

# Savage Pharma

	Historical			Projected		
	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
	12 months	12 months	12 months	12 months	12 months	12 months
<b>Income Statement</b>						
Sales (Income)	\$13,117,611	\$13,603,540	\$14,475,444	\$15,115,259	\$15,783,353	\$16,480,977
Personal Health Goods Revenue	\$34,634	\$43,634	\$34,534	\$36,060	\$37,654	\$39,319
Prescription Drug Revenue	\$12,785,415	\$13,254,254	\$14,020,048	\$14,639,735	\$15,286,810	\$15,962,487
Over-the-Counter Drug Revenue	\$297,562	\$305,652	\$420,862	\$439,464	\$458,888	\$479,171
Grocery	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Sales (COGS)	\$10,738,412	\$10,870,080	\$10,981,142	\$11,678,049	\$12,194,219	\$12,733,203
Depreciation (COGS-related)	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Sales	\$10,933,190	\$10,901,914	\$11,032,961	\$11,733,157	\$12,251,762	\$12,793,290
Rebates	(\$194,778)	(\$31,834)	(\$51,819)	(\$55,106)	(\$57,543)	(\$60,085)
Aveda Retail COGS	\$0	\$0	\$0	\$0	\$0	\$0
Other Retail COGS	\$0	\$0	\$0	\$0	\$0	\$0
Officer Salary	\$0	\$0	\$0	\$0	\$0	\$0
Staff Bonus	\$0	\$0	\$0	\$0	\$0	\$0
Direct Materials	\$0	\$0	\$0	\$0	\$0	\$0
Direct Labor	\$0	\$0	\$0	\$0	\$0	\$0
<b>Gross Profit Margin</b>	<b>18.14%</b>	<b>20.09%</b>	<b>24.14%</b>	<b>22.74%</b>	<b>22.74%</b>	<b>22.74%</b>
<b>Gross Profit</b>	<b>\$2,379,199</b>	<b>\$2,733,460</b>	<b>\$3,494,302</b>	<b>\$3,437,210</b>	<b>\$3,589,134</b>	<b>\$3,747,774</b>
Depreciation	\$73,391	\$17,122	\$114,688	\$0	\$0	\$0
Depletion Expense	\$0	\$0	\$0	\$0	\$0	\$0
Amortization	\$0	\$0	\$0	\$0	\$0	\$0
Accretion Expense	\$0	\$0	\$0	\$0	\$0	\$0
Overhead or S,G,& A Expenses	\$2,754,441	\$2,716,675	\$2,688,317	\$2,654,444	\$2,620,998	\$2,587,974
Rent	\$245,600	\$191,200	\$172,800	\$170,623	\$168,473	\$166,350
Advertising	\$20,501	\$12,456	\$20,031	\$19,779	\$19,529	\$19,283
Officer's Salaries	\$501,442	\$500,000	\$500,000	\$493,699	\$487,479	\$481,337
Salaries & Wages	\$1,295,015	\$1,303,574	\$1,260,333	\$1,244,453	\$1,228,773	\$1,213,290
Auto	\$24,293	\$28,592	\$24,910	\$24,596	\$24,286	\$23,980
Bank & Credit Card Fees	\$31,357	\$24,292	\$25,402	\$25,082	\$24,766	\$24,454
Contributions	\$12,515	\$3,100	\$32,126	\$31,721	\$31,322	\$30,927
Director's Fees	\$0	\$0	\$0	\$0	\$0	\$0
Dues & Subscriptions	\$10,136	\$8,339	\$7,074	\$6,985	\$6,897	\$6,809
Insurance	\$183,134	\$198,492	\$160,977	\$158,949	\$156,946	\$154,968
License	\$17,072	\$17,421	\$11,746	\$11,598	\$11,452	\$11,308
Office Supplies	\$4,133	\$994	\$4,109	\$4,057	\$4,006	\$3,956
Postage	\$36,348	\$36,523	\$33,953	\$33,525	\$33,103	\$32,686
Professional Fees	\$74,751	\$56,454	\$89,349	\$88,223	\$87,112	\$86,014
Repairs & Maintenance	\$30,323	\$40,186	\$57,397	\$56,674	\$55,960	\$55,255
Computer Maintenance	\$38,402	\$56,258	\$54,203	\$53,520	\$52,846	\$52,180
Supplies	\$26,961	\$37,610	\$42,518	\$41,982	\$41,453	\$40,930
Telephone	\$16,271	\$17,531	\$17,345	\$17,127	\$16,911	\$16,698
Utilities	\$30,805	\$30,619	\$27,221	\$26,878	\$26,539	\$26,204
Taxes	\$47,764	\$47,801	\$43,195	\$42,651	\$42,113	\$41,583
Back Bar	\$0	\$0	\$0	\$0	\$0	\$0
Cash Over/Short	\$0	\$0	\$0	\$0	\$0	\$0
Merchant Fees	\$0	\$0	\$0	\$0	\$0	\$0
Savings Acct Interest	\$0	\$0	\$0	\$0	\$0	\$0
Bank & Merchant Fees - Other	\$0	\$0	\$0	\$0	\$0	\$0
Dues Licenses Subscriptions	\$0	\$0	\$0	\$0	\$0	\$0
Liability Insurance	\$0	\$0	\$0	\$0	\$0	\$0
Work Comp	\$0	\$0	\$0	\$0	\$0	\$0
Insurance - Other	\$0	\$0	\$0	\$0	\$0	\$0
Marketing & Promotions	\$0	\$0	\$0	\$0	\$0	\$0
Office	\$0	\$0	\$0	\$0	\$0	\$0
Salon	\$0	\$0	\$0	\$0	\$0	\$0
Front Desk Payroll	\$0	\$0	\$0	\$0	\$0	\$0
Gifts	\$0	\$0	\$0	\$0	\$0	\$0
Staff Development	\$0	\$0	\$0	\$0	\$0	\$0
Accounting & Tax Prep	\$0	\$0	\$0	\$0	\$0	\$0
Legal Fees	\$0	\$0	\$0	\$0	\$0	\$0
Professional Fees - Other	\$0	\$0	\$0	\$0	\$0	\$0
Rent - DeVargas	\$0	\$0	\$0	\$0	\$0	\$0
Computer Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Repair and Maintenance - Other	\$0	\$0	\$0	\$0	\$0	\$0
Corp	\$0	\$0	\$0	\$0	\$0	\$0
FUTA	\$0	\$0	\$0	\$0	\$0	\$0

