



## Sample Business Valuation, Inc

**ValuTrax<sup>®</sup>**

*Apr 30, 2016*

*Legal Structure:  
S Corporation*

### ***Rogerson Business Services***

5150 Fair Oaks Blvd, #101-198

Carmichael, CA 95608

Phone: (916) 570-2674

Fax: (916) 473-8655

Prepared By:  
Andrew Rogerson

Report Date:  
May 12, 2016

***Confidential Information***

May 12, 2016

Just Sample  
Sample Business Valuation, Inc

Valuation Date: Apr 30, 2016 (Date of Most Recent Financial Statements)

Per your request we have conducted a price evaluation analysis and prepared this report. The purpose of this report is to provide the Seller with an estimate of the probable Selling Price of the Subject Business in preparation for its potential sale / acquisition and should not be used for any other purpose. For completeness, the Seller's estimate of the market value of included real estate, if any, is included in the estimate of Net Owner Equity provided below.

Based on information available to us, our opinion of the Probable Selling Price of the Subject in a "typical" asset sale (i.e., includes inventory, fixed assets and intangible assets such as goodwill) as of the valuation date given above is:

**Estimated Business Selling Price in "Typical" Asset Sale  
\$607,000**

**Estimated Business Selling Price in "Typical" Asset Sale Including A/R - A/P  
\$593,034**

Value in a "Typical" Asset Sale	\$607,000
<u>Add:</u> Accts Receivable - Accts Payable	-13,966
<u>Add:</u> Other Assets Less Other Liabilities	2,240
<u>Subtract:</u> Long-Term Liabilities	162,015
<u>Add:</u> Excess Assets Not Included In Sale	0
<u>Add:</u> Real Estate Included In Sale	0
<u>Total</u>	<u>\$433,259</u>

**Net Owner Equity  
\$433,259**

Net owner equity is the amount that would be received by the owner(s) in a "typical" asset sale after collecting all assets not included in the sale and paying off all liabilities. Note: This does not take into account: tax liabilities, broker's fees, closing costs, and, other costs associated with the sale.

The value considerations herein are contingent upon the date of the latest financial statements used in the analysis and the limiting conditions set forth in the body of the report. The Net Owner Equity is specifically dependent on the actual Balance Sheet as of the sale date; and, Seller's estimate of the value of included real estate, if any.

Report Prepared By:  
Andrew Rogerson



## Disclaimer

This price evaluation report has been prepared as a service of Rogerson Business Services not as part of an appraisal practice as defined by USPAP (Uniform Standard Professional Appraisal Practice) standards and therefore is not bound by the requirements of USPAP.

This report is a business professional's opinion of value and not a valuation or appraisal. There are a number of significant differences between this opinion of value and an appraisal. This opinion of value is not nearly as rigorous as a formal appraisal, and is designed to give a guideline or benchmark value rather than a formal determination of value. Specifically, and at a minimum, a valuation and/or appraisal analysis should include the following conditions to be considered an appraisal or formal valuation:

1. Strict adherence to USPAP (Uniform Standard Professional Appraisal Practice) standards.
2. A full financial statement's analysis, including Income Statement, Balance Sheets and Cash Flows.
3. An in-depth understanding of the financial statements and the company to justify making appropriate adjustments to the Income Statements and Balance Sheets.
4. An assurance that all data is accurate and included in the final report.
5. A comparison of the valued company's financial statements to industry norms (RMA, trade, or other ratios/percentages) and using this data in building discount and capitalization rates.
6. A certifying cover letter with the evaluator's signature.

Rogerson Business Services does not purport to be a guarantor of value. The valuation of closely held companies is an imprecise science and reasonable people can differ in their opinion of value. However, the formulas and valuation methodologies used in this report were developed by and are accepted by the business brokerage and / or business valuation communities. The application of these methods in the analysis reported herein along with years of experience in evaluating such businesses, although not considered a formal valuation or appraisal, in our opinion provides a reasonable basis for estimating the likely Selling / Listing Price of a business.

