Hansson Private Label, Inc. Evaluating an Investment in Expansion

by Qing Wang, Xue Sun, & Zhonghao Wang



Thecasesolution.com

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Taget of Hansson and Its Position in the Industry

Revenue

Cornot Operating Profit

Revenue

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Private Label Personal Care Industry

1/5th of all personal care products purchased are private label brands

Contract with most major national and regional retailers

Hansson holds 28% of private label portion of personal care industry

1/5th of all personal care products purchased are private label brands

Hansson holds 28% of private label portion of personal care industry

Contract with most major national and regional retailers

Target of Hansson and Its Position in the Industry

- Revenue
- Gross Operating Profit
- Net Income
- Revenue Growth Margin

Private Label
Personal Care
Industry

1/5th of all personal care
products purchased are
private label brands

Horsson holds 28% of
private label portion of
personal care industry

Free Cash Flow Analysis

Free Cash Flow calculation for		
	2008	200
Sales		US\$84,96
Raw material		45,12
Manufacturing overhead		3,600
Maintenance Expense		2,25
Labor cost		18,640
Total COGS		69,610
Gross Profit		15,35
SG&A expenses (excluding amortization)		6,62
EBITDA		8,72
Depreciation		4.00
EBIT		4,72
Income taxes		1.88
NOPAT		US\$2,83
AR	0	11,23
Inventory		7,27
AP		6,61
Working capital	US\$12,817	US\$11,89
change in WC		(US\$926
Free Cash Flow		
NOPAT	US\$0	US\$2,83
Less Capital Expenditure	45,000	
Less Changes in WC	0	(926
Plus Depreciation	0	4.000