



ESSENTIALS REPORT

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TRANSWORLD
Business Advisors



ESSENTIALS BROKER OPINION OF VALUE REPORT

\$1,500

About the Report

The Essentials Broker Opinion of Value Report provides you with the value for a business based on financial performance, market variables, comparable sales data, and industry expertise that indicate what a buyer might willingly pay for the business on the open market.

Within this report, you will find a market-based valuation based on sales and SDE multiples as well as the asset value of your company. All methods are explained and the calculations are provided. The report includes the historic financials of the company as well as the adjusted financials, which are the basis of the valuation. You will see a "likely" or "suggested" price based on the median value of the comparable transactions. The value of the business will likely fall within a range or be close to the final sale price of the business but there is no guarantee.

When Should You Use It

Typically 20+ pages, this report is best suited for individuals who do not need a certified valuation and are comfortable with more limited procedures and reporting. Recommended for businesses with less than \$2M in revenue, this report is ideal to provide valuable insight to establish a market price, support exit planning or inform internal business planning decisions.

Benefits of the Report

- Prevents the needless loss of money by not fully understanding the value of your business;
- Reduces unnecessary delays if the business is over priced;
- Avoids the risk of sitting through a negotiation where the counterparty pokes holes in the valuation.

WHAT WE'LL NEED FROM YOU



Business Profile

- ✓ Contact Info (name, title, address, email)
- ✓ Business Details
 - Legal business name
 - DBA, if applicable
 - NAICS Industry Code
 - Company website
 - Type of legal entity
- ✓ Transaction History
 - Has the business been previously appraised? If yes, provide the details.
 - Has the business received any written or oral offers in the last five years? If yes, provide the details.
 - Have there been any transactions involving interests in the company in the last five years? If yes, provide the details.
- ✓ Value of adjustments and addbacks to the P&L statement.
 - Non-recurring revenue
 - Discontinued services/products
 - Non-recurring expenses
 - Owners' perks (examples: owner's car expense, personal expenses, etc.)
- ✓ Assets and liabilities for the trailing 12 months as well as the last three (3) fiscal years
 - Asset account balances needed for: cash, accounts receivable, inventory, other current assets, net fixed assets, intangible assets, and other non-current assets.
 - Liability account balances needed for: accounts payable, short-term notes payable, current portion of long-term debt, other current liabilities, long-term (bank) debt, and other non-current liabilities.
 - Equity account balance

Financial Information

- ✓ Revenue and expenses for the trailing 12 months as well as the last three (3) fiscal years
 - Owner's compensation, excluding equity distributions
 - Interest expense
 - Interest income
 - Non-cash operating expenses (examples: depreciation and amortization)
- ✓ Value of adjustments to the balance sheet:
 - Non-operating assets (examples: expensive art, hunting lease, etc.)
 - Owner's perks (example: personal cars)
 - Employee or owner loans (to be forgiven)
 - PPP loans that will be forgiven
 - Owner/Related party loans (to be forgiven)

Got Questions? Contact us and we'll be happy to assist you.