

DISCOUNTED CASH FLOW MODEL												
Check	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay
	365	365	365	365	365	365	365	365	365	365	365	365
	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	Notes

All figures are in millions of USD\$

SCENARIO SWITCH **2**

SHARE PRICE **\$7.48**

ASSUMPTIONS AND DRIVERS

Base Case

Revenue growth rate		15.76%	11.23%	8.37%	5.92%	11%	11%	11%	11%	11%	11%
COGS as a % of revenue	-38.26%	-40.65%	-37.40%	-37.41%	-38.01%	38%	38%	38%	38%	38%	38%
Salaries & Benefits as a % of revenue	-25.91%	-19.19%	-18.18%	-16.16%	-16.74%	20%	20%	20%	20%	20%	20%
Rent & overheads as a % of revenue	-10.75%	-8.57%	-7.68%	-7.74%	-7.57%	9%	9%	9%	9%	9%	9%
Depreciation as a % of revenue	-19.12%	-15.37%	-13.10%	-11.62%	-10.67%	14%	14%	14%	14%	14%	14%
Interest expense as a % of LTD	-5.00%	-5.00%	-5.00%	-3.00%	-3.00%	5%	5%	5%	5%	5%	5%
Income tax as a % of EBT	-31.17%	-29.18%	-28.70%	-28.99%	-29.12%	29%	29%	29%	29%	29%	29%
DSO	18 days	18 days	18 days	18 days	18 days	20 days	20 days	20 days	20 days	20 days	20 days
DIO	-73 days	-73 days	-73 days	-72 days	-72 days	72 days	72 days	72 days	72 days	72 days	72 days
DPO	-37 days	-37 days	-37 days	-36 days	-36 days	37 days	37 days	37 days	37 days	37 days	37 days
PPE as a % of revenue	44.60%	35.86%	30.56%	27.12%	24.89%	33%	33%	33%	33%	33%	33%

Upside case

Revenue growth rate						14%	14%	14%	14%	14%	14%
COGS as a % of revenue						34%	34%	34%	34%	34%	34%
Salaries & Benefits as a % of revenue						18%	18%	18%	18%	18%	18%
Rent & overheads as a % of revenue						7%	7%	7%	7%	7%	7%
Depreciation as a % of revenue						11%	11%	11%	11%	11%	11%
Interest expense as a % of LTD						3%	3%	3%	3%	3%	3%
Income tax as a % of EBT						29%	29%	29%	29%	29%	29%
DSO						20 days	20 days	20 days	20 days	20 days	20 days
DIO						72 days	72 days	72 days	72 days	72 days	72 days
DPO						37 days	37 days	37 days	37 days	37 days	37 days
PPE as a % of revenue						33%	33%	33%	33%	33%	33%

Downside case

Revenue growth rate						9%	9%	9%	9%	9%	9%
COGS as a % of revenue						41%	41%	41%	41%	41%	41%
Salaries & Benefits as a % of revenue						23%	23%	23%	23%	23%	23%
Rent & overheads as a % of revenue						11%	11%	11%	11%	11%	11%
Depreciation as a % of revenue						16%	16%	16%	16%	16%	16%
Interest expense as a % of LTD						7%	7%	7%	7%	7%	7%
Income tax as a % of EBT						29%	29%	29%	29%	29%	29%
DSO						20 days	20 days	20 days	20 days	20 days	20 days
DIO						72 days	72 days	72 days	72 days	72 days	72 days
DPO						37 days	37 days	37 days	37 days	37 days	37 days
PPE as a % of revenue						33%	33%	33%	33%	33%	33%

Active case

Revenue growth rate						14%	14%	14%	14%	14%	14%
COGS as a % of revenue						34%	34%	34%	34%	34%	34%
Salaries & Benefits as a % of revenue						18%	18%	18%	18%	18%	18%
Rent & overheads as a % of revenue						7%	7%	7%	7%	7%	7%
Depreciation as a % of revenue						11%	11%	11%	11%	11%	11%
Interest expense as a % of LTD						3%	3%	3%	3%	3%	3%
Income tax as a % of EBT						29%	29%	29%	29%	29%	29%
DSO						20 days	20 days	20 days	20 days	20 days	20 days
DIO						72 days	72 days	72 days	72 days	72 days	72 days
DPO						37 days	37 days	37 days	37 days	37 days	37 days
PPE as a % of revenue						33%	33%	33%	33%	33%	33%

DISCOUNTED CASH FLOW MODEL												
Check	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay
	365	365	365	365	365	365	365	365	365	365	365	365
	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	Notes

