

# Blu Containers Company

## Revenue Schedule

	2020A	2021A	2022A	2023	2024	2025	2026	2027	<i>Projected</i>
<b>Pricing</b>									
Gross Sales Price	(\$/unit)		694.4	798.7	723.8	823.7	798.7	748.8	
Cost Inflation	(%)			2.5%	2.5%	2.5%	2.5%	2.5%	
Less: Freight & Warehousing	(\$/unit)		100.0	102.5	105.1	107.7	110.4	113.1	
<b>Net Sales Price</b>	<b>(\$/unit)</b>		<b>594.4</b>	<b>696.2</b>	<b>618.8</b>	<b>716.0</b>	<b>688.3</b>	<b>635.7</b>	
<b>Sales Volume</b>									
Annual Factory Capacity				420.0	420.0	420.0	420.0	420.0	420.0
Sales Volume Growth				4.0%	4.0%	3.0%	3.0%	2.0%	
<b>Annual Sales Volume</b>			<b>344.5</b>	<b>358.3</b>	<b>372.6</b>	<b>383.8</b>	<b>395.3</b>	<b>403.2</b>	
Implied Operating Rate				85.3%	88.7%	91.4%	94.1%	96.0%	
<b>Revenue</b>									
Gross Revenue			239.2	286.2	269.7	316.1	315.7	301.9	
Less: Freight & Warehousing			34.5	36.7	39.1	41.3	43.6	45.6	
<b>Net Revenue</b>			<b>\$204.8</b>	<b>\$249.4</b>	<b>\$230.6</b>	<b>\$274.8</b>	<b>\$272.1</b>	<b>\$256.3</b>	

# Blu Containers Company

## Costs of Production Schedule

	2020A	2021A	2022A	2023	2024	2025	2026	2027	<i>Projected</i>
Annual Sales Volume	(000's units)		344.5	358.3	372.6	383.8	395.3	403.2	
Cost Inflation	(%)		2.5%	2.5%	2.5%	2.5%	2.5%	0.0%	
<b>COSTS PER UNIT</b>									
<b>Variable Costs</b>									
Raw Materials	(000's units)			226.0	231.7	237.4	243.4	243.4	
Utilities	(000's units)			66.2	67.9	69.6	71.3	71.3	
<b>Total Variable Costs</b>	(000's units)			<b>292.2</b>	<b>299.5</b>	<b>307.0</b>	<b>314.7</b>	<b>314.7</b>	
<b>Fixed Costs</b>									
Rent	(000's units)			65.6	67.2	68.9	70.6	70.6	
Operating Labour	(000's units)			121.4	121.4	121.4	121.4	121.4	
Other	(000's units)			5.6	5.6	5.6	5.6	5.6	
<b>Total Fixed Costs</b>	(000's units)			<b>127.0</b>	<b>130.2</b>	<b>133.4</b>	<b>136.8</b>	<b>136.8</b>	
<b>Total Costs</b>				<b>\$419.2</b>	<b>\$429.7</b>	<b>\$440.4</b>	<b>\$451.4</b>	<b>\$451.4</b>	
<b>COSTS IN MILLIONS</b>									
<b>Variable Costs</b>									
Raw Materials	(\$ MM)			81.0	86.3	91.1	96.2	98.1	
Utilities	(\$ MM)			23.7	25.3	26.7	28.2	28.7	
<b>Total Variable Costs</b>	(\$ MM)			<b>104.7</b>	<b>111.6</b>	<b>117.8</b>	<b>124.4</b>	<b>126.9</b>	
<b>Fixed Costs</b>									
Rent	(\$ MM)			23.5	24.1	24.7	25.3	25.3	
Operating Labour	(\$ MM)			43.5	43.5	43.5	43.5	43.5	
Other	(\$ MM)			2.0	2.0	2.0	2.0	2.0	
<b>Total Fixed Costs</b>	(\$ MM)			<b>69.0</b>	<b>69.6</b>	<b>70.2</b>	<b>70.8</b>	<b>70.8</b>	
<b>Total Costs</b>				<b>\$173.7</b>	<b>\$181.2</b>	<b>\$188.0</b>	<b>\$195.2</b>	<b>\$197.7</b>	

