## Polaris, Inc.

### Quarterly Income Statement

<table>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>390,347</td>
<td>409,767</td>
<td>409,767</td>
<td>374,325</td>
<td>374,325</td>
<td>374,325</td>
<td>390,347</td>
<td>409,767</td>
<td>409,767</td>
<td>374,325</td>
<td>374,325</td>
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<tr>
<td><strong>Cost of Sales</strong></td>
<td>313,086</td>
<td>361,613</td>
<td>361,613</td>
<td>311,963</td>
<td>311,963</td>
<td>311,963</td>
<td>337,542</td>
<td>358,927</td>
<td>358,927</td>
<td>317,869</td>
<td>317,869</td>
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<tr>
<td><strong>Operating Expenses</strong></td>
<td>55,696</td>
<td>63,742</td>
<td>63,742</td>
<td>51,607</td>
<td>51,607</td>
<td>51,607</td>
<td>51,920</td>
<td>51,920</td>
<td>51,920</td>
<td>50,820</td>
<td>50,820</td>
<td>50,820</td>
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<tr>
<td><strong>Operating Income</strong></td>
<td>21,565</td>
<td>8,412</td>
<td>8,412</td>
<td>10,755</td>
<td>10,755</td>
<td>10,755</td>
<td>1,885</td>
<td>0</td>
<td>0</td>
<td>5,636</td>
<td>5,636</td>
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<tr>
<td><strong>Income From Financial Services</strong></td>
<td>8,500</td>
<td>8,500</td>
<td>8,500</td>
<td>8,500</td>
<td>8,500</td>
<td>8,500</td>
<td>8,500</td>
<td>8,500</td>
<td>8,500</td>
<td>8,500</td>
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<tr>
<td><strong>EBIT</strong></td>
<td>30,065</td>
<td>16,912</td>
<td>16,912</td>
<td>19,255</td>
<td>19,255</td>
<td>19,255</td>
<td>9,385</td>
<td>0</td>
<td>0</td>
<td>14,136</td>
<td>14,136</td>
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<tr>
<td><strong>Interest Income (Expense)</strong></td>
<td>(2,094)</td>
<td>0</td>
<td>0</td>
<td>(2,094)</td>
<td>(2,094)</td>
<td>(2,094)</td>
<td>(2,094)</td>
<td>(2,094)</td>
<td>(2,094)</td>
<td>(2,094)</td>
<td>(2,094)</td>
<td>(2,094)</td>
</tr>
<tr>
<td><strong>Other Income (Expense), net</strong></td>
<td>(6,284)</td>
<td>(6,284)</td>
<td>(6,284)</td>
<td>(6,284)</td>
<td>(6,284)</td>
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<td>(6,284)</td>
<td>(6,284)</td>
<td>(6,284)</td>
</tr>
<tr>
<td><strong>Income Before Income Taxes</strong></td>
<td>21,787</td>
<td>10,618</td>
<td>10,618</td>
<td>17,161</td>
<td>17,161</td>
<td>17,161</td>
<td>7,091</td>
<td>0</td>
<td>0</td>
<td>12,040</td>
<td>12,040</td>
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<tr>
<td><strong>Taxes</strong></td>
<td>7,852</td>
<td>3,534</td>
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<td>5,216</td>
<td>5,216</td>
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<td>2,621</td>
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<td>0</td>
<td>3,624</td>
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<tr>
<td><strong>Net Income</strong></td>
<td>13,935</td>
<td>7,084</td>
<td>7,084</td>
<td>11,945</td>
<td>11,945</td>
<td>11,945</td>
<td>4,470</td>
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<td>0</td>
<td>8,416</td>
<td>8,416</td>
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<tr>
<td><strong>Margins</strong></td>
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<tr>
<td>Gross Margin</td>
<td>21.2%</td>
<td>24.5%</td>
<td>24.5%</td>
<td>25.4%</td>
<td>25.4%</td>
<td>25.4%</td>
<td>21.2%</td>
<td>21.2%</td>
<td>21.2%</td>
<td>22.1%</td>
<td>22.1%</td>
<td>22.1%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>25.0%</td>
<td>23.6%</td>
<td>23.6%</td>
<td>23.5%</td>
<td>23.5%</td>
<td>23.5%</td>
<td>24.7%</td>
<td>24.7%</td>
<td>24.7%</td>
<td>23.5%</td>
<td>23.5%</td>
<td>23.5%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>21.2%</td>
<td>24.5%</td>
<td>24.5%</td>
<td>25.4%</td>
<td>25.4%</td>
<td>25.4%</td>
<td>21.2%</td>
<td>21.2%</td>
<td>21.2%</td>
<td>22.1%</td>
<td>22.1%</td>
<td>22.1%</td>
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</tbody>
</table>

