

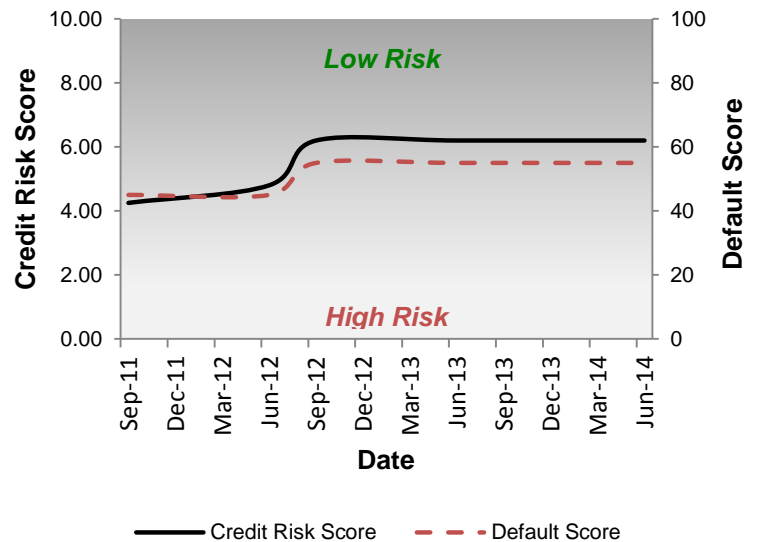
Report Date: June 4, 2014

## Sample Private Company

 30200 Telegraph Rd.  
 Bingham Farms, MI  
 (866) 990-1099

**Credit Limit Requested:**     \$X,XXX,XXX  
**Advised Credit Limit:**        \$X,XXX,XXX  
**Credit Alert Recommendation:**    **Yes**

### Trend Analysis



### Scoring History

| Date          | Credit Risk Score | Default Score |
|---------------|-------------------|---------------|
| Sep. 27, 2011 | 4.25              | 45            |
| June 15, 2012 | 4.8               | 45            |
| Sep. 27, 2012 | 6.2               | 55            |
| June 6, 2013  | 6.2               | 55            |
| June 4, 2014  | 6.2               | 55            |

Sample Private Company states that in 1976, Company A, Company B, and Company C merged to form Sample Private Company. The company operates as a vertically integrated producer, buyer, trader, and processor of aluminum scrap, ingot, sow, billet, slab, and dross.

In 2010, Sample Private Company acquired the operating assets of Company D, a producer of cast aluminum plate headquartered in California.

### Credit Evaluation:

Based on the information reviewed, we believe the company represents good credit risk characteristics. Sample Private Company operates as a vertically integrated manufacturer of aluminum cast products. Sample Private Company participates in the secondary aluminum industry primarily as a supplier to extruders, foundries, and similar consumers mainly in the United States. As a remelt cast facility, the company is exposed to input cost volatility with regard to scrap and energy.

The company's end markets are fragmented, cyclical, highly competitive, and dependent on end-user markets in the U.S. and Canada. The company is also subjected to seasonality as it relates to the construction and building sector; typically, the second and third quarters are strongest.

Demand for the company's products is dependent on overall macroeconomic trends, downstream production volumes, and construction activity levels among other factors. We believe the company is insulated somewhat from downstream market

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volatility, as they are upstream in the raw material supply chain. However, the company still has exposure to end market volatility. We feel the secondary aluminum alloys market has remained steady thanks to favorable automotive demand.

Two of the largest consumers of extruded products are normally transportation and construction. We believe the company has benefited from stable automotive demand and improved construction activity levels.

The company's credit profile is supported by confidential financial statements secured during this evaluation. On a positive note, the company has a long business history free of negative events, sound track record, and satisfactory payment experience. In addition, the company's product mix and vertical integration also provides a competitive advantage.

At this time, we feel the advised credit limit is warranted. Please note this credit decision is based on a snapshot of the company's credit risk profile as of today and it could change quickly.

- The company has been in business since **1976** under current management / control.
- The company operates under the following trade styles:
  - **Company A**
  - **Company B**
  - **Company C**
  - **DBA**
  - **SPC**
- The company's ProfitGuard Credit Risk Score is **6.2** (scale of 1 to 10 with 10 being lowest risk).
- The company's ProfitGuard Default Score is **55** (scale of 1 to 100 with 100 being lowest likelihood of default).
- The company's payment experience has ranged from 5 to 19 days beyond payment terms over the past year, currently paying its vendors approx. 6 days beyond terms.
  - Based on 109 total payment experiences of which 23 have been reported as slow.
  - We find no indication of any negative payment items (Collection, Dispute, or NSF).
  - Highest Credit \$400,000.
- We find no presence of open suits, liens, or judgments.

## Recent Events

- On September 19, 2013, Sample Private Company announced that they have entered into an agreement with Company E for a new joint venture in Mexico designed to manufacture and sell aluminum alloys. The new venture will be called Sample Private Company de RL de CV and will be based in Mexico. Sample Private Company will retain a 55-percent stake in the company, while Company E will hold 45 percent. The new facility is expected have a production capacity of 30,000 tonnes per year and will start commercial production in April 2014. *Press Release Source*