

Design Company Example

Design Company Statement

Business Valuation

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VALUATION TECHNIQUES

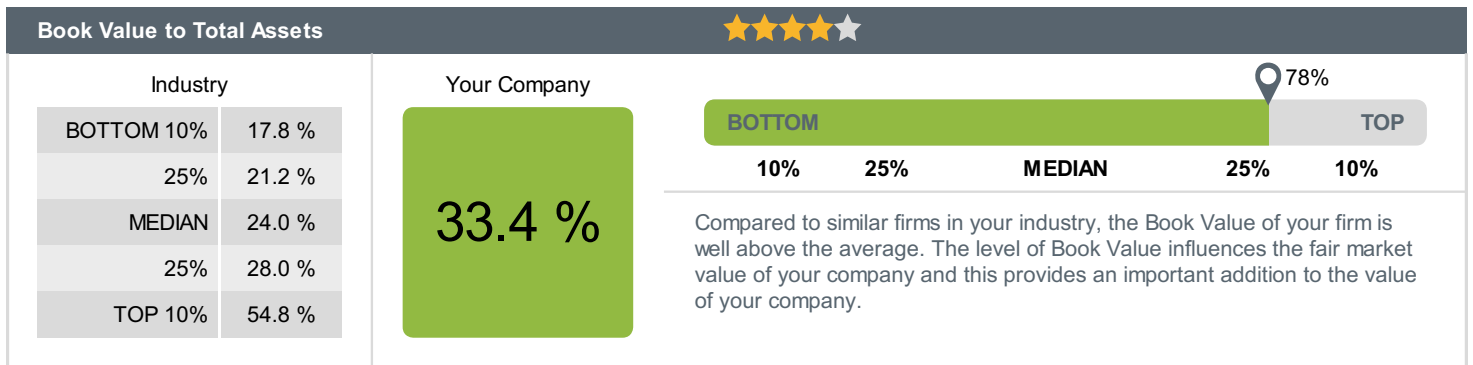
Technique 1

Book Value

This technique estimates the value of your company to be:

\$718,189

Taking the ratio of Book Value to Total Assets, your Book Value compares to that of your peers as follows:



Technique 2

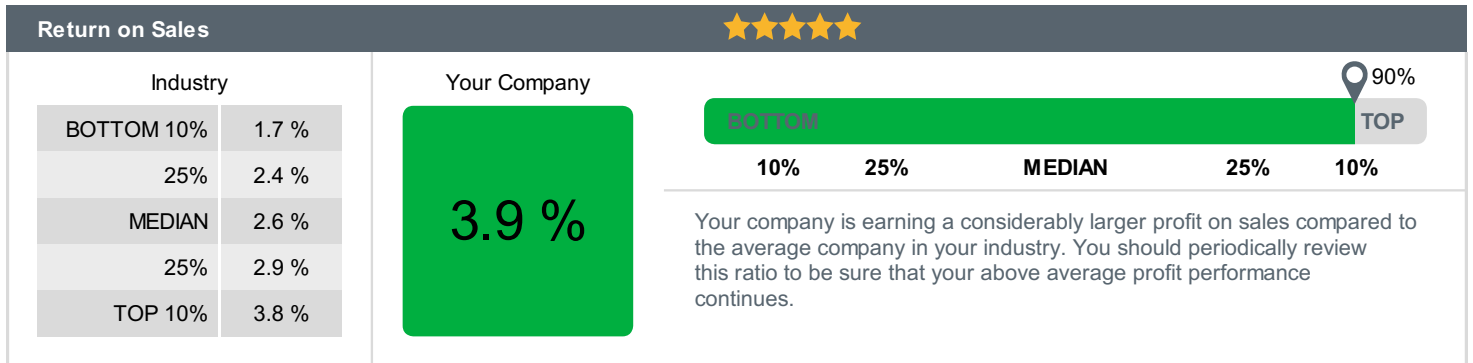
Earnings Capitalized Capitalization Rate

