



Credit Work Group – Mock Up Financials

Vanessa Spells

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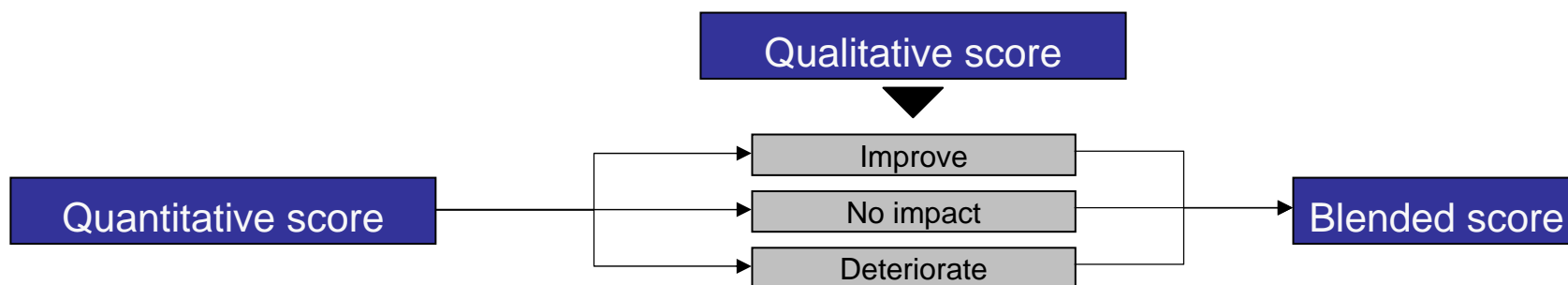
Qualitative Factors and Weights

| Quantitative factors | |
|-------------------------|--------|
| Proposed factor | Weight |
| Working Capital/Sales | 30% |
| Current Ratio | 10% |
| Equity/Assets | 20% |
| EBITDA/Interest Expense | 10% |
| EBITDA/Sales | 10% |
| Net Income/Assets | 10% |
| Total Assets | 10% |

| Qualitative factors | |
|--|--------|
| Proposed factor | Weight |
| Ability to access funding in difficult market environment | 25% |
| Margin call and late payment history | 20% |
| Experience of company leadership | 15% |
| Recent growth | 15% |
| Risk management policies and practices | 10% |
| Quality and timeliness of reporting of financial information | 10% |
| Length of time as QSE | 5% |

▼ 70% weighting

▼ 30% weighting



Rating BB

| | |
|----------------------------|-------------------------|
| Revenue | 1,600,000,000.00 |
| Operating Expenses | 1,280,000,000.00 |
| Operating Income | 320,000,000.00 |
| EBITDA | 200,000,000.00 |
| Interest Expense | 60,000,000.00 |
| Net Income | 117,000,000.00 |
| | |
| Current Assets | 536,000,000.00 |
| Non-Current Assets | 1,125,200,000.00 |
| Total Assets | 1,661,200,000.00 |
| | |
| Current Liabilities | 200,000,000.00 |
| Non-Current Liabilities | 1,411,200,000.00 |
| Total Liabilities | 1,611,200,000.00 |
| Equity | 50,000,000.00 |
| Total Equity & Liabilities | 1,661,200,000.00 |
| | |
| Quantative Factors | |
| Working Capital/Sales | 0.21 |
| Current Ratio | 2.68 |
| Equity/Assets | 0.03 |
| EBITDA/Interest Expense | 3.33 |
| EBITDA/Sales | 0.13 |
| Net Income/Assets | 0.07 |
| Total Assets | 1,661,200,000.00 |

Rating BB

| | |
|----------------------------|----------------------|
| Revenue | 46,300,000.00 |
| Operating Expenses | 37,040,000.00 |
| EBITDA | 3,000,000.00 |
| Interest Expense | 200,000.00 |
| Net Income | 2,200,000.00 |
| Current Assets | 9,400,000.00 |
| Long-term Assets | 800,000.00 |
| Total Assets | 10,200,000.00 |
| Current Liabilities | 7,000,000.00 |
| Long-term Liabilities | 600,000.00 |
| Total Liabilities | 7,600,000.00 |
| Equity | 2,600,000.00 |
| Total Equity & Liabilities | 10,200,000.00 |
| Quantative Factors | |
| Working Capital/Sales | 0.05 |
| Current Ratio | 1.34 |
| Equity/Assets | 0.25 |
| EBITDA/Interest Expense | 15.00 |
| EBITDA/Sales | 0.06 |
| Net Income/Assets | 0.22 |
| Total Assets | 10,200,000.00 |

Rating B

| | |
|----------------------------|---------------------|
| Revenue | 16,200,000.00 |
| Operating Expenses | 12,960,000.00 |
| Operating Income | 3,240,000.00 |
| EBITDA | (500,000.00) |
| Interest Expense | 200,000.00 |
| Net Income | (1,000,000.00) |
| Current Assets | 5,800,000.00 |
| Non-Current Assets | 200,000.00 |
| Total Assets | 6,000,000.00 |
| Current Liabilities | 7,000,000.00 |
| Non-Current Liabilities | 800,000.00 |
| Total Liabilities | 7,800,000.00 |
| Total Equity | (1,800,000.00) |
| Total Liabilities & Equity | 6,000,000.00 |
| Quantative Factors | |
| Working Capital/Sales | (0.07) |
| Current Ratio | 0.83 |
| Equity/Assets | (0.30) |
| EBITDA/Interest Expense | (2.50) |
| EBITDA/Sales | (0.03) |
| Net Income/Assets | (0.17) |
| Total Assets | 6,000,000.00 |

Questions ?