



PRATT'S STATS PRIVATE DEAL UPDATE

2Q 2015

A QUARTERLY PUBLICATION ANALYZING PRIVATE COMPANY ACQUISITIONS
BY PRIVATE BUYERS FROM THE PRATT'S STATS DATABASE.

The information provided below is excerpted from the *Pratt's Stats Private Deal Update: 2nd Quarter 2015*, which is copyrighted by and available exclusively from Business Valuation Resources, LLC. Brokers who contribute transaction details to *Pratt's Stats* on closed business sales receive the complete *Private Deal Update* plus three months of free access to the database for each deal included in *Pratt's Stats*.

The quarterly *Pratt's Stats Private Deal Update (PDU)* provides general trend information on valuation multiples and profit margins for transactions in the Pratt's Stats database, available exclusively through Business Valuation Resources, LLC (BVR) at www.BVMarketData.com.

Financial advisors, merger and acquisition professionals, business appraisers, business brokers, investment bankers and many others use the *Pratt's Stats* database to determine the value of their subject company by applying the market approach with comparable company data.

Pratt's Stats is the premier source for private business purchase details and includes both private and public buyers with over 100 data points that highlight the financial and transactional details of the business sales. As of the publication date, the *Pratt's Stats* database contains 16,100 transactions in which the buyer was a private party. The database includes over 23,034 transactions in which a privately held company was sold to either a private or public buyer.

The charts and graphs presented below display median values.

MVIC: Total consideration paid to the seller and includes any cash, notes and/or securities that were used as a form of payment plus any interest-bearing liabilities assumed by the buyer. The MVIC price includes the non-compete value and the assumption of interest-bearing liabilities and excludes (1) the real estate value and (2) any earn-outs (because they have not yet been earned, and they may not be earned) and (3) the employment/consulting agreement values.

Exhibit 2: Pratt's Stats Median Valuation Multiples—All Industries, Organized by Net Sales Range and Year

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MVIC/Net Sales												
\$0-\$1M	0.48	0.50	0.48	0.50	0.49	0.48	0.47	0.46	0.49	0.47	0.47	0.48
\$1M-\$5M	0.40	0.43	0.42	0.41	0.45	0.40	0.41	0.40	0.36	0.38	0.42	0.39
>\$5M	0.38	0.50	0.39	0.60	0.53	0.44	0.42	0.52	0.60	0.47	0.40	0.45
MVIC/Seller's Discretionary Earnings												
\$0-\$1M	2.51	2.52	2.59	2.71	2.48	2.03	1.90	1.74	2.11	1.98	1.93	1.89
\$1M-\$5M	2.77	3.17	3.13	3.28	2.83	2.96	2.52	2.64	2.71	2.65	2.67	2.76
>\$5M	4.27	4.26	3.23	4.02	5.18	3.38	3.80	3.10	4.40	3.97	4.02	3.96
MVIC/EBITDA												
\$0-\$1M	3.80	3.80	4.05	4.15	3.73	2.58	2.35	2.35	2.52	2.38	2.33	2.41
\$1M-\$5M	7.16	5.50	5.72	5.55	5.40	4.49	4.19	3.85	4.15	3.74	4.07	4.28
>\$5M	6.24	6.74	4.48	4.96	6.74	4.81	4.72	3.92	5.58	5.09	5.26	5.51

Note: Each data point in this chart was based on a minimum of 10 transactions by private buyers of private companies. *Pratt's Stats* also includes acquisitions by public buyers, but those data are not included here.

Exhibit 4: Pratt's Stats Median MVIC/Sales by Industry for All Net Sales Ranges

SIC	Industry	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
0111-0971	Agriculture, Forestry, & Fishing	0.51	0.56	0.47	0.48	0.66	0.50	0.70	0.54	0.63	0.54	0.60	0.56
1521-1799	Construction	0.32	0.34	0.43	0.37	0.42	0.40	0.40	0.37	0.36	0.43	0.41	0.42
2011-3999	Manufacturing	0.58	0.66	0.61	0.58	0.65	0.53	0.61	0.58	0.53	0.54	0.57	0.48
4011-4971	Transportation, Communications, Electric, Gas & Sanitary	0.44	0.51	0.55	0.68	0.65	0.69	0.42	0.58	0.62	0.63	0.69	0.59
5012-5199	Wholesale Trade	0.35	0.41	0.43	0.40	0.42	0.46	0.42	0.46	0.44	0.42	0.40	0.41
5211-5999	Retail Trade	0.34	0.38	0.39	0.42	0.39	0.36	0.33	0.33	0.32	0.31	0.32	0.33
6011-6799	Finance, Insurance, & Real Estate	N/A	N/A	0.81	0.65	0.80	0.76	0.82	0.92	0.87	1.07	0.67	0.62
7011-9999	Services	0.60	0.59	0.58	0.58	0.59	0.55	0.54	0.52	0.56	0.52	0.54	0.53
0139-9999	All Industries	0.46	0.48	0.47	0.49	0.49	0.46	0.45	0.45	0.47	0.45	0.45	0.45

Note: Each data point in this chart was based on a minimum of 10 transactions by private buyers of private companies. *Pratt's Stats* also includes acquisitions by public buyers, but those data are not included here.