# Blu Containers Company

## Income Statement

(\$ Millions)		<i>Projected</i>									
		2020A	2021A	2022A	2023	2024	2025	2026	2027		
<b>Sales Volume</b>	(000's units)			344.5							
<b>Revenue</b>											
Gross Revenue		244.8	269.3	239.2	286.2	269.7	316.1	315.7	301.9		
Freight & Warehousing		31.3	32.7	34.4	36.7	39.1	41.3	43.6	45.6		
<b>Net Revenue</b>		<b>213.5</b>	<b>236.6</b>	<b>204.8</b>	<b>249.4</b>	<b>230.6</b>	<b>274.8</b>	<b>272.1</b>	<b>256.3</b>		
Cost of Sales		159.9	164.6	167.9	173.7	181.2	188.0	195.2	197.7		
S,G & A		3.4	3.6	3.8	3.9	4.0	4.1	4.2	4.2		
<b>Total Costs</b>		<b>163.3</b>	<b>168.2</b>	<b>171.7</b>	<b>177.6</b>	<b>185.2</b>	<b>192.1</b>	<b>199.4</b>	<b>201.9</b>		
Cost Adjustments - Gain/(Loss)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Adjusted EBITDA</b>		<b>50.2</b>	<b>68.4</b>	<b>33.1</b>	<b>71.9</b>	<b>45.4</b>	<b>82.7</b>	<b>72.7</b>	<b>54.4</b>		
Depreciation		15.4	15.5	15.8	16.2	16.7	17.3	17.9	18.5		
<b>EBIT</b>		<b>34.8</b>	<b>52.9</b>	<b>17.3</b>	<b>55.7</b>	<b>28.7</b>	<b>65.4</b>	<b>54.8</b>	<b>36.0</b>		
Interest Expense		15.0	15.0	14.0	12.5	11.4	9.8	8.2	6.8		
<b>EBT</b>		<b>19.8</b>	<b>37.9</b>	<b>3.3</b>	<b>43.1</b>	<b>17.3</b>	<b>55.6</b>	<b>46.7</b>	<b>29.2</b>		
Current Income Taxes		3.0	8.0	0.0	13.4	4.3	17.7	14.6	8.5		
Deferred Income Taxes		2.7	6.2	1.1	1.8	1.8	1.8	1.8	1.8		
<b>Total Income Taxes</b>		<b>5.7</b>	<b>14.2</b>	<b>1.1</b>	<b>15.1</b>	<b>6.1</b>	<b>19.5</b>	<b>16.3</b>	<b>10.2</b>		
<b>Net Income</b>		<b>\$14.1</b>	<b>\$23.7</b>	<b>\$2.2</b>	<b>\$28.0</b>	<b>\$11.2</b>	<b>\$36.2</b>	<b>\$30.3</b>	<b>\$19.0</b>		
<b>Margins</b>											
EBITDA Margin		23.5%	28.9%	16.2%	28.8%	19.7%	30.1%	26.7%	21.2%		
EBIT Margin		16.3%	22.4%	8.4%	22.3%	12.4%	23.8%	20.2%	14.0%		
Return on Equity				0.9%	10.0%	3.9%	11.3%	8.8%	5.3%		

# Blu Containers Company

## Cash Flow Statement

(\$ Millions)

