

Business Summary Flier...... 32

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Business Valuation

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•	Industry Report(Not in Samp	ole)

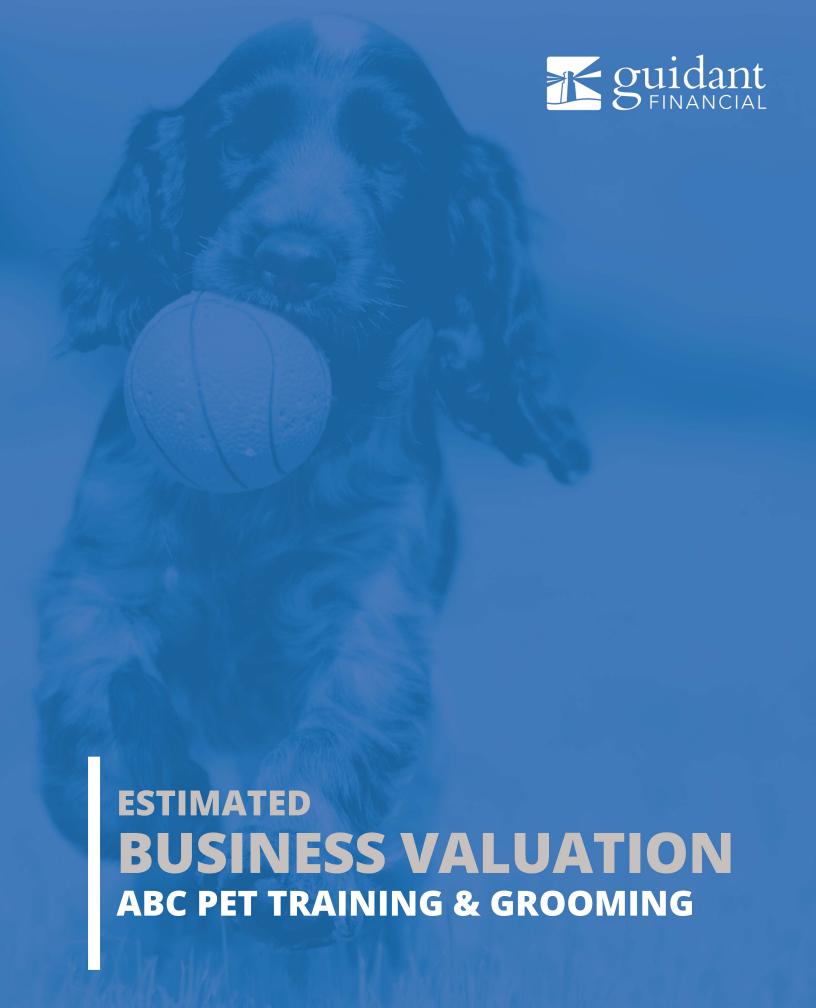




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INTRODUCTION

Here are three key points to understand as you read through your Estimated Business Valuation:

- 1. This report provides a range of price options it does not name the price for you. This estimated business valuation report is a tool designed to provide context for you. The values presented here are not a hard and fast rule that you must follow, but rather a range within which we suggest you select an asking price. Ultimately, your business is worth what a buyer is willing to pay for it. This report can help illustrate the story you'll tell to potential buyers about what makes your company unique and valuable.
- 2. The estimated value is based on established mathematical models.

 Estimating the value of a business is a complex proposition, and there are several ways to go about it. A physical site visit from an accredited professional appraiser is a great option, but can cost in the thousands. Using an industry multiplier against a financial factor like.

but can cost in the thousands. Using an industry multiplier against a financial factor like revenue is popular as a baseline, though the calculation is often overly simplistic. The third option, which we employ here, is a selection of complex, established mathematical models that have been used to estimate business values for decades.

3. The calculations are based on the financial information you have provided.

Because many of these value models deal with the value of future cash, there are assumptions inherent in these formulas – and that is why the end result is an estimate. The calculations themselves are only as good as the financial information they're based upon, and are intended to provide you with an educated reference point, not an official appraisal.

