

TABLE X.A-4.—SUMMARY OF PROJECTED COMPANY CLOSURE IMPACTS BY SUBCATEGORY AND OPTION (PRIMARY ANALYSIS)—Continued

Option	Baseline conditions and projected incremental closure impacts ¹		
	Number of companies	Total revenues (\$millions)	Employees
Baseline Closures	0	N/A	N/A
Option 2 Closures	0	0	0
Option 2 + P Closures	0	0	0
Option 2.5 Closures	0	0	0
Option 2.5 + P Closures	0	0	0
Option 4 Closures	0	0	0

¹ Projected revenue and employment impacts are presented as a range to prevent the disclosure of confidential business information.

Company level results are unweighted because the survey sampling frame was stratified on the basis of facility level data. Therefore, the facility level and company level results are not additive. Because of the large number of facilities that were unable to submit financial data in their survey, EPA performed a subsidiary company level analysis to provide a consistency check on the primary facility level analysis. EPA has estimated that the 26 companies in the company level analysis own at least 117

of the 157 in-scope facilities that EPA project will be subject to regulation in Subcategories A-D and K.

d. Altman Z' Analysis

EPA used the Altman Z' ratio to assess the baseline financial condition of MPP firms and the incremental impacts of the rule on their financial health. Note this analysis includes the same 26 companies analyzed for company closure analysis. In the baseline, the Altman Z' analysis shows that 7 red

meat companies and 8 poultry companies are considered financially healthy. One red meat company, 5 poultry companies, and 3 mixed meat companies have Altman Z' scores in the indeterminate range for financial health; 1 red meat company and 1 mixed meat company are considered financially stressed. Under Option 4, the Altman Z' score for one poultry company changed from the financially healthy to the indeterminate range (represented by the +1 and -1 on Table X.A-5).

TABLE X.A-5.—PROJECTED IMPACTS ON COMPANY ALTMAN Z' SCORE BY MEAT TYPE AND OPTION

Option	Number of companies with baseline Altman Z' score in specified range and incremental changes in score		
	Financially healthy	Indeterminate	Bankruptcy likely
Red Meat (predominantly own facilities in Subcategories A through I)			
Baseline	7	1	1
Option 2	0	0	0
Option 2 + P	0	0	0
Option 2.5	0	0	0
Option 2.5 + P	0	0	0
Option 4	0	0	0
Poultry (predominantly own facilities in Subcategories K and L)			
Baseline	8	5	0
Option 2	0	0	0
Option 2 + P	0	0	0
Option 2.5	0	0	0
Option 2.5 + P	0	0	0
Option 4	-1	+1	0
Mixed (own facilities in both red meat and poultry subcategories)			
Baseline	0	3	1
Option 2	0	0	0
Option 2 + P	0	0	0
Option 2.5	0	0	0
Option 2.5 + P	0	0	0
Option 4	0	0	0

Note: A change from one state (e.g., financially healthy) to another state (e.g., indeterminate) is indicated by "-1" and "+1".

e. Sales Test

None of the analyzed facilities are projected to incur costs exceeding 3

percent of revenues (pre-tax). In addition, none of the analyzed facilities in Subcategories A through D are

projected to incur costs exceeding 1 percent of revenues under any option. In Subcategory K, no analyzed facilities