	2020A	2021A	2022A	2023	2024	2025	2026	2027
<b>Operating Activities</b>								
Net Income	14.1	23.7	2.2	28.0	11.2	36.2	30.3	19.0
Depreciation & Amortization	15.4	15.5	15.8	16.2	16.7	17.3	17.9	18.5
Deferred Income Taxes	2.7	6.2	1.1	1.8	1.8	1.8	1.8	1.8
Changes in working capital	0.0	0.0	0.0	(8.4)	8.9	(4.2)	0.3	5.8
<b>Operating Cash Flow</b>	<b>32.2</b>	<b>45.4</b>	<b>19.1</b>	<b>37.6</b>	<b>38.7</b>	<b>51.0</b>	<b>50.3</b>	<b>45.0</b>
<b>Investing Activities</b>								
CAPEX	(14.1)	(15.0)	(15.5)	(16.0)	(17.0)	(17.3)	(17.5)	(18.0)
Other	(5.0)	4.0	3.0	0.0	0.0	0.0	0.0	0.0
<b>Investing Cash Flow</b>	<b>(19.1)</b>	<b>(11.0)</b>	<b>(12.5)</b>	<b>(16.0)</b>	<b>(17.0)</b>	<b>(17.3)</b>	<b>(17.5)</b>	<b>(18.0)</b>
<b>Financing Activities</b>								
Revolver Issuance / (Repayment)	0.0	0.0	0.0	8.9	5.5	(1.5)	(1.8)	1.8
Term Debt Issuance / (Repayment)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)
Common Shares Issuance/ (Buy-Back)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Dividends	(2.8)	(4.7)	(2.4)	(5.6)	(2.2)	(7.2)	(6.1)	(3.8)
<b>Financing Cash Flow</b>	<b>(27.8)</b>	<b>(29.7)</b>	<b>(27.4)</b>	<b>(21.7)</b>	<b>(21.7)</b>	<b>(33.8)</b>	<b>(32.8)</b>	<b>(27.0)</b>
Change in the Cash Position	(14.7)	4.7	(20.8)	(0.2)	(0.1)	(0.0)	(0.0)	(0.0)
<b>Beginning Cash</b>	<b>31.1</b>	<b>16.4</b>	<b>21.1</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Ending Cash</b>	<b>16.4</b>	<b>21.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

# Blu Containers Company

## Balance Sheet

(\$ Millions)	2020A	2021A	2022A	2023	2024	2025	2026	2027
<i><b>Projected</b></i>								
<b>ASSETS</b>								
Cash	16.4	21.1	0.3	0.1	0.1	0.0	0.0	0.0
Accounts Receivable	27.0	27.8	28.3	32.8	27.7	30.1	29.8	28.1
Inventory	36.5	36.1	35.1	33.3	32.2	30.9	32.1	29.8
Prepaid Expenses	14.6	14.4	14.9	20.5	18.9	22.6	22.4	21.1
Other	1.4	1.8	1.2	2.1	1.9	2.3	2.2	2.1
<b>Total Current Assets</b>	<b>95.9</b>	<b>101.2</b>	<b>79.8</b>	<b>88.8</b>	<b>80.8</b>	<b>85.9</b>	<b>86.5</b>	<b>81.1</b>
Net PP&E	398.5	398.0	397.7	397.5	397.8	397.8	397.4	397.0
Other	19.0	15.0	12.0	12.0	12.0	12.0	12.0	12.0
<b>Total Long Term Assets</b>	<b>417.5</b>	<b>413.0</b>	<b>409.7</b>	<b>409.5</b>	<b>409.8</b>	<b>409.8</b>	<b>409.4</b>	<b>409.0</b>
<b>Total Assets</b>	<b>\$513.4</b>	<b>\$514.2</b>	<b>\$489.5</b>	<b>\$498.3</b>	<b>\$490.6</b>	<b>\$495.7</b>	<b>\$496.0</b>	<b>\$490.0</b>
<hr/>								
<b>LIABILITIES AND EQUITY</b>								
Bank Debt - Revolver	0.0	0.0	0.0	8.9	14.4	12.9	11.1	12.9
Accounts Payable	18.3	18.7	18.2	19.0	19.8	20.6	21.4	21.7
Other	4.7	4.9	4.8	4.8	5.0	5.2	5.3	5.4
<b>Total Current Liabilities</b>	<b>23.0</b>	<b>23.6</b>	<b>23.0</b>	<b>32.7</b>	<b>39.1</b>	<b>38.6</b>	<b>37.8</b>	<b>40.0</b>
Deferred Income Taxes	0.7	6.9	8.0	9.8	11.5	13.3	15.0	16.8
Senior Secured Term Debt	250.0	225.0	200.0	175.0	150.0	125.0	100.0	75.0
<b>Total Long Term Liabilities</b>	<b>250.7</b>	<b>231.9</b>	<b>208.0</b>	<b>184.8</b>	<b>161.5</b>	<b>138.3</b>	<b>115.0</b>	<b>91.8</b>
<b>Total Liabilities</b>	<b>273.7</b>	<b>255.5</b>	<b>231.0</b>	<b>217.4</b>	<b>200.6</b>	<b>176.9</b>	<b>152.8</b>	<b>131.7</b>
Common Shares	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Retained Earnings	119.7	138.7	138.5	160.9	169.9	198.9	223.1	238.3
<b>Shareholder's Equity</b>	<b>239.7</b>	<b>258.7</b>	<b>258.5</b>	<b>280.9</b>	<b>289.9</b>	<b>318.9</b>	<b>343.1</b>	<b>358.3</b>
<b>Total Liabilities and Equity</b>	<b>\$513.4</b>	<b>\$514.2</b>	<b>\$489.5</b>	<b>\$498.3</b>	<b>\$490.6</b>	<b>\$495.7</b>	<b>\$496.0</b>	<b>\$490.0</b>
<i>Check</i>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