Projected Data

## Savage Pharma

	Historical			Projected		
Soc Sec/Med	\$0	\$0	\$0	\$0	\$0	\$0
SUTA Taxes	\$0	\$0	\$0	\$0	\$0	\$0
WC1	\$0	\$0	\$0	\$0	\$0	\$0
Telephone & Internet	\$0	\$0	\$0	\$0	\$0	\$0
Meals	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0	\$0	\$0
G & A Payroll Expense	\$107,618	\$105,233	\$103,628	\$102,322	\$101,033	\$99,760
Maureen Test	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Income	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$2,827,832</b>	<b>\$2,733,797</b>	<b>\$2,803,005</b>	<b>\$2,654,444</b>	<b>\$2,620,998</b>	<b>\$2,587,974</b>
<b>Operating Profit</b>	<b>(\$448,633)</b>	<b>(\$337)</b>	<b>\$691,297</b>	<b>\$782,766</b>	<b>\$968,136</b>	<b>\$1,159,800</b>
Interest Expense	\$0	\$0	\$0	\$3,942	\$3,125	\$2,271
test historical loan	--	--	--	\$3,942	\$3,125	\$2,271
Other Income	(\$11,705)	\$1,687	\$614	\$614	\$614	\$614
Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0
				\$0	\$0	\$0
<b>EBITDA</b>	<b>(\$386,947)</b>	<b>\$18,472</b>	<b>\$806,599</b>	<b>\$783,380</b>	<b>\$968,750</b>	<b>\$1,160,414</b>
<b>Net Profit Before Taxes</b>	<b>(\$460,338)</b>	<b>\$1,350</b>	<b>\$691,911</b>	<b>\$779,438</b>	<b>\$965,625</b>	<b>\$1,158,143</b>
Adjusted Owner's Compensation	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Net Profit Before Taxes</b>	<b>(\$460,338)</b>	<b>\$1,350</b>	<b>\$691,911</b>	<b>\$779,438</b>	<b>\$965,625</b>	<b>\$1,158,143</b>
Taxes Paid	\$0	\$0	\$0	\$0	\$0	\$0
Extraordinary Gain	\$0	\$0	\$0	\$0	\$0	\$0
Extraordinary Loss	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Income</b>	<b>(\$460,338)</b>	<b>\$1,350</b>	<b>\$691,911</b>	<b>\$779,438</b>	<b>\$965,625</b>	<b>\$1,158,143</b>

