

# *Sterling Household Products Company*

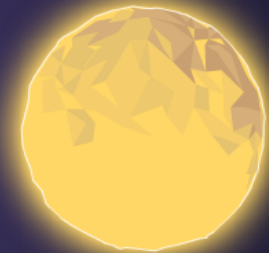
Noelle McIsaac, Chris Powers, Dan Sweeney



*Sensitivity Analysis*



*Scenario Analysis*



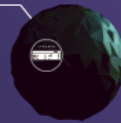
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue	1000	1050	1100	1150	1200	1250	1300	1350	1400	1450	1500	1550	1600	1650	1700	1750	1800	1850	1900	1950	2000
Operating Expenses	700	720	740	760	780	800	820	840	860	880	900	920	940	960	980	1000	1020	1040	1060	1080	1100
Operating Income	300	330	360	390	420	450	480	510	540	570	600	630	660	690	720	750	780	810	840	870	900
Capital Expenditures	50	55	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150
Free Cash Flow	250	275	300	325	350	375	400	430	450	475	500	525	550	575	600	625	650	675	700	725	750
Net Debt	1000	950	900	850	800	750	700	650	600	550	500	450	400	350	300	250	200	150	100	50	0
Equity	1000	1050	1100	1150	1200	1250	1300	1350	1400	1450	1500	1550	1600	1650	1700	1750	1800	1850	1900	1950	2000

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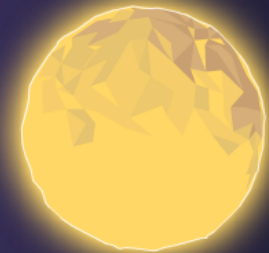
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Sensitivity Analysis

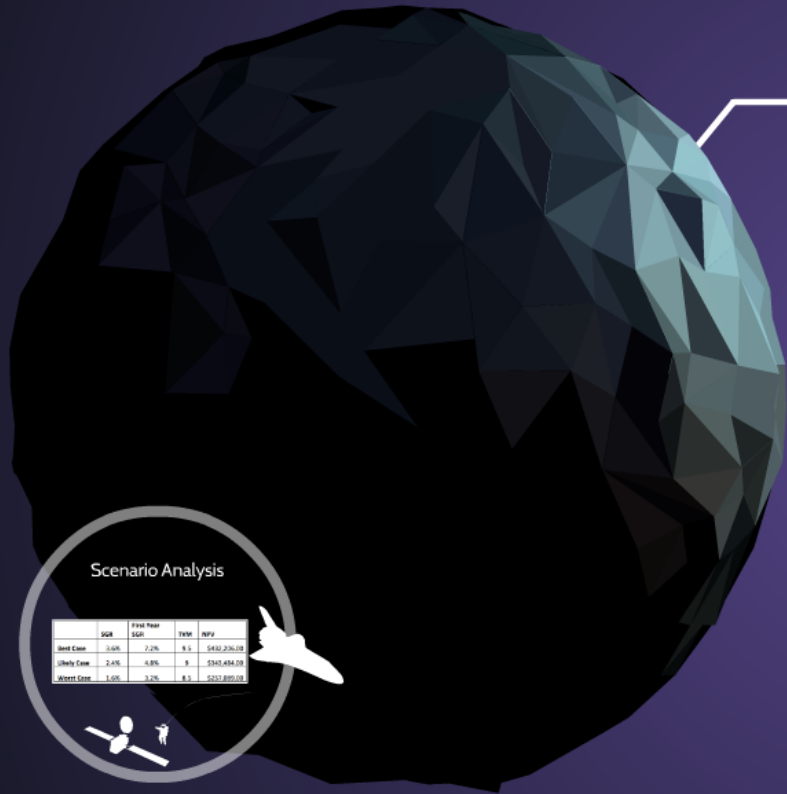


Scenario Analysis



Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	100.00	105.00	110.00	115.00	120.00	125.00	130.00	135.00	140.00	145.00	150.00
Cost of Goods Sold	60.00	63.00	66.00	69.00	72.00	75.00	78.00	81.00	84.00	87.00	90.00
Gross Profit	40.00	42.00	44.00	46.00	48.00	50.00	52.00	54.00	56.00	58.00	60.00
Operating Expenses	10.00	10.50	11.00	11.50	12.00	12.50	13.00	13.50	14.00	14.50	15.00
Operating Income	30.00	31.50	33.00	34.50	36.00	37.50	39.00	40.50	42.00	43.50	45.00
Interest Expense	2.00	2.10	2.20	2.30	2.40	2.50	2.60	2.70	2.80	2.90	3.00
Income Before Tax	28.00	29.40	30.80	32.20	33.60	35.00	36.40	37.80	39.20	40.60	42.00
Tax Expense	5.60	5.88	6.16	6.44	6.72	7.00	7.28	7.56	7.84	8.12	8.40
Net Income	22.40	23.52	24.64	25.76	26.88	28.00	29.12	30.24	31.36	32.48	33.60

# *Scenario Analysis*



## Scenario Analysis

	SGR	First Year SGR	TWAP	NPV
Best Case	0.6%	7.2%	8.5	\$450,230.00
Liberal Case	2.6%	4.8%	9	\$340,484.00
Worst Case	1.6%	3.2%	8.5	\$251,800.00



# Scenario Analysis

	SGR	First Year SGR	TVM	NPV
<b>Best Case</b>	3.6%	7.2%	9.5	\$432,206.00
<b>Likely Case</b>	2.4%	4.8%	9	\$343,484.00
<b>Worst Case</b>	1.6%	3.2%	8.5	\$257,089.00

