

Operating Statistics

Company Name	Ticker	Stock Price	Market Cap	Net Debt	Enterprise Value	Debt to Capital	5 Yr Beta	LTM GM %	LTM NI %	LTM EBIT %	LTM EBITDA %
Cabot Corp.	CBT	37.80	2,454	1,549	4,003	38.7%	1.70	19.2%	4.4%	9.1%	14.5%
Danaher Corp.	DHR	62.11	44,112	2,389	46,500	5.1%	0.97	51.9%	13.4%	17.6%	22.2%
Hawkins Inc.	HWKN	40.00	423	(44)	378	0.0%	0.97	19.3%	4.9%	10.3%	13.1%
MeadWestvaco Corp.	MWV	34.65	6,194	1,761	7,955	22.1%	1.75	20.2%	3.0%	7.7%	14.6%
Xylem Inc.	XYL	26.10	5,049	830	5,879	14.1%	NFM	39.3%	7.3%	12.2%	16.1%
High			44,112	2,389	46,500	38.7%	1.75	51.9%	13.4%	17.6%	22.2%
Average			11,646	1,297	12,943	16.0%	1.35	30.0%	6.6%	11.4%	16.1%
Median			5,049	1,549	5,879	14.1%	1.34	20.2%	4.9%	10.3%	14.6%
Low			423	(44)	378	0.0%	0.97	19.2%	3.0%	7.7%	13.1%
Calgon Carbon Corp.	CCC	16.44	903	50	953	5.2%	0.78	30.2%	4.5%	9.3%	14.1%

Growth Summary

	2011	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015
Company Name	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	EBITDA	EBITDA	EBITDA	EBITDA
Cabot Corp.	3,170	3,292	3,479	3,713	3,729	-	-	488	528	618	610
Danaher Corp.	16,091	18,129	18,959	20,058	21,616	24,334	-	3,938	4,161	4,504	4,913
Hawkins Inc.	298	344	351	393	427	468	-	44	46	-	-
MeadWestvaco Corp.	5,318	5,506	5,705	5,934	6,114	-	-	874	884	1,043	1,111
Xylem Inc.	3,803	3,803	3,873	4,065	4,354	4,409	4,602	623	619	692	723
Calgon Carbon Corp.	541	562	585	646	762	870	949	81	95	113	142
Company Name			1 Yr Rev Growth	2 Yr Rev Growth	3 Yr Rev Growth	4 Yr Rev Growth	5 Yr Rev Growth		1 Yr Growth	2 Yr Growth	3 Yr Growth
Cabot Corp.			5.7%	12.8%	13.3%	NFM	NFM		8.2%	26.6%	25.0%
Danaher Corp.			4.6%	10.6%	19.2%	34.2%	NFM		5.6%	14.4%	24.8%
Hawkins Inc.			2.2%	14.4%	24.3%	36.1%	NFM		5.5%	NFM	NFM
MeadWestvaco Corp.			3.6%	7.8%	11.0%	NFM	NFM		1.2%	19.4%	27.2%
Xylem Inc.			1.8%	6.9%	14.5%	15.9%	21.0%		-0.5%	11.2%	16.1%
High			5.7%	14.4%	24.3%	36.1%	21.0%		8.2%	26.6%	27.2%
Average			3.6%	10.5%	16.5%	28.8%	21.0%		4.0%	17.9%	23.3%
Median			3.6%	10.6%	14.5%	34.2%	21.0%		5.5%	16.9%	24.9%
Low			1.8%	6.9%	11.0%	15.9%	21.0%		-0.5%	11.2%	16.1%
Calgon Carbon Corp.	CCC		4.0%	14.9%	35.5%	54.8%	68.8%		17.1%	39.5%	76.3%