## INCOME STATEMENT RECASTING - DISCRETIONARY EARNINGS ANALYSIS

Year: 2016

Months: 3

Source: Internal Financials

	Statement	Add Backs	Adjusted	Notes
<b>Income</b>				
Revenues	\$408,030	\$0	\$408,030	
Other Income	0	0	0	
<b>Total Income (Revenue)</b>	<b>408,030</b>		<b>408,030</b>	
<b>Cost of Goods Sold</b>	<b>155,546</b>	<b>0</b>	<b>155,546</b>	
<b>Gross Profit</b>	<b>252,484</b>		<b>252,484</b>	
<b>Expenses</b>				
<b>Other Expenses</b>	<b>190,030</b>		<b>190,030</b>	
<b>Total Expenses</b>	<b>190,030</b>		<b>190,030</b>	
<b>Net Income (Before Tax)</b>	<b>\$62,454</b>			
<b>Seller's Discretionary Earnings</b>			<b>\$62,454</b>	

THIS INFORMATION IS NOT VERIFIED BY ROGERSON BUSINESS SERVICES  
EVALUATION FOR SELLER'S INFORMATION ONLY AND SHOULD NOT BE USED BY BUYER FOR PURCHASE DECISION

**INCOME STATEMENT RECASTING - DISCRETIONARY EARNINGS ANALYSIS, CONT.**

Year: 2015

Source: Tax Return

	<b>Statement</b>	<b>Add Backs</b>	<b>Adjusted</b>	<b>Notes</b>
<b>Income</b>				
Revenues	\$1,503,532	\$0	\$1,503,532	
Other Income	0	0	0	
<b>Total Income (Revenue)</b>	<b>1,503,532</b>		<b>1,503,532</b>	
<b>Cost of Goods Sold</b>	<b>559,960</b>	<b>0</b>	<b>559,960</b>	
<b>Gross Profit</b>	<b>943,572</b>		<b>943,572</b>	
<b>Expenses</b>				
Officer's Salary	-20,521	0	-20,521	
Salaries & Wages	481,000	0	481,000	
Repairs & Maintenance	10,600	0	10,600	
Bad Debts	3,200	0	3,200	
Rents	172,947	0	172,947	
Taxes & Licenses	51,470	0	51,470	
<b>Other Expenses</b>	<b>0</b>		<b>0</b>	
<b>Total Expenses</b>	<b>698,696</b>		<b>698,696</b>	
<b>Net Income (Before Tax)</b>	<b>\$244,876</b>			
<b>Seller's Discretionary Earnings</b>			<b>\$244,876</b>	

THIS INFORMATION IS NOT VERIFIED BY ROGERSON BUSINESS SERVICES  
EVALUATION FOR SELLER'S INFORMATION ONLY AND SHOULD NOT BE USED BY BUYER FOR PURCHASE DECISION

**INCOME STATEMENT RECASTING - DISCRETIONARY EARNINGS ANALYSIS, CONT.**

Year: 2014

Source: Tax Return

	<b>Statement</b>	<b>Add Backs</b>	<b>Adjusted</b>	<b>Notes</b>
<b>Income</b>				
Revenues	\$1,263,389	\$0	\$1,263,389	
Other Income	0	0	0	
<b>Total Income (Revenue)</b>	<b>1,263,389</b>		<b>1,263,389</b>	
<b>Cost of Goods Sold</b>	<b>445,640</b>	<b>0</b>	<b>445,640</b>	
<b>Gross Profit</b>	<b>817,749</b>		<b>817,749</b>	
<b>Expenses</b>				
Officer's Salary	-7,156	0	-7,156	
Salaries & Wages	427,500	0	427,500	
Repairs & Maintenance	9,500	0	9,500	
Bad Debts	2,400	0	2,400	
Rents	158,331	0	158,331	
Taxes & Licenses	50,800	0	50,800	
<b>Other Expenses</b>	<b>0</b>		<b>0</b>	
<b>Total Expenses</b>	<b>641,375</b>		<b>641,375</b>	
<b>Net Income (Before Tax)</b>	<b>\$176,374</b>			
<b>Seller's Discretionary Earnings</b>			<b>\$176,374</b>	

THIS INFORMATION IS NOT VERIFIED BY ROGERSON BUSINESS SERVICES  
EVALUATION FOR SELLER'S INFORMATION ONLY AND SHOULD NOT BE USED BY BUYER FOR PURCHASE DECISION



