



FairExit
— ADVISORS —

Essentials Valuation Report

For buying or selling businesses with less than \$750,000 in annual revenue.

Essentials Valuation Report

Tailored for small businesses with annual revenue under \$750,000, this 18+ page report uses Sales and SDE multiples under the Market Approach, designed specifically for businesses in this revenue range.

Why this matters:

Knowing your business's true value promotes fair pricing and clear expectations, empowering both buyers and sellers to negotiate confidently.



Key features

- **Valuation Summary:** Clear overview of estimated selling price, equity value, and key insights.
- **Certified Appraiser:** Prepared by a NACVA Certified Appraiser for reliability and accuracy.
- **Adjusted Financials:** Adjusted for one-time expenses and non-operating items to reflect true performance.
- **Market Approach:** Valuation based on market multiples (Sales and SDE) from similar businesses.
- **Asset Approach:** Based on net asset value of assets and liabilities.
- **Comparable Transactions:** Contextual analysis from similar market transactions.
- **Easy Data Collection:** Quick and simple data input process.
- **Easy-to-Read:** Structured for clarity, accessible to all readers.
- **Accessible Support:** Connect with a certified appraiser for interviews, video summaries, and consultations.
- **Fast Delivery:** Guaranteed turnaround within 6 days after submission.

Frequently Asked Questions

What information do I need to provide to get started?

The data collection process usually takes about 10-15 minutes to collect. At a high-level, here's what we'll need from you:

General Business Information

- Company Owner(s) Full Name(s)
- Company Owner(s) Title(s)
- Company's Primary Address
- Legal Business Name i.e. ABC, LLC
- DBA, if applicable
- Company website, if applicable
- Entity type i.e. LLC, Partnership, C-Corp, Non-profit, etc.

Financials

You can choose to upload either financial statements (Profit & Loss Statement and Balance Sheet) or tax returns of the business for the last three full years, current year and/or trailing 12 months for highly seasonal businesses. Tax returns are usually preferred if you are buying or selling a business; however, financial statements are usually preferred for strategic planning purposes. Consult with your advisor, lender, or CPA regarding their preference.

Why should I pay for a valuation? Can't I just get a free estimate?

Free estimates sound appealing, but free opinions of value are often too generic and don't account for the unique factors that impact your business's true value, especially if it's more complex. A professionally prepared valuation by a certified appraiser takes a deep dive into your financials, ensuring we capture all the nuances that a free estimate would miss. This makes a significant difference in the final sale price and ensures we price the business correctly from the start.

My business isn't that complicated—do I really need a paid valuation?"

Even if your business seems straightforward, complexities can still affect its value—like personal expenses tied to the business, non-operating assets, or market conditions. A professional appraisal by a certified appraiser helps ensure nothing is overlooked, giving you peace of mind and a stronger foundation when negotiating with buyers.

How long will the valuation process take?

The valuation process typically takes a 2-6 business days, depending on your business's complexity. It's a thorough process, as the appraiser will collect detailed data, conduct interviews, and ensure every financial factor is accounted for. The time investment is well worth it to ensure we have an accurate, defensible value that stands up to scrutiny during negotiations.

What if the valuation comes in lower than I expected?

It's essential to set realistic expectations to avoid disappointment during the sale process. If the valuation comes in lower than expected, it means we're setting the right expectations from the start and avoiding issues later when buyers scrutinize the price. A professionally prepared valuation also helps us identify areas where improvements could increase the value before listing.