

3P

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Agenda

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- Management Team (Removed for Privacy)
- Internal Analysis
 - Price and Costs
 - Capacities
 - Idle Time Costs
 - Summary
- External Analysis
 - 4 P's – Marketing Mix
 - Porter Generic Strategies
 - Copy Classic
 - Copy Budget

Agenda

- Strategic Realignment
- Performance Improvement Program
- Estimated Financial Numbers
 - Estimated Total Revenue and Total Costs
 - Which measures are causing which improvements?
 - Estimated Net Income
 - Estimated EVA
- Backup

Internal Analysis

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- Introduction of Gen. 2 in Period 2 to keep up with competitors
- **Careful:** Machine capacity will only be half
 - Invest into new machines (preferably C-Machines)

| COPY Classic | Units |
|--------------------------|----------|
| Initial Inventory | 2.530 |
| + Quantity produced | 59.470 |
| - Quantity distributed | 62.000 |
| = Final Inventory | 0 |

| COPY Budget | Units |
|--------------------------|----------|
| Initial Inventory | 2.566 |
| + Quantity produced | 9.434 |
| - Quantity distributed | 12.000 |
| = Final Inventory | 0 |

- Sold Out in all Markets
 - Production Quantity too low /
 - Price too low

| Technology | Investments (mEUR) | | Index |
|---------------------|--------------------|-----------|--------------|
| | Period | Cumulated | |
| COPY Classic Gen. 1 | 4,77 | 26,11 | 128,13 |
| COPY Classic Gen. 2 | 0,00 | 4,14 | 90,00 |
| COPY Budget Gen.1 | 2,23 | 6,12 | 117,73 |

| Ecology | Investments (mEUR) | | Index |
|---------------------|--------------------|-----------|--------------|
| | Period | Cumulated | |
| COPY Classic Gen. 1 | 2,00 | 9,50 | 115,09 |
| COPY Classic Gen. 2 | 0,00 | 0,00 | 80,00 |
| COPY Budget Gen.1 | 3,50 | 8,50 | 117,37 |

Indexes are way too low

- Invest up to 10 Mio. / hire around 20 R&D people p.p.
- Start investing into Gen.2 before introduction (to achieve indexes of around 150)

Internal Analysis

Price and Costs



| | | | |
|----------------------------|----------|--|--------|
| COPY Classic | | | |
| Cost of Goods Manufactured | EUR/Unit | | 2.199 |
| Cost of Goods Sold | EUR/Unit | | 2.928 |
| Price Market 1 | EUR | | 2.900 |
| Deviation Price | % | | -8,01 |
| Price Market 2 | FCU | | 33.000 |
| Deviation Price | % | | 1,67 |



- Price doesn't cover the costs in Market 1
→ Price has to be increased and/or costs need to be reduced (sugg. price not lower than 3.000€)
- Maintain similar pricing level throughout both markets

| Contribution Margin Total COPY Classic (mEUR) | Total | Adjusted |
|---|--------------|--------------|
| -Sales Revenue | 180,13 | 180,13 |
| - Direct Material Costs | 39,09 | 25,00 |
| - Direct Production Costs | 60,50 | 50,00 |
| - Transport Costs | 2,83 | 2,83 |
| - Fixed Material Costs | 3,08 | 4,00 |
| - Fixed Production Costs | 33,45 | 32,00 |
| - Advertising Costs | 8,00 | 10,00 |
| - Development Costs | 2,00 | 8,00 |
| - Research Costs | 6,83 | 10,00 |
| - Sales Costs | 12,52 | 15,00 |
| - Administration Costs | 13,21 | 13,21 |
| = Contribution Margin V | -1,38 | 10,09 |

- Reduce Material Costs to ~25 Mio.€ by purchasing larger amounts → Storage Costs are cheaper
- Reduce Production Costs with higher Utilization Rates
→ Create Capacities to invest into more important things

Internal Analysis

Capacities

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| | Classic | Budget | Total |
|--|---------|--------|--------|
| Available Production Capacity (without Overtime) | | | 82.500 |
| Available Production Capacity (including Overtime) | 90.750 | 31.280 | |
| Production Line Capacity Needed per Finished Product | 1,0 | 2,0 | |
| Planned Production Quantity | 59.470 | 9.434 | |
| Actual Production Quantity | 59.470 | 9.434 | |
| Used Production Quantity | 59.470 | 18.868 | 78.338 |
| Utilization of Production Lines (%) | | | 95 |

| | | | |
|-----------------------|--|------|--|
| Utilization Staff (%) | | 91,8 | |
|-----------------------|--|------|--|

| | | | |
|--|--|------|--|
| Staff Utilization at full use of prod. Capacity* (%) | | 95,9 | |
|--|--|------|--|

* With Production Quantity Classic: 62.000 and Budget: 10.250

- Machine Capacity hasn't been used fully even though the products could have been sold and Staff would have been able to produce at full capacity
- Higher Staff Utilization would have been a lot cheaper

Internal Analysis

Capacities – Idle Time Costs

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Current State:

| Additional information | | | |
|--|----------|----------------------|----------------|
| Salaries Production | 38.002 € | 38.002 € | |
| Non-Salary Staff Costs | 40% | 15.201 € | |
| Pensions | 2% | 760 € | |
| Training/Recruitment/Dismissals | | 3.700 € | |
| Cost / emp | | 57.662 € | |
| Cost of avail. Staff | | 70,12 m€ | |
| Utilization rate | 91,80% | Cost for util. staff | 64,37 m€ |
| Idle rate | 8,20% | Cost for idle time | 5,75 m€ |
| Annual cost prod lines | | 19,05 m€ | |
| Utilization rate | 95,00% | Cost for util. lines | 18,10 m€ |
| Idle rate | 5,00% | Cost for idle time | 0,95 m€ |