### Balance Sheet Assumptions

Accounts Receivable Days	12.95	11.34	9.76	10.30	10.30	10.30
Accounts Payable Days	0.43	2.85	0.56	1.00	1.00	1.00
Inventory Days	12.70	12.18	11.70	11.80	11.80	11.80

# Savage Pharma

Balance Sheet	Historical			Projected		
	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
<b>Cash (Bank Funds)</b>	\$510,010	\$126,375	\$140,358	\$2,133,107	\$3,045,183	\$4,147,414
BofA Checking -2475	\$0	\$0	\$0	\$0	\$0	\$0
BofA SAVINGS	\$0	\$0	\$0	\$0	\$0	\$0
<b>Accounts Receivable</b>	\$465,401	\$422,583	\$387,025	\$426,540	\$445,393	\$465,080
<b>Inventory</b>	\$373,503	\$362,625	\$352,062	\$377,537	\$394,224	\$411,649
<b>Other Current Assets</b>	\$360	\$59,230	\$950	\$950	\$950	\$950
Retail Inventory	\$0	\$0	\$0	\$0	\$0	\$0
Security Deposit - Lease	\$0	\$0	\$0	\$0	\$0	\$0
Undeposited Funds	\$0	\$0	\$0	\$0	\$0	\$0
Note Receivable MFLP	\$360	\$58,180	\$0	\$0	\$0	\$0
Employee Loan	\$0	\$1,050	\$950	\$950	\$950	\$950
<b>Total Current Assets</b>	<b>\$1,349,274</b>	<b>\$970,813</b>	<b>\$880,395</b>	<b>\$2,938,134</b>	<b>\$3,885,750</b>	<b>\$5,025,093</b>
<b>Gross Fixed Assets</b>	\$106,213	\$78,141	\$74,732	\$74,732	\$74,732	\$74,732
Depletable Assets	\$0	\$0	\$0	\$0	\$0	\$0
<b>Accumulated Depreciation</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Fixed Assets</b>	<b>\$106,213</b>	<b>\$78,141</b>	<b>\$74,732</b>	<b>\$74,732</b>	<b>\$74,732</b>	<b>\$74,732</b>
<b>Gross Intangible Assets</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Accumulated Amortization</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Intangible Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Assets</b>	\$838,878	\$710,544	\$0	\$0	\$0	\$0
2011 Start-up Costs	\$0	\$0	\$0	\$0	\$0	\$0
DeVargas Improvements	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Assets</b>	<b>\$2,294,365</b>	<b>\$1,759,498</b>	<b>\$955,127</b>	<b>\$3,012,866</b>	<b>\$3,960,482</b>	<b>\$5,099,825</b>
<b>Accounts Payable</b>	\$12,587	\$85,013	\$16,717	\$31,995	\$33,409	\$34,886
<b>Short Term Debt</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Current Portion of Long Term Debt</b>	\$0	\$0	\$0	\$19,423	\$20,277	\$21,168
test historical loan	--	--	--	\$19,423	\$20,277	\$21,168
<b>Other Current Liabilities</b>	\$20,251	\$21,100	\$16,265	\$16,265	\$16,265	\$16,265
BoA MC - 5224	\$0	\$0	\$0	\$0	\$0	\$0
Gift Cards Redeemed	\$0	\$0	\$0	\$0	\$0	\$0
FUTA Payable	\$0	\$0	\$0	\$0	\$0	\$0
FWT Payable	\$0	\$0	\$0	\$0	\$0	\$0
SS/Med Payable	\$0	\$0	\$0	\$0	\$0	\$0
SUTA Payable	\$0	\$0	\$0	\$0	\$0	\$0
SWT Payable	\$0	\$0	\$0	\$0	\$0	\$0
WC1 Payable	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax Payable	\$0	\$0	\$0	\$0	\$0	\$0
Tips Payable	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Liabilities	\$12,557	\$12,616	\$12,435	\$12,435	\$12,435	\$12,435
Sales Tax Liabilities	\$7,694	\$8,484	\$3,830	\$3,830	\$3,830	\$3,830
<b>Total Current Liabilities</b>	<b>\$32,838</b>	<b>\$106,113</b>	<b>\$32,982</b>	<b>\$67,683</b>	<b>\$69,951</b>	<b>\$72,319</b>
<b>Notes Payable / Senior Debt</b>	\$0	\$0	\$100,000	\$61,971	\$41,694	\$20,525
test historical loan	--	--	--	\$61,971	\$41,694	\$20,525
<b>Notes Payable / Subordinated Debt</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Other Long Term Liabilities</b>	\$81,294	\$0	\$0	\$0	\$0	\$0
Asset Retirement Obligation	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Long Term Liabilities</b>	<b>\$81,294</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$61,971</b>	<b>\$41,694</b>	<b>\$20,525</b>
<b>Total Liabilities</b>	<b>\$114,132</b>	<b>\$106,113</b>	<b>\$132,982</b>	<b>\$129,654</b>	<b>\$111,645</b>	<b>\$92,845</b>
<b>Preferred Stock</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Common Stock</b>	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000

