

What goes into finding the share price?

What is the “share price”?

The share price is the dollar value of one share of our company’s stock.

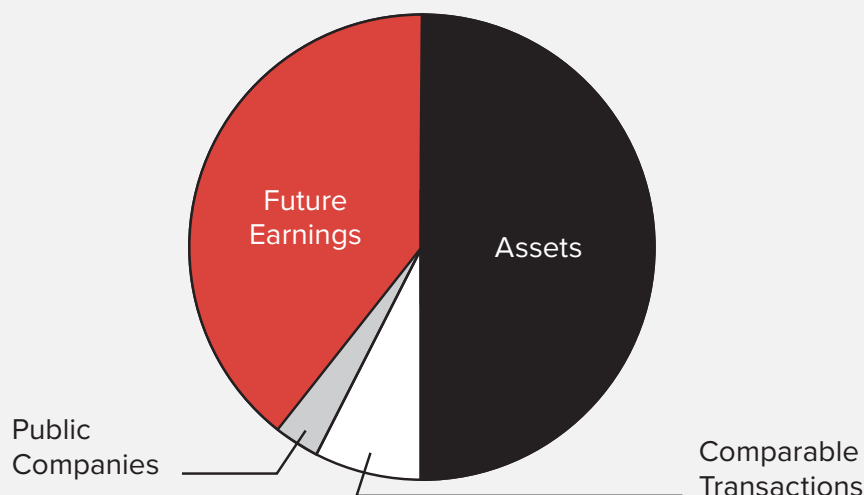
One share of our stock represents a fractional ownership interest in our company. Your ESOP account holds your shares, which are a percentage of the total held by all of our owners.

Every year, our company gets a valuation from an independent appraiser. The valuation determines our new share price for the year. The new share price tells us how much our company is worth and it tells you the dollar value of your shares.

The better our company does, the higher our valuation and the higher the share price.

How is the share price determined?

The independent appraiser calculates the “fair market value” of our company by comparing our business to similar companies that have sold recently. This calculation takes multiple factors into account:



Assets

Resources with financial value that our company owns (e.g. cash, machinery, buildings, etc.)

Future Earnings

Earnings are a measure of our company’s profits. Future earnings are projections of our future profits.

Comparable Transactions

Earnings and share price data from recent sales of companies that are similar to us (e.g. location, industry, size, etc).

Public Companies

Publicly available earnings and share price data from public companies that are similar to us.

Not every variable that affects our valuation is under our control. We can’t change what happens with comparable transactions or public companies. But as an employee-owner, you can help improve our valuation by increasing our future earnings, for example by helping us cut costs or improve the efficiency of our operations.