



How Much is Your Business Worth?

Textbook formulas and "rules of thumb" alone are not accurate methods for valuing a business

In private company sales transactions, three out of four sellers leave significant value on the table

Deals priced strictly on historical financial data do not generate maximum value

The intangible values of a business may be worth a significant amount to the right buyer

Eric Nielsen

Direct 408-594-1525
enielsen@sunbeltsv.com

Sunbelt

Business Sales & Acquisitions
2001 Gateway Place
Suite 230E
San Jose, CA 95110
408-436-1900

www.sunbeltsv.com

Employing proper valuation methodologies and techniques can help you maximize the value of your business. It is important to recast historical financial statements, develop sound financial projections and identify intangible value in order to show the positive effects the purchase of the business will have on the buyer's future financial performance.

Valuation is not strictly formulaic

- The initial step to selling your business involves a thorough and accurate business assessment, which includes a valuation analysis.
- Common methods for valuing a business include market comparable analysis, identifying precedent transactions, discounted cash flow analysis, book or asset based valuation approaches and applying multiples to revenue, EBITDA, adjusted net income and cash flow.
- *Many formulas and "rules of thumb" have been developed to arrive at a "ballpark" estimation of value, but it takes seasoned expertise to look beyond mere formulas and determine a real measure of value.*

Don't leave money on the table by neglecting the intangible value of a business

- At a minimum, a buyer ought to be willing to pay the baseline intrinsic value of your business.
- In many cases, however, sellers forego the opportunity to obtain appropriate compensation for the *intangible value* of their business. This is caused by the inability of inexperienced sellers to properly substantiate support and quantify the intangible value of their business.
- Employing proper valuation methodologies and techniques can help you maximize value.

How can the value of a business be increased?

- Prepare concise, detailed and comprehensive information regarding your business.
- Apply sound market analysis and research to support financial projections.
- Define the intangible and future benefits of your business and the potential synergies of a pro-forma combination.
- Identify and approach the right buyers.
- Conduct a structured, competitive sales process.
- Structure and negotiate a deal on your terms.

Sunbelt knows exactly what it takes to drive premium value for your business

With decades of results and countless experience, Sunbelt can effectively value and position your company in the marketplace and avoid the pitfalls that can underestimate the value of your business.

Call us to discuss the value of your business.