

Lecture Class:

Tuesday/Thursday                      Room: JKP 110  
15324 10:00am-11:50am  
15325 12:00noon-1:50pm

Office Hours:

Before/after class by appointment  
Please see TA contact information and office hours on Blackboard

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**Course Description and Topics**

This course develops and uses tools of financial and valuation analysis to evaluate the performance and assess the value of companies.

**Financial Analysis and Performance Measurement**

- What do the numbers mean? We will discuss tools for analyzing company strategy and financial performance.

**Value Creation**

- Understand that the goal of the firm is value creation. Return on capital and growth drive value creation. Value creation is fundamentally more important than that of growing revenues, earnings per share, maximizing volume and/or market share. Companies and business units create value by investing capital in positive net present value (NPV) projects.

**Core Valuation Techniques and Financial Analysis**

- There are many approaches to determine fair market value (FMV) of a firm. We will discuss discounted cash flow and comparable companies valuation approaches.
- Gain proficiency in performing discounted cash flow valuation analysis to value a company. This includes analyzing historical performance, benchmarking and strategic analysis and forecasting free cash flows, estimating the appropriate cost of capital, identify sources of value, interpretation of results.
- Analyze market multiples and precedent merger and acquisition transaction analysis to perform the market approach to valuation.

**Managing for Value and Using Valuation for Decision Making**

- Utilize and interpret financial data and applying valuation techniques to make decisions about courses of action for a firm.
- Discuss methods for creating value through mergers and acquisitions, divestitures and restructuring.
- Discuss valuation of distressed companies and the impact of financial leverage.

**Other Valuation Issues and Special Situations**

- Explore the challenges of valuing high-growth and private companies.
- Learn about the process of venture capital and early stage financing.
- Discuss leveraged buyouts and the approach to valuing highly leveraged companies.

## **Course Learning Objectives**

The objective of this course is to learn firm, debt and equity valuation methods from both a conceptual and practical framework. While there is some new finance theory introduced in this course, the emphasis is on the practical application and integration of finance and accounting concepts to valuing companies. We will discuss standalone valuation, valuation in an M&A setting, LBOs and multinational valuation. We do not specifically discuss the valuation of financial institutions. Students with weak accounting and finance backgrounds will be at a disadvantage in this course. Working knowledge of Excel is also important. Students who hoped to never see a financial statement again should not take this course.

The course utilizes extensive and detailed readings, exercises, a valuation project, two quizzes and a final exam. Prior students indicate that the workload for this course is demanding, as such, it is only recommended for those students who are interested in learning valuation techniques in depth. Students interested in broader topical coverage and a less detailed examination of valuation techniques should consider FBE 432 Corporate Financial Strategy (the corporate finance case course).

This course covers the theory and practice of financial analysis and valuation. Our coverage of the material is designed to allow you to become comfortable with the fundamentals so that you may improve your proficiency in participating in future financial and strategic discussions within a company or organization and with external analysts and service providers. Learning goals include:

1. Understand the key aspects of financial analysis and valuation to effectively manage different types of enterprises. Students will gain knowledge of the following areas: accounting, finance, strategy and industry analysis.
2. Demonstrate critical thinking skills in the application of techniques in financial analysis and valuation. Students will gather, categorize, analyze, interpret, and evaluate relevant qualitative and quantitative information and develop the ability to be creative and innovative through the completion of a final valuation project.
3. Develop communication strategies for discussing financial analysis and valuation. This includes effective oral and written presentations of quantitative and valuation analysis. Conduct research using a broad range of sources, synthesizing and judging the quality of collected information and support written or oral claims logically and persuasively.
4. Apply valuation in a global context, considering the interplay of international markets, and economic, social and cultural issues. Students will consider issues involved in cross-border M&A and valuation analysis.