Sum of idle time costs

6,70 m€

At 100% Machine Capacity:

| Additional information | | | |
|--|----------|----------------------|----------------|
| Salaries Production | 38.002 € | 38.002 € | |
| Non-Salary Staff Costs | 40% | 15.201 € | |
| Pensions | 2% | 760 € | |
| Training/Recruitment/Dismissals | | 3.700 € | |
| Cost / emp | | 57.662 € | |
| Cost of avail. Staff | | 70,12 m€ | |
| Utilization rate | 95,90% | Cost for util. staff | 67,24 m€ |
| Idle rate | 4,10% | Cost for idle time | 2,87 m€ |
| Annual cost prod lines | | 19,05 m€ | |
| Utilization rate | 100,00% | Cost for util. lines | 19,05 m€ |
| Idle rate | 0,00% | Cost for idle time | 0,00 m€ |

Sum of idle time costs

2,87 m€

At optimal Utilization rates:

| Additional information | | | |
|--|----------|----------------------|----------------|
| Salaries Production | 38.002 € | 38.002 € | |
| Non-Salary Staff Costs | 40% | 15.201 € | |
| Pensions | 2% | 760 € | |
| Training/Recruitment/Dismissals | | 3.700 € | |
| Cost / emp | | 57.662 € | |
| Cost of avail. Staff | | 70,12 m€ | |
| Utilization rate | 98,00% | Cost for util. staff | 68,72 m€ |
| Idle rate | 2,00% | Cost for idle time | 1,40 m€ |
| Annual cost prod lines | | 19,05 m€ | |
| Utilization rate | 100,00% | Cost for util. lines | 19,05 m€ |
| Idle rate | 0,00% | Cost for idle time | 0,00 m€ |

Sum of idle time costs

1,40 m€

Internal Analysis

Summary

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- **Problem 1:** Gen. 2 hasn't been introduced yet
- **Problem 2:** Company was entirely sold-out and therefore didn't produce enough / priced its products too low
- **Problem 3:** Price for COPY Classic didn't cover the costs in Market 1
- **Problem 4:** Indices are way too low and would need a lot of investment
- **Problem 5:** Machine capacity and Staff haven't been used to full extend



