

Pool Corporation (POOL)

2013 Results Tracking Below Expectations, Revising Estimates

BAIRD

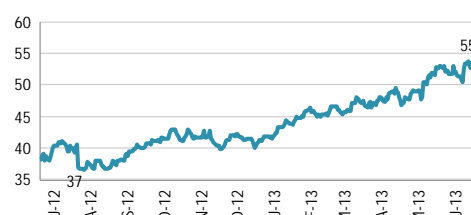
Maintain Neutral rating with new \$54 price target. POOL expects 2013 EPS approximately 5% below previous guidance, reflecting unfavorably cool and wet conditions in the company's seasonal markets. Encouragingly, however, the company's year-round markets are tracking in line with expectations and discretionary spending continues to improve moderately. Looking past weather-related noise, we believe core trends remain favorable and continue to have a positive fundamental view of POOL. As such, we would view any near-term weakness as opportunity.

- **Maintain Neutral rating with new \$54 price target** based on approximately 12x EV/2014E EBITDA.
- **Estimate changes.** We are lowering our 2013 and 2014 EPS estimates to \$2.11 and \$2.53, respectively.
- **2013 EPS outlook lowered.** 2013 EPS is now expected to be \$2.03-\$2.13, down approximately 5% vs. previous guidance of \$2.13-\$2.23, and below our previous \$2.21 estimate (also consensus).
- **Unfavorable weather to blame.** Unfavorably cool and wet conditions in the company's seasonal markets were cited, driving later pool openings and a subsequent reduction in overall consumer purchases. Consequently, the reduction in guidance noted above primarily relates to reduced expectations for 2Q13.
- **Underlying industry trends appear favorable, however.** Encouragingly, the company's year-round markets are tracking in line with expectations and continued improvement in discretionary spending was also noted. This is consistent with our favorable view of underlying industry trends, namely that POOL's stable underlying maintenance and repair should be increasingly supplemented by improved discretionary spending going forward.
- **Execution also an offset.** Given POOL's strong operational track record, we believe the company has acted to offset near-term weakness where possible (seasonal labor, discretionary expenses, etc.), while incentive compensation should also flex lower. This should help to limit the earnings impact of any weather-related noise to 2Q13 and better position the company for the remainder of the selling season. Additionally, revised guidance continues to represent low-teens plus growth at the midpoint, which we still view favorably in the current lackluster industrial environment.
- **Weakness may present opportunity.** With core trends still favorable, we continue to have a positive fundamental view of POOL. As such, we would view any near-term weakness into the mid-\$40s as opportunity following strong YTD outperformance (+13% vs. S&P 500).

Pool Corporation is the largest distributor of swimming pool supplies in the world and a leading distributor of landscape and irrigation products.

LOWERING PRICE TARGET

1-Year Price Chart



Stock Data

Rating:	Neutral
Suitability:	Higher Risk
Price Target/Previous:	▼\$54/\$55
Price (6/18/13):	\$54.72
Market Cap (mil):	\$2,605
Shares Out (mil):	47.6
Average Daily Vol (mil):	0.21
Dividend Yield:	1.2%