## **Required Materials**

**Textbook:** *Corporate Valuation Theory, Evidence and Practice* by Holthausen and Zmijewski. Published by Cambridge Business Publishers ISBN-10: 1618530364 ISBN-13: 978-1618530363

**Cases:** The course pack with our cases can be purchased online at the following link (each case is \$3.95): <https://cb.hbsp.harvard.edu/cbmp/access/38737004>

## **Course Notes**

Slides, handouts and supplemental readings/articles will be posted on Blackboard. Notes or recordings made by students based on a university class or lecture may only be made for purposes of individual or group study, or for other non-commercial purposes that reasonably arise from the student's membership in the class or attendance at the university. This restriction also applies to any information distributed, disseminated or in any way displayed for use in relationship to the class, whether obtained in class, via email or otherwise on the Internet, or via any other medium. Actions in violation of this

policy constitute a violation of the Student Conduct Code, and may subject an individual or entity to university discipline and/or legal proceedings.

### **Recommended Reading**

*The Wall Street Journal*, *The Economist*, *Barron's*, *Forbes* (available through <http://mymarshall.usc.edu> or Crocker Business Library). Wall Street Journal student subscription rates are available: <http://wsjstudent.com>

### **Prerequisite Knowledge**

This course assumes that the background knowledge of students include basic finance (BUAD 306) and accounting. It will be assumed that students are comfortable with the topics of standard corporate finance texts such as Ross, Westerfield and Jaffe or Brealey & Myers. Please review your basic finance and accounting concepts. The pace and schedule of topics covered in this class does not allow for review of these concepts.

### **Class Participation**

Please arrive to class on time and prepared. Be prepared for cold calling, bring your name card to class. Please handle mobile phone and text messaging outside of class and perform unrelated web browsing outside of class. Please come to class rested (if you sleep in class you will be asked to leave).

### **Grading Policies**

Final grades represent how you perform in the class relative to other students. Historically, the average grade target for this class is a 3.3/4 (B+). Three items are considered when assigning final grades: 1) your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible) 2) the overall average percentage score within the class 3) your ranking among all students in the class.

	<u>Grade Breakdown</u>
Assignments/Case Analysis and Participation	20%
Group Peer Evaluation	5%
Final Group Valuation Project	25%
Midterm 1 Exam:	25%
Midterm 2 Exam:	25%
Total	<hr/> 100%

### **Class Participation**

High Score:

- Regular attendance and active and consistent participation in the class sessions with insightful questions and comments.
- Consistently very high levels of preparation for class sessions and activities.
- Superior and sophisticated understanding, insights, and syntheses of the course material as reflected in group assignments and case analysis and class discussions.
- Proactive and very high levels of involvement in the group assignments.
- Very high levels of professionalism manifested in interactions with speakers and classmates.

### **Case Analysis**

We will analyze real companies and work through problems by analyzing different scenarios and courses of action. In your analysis of our HBS case studies you should place yourself in the role of the decision maker as you read through the situation and identify the problems and issues. The next step is to perform the necessary analysis. To get the most out of cases, you should read and reflect on the case individually, and then meet in study group teams prior to class to “warm up” and discuss your findings

with other classmates. In class we will probe underlying issues, compare different alternatives, and finally, suggest courses of action in light of the objectives of the case.

The cases have been included in the curriculum as a means to provide this self-study and practice in analysis. Study groups should prepare and hand-in a pre-session case study analysis at the beginning of class. For most of the HBS cases you will receive supplementary excel spreadsheets via Blackboard.

All cases are used as a means to assess class participation assessment. Your group case analysis will be turned in as a written deliverable. Please work on your cases in groups of 3-6 people. Do your best to work through the case utilizing readings and other supporting materials. Seeking assistance or “hints” from the instructor, the T.A. or past students is not authorized. A written case analysis should consist of a 2-4 page written (executive summary) using a standard font and font size (such as Times New Roman size 11-12), addressing the case questions with supporting computations and tables in a separate appendix (if relevant).

Assignment and case grading is based on the quality of your analysis, how well you support your assumptions and apply valuation techniques, and the judgment you exercise and on the professionalism of your presentations. The quality of work product should be reflective of what you would be comfortable presenting to a current or prospective employer. Case grades will be determined relative to the analyses of other groups in the class. Groups will be randomly selected to verbally present their findings on *both* the graded and discussion cases during the class session.

