

## BASIC VALUATION MULTIPLES

**50%** of Annual Sales

**3-6x** Adjusted EBITDA<sup>1</sup>

FREIGHT FORWARDING: **2-3x SDE<sup>2</sup>**

TRUCKING: **1-2x SDE<sup>2</sup>**  
plus market value of equipment

WAREHOUSING: **1.5-2.5x SDE<sup>2</sup>**



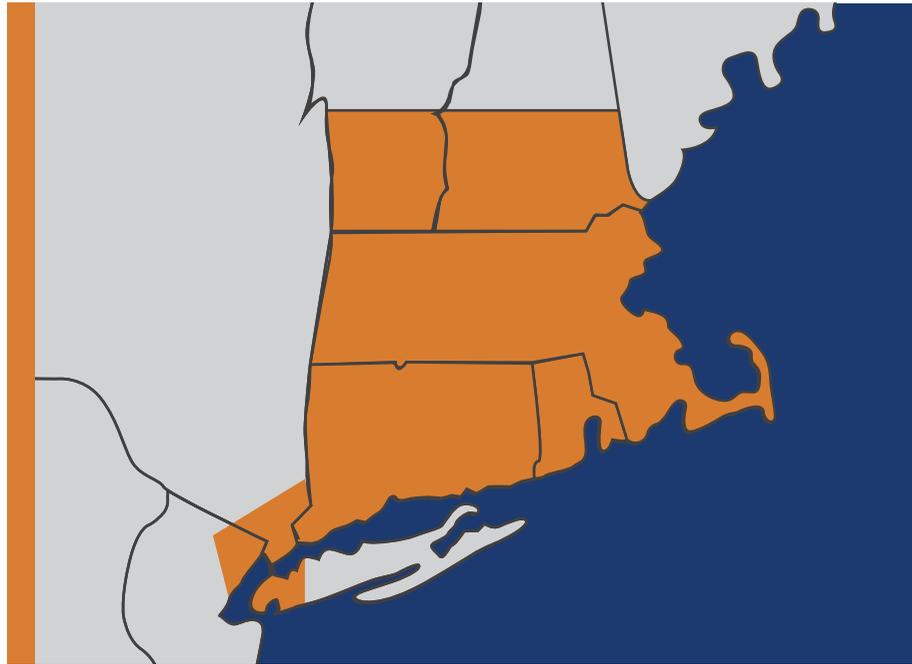
## KEY VALUATION CONSIDERATIONS

|                                       | BUYER CONCERNS   | IMPACT ON SALE  |
|---------------------------------------|--|---|
| <b>SUPPLY CHAIN SERVICES</b>          | Variety of consulting opportunities in demand by customers, improves profits.  | <ul style="list-style-type: none"> <li>Logistic analysis, supply chain management and JIT inventory management services increase multiples</li> <li>Lack of supply chain services will depress profits and lower multiples</li> </ul> |
| <b>SOFTWARE &amp; EQUIPMENT</b>       | Systems constantly evolving to optimize efficiency, updates needed to remain competitive.  | <ul style="list-style-type: none"> <li>Up-to-date equipment and software improves multiples</li> <li>Extraordinary CapEx investments post sale will negatively impact multiples</li> </ul>  |
| <b>CONTINUOUS IMPROVEMENT</b>         | Change is a constant in this industry, organization needs to continuously evolve.  | <ul style="list-style-type: none"> <li>Demonstrated continuous improvement programs and plans to address weaknesses will increase multiples</li> <li>Lack of analysis on systems and processes will lower multiples</li> </ul>        |
| <b>MANAGEMENT</b>                     | Quality of management team and systems.  | <ul style="list-style-type: none"> <li>Well-rounded management increases multiples</li> <li>Overdependence on owners lowers multiples</li> <li>Good financial management and reporting systems increase multiples</li> </ul>          |
| <b>OTHER IMPORTANT CONSIDERATIONS</b> | <ul style="list-style-type: none"> <li>Customer Concentration</li> <li>Exclusive Relationships</li> <li>Industries Served</li> </ul> | <ul style="list-style-type: none"> <li>Local/Regional Market Share</li> <li>Capital Requirement</li> <li>Geographical Concentration</li> </ul>  |

These are only a few variables and do not constitute a complete valuation. Contact us for a no charge, no obligation **Opinion of Value** that defines our view on the current business valuation and the terms under which it would be sold.

## COMPANY OVERVIEW

VR Business Sales New Haven represents owners of businesses valued between \$500,000 and \$25 million or with annual revenues from \$1 million to \$25 million. Operating within a wide range of industry segments, the office provides exceptional merger and acquisition advisory services to companies in Connecticut, Southern New England and Metro NY. Independently owned and operated, the office consistently ranks within the Top 10 of over 50 offices worldwide within the VR franchise network.



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Jeff has over thirty years of business experience including positions in engineering, manufacturing, marketing, business startup and acquisition. He owned and operated an import/export firm as well as a manufacturing company. Jeff offers a wealth of practical experience when advising clients on selling or buying a business and brings a level of professionalism to the process that makes him one of the best recognized and most admired business intermediaries in Connecticut. Jeff is one of the few business brokers in New England that has secured the prestigious designations of Certified Business Intermediary (CBI) from the International Business Brokers Association (IBBA) and a Mergers & Acquisition Master Intermediary (M&AMI) from M&A Source.

