



Why a Business Valuation? – Transactions

“A SUCCESSFUL TRANSACTION IS WHEN YOU HIT THE RIGHT BALANCE BETWEEN PRICE AND TERMS.”

Fairness / Solvency Opinions

Board of Directors Insurance for a Transaction

M&A Analysis / Due Diligence Support

Evaluating what to offer or whether a received offer is fair.

Exit/Succession Planning

Begin the exit or succession plan with a business valuation to benchmark where we're going and to evaluate offers received through a formal process



Buy-Sell Agreement

To determine fair market value consistent with the trigger from the agreement.

Partner Buy-In / Buy-Out

What should a retiring partner receive or what should we offer to for a buy-in to prevent turnover.



How do you Value a Company?

“AN INVESTMENT IN KNOWLEDGE PAYS THE BEST INTEREST.”

Tangible Values

**Cost
Approach**

$\text{Value} = \text{Assets} - \text{Liabilities}$

Recession

**Market
Approach**

$\text{Value} = \text{Multiple} \times \text{Financial Metric}$

Intangible Values

**Income
Approach**

$\text{Value} = \text{Cash Flow} / \text{Risk}$

Bull Economy

How do you Amplify Value?

“AN INVESTMENT IN KNOWLEDGE PAYS THE BEST INTEREST.”

Projection Risk - Historical Experience Versus Forecasts

Company Financial Risk (Debt or Leverage Ratios)

Operational Risks (Fixed Costs to Sales)

Customer Concentration

Product Concentration

Market Concentration

Vendor Concentration

Customer Attrition

Key Person Risk

+

Positive Correlation

Value Drivers

The blocking and tackling risk factors have never mattered more than in COVID-19

Profitability Trend

Competitive Position

Retention, Depth and Quality of Staff

Revenue and Earnings Growth Trends

Depth and Quality of Management Team

Industry Risk (Firm ROA to Industry ROA)

Negative Correlation

Dialogue With Us

“ALL INITIAL CONSULTATIONS ARE ALWAYS GRATIS.”

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