Projected Data



# Savage Pharma

Statement of Equity	Historical			Projected		
	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
Preferred Stock	\$0	\$0	\$0	\$0	\$0	\$0
Common Stock	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Additional Paid-in Capital	\$0	\$0	\$0	\$0	\$0	\$0
Other Stock / Equity	(\$675,700)	(\$637,933)	(\$1,281,629)	(\$1,281,629)	(\$1,281,629)	(\$1,281,629)
<b>Total Stock</b>	<b>(\$670,700)</b>	<b>(\$632,933)</b>	<b>(\$1,276,629)</b>	<b>(\$1,276,629)</b>	<b>(\$1,276,629)</b>	<b>(\$1,276,629)</b>
<b>Beginning Retained Earnings</b>	<b>\$3,377,950</b>	<b>\$2,850,933</b>	<b>\$2,286,318</b>	<b>\$2,098,774</b>	<b>\$2,878,212</b>	<b>\$3,843,837</b>
<b>Net Income</b>	<b>(\$460,338)</b>	<b>\$1,350</b>	<b>\$691,911</b>	<b>\$779,438</b>	<b>\$965,625</b>	<b>\$1,158,143</b>
Dividends Paid / Withdrawals	\$0	\$0	\$0	\$0	\$0	\$0
Other Changes to Retained Earnings	\$0	\$0	\$0	\$0	\$0	\$0
<b>Unexplained Changes to RE</b>	<b>(\$66,679)</b>	<b>(\$565,965)</b>	<b>(\$879,455)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Retained Earnings</b>	<b>\$2,850,933</b>	<b>\$2,286,318</b>	<b>\$2,098,774</b>	<b>\$2,878,212</b>	<b>\$3,843,837</b>	<b>\$5,001,980</b>
Ending Equity as Calculated Above	\$2,246,912	\$2,219,350	\$1,701,600	\$2,883,212	\$3,848,837	\$5,006,980
Actual Equity from Balance Sheet	\$2,180,233	\$1,653,385	\$822,145	\$2,883,212	\$3,848,837	\$5,006,980
Difference (Unexplained Change in Equity)	(\$66,679)	(\$565,965)	(\$879,455)	\$0	\$0	\$0