Estimates

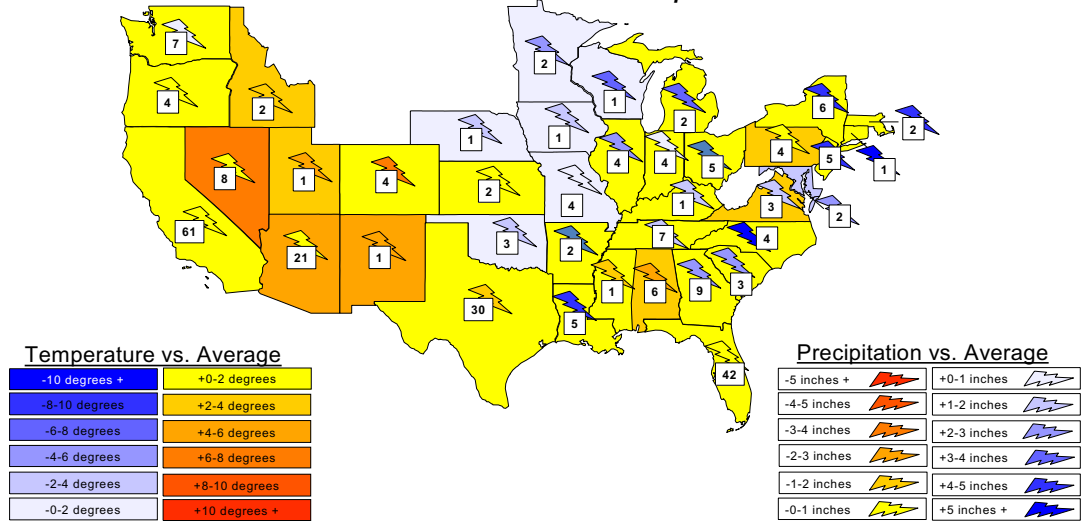
FY Dec	2012A	2013E	2014E
Q1	0.08 A	0.07 A	
Q2	1.34 A	1.39 E	
Q3	0.59 A	0.74 E	
Q4	(0.17) A	(0.08) E	
Fiscal EPS	1.84 A	2.11 E	2.53 E
Previous (FY)		2.21 E	2.58 E
Fiscal P/E	29.7x	25.9x	21.6x

Chart/Table Sources: Bloomberg and Baird Data

Please refer to Appendix
- Important Disclosures
and Analyst Certification

Details

Pool Corp. (POOL)
2Q13 QTD Weather Update



Source: NOAA, Robert W. Baird & Co.

Pool Corporation (POOL - NASDAQ)			
Estimate Changes			
2Q13E	New	Old	Change
Sales (millions)	\$783.2	\$815.2	-\$32.0
Sales Growth	3.4%	7.7%	(0bp)
Gross Margin	28.9%	29.2%	(26bp)
Op Ex	\$113.8	\$114.3	-\$0.5
Op Ex % of Sales	14.5%	14.0%	51bp
EBIT Margin	14.2%	15.0%	(77bp)
Diluted EPS	\$1.39	\$1.52	-\$0.13
2013E	New	Old	Change
Sales (millions)	\$2,051.9	\$2,097.2	-\$45.3
Sales Growth	5.0%	7.3%	(0bp)
Gross Margin	28.8%	28.9%	(10bp)
Op Ex	\$412.6	\$419.6	-\$7.0
Op Ex % of Sales	20.1%	20.0%	10bp
EBIT Margin	8.4%	8.6%	(21bp)
Diluted EPS	\$2.11	\$2.21	-\$0.10
2014E	New	Old	Change
Sales (millions)	\$2,232.2	\$2,269.4	-\$37.1
Sales Growth	8.8%	8.2%	0bp
Gross Margin	28.9%	28.9%	(0bp)
Op Ex	\$431.9	\$438.4	-\$6.4
Op Ex % of Sales	19.3%	19.3%	0bp
EBIT Margin	9.3%	9.3%	(0bp)
Diluted EPS	\$2.53	\$2.58	-\$0.05

Source: Robert W. Baird & Co.

Investment Thesis

The call. We rate POOL Neutral. Our \$54 price target represents approximately 12x EV/2013E EBITDA, above the one-year NTM average (11x) but below the one-year TTM average (13.5x). The company has an attractive underpinning of day-to-day recurring demand (retail + minor repair & service), augmented by accelerating improvement in discretionary demand (new pool construction + replacement & refurbishment), as consumers increasingly relax spending on big ticket items. These favorable industry trends are coupled with continued strong operational execution, as the company continues to hit earnings growth targets by outgrowing its underlying market, and the stock proves worthy of its premium valuation. We believe these factors clearly support an increasingly positive fundamental view of POOL despite near-term weather-related noise, and we are seeking an entry point in the mid-\$40s.

Market share gains. We believe Pool Corp. will continue to take market share from regional pool and irrigation distributors given economies of scale, which drives higher rebates, better sourcing, IT resources and product availability. Additionally, there is the opportunity to take share from distributors which are not pool-focused, as well as mass merchants and direct sales.