External Analysis

Marketing Mix – 4P's

Price

Copy Classic

Market 1 – 2.900€

Market 2 – 30.000 FCU

Copy Budget

Market 1 – 2.150€

Market 2 – 21.500 FCU

Place

Market 1 and 2

Market 1 and 2

Promotion

Market 1 – 6 mio €

Market 2 – 2 mio €

Market 1 – 2 mio €

Market 2 – 1,5 mio €

Product

Printer → Generation 1

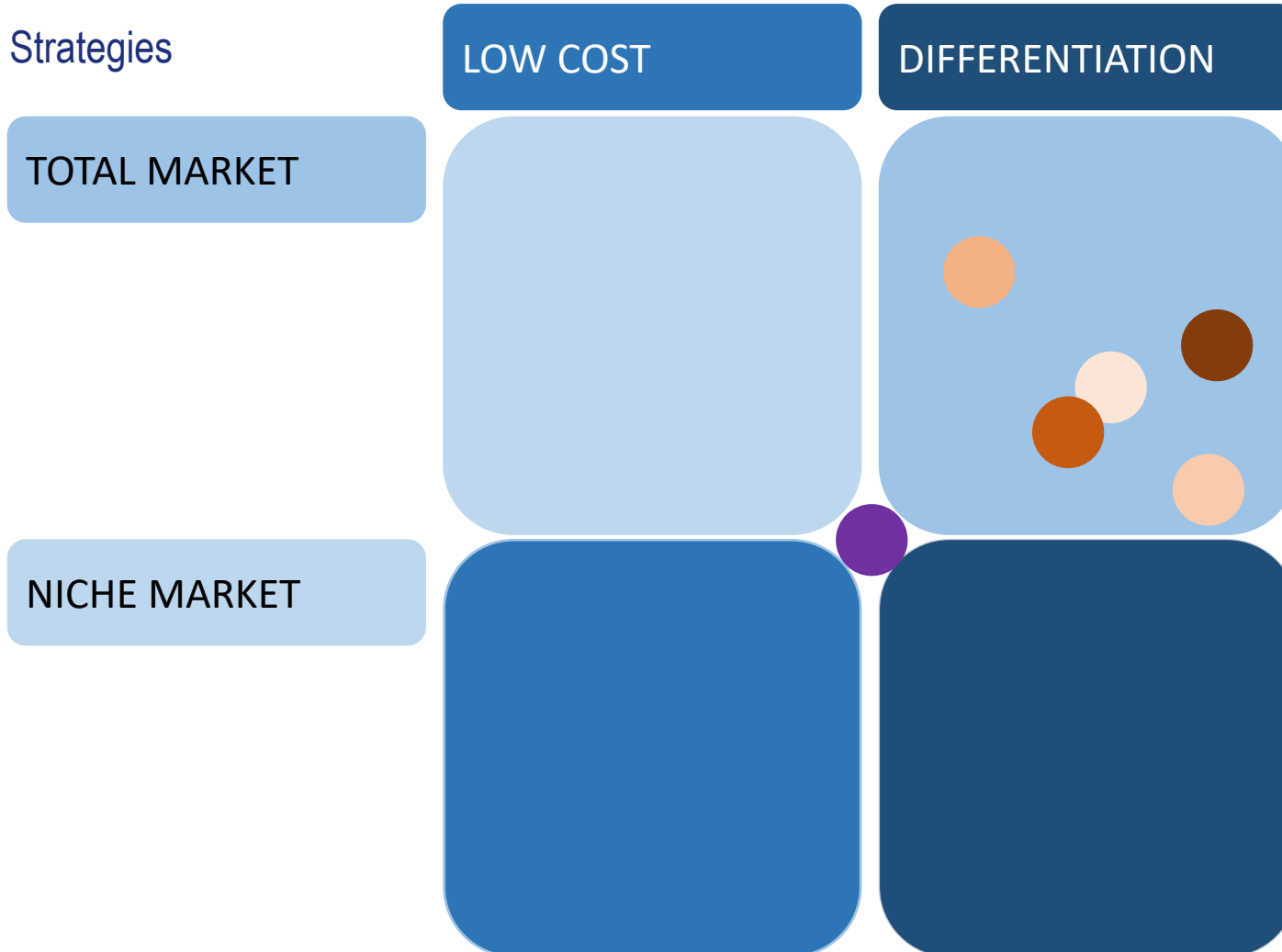
lowest technology index 128.13

Printer → Generation 1

medium technology index 117.73

External Analysis

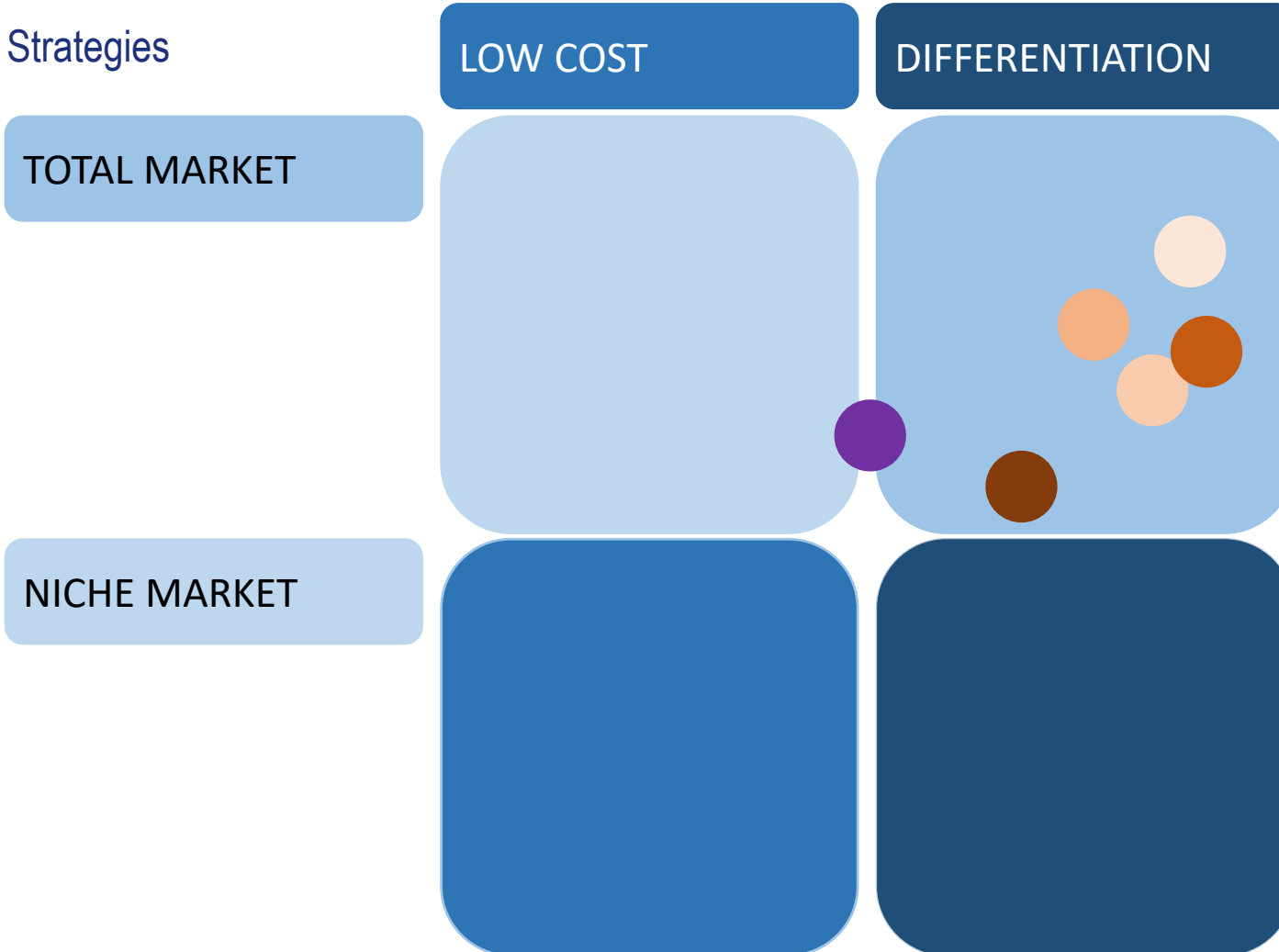
Porter Generic Strategies
Copy Classic



- Company 1
- Company 2
- Company 3
- 3P
- Company 5
- Company 6

External Analysis

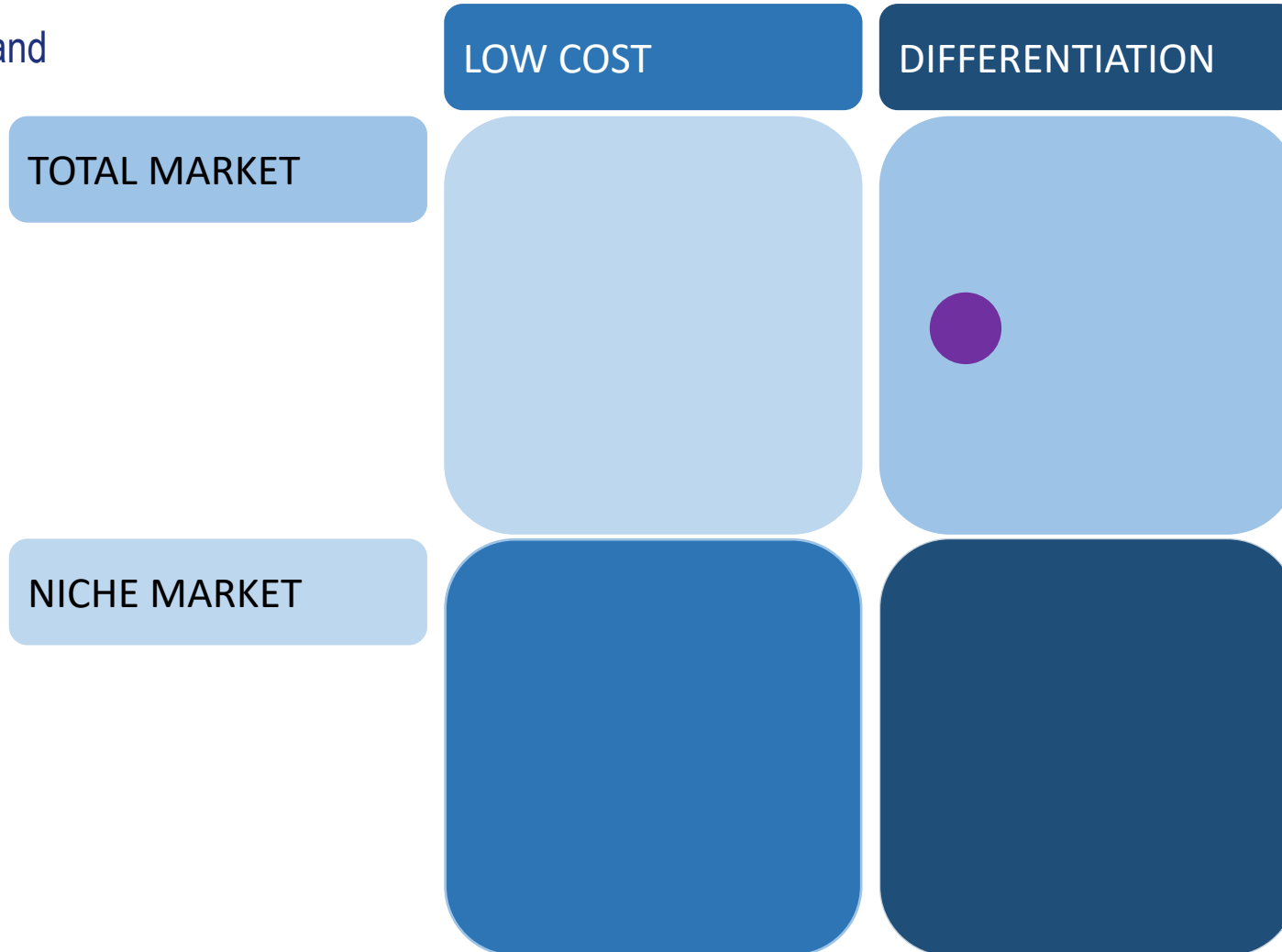
Porter Generic Strategies
Copy Budget



- Company 1
- Company 2
- Company 3
- 3P
- Company 5
- Company 6

Strategic Realignment

Copy Classic and
Copy Budget



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Performance Improvement Program

- Decrease costs
 - Decrease non salary staff costs
 - Production lines utilization of 100% and staff utilization around 98%
- Increase sales revenue
 - Hire more sales staff
 - Produce enough to exploit the full market potential
- Decrease debts
 - Increase rating (profits, customer satisfaction, etc)
- Decrease assets
 - Use bulk buyer to increase the general sales numbers
 - Minimize warehouse costs

Estimated Total Revenue and Total Costs

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Total Revenue Period 1

| Channel | Sales | Price | Revenue |
|-----------------------|--------|---------|------------------|