**INCOME STATEMENT RECASTING - DISCRETIONARY EARNINGS ANALYSIS, CONT.**

Year: 2013

Source: Tax Return

	<b>Statement</b>	<b>Add Backs</b>	<b>Adjusted</b>	<b>Notes</b>
<b>Income</b>				
Revenues	\$1,181,747	\$0	\$1,181,747	
Other Income	0	0	0	
<b>Total Income (Revenue)</b>	<b>1,181,747</b>		<b>1,181,747</b>	
<b>Cost of Goods Sold</b>	<b>402,934</b>	<b>0</b>	<b>402,934</b>	
<b>Gross Profit</b>	<b>778,813</b>		<b>778,813</b>	
<b>Expenses</b>				
Officer's Salary	-6,576	0	-6,576	
Salaries & Wages	382,194	0	382,194	
Repairs & Maintenance	7,500	0	7,500	
Bad Debts	2,000	0	2,000	
Rents	145,329	0	145,329	
Taxes & Licenses	45,245	0	45,245	
<b>Other Expenses</b>	<b>0</b>		<b>0</b>	
<b>Total Expenses</b>	<b>575,692</b>		<b>575,692</b>	
<b>Net Income (Before Tax)</b>	<b>\$203,121</b>			
<b>Seller's Discretionary Earnings</b>			<b>\$203,121</b>	

THIS INFORMATION IS NOT VERIFIED BY ROGERSON BUSINESS SERVICES  
EVALUATION FOR SELLER'S INFORMATION ONLY AND SHOULD NOT BE USED BY BUYER FOR PURCHASE DECISION

## RECAST INCOME STATEMENTS

Year	2016		2015		2014		2013	
Data Source	Annualized		Tax Return		Tax Return		Tax Return	
Income	%		%		%		%	
Revenues	\$1,632,120	100.0	\$1,503,532	100.0	\$1,263,389	100.0	\$1,181,747	100.0
Other Income (Loss)								
<b>Total Income (Revenue)</b>	<u>1,632,120</u>	100.0	<u>1,503,532</u>	100.0	<u>1,263,389</u>	100.0	<u>1,181,747</u>	100.0
<b>Cost of Goods Sold</b>	<u>622,184</u>	38.1	<u>559,960</u>	37.2	<u>445,640</u>	35.3	<u>402,934</u>	34.1
<b>Gross Profit</b>	<u>1,009,936</u>	61.9	<u>943,572</u>	62.8	<u>817,749</u>	64.7	<u>778,813</u>	65.9
<b>Expenses</b>								
Officer's Salary			-20,521	-1.4	-7,156	-0.6	-6,576	-0.6
Salaries & Wages			481,000	32.0	427,500	33.8	382,194	32.3
Repairs & Maintenance			10,600	0.7	9,500	0.8	7,500	0.6
Bad Debts			3,200	0.2	2,400	0.2	2,000	0.2
Rents			172,947	11.5	158,331	12.5	145,329	12.3
Taxes & Licenses			51,470	3.4	50,800	4.0	45,245	3.8
<b>Other Expenses</b>	<u>760,120</u>	46.6						
<b>Total Expenses</b>	<u>760,120</u>	46.6	<u>698,696</u>	46.5	<u>641,375</u>	50.8	<u>575,692</u>	48.7
<b>Seller's Discretionary Earnings</b>	<u>\$249,816</u>	15.3	<u>\$244,876</u>	16.3	<u>\$176,374</u>	14.0	<u>\$203,121</u>	17.2

THIS INFORMATION IS NOT VERIFIED BY ROGERSON BUSINESS SERVICES  
EVALUATION FOR SELLER'S INFORMATION ONLY AND SHOULD NOT BE USED BY BUYER FOR PURCHASE DECISION