Valuation Statistics

Company Name	P/E 2013	2013	EV / Sales 2014	2015	3 Yr Rev Growth %	EV/Sales/ Growth	2013	EV / EBITDA 2014	2015	3 Yr EBITDA Growth %	EV/EBITDA/ Growth
Cabot Corp.	10.53	1.15	1.08	1.07	13.29	0.09	7.58	6.48	6.56	24.96	0.30
Danaher Corp.	18.21	2.45	2.32	2.15	19.23	0.13	11.18	10.32	9.46	24.76	0.45
Hawkins Inc.	15.88	1.08	0.96	0.89	24.33	0.04	8.22	NFM	NFM	NFM	NFM
MeadWestvaco Corp.	22.51	1.39	1.34	1.30	11.04	0.13	8.99	7.62	7.16	27.19	0.33
Xylem Inc.	13.90	1.52	1.45	1.35	14.47	0.10	9.49	8.49	8.13	16.11	0.59
High	22.51	2.45	2.32	2.15	24.33	0.13	11.18	10.32	9.46	27.19	0.59
Average	16.21	1.52	1.43	1.35	16.47	0.10	9.09	8.23	7.83	23.25	0.42
Median	15.88	1.39	1.34	1.30	14.47	0.10	8.99	8.06	7.64	24.86	0.39
Low	10.53	1.08	0.96	0.89	11.04	0.04	7.58	6.48	6.56	16.11	0.30
Calgon Carbon Corp.	19.18	1.63	1.47	1.25	35.52	0.05	10.08	8.46	6.69	76.31	0.13

	Actual			Projected				
	2010	2011	2012	2013	2014	2015	2016	2017
Activated Carbon and Services								
Drinking Water	125,409	135,368	140,564	150,403	157,923	164,240	169,168	174,243
Waste Water	81,998	108,294	123,696	132,355	138,973	144,531	148,867	153,333
Air Pollution	91,645	108,294	95,583	86,025	98,929	138,500	173,125	207,750
Carbon Delivery and Reactivation	106,988	114,089	106,042	108,269	110,867	113,417	116,026	118,810
Municipal Equipment Leasing	14,454	14,815	13,886	14,178	14,518	14,852	15,193	15,558
Other Carbon Services	7,220	5,607	5,984	6,110	6,256	6,400	6,547	6,705
Total Segment	427,713	486,468	485,755	497,339	527,466	581,941	628,927	676,399
Equipment								
Capital equipment	16,965	20,850	41,188	42,053	43,062	44,053	45,066	46,147
Water Ballast	19,800	19,800	20,400	30,000	60,000	120,000	180,000	210,000
Ballast Unit Sales	66	66	68	100	200	400	600	700
Spare Parts	9,245	5,624	4,462	4,556	4,665	4,772	4,882	4,999
Total Segment	46,010	46,274	66,050	76,609	107,727	168,825	229,948	261,147
Consumer Products								
Carbon Cloth	6,923	7,868	10,422	10,641	10,896	11,147	11,403	11,677
Other Consumer Products	1,695	862	28	29	29	30	31	31
Total Segment	8,618	8,730	10,450	10,669	10,926	11,177	11,434	11,708
Total Firm Revenue	482,341	541,472	562,255	584,617	646,119	761,943	870,309	949,254
Analyst Consensus Revenue				575,100	624,090	745,370	822,460	839,740
Difference				1.65%	3.53%	2.22%	5.82%	13.04%
Growth Rates:								
Activated Carbon and Services								
Drinking Water		7.94%	3.84%	7.00%	5.00%	4.00%	3.00%	3.00%
Waste Water		32.07%	14.22%	7.00%	5.00%	4.00%	3.00%	3.00%
Air Pollution		18.17%	-11.74%	-10.00%	15.00%	40.00%	25.00%	20.00%
Carbon Delivery and Reactivation		6.64%	-7.05%	2.10%	2.40%	2.30%	2.30%	2.40%
Municipal Equipment Leasing		2.50%	-6.27%	2.10%	2.40%	2.30%	2.30%	2.40%
Other Carbon Services		-22.34%	6.72%	2.10%	2.40%	2.30%	2.30%	2.40%
Total Segment		13.74%	-0.15%	2.38%	6.06%	10.33%	8.07%	7.55%
Equipment								
Capital equipment		22.90%	97.54%	2.10%	2.40%	2.30%	2.30%	2.40%
Water Ballast		0.00%	3.03%	47.06%	100.00%	100.00%	50.00%	16.67%
Spare Parts		-39.17%	-20.66%	2.10%	2.40%	2.30%	2.30%	2.40%
Total Segment		0.57%	42.74%	15.99%	40.62%	56.72%	36.20%	13.57%
Consumer Products								
Carbon Cloth		13.65%	32.46%	2.10%	2.40%	2.30%	2.30%	2.40%
Other Consumer Products		-49.14%	-96.75%	2.10%	2.40%	2.30%	2.30%	2.40%
Total Segment		1.30%	19.70%	2.10%	2.40%	2.30%	2.30%	2.40%
Total Revenue		12.26%	3.84%	3.98%	10.52%	17.93%	14.22%	9.07%
US Real GDP Growth	2.40%	1.80%	2.20%	2.10%	2.40%	2.30%	2.30%	2.40%