# Blu Containers Company

## Depreciation Schedule

(\$ Millions)

	2020A	2021A	2022A	2023	2024	2025	2026	2027	<i>Projected</i>
Years Remaining Existing Assets:				25					
Depreciation Years on New Assets				30					
<b>Current PP&amp;E</b>				397.7					
Depreciation to Existing Assets				\$15.9	\$15.9	\$15.9	\$15.9	\$15.9	\$15.9
<b>CAPEX</b>				\$0.3	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
2023	\$16.0			\$0.3	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6
2024	\$17.0			\$0.3	\$0.3	\$0.6	\$0.6	\$0.6	\$0.6
2025	\$17.3				\$0.3	\$0.3	\$0.3	\$0.6	\$0.6
2026	\$17.5					\$0.3	\$0.3		\$0.3
2027	\$18.0								\$0.3
<b>Total Depreciation</b>				<b>\$16.2</b>	<b>\$16.7</b>	<b>\$17.3</b>	<b>\$17.9</b>	<b>\$18.5</b>	

# Blu Containers Company

## Income Tax Schedule

(\$ Millions)

Tax Rate	35.0%		Projected					
			2022A	2023	2024	2025	2026	2027
<b>Accounting EBT (as is on I/S)</b>		<b>A</b>	\$3.3	\$43.1	\$17.3	\$55.6	\$46.7	\$29.2
Less: Reduction in EBT for timing differences <sup>(1)</sup>			5.0	5.0	5.0	5.0	5.0	5.0
<b>Government EBT</b>		<b>B</b>	\$38.1	\$12.3	\$50.6	\$41.7	\$24.2	
Accounting Taxes (35% of A)			15.1	6.1	19.5	16.3	10.2	
<b>Taxes as Appearing on Income Statement</b>								
Current Tax (35% of B)			13.4	4.3	17.7	14.6	8.5	
Increase (Decrease) in Deferred Income Taxes			1.8	1.8	1.8	1.8	1.8	1.8
<b>Total Income Taxes (Same as Accounting Taxes Above)</b>			<b>15.1</b>	<b>6.1</b>	<b>19.5</b>	<b>16.3</b>	<b>10.2</b>	

(1) Assumes aggregate reduction in government pre-tax earnings due to timing differences between accounting and government rules.

# Blu Containers Company

## Working Capital Schedule

(\$ Millions)		2020A	2021A	2022A	2023	2024	2025	2026	2027
Days per Year	(days)	366	365	365	365	366	365	365	365
<b>Income Statement Items</b>									
Net Revenue	(\$ MM)	213.5	236.6	204.8	249.4	230.6	274.8	272.1	256.3
Cost of Sales	(\$ MM)	159.9	164.6	167.9	173.7	181.2	188.0	195.2	197.7
<b>Days In</b>									
Accounts Receivable	(days)	46.3	42.9	50.4	48	44	40	40	40
Inventories	(days)	83.5	80.1	76.3	70.0	65.0	60.0	60.0	55.0
Prepaid Expenses	(days)	25.0	22.2	26.6	30.0	30.0	30.0	30.0	30.0
Other Assets	(days)	2.4	2.8	2.1	3.0	3.0	3.0	3.0	3.0
Accounts Payable	(days)	31.4	28.8	32.4	40.0	40.0	40.0	40.0	40.0
Other Liabilities	(days)	10.8	10.9	10.4	10.0	10.0	10.0	10.0	10.0
<b>Net Working Capital</b>	<b>(\$ MM)</b>	<b>129.3</b>	<b>125.3</b>	<b>122.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>YoY Change in Working Capital</b>									
		0.0	0.0	(8.4)	8.9	(4.2)	0.3	5.8	