Exhibit 20E: Median MVIC/SDE

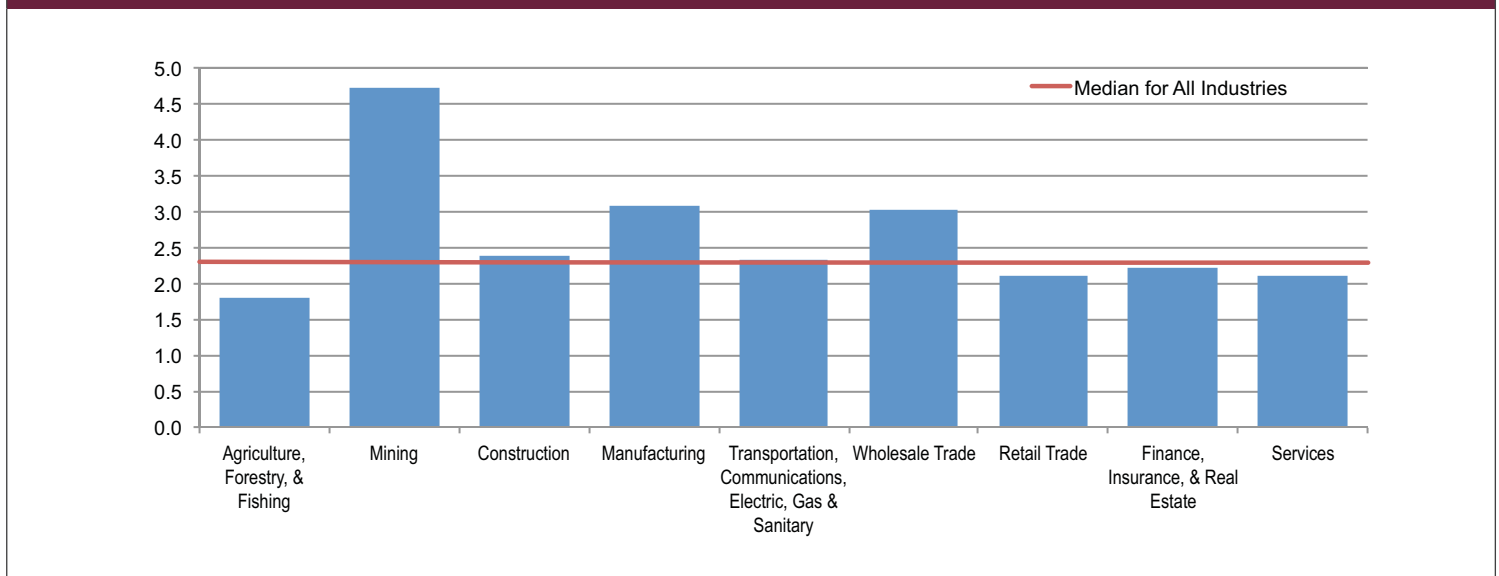
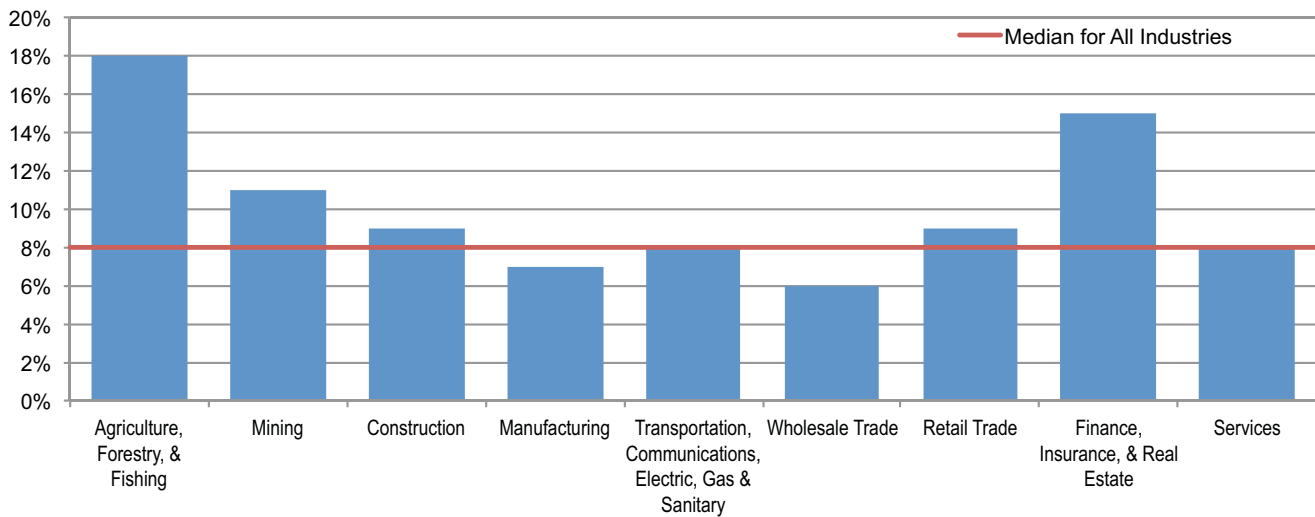