Projected Data

# Savage Pharma

Cash Flow Statement	Historical		Projected		
	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
<b>Cash Flow from Operations</b>					
Sales (Income)	\$13,603,540	\$14,475,444	\$15,115,259	\$15,783,353	\$16,480,977
Cost of Sales (COGS)	\$10,870,080	\$10,981,142	\$11,678,049	\$12,194,219	\$12,733,203
<b>Gross Profit</b>	<b>\$2,733,460</b>	<b>\$3,494,302</b>	<b>\$3,437,210</b>	<b>\$3,589,134</b>	<b>\$3,747,774</b>
Depreciation	\$17,122	\$114,688	\$0	\$0	\$0
Amortization	\$0	\$0	\$0	\$0	\$0
Overhead or S,G,&A Expenses	\$2,716,675	\$2,688,317	\$2,654,444	\$2,620,998	\$2,587,974
Other Operating Income	\$0	\$0	\$0	\$0	\$0
Other Operating Expenses	\$0	\$0	\$0	\$0	\$0
<b>Operating Profit</b>	<b>(\$337)</b>	<b>\$691,297</b>	<b>\$782,766</b>	<b>\$968,136</b>	<b>\$1,159,800</b>
Interest Expense	\$0	\$0	\$3,942	\$3,125	\$2,271
Other Income	\$1,687	\$614	\$614	\$614	\$614
Other Expenses	\$0	\$0	\$0	\$0	\$0
<b>Net Profit Before Taxes</b>	<b>\$1,350</b>	<b>\$691,911</b>	<b>\$779,438</b>	<b>\$965,625</b>	<b>\$1,158,143</b>
Taxes Paid	\$0	\$0	\$0	\$0	\$0
Extraordinary Gain	\$0	\$0	\$0	\$0	\$0
Extraordinary Loss	\$0	\$0	\$0	\$0	\$0
<b>Net Income</b>	<b>\$1,350</b>	<b>\$691,911</b>	<b>\$779,438</b>	<b>\$965,625</b>	<b>\$1,158,143</b>
Add Back Depreciation	\$17,122	\$114,688	\$0	\$0	\$0
Add Back Amortization	\$0	\$0	\$0	\$0	\$0
Decrease (Increase) in Accounts Receivable	\$42,818	\$35,558	(\$39,515)	(\$18,853)	(\$19,687)
Decrease (Increase) in Inventory	\$10,878	\$10,563	(\$25,475)	(\$16,687)	(\$17,425)
Decrease (Increase) in Other Current Assets	(\$58,870)	\$58,280	\$0	\$0	\$0
Increase (Decrease) in Accounts Payable	\$72,426	(\$68,296)	\$15,278	\$1,414	\$1,477
Increase (Decrease) in Other Current Liabilities	\$849	(\$4,835)	\$0	\$0	\$0
<b>Cash Flow from Operations</b>	<b>\$86,573</b>	<b>\$837,869</b>	<b>\$729,726</b>	<b>\$931,499</b>	<b>\$1,122,508</b>
<b>Cash Flow from Investments</b>					
Capital Expenditures	\$10,950	(\$111,279)	\$0	\$0	\$0
Decrease (Increase) in Intangible Assets	\$0	\$0	\$0	\$0	\$0
Decrease (Increase) in Other Assets	\$128,334	\$710,544	\$0	\$0	\$0
<b>Cash Flow from Investments</b>	<b>\$139,284</b>	<b>\$599,265</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Cash Flow from Financing Activities</b>					
Increase (Decrease) in Short Term Debt	\$0	\$0	\$0	\$0	\$0
Increase (Decrease) in Current Long Term Debt	\$0	\$0	\$19,423	\$854	\$891
Increase (Decrease) in Senior Debt	\$0	\$100,000	(\$38,029)	(\$20,277)	(\$21,168)
Increase (Decrease) in Subordinated Debt	\$0	\$0	\$0	\$0	\$0
Increase (Decrease) in Other Long Term Liabilities	(\$81,294)	\$0	\$0	\$0	\$0
Increase (Decrease) in Preferred Stock	\$0	\$0	\$0	\$0	\$0
Increase (Decrease) in Common Stock	\$0	\$0	\$0	\$0	\$0
Increase (Decrease) in Additional Paid-in Capital	\$0	\$0	\$0	\$0	\$0
Increase (Decrease) in Other Stock	\$37,767	(\$643,696)	\$0	\$0	\$0
Dividends Paid / Withdrawals	\$0	\$0	\$0	\$0	\$0