#### **Assignment/Case Submission Policy**

Assignments must be turned in on the due date/time electronically via Blackboard. Any assignment turned in late, even if by only a few minutes, will receive a grade deduction (for example, if your work is a B+ grade, you will be given a C+ grade). If your Internet breaks down on the due date, you must deliver a hard copy at the beginning of class on that day. If you are unable to attend class on that day, make arrangements for it to be delivered to the classroom or to my box by the start of class. Late or not, however, you must complete all required assignments to pass this course.

**Final Valuation Group Project & Peer Evaluation:** Work in a group of your choice (3-6 students) on the final valuation project. The cover sheet of each written assignment should contain the first and last names of the students submitting the assignment arranged alphabetically. All of the names of the members in the group must appear at the top of the memo to receive credit. An overview of the final project deliverable will be posted in the “Assignments” section on Blackboard no later than November 8th. You will be asked to present your final case on our Final Exam date, December 15<sup>th</sup>. Attendance is mandatory. You will also be asked to complete a peer evaluation of each team member, which will be considered in the final grading assessment.

**Teams:** The valuation group cases should be worked on in teams (preferred group size 4-5 students). Students may form teams across the two undergraduate sections. I encourage you to work in teams to maximize the learning experience. I will not become involved in any group problems. Teams may change composition during the course of the semester. If a set of teammates decides they can no longer work together, they are free to separate. If any member of the team cannot find another suitable team to join, he or she will have no choice but to hand in the rest of the valuation cases individually. In choosing teammates, consider the skills your team will want to possess: accounting, finance and excel modeling expertise. Also make sure that your teammates’ expectations for their performance in this course are consistent with your expectations for yourself.

## **Exams**

Students will need a financial calculator capable of performing discounted cash flows, IRR and other financial calculations. Exam questions will include both qualitative and quantitative questions from material covered in class, and presented in the readings (textbook, cases, examples posted, class discussion). Exams are closed-book, closed-note (no-formula sheets).

## **Retention of Graded Coursework**

Final exams and all other graded work which affected the course grade will be retained for one year after the end of the course *if* the graded work has not been returned to the student; i.e., if I returned a graded paper to you, it is your responsibility to file it.

## **Technology Policy**

Laptop and Internet usage is not permitted during academic or professional sessions unless otherwise stated. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. ANY e-devices (cell phones, PDAs, I-Phones, Blackberries, other texting devices, laptops, I-pods) must be completely turned off during class time. No student may record any lecture, class discussion or meeting with me without my prior express written permission. I reserve all rights, including copyright, to my lectures, course syllabi and related materials, including summaries, prior exams and all supplementary course materials available to the students enrolled in my class.

## **Statement for Students with Disabilities**

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the semester as possible. DSP is located at 3601 Watt Way, Grace Ford Salvatori Hall, 120. It is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. E-mail: [ability@usc.edu](mailto:ability@usc.edu)

## **Emergency Preparedness/Course Continuity**

In case of a declared emergency if travel to campus is not feasible, the *USC Emergency Information* web site (<http://emergency.usc.edu/>) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of Blackboard, teleconferencing, and other technologies.

## **Academic Conduct**

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Section 11, *Behavior Violating University Standards and Appropriate Sanctions*. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct/>.

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the *Office of Equity and Diversity* <http://equity.usc.edu/> or to the *Department of Public Safety* <http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us>. This is important for the safety of the whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report or can initiate the report on behalf of another person. *The Center for Women and Men* <http://www.usc.edu/student-affairs/cwm/> provides 24/7 confidential support, and the sexual assault resource center webpage <https://sarc.usc.edu/reporting-options/> describes reporting options and other resources.

**Statement on Academic Integrity**

USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own. All students are expected to understand and abide by these principles. SCampus, the Student Guidebook, contains the Student Conduct Code in Section 11.00, while the recommended sanctions are located in Appendix A. <http://www.usc.edu/dept/publications/SCAMPUS/gov/>

Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The Review process can be found at: <http://www.usc.edu/student-affairs/SJACS/> Failure to adhere to the academic conduct standards set forth by these guidelines and our programs will not be tolerated by the USC Marshall community and can lead to dismissal.

**Other**

The material presented and the classroom discussions are not intended to be financial advice to students in connection with any issue(s) they or others may have. If students have a financial matter, they are advised to promptly consult an experienced professional who can fully review the facts and advise them accordingly.