## RECAST INCOME STATEMENTS SUMMARY

	<u>Most</u>		<u>Two</u>	<u>Three</u>
	<u>Recent Year</u>	<u>Prior Year</u>	<u>Years Prior</u>	<u>Years Prior</u>
<b>Year</b>	2016	2015	2014	2013
	Annualized			
<b>Revenue</b>	\$1,632,120	\$1,503,532	\$1,263,389	\$1,181,747
	100.0	100.0	100.0	100.0
<b>Cost of Goods Sold</b>	622,184	559,960	445,640	402,934
	38.1	37.2	35.3	34.1
<b>Gross Profit</b>	1,009,936	943,572	817,749	778,813
	61.9	62.8	64.7	65.9
<b>Total Expenses</b>	760,120	698,696	641,375	575,692
	46.6	46.5	50.8	48.7
<b>Seller's Discretionary Earnings (SDE)</b>	\$249,816	\$244,876	\$176,374	\$203,121
	15.3	16.3	14.0	17.2
<b>Weighting</b>	50.0	30.0	20.0	0.0
<b>Expected SDE Growth in Next Year</b>	5.0 In Percent			
<b>Weighted Averages:</b>				
Revenue	\$1,595,787			
SDE	\$245,328			
Reasonable Owner Salary	\$85,000			
EBITDA	\$160,328			
EBIT	\$160,328			

THIS INFORMATION IS NOT VERIFIED BY ROGERSON BUSINESS SERVICES  
EVALUATION FOR SELLER'S INFORMATION ONLY AND SHOULD NOT BE USED BY BUYER FOR PURCHASE DECISION

## BALANCE SHEET RECASTING

Data Source: Internal Financials

Period Ending: Mar 31, 2016

	<b>Book Value</b>		<b>Seller's Est.</b>	<b>Notes</b>
	<b>Per B/S</b>	<b>Adjustments</b>	<b>Fair Market Value</b>	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash & Equivalents	\$29,341	\$0	\$29,341	
Accounts Receivable (A/R)	1,383	0	1,383	
Inventory	43,430	0	43,430	
Prepaid Expenses	0	0	0	
Other	0	0	0	
<b>Total Current Assets:</b>	<b>74,154</b>	<b>0</b>	<b>74,154</b>	
<b>Fixed Assets:</b>				
Fixed Assets	377,942	0	377,942	
Accumulated Depreciation	-203,208	0	-203,208	
<b>Total Fixed Assets:</b>	<b>174,734</b>	<b>0</b>	<b>174,734</b>	
<b>Real Estate:</b>				
Land & Buildings	0	0	0	
Accumulated Depreciation	0	0	0	
<b>Total Real Estate:</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Other Asset:</b>				
Deposits	6,950	0	6,950	
Loans To Officers/Shareholders	0	0	0	
Other	0	0	0	
Intangible Assets	0	0	0	
Accumulated Amortization	0	0	0	
<b>Total Other Assets:</b>	<b>6,950</b>	<b>0</b>	<b>6,950</b>	
<b>Total Assets:</b>	<b>\$255,838</b>	<b>\$0</b>	<b>\$255,838</b>	
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable (A/P)	\$15,349	\$0	\$15,349	
Other	34,051	0	34,051	
Current Portion, LT Debt	0	0	0	
<b>Total Current Liabilities:</b>	<b>49,400</b>	<b>0</b>	<b>49,400</b>	
<b>Long-Term Liabilities:</b>				
Notes Payable	162,015	0	162,015	
Loans from Officers/Shareholders	0	0	0	
LTD Less Current Portion	0	0	0	
<b>Total Long Term Liabilities:</b>	<b>162,015</b>	<b>0</b>	<b>162,015</b>	
<b>Total Liabilities:</b>	<b>211,415</b>	<b>0</b>	<b>211,415</b>	
<b>Equity:</b>	<b>44,423</b>	<b>0</b>	<b>44,423</b>	
<b>Liabilities + Equity:</b>	<b>\$255,838</b>	<b>\$0</b>	<b>\$255,838</b>	
<b>Value of Excess Assets:</b>	<b>0</b>			
<b>Description of Excess Assets:</b>				

THIS INFORMATION IS NOT VERIFIED BY ROGERSON BUSINESS SERVICES  
EVALUATION FOR SELLER'S INFORMATION ONLY AND SHOULD NOT BE USED BY BUYER FOR PURCHASE DECISION