| Market 1 Copy Classic | 50.000 | 3.000 € | 150,00 M€ |
| Market 1 Copy Budget | 12.500 | 2.100 € | 26,25 M€ |
| Market 2 Copy Classic | 5.000 | 3.000 € | 15,00 M€ |
| Market 2 Copy Budget | 2.500 | 2.100 € | 5,25 M€ |
| Total | | | 196,50 M€ |

Total Revenue Period 2

| Channel | Sales | Price | Revenue |
|-----------------------|--------|---------|------------------|
| Market 1 Copy Classic | 50.000 | 3.100 € | 155,00 M€ |
| Market 1 Copy Budget | 15.000 | 2.100 € | 31,50 M€ |
| Market 2 Copy Classic | 5.000 | 3.100 € | 15,50 M€ |
| Market 2 Copy Budget | 2.500 | 2.100 € | 5,25 M€ |
| Total | | | 207,25 M€ |

Total Revenue Period 3

| Channel | Sales | Price | Revenue |
|-----------------------|--------|---------|------------------|
| Market 1 Copy Classic | 50.000 | 3.200 € | 160,00 M€ |
| Market 1 Copy Budget | 15.000 | 2.200 € | 33,00 M€ |
| Market 2 Copy Classic | 5.000 | 3.200 € | 16,00 M€ |
| Market 2 Copy Budget | 2.500 | 2.200 € | 5,50 M€ |
| Total | | | 214,50 M€ |

Total Costs Period 1

| Material | In M€ |
|------------------|---------------|
| Material | 29,5 |
| Wages | 76,59 |
| Staff costs | 32,71 |
| Pruduction Lines | 19,00 |
| Advertizing | 8,00 |
| Ecology | 5,00 |
| Other costs | 14,87 |
| Total | 184,34 |

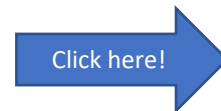
Total Costs Period 2

| Material | In M€ |
|------------------|---------------|
| Material | 30,09 |
| Wages | 63,53 |
| Staff costs | 26,84 |
| Pruduction Lines | 36,50 |
| Advertizing | 9,00 |
| Ecology | 8,00 |
| Other costs | 15,38 |
| Total | 192,59 |

