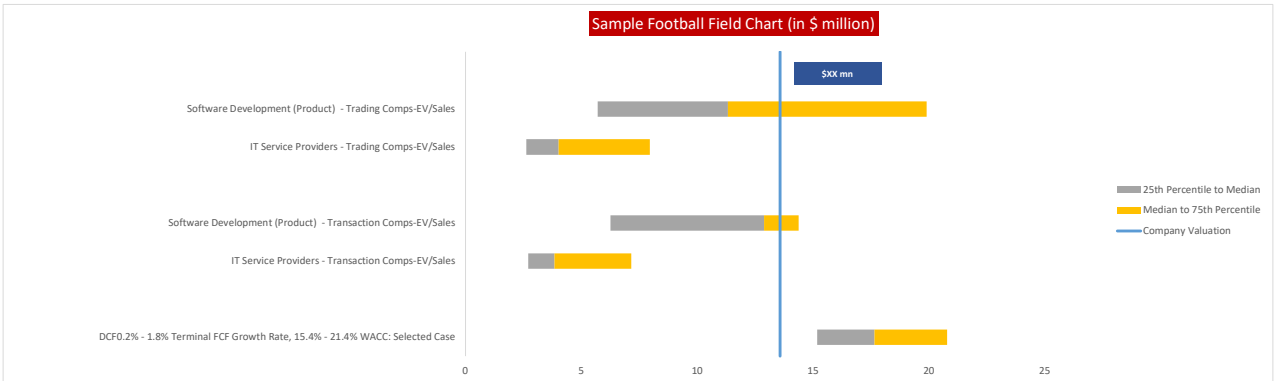
Growth Assumptions	
Long Term Growth Rate	XXXX

Discounted Cash Flow (\$):	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-26
Projected Year							Terminal Value
FCF	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Discount Factor	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Discounted CF	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Enterprise Value	XXXX						

Sensitivity Analysis

		Enterprise Value							
		WACC							
		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Terminal FCF Growth Rates	1.5%	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
	1.7%	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
	1.9%	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
	2.1%	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
	2.3%	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
	2.5%	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
	2.7%	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
	2.9%	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
	3.1%	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

Maximum	XXXX
75th Percentile	XXXX
Median	XXXX
25th Percentile	XXXX
Minimum	XXXX



Merger Model

Transaction Assumptions: Units

Transaction Close Date:	Date	
Valuation/Analysis Date:	Date	
# of Periods in Each Model Year:	#	
Months in Year:	#	
Conversion Units:	#	10,00,000
Transaction Financing:	#	1
(1 = Cash/Debt/Stock; 2 = 100% Stock)		

100% Stock Deal Assumptions (Fixed Exchange Ratio with Collar):			
Acquirer's Share Price:		\$ as Stated	\$ 27.91
Baseline Exchange Ratio:		x	1.3125 x

Acquirer Share Price Floor:		\$ as Stated	25.00
Acquirer Share Price Cap:		\$ as Stated	32.00

Offer Price @ Acquirer Share Price Floor:		\$ as Stated	32.81
Offer Price @ Acquirer Share Price Cap:		\$ as Stated	42.00
Offer Price Between Acquirer Floor and Cap:		\$ as Stated	36.63

Actual Offer Price per Share:		\$ as Stated	36.63
Actual Exchange Ratio:		x	1.3125 x

Target - Diluted Shares @ Offer Price:		Millions	0.000
New Shares Issued to Acquire Target:		Millions	0.000

Purchase Equity Value:		\$ M	-
Purchase Enterprise Value:		\$ M	-

Transaction Financing:	Amount:	Pre-Tax Cost:	After-Tax Cost:
Cash Used:	#DIV/0!	2.0%	1.40%
Debt Issued:	#DIV/0!	8.7%	6.1%
Stock Used:	#DIV/0!		#DIV/0!
New Shares Issued (Millions):	#DIV/0!		
Weighted Average Acquisition Cost:			#DIV/0!
Target's "Yield":			#DIV/0!