Earnings growth transition. Management believes that 2013 will be the last year of 20% or higher contribution margins, with 2014 and beyond 15-20% as excess capacity has been nearly absorbed. With new construction and major renovation starting to accelerate, we believe the company is at a transition point where top-line growth will drive more earnings growth relative to cost leverage. That said, we believe the company is well-positioned to make this transition and would use weakness as an opportunity should investors show discomfort during this transition period.

Cyclical thesis. Trends in new pool construction and replacement & remodeling (approximately 10% and 20% of Blue sales, respectively) are recovering to more normal levels while day to day retail and minor repair & service trends should remain steady. While approximately 10% of new homes nationwide are constructed with a pool, we believe the attach rate in primary POOL markets have historically been as high as 25%+.

Retail and minor repair & service (70% of "Blue" sales) provides recurring revenue stream. A significant portion of POOL's sales are tied to day-to-day retail and minor service & repair (chemicals, pumps, filters, etc.). Given the non-discretionary nature of these products, continued growth of the installed pool base and POOL's leading position in the market, we continue to expect low-to-mid-single-digit growth in sales of these products.

Market share initiatives. The company has several initiatives aimed at "Blue" markets where POOL is currently underpenetrated, including retail customers, building materials, and commercial pools.

"Green" business levered to new housing recovery. Assuming a continued recovery in new residential construction, this business should continue to rebound off depressed levels (management believes sales could double over next five years) with mid-teens+ contribution margins.

Risks to our Neutral thesis. An early, unseasonably warm, or long summer, a better-than-expected rebound in the new residential housing market, new pool construction, or better-than-expected/more accretive acquisitions.

Risks & Caveats

Seasonality/weather. POOL's sales and earnings are highly seasonal due to the outdoor nature of the products, with essentially all of the company's profits for the year generated during 2Q and 3Q. In addition to the variability of results due to seasonality, the business is also greatly impacted by weather trends. The company benefits from warmer temperatures and a longer pool season (above-normal temperatures in the spring/fall), and is likely to struggle through a pool season with a late start, cooler temperatures and an earlier finish.

Chemical prices. POOL should be able to benefit from rising chemical prices in a supportive demand environment by passing on those increases to customers. However, in an environment of falling

chemicals prices, it is likely that POOL's sales would face a drag from pricing.

Irrigation and landscape market. Prior to the acquisition of Horizon, POOL had little to no experience in the irrigation and landscape market. While the irrigation and landscape market is somewhat similar to the pool supplies market, there are significant differences (e.g. - lower recurring revenue streams), which have created some challenges for the company, particularly as the residential construction market faltered.

Acquisitions. We expect POOL to continue to grow through acquisitions along with the multiple challenges of integrating systems and processes, retaining employees, and driving synergies. Given POOL's stellar track record with acquisitions, we do not anticipate any material problems either consummating or integrating transactions, although recent FTC actions could potentially signal increased challenges ahead.

Housing/consumer exposure. Although roughly 70% of POOL's "blue" sales are tied to recurring spending and discretionary spending trends are improving, activity still remains low relative to normal levels.

Anti-Trust Lawsuit. In addition to a recent FTC settlement, POOL is being accused of anti-competitive activity by 11 dealers and consumers under the Sherman Anti-Trust Act. While some claims were recently dismissed and POOL maintains that it does not have enough market share to constitute a monopoly, some claims have moved forward.

Company Description

Pool Corporation is the largest distributor of swimming pool equipment, supplies, and related building materials in the world and a leading distributor of landscape and irrigation products. The company's more than 300 worldwide branches and 160,000+ SKUs (3,000 SKUs stocked in an average branch) service approximately 80,000 customers comprised of pool repair and service companies (30% of sales), pool retail stores (30%), major repair & refurbish contractors (17%), pool construction companies (9%), international pool customers (6%) and irrigation or "green" customers (8%). While the company has branch locations nationwide, approximately half of POOL's branches and sales are in Florida, California, Texas, and Arizona given the climate-driven nature of the pool and landscaping markets.