	Actual			Projected				
	2010	2011	2012	2013	2014	2015	2016	2017
Revenue								
Activated Carbon and Services	427,713	486,468	485,755	497,339	527,466	581,941	628,927	676,399
Equipment	46,010	46,274	66,050	76,609	107,727	168,825	229,948	261,147
Consumer Products	8,618	8,730	10,450	10,669	10,926	11,177	11,434	11,708
Total Revenue	482,341	541,472	562,255	584,617	646,119	761,943	870,309	949,254
Operating Profit								
Activated Carbon and Services	50,994	65,030	49,328	59,681	68,571	81,472	91,194	101,460
Equipment	694	(3,500)	702	3,064	9,695	21,947	34,492	41,783
Consumer Products	(3,400)	(2,500)	2,010	2,134	2,185	2,235	2,287	2,342
Total Operating Income	48,288	59,030	52,040	64,879	80,451	105,654	127,973	145,585
D&A								
Activated Carbon and Services	18,590	20,959	22,578	23,116	24,517	27,049	29,233	31,439
Equipment	1,296	1,332	1,352	1,568	2,205	3,456	4,707	5,346
Consumer Products	242	289	422	431	441	451	462	473
Corporate	1,954	1,757	1,968	2,046	2,262	2,667	3,046	3,323
Total D&A	22,082	24,337	26,320	27,162	29,425	33,623	37,448	40,580
Stock Based Compensation	2,463	2,577	2,434	2,531	2,797	3,169	3,508	3,785
EBITDA								
Activated Carbon and Services	69,584	85,989	71,906	82,797	93,087	108,521	120,427	132,899
Equipment	1,990	(2,168)	2,054	4,632	11,901	25,403	39,199	47,129
Consumer Products	(3,158)	(2,211)	2,432	2,565	2,626	2,687	2,749	2,814
Corporate	4,417	4,334	4,402	4,577	5,059	5,836	6,554	7,107
Total EBITDA	72,833	85,944	80,794	94,571	112,673	142,446	168,929	189,950
Revenue Growth								
Activated Carbon and Services		13.74%	-0.15%	2.38%	6.06%	10.33%	8.07%	7.55%
Equipment		0.57%	42.74%	15.99%	40.62%	56.72%	36.20%	13.57%
Consumer Products		1.30%	19.70%	2.10%	2.40%	2.30%	2.30%	2.40%
Total		12.26%	3.84%	3.98%	10.52%	17.93%	14.22%	9.07%
Operating Margin								
Activated Carbon and Services	11.92%	13.37%	10.15%	12.00%	13.00%	14.00%	14.50%	15.00%
Equipment	1.51%	-7.56%	1.06%	4.00%	9.00%	13.00%	15.00%	16.00%
Consumer Products	-39.45%	-28.64%	19.23%	20.00%	20.00%	20.00%	20.00%	20.00%
Total	10.01%	10.90%	9.26%	10.97%	12.45%	13.87%	14.70%	15.34%
EBITDA Margin								
Activated Carbon and Services	16.27%	17.68%	14.80%	16.65%	17.65%	18.65%	19.15%	19.65%
Equipment	4.33%	-4.69%	3.11%	6.05%	11.05%	15.05%	17.05%	18.05%
Consumer Products	-36.64%	-25.33%	23.27%	24.04%	24.04%	24.04%	24.04%	24.04%
Total	15.10%	15.87%	14.37%	16.18%	17.44%	18.70%	19.41%	20.01%

