

TWTR LBO ANALYSIS OCTOBER 2016

SUMMARY INFO

Recent PPS	\$ 17.56	
FD Shares Out	698.33	
Market Cap	12,263	
Net Cash	2,393	Cash net of CL & LTD
Enterprise	9,870	

LBO ANALYSIS: \$25 Take-Out PPS

Take-Out

PPS	\$ 25.00	Recent high, for simplicity
Market Cap	17,458	
Enterprise	15,065	
New Gross Leverage	7.0x	

PE Equity Check	8,930	Assumes 1/3 of Net Cash left for restructuring, etc.
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Inputs

Revenue Growth	5.0%
EBITM	40.0%
Interest Rate	7.0%
Exit NOPAT Multiple	20.0x

	<u>2Q16</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Revenue	2,476	2,600	2,730	2,866	3,010	3,160	3,318
EBIT	990	1,040	1,092	1,147	1,204	1,264	1,327
NOPAT		779.94	818.94	859.88	902.88	948.02	995 25% tax rate
After-Tax Intex		363.97	342.13	317.10	288.61	256.36	
Net Income/FCFE		415.97	476.80	542.78	614.27	691.67	
New Gross Debt	6,933	6,517	6,040	5,497	4,883	4,191	
Intex		485.30	456.18	422.80	384.81	341.81	
LTM Leverage	7.0x	6.3x	5.5x	4.8x	4.1x	3.3x	

PE IRR

Year 5 Exit Enterprise	19,908
Debt	4,191
Equity to PE	15,717
PE 5-Year IRR	11.97%

IRR Scenarios

10% Revenue CAGR	20.7%
0% Revenue CAGR	2.3%
45% EBITM	17.0%
8x New Gross Leverage	12.7%