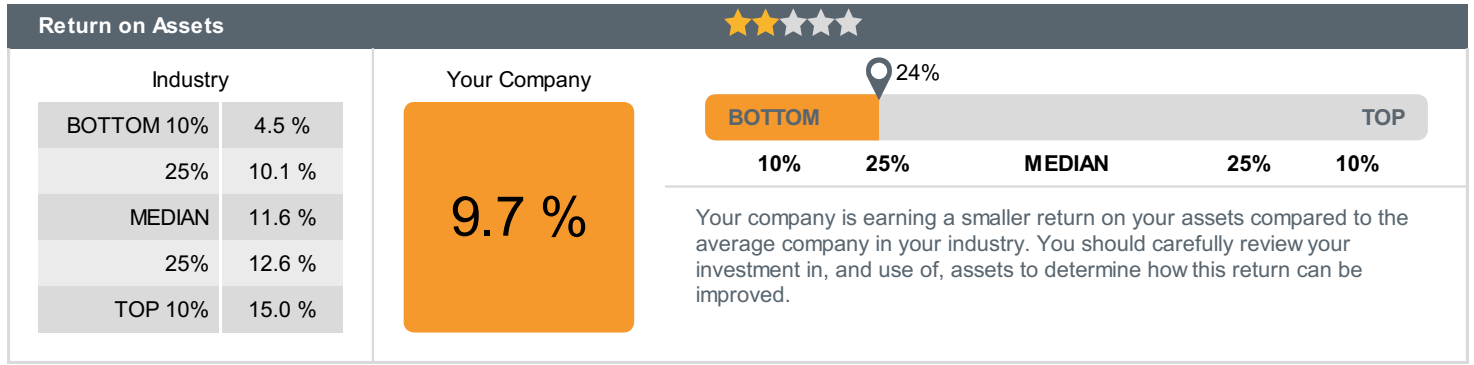
Assumed %

results in value of

\$808,348

Your profitability compares to that of your peers as follows:





VALUATION MEASURES

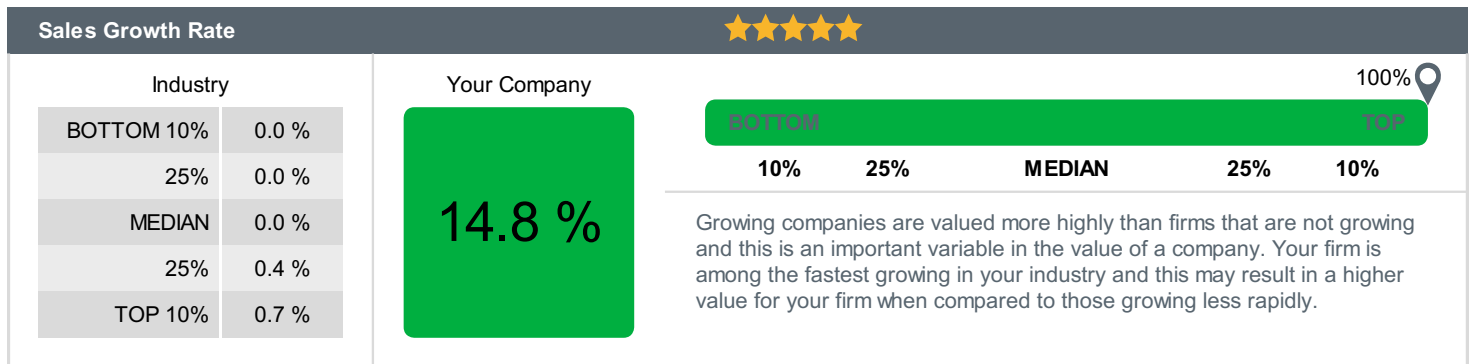
Technique 3

Capitalization of Current Earnings

Sales Growth Rate

Assumed % results in value of \$1,984,547

Your profitability compares to that of your peers as follows:



Technique 4

Average Industry P/E Ratio

Estimated 4.00 results in value of \$808,865

Top Quartile Industry P/E Ratio

Estimated 4.06 results in value of \$819,883

Firms often sell for a value that is a multiple of their Net Income and the values for your company given here are based on the average and top quartile Price to Earnings Ratio used for privately held companies in your industry.

Technique 5

Operating Income Multiple

Assumed results in value of \$1,322,563

The equity of privately held firms is frequently valued using a multiple applied to their operating income net interest-bearing debt. This multiple is usually between 4 and 7.

Final Estimate

Estimated Value of Your Firm

\$1,140,373

This estimated value of your firm is based on the results of the techniques presented above and is intended to give you a general idea of the wealth created by your company. For a more precise estimate of value you should have an independent valuation expert complete a comprehensive valuation for your firm.

Industry Reference

\$463,876

It is estimated that your firm's value is above that of a similar size business in your industry. This value is a result of your sales, profit, asset investment and growth and it provides an important measure of the success of your company.