*Note: Assignments and dates are subject to change based on speaker availability.*

<b>Schedule</b>	<b>Topics</b>	<b>Readings/Practice Problems/Deliverables*</b>
25-Aug	Course Overview	Syllabus
27-Aug	Value Based Management	See page 8 of syllabus for link to readings
1-Sep	Introduction to Valuation	H&Z 1
3-Sep	Financial Statement Analysis and Performance Measurement	H&Z 2
8-Sep	Financial Statement Analysis and Performance Measurement	H&Z 2
10-Sep	Cash Flow Analysis and Measuring Free Cash Flows	H&Z 3, Problem # 3.2 Jake and Phil Company - CFS and FCF Schedule
15-Sep	Capital Budgeting and WACC Review	<b>HBS Case: Hansson Private Label*</b>
17-Sep	<i>No Class (T-Th sections have one extra day)</i>	
22-Sep	Creating a Financial Model	H&Z 4, Problem #4.6 Bruce Rigel Company
24-Sep	Discounted Cash Flow Models	H&Z 5, Problem #5.4 Basic Valuation Calcs
29-Sep	Measuring Terminal Value	H&Z 6 Problem #6.7 Growth/Value Creation
1-Oct	Discounted Cash Flow Method, Adjustments, Interpretation	<b>HBS Case: Lululemon IPO*</b>
6-Oct	WACC Review: Estimating Cost of Equity and Debt Capital	H&Z 8, 9, 11 Problem #11.1 (Calculate WACC using equation 11.1 on page 423)
8-Oct	<i>Guest Speaker: Luke Sikora, Vulcan Ventures</i> <i>Topic: Private Equity, Venture Capital and Unicorns</i>	See Blackboard for Readings
13-Oct	Market Multiple Valuation Methods and Implementation	H&Z 13-14 Problem #13.1, #14.1-14.2
15-Oct	<b>Midterm 1 Exam</b>	
20-Oct	Private Company Valuation and Analysis of Strategic Alternatives for High Growth Company	<b>HBS Case: Spyder Active Sports in 2004*</b> <i>See Spyder Spreadsheet on Blackboard</i>
22-Oct	<i>Guest Speaker: Juan E. Mondragón</i> <i>Topic: Market Multiple Valuation in Practice</i>	
27-Oct	Leveraged Buyouts	H&Z Chapter 15 Problem #15.1, #15.2
29-Oct	Special Topic	
3-Nov	Final Project Introduction	See Blackboard for Readings
5-Nov	Mergers and Acquisitions	H&Z Chapter 16 Problem #16.1-16.3
10-Nov	Heinz LBO	<b>HBS Case: H. J. Heinz M&amp;A*</b>
12-Nov	Special Topic	See Blackboard for Readings
17-Nov	Catch Up/Review	
19-Nov	<i>Guest Speaker: Felix Bernshteyn, Solstein Capital</i> <i>Topic: Value Investing</i>	See Blackboard for Readings
24-Nov	<i>Guest Speaker: Andy Fohrer, VP at Aurora Capital Group</i> <i>Topic: Investment Management, Special Situations and Distressed Debt Private Equity</i>	See Blackboard for Readings
26-Nov	<i>Thanksgiving Holiday – No Class</i>	
1-Dec	<b>Midterm 2 Exam</b>	
3-Dec	Course Wrap-Up	
<b>Final Exam</b> Dec 15 (T)	Final Project Presentations and Debrief – Attendance is Mandatory 8-10am (10am section), 11am-1pm (12noon section)	

## Aug 27 Value-Based Management

The goal of the firm is value creation. Return on capital and growth drive value creation. Value creation is fundamentally more important than that of growing revenues, earnings per share, maximizing volume and/or market share. Firms create value by investing capital in positive net present value (NPV) projects.