Pool Corporation

(POOL - NASDAQ)

(\$ in thousands, except per share)

David J. Manthey, CFA
414.465.8020

Luke L. Junk, CFA
414.298.5084

Elliot B. Strumlauf
414.298.5077

Recent Price \$55.00
Fiscal Year End December
Date Printed June 18, 2013

Fiscal Year	Revenue		Gross Profit			Operating Expenses			Operating Income			EBITDA		Other Exp (Inc)	Pretax Income			Income Taxes		Net Income			Diluted EPS \$ Chg	Comm Div	Avg Shares		
	\$	Chg	\$	%	Chg	\$	%	Chg	\$	%	Chg	\$	%		\$	%	Chg	\$	Rate	\$	%	Chg					
1995	161,095		28,819	17.9%		20,115	12.5%		8,704	5.4%		8,704	5.4%	4,885													
1996	235,844	46.4%	40,928	17.4%	42.0%	31,139	13.2%	54.8%	9,789	4.2%	12.5%	9,789	4.2%	2,353		7,436	3.2%	2,903	39.0%	4,533	1.9%		0.09	0.00	48,103		
1997	335,022	42.1%	57,368	17.1%	40.2%	42,355	12.6%	36.0%	15,013	4.5%	53.4%	15,013	4.5%	3,630		11,383	3.4%	4,327	38.0%	7,056	2.1%	55.7%	0.14	53.6%	0.00	48,737	
1998	457,598	36.6%	100,589	22.0%	75.3%	76,052	16.6%	79.6%	24,537	5.4%	63.4%	24,537	5.4%	2,756		21,781	4.8%	8,043	36.9%	13,738	3.0%	94.7%	0.23	59.2%	0.00	59,593	
1999	569,825	24.5%	130,262	22.9%	29.5%	92,450	16.2%	21.6%	37,812	6.6%	54.1%	37,812	6.6%	3,284		34,528	6.1%	58.5%	12,906	37.4%	21,622	3.8%	57.4%	0.36	57.2%	0.00	59,653
2000	669,761	17.5%	161,868	24.2%	24.3%	112,566	16.8%	21.8%	49,302	7.4%	30.4%	49,302	7.4%	4,080		45,222	6.8%	31.0%	17,146	37.9%	28,076	4.2%	29.8%	0.47	30.9%	0.00	59,196
2001	856,052	27.8%	222,692	26.0%	37.6%	158,168	18.5%	40.5%	64,524	7.5%	30.9%	64,524	7.5%	5,035		59,489	6.9%	31.5%	24,045	40.4%	35,444	4.1%	26.2%	0.59	23.7%	0.00	60,390
2002	983,246	14.9%	255,532	26.0%	14.7%	182,845	18.6%	15.6%	72,687	7.4%	12.7%	72,687	7.4%	4,977		67,710	6.9%	13.8%	26,407	39.0%	41,303	4.2%	16.5%	0.72	22.5%	0.00	57,442
2003	1,155,833	17.6%	315,139	27.3%	23.3%	231,144	20.0%	26.4%	83,995	7.3%	15.6%	83,995	7.3%	4,669		79,326	6.9%	17.2%	31,077	39.2%	48,249	4.2%	16.8%	0.87	21.4%	0.00	55,269
2004	1,310,853	13.4%	370,834	28.3%	17.7%	263,309	20.1%	13.9%	107,525	8.2%	28.0%	118,430	9.0%	3,855		103,670	7.9%	30.7%	40,264	38.8%	63,406	4.8%	31.4%	1.13	29.9%	0.20	55,911
2005	1,552,659	18.4%	432,448	27.9%	16.6%	297,084	19.1%	12.8%	135,364	8.7%	25.9%	145,162	9.3%	4,967		130,397	8.4%	25.8%	49,941	38.7%	80,456	5.2%	26.9%	1.45	28.0%	0.36	55,412
2006	1,909,762	23.0%	539,948	28.3%	24.9%	372,566	19.5%	25.4%	167,382	8.8%	23.7%	180,286	9.4%	13,599		153,783	8.1%	17.9%	58,759	38.6%	95,024	5.0%	18.1%	1.74	19.7%	0.41	54,662
2007	1,928,367	1.0%	530,646	27.5%	-1.7%	396,872	20.6%	6.5%	133,774	6.9%	-20.1%	147,757	7.7%	21,226		112,548	5.8%	-26.8%	43,154	38.7%	69,394	3.6%	-27.0%	1.37	-21.4%	0.47	50,802