	Projected					
	2013	2014	2015	2016	2017	Terminal value
Revenue	584,617	646,119	761,943	870,309	949,254	EBITDA Multiple 8.0x
Operating Expenses	519,738	565,668	656,289	742,335	803,669	LTM EBITDA 146,599
EBIT	64,879	80,451	105,654	127,973	145,585	Terminal Value 1,172,791
Taxes	19,464	24,135	31,696	38,392	43,676	
NOPAT	45,415	56,316	73,958	89,581	101,910	PV of Terminal 744,989
D&A	27,162	29,425	33,623	37,448	40,580	
Stock Based Compensation	2,531	2,797	3,298	3,768	4,109	
EBITDA	75,108	88,537	110,879	130,796	146,599	
Capex	44,947	47,494	49,589	51,683	52,731	
Net Working Capital	6,261	17,220	32,431	30,342	22,105	
Cash Flow to the Firm	23,899	23,822	28,860	48,771	71,763	
PV Factor	0.9556	0.8727	0.7970	0.7279	0.6647	
PV Cash Flows	22,839	20,791	23,001	35,498	47,702	

Sum of Cash Flows	149,832			7.50%	8.50%	9.50%	10.50%	11.50%
Terminal Value	744,989	7.0x	13.98	13.27	12.60	11.95	11.35	
Implied Enterprise Value	894,821	7.5x	14.98	14.22	13.50	12.82	12.17	
Net Debt	49,600	8.0x	15.98	15.17	14.41	13.69	13.00	
Other Liabilities	105,900	8.5x	16.97	16.12	15.32	14.56	13.83	
Equity Value	739,321	9.0x	17.97	17.07	16.23	15.42	14.66	

Sensitivity on the Exit Multiple

Diluted Shared Outstanding	51,306			49,600	79,600	109,600	139,600	169,600
Implied Share Price	14.41	51,306	14.41	13.83	13.24	12.66	12.07	
		48,806	15.15	14.53	13.92	13.30	12.69	
		46,306	15.97	15.32	14.67	14.02	13.37	
		43,806	16.88	16.19	15.51	14.82	14.14	
		41,306	17.90	17.17	16.45	15.72	14.99	

Sensitivity on the Shares Outstanding vs. Net Debt

Weighted Average Cost of Capital

Comparable Companies	Levered Beta	Debt	Equity Value	Tax Rate	Unlevered Beta
Cabot Corp.	1.70	1,513	2,454	30.0%	1.19
Danaher Corp.	0.97	4,471	44,112	30.0%	0.91
Hawkins Inc.	0.97	-	423	30.0%	0.97
MeadWestvaco Corp.	1.75	2,160	6,194	30.0%	1.41
Xylem Inc.	NFM	1,205	5,049	30.0%	NFM
Average	1.35	1,870	11,646	30.0%	1.12
Median	1.34	1,513	5,049	30.0%	1.08

	Unlevered Beta	Debt	Equity Value	Tax Rate	Levered Beta
Calgon Carbon Corp.	1.08	64	903	30.0%	1.13
Risk-Free Rate	2.90%				
Equity Risk Premium	6.00%				
Interest Rate on Debt	5.00%				
Cost of Equity	9.69%				
Cost of Debt	3.50%				
WACC	9.28%				
WACC Rounded	9.50%				

Selected Transactions

Target	Buyer	Date Announced	Transaction Value	EV / EBITDA	EV / Rev	DLOC Adjustment	Adjusted EV / EBITDA	Notes
AVR Afvalverwerking	Cheung Kong	6/17/2013	\$0.9 bn	8.7x	3.7x	30%	6.1x	Acquisition of a waste processing company.
Norit NV	Cabot Corp.	6/21/2012	\$1.1 bn	12.0x	3.1x	30%	8.4x	Acquisition of a pure play activated carbon producer.
Xylem	ITT	1/12/2011	\$4.7 bn	8.2x	1.3x	0%	8.2x	Spin-off of Xylem from ITT.
Trojan Technologies	Siemens	9/20/2004	\$0.2 bn	30.0x	2.2x	30%	21.0x	Acquisition of a high-tech water equipment maker.

High	21.00
Average	10.92
Median	8.30
Low	6.09

Selected Exit Multiple 8.0x