*The reading for this session can be found online.*

- Review Online article “Creating value: An interactive tutorial” November 2010 <http://tinyurl.com/qd5hdfn> In this video presentation, McKinsey partner Tim Koller explores the four guiding principles of corporate finance that all executives can use to home in on value creation when they make strategic decisions. If you don’t have time to watch the entire video be sure to watch the first two segments: 1) The four cornerstones of corporate finance and 2) the core-of-value principle
- Review online book excerpt from McKinsey Quarterly, “What is value-based management?” An excerpt from Valuation: Measuring and Managing the Value of Companies, August 1994, Timothy Koller. <http://tinyurl.com/pc4f4ln>
- Review online book excerpt from McKinsey Quarterly, “Measuring long-term performance: Earnings per share and share prices aren’t the whole story—particularly in the medium and long term.” March 2005 Richard Dobbs and Timothy Koller <http://tinyurl.com/pk5jv6u>

*Individual Assignment:*

- Analyze 2 Publicly-Traded Companies
  - Research Business Model, Industry, Competitors
  - Quick financial and trends analysis
  - Identify real examples of competitive advantages for the companies you have selected and whether you expect them to sustain high ROE and ROIC over a long period of time. *Drivers of ROIC include a company’s ability to charge premium prices, realize low costs, economies of scale and capital efficiency. All of these factors lead to sustaining persistent and higher levels of ROIC over time.*
  - What is its “story” – growth, profitability? Is it a growth stock or dividend payer? Is it generating positive cash flow?
  - Using Crocker resources, locate a recent Equity Research Report on your companies. Instructions for accessing ThomsonONE can be found in the slides. You can also go see one of the Crocker librarians for assistance. Note: this database only works with Internet Explorer (sorry Mac users).
  - What is the analyst’s rating on the stock (Buy, Sell, Hold); do they provide a price-target (analyst’s view on intrinsic value)? Does the analyst state his/her valuation approach or investment thesis? Does the analyst identify potential risks to the valuation? Does the report include a peer comparison or valuation implied from the market approach/price multiples?
  - Locate the analyst’s projections for earnings per share (EPS) growth. Compare this with Yahoo! Or Google Finance “Analyst Opinion” and “Analyst Estimates.”

## **Sept 15 Group Case Deliverable: Expansion and Risk at Hansson Private Label**

DCF analysis is a key building block for valuation. In this session we will review the process for applying DCF analysis to a capital budgeting proposal. The case includes a comprehensive forecasting example that focuses on the process one goes through to link production capacity utilization, units sold, unit revenues and unit costs to investment cash flows. This case also reviews the time value of money mechanics of discounting investment cash flows to estimate project value.

We will: 1) introduce the standard financial tools for assessing the attractiveness of a proposed capital investment; 2) discuss the complementing of discounted cash flow analysis with industry analysis; 3) examine issues surrounding capital planning process, especially as it applies to a large investment.

HPL, a manufacturer of private-label personal care products must decide whether to fund an unprecedented expansion of manufacturing capacity.

- Evaluate and comment on HPL's historical performance.
- Utilizing the data provided in the exhibits, determine whether the project is attractive in strategic and economic terms. Calculate the total project cash flows, NPV, and IRR, given the supplied project forecasts. Should Hansson accept or reject the project proposal?
  - *Please submit the group's Excel case analysis.*
- To which key assumptions is the NPV most sensitive? What are the risks of accepting the project/declining the project? What, if anything, might be done to mitigate the project risks?
- If Hansson wants to decline the expansion proposal, what practical alternative options does he have?

## **Oct 1 Group Case Deliverable - Lululemon Athletica: Pitching an IPO**

The managing director at a major investment bank is preparing his team for a visit to Lululemon Athletica, a yoga-inspired athletic apparel company. The investment bank has been following Lululemon's development over the past few years and is impressed by the company's unique positioning and rapid growth. The bank believes that there is a window of opportunity for Lululemon's founder and private equity investors to either undertake an initial public offering or raise debt to fund Lululemon's U.S. expansion.

