

Jackson Automotive Systems

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Juan Ramon Ruano
Roberto Flores
Andrea García
Cynthia León

Executive Summary

- Jackson Automotive requested a long term loan of 7.4 million that would be paid on September 30, 2013.
- They asked for 5 million to repurchase stock and an extra 2.4 to be able to replace the old equipment.

Industry & Company

- The financial crisis in 2008 dropped sales in 30%.
- The industry was running at about 55% of its capacity.
- In 2011 the industry had returned to profitability.
- In September 2012, Edwards decided to repurchase stock from a group of shareholders.

Projections and Findings

Item	2012	2013	2014	2015
Net Income	2,000	1,000	1,000	2,000
Capital	3,000	10,000	10,000	20,000
Debt	0	1,000	10,000	10,000
Equity	3,000	9,000	0	10,000
Debt to Equity	0	11.11	100	100
Return on Equity	66.67	11.11	10	20
Debt to Capital	0	10	100	100
Debt to Net Income	0	5	10	5
Debt to Total Assets	0	10	100	100
Debt to Total Liabilities	0	10	100	100
Debt to Total Equity	0	10	100	100
Debt to Total Debt	0	10	100	100
Debt to Total Debt + Equity	0	10	100	100
Debt to Total Debt + Equity + Liabilities	0	10	100	100
Debt to Total Debt + Equity + Liabilities + Net Income	0	10	100	100

Solution

- Not paying dividends, divide the loan, reduce purchases, reduce operating expenses.

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Financial Ratios



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Projections and Findings

Item	2012	2013	2014	2015	2016
Revenue	4,200	4,000	4,500	5,000	5,500
Expenses	3,100	3,000	3,200	3,400	3,600
Profit	1,100	1,000	1,300	1,600	1,900
Net Income	800	700	900	1,100	1,300
EPS	2.00	1.75	2.25	2.75	3.25

Solution

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Expenses	3,100	3,000	3,200	3,400	3,600
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