

Act 2 Technologies
Pro Forma Financial and Economic Model

	2010	2011	2012	2013	2014	2015
Size Ratios						
Revenues	\$ 3,150,000	\$ 6,489,000	\$ 13,367,340	\$ 26,734,680	\$ 40,102,020	\$ 60,153,030
Total Assets	\$ 1,046,507	\$ 1,575,310	\$ 2,750,864	\$ 7,229,712	\$ 15,751,990	\$ 29,170,460
Total Shareholders' Equity	\$ (543,860)	\$ (468,059)	\$ 826,483	\$ 5,378,524	\$ 13,081,867	\$ 25,275,167
Liquidity Ratios						
Working Capital	\$ 500,356	\$ 772,349	\$ 1,473,028	\$ 5,128,524	\$ 12,831,867	\$ 25,025,167
Operating Working Capital	\$ 325,356	\$ 670,234	\$ 1,380,681	\$ 4,660,157	\$ 12,229,827	\$ 24,322,872
Current Ratio	\$ 2.7	\$ 2.4	\$ 2.4	\$ 3.8	\$ 5.8	\$ 7.4
Quick Ratio	\$ 2.2	\$ 1.9	\$ 1.9	\$ 3.2	\$ 5.2	\$ 6.8
Efficiency Ratios						
Days Sales Outstanding	45.0	45.0	45.0	45.0	45.0	45.0
Days Inventory on Hand	45.0	45.0	45.0	45.0	45.0	45.0
Days Payables Outstanding	45.0	45.0	45.0	45.0	45.0	45.0
Cash Conversion Cycle	45.0	45.0	45.0	45.0	45.0	45.0
OWC / Sales	10.3%	10.3%	10.3%	17.4%	30.5%	40.4%
Change in Owc / Sales	na	5.3%	5.3%	12.3%	18.9%	20.1%
Sales / net Fixed Assets	12.6	26.0	53.5	106.9	160.4	240.6
Sales / Total Assets	3.0	4.1	4.9	3.7	2.5	2.1
Profitability						
Gross Margin	65.7%	65.9%	66.0%	66.1%	66.3%	66.4%
EBIT Margin	-17.3%	1.3%	16.3%	27.7%	31.4%	33.5%
EBITDA Margin	-11.6%	4.9%	18.2%	28.5%	31.6%	33.5%
Net Margin	-17.3%	1.3%	9.9%	17.4%	19.6%	20.7%
Sales / (AR+Inv+Net Fixed Assets)	4.1	4.9	5.4	5.7	5.8	5.9
EBIT / Total Invested Capital	-39.6%	14.1%	83.5%	102.5%	79.1%	68.2%
Return of Average Common Equity	neg	-16.2%	740.0%	150.0%	85.3%	65.1%
Return on Average Assets	-52.0%	6.3%	61.3%	93.3%	68.6%	55.6%
Leverage						
Total Debt / Shareholders' Equity	-292.4%	-436.6%	232.8%	34.4%	20.4%	15.4%
Net Debt / Shareholders' Equity	-241.9%	-382.7%	197.5%	22.0%	14.3%	11.8%
Total Debt / Total Invested Capital	-292.4%	-436.6%	232.8%	34.4%	20.4%	15.4%
Bank Debt / EBITDA						
Senior Debt / EBITDA						
Total Debt / EBITDA	-4.4	6.4	0.8	0.2	0.2	0.2
Net Debt / EBITDA	-3.6	5.6	0.7	0.2	0.1	0.1
Coverage						
EBIT / Interest Expense	-3.2	1.6	19.2	165.4	#DIV/0!	#DIV/0!
EBITDA / cash interest expense	-2.8	2.3	20.4	169.8	#DIV/0!	#DIV/0!
(EBITDA - capex) / cash interest exp	-3.2	1.6	19.2	165.4	#DIV/0!	#DIV/0!
Operating Cash Flow / Total Debt		-8.1%	38.9%	187.7%	250.8%	273.4%
Operating Cash Flow / Net Debt		-9.2%	45.9%	293.7%	358.5%	355.8%
Operating Cash Flow / Avg Total Liabs		-9.1%	37.8%	184.0%	296.3%	324.4%
Common Size Income Statement						
Income Statement						
Revenues	100%	100%	100%	100%	100%	100%
COGS	34.3%	34.1%	34.0%	33.9%	33.7%	33.6%
Gross Profit	65.7%	65.9%	66.0%	66.1%	66.3%	66.4%
SG&A	72.8%	58.2%	45.9%	36.2%	33.4%	31.7%
Operating Expenses	4.5%	2.7%	1.9%	1.4%	1.3%	1.2%
EBITDA	-11.6%	4.9%	18.2%	28.5%	31.6%	33.5%
Depreciation	1.6%	1.5%	1.0%	0.8%	0.5%	0.4%
Amort of Intangibles	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT	-13.2%	3.4%	17.2%	27.7%	31.1%	33.1%
Non-oper Expense	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Income	0.0%	0.0%	0.0%	0.1%	0.3%	0.5%
Interest Expense	4.1%	2.1%	0.9%	0.2%	0.0%	0.0%
EBT	-17.3%	1.3%	16.3%	27.7%	31.4%	33.5%
Provision for Taxes	0.0%	0.0%	6.4%	10.3%	11.7%	12.8%
Net Income	-17.3%	1.3%	9.9%	17.4%	19.6%	20.7%
Dividends	0.0%	0.1%	0.2%	0.4%	0.4%	0.5%
Net to Retained Earnings	-17.3%	1.2%	9.7%	17.0%	19.2%	20.3%