2008	1,783,683	-7.5%	515,228	28.9%	-2.9%	399,752	22.4%	0.7%	115,476	6.5%	-13.7%	128,930	7.2%	20,609		94,867	5.3%	-15.7%	37,911	39.3%	56,956	3.2%	-17.9%	1.18	-13.7%	0.51	48,315
2009	1,539,794	-13.7%	449,724	29.2%	-12.7%	360,222	23.4%	-9.9%	89,502	5.8%	-22.5%	101,047	6.6%	11,808		77,694	5.0%	-18.1%	31,347	39.3%	46,347	3.0%	-18.6%	0.95	-19.3%	0.52	48,724
2010	1,613,746	4.8%	471,262	29.2%	4.8%	370,017	22.9%	2.7%	101,245	6.3%	13.1%	112,573	7.0%	6,619		94,626	5.9%	21.8%	36,988	39.2%	57,638	3.6%	24.4%	1.15	20.9%	0.52	49,839
2011	1,793,318	11.1%	531,590	29.6%	12.8%	406,523	22.7%	9.9%	125,067	7.0%	23.5%	136,372	7.6%	7,964		117,103	6.5%	23.8%	45,110	38.7%	71,993	4.0%	24.9%	1.47	27.8%	0.55	48,580
Q1	361,954	15.7%	104,563	28.9%	14.4%	98,542	27.2%	8.5%	6,021	1.7%	945.3%	9,005	2.5%	1,477		4,544	1.3%	n/m	893	22.8%	3,651	1.0%	n/m	0.08	n/m	0.14	48,598
Q2	757,175	7.2%	222,405	29.4%	5.2%	114,271	15.1%	0.7%	108,134	14.3%	10.4%	111,347	14.7%	2,200		105,934	14.0%	10.2%	40,991	38.7%	64,943	8.6%	10.9%	1.34	12.8%	0.16	48,288
Q3	528,027	4.9%	151,501	28.7%	2.4%	103,544	19.6%	-3.2%	47,957	9.1%	17.2%	51,203	9.7%	1,687		46,270	8.8%	17.8%	17,949	38.8%	28,321	5.4%	17.2%	0.59	19.6%	0.16	47,787
Q4	306,818	13.5%	88,938	29.0%	10.0%	99,235	32.3%	4.3%	(10,297)	-3.4%	n/m	(6,864)	n/m	1,105		(11,402)	-3.7%	n/m	(3,405)	28.7%	(7,997)	-2.6%	n/m	(0.17)	n/m	0.16	46,522
2012	1,953,974	9.0%	567,407	29.0%	6.7%	415,592	21.3%	2.2%	151,815	7.8%	21.4%	164,691	8.4%	6,469		145,346	7.4%	24.1%	56,428	39.0%	88,918	4.6%	23.5%	1.84	25.2%	0.62	47,799
Q1	370,362	2.3%	104,761	28.3%	0.2%	97,829	26.4%	-0.7%	6,932	1.9%	n/m	10,326	n/m	1,614		5,318	1.4%	n/m	2,078	39.0%	3,240	0.9%	n/m	0.07	n/m	0.16	47,580
Q2E	783,160	3.4%	226,426	28.9%	1.8%	115,225	14.7%	0.8%	111,201	14.2%	2.8%	114,524	14.6%	1,772		109,429	14.0%	3.3%	42,677	39.0%	66,751	8.5%	2.8%	1.39	3.0%	0.16	48,180
Q3E	570,942	8.1%	165,198	28.9%	9.0%	104,725	18.3%	1.1%	60,473	10.6%	26.1%	63,983	11.2%	1,585		58,888	10.3%	27.3%	22,966	39.0%	35,922	6.3%	26.8%	0.74	24.3%	0.16	48,780
Q4E	327,428	6.7%	95,221	29.1%	7.1%	100,650	30.7%	1.4%	(5,429)	-1.7%	n/m	(1,766)	n/m	1,241		(6,670)	-2.0%	n/m	(2,601)	39.0%	(4,069)	-1.2%	n/m	(0.08)	n/m	0.16	48,180
2013E	2,051,891	5.0%	591,606	28.8%	4.3%	418,429	20.4%	0.7%	173,177	8.4%	14.1%	187,067	9.1%	6,212		166,965	8.1%	14.9%	65,120	39.0%	101,844	5.0%	14.5%	2.11	14.4%	0.64	48,180
2014E	2,232,229	8.8%	644,644	28.9%	9.0%	437,724	19.6%	4.6%	206,920	9.3%	19.5%	222,033	9.9%	4,980		201,941	9.0%	20.9%	78,757	39.0%	123,184	5.5%	21.0%	2.53	19.9%	0.64	48,600

