

## BAUDINO CAPM ANALYSIS

### EPS GROWTH

#### 20-Year Treasury Bond, Value Line Beta

Market Required Return Estimate	
Expected Dividend Yield	0.76%
Expected Growth	<u>12.00%</u>
Required Return	12.76%
Risk-free Rate of Return, 20-Year Treasury Bond	
Average of Last Six Months	<u>2.61%</u>
Risk Premium	10.15%
Comparison Group Beta	<u>0.75</u>
Comparison Group Beta * Risk Premium	7.61%
CAPM Return on Equity	10.22%

Source: Exhibit No.\_\_(RAB-5), page 2.