

## BASIC VALUATION MULTIPLES

**3-5x** Adjusted EBITDA<sup>1</sup>

**2-3x** SDE<sup>2</sup> + Inventory

**50-60%** of Annual Revenues  
+ Inventory



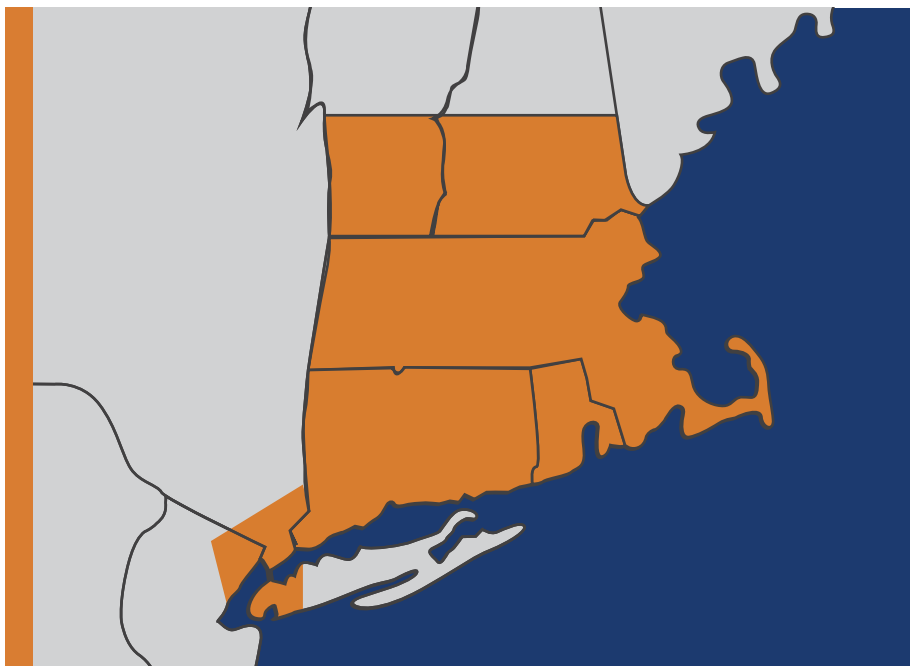
## KEY VALUATION FACTORS

	BUYER CONCERNS	IMPACT ON SALE
<b>INVENTORY MANAGEMENT</b>	Efficient inventory management and tracking systems impact profitability.	<ul style="list-style-type: none"> <li>• Efficient processes and inventory management systems will increase multiples</li> <li>• Extraordinary CapEx investments post sale will negatively impact multiples</li> </ul>
<b>TECHNOLOGY &amp; EQUIPMENT</b>	Efficient communication systems along with modern technology and equipment lower costs.	<ul style="list-style-type: none"> <li>• Up-to-date equipment and technology increase multiples</li> <li>• Energy efficient vehicles increase multiples</li> <li>• Extraordinary CapEx investments post sale will negatively impact multiples</li> </ul>
<b>SUPPLIER RELATIONSHIPS</b>	Industry is supplier dependent. Risk of suppliers selling directly to customers.	<ul style="list-style-type: none"> <li>• Higher multiples when no supplier accounts for more than 10% of sales</li> <li>• Suppliers with capabilities to sell to customers hurts multiples</li> <li>• Non-compete agreements with suppliers helps 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>	Value Added Services Customer Concentration Revenue Growth	Economic Conditions Geographical Concentration Capital Expenditures


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 operating within a wide range of industry segments in Connecticut, Southern New England and Metro NY. Independently owned and operated.



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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. He is also a member of the Board of Directors for M&A Source.