Note: Reflects adoption of SFAS 123R as of 1Q06 with 1Q03-4Q05 restated to reflect modified retrospective transition method. Historical figures earlier than 1Q03 have not been restated.

Source: Company reports, Robert W. Baird & Co. estimates

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Recent Price \$55.00
Fiscal Year End December
Date Printed June 18, 2013

Balance Sheet	2006	2007	2008	2009	2010	2011	2012	1Q13
ASSETS								
Cash & Equivalents	16,734	15,825	15,762	15,843	9,721	17,487	12,463	12,873
Receivables	154,937	141,117	115,584	96,364	101,543	110,555	113,859	188,294
Inventory	332,069	379,663	405,914	355,528	347,439	386,924	400,308	494,321
Other	15,681	17,404	19,584	23,582	17,889	23,035	16,466	18,182
Total Current	519,421	554,009	556,844	491,317	476,592	538,001	543,096	713,670
Fixed Assets	33,633	34,223	33,048	31,432	30,685	41,394	46,566	48,755
Intangibles	172,970	169,751	182,908	190,840	191,481	177,103	181,036	180,776
Other Assets	48,538	56,871	58,106	29,510	29,787	42,124	9,878	10,539
Total Assets	774,562	814,854	830,906	743,099	728,545	798,622	780,576	953,740
LIABILITIES & EQUITY								
Current Debt	78,636	71,766	26,903	48,236	134	22	23	21
Payables	177,544	194,178	173,688	178,391	169,700	177,437	199,787	338,026
Other	35,610	37,216	61,701	33,886	41,704	53,398	48,186	30,413
Total Current	291,790	303,160	262,292	260,513	211,538	230,857	247,996	368,460
LT Debt & Lease	188,157	279,525	301,000	200,700	198,700	247,300	230,882	278,542
Deferred Taxes & Other	16,931	23,378	25,880	29,699	33,125	40,719	20,075	21,756
Common Equity	277,684	208,791	241,734	252,187	285,182	279,746	281,623	284,982
Total Liabilities & Equity	774,562	814,854	830,906	743,099	728,545	798,622	780,576	953,740

Ratios	2006	2007	2008	2009	2010	2011	2012	1Q13
Days In Inventory	88	93	113	127	112	106	104	153
Days Sales Outstanding (DSO)	28	28	26	25	22	22	21	37
Days Payables Outstanding (DPO)	(47)	(47)	(52)	(62)	(56)	(49)	(49)	(68)
Cash Conversion Days	70	74	87	91	79	79	75	122
Current Ratio	1.8	1.8	2.1	1.9	2.3	2.3	2.2	1.9
Quick Ratio	0.6	0.5	0.5	0.4	0.5	0.6	0.5	0.5
Inventory Turns	4.1	3.9	3.2	2.9	3.2	3.4	3.5	2.4
TTM Return On Assets	12.6%	8.7%	6.9%	5.9%	7.8%	9.4%	11.3%	9.7%
TD/Cap	49.0%	62.7%	57.6%	49.7%	41.1%	46.9%	45.1%	49.4%
TTM EBITDA Interest Cov	11.9	6.7	6.8	10.5	17.0	17.1	25.5	25.1
TD/TTM EBITDA	1.5	2.4	2.5	2.5	1.8	1.8	1.4	1.5