**Note:** The table above represents the quarterly income statement for Polaris, Inc., for the quarters ending in 2018 and 2019. The data includes net revenue, cost of sales, gross profit, operating expenses, operating income, income from financial services, EBIT, interest income (expense), other income (expense), income before income taxes, taxes, net income, and various margin percentages. The margins are calculated using total net income and total revenue for each quarter.
## Polaris Inc. Quarterly Balance Sheet

### Balance Sheet

<table>
<thead>
<tr>
<th>Description</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,665,357</td>
<td>$1,581,753</td>
<td>$1,583,411</td>
<td>$1,616,184</td>
<td>$1,515,439</td>
<td>$596,081</td>
<td>$1,122,216</td>
<td>$1,517,064</td>
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<tr>
<td>Trade receivables, net</td>
<td>186,044</td>
<td>190,343</td>
<td>217,694</td>
<td>197,082</td>
<td>206,812</td>
<td>224,501</td>
<td>217,231</td>
<td>190,430</td>
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<tr>
<td>Inventories</td>
<td>922,925</td>
<td>925,243</td>
<td>1,019,517</td>
<td>969,511</td>
<td>1,148,637</td>
<td>1,130,264</td>
<td>1,270,110</td>
<td>1,121,111</td>
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<tr>
<td>Prepaid expenses and other</td>
<td>96,247</td>
<td>106,586</td>
<td>105,086</td>
<td>121,472</td>
<td>106,512</td>
<td>112,951</td>
<td>118,623</td>
<td>125,908</td>
</tr>
<tr>
<td>Current assets of discontinued operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>13,013</td>
<td>10,249</td>
<td>5,865</td>
<td>36,474</td>
<td>25,950</td>
<td>7,007</td>
<td>14,958</td>
<td>32,447</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>1,684,586</td>
<td>1,414,194</td>
<td>1,537,555</td>
<td>1,485,703</td>
<td>1,630,950</td>
<td>1,570,804</td>
<td>1,743,138</td>
<td>1,626,960</td>
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<tr>
<td>Net property, plant &amp; equipment</td>
<td>799,957</td>
<td>762,248</td>
<td>807,511</td>
<td>843,122</td>
<td>868,128</td>
<td>889,925</td>
<td>877,644</td>
<td>899,809</td>
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<tr>
<td>Investment in other affiliates</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Goodwill and other intangibles, net</td>
<td>95,511</td>
<td>92,954</td>
<td>88,790</td>
<td>92,059</td>
<td>99,501</td>
<td>97,303</td>
<td>104,060</td>
<td>110,641</td>
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<tr>
<td>Deferred tax assets</td>
<td>114,881</td>
<td>115,399</td>
<td>116,447</td>
<td>87,474</td>
<td>88,489</td>
<td>92,641</td>
<td>95,189</td>
<td>93,282</td>
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### Balance Sheet Ratios