- If Lululemon were to use \$50 million worth of new common stock, what should be the suggested price range for the IPO? Perform a valuation of Lululemon utilizing the discounted free cash flow method (WACC), and other value metrics such as the market approach/comps method (price-to-earnings and market-to-book ratios). *See Blackboard for an additional exhibit of comps with EV multiples.*
  - Please provide justification for your selection of comps. This could include brand positioning, financial performance, profit margins, growth, etc.
- In your opinion does Lululemon have a sustainable competitive advantage? Can you observe it in the company's financial performance?
- What are the key opportunities and risks that should be highlighted for investors in the proposed IPO?
- Assuming the proceeds to the company are \$50 million in each case, should Federal recommend a debt issue or an IPO? Disregard issuance costs. Discuss the timing and market conditions for a potential Lululemon issuance of equity or debt.

## **Oct 20 Group Case Deliverable - Spyder Active Sports Valuing a Private, High-Growth Company and Evaluation of Strategic Alternatives**

David Jacobs founded a high-end ski apparel company in 1978. He successfully built and grew the company, establishing a major international brand that appealed to ski racers and other active skiers. In 1995, he sought external financing to support further growth of the company and structured a financial deal with CHB Capital Partners, a private equity firm in Denver. By 2004, Jacobs was ready to consider alternative types of equity transactions that would provide a source of liquidity to him and his family, including sale of Spyder to another apparel company and sale of a large block of stock to a private equity firm.

- Identify the different “exit” options that are feasible for Spyder in 2004, and analyze the benefits and costs of each alternative. Is this a good time to sell the business? Consider the interests and needs of the owner(s), the current state and future prospects of the company, and the current state of the financial markets.
- Perform a valuation of Spyder utilizing the discounted free cash flow method (you will need to calculate WACC) and the market approach/comps method. Similar to Lululemon, Spyder is not publicly traded on a stock exchange, but we can still apply the market approach to estimate the company’s implied value. Evaluate the financial data provided for Spyder and also the comparable publicly-traded company price multiples and comparable past merger and acquisition price multiples. Please justify your selection of comps using the supplemental data provided in the student excel worksheets.<sup>1</sup>
- Compare the alternative transactions described on the last page of the case. Which one would you choose if you were David Jacobs? Which one would you choose if you were CHB or Shimokubo?

## **Nov 10 Group Case Deliverable – H. J. Heinz M&A<sup>2</sup>**

During December 2012, Jorge Paulo Lemann, a co-founder and partner at 3G, proposed to Warren Buffett that 3G and Berkshire Hathaway acquire H. J. Heinz Company. Lemann and Buffett, who had known each other for years, jointly decided that the Heinz turnaround had been successful and that there was significant potential for continued global growth. 3G informed Heinz CEO William Johnson that it and Berkshire Hathaway were interested in jointly acquiring his company. Johnson then presented the investors’ offer of \$70.00 per share of outstanding common stock to the Heinz board. After much discussion, the Heinz board and its advisors informed 3G that without better financial terms they would not continue to discuss the possibility of an acquisition. Two days later, 3G and Berkshire Hathaway returned with a revised proposal of \$72.50 per share, for a total transaction value of \$28 billion (including Heinz's outstanding debt). Following a forty-day “go-shop” period, Heinz, 3G, and Berkshire Hathaway agreed to sign the deal. But was this, in fact, a fair deal? And what might be the future consequences for shareholders, management, employees, and citizens of Pittsburgh, the location of the company's headquarters?

- Complete a valuation of Heinz for this acquisition based on the financial information provided.
- Why did this transaction propose zero synergies? Discuss and quantify potential synergies that could be realized, including where they come from and the period of time over which they can be realized. Quantify the impact of synergies on Enterprise Valuation.
- Complete a separate valuation based on the Heinz alternative financial assumptions found in the Heinz Exhibits Spreadsheet, under the HNZ Alt tab.

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<sup>1</sup> Please see Spyder spreadsheet supplement on Blackboard. I have added a few tabs such as descriptions of the M&A transaction comps and

<sup>2</sup> Supplement Information: <http://www.sec.gov/Archives/edgar/data/46640/000119312513089866/d491866dprem14a.htm>  
[https://www.bcgperspectives.com/content/articles/mergers\\_acquisitions\\_postmerger\\_integration\\_divide\\_conquer\\_deals\\_split\\_synergies/](https://www.bcgperspectives.com/content/articles/mergers_acquisitions_postmerger_integration_divide_conquer_deals_split_synergies/)