Overall Deal Metrics and Multiples:			
Offer Price per Share in Selected Structure:		\$ as Stated	\$ -
Premium in Selected Structure:		%	0.0%
Purchase Equity Value in Selected Structure:		\$ M	#DIV/0!
Purchase Enterprise Value in Selected Structure:		\$ M	#DIV/0!
Target - LTM Revenue:		\$ M	#DIV/0!
Target - LTM EBITDA:		\$ M	#DIV/0!
LTM Purchase TEV / Revenue:		x	#DIV/0!
LTM Purchase TEV / EBITDA:		x	#DIV/0!

Mixed Cash/Debt/Stock Deal Assumptions:

Target Share Price:	\$ as Stated	\$	-
Premium Paid:	%		0.0%
Offer Price per Share:	\$ as Stated		-
Target - Diluted Shares @ Offer Price:	Millions	#DIV/0!	
Purchase Equity Value:	\$ M	#DIV/0!	
Purchase Enterprise Value:	\$ M	#DIV/0!	
Post-Transaction Minimum Cash Balance:	\$ M	\$ 300.0	
Post-Transaction Combined Cash Balance:	\$ M	#DIV/0!	
Maximum Cash Available for Deal:	\$ M	#DIV/0!	
Maximum Combined LTM Debt / EBITDA:	x	4.0 x	
Combined Debt on Close Date:	\$ M	#DIV/0!	
Combined LTM EBITDA on Close Date:	\$ M	#DIV/0!	
Maximum New Debt to Raise for Deal:	\$ M	#DIV/0!	
New Debt - Annual Interest:	%	10.0%	
New Debt - Maturity:	# Years	5	
New Debt - Maturity Date:	Date		

Sources & Uses of Funds:

Sources:	
Cash Used to Purchase Equity:	#DIV/0!
Debt Issued to Purchase Equity:	#DIV/0!
Stock Issued to Purchase Equity:	#DIV/0!
Assume/Replace Target's Debt:	-
Cash for Transaction Fees:	#DIV/0!
Total Sources:	#DIV/0!

Uses:	
Equity Purchase Price of Target:	#DIV/0!
Assume/Replace Target's Debt:	-
Transaction Fees:	#DIV/0!
Financing Fees:	#DIV/0!
Total Uses:	#DIV/0!
CHECK:	#DIV/0!

Purchase Price Allocation:

Goodwill Calculation:	
Equity Purchase Price:	#DIV/0!
(-) Seller Book Value:	#DIV/0!
(+) Write-Off of Existing Goodwill:	
Total Allocable Purchase Premium:	#DIV/0!
(-) Write-Up of PP&E:	-
(-) Write-Up of Intangibles:	#DIV/0!
(+) Write-Down of Deferred Tax Assets:	
(-) Write-Down of Deferred Tax Liabilities:	
(+) New Deferred Tax Liability:	#DIV/0!
Total Goodwill Created:	#DIV/0!
Goodwill Amortization Period - Book:	
Goodwill Amortization Period - Tax:	15
Annual Amortization - Book:	
Annual Amortization - Tax:	

Fixed Asset Write-Up:	
PP&E Write-Up %:	10.0%
PP&E Write-Up Amount:	\$ -
Depreciation Period (Years) - Book:	8
Depreciation Period (Years) - Tax:	6

Intangible Asset Write-Up:	
Purchase Price to Allocate:	#DIV/0!
% Allocated to Indefinite-Lived Intangibles:	40.0%
Indefinite-Lived Intangibles:	#DIV/0!
% Allocated to Definite-Lived Intangibles:	20.0%
Intangibles Write-Up Amount:	#DIV/0!
Amortization Period (Years) - Book:	
Amortization Period (Years) - Tax:	15

New Deferred Tax Liability: #DIV/0!