Total Costs Period 3

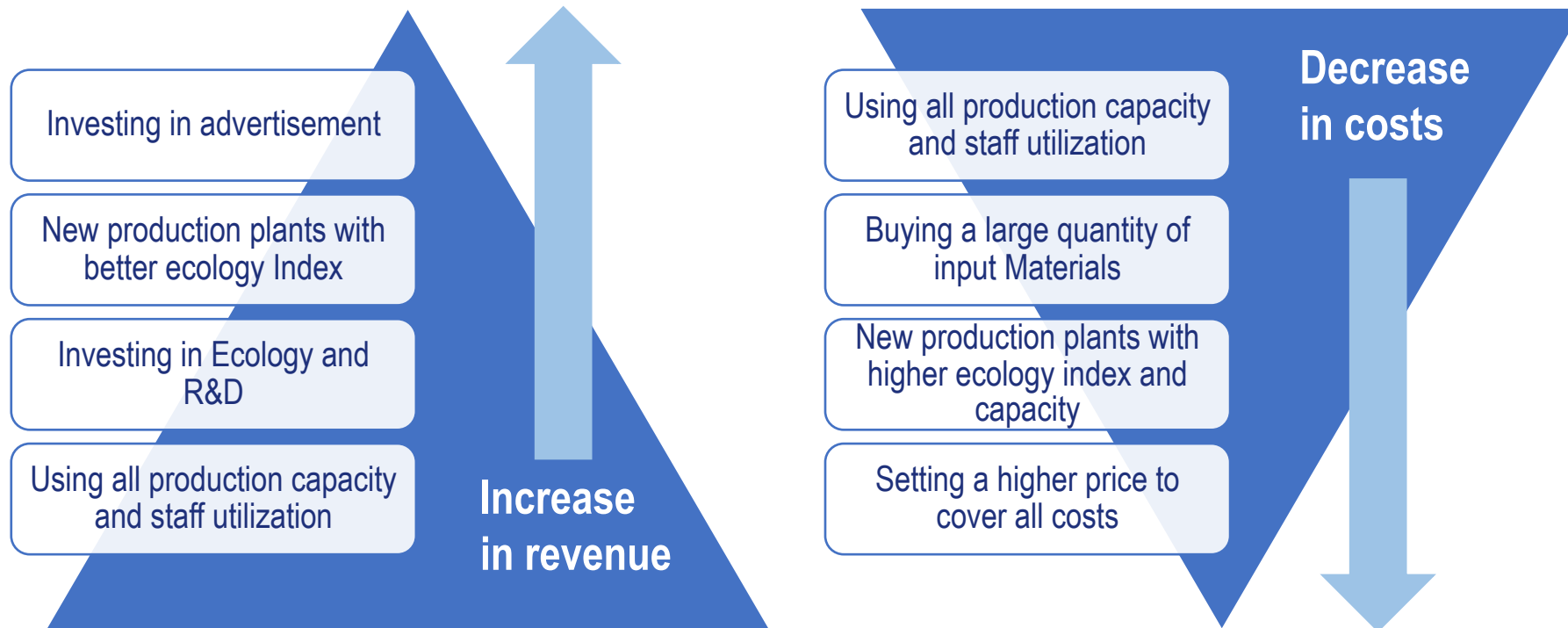
| Material | In M€ |
|------------------|---------------|
| Material | 22,69 |
| Wages | 65,12 |
| Staff costs | 28,39 |
| Pruduction Lines | 36,50 |
| Advertizing | 10,00 |
| Ecology | 10,00 |
| Other costs | 13,99 |
| Total | 189,67 |

Click here!

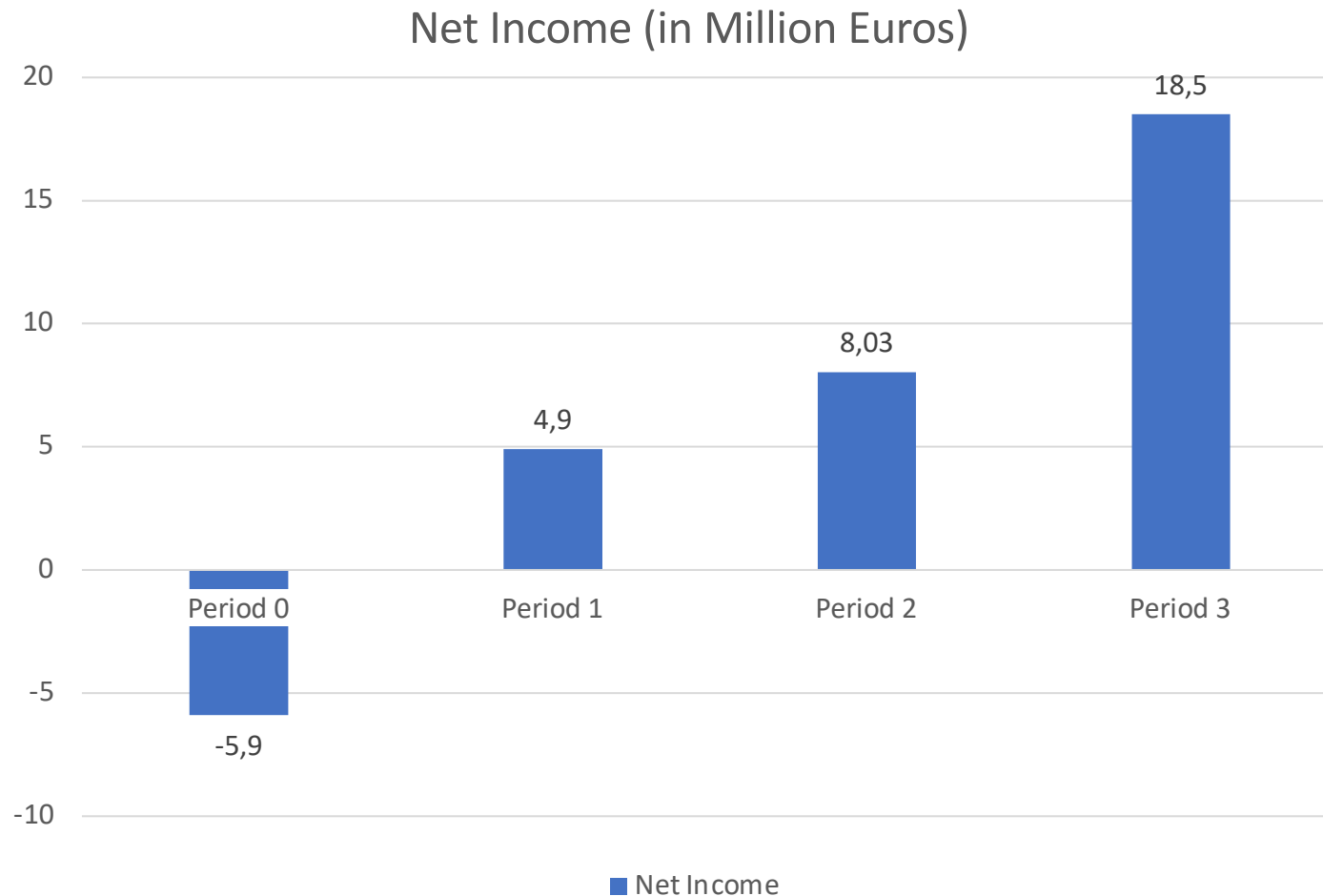


For further information and calculations regarding costs and revenue see attachment on slide 23 – 25

Which measures are causing which improvements?