Projected Data

## Savage Pharma

	Historical		Projected		
Other Changes to Retained Earnings	\$0	\$0	\$0	\$0	\$0
Unexplained Changes to Retained Earnings	(\$565,965)	(\$879,455)	\$0	\$0	\$0
<b>Cash Flow from Financing Activities</b>	<b>(\$609,492)</b>	<b>(\$1,423,151)</b>	<b>(\$18,606)</b>	<b>(\$19,423)</b>	<b>(\$20,277)</b>
<b>Net Free Cash Flow</b>	<b>(\$383,635)</b>	<b>\$13,983</b>	<b>\$1,992,749</b>	<b>\$912,076</b>	<b>\$1,102,231</b>
<b>Beginning Total Cash</b>	<b>\$510,010</b>	<b>\$126,375</b>	<b>\$140,358</b>	<b>\$2,133,107</b>	<b>\$3,045,183</b>
<b>Ending Total Cash</b>	<b>\$126,375</b>	<b>\$140,358</b>	<b>\$2,133,107</b>	<b>\$3,045,183</b>	<b>\$4,147,414</b>
<b>Unexplained Change in Cash on Balance Sheet</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# Savage Pharma

## Loans / Debt Structure Summary

For any loans highlighted in red, the system was unable to reconcile the terms of the loan, and had to make some adjustments.

Borrower	Number	Description	Type	Financing	Balance	Payment Amount	Interest Rate
<b>Existing Loans</b>							
Savage Pharma sample comment		test historical loan	Fixed Payment	Senior Debt	\$100,000.00	\$1,879.00	4.25%

### Key Metrics

See below for a summary of the key metrics; proposed loans are included in the "Proposed" column.

**Note: All numbers in this section are expressed ANNUALLY.**

Calculate the debt service for the "Current Period" below based on: Loan Information / Itemized Debt - Debt Service Only  
 The "Proposed" column is showing the financial situation as of: 1 month from now  
 Display income and debt service values as: Values for each group member

Key Metrics	Current Period	Proposed
<b>Businesses</b>		
<b>EBITDA:</b>	<b>\$806,599</b>	<b>\$806,599</b>
<i>Savage Pharma</i>	<i>\$806,599</i>	<i>\$806,599</i>
<b>Estimated Debt Service:</b>	<b>\$22,548</b>	<b>\$22,548</b>
<i>Savage Pharma</i>	<i>\$22,548</i>	<i>\$22,548</i>
<b>Discretionary Cash Flow:</b>	<b>\$784,051</b>	<b>\$784,051</b>
<b>Debt Service Coverage Ratio:</b>	<b>35.77</b>	<b>35.77</b>
<i>Savage Pharma</i>	<i>35.77</i>	<i>35.77</i>
<b>Interest Coverage Ratio:</b>	204.60	204.60
<b>Total Sales (Income):</b>	\$14,475,444	\$14,475,444
<b>Gross Profit:</b>	\$3,494,302	\$3,494,302
<b>Gross Profit Margin:</b>	24.14%	24.14%
<b>Total Assets:</b>	\$955,127	\$955,127
<i>Savage Pharma</i>	<i>\$955,127</i>	<i>\$955,127</i>
<b>Total Liabilities:</b>	\$132,982	\$132,982
<i>Savage Pharma</i>	<i>\$132,982</i>	<i>\$132,982</i>
<b>Total Equity:</b>	\$822,145	\$822,145
<b>Debt to Equity Ratio:</b>	<b>0.16</b>	<b>0.16</b>

### Formula Key

#### Businesses

**Estimated Debt Service** = Calculated Using Specific Information From Itemized Loan Table  
**Debt Service Coverage Ratio** = EBITDA: / Estimated Debt Service  
**Interest Coverage Ratio** = EBITDA: / Interest Expense  
**Debt to Equity Ratio** = Total Business Liabilities / Total Business Equity

\* Estimated debt service for the period; if the debt is itemized, we will be able to provide a more accurate debt service.