<table>
<thead>
<tr>
<th>Description</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20</th>
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<tbody>
<tr>
<td>Current Ratio</td>
<td>1.2x</td>
<td>1.3x</td>
<td>1.2x</td>
<td>1.2x</td>
<td>1.3x</td>
<td>1.2x</td>
<td>1.1x</td>
<td>1.3x</td>
</tr>
<tr>
<td>Net Debt/Total Capital</td>
<td>49.3%</td>
<td>54.6%</td>
<td>65.5%</td>
<td>68.4%</td>
<td>69.7%</td>
<td>65.4%</td>
<td>62.7%</td>
<td>57.4%</td>
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<tr>
<td>Inventory Days</td>
<td>87.0</td>
<td>75.7</td>
<td>74.8</td>
<td>71.8</td>
<td>72.2</td>
<td>77.2</td>
<td>87.1</td>
<td>78.2</td>
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<tr>
<td>Payable Days</td>
<td>34.6</td>
<td>29.6</td>
<td>32.0</td>
<td>25.6</td>
<td>35.1</td>
<td>28.6</td>
<td>40.1</td>
<td>31.4</td>
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<tr>
<td>Cash Cycle Days</td>
<td>65.5</td>
<td>57.7</td>
<td>54.8</td>
<td>57.2</td>
<td>69.8</td>
<td>60.1</td>
<td>58.2</td>
<td>56.8</td>
</tr>
<tr>
<td>Inventory Turnover</td>
<td>4.2x</td>
<td>4.8x</td>
<td>4.9x</td>
<td>5.1x</td>
<td>4.9x</td>
<td>4.7x</td>
<td>4.2x</td>
<td>4.7x</td>
</tr>
<tr>
<td>Working Capital (excluding cash)</td>
<td>$10,274,734</td>
<td>$11,277,202</td>
<td>$12,276,149</td>
<td>$12,276,309</td>
<td>$11,903,409</td>
<td>$14,243,345</td>
<td>$17,492,595</td>
<td>$18,260,349</td>
</tr>
<tr>
<td>Working Capital (ex. cash) as % of LTM revenue</td>
<td>1.9%</td>
<td>2.1%</td>
<td>1.1%</td>
<td>2.1%</td>
<td>3.8%</td>
<td>2.1%</td>
<td>0.9%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Cash per share</td>
<td>$2.59</td>
<td>$2.80</td>
<td>$2.89</td>
<td>$2.39</td>
<td>$2.44</td>
<td>$1.59</td>
<td>$1.96</td>
<td>$2.50</td>
</tr>
<tr>
<td>Book Value - Tangible</td>
<td>$11.72</td>
<td>$10.36</td>
<td>$9.54</td>
<td>$10.21</td>
<td>$10.22</td>
<td>$11.13</td>
<td>$9.39</td>
<td>$11.00</td>
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<tr>
<td>DuPont Analysis</td>
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</tr>
<tr>
<td>Return on Equity - LTIm</td>
<td>36.3%</td>
<td>40.0%</td>
<td>41.8%</td>
<td>45.2%</td>
<td>43.7%</td>
<td>38.8%</td>
<td>37.0%</td>
<td>30.2%</td>
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<tr>
<td>Recent Price: $70.19</td>
<td>-</td>
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<tr>
<td>Date Printed:</td>
<td>4/28/2020</td>
<td>Polaris Inc. Quarterly Cash Flow</td>
<td>Recent Price: $70.19</td>
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</table>

### Cash Flow Statement

<table>
<thead>
<tr>
<th>Period</th>
<th>Net Income</th>
<th>Net loss from discontinued operations</th>
<th>Adjustments to net income:</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>52,720</td>
</tr>
<tr>
<td>Deferred Income Taxes / Other Non-Cash</td>
<td>13,175</td>
</tr>
<tr>
<td>Working Capital</td>
<td>(124,798)</td>
</tr>
<tr>
<td>Net cash flow provided (used) from disc. ops</td>
<td>(3,189)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flow From Operations</th>
<th>168,338</th>
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</thead>
<tbody>
<tr>
<td>Capital expenditures</td>
<td>(68,661)</td>
</tr>
<tr>
<td>Investment in finance affiliate and retail credit deposit,</td>
<td>13,409</td>
</tr>
<tr>
<td>Acquisitions / goodwill / discontinued / other</td>
<td>- 7,366</td>
</tr>
<tr>
<td>Cash Flow From Investment Activity</td>
<td>(44,119)</td>
</tr>
<tr>
<td>Increase (Decrease) in Interest Bearing Debt</td>
<td>116,099</td>
</tr>
<tr>
<td>Increase (Decrease) in Equity Accounts/Other</td>
<td>(40,878)</td>
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<tr>
<td>Cash Flow From Financing Activity</td>
<td>75,181</td>
</tr>
<tr>
<td>Beginning Cash Balance</td>
<td>161,618</td>
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<tr>
<td>Additions to Subtractions From Cash</td>
<td>29,729</td>
</tr>
<tr>
<td>Ending Cash Balance</td>
<td>191,347</td>
</tr>
</tbody>
</table>

