

Metro Nashville

DES Program Options - TES Expansion

Pricing Model Version 1.0

August-18

Financial Advisor



Run date 15-Aug-18

General Descriptive Data

Subject company Metro Nashville
Name of scheme DES Program Options - TES Expansion
Currency USD
Currency heading (USD in 000's)
First fiscal year ended on 6/30/2017
First year of projection 2017
General note 1 Model run for
General note 2 Capacity charge (USD/ton/month) = 24.31, Consumption charge (USD/ton-hr) = 0.11, Connection fee (USD/ton) = 000
General note 3 Contracted minimum EFLH = 0,000, Actual EFLH = 2,119
General note 4 Project IRR for this option: 5.2% Equity IRR for this option: 11.3%

Metro Nashville: DES Program Options - TES Expansion

Exhibit: Free Cash Flows, IRR's and Financial Ratios

(USD in 000's)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
IRR																											
EBITDA	-	-	225	461	712	975	1,249	1,536	1,835	2,147	2,472	2,811	2,876	2,943	3,011	3,080	3,152	3,225	3,299	3,375	3,453	3,533	3,615	3,698	3,784	3,871	
Less: Increase in Wkg Cap	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Add: Adjustment for connection charge collected	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Capex	-	(9,127)	(9,127)	(2,718)	(2,718)	(2,819)	(2,819)	(2,924)	(2,940)	(3,049)	(3,049)	(17)	(35)	(36)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	
Free Cash Flows before Debt Servicing	-	(9,127)	(8,902)	(2,257)	(2,006)	(1,844)	(1,570)	(1,388)	(1,105)	(902)	(577)	2,794	2,842	2,907	2,974	3,043	3,114	3,186	3,259	3,335	3,412	3,491	3,571	3,654	3,738	3,824	
Add: Terminal Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,451	
Free Cash Flow to Firm (incl. Terminal Value)	-	(9,127)	(8,902)	(2,257)	(2,006)	(1,844)	(1,570)	(1,388)	(1,105)	(902)	(577)	2,794	2,842	2,907	2,974	3,043	3,114	3,186	3,259	3,335	3,412	3,491	3,571	3,654	3,738	24,273	
Project IRR	5.2%																										
Add: Financing cash flows	-	9,127	8,831	1,928	1,125	1,111	838	831	557	558	273	(2,863)	(3,039)	(2,967)	(2,895)	(2,823)	(2,752)	(2,680)	(2,608)	(2,536)	(2,464)	(2,393)	(2,321)	(2,249)	(2,177)	(2,105)	
Free Cash Flows after Debt Servicing	-	-	(71)	(239)	(881)	(734)	(732)	(557)	(549)	(345)	(305)	(69)	(197)	(60)	79	220	362	506	651	798	947	1,098	1,250	1,405	1,561	22,170	
Equity IRR	11.3%																										
Ratios																											
Annual DSCR (times)		0.76	0.58	0.45	0.57	0.63	0.73	0.77	0.87	0.90	0.98	0.95	0.99	1.04	1.09	1.15	1.20	1.27	1.33	1.40	1.48	1.56	1.64	1.74	1.84		
Minimum DSCR (times)		0.45																									
Overall DSCR (times)		1.12																									
Interest Coverage (times)		0.76	0.58	0.63	1.00	1.21	1.34	1.54	1.65	1.84	1.94	2.08	2.25	2.43	2.64	2.88	3.16	3.47	3.85	4.28	4.81	5.46	6.26	7.29	8.66		
EBITDA / Revenue (%)		57%																									
Net Profit / Revenue (%)												4%	7%	9%	12%	14%	16%	19%	21%	23%	25%	27%	29%	30%	32%	34%	35%
Current Ratio (times)																											
Total Debt / Tangible Net Worth (times)									182.32	56.65	38.23	25.73	18.94	13.01	9.65	7.33	5.59	4.29	3.32	2.58	2.02	1.58	1.24	0.97	0.76	0.58	0.44
Total Outside Liabilities / Tangible Net Worth (times)									182.32	56.65	38.23	25.73	18.94	13.01	9.65	7.33	5.59	4.29	3.32	2.58	2.02	1.58	1.24	0.97	0.76	0.58	0.44

Model run for
 Capacity charge (USD/ton/month) = 24.31, Consumption charge (USD/ton-hr) = 0.11, Connection fee (USD/ton) = 000
 Contracted minimum EFLH = 0,000, Actual EFLH = 2,119
 Project IRR for this option: 5.2%, Equity IRR for this option: 11.3%