# Savage Pharma

## 446110 - Pharmacies and Drug Stores

Calculate the debt service for the historical periods below based on:

Loan Information / Itemized Debt - Debt Service Only

	Sageworks Industry Averages					
	(480 Statements)*	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
<b>Liquidity Ratios</b>						
Current Ratio	3.31	41.09	9.15	26.69	43.41	55.55
Quick Ratio	1.95	29.70	5.17	15.99	37.82	49.90
Working Capital	--	\$1,316,436	\$864,700	\$847,413	\$2,870,451	\$3,815,799
<b>Financial Leverage / Coverage Ratios</b>						
Total Equity	--	\$2,180,233	\$1,653,385	\$822,145	\$2,883,212	\$3,848,837
Debt to Equity Ratio	1.97	0.05	0.06	0.16	0.04	0.03
Tangible Net Worth	--	\$2,180,233	\$1,653,385	\$822,145	\$2,883,212	\$3,848,837
Debt to Tangible Net Worth Ratio	--	0.05	0.06	0.16	0.04	0.03
Debt Service	--	\$0	\$0	\$22,548	\$22,548	\$22,548
Debt Service Coverage Ratio	6.65	--	--	35.77	34.74	42.96
Interest Coverage Ratio	17.39	--	--	204.60	198.71	310.04
Senior Debt to Cash Flow	--	0.00	0.00	0.12	0.10	0.06
Debt to Cash Flow	--	-0.29	5.74	0.16	0.17	0.12
Debt to Capitalization	--	4.97%	6.03%	13.92%	4.30%	2.82%
<b>Profitability Ratios</b>						
Operating Profit Margin	3.65%	-3.42%	0.00%	4.78%	5.18%	6.13%
Net Profit Margin	3.47%	-3.51%	0.01%	4.78%	5.16%	6.12%
Return on Equity	48.02%	-21.11%	0.08%	84.16%	27.03%	25.09%
Return on Assets	16.37%	-20.06%	0.08%	72.44%	25.87%	24.38%
<b>Activity / Efficiency Ratios</b>						
Accounts Receivable Days	24.42 Days	12.95 Days	11.34 Days	9.76 Days	10.30 Days	10.30 Days
Accounts Payable Days	27.39 Days	0.43 Days	2.85 Days	0.56 Days	1.00 Days	1.00 Days
Inventory Days	30.23 Days	12.70 Days	12.18 Days	11.70 Days	11.80 Days	11.80 Days
Gross Fixed Asset Turnover	20.19	123.50	174.09	193.70	202.26	211.20
<b>Performance Ratios</b>						
Sales (Income) Growth Rate	7.32%	--	3.70%	6.41%	4.42%	4.42%
Gross Profit Margin	24.78%	18.14%	20.09%	24.14%	22.74%	22.74%
Net Income Growth Rate	--	--	100.29%	51152.67%	12.65%	23.89%

Projected Data

\* Data from NAICS Code 446110 - Pharmacies and Drug Stores, Yearly sales \$10 Million to \$50 Million, last 5 years

# Savage Pharma

## 446110 - Pharmacies and Drug Stores

Calculate the debt service for the historical periods below based on:

Loan Information / Itemized Debt - Debt Service Only

	Sageworks Industry Averages	
	(480 Statements)*	12/31/2025
<b>Liquidity Ratios</b>		
Current Ratio	3.31	69.48
Quick Ratio	1.95	63.78
Working Capital	--	\$4,952,774
<b>Financial Leverage / Coverage Ratios</b>		
Total Equity	--	\$5,006,980
Debt to Equity Ratio	1.97	0.02
Tangible Net Worth	--	\$5,006,980
Debt to Tangible Net Worth Ratio	--	0.02
Debt Service	--	\$22,548
Debt Service Coverage Ratio	6.65	51.46
Interest Coverage Ratio	17.39	511.00
Senior Debt to Cash Flow	--	0.04
Debt to Cash Flow	--	0.08
Debt to Capitalization	--	1.82%
<b>Profitability Ratios</b>		
Operating Profit Margin	3.65%	7.04%
Net Profit Margin	3.47%	7.03%
Return on Equity	48.02%	23.13%
Return on Assets	16.37%	22.71%
<b>Activity / Efficiency Ratios</b>		
Accounts Receivable Days	24.42 Days	10.30 Days
Accounts Payable Days	27.39 Days	1.00 Days
Inventory Days	30.23 Days	11.80 Days
Gross Fixed Asset Turnover	20.19	220.53
<b>Performance Ratios</b>		
Sales (Income) Growth Rate	7.32%	4.42%
Gross Profit Margin	24.78%	22.74%
Net Income Growth Rate	--	19.94%

