

MICHAEL WIGGINS DE OLIVEIRA
4/5/2016



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PR Newswire

Redbox



Currency in USD

Compare:



Dow Jones



NASDAQ



BLIAQ



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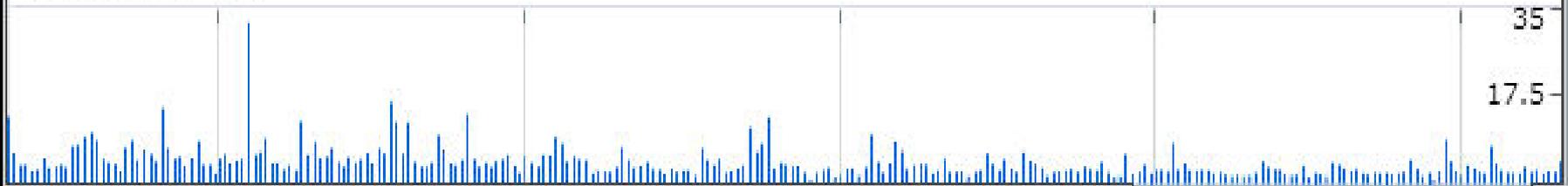
Zoom: [1d](#) [5d](#) [1m](#) [3m](#) [6m](#) [YTD](#) [1y](#) [5y](#) [10y](#) [All](#)



May 06, 2011 - May 03, 2016 **-14.6 (-27.05%)**



Volume (mil / 1wk)



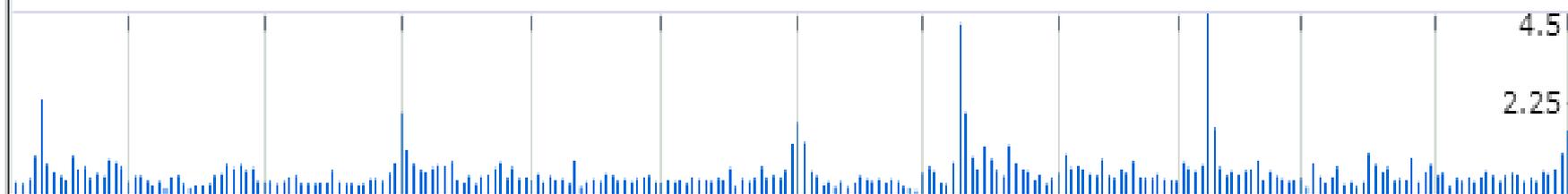
Zoom: [1d](#) [5d](#) [1m](#) [3m](#) [6m](#) [YTD](#) [1y](#) [5y](#) [10y](#) [All](#)



May 04, 2015 - May 03, 2016 -28.82 (-42.26%)



Volume (mil / 1d)



MCAP: \$672m

Share price: \$39.38

EV: ~1.3B

Debt: Gross > \$816m

Debt: Net > ~ \$620m

	TTM	2015-12	2014-12	2013-12	2012-12	2011-12
Revenue USD Mil	2,121	2,193	2,303	2,307	2,202	1,845
Gross Margin %	31	31.9	30.4	31.7	31.7	30.5
Operating Income USD M	145	169	248	261	263	210
Operating Margin %	6.8	7.7	10.8	11.3	11.9	11.4
Net Income USD Mil	47	44	107	175	150	104
Earnings Per Share USD	2.78	2.46	5.15	6.16	4.67	3.26
Dividends USD	1.2	1.2				
Shares Mil	17	17	21	28	32	32
Operating Cash Flow USD	287	326	338	324	464	416
Cap Spending USD Mil	-70	-78	-98	-158	-208	-179
Free Cash Flow USD Mil	217	248	240	166	256	237

2016 FULL-YEAR GUIDANCE

Adjusted **EBITDA** from continuing operations

\$340 — \$380

Free cash flow

\$140 — \$190

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Conservatively lets say~

\$140m

9x EV/FCF

Problems for the STOCK:

- Insider ownership is **insignificant**
- ...The board **didn't engage** with incoming offers as high as \$90 a share
- Managements burning LOTS of cash on Growth initiatives.
- Terrible capital allocators (repurch. ~\$64)

Form: 13 D

Form: 13 D

-Engaged Capital

8/Feb/2016

@around **\$26-30**

-13 D

- Undervalued Stock

-70 % (shorted stock)

“Managements **cash burn** to get ECOatm profitable”

- ...Mobile phone recycler ecoATM is **laying off 50%** workers to cut costs
- **Trivial** in reality but shows there are trying because this segment is tiny.

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- ... initiated a process to explore strategic and financial alternatives to maximize value for shareholders
- retained **Morgan Stanley**

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*“The Company should cease **its repurchase program**”*

- Return significant free cash flow to investors with a preference for dividends and opportunistic debt retirement. **Retired 9% of debt.**



Coupon Rate
6.000%

Maturity Date
03/15/2019

Symbol	CUSIP	Next Call Date	Callable
OUTR4070803	690070AA5	03/15/2017	Yes

Last Trade Price	Last Trade Yield	Last Trade Date	US Treasury Yield
\$91.10	9.627%	05/04/2016	—

[Trade History](#)

[Prospectus](#)

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“[The board] Refused to even engage in discussions [with buyout parties].”

- But as of the 12th of April the Activist Shareholder managed to successfully appoint **3 seats to the Board** of directors.

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