



FairExit
— ADVISORS —

Standard Valuation Report

For buying or selling businesses with less than \$50M in annual revenue.

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Crafted for any size business with annual revenue less than \$50M, this 35+ page report by a NACVA Certified Appraiser uses a blend of market, income, and asset approaches for a comprehensive assessment. The market approach provides valuations based on sales, EBITDA, and SDE, while the income approach includes cash flow capitalization and multi-stage growth.

Why this matters:

By combining multiple valuation methods, this report provides a reliable, nuanced valuation—empowering you to make informed decisions in buying, selling, or future planning.



Key features

- **Valuation Summary:** Clear overview of estimated selling price, equity value, and key findings.
- **Certified Appraiser:** Prepared by a NACVA Certified Appraiser, ensuring accuracy and reliability.
- **Adjusted Financials:** Refined financial statements, adjusting for one-time expenses and non-operating items.
- **Market Approach:** Valuation using relevant industry multiples (Sales, SDE, EBITDA).
- **Asset Approach:** Based on net asset value of business assets and liabilities.
- **Industry Benchmarking:** Compares performance against industry peers.
- **Owner's Compensation Analysis:** Ensures alignment with industry standards.
- **Loan Affordability Analysis:** Evaluates a business's financial capacity to handle loan repayments based on its cash flow.
- **Comparable Transactions:** Context from similar market transactions.
- **Easy Data Collection:** Minimal time required for data input.
- **Accessible Support:** Connect with a certified appraiser for interviews, video summaries, and consultations.

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.