

BASIC VALUATION MULTIPLES

3-6x Adjusted EBITDA¹

↓ Under \$2 Million
Revenues: **3-5x**

Over \$2 Million
Revenues: **4-6x** ↑

2-3x SDE² + Inventory



KEY VALUATION FACTORS

BUYER CONCERNS

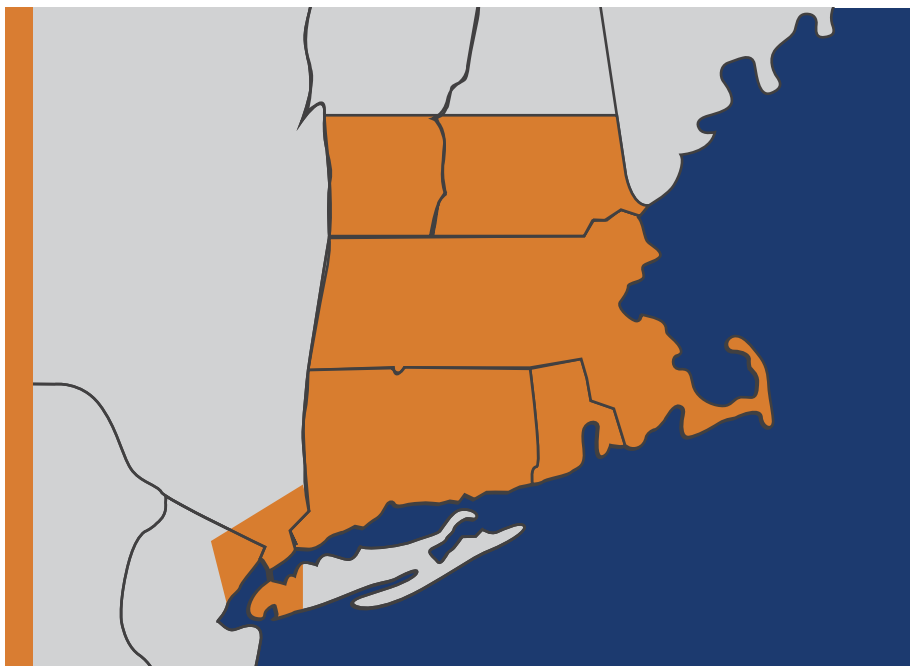
IMPACT ON SALE

CUSTOMER CONCENTRATION	Revenues rely on a few customers and key relationships are dependent on owner.	<ul style="list-style-type: none"> • High customer concentration, lower multiples • Deferred payment terms • Fewer willing buyers • Mitigate concerns with long-term contracts
INDUSTRIES SERVED	Revenues and earnings are dependent on client industries.	<ul style="list-style-type: none"> • Decreased multiples for poor industry outlooks • Ability to shift industry focus or sell product across industries increases multiples • Medical and aerospace awarded highest multiples
EQUIPMENT	Type, age and condition of equipment meet operating and growth needs.	<ul style="list-style-type: none"> • Modern technology and automation, increases multiples • Extraordinary CapEx investments post sale will negatively impact multiples • Design and prototyping capabilities are in demand
MANAGEMENT	Quality of management team and systems.	<ul style="list-style-type: none"> • Well-rounded management increases multiples • Overdependence on owner lowers multiples • Good financial management and reporting systems increase multiples
OTHER IMPORTANT CONSIDERATIONS	<p>Capital Expenditures</p> <p>Reputation</p> <p>Certifications</p>	<p>Value Added Services</p> <p>Proprietary Products and Processes</p> <p>Geographical Concentration</p>


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.

