

(\$ Amounts in millions, except per share data)

	Fiscal Years Ended January 31,						
	2016E	2017E	2018E	2019E	2020E	2021E	
Unlevered Free Cash Flow							
EBIT	11,855	15,337	19,180	22,626	25,780	29,433	
Depreciation & Amortization	2,490	3,227	4,125	5,193	6,431	7,852	
Deferred Taxes	(65)	0	0	0	0	0	
Other	0	0	0	0	0	0	
Changes in Working Capital	(50)	(48)	(69)	(47)	(18)	13	
Capital Expenditures	(4,161)	(5,162)	(6,286)	(7,475)	(8,665)	(9,943)	Tax Rate
Taxes	(3,817)	(4,938)	(6,176)	(7,285)	(8,301)	(9,477)	32.20%

Total Unlevered

Free Cash Flow

6,252 8,417 10,775 13,012 15,228 17,877

Net Present Value Calculation

Period 0.5 1.5 2.5 3.5 4.5 5.5

Discounted Cash Flow

WACC 8.2% 6,010 7,478 8,848 9,875 10,681 11,589

Sum of ULFCF 71,560

Total Net Present Value 54,482

DCF Terminal EBITDA Method

Stock Price \$119.38

Cost of Capital:

Shares Outstanding 2,920

Risk Free Rate 3.4%

EBITDA Method

Exit Year EBITDA 37,284

Equity Value \$348,589.6

Equity Risk Premium 6.7%

Multiple 19.3

Current debt 0

Beta 73.0%

Terminal Value \$719,588

Cash 28,432

Cost of Equity 8.2%

Net Present Value \$466,481

Minority interest 0

ULFC present value 54,482

Implied Enterprise Value \$520,963

Net debt plus Corp.
adjustments 28,432

Implied Equity value \$492,531

Fully diluted shares
outstanding 2,920

Implied share price \$168.67

DCF Perpetuity Method

Unlevered Free Cash Flow 17,877

Growth Rate 3%

Terminal Value \$354,112

Net Present Value 229,557

ULFC present value 54,482

Implied Enterprise Value \$284,039

Net debt plus Corp.
adjustments 0

Implied Equity value \$284,039

Fully diluted shares
outstanding 2,920

Implied share price \$97.3

Enterprise value \$377,022

Equity \$348,589.6 100%

Debt 0 0%

Total capitalization \$348,589.6

Cost of Debt 0%

Cost of
Preferred Stock 0%

WACC 8.2%

EBITDA Method Sensitivity (WACC vs. Exit Multiple)

		18.3x	18.8x	19.3x	19.8x
\$168.7					
7.2%	\$168.9	\$173.3	\$177.6	\$182.0	
7.7%	\$164.6	\$168.8	\$173.1	\$177.3	
8.2%	\$160.4	\$164.5	\$168.7	\$172.8	
8.7%	\$156.3	\$160.4	\$164.4	\$168.4	
9.2%	\$152.4	\$156.3	\$160.2	\$164.2	

Perpetuity Method Sensitivity (WACC vs. Growth)

		2.5%	2.75%	3.00%	3.25%
\$97.3					
7.2%	\$110.3	\$115.7	\$121.7	\$128.4	
7.7%	\$99.2	\$103.5	\$108.2	\$113.4	
8.2%	\$90.0	\$93.5	\$97.3	\$101.4	
8.7%	\$82.3	\$85.2	\$88.3	\$91.7	
9.2%	\$75.8	\$78.2	\$80.8	\$83.6	