Metro Nashville: DES Program Options - TES Expansion

Exhibit: Income Statement

(USD in 000's)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Revenue																										
Capacity Charge	-	-	221	453	695	947	1,212	1,487	1,775	2,075	2,389	2,715	2,777	2,841	2,907	2,974	3,042	3,112	3,183	3,257	3,332	3,408	3,487	3,567	3,649	3,733
Consumption Charge	-	-	176	361	554	755	966	1,185	1,415	1,654	1,904	2,164	2,213	2,264	2,316	2,370	2,424	2,480	2,537	2,595	2,655	2,716	2,779	2,843	2,908	2,975
Connection Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	-	-	398	813	1,248	1,703	2,177	2,673	3,190	3,729	4,292	4,879	4,991	5,106	5,223	5,343	5,466	5,592	5,720	5,852	5,987	6,124	6,265	6,409	6,557	6,707
Operating Cost																										
Variable costs	-	-	167	341	523	714	913	1,121	1,338	1,564	1,800	2,046	2,093	2,141	2,190	2,241	2,292	2,345	2,399	2,454	2,511	2,568	2,627	2,688	2,750	2,813
Fixed costs	-	-	6	11	13	14	15	16	18	19	20	22	22	22	22	22	22	22	22	23	23	23	23	23	23	23
Total operating cost	-	-	172	352	536	728	928	1,137	1,355	1,583	1,820	2,067	2,115	2,163	2,212	2,263	2,314	2,367	2,421	2,477	2,533	2,591	2,650	2,711	2,773	2,836
EBITDA	-	-	225	461	712	975	1,249	1,536	1,835	2,147	2,472	2,811	2,876	2,943	3,011	3,080	3,152	3,225	3,299	3,375	3,453	3,533	3,615	3,698	3,784	3,871
EBITDA %			57%	57%	57%	57%	57%	57%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%
Depreciation & Amortisation	-	-	228	456	524	592	663	733	807	880	956	1,033	1,033	1,034	1,035	1,036	1,037	1,038	1,039	1,040	1,041	1,042	1,043	1,044	1,045	1,046
EBIT	-	-	(3)	5	188	383	586	802	1,028	1,267	1,516	1,779	1,843	1,909	1,976	2,045	2,115	2,187	2,260	2,336	2,413	2,491	2,572	2,654	2,739	2,825
Interest cost	-	-	296	790	863	978	1,034	1,145	1,194	1,302	1,344	1,447	1,380	1,309	1,237	1,165	1,093	1,021	950	878	806	734	662	591	519	447
EBT	-	-	(299)	(786)	(675)	(596)	(447)	(343)	(166)	(35)	172	332	463	600	739	880	1,022	1,165	1,311	1,458	1,607	1,757	1,910	2,064	2,220	2,378
Net profit	-	-	(299)	(786)	(675)	(596)	(447)	(343)	(166)	(35)	172	332	463	600	739	880	1,022	1,165	1,311	1,458	1,607	1,757	1,910	2,064	2,220	2,378
Net profit %	0%	0%	-75%	-97%	-54%	-35%	-21%	-13%	-5%	-1%	4%	7%	9%	12%	14%	16%	19%	21%	23%	25%	27%	29%	30%	32%	34%	35%
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	(299)	(786)	(675)	(596)	(447)	(343)	(166)	(35)	172	332	463	600	739	880	1,022	1,165	1,311	1,458	1,607	1,757	1,910	2,064	2,220	2,378
Cash profit	-	-	(71)	(329)	(151)	(4)	216	390	640	845	1,128	1,364	1,496	1,634	1,774	1,915	2,059	2,203	2,350	2,498	2,647	2,799	2,952	3,108	3,265	3,424

Model run for

Capacity charge (USD/ton/month) = 24.31, Consumption charge (USD/ton-hr) = 0.11, Connection fee (USD/ton) = 000

Contracted minimum EFLH = 0,000, Actual EFLH = 2,119

Project IRR for this option: 5.2% Equity IRR for this option: 11.3%

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Exhibit: Cash Flow Statement

(USD in 000's)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Inflows																										
Cash profit	-	-	(71)	(329)	(151)	(4)	216	390	640	845	1,128	1,364	1,496	1,634	1,774	1,915	2,059	2,203	2,350	2,498	2,647	2,799	2,952	3,108	3,265	3,424
Equity drawdown	-	-	71	329	881	734	732	557	549	345	305	69	197	60	-	-	-	-	-	-	-	-	-	-	-	-
Debt drawdown	-	9,127	9,127	2,718	2,718	2,819	2,819	2,924	2,924	3,033	3,033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total inflows	-	9,127	9,127	2,718	3,449	3,550	3,767	3,872	4,113	4,222	4,465	4,433	4,693	4,694	4,774	4,915	5,059	5,203	5,350	5,498	5,647	5,799	5,952	6,108	6,265	6,424
Outflows																										
Capital Expenditure	-	9,127	9,127	2,718	2,718	2,819	2,819	2,924	2,940	3,049	3,049	17	35	36	36	37	38	39	40	41	42	43	44	45	46	47
Increase(decrease) in working capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase(decrease) in connection charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt repayment	-	-	-	-	730	730	948	948	1,173	1,173	1,416	1,416	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total outflows	-	9,127	9,127	2,718	3,449	3,550	3,767	3,872	4,113	4,222	4,465	4,433	4,693	4,694	4,695	4,696	4,697	4,698	4,699	4,700	4,701	4,702	4,703	4,704	4,705	4,705
Surplus/(deficit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79	220	362	506	651	798	947	1,098	1,250	1,405	1,561	1,719
Opening cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79	299	661	1,167	1,818	2,617	3,564	4,662	5,913	7,317	8,878	
Closing cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79	299	661	1,167	1,818	2,617	3,564	4,662	5,913	7,317	8,878	10,598

Model run for

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