**Final Project**

**Random Public Company**

**Transaction Assumptions:**

* + Purchase Stock Price: 30% premium of the current closing price.
  + Refinance all the debt (including short term and long term)
  + Total Transaction fees and expenses of 3.0% of total (Purchase Price + Debt)
  + New acquisition Debt should be structured as follows:
    - **Senior Bank Debt:**
      * Amount: 3.5x Latest company’s First Year’s EBITDA
      * Interest Rate: SOFR+4.0% with SOFR starting at 1.0%, 50 bps escalation for the next 3 years, +1% year 4
      * Scheduled payments: 1-6 years: 1.0% and 7th year: 94%
    - **Subordinated Bonds**
      * Amount: 5.5x total Debt to First Year’s EBITDA including the bank debt.
      * Interest Rate: 8.0% fixed
      * Scheduled Payment: 1-7: 0, 8th year: 100%
    - **Equity**: The Balance of financing – For CAPM use Risk Free 4.0%, Market Premium 5.50% and use your company’s Beta. The target IRR is 25%.

**ASSIGNMENT:**

* Construct the Transaction Sources & Uses
* Calculate the Proforma Balance Sheet
* Construct the Debt Schedule
* Build 5-year Projected Full Income Statement using reasonable assumptions (use discretion)
* Tax rate of 22%
* Amortization of fees use 7 years.
* Run a DCF and Equity Return Analysis
* What price you do the PE firm need to pay for the public company to yield 25%

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| **FINAL PROJECT ASSIGNMENT** | |  |  |
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| # | **COMPANY** | **SYMBOL** | **INDUSTRY** |
| 1 | Albany International | AIN | Textile Manufacturer |
| 2 | American Axle & Manufacturing | AXL | Auto Parts Manufacturer |
| 3 | AZEK Corporation | AZEK | Building Products |
| 4 | Boyd Gaming Corp. | BYD | Resorts & Casinos |
| 5 | Carnival Corporation | CCL | Cruise Operator |
| 6 | Cedar Fair, L.P. | FUN | Theme Parks |
| 7 | Celenese Corporation | CE | Chemicals |
| 8 | Century Casino | CNTY | Resorts & Casinos |
| 9 | Choice Hotels Intern'l | CHH | Lodging |
| 10 | Constellation Brands | STZ | Wineries & Distilleries |
| 11 | Crimson Wine Group | CWGL | Wineries & Distilleries |
| 12 | Flowserve Corporation | FLS | Specialty Industrial Machinery |
| 13 | International Paper | IP | Paper & Packaging |
| 14 | Kraton Corporation | KRA | Chemicals |
| 15 | Laureate Education | LAUR | Education & Training Services |
| 16 | Nabors Industries | NBR | Oil & Gas Drilling |
| 17 | Oshkosh Corporation | OSK | Industrial Equipment |
| 18 | Royal Caribbean Cruises Ltd | RCL | Cruise Operator |
| 19 | SeaWorld Entertainment, Inc. | SEAS | Theme Parks |
| 20 | Select Medical | SEM | Medical Care Facilities |
| 21 | Six Flags Entertainment Corp. | SIX | Theme Parks |
| 22 | Steel Dynamics | STLD | Chemicals |
| 23 | TAL Education Group | TAL | Education & Training Services |
| 24 | Texas Roadhouse | TXRH | Restaurant |
| 25 | U.S. Foods | USFD | Food Distributor |
| 26 | Wendy's Company | WEN | Restaurant |
| 27 | Wesco International | WCC | Industrial Distribution |
| 28 | Wyndham Hotels & Resorts | WH | Lodging |
| 29 | Wynn Resorts | WYNN | Resorts & Casinos |
| 30 | Yum! Brands | YUM | Restaurants |