### Free Cash Flow

<table>
<thead>
<tr>
<th>Method 1 (CFE):</th>
<th>$331,893</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (LTM)</td>
<td>$331,893</td>
</tr>
<tr>
<td>Cash from operations</td>
<td>$331,893</td>
</tr>
<tr>
<td>Change in Working Capital (LTM)</td>
<td>(14,671)</td>
</tr>
<tr>
<td>Change in debt (LTM)</td>
<td>(152,337)</td>
</tr>
<tr>
<td>Free Cash Flow (LTM)</td>
<td>$182,620</td>
</tr>
</tbody>
</table>

| Yield (WACC)                        | 2.2%      |
| Yield (EVA)                         | 2.0%      |

### Valuation

| Price High                         | $137.46   |
| Price Low                          | $102.02   |
| Price Close                         | $114.52   |

### Method 2

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in cash (LTM)</td>
<td>$328,862</td>
</tr>
<tr>
<td>Change in debt (LTM)</td>
<td>$152,337</td>
</tr>
<tr>
<td>Free Cash Flow (LTM)</td>
<td>$458,572</td>
</tr>
</tbody>
</table>

| Yield (NAV)                          | 6.1%      |
| Yield (EVA)                          | 5.8%      |

### EV / NTM EBITDA

<table>
<thead>
<tr>
<th>Method 1 (CFE):</th>
<th>$331,893</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (LTM)</td>
<td>$331,893</td>
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<tr>
<td>Free Cash Flow (LTM)</td>
<td>$182,620</td>
</tr>
</tbody>
</table>

| Yield (WACC)                        | 2.2%      |
| Yield (EVA)                         | 2.0%      |

### Method 2

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in cash (LTM)</td>
<td>$328,862</td>
</tr>
<tr>
<td>Change in debt (LTM)</td>
<td>$152,337</td>
</tr>
<tr>
<td>Free Cash Flow (LTM)</td>
<td>$458,572</td>
</tr>
</tbody>
</table>

| Yield (NAV)                          | 6.1%      |
| Yield (EVA)                          | 5.8%      |
### Polaris Inc.  
**Annual Income Statement**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>ORV/Snowmobile Revenue</strong></td>
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</tr>
<tr>
<td><strong>Motorcycles Revenue</strong></td>
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<tr>
<td><strong>Total Revenue</strong></td>
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</tr>
<tr>
<td><strong>Motorcycles Gross Profit</strong></td>
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<td><strong>Income Before Taxes</strong></td>
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<td><strong>Income from Financial Services</strong></td>
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<td><strong>Net Income</strong></td>
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### Segment Detail

- **ORV/Snowmobile Gross Profit**: $2,106,553
- **Motorcycles Gross Profit**: $447,748

### Income Statement

- **Net Revenue**: $51,365,887
- **Cost of Revenue**: $4,791,790
- **Income From Financial Services**: $478,425
- **Adjusted EPS**: $0.49

### Margins

- **Gross Margin**: 25.1%
- **Operating Expenses**: 19.1%
- **Operating Income**: 24.7%
- **Net Margin**: 6.3%

### Changes

- **ORV/Snowmobile Revenue** increased by 12.6%
- **Motorcycles Revenue** increased by 13.2%
- **Total Revenue** increased by 12.8%
- **Motorcycles Gross Profit** increased by 12.8%
- **Gross Profit** increased by 13.1%
- **Operating Income** increased by 13.4%
- **Income Before Taxes** increased by 13.6%
- **Corporate Expenses** decreased by 6.5%
- **Net Income** increased by 13.7%
- **Earnings Per Share** increased by 13.8%

### Diluted Shares

- **50,157 Shares** (48.5%)

---

Date Printed: 4/28/2020  
Fiscal Year End: December  
Recent Price: $70.19
### Balance Sheet

#### 2009

- **Cash and cash equivalents**: $140,240
- **Marketable securities**: $393,912
- **Investments**: $325,336
- **Trade receivables, net**: $417,015
- **Inventories**: $92,248
- **Prepaid expenses and other**: $137,400
- **Deferred tax assets**: $15,687
- **Total Current Assets**: $491,500
- **Net property, plant & equipment**: $194,164
- **Investment in other affiliates**: $10,336
- **Investment in finance affiliate & retail**: $41,322
- **Goodwill and other intangibles**: $29,869
- **Other long-term assets**: 3,639
- **Total Assets**: $763,653