\* Data from NAICS Code 446110 - Pharmacies and Drug Stores, Yearly sales \$10 Million to \$100 Million, last 5 years

# A Company Valuation for Savage Pharma

Below is a company valuation using your projected Net Free Cash Flow as a baseline. The valuation gives you an approximate value of what the business could be worth today, based on the projected Net Free Cash Flow analysis that has been performed.  
**CAUTION: The reliability of this valuation depends heavily on the length and accuracy of the projection. We STRONGLY recommend reviewing your data in the Projection tab of this worksheet before examining the valuation below.**

**Company Value: \$10,146,145**

Major Assumptions: The major assumptions made when performing this analysis have been listed in each section. You may edit / change any of the values shown in red.

## Cash Flow

ProfitCents Projection uses a discounted cash flow method to value a firm. The premise behind this method is that a company should not have a price higher than the amount of cash it will generate in the future. Also, the time value of money is factored in -- \$100 today is worth more than \$100 in ten years, or even a year. Below are the cash flows of the company -- you may make changes to these cash flows or to the discount rate used to find the present value of the cash flows.

	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027
EBIT	\$783,380	\$968,750	\$1,160,414	\$1,358,675	\$1,563,845
Less: Taxes	\$0	\$0	\$0	\$0	\$0
Noncash Expenses	\$0	\$0	\$0	\$0	\$0
Less: Change in Working Capital	\$49,712	\$34,126	\$35,635	\$37,210	\$38,853
Less: Capital Expenditures	\$0	\$0	\$0	\$0	\$0
Free Cash Flow	\$733,668	\$934,624	\$1,124,779	\$1,321,465	\$1,524,992
Present Value of Cash Flows (End of Year)	\$637,972	\$706,710	\$739,560	\$755,552	\$758,191

**Present Value of Cash Flows = Net Free Cash Flow / (1 + Discount Rate) ^ X where X = Projected Year (1, 2, 3, etc)**

<b>Discount Rate</b>	=	<b>Risk Free Rate</b>	+	<b>Risk Premium</b>
<b>15.00%</b>	=	4.35%	+	10.65%

## Terminal Value

The terminal value is a rough estimate of what the company will be worth at the end of the projection. It is usually difficult to derive a reliable terminal value because there are many factors that affect a terminal value. To account for the cash flow of future years, the last projected cash flow is treated as a perpetuity - an endless annual stream of cash flows that will grow at a specified rate. Any changes can be made to the terminal value directly or to the factors used to calculate this value.

$$\begin{aligned} \text{Terminal Value} &= (\text{Free Cash Flow (Year 5)} * (1+G)) / (DR - G) * (1 / (1+DR))^5 \\ \text{Terminal Value} &= (1524992 * (1 + 0.03)) / (0.15 - 0.03) * (1 / (1+0.15))^5 \\ \text{Terminal Value} &= \$6,507,802 \end{aligned}$$

## Calculation Parameters

Discount Rate:	15.00%
G (Estimated Growth Rate):	3.00%
Free Cash Flow (Year 5):	\$1,524,992
Terminal Value:	\$6,507,802

## Valuation

In addition to the discounted cash flows and the terminal value, the valuation also accounts for cash on hand, long term investments, and long term debt. Taking on debt to purchase a company diminishes its value, whereas a company with cash on hand or long term investments will be more highly valued. For example, a company that will neither generate nor lose cash flow in the future (it will just break even indefinitely) would have a cash flow value of zero. However, if that company has \$1 million in cash, the valuation should reflect this. By making these adjustments, a reasonable company value can be determined. If you would like to modify any of these values, please do so by directly changing the amount listed for that variable.

<b>Preliminary Company Value</b>	=	<b>Discounted Cash Flow</b>	+	<b>Terminal Value</b>	+	<b>Cash</b>	+	<b>Long Term Investments</b>	-	<b>Long Term Debt</b>
<b>\$10,146,145</b>	=	\$3,597,985	+	\$6,507,802	+	\$140,358	+	\$0	-	\$100,000