Estimated Net Income



- Using 100% of the production line capacity
- Disinvesting in old Machines and leasing new Machines
- Increased Investment in Ecology and R&D
- Hiring and using optimal staff utilization of 98%
- Introduction of the Copy Classic Gen 2 in Period 2

Estimated EVA

| In Million Euro | Period 0 | Period 1 | Period 2 | Period 3 | Total Difference |
|-----------------|--------------|-------------|-------------|--------------|------------------|
| NOPAT | -1,02 | 9,14 | 11,01 | 18,50 | + 19,52 |
| NCE | 92,85 | 98,33 | 78,65 | 77,08 | - 15,77 |
| WACC x NCE | 6,94 | 7,10 | 5,73 | 5,96 | - 0,98 |
| EVA | -7,96 | 2,05 | 5,28 | 12,54 | + 20,5 |

Relevant Factors:

- Increase in Revenue
- Disinvestment of machines
- Efficient usage of the resources
- Decrease of Debts

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Thank you for your attention!

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Backup

Attachment External Analysis

Facts & Figures Copy Classic

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| Market 1 | | | | Market 2 | | | |
|----------|--------|------------|---------|----------|------------|------------|---------|
| Company | Price | Technology | Ecology | Company | Price | Technology | Ecology |
| C1 | 3.300€ | 155.70 | 141.63 | C1 | 33.000 FCU | 155.70 | 141.63 |
| C2 | 3.125€ | 157.54 | 148.40 | C2 | 31.500 FCU | 157.54 | 148.40 |
| C3 | 3.000€ | 152.97 | 143.18 | C3 | 32.550 FCU | 152.97 | 143.18 |
| 3P | 2.900€ | 128.13 | 115.09 | 3P | 32.500 FCU | 128.13 | 115.09 |
| C5 | 3.290€ | 165.00 | 149.34 | C5 | 32.500 FCU | 165.00 | 149.34 |
| C6 | 3.300€ | 165.00 | 136.93 | C6 | 32.200 FCU | 165.00 | 136.93 |

Attachment External Analysis

Facts & Figures Copy Budget

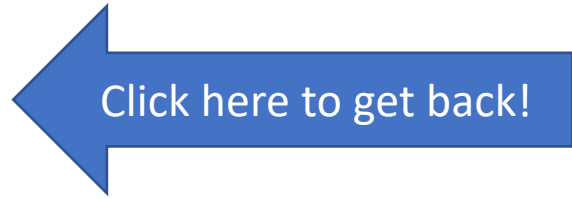
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| Market 1 | | | | Market 2 | | | |
|----------|--------|------------|---------|----------|------------|------------|---------|
| Company | Price | Technology | Ecology | Company | Price | Technology | Ecology |
| C1 | 2.300€ | 146.00 | 117.75 | C1 | 23.000 FCU | 146.00 | 117.75 |
| C2 | 1.900€ | 117.65 | 120.66 | C2 | 19.000 FCU | 117.65 | 120.66 |
| C3 | 1.995€ | 128.00 | 113.02 | C3 | 19.950 FCU | 128.00 | 113.02 |
| 3P | 2.150€ | 117.73 | 117.37 | 3P | 21.500 FCU | 117.73 | 117.37 |
| C5 | 2.118€ | 108.40 | 103.12 | C5 | 21.178 FCU | 108.40 | 103.12 |
| C6 | 2.060€ | 107.91 | 105.42 | C6 | 20.600 FCU | 107.91 | 105.42 |

Attachment Period 1



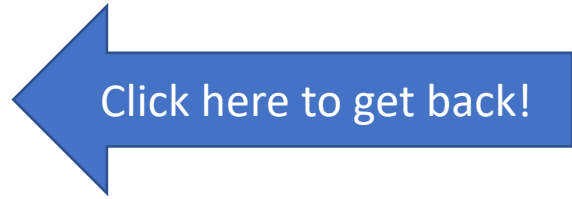
| | Market 1 | Market 2 | Total |
|--------------------------------|----------|----------|--------------|
| Production Volume Copy Classic | 50000 | 5000 | 55000 |
| Production Volume Copy Budget | 12500 | 2500 | 15000 |

| Staff Type | Wages | Quantity | Total |
|----------------|------------|----------|-----------------|
| Purchasing | 38 T€/Unit | 50 | 1,90 M€ |
| Admisistration | 35 T€/Unit | 284 | 9,94 M€ |
| Production | 38 T€/Unit | 1188 | 45,15 M€ |
| R&D | 53 T€/Unit | 200 | 10,60 M€ |
| Sales | 50 T€/Unit | 180 | 9,00 M€ |
| Total | | 1902 | 76,59 M€ |

| | Production WF Copy Classic | Production WF Copy Budget | |
|--------------------------------|----------------------------|------------------------------|-------------|
| Needed available Workforce | 943 | Needed available Workforce | 123 |
| Corrected for Absenteeism | 981 | Corrected for Absenteeism | 128 |
| Corrected for Attrition | 1030 | Corrected for Attrition | 134 |
| Corrected of 98% Staff Util. | 1051 | Corrected of 98% Staff Util. | 137 |
| Actually needed Workforce | 1051 | Actually needed Workforce | 137 |
| Needed for both Copiers | | | 1188 |

| Costs | Amount | Cost/Unit | Total Costs |
|----------------------------------|--------|-------------|------------------|
| Input Materials Copy Clasic | 70.000 | 320 €/Unit | 22,40 M€ |
| Input Materielas Copy Budget | 3.585 | 225 €/Unit | 0,81 M€ |
| Factory Materials Copy Classic | 55.000 | 65 €/Unit | 3,58 M€ |
| Factory Materials Copy Budget | 15.000 | 10 €/Unit | 0,15 M€ |
| Wages | | | 76,59 M€ |
| Recruitment Costs | 68 | 8000 €/Unit | 0,54 M€ |
| Non-Salary Staff Costs | | | 30,63 M€ |
| Pension Reserves | | | 1,53 M€ |
| Depreciation Buildings | | | 1,00 M€ |
| Depreciation Production Lines | | | 1,00 M€ |
| Fix Costs Production Lines | | | 19,50 M€ |
| Maintainance | | | 3,00 M€ |
| Training | | 1000 €/Unit | 0,00 M€ |
| Rework | 72.500 | 55 €/Unit | 3,99 M€ |
| Advertising | | | 8,00 M€ |
| Ecology | | | 5,00 M€ |
| Market Research | | | 1,00 M€ |
| Storage Costs Input Materials CC | 15.000 | 50 €/Unit | 0,75 M€ |
| Storage Costs Input Materials CB | 0 | 100 €/Unit | 0,00 M€ |
| Corporate Identity | | | 1,00 M€ |
| Transportation Costs Market 1 | 62.500 | 50 €/Unit | 3,13 M€ |
| Transportation Costs Market 2 | 7.500 | 100 €/Unit | 0,75 M€ |
| Total Costs | | | 184,34 M€ |