## PRICE EVALUATION METHODS

### Method 1: Market Method

	Price/SDE	Price/Revenue	Price/EBIT	Price/EBITDA
Multiple	3.0	0.0	0.0	0.0
SDE:	\$245,328			
Revenue:		\$1,595,787		
EBIT:			\$160,328	
EBITDA:				\$160,328
Product:	735,984	0	0	0
Adjustments:				
Add Inventory:	0	0	0	0
Add Fixed Assets:	0	0	0	0
Estimated Selling Price:	\$735,984	\$0	\$0	\$0
Weightings:	100.0	0.0	0.0	0.0

Estimated Selling Price (Market Method): \$735,984

Data Sources:                      BizBuySell Comps                      BizBuySell Comps



## PRICE EVALUATION METHODS

### Method 2: Multiple of Discretionary Earnings Method

	<u>Selected Multiplier</u>	<u>Weight</u>	<u>Weighted Value</u>
1. Historical Profits (0 = Negative, 3 = Above Industry Norm)	2.0	10.0	20.0
2. Income Risk (0 = Startup/Risky, 3 = Well Established/Low Risk)	2.5	9.0	22.5
3. Deal Financing (Seller/SBA)? (0 = All Cash, 3 = Excellent Terms)	2.0	8.0	16.0
4. Business Type (0 = Service Biz/few assets, 3 = Biz w/High Assets)	2.0	7.0	14.0
5. Business Growth (0 = Declining, 3 = Rapid Growth)	2.5	6.0	15.0
6. Location/Facilities (0 = Undesirable, 3 = Superior)	2.0	5.0	10.0
7. Marketability (0 = Low/Special Skills Req'd., 3 = High/Many Buyers)	2.0	4.0	8.0
8. Desirability (0 = No Status, 3 = Challenging & Attractive Environ.)	2.5	3.0	7.5
9. Competition (0 = High, 3 = Little Competition)	1.5	2.0	3.0
10. Industry Trend (0 = Declining, 3 = Dynamic Growth)	1.5	1.0	1.5
<b>Total:</b>		<b>55.0</b>	<b>117.5</b>
<b>Earnings Multiple (Weighted Ave.) = Weight Values Total/Weight Total =</b>		<b>2.14</b>	
<b>Size Premium:</b>		<b>1.0</b>	

Est. Selling Price (Earnings Mult. (Ave) X SDE X Size Premium) =

**\$524,110**

The Weights in the above table are set at typical default values ranging from 10 to 1 as shown. However, it is up to the User to adjust these weights, if required, based upon the criteria and the specific characteristics of the business being valued. For businesses with Revenue  $\leq$  the Revenue Breakpoint, set the Size Premium equal to 1.00. For businesses with Revenue  $>$  the Revenue Breakpoint set the Size Premium equal to 1.33 (equivalent to the maximum value of factors above set = 4) or select an appropriate size premium from the table below. The Default Revenue Breakpoint is \$750,000. The User can adjust the Revenue Breakpoint and Size Premium by analyzing Bizcomps<sup>®</sup> Data for the specific type of business of interest. The Table provides Size Premia for general business categories.

BIZCOMPS <sup>®</sup> SIZE PREMIA <sup>2</sup> (REVENUE BREAKPOINT \$750,000)	
BUSINESS SERVICES	1.43
CONSTRUCTION	1.33
MANUFACTURING	1.31
AUTO REPAIR SERVICES	1.36
FINANCE, INSURANCE & REAL ESTATE	1.23
RETAIL	1.22
WHOLESALE - DURABLE GOODS	1.22
WHOLESALE - NON-DURABLE GOODS	1.40
PERSONAL SERVICES	1.13

1. The Multiple of Discretionary Earnings Method was first presented by Thomas L. West and Jeffrey D. Jones in the Handbook of Business Valuation, 1992, John Wiley & Sons, Inc.

2. Size Premium = Ratio of Median SP/SDE multiple for companies in category with revenues greater than \$750,000 (Numerator) to Median SP/SDE multiple for companies with revenues of \$750,000 or less (Denominator). Includes all Bizcomps<sup>®</sup> transactions with both positive revenue and positive SDE, as well as SDE multiples  $<$  6 (transactions with Price/SDE  $>$  6 are considered to be outliers).