Du Pont Formula	2006	2007	2008	2009	2010	2011	2012	LTM
Net Margins (N/S)	5.0%	3.6%	3.2%	3.0%	3.6%	4.0%	4.6%	4.5%
Asset Turnover (S/A)	2.5	2.4	2.2	2.0	2.2	2.3	2.5	2.2
Leverage (A/E)	2.7	3.3	3.7	3.2	2.7	2.7	2.8	3.1
Return On Equity	34.5%	28.5%	25.3%	18.8%	21.5%	25.5%	31.7%	30.2%

Market Capitalization	\$2,616.9 Million
Insider Ownership:	5%
Institutional Ownership:	95%
Average Daily Volume:	235,752

Cash Flow Statement	2006	2007	2008	2009	2010	2011	2012	2013E	2014E
Net Income	95,024	69,394	56,956	19,202	57,638	71,993	81,972	102,044	123,184
D&A	12,904	13,983	13,454	11,545	11,328	11,305	12,876	13,891	15,113
Inventory	5,882	(48,001)	(11,098)	56,676	15,951	(35,339)	(9,232)	8,799	(34,837)
A/R	(5,301)	8,822	26,350	25,441	4,832	(5,887)	(3,396)	(6,817)	(10,620)
A/P	(5,269)	16,505	(24,916)	(1,815)	(14,417)	6,402	20,253	12,794	18,984
Other	(34,230)	10,941	32,536	2,201	18,627	26,629	16,605	(50)	(2,400)
Operating Cash Flow	69,010	17,644	93,282	113,250	93,959	75,103	119,078	130,662	109,423
Capital Expenditures	(14,777)	(10,626)	(7,003)	(7,168)	(8,078)	(19,454)	(16,271)	(15,103)	(16,432)
Dividends	(21,080)	(22,734)	(24,431)	(25,310)	(25,746)	(26,470)	(29,135)	(30,656)	(31,104)
Free Cash Flow	33,153	38,284	61,848	80,772	60,135	29,179	73,672	84,902	61,886

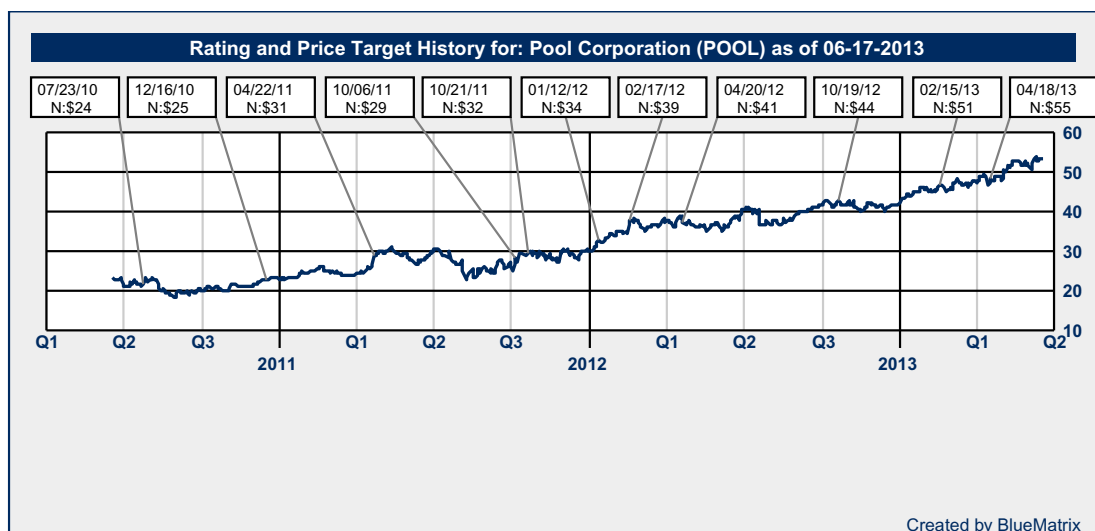
Per Share Data	2006	2007	2008	2009	2010	2011	2012	2013E	2014E
Diluted Average Shares	54,662	50,802	48,315	48,724	49,839	48,580	47,799	48,180	48,600
EPS	1.74	1.37	1.18	0.95	1.14	1.46	1.84	2.11	2.53
Free Cash Flow (FCF)	0.61	0.75	1.28	1.66	1.21	0.60	1.54	1.76	1.27
EBITDA	3.30	2.91	2.67	2.07	2.26	2.81	3.45	3.88	4.57
Cash	0.31	0.31	0.33	0.33	0.20	0.36	0.26	1.04	0.97
Book Value	5.08	4.11	5.00	5.18	5.72	5.76	5.89	7.48	9.31
Tangible Book Value	5.08	4.11	5.00	5.18	5.72	5.76	5.89	7.48	9.31