#### 2010

- **Accounts payable**: 79,657
- **Accrued expenses**: $258,865
- **Income taxes payable**: 6,702
- **Current liabilities of discontinued operations**: 1,850
- **L.T. assets of discontinued operations**: 2,044
- **Total Liabilities**: 599,112
- **Preferred stock**: $600,856
- **Common Stock**: 326,342
- **Additional paid-in-capital**: -79,257
- **Retained earnings**: 201,191
- **Deferred compensation**: 1,284
- **Accumulated other comprehensive loss**: 2,824
- **Total Stockholders' equity**: 204,541
- **Total Liabilities and stockholders' equity**: 783,852

#### 2011

- **Current Ratio**: 1.4x
- **Total Debt / Total Capital**: 13.4x
- **Net Debt / Total Capital**: 26.6x
- **Inventory Days**: 62.5
- **Receivable Days**: 22.0
- **Payable Days**: 29.8
- **Cash Cycle Days**: 54.7
- **Inventory Turnover**: 5.8x
- **Working Capital**: $58,166
- **Working Capital (ex. cash) as % of L.T.M. revn**: 0.5%
- **Cash per share**: 52.09
- **Book Value**: 67.49
- **DuPont Analysis**: 1.2%
- **Operating Margin**: 6.3%
- **Asset Turnover (5/4)**: 212.9%
- **Leverage (A/E)**: 437.6%
- **Return on Equity - LTM**: 60.1%

#### 2012

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- **Net Debt / Total Capital**: 26.6x
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- **Leverage (A/E)**: 437.6%
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- **Leverage (A/E)**: 437.6%
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<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Flow Statement</th>
<th>Annual Cash Flow</th>
<th>Recent Price: $70.19</th>
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<td>$101,017</td>
<td>$147,138</td>
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<td>2019</td>
<td>$227,575</td>
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<td>$312,310</td>
<td>$385,361</td>
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<td>$221,948</td>
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<td>2010</td>
<td>$312,310</td>
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**Free Cash Flow**

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<th>Year</th>
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<th>Recent Price: $70.19</th>
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<tbody>
<tr>
<td>2020</td>
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</tr>
<tr>
<td>2011</td>
<td>$312,310</td>
<td>$209,137</td>
</tr>
</tbody>
</table>

**Method 1 (LTM)**

- **Net Income**
  - 2020: $101,017
  - 2019: $227,575
  - 2018: $312,310
  - 2017: $221,948
  - 2016: $113,113
  - 2015: $323,884
  - 2014: $253,687
  - 2013: $90,943
  - 2012: $312,310
  - 2011: $312,310
- **CAPEX-D&A (LTM)**
  - 2020: $147,138
  - 2019: $312,310
  - 2018: $385,361
  - 2017: $317,492
  - 2016: $111,638
  - 2015: $226,463
  - 2014: $251,414
  - 2013: $184,388
  - 2012: $225,414
  - 2011: $198,800

**Method 2**

- **Change in cash (LTM)**
  - 2020: $101,017
  - 2019: $227,575
  - 2018: $312,310
  - 2017: $221,948
  - 2016: $113,113
  - 2015: $323,884
  - 2014: $253,687
  - 2013: $90,943
  - 2012: $312,310
  - 2011: $312,310
- **Dividends (LTM)**
  - 2020: $147,138
  - 2019: $312,310
  - 2018: $385,361
  - 2017: $317,492
  - 2016: $111,638
  - 2015: $226,463
  - 2014: $251,414
  - 2013: $184,388
  - 2012: $225,414
  - 2011: $198,800
- **Free Cash Flow (LTM)**
  - 2020: $155,349
  - 2019: $138,345
  - 2018: $151,648
  - 2017: $110,873

**Yield (w)**

- 2020: 7.6%
- 2019: 8.9%
- 2018: 5.5%
- 2017: 4.0%
- 2016: 2.7%
- 2015: 2.0%
- 2014: 1.9%
- 2013: 1.7%
- 2012: 1.6%
- 2011: 1.5%

**Yield (EV)**

- 2020: 7.3%
- 2019: 10.0%
- 2018: 3.1%
- 2017: 9.8%
- 2016: 3.9%
- 2015: 2.7%
- 2014: 2.3%
- 2013: 2.2%
- 2012: 2.0%
- 2011: 1.6%

All values are in $US, except per-share data.
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Appendix – Important Disclosures and Analyst Certification

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