Exhibit 21B: Median Operating Profit Margin

Georgia Association of Business Brokers

Members who submit completed transaction information receive a **three-month complimentary subscription** to *Pratt's Stats*, for each included deal, as well as a complimentary subscription to *Pratt's Stats Private Deal Update*, a quarterly publication analyzing private company acquisitions from the *Pratt's Stats* database. *Pratt's Stats* collects private business transactions of main street businesses from business brokers, as well as from middle market M&A advisors where a public company purchases a private company. The *Pratt's Stats* database is updated monthly with an average of 100 transactions. *Pratt's Stats* users enjoy:

- Easy searching that identifies comparable transactions by keyword, revenue range, industry name, SIC code, profitability margins, company name, and more
- Hard-to-find data on how deals are structured including payment terms, purchase price allocations, employment agreements, non-compete agreements, private company financial statements, private company financial ratios
- Valuation multiples that point to the greatest value drivers
- The ability to track market pricing trends via *Pratt's Stats* timely deal updates
- Access to payment term information including contingency payment and transaction fee details
- Asking price vs. selling price comparisons for spread analysis
- Listing date and selling date inclusions for time-on-market analysis

For more information about *Pratt's Stats*, contact Doug Twitchell at doug@bvresources.com, Adam Manson at adam@bvresources.com, or Zac Cartwright at zacc@bvresources.com or visit www.BVResources.com/Contribute to learn more.



Pratt's Stats – Financial Details on 23,030+ Business Sales

As a key stakeholder in the transfers of private businesses, you know how crucial comparable business data is to pricing your clients' companies. **Pratt's Stats**, published by Business Valuation Resources (BVR) and featured in Inc. Magazine and the New York Times, contains detailed financial information on 23,030+ acquired private companies.

BVR invites you to submit your closed transaction details to **Pratt's Stats**, the leading private company transaction database. In exchange you'll receive complimentary access to: 1) all financial and transaction data in the Pratt's Stats database, 2) a subscription to the **Pratt's Stats Private Deal Update™**, and 3) use of the new, time-saving tool, **Pratt's Stats Analyzer™**. You can submit confidentially—we won't disclose any information you do not wish to.

3 Easy Steps to Submit

1. Register online at: bvmarketdata.com/contribute
2. Gather your closed transaction deals and login
3. Click on "Submit Deal" and complete the form (you can also submit closed transactions via fax/email). If you have a larger quantity of closed transactions to submit (100+), a BVR representative will travel to your office (free of charge) to review and enter the deals!

Submit Your Closed Transaction Details and We'll Give You:

- 3 months of FREE access to **Pratt's Stats** for EACH closed transaction you submit that's included in **Pratt's Stats**
- **Pratt's Stats Private Deal Update** – a quarterly analysis of private company acquisitions by private buyers from the **Pratt's Stats** database
- Use of the **Pratt's Stats Analyzer** – a time saving tool to help you more easily and quickly analyze the sales you find in your searches
- Listing in BVR's referral directory – used by sellers and buyers searching for intermediaries
- Chance to win an iPad Mini for EACH closed transaction you submit that's included in **Pratt's Stats**. The more sold deals you submit, the more entries you receive into our quarterly drawing.

Don't wait – submit your transactions today and reap the rewards!

For more information, please contact:

Zac Cartwright or (971) 200-4840