All figures are in millions of USD\$

SCENARIO SWITCH	SHARE PRICE											
2	\$7.48											
Income Statement For The Period Ended Dec 31												
Revenue	102,007	118,086	131,345	142,341	150,772	171,880	195,943	223,375	254,648	290,299	330,940	
Cost of Goods Sold (COGS)	(39,023)	(48,004)	(49,123)	(53,254)	(57,310)	(58,439)	(66,621)	(75,948)	(86,580)	(98,702)	(112,520)	
Gross Profit	62,984	70,082	82,222	89,087	93,462	113,441	129,323	147,428	168,068	191,597	218,421	
Expenses												
Salaries and Benefits	(26,427)	(22,658)	(23,872)	(23,002)	(25,245)	(30,938)	(35,270)	(40,208)	(45,837)	(52,254)	(59,569)	
Rent and Overhead	(10,963)	(10,125)	(10,087)	(11,020)	(11,412)	(12,032)	(13,716)	(15,636)	(17,825)	(20,321)	(23,166)	
Depreciation & Amortization	(19,500)	(18,150)	(17,205)	(16,544)	(16,080)	(18,907)	(21,554)	(24,571)	(28,011)	(31,933)	(36,403)	
EBIT	6,094	19,149	31,058	38,522	40,725	51,564	58,783	67,013	76,394	87,090	99,282	
Interest	(2,500)	(2,500)	(1,500)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	
EBT	3,594	16,649	29,558	37,622	39,825	50,664	57,883	66,113	75,494	86,190	98,382	
Taxes	(1,120)	(4,858)	(8,483)	(10,908)	(11,598)	(14,693)	(16,786)	(19,173)	(21,893)	(24,995)	(28,531)	
Net Earnings	2,474	11,791	21,075	26,713	28,227	35,971	41,097	46,940	53,601	61,195	69,851	

Balance Sheet As At Dec 31												
Assets												
Cash	167,971	181,210	183,715	211,069	239,550	254,509	285,562	321,052	361,600	407,914	460,802	
Accounts Receivable	5,100	5,904	6,567	7,117	7,539	9,418	10,737	12,240	13,953	15,907	18,134	
Inventory	7,805	9,601	9,825	10,531	11,342	11,528	13,142	14,981	17,079	19,470	22,196	
Property & Equipment	45,500	42,350	40,145	38,602	37,521	56,720	64,661	73,714	84,034	95,799	109,210	
Total Assets	226,376	239,065	240,252	267,319	295,951	332,176	374,102	421,987	476,666	539,089	610,342	
Liabilities												
Accounts Payable	3,902	4,800	4,912	5,265	5,671	5,924	6,753	7,699	8,777	10,005	11,406	
Debt	50,000	50,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	Remains unchanged
Total Liabilities	53,902	54,800	34,912	35,265	35,671	35,924	36,753	37,699	38,777	40,005	41,406	
Shareholder's Equity												
Equity Capital	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	Remains unchanged
Retained Earnings	2,474	14,265	35,340	62,053	90,280	126,252	167,349	214,288	267,890	329,084	398,935	
Shareholder's Equity	172,474	184,265	205,340	232,053	260,280	296,252	337,349	384,288	437,890	499,084	568,935	
Total Liabilities & Shareholder's Equity	226,376	239,065	240,252	267,319	295,951	332,176	374,102	421,987	476,666	539,089	610,342	

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DISCOUNTED CASH FLOW MODEL											
Check	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay	Okay
	365	365	365	365	365	365	365	365	365	365	365
	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F

All figures are in millions of USD\$

SCENARIO SWITCH	2	SHARE PRICE	\$7.48
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Cash Flow Statement For The Period Ended Dec 31

Operating Cash Flow											
Net Earnings	2,474	11,791	21,075	26,713	28,227	35,971	41,097	46,940	53,601	61,195	69,851
Plus: Depreciation & Amortization	19,500	18,150	17,205	16,544	16,080	18,907	21,554	24,571	28,011	31,933	36,403
Less: Changes in Working Capital	(9,003)	(1,702)	(775)	(903)	(827)	(1,812)	(2,103)	(2,397)	(2,733)	(3,116)	(3,552)
Cash from Operations	12,971	28,239	37,505	42,354	43,480	53,066	60,548	69,114	78,879	90,012	102,703
Investing Cash Flow											
Investments in Property & Equipment	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(38,106)	(29,495)	(33,624)	(38,331)	(43,698)	(49,815)
Cash from Investing	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(38,106)	(29,495)	(33,624)	(38,331)	(43,698)	(49,815)
Financing Cash Flow											
Issuance (repayment) of debt	-	-	(20,000)	-	-	-	-	-	-	-	-
Issuance (repayment) of equity	170,000	-	-	-	-	-	-	-	-	-	-
Cash from Financing	170,000	-	(20,000)	-	-	-	-	-	-	-	-
Net Increase (decrease) in Cash	167,971	13,239	2,505	27,354	28,480	14,960	31,053	35,490	40,548	46,314	52,888
Opening Cash Balance	-	167,971	181,210	183,715	211,069	239,550	254,509	285,562	321,052	361,600	407,914
Closing Cash Balance	167,971	181,210	183,715	211,069	239,550	254,509	285,562	321,052	361,600	407,914	460,802
Check	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Supporting Schedules