Estimated Business Valuation Approaches

The three widely accepted approaches to valuing a business are **Income**, **Asset** and **Market**, with multiple calculation methods within each. They each take a different approach to determining the value of the business, which is why we use five methods instead of just one or two. Read on through this report to gain a better understanding of these five methods, how they're calculated and the Weighted Estimated Value that pulls them all together:

- Asset Approach
- Discounted Cash Flow Method
- Capitalization of Earnings Method
- Market Approach
- EBITDA Multiple Approach
- Weighted Estimated Value



ESTIMATED BUSINESS VALUATION: SUMMARY

\$818,734

WEIGHTED ESTIMATED VALUE

The weighted value is a mix of the below five methods, calculated with a weighted valuation formula. Learn more on page 7.

\$166,039

ASSET APPROACH

The Asset approach estimates price based on the value of the business's assets minus liabilities. Learn more on page 3.

\$837,643

DISCOUNTED CASH FLOW

The Discounted Cash Flow method is based on the future value of today's money, applied with the discounted rate. Learn more on page 4.

\$769,756

CAPITALIZATION OF EARNINGS

The Capitalization of Earnings method is based on the future value of today's money, applied with the capitalization rate. Learn more on page 5.

\$779,464

MARKET APPROACH

The Market approach uses the recent sale prices of comparable businesses to estimate value. Learn more on page 6.

\$913,780

EBITDA MULTIPLE

The EBITDA method calculates the business's potential value ceiling. Learn more on page 6.



ASSET APPROACH

The Asset Approach estimates the worth of the business based on the value of the business's assets. Specifically, this approach uses the balance sheet to calculate the value of assets minus the value of liabilities. In some cases, a negative amount of assets will affect this approach and the business appears to have a negative value. Because a business cannot have a negative value, we instead set the value at zero. Your estimated business value based on the Asset Approach is:

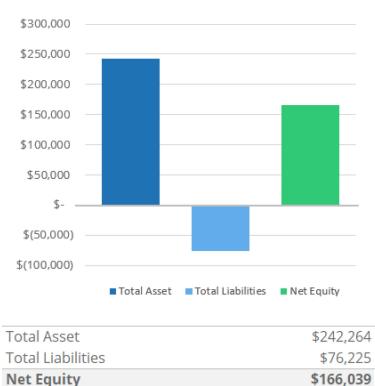
\$166,039

About the Asset Approach

This approach does includes assets like cash, accounts receivable and accounts payable. While included in the estimate, in an asset sale the seller keeps these, and the buyer gets a business full of inventory and supplies without taking on any of the business's debt. The buyer then creates a new legal entity under which to operate the business, while the seller retains the original entity.

Intangible assets, which are also included in this estimate approach, can include technology, vendor relationships and goodwill. This is important to keep in mind if these intangibles represent a large portion of your business, as that affects the significance of this value estimate.

Total Assets & Liabilities



When to Use the Asset Approach

The Asset Approach is commonly used when the business is an early-stage start-up or the assets make up a significant portion of the company's value.



DISCOUNTED CASH FLOW METHOD

The Discounted Cash Flow (DCF) method is an income-based method that attempts to calculate the future money your company will make and translate that into today's dollars. In other words, this method assumes your company's current worth is equal to the net present value of its future cash. Your estimated business value based on the DCF method is:

\$837,643

About the Discounted Cash Flow Method

In order to do this, your 3-year forecast is used to estimate your business's future expected cash flow and EBITDA over that same period. EBITDA (pronounced "ee-bid-uh") is a rule-of-thumb indicator of financial performance, calculated by adding non-cash expenses of depreciation and amortization back to the company's operating income. The terminal value is then calculated, which gives a reasonable dollar amount that can be ascribed to the future value of your business's cash flow past the three-year forecast.