Attachment Period 2



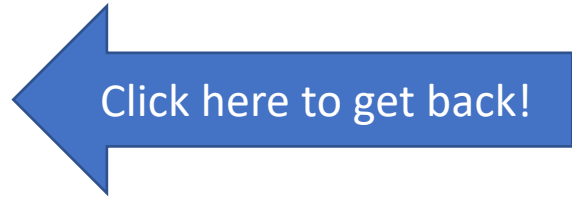
| | Market 1 | Market 2 | Total |
|--------------------------------|----------|----------|--------------|
| Production Volume Copy Classic | 50000 | 5000 | 55000 |
| Production Volume Copy Budget | 15000 | 2500 | 17500 |

| Staff Type | Wages | Quantity | Total |
|----------------|------------|----------|-----------------|
| Purchasing | 38 T€/Unit | 50 | 1,90 M€ |
| Admisistration | 35 T€/Unit | 284 | 9,94 M€ |
| Production | 38 T€/Unit | 817 | 31,03 M€ |
| R&D | 53 T€/Unit | 220 | 11,66 M€ |
| Sales | 50 T€/Unit | 180 | 9,00 M€ |
| Total | | 1551 | 63,53 M€ |

| Production WF Copy Classic | Production WF Copy Budget | |
|--------------------------------|---------------------------|----------------------------------|
| Needed available Workforce | 590 | Needed available Workforce 143 |
| Corrected for Absenteeism | 613 | Corrected for Absenteeism 149 |
| Corrected for Attrition | 644 | Corrected for Attrition 156 |
| Corrected of 98% Staff Util. | 657 | Corrected of 98% Staff Util. 160 |
| Actually needed Workforce | 657 | Actually needed Workforce 160 |
| Needed for both Copiers | | 817 |

| Costs | Amount | Cost/Unit | Total Costs |
|----------------------------------|--------|-------------|------------------|
| Input Materials Copy Clasic | 70.000 | 320 €/Unit | 22,40 M€ |
| Input Materielas Copy Budget | 17.500 | 225 €/Unit | 3,94 M€ |
| Factory Materials Copy Classic | 55.000 | 65 €/Unit | 3,58 M€ |
| Factory Materials Copy Budget | 17.500 | 10 €/Unit | 0,18 M€ |
| Wages | | | 63,53 M€ |
| Recruitment Costs | 20 | 8000 €/Unit | 0,16 M€ |
| Non-Salary Staff Costs | | | 25,41 M€ |
| Pension Reserves | | | 1,27 M€ |
| Depreciation Buildings | | | 1,00 M€ |
| Depreciation Production Lines | | | 1,00 M€ |
| Fix Costs Production Lines | | | 36,50 M€ |
| Maintainance | | | 5,00 M€ |
| Training | | 1000 €/Unit | 0,00 M€ |
| Rework | 75.000 | 55 €/Unit | 4,13 M€ |
| Advertising | | | 9,00 M€ |
| Ecology | | | 8,00 M€ |
| Market Research | | | 1,00 M€ |
| Storage Costs Input Materials CC | 30.000 | 50 €/Unit | 1,50 M€ |
| Storage Costs Input Materials CB | 0 | 100 €/Unit | 0 M€ |
| Corporate Identity | | | 1,00 M€ |
| Transportation Costs Market 1 | 65.000 | 50 €/Unit | 3,25 M€ |
| Transportation Costs Market 2 | 7.500 | 100 €/Unit | 0,75 M€ |
| Total Costs | | | 192,59 M€ |

Attachment Period 3



| | Market 1 | Market 2 | Total |
|--------------------------------|----------|----------|--------------|
| Production Volume Copy Classic | 50000 | 5000 | 55000 |
| Production Volume Copy Budget | 15000 | 2500 | 17500 |

| Staff Type | Wages | Quantity | Total |
|----------------|------------|----------|-----------------|
| Purchasing | 38 T€/Unit | 50 | 1,90 M€ |
| Admisistration | 35 T€/Unit | 284 | 9,94 M€ |
| Production | 38 T€/Unit | 817 | 31,03 M€ |
| R&D | 53 T€/Unit | 250 | 13,25 M€ |
| Sales | 50 T€/Unit | 180 | 9,00 M€ |
| Total | | 1581 | 65,12 M€ |

| Production WF Copy Classic | Production WF Copy Budget | |
|--------------------------------|---------------------------|----------------------------------|
| Needed available Workforce | 590 | Needed available Workforce 143 |
| Corrected for Absenteeism | 613 | Corrected for Absenteeism 149 |
| Corrected for Attrition | 644 | Corrected for Attrition 156 |
| Corrected of 98% Staff Util. | 657 | Corrected of 98% Staff Util. 160 |
| Actually needed Workforce | 657 | Actually needed Workforce 160 |
| Needed for both Copiers | | 817 |