Valuation Measures	2006	2007	2008	2009	2010	2011	2012	PT/13E	PT/14E
Price - High	\$50.20	\$42.62	\$29.00	\$24.99	\$26.21	\$30.98	\$42.83		
Price - Low	\$35.35	\$19.70	\$12.45	\$11.18	\$18.17	\$20.04	\$30.00		
Price - Average	\$41.53	\$32.76	\$19.67	\$18.38	\$21.64	\$26.72	\$38.11		
TTM P/E - High	28.9	31.2	24.6	26.3	23.0	21.2	23.3		
TTM P/E - Low	20.3	14.4	10.6	11.8	16.0	13.7	16.3		
TTM P/E - Average	23.9	24.0	16.7	19.3	19.0	18.3	20.7	25.6	21.4
FTM P/E - High	36.8	36.2	30.5	22.0	17.9	16.8	20.3		
FTM P/E - Low	25.9	16.7	13.1	9.8	12.4	10.9	14.2		
FTM P/E - Average	30.4	27.8	20.7	16.2	14.8	14.5	18.1		
FCF Yield - Average	1.5%	2.3%	6.5%	9.0%	5.6%	2.2%	4.0%	3.3%	2.4%
EV/TTM Sales - Average	1.3	1.0	0.7	0.7	0.8	0.9	1.0	1.3	1.2
Price / TTM Sales - Average	1.2	0.9	0.5	0.6	0.7	0.7	0.9	1.3	1.2
Price / TTM TBV - Average	8.2	8.0	3.9	3.6	3.8	4.6	6.5	7.2	5.8
Dividend Yield - Average	1.0%	1.4%	2.6%	2.8%	2.4%	2.1%	1.6%	1.2%	1.2%

Enterprise Value	2006	2007	2008	2009	2010	2011	2012	PT/13E	PT/14E
Market Value	2,270,216	1,664,225	950,247	895,513	1,078,317	1,298,113	1,821,780	2,601,720	2,624,400
Total Debt	266,793	351,291	327,903	248,936	198,834	247,322	230,905	178,563	113,563
Other Long-Term Liabilities	1,908	5,664	5,848	7,779	7,532	7,726	6,622	7,549	7,549
Cash & Equivalents	(49,243)	(49,822)	(46,919)	(16,849)	(10,687)	(18,467)	(13,623)	(51,256)	(48,143)
EV	2,489,674	1,971,358	1,237,079	1,135,379	1,273,996	1,534,694	2,045,684	2,736,576	2,697,369
EBITDA	180,286	147,757	128,930	101,047	112,573	136,372	164,691	187,067	222,033
EV/EBITDA	13.8x	13.3x	9.6x	11.2x	11.3x	11.3x	12.4x	14.6x	12.1x

Source: Company reports, Robert W. Baird & Co. estimates

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