Working Capital Schedule											
Accounts Receivable	5,100	5,904	6,567	7,117	7,539	9,418	10,737	12,240	13,953	15,907	18,134
Inventory	7,805	9,601	9,825	10,531	11,342	11,528	13,142	14,981	17,079	19,470	22,196
Accounts Payable	(3,902)	(4,800)	(4,912)	(5,265)	(5,671)	(5,924)	(6,753)	(7,699)	(8,777)	(10,005)	(11,406)
Net Working Capital (NWC)	9,003	10,705	11,480	12,382	13,210	15,022	17,125	19,522	22,256	25,371	28,923
Change in NWC	9,003	1,702	775	903	827	1,812	2,103	2,397	2,733	3,116	3,552
Depreciation Schedule											
PPE Opening	50,000	45,500	42,350	40,145	38,602	37,521	56,720	64,661	73,714	84,034	95,799
Plus Capex	15,000	15,000	15,000	15,000	15,000	38,106	29,495	33,624	38,331	43,698	49,815
Less Depreciation	19,500	18,150	17,205	16,544	16,080	(18,907)	(21,554)	(24,571)	(28,011)	(31,933)	(36,403)
PPE Closing	45,500	42,350	40,145	38,602	37,521	56,720	64,661	73,714	84,034	95,799	109,210
Retained Earning Schedule											
RE Opening	-	2,474	14,265	35,340	62,053	90,280	126,252	167,349	214,288	267,890	329,084
Profit for the year	2,474	11,791	21,075	26,713	28,227	35,971	41,097	46,940	53,601	61,195	69,851
RE Closing	2,474	14,265	35,340	62,053	90,280	126,252	167,349	214,288	267,890	329,084	398,935
Debt & Interest Schedule											
Debt Opening	50,000	50,000	50,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Issuance (repayment)	-	-	(20,000)	-	-	-	-	-	-	-	-
Debt Closing	50,000	50,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Interest Expense	2,500	2,500	1,500	900	900	900	900	900	900	900	900

Notes

DISCOUNTED CASH FLOW MODEL

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2018A 2019A 2020A 2021A 2022A 2023F 2024F 2025F 2026F 2027F 2028F

All figures are in millions of USD\$

SCENARIO SWITCH 2 SHARE PRICE \$7.48

DCF Valuation

Unlevered Free Cash Flows	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F
EBIT						51,564	58,783	67,013	76,394	87,090	99,282
Operating Taxes						(14,693)	(16,786)	(19,173)	(21,893)	(24,995)	(28,531)
NOPAT						36,871	41,997	47,840	54,501	62,095	70,751
Add Depreciation & Amortization						18,907	21,554	24,571	28,011	31,933	36,403
Changes in WC						1,812	2,103	2,397	2,733	3,116	3,552
Capex						(38,106)	(29,495)	(33,624)	(38,331)	(43,698)	(49,815)
UFCF						19,484	36,159	41,185	46,914	53,446	60,891

Valuation

Assumptions:	WACC	10%						
	Growth rate	3%						
	No. of shares outstanding	90,000	1	2	3	4	5	6
			2023F	2024F	2025F	2026F	2027F	2028F
Unlevered Free Cash Flows			\$19,484	\$36,159	\$41,185	\$46,914	\$53,446	\$60,891
Discount factor			0.91	0.83	0.75	0.68	0.62	0.56
PV of UFCF			\$17,713	\$29,884	\$30,943	\$32,043	\$33,186	\$34,372

Enterprise Value **Equity Value**

PV of UFCF	\$178,140	Enterprise value	\$463,625
Continuing Value	\$505,754	Less LTD	30,000
PV of the Conituning value	\$285,485	Add Cash & Cash Eqv.	239,550
	<u>\$463,625</u>		<u>\$673,174</u>
		Eq. value per share	\$7.48

Sensitivity Analysis

		WACC				
		8%	9%	10%	11%	12%
g	1%	\$539,860	\$457,710	\$395,872	\$347,985	\$310,034
	2%	\$602,039	\$499,848	\$425,514	\$369,451	\$325,947
	3%	\$689,091	\$556,033	\$463,625	\$396,284	\$345,397
	4%	\$819,667	\$634,691	\$514,439	\$430,784	\$369,709
	5%	\$1,037,295	\$752,678	\$585,580	\$476,784	\$400,968