## PRICE EVALUATION METHODS

### Method 3: Buyer's Test Method

Reasonable Owner/Manager Salary (See Recast Income Statement Summary):	\$85,000
Req'd Rate of Return on Down Payment (%):	17
Downpayment as % of Price (%):	25.0
Enter Estimated Annual Capital Expense as a Percent of Fixed Asset Value at Cost (%):	10.0
Estimated Annual Capital Expense:	\$37,794
Loan Interest Rate (%):	6.75
Loan Period (Number of Months):	84.0
Debt Coverage Ratio:	1.25

Estimated Selling Price (Price which satisfies above conditions): **\$583,373**

The required rate of return on downpayment will typically be in the range of 20 (20% ROI) to 40 (40% ROI), lower for larger / lower risk businesses and higher for smaller / higher risk businesses. May be zero for very small businesses where buyer is buying a job, not making an investment.

The Buyer's Test Method is based on the business having enough cash flow to: provide the owner with a reasonable salary, provide a reasonable rate of return on the buyer's investment, provide for annual capital expense, and cover debt service with a reasonable debt coverage ratio. The following Table shows how the subject's discretionary earnings are allocated based on the terms set above.

<u>Buyer's Test Check</u>	
SDE =	\$245,328
Less: Owner/Manager Salary	\$85,000
Equals: EBITDA	\$160,328
Less: Return on Downpayment	24,281
Less: CAPEX	37,794
Less: Debt Service	78,602
Less: Excess Debt Service Coverage	19,650
Remaining SDE	\$0

All entries in the Table should be positive. Remaining SDE should be zero as this method calculates the maximum value with the User-specified terms.

## PRICE EVALUATION SUMMARY & CONCLUSIONS

The Results for each of the three Price Evaluation Methods used are summarized on the following pages. These results, or value estimates, provide an estimate of the price range for the Subject. The most probable selling price is estimated by weighting each of the three value estimates and then calculating the weighted average value.

The weighting can be thought of as the probability that the value estimate for a given valuation method represents the value of the business (the sum of all weightings would then equal 100). The weightings should take into account the extent to which a given valuation method addresses, or does not address, risk factors associated with the subject business. For example, consider a business that has high account concentration (e.g., one customer accounts for 50% of revenue). The input variables for the Multiple of Discretionary Earnings and the Buyer's Test Methods can be adjusted to take this risk into account, while the Market Method ratios may be based on median comparables sold data or typical rules of thumb. In such cases, the Market Method should receive lower weighting than the other methods.

Based on the information available to us, our opinion of the value of the Subject (excluding real estate, if any) in a "typical" asset sale (i.e., sale includes goodwill & other intangibles, inventory and fixed assets) as of the valuation date is:

**Estimated Business Selling Price in "Typical" Asset Sale**  
**\$607,000**

**Estimated Business Selling Price in "Typical" Asset Sale Including A/R - A/P**  
**\$593,034**

Value in a "Typical" Asset Sale	\$607,000
<u>Add: Accts Receivable - Accts Payable</u>	<u>-13,966</u>
<u>Add: Other Assets Less Other Liabilities</u>	<u>2,240</u>
<u>Subtract: Long-Term Liabilities</u>	<u>162,015</u>
<u>Add: Excess Assets Not Included In Sale</u>	<u>0</u>
<u>Add: Real Estate Included In Sale</u>	<u>0</u>
<u>Total</u>	<u>\$433,259</u>