# Blu Containers Company

## Debt and Interest Schedule

(\$ Millions)

	2022A	2023	2024	2025	2026	2027	<i>Projected</i>
<b>FINANCING COMPONENT</b>							
<b>Cash</b>							
Amount of Cash Outstanding - (Beginning)		0.3	0.2	0.1	0.0	0.0	0.0
Additions (Repayments)		(0.2)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)
Amount of Cash Outstanding - (Ending)	\$0.3	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
Interest Rate		<b>1.0%</b>	1.0%	1.0%	1.0%	1.0%	1.0%
<b>Annual Interest Income</b>		<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Revolver</b>							
Operating Cash Flow		37.6	38.7	51.0	50.3	45.0	
Investing Cash Flow		(16.0)	(17.0)	(17.3)	(17.5)	(18.0)	
Mandatory Debt Repayments		(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	
Common Stock Issuance / (Buy-backs)		0.0	0.0	0.0	0.0	0.0	
Dividends		(5.6)	(2.2)	(7.2)	(6.1)	(3.8)	
<b>FCF After Mandatory Debt Repayment and Dividend</b>		<b>(\$9.0)</b>	<b>(\$5.6)</b>	<b>\$1.5</b>	<b>\$1.7</b>	<b>(\$1.8)</b>	
Revolver Outstanding - (Beginning)		0.0	8.9	14.4	12.9	11.1	
Additions (Repayments)		8.9	5.5	(1.5)	(1.8)	1.8	
Revolver Outstanding - (Ending)	\$0.0	\$8.9	\$14.4	\$12.9	\$11.1	\$12.9	
Interest Rate		<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	
<b>Annual Interest Expense</b>		<b>\$0.5</b>	<b>\$0.9</b>	<b>\$0.8</b>	<b>\$0.7</b>	<b>\$0.8</b>	
<b>Senior Secured Term Debt</b>							
Amount Outstanding - (Beginning)		200.0	175.0	150.0	125.0	100.0	
Additions (Repayments)		(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	
Amount Outstanding - (Ending)	\$200.0	\$175.0	\$150.0	\$125.0	\$100.0	\$75.0	
Interest Rate		<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	
<b>Annual Interest Expense</b>		<b>\$12.0</b>	<b>\$10.5</b>	<b>\$9.0</b>	<b>\$7.5</b>	<b>\$6.0</b>	
<b>Net Interest Expense</b>		<b>\$12.5</b>	<b>\$11.4</b>	<b>\$9.8</b>	<b>\$8.2</b>	<b>\$6.8</b>	

# Blu Containers Company

## Shareholders' Equity Schedule

(\$ Millions)

	2022A	2023	2024	2025	2026	2027	<i>Projected</i>
<b>Common Shares</b>							
Amount Outstanding - Beginning		120.0	120.0	120.0	120.0	120.0	120.0
New Issuance / (Buy-Back)		0.0	0.0	0.0	0.0	0.0	0.0
Amount Outstanding - Ending	\$120.0	\$120.0	\$120.0	\$120.0	\$120.0	\$120.0	\$120.0
Dividend Payout Ratio		20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Net Income		28.0	11.2	36.2	30.3	19.0	
<b>Common Dividend</b>		<b>\$5.6</b>	<b>\$2.2</b>	<b>\$7.2</b>	<b>\$6.1</b>	<b>\$3.8</b>	
 <b>Retained Earnings</b>							
Amount Outstanding - Beginning		138.5	160.9	169.9	198.9	223.1	
Net Income		\$28.0	\$11.2	\$36.2	\$30.3	\$19.0	
Common Dividend		(\$5.61)	(\$2.25)	(\$7.23)	(\$6.07)	(\$3.79)	
<b>Amount Outstanding - Ending</b>		<b>\$138.5</b>	<b>\$160.9</b>	<b>\$169.9</b>	<b>\$198.9</b>	<b>\$223.1</b>	<b>\$238.3</b>