| Costs | Amount | Cost/Unit | Total Costs |
|----------------------------------|--------|-------------|------------------|
| Input Materials Copy Clasic | 25.000 | 600 €/Unit | 15,00 M€ |
| Input Materielas Copy Budget | 17.500 | 225 €/Unit | 3,94 M€ |
| Factory Materials Copy Classic | 55.000 | 65 €/Unit | 3,58 M€ |
| Factory Materials Copy Budget | 17.500 | 10 €/Unit | 0,18 M€ |
| Wages | | | 65,12 M€ |
| Recruitment Costs | 130 | 8000 €/Unit | 1,04 M€ |
| Non-Salary Staff Costs | | | 26,05 M€ |
| Pension Reserves | | | 1,30 M€ |
| Depreciation Buildings | | | 1,00 M€ |
| Depreciation Production Lines | | | 1,00 M€ |
| Fix Costs Production Lines | | | 36,50 M€ |
| Maintainance | | | 5,00 M€ |
| Training | | 1000 €/Unit | 0,00 M€ |
| Rework | 72.500 | 55 €/Unit | 3,99 M€ |
| Advertising | | | 15,00 M€ |
| Ecology | | | 10,00 M€ |
| Market Research | | | 1,00 M€ |
| Storage Costs Input Materials CC | 0 | 50 €/Unit | 0,00 M€ |
| Storage Costs Input Materials CB | 0 | 100 €/Unit | 0,00 M€ |
| Corporate Identity | | | 1,00 M€ |
| Transportation Costs Market 1 | 65.000 | 50 €/Unit | 3,25 M€ |
| Transportation Costs Market 2 | 7.500 | 100 €/Unit | 0,75 M€ |
| Total Costs | | | 189,69 M€ |

Attachment Net Income

| | P8 | P9 | P10 | P11 |
|------------------------|--------|--------|--------|--------|
| Sales Revenue | 206,87 | 196,50 | 207,25 | 214,50 |
| + Other Income | 0,00 | 0,00 | 0,00 | 0,00 |
| - Cost of Goods Sold | 147,08 | 149,27 | 156,47 | 152,14 |
| - R&D Costs | 15,52 | 16,10 | 17,16 | 18,75 |
| - Sales Costs | 29,24 | 9,00 | 9,00 | 9,00 |
| - Administration Costs | 15,11 | 9,94 | 9,94 | 9,94 |
| = Operating Income | -1,02 | 12,19 | 14,68 | 24,67 |
| + Financial Result | -4,68 | -5,66 | -3,97 | 0,00 |
| = Earnings before Tax | -5,69 | 6,53 | 10,71 | 24,67 |
| - Income Tax | 0,00 | 1,63 | 2,68 | 6,17 |
| = Net Income/ Net Loss | -5,69 | 4,90 | 8,03 | 18,50 |

| | |
|--------------|-----------------|
| Tax rate | 25% |
| Rating | Loan adjustment |
| AAA | -4% |
| AA | -3% |
| A | -2% |
| BBB | -1% |
| BB | 0% |
| B | 1% |
| CCC | 2% |
| CC | 3% |
| C | 4% |
| D | 5% |
| Cost of Dept | 10,50% |

Excel Calculations can be sent if details are needed

Attachment EVA



| | | | | |
|---------------------------------|-------|-------|-------|-------|
| Equity | 34,67 | 39,57 | 47,60 | 66,10 |
| Debt | 56,47 | 55,43 | 39,26 | 35,71 |
| % Equity | 38,0% | 41,7% | 54,8% | 64,9% |
| % Debt | 62,0% | 58,3% | 45,2% | 35,1% |
| Cost of equity | 10,5% | 10,5% | 10,5% | 10,5% |
| Cost of debt | 7,5% | 7,5% | 7,5% | 7,5% |
| Cost of debt adjusted by rating | 7,5% | 6,5% | 4,5% | 3,5% |
| Tax | 25,0% | 25,0% | 25,0% | 25,0% |
| WACC calculated | 7,5% | 7,2% | 7,3% | 7,7% |
| Economic Value Added | | | | |
| | P8 | P9 | P10 | P11 |
| NOPAT | -1,02 | 9,14 | 11,01 | 18,50 |
| NCE | 92,85 | 98,33 | 78,65 | 77,08 |
| WACC*NCE | 6,94 | 7,10 | 5,73 | 5,96 |
| EVA (calculated) | -7,96 | 2,05 | 5,28 | 12,54 |

Attachment Balance Sheet



| | P8 | P9 | P10 | P11 |
|------------------------------------|--------|--------|-------|--------|
| Assets | | | | |
| Fixed Assets | 34,90 | 28,90 | 14,90 | 14,90 |
| Property and Buildings | 12,00 | 12,00 | 12,00 | 12,00 |
| Machines and Production Facilities | 22,90 | 16,90 | 2,90 | 2,90 |
| Current Assets | 87,14 | 74,43 | 69,75 | 67,18 |
| Input Materials | 2,92 | 7,37 | 4,80 | 0,00 |
| Finished Products | 0,00 | 0,00 | 0,00 | 0,00 |
| Trade Receivables | 55,03 | 62,06 | 58,95 | 62,18 |
| Securities | 0,00 | 0,00 | 1,00 | 0,00 |
| Cash Balance | 29,19 | 5,00 | 5,00 | 5,00 |
| Balance Sheet Total | 122,04 | 103,33 | 84,65 | 82,08 |
| | P8 | P9 | P10 | P11 |
| Liabilities | | | | |
| Equity | 34,67 | 39,57 | 47,60 | 66,10 |
| Share Capital | 15,00 | 15,00 | 15,00 | 15,00 |
| Capital Reserves | 2,50 | 2,50 | 2,50 | 2,50 |
| Retained Earnings | 6,50 | 6,50 | 6,50 | 6,50 |
| Profit / Loss Carried Forward | 16,36 | 10,67 | 15,57 | 23,60 |
| Net Income / Loss | -5,69 | 4,90 | 8,03 | 18,50 |
| Pension Reserves | 1,47 | 1,53 | 1,27 | 1,30 |
| Pension Reserves | 1,47 | 1,53 | 1,27 | 1,30 |
| Liabilities | 55,00 | 53,90 | 37,99 | 34,41 |
| Long-term Loans > 10 Periods | 0,00 | 0,00 | 0,00 | 0,00 |
| Short-Term Loans < 1 Period | 55,00 | 53,90 | 37,83 | 0,00 |
| Overdraft Loans | 0,00 | 0,00 | 0,16 | 34,41 |
| Balance Sheet Total | 91,14 | 95,00 | 86,86 | 101,81 |

Excel Calculations can be sent if details are needed