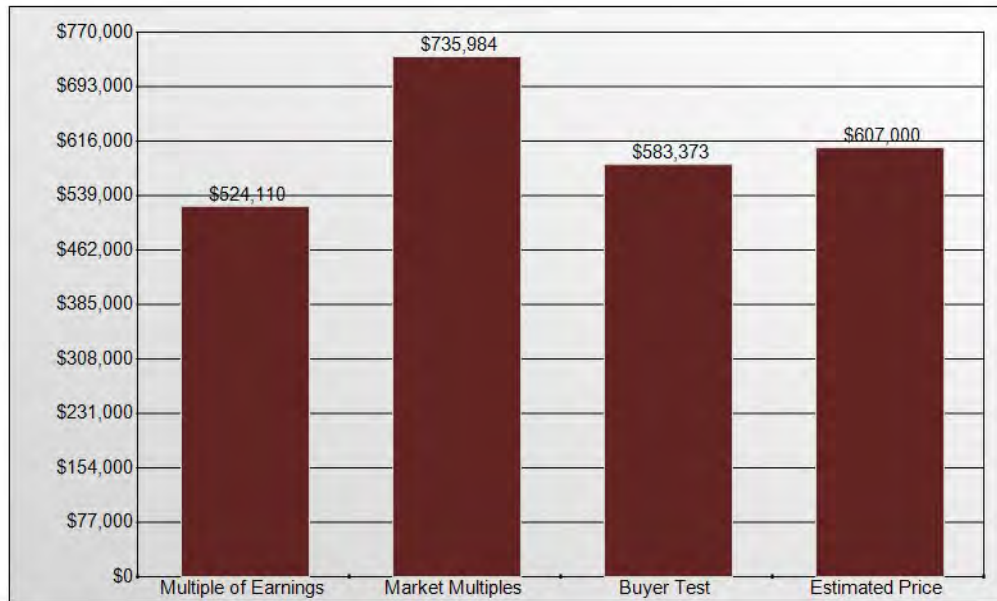
**Net Owner Equity**  
**\$433,259**

Net owner equity is the amount that would be received by the owner(s) "typical" asset sale after collecting all assets not included in the sale and paying off all liabilities. Note: This does not take into account: tax liabilities; closing costs; and, other costs associated with the sale.

The value considerations herein are contingent upon the date of the latest financial statements used in the analysis and the limiting conditions set forth in the body of the report. The net owner equity is specifically dependent on the actual Balance Sheet as of the sale date; and, Seller's estimate of the value of included real estate, if any.



## PRICE EVALUATION SUMMARY & CONCLUSIONS, CONT.



## Price Evaluation Results

	<b>Estimates</b>	<b>Weight</b>
<b>Estimated Price - Multiple of Earnings*</b>	\$524,110	50.0
<b>Estimated Price - Buyer's Test*</b>	\$583,373	15.0
<b>Estimated Price - Market Multiples*</b>	\$735,984	35.0
<b>Estimated Price of Business (Weighted Average)*</b>	\$607,000	
<b>Accounts Receivable - Account Payable</b>	-13,966	
<b>Estimated Price Including A/R - A/P</b>	\$593,034	
<b>Other Assets Less Other Current Liabilities</b>	2,240	
<b>Long-Term Liabilities</b>	162,015	
<b>Excess Assets</b>	0	
<b>Estimated Value of Real Estate</b>	\$0	
<b>Net Owner/Shareholder Equity Including Real Estate</b>	\$433,259	

\*Typical asset sale (only goodwill, fixed assets & inventory transfer to buyer)

**PRICE EVALUATION SUMMARY & CONCLUSIONS, CONT.****MULTIPLES (TYPICAL ASSET SALE)****MULTIPLES (Uses Weighted Ave. Values of Earnings & Revenue)**

PRICE/FIXED ASSETS	3.47
PRICE/SDE	2.47
PRICE/EBITDA	3.79
PRICE/REVENUE	0.38

**MULTIPLES (Using Most Recent Year Earnings & Revenue)**

PRICE/FIXED ASSETS	3.47
PRICE/SDE	2.43
PRICE/EBITDA	3.68
PRICE/REVENUE	0.37

**PRICE BREAKDOWN (TYPICAL ASSET SALE)**

FIXED ASSETS	174,734	28.8
INVENTORY	43,430	7.2
GOODWILL	388,836	64.1
REAL ESTATE	0	0.0
TOTAL	\$607,000	100.0%

**PRICE BREAKDOWN (INCL. A/R - A/P)**

FIXED ASSETS	174,734	29.5
INVENTORY	43,430	7.3
ACCTS. RECEIVABLE - ACCTS. PAYABLE	-13,966	-2.4
GOODWILL	388,836	65.6
REAL ESTATE	0	0.0
TOTAL	\$593,034	100.0%

THIS INFORMATION IS NOT VERIFIED BY ROGERSON BUSINESS SERVICES  
EVALUATION FOR SELLER'S INFORMATION ONLY AND SHOULD NOT BE USED BY BUYER FOR PURCHASE DECISION



**NOTES & COMMENTS**