

## BASIC VALUATION MULTIPLES

**4-6x** Adjusted EBITDA<sup>1</sup>

**2.5-3.5x** SDE<sup>2</sup>



## KEY VALUATION FACTORS

### BUYER CONCERNS

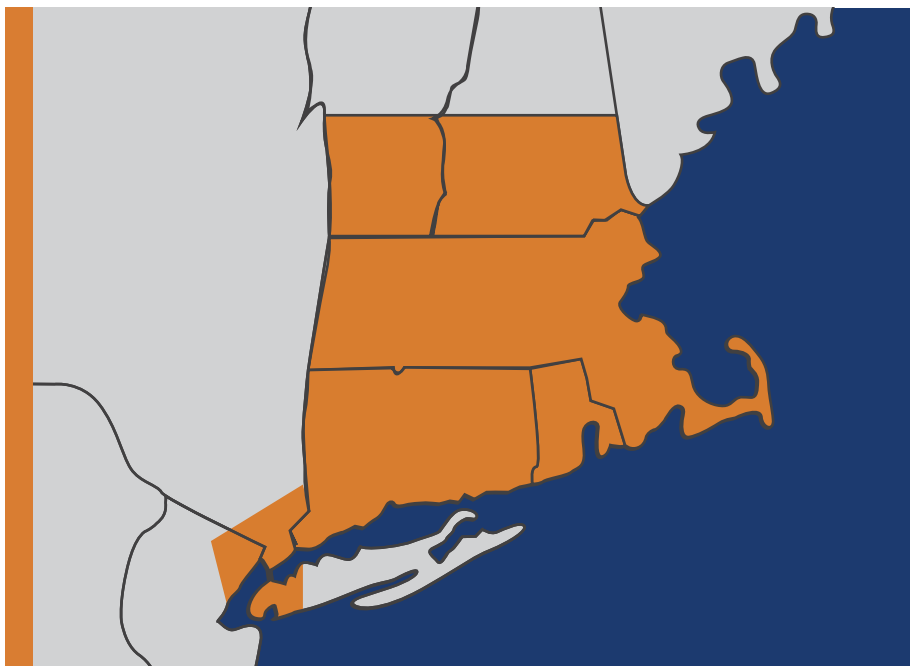
### IMPACT ON SALE

|                                       |  |   |
|---------------------------------------|--|---|
| <b>SERVICES OFFERED</b>               | Types of services offered drive business value. Increasing demand for cloud computing. | <ul style="list-style-type: none"> <li>Recurring revenues from long-term service agreements increase multiples</li> <li>Offering a variety of services, including cloud computing and cybersecurity, increases multiples</li> </ul>   |
| <b>CUSTOMER CONCENTRATION</b>         | Revenues rely on a few customers and key relationships are dependent on owner.         | <ul style="list-style-type: none"> <li>Higher multiples when no customer accounts for more than 5% of sales</li> <li>Deferred payment terms and fewer buyers</li> <li>Long-term contracts offset concerns of customer loss</li> </ul>   |
| <b>TECHNOLOGY &amp; EQUIPMENT</b>     | Rapidly evolving environment, technology critical to remaining competitive.            | <ul style="list-style-type: none"> <li>Up-to-date equipment and technology increase multiples</li> <li>Extraordinary CapEx investments post sale will negatively impact 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>Deep technical staff will enhance 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> | <p>Reputation</p> <p>Customer Service</p> <p>Revenue Growth</p>                        | <p>Economic Conditions</p> <p>Marketing</p> <p>Capital Expenditures</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 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.