With the terminal value identified, it's time to figure out what that forecasted money would be worth today. This is accomplished by applying a discount rate to the forecasted cash flow and terminal value. The discount rate is pulled from a section of the standard Ibbotson Build-Up Method, created in 1977 and still widely used today. The discount rate's purpose is to level out the future value of money with today's value, so that the business can be valued in today's dollars.

Detailed Cash Flow Forecast

	2016	2017	2018	2019	2020	2021
Revenue	\$ 875,665	\$ 1,125,899	\$ 1,408,500	\$ 1,507,095	\$ 1,612,592	\$ 1,725,473
Pre-tax Income	\$ 157,889	\$ 195,565	\$ 215,445	\$ 254,681	\$ 272,509	\$ 291,585
> Depreciation & Amortization	\$ 10,550	\$ 10,012	\$ 10,000	\$ 14,086	\$ 15,072	\$ 16,128
> Working Capital	\$ 54,256	\$ 61,835	\$ 69,814	\$ 68,785	\$ 70,490	\$ 72,314
> Capital Expenditures	\$ -	\$ 2,550	\$ 1,675	\$ 37,581	\$ 10,206	\$ 10,921
EBITDA	\$ -	\$ 210,652	\$ 228,445	\$ 269,868	\$ 286,848	\$ 305,146
Free Cash Flow	\$ -	\$ 158,389	\$ 172,918	\$ 179,601	\$ 217,864	\$ 231,707

When to Use the Discounted Cash Flow Method

The DCF method is commonly used when the user is reasonably confident in the company's future forecasts, as this method relies heavily on those assumed numbers.



CAPITALIZATION OF EARNINGS METHOD

The Capitalization of Earnings method is another income-based valuation approach. Like the Discounted Cash Flow method, COE prices your business based on the value of its future cash. The two methods differ in how they translate future value into present day value: DCF uses the discount rate, while COE uses the capitalization rate. Your estimated business value based on the Capitalization of Earnings method is:

\$769,756

About the Capitalization of Earnings Method

COE is calculated by dividing the business's expected pre-tax income by the capitalization rate. The capitalization rate is identified by subtracting the estimated future growth of the business from the discount rate. Both the discount and capitalization rates are pulled from the Ibbotson Build-Up Method (though this discount rate is different from that in the DCF method).

The discount rate's purpose is to measure the amount of risk an investor (buyer) takes on when investing in your business – essentially, it finds the rate of return required to make this investment worth it to the buyer.

Ibbotson Build-Up Method

Return in excess of risk-free rate		11.10%
Industry risk premium	+	1.23%
Additional risk for size premium	+	1.00%
Leverage/liquidity	+	0.00%
Earnings volatility	+	1.5%
Other risk factors peculiar to entity	+	0.00%
Long-term sustainable growth rate	-	2.00%
Adj to current year (1 + growth rate)	/	1.02
Cash to earnings factor	+	6.10%
Intangible earnings factor	+	5.00%
Tax effect (1-tax rate (21%)	1	79.00%
Pre-tax Net Income Cap Rate		27.99%
Pre-Tax Income	\$ 2	215,445
Pre-Tax Net Income Cap Rate		27.99%
Sub Total	\$	769,756
Non-Operating Assets	\$	-
Capitalization of Earnings Value	\$ 7	769,756

5

When to Use the Capitalization of Earnings Method

The Capitalization of Earnings method is most commonly used when the business has been operating for 3 years or more, which improves the accuracy of the economic benefit.



MARKET APPROACH

The Market Approach is a user-friendly, intuitive pricing method. On the most basic level, this approach assumes that similar businesses are worth a similar amount. In order to adjust the value estimate for variables such as size and quantity, a multiplier is applied to a specific value factor. The value factor can be a variety of numbers, but a common choice - and the one used here - is projected revenue for the upcoming year. Your business value estimate based on the market approach is:

\$779,464

About the Market Approach

In order to estimated value with this approach, projected revenue is multiplied by an industry average multiplier. The market multiplier is calculated based on the financial data of a selection of similar businesses, chosen based on revenue and industry, with which to compare your business. The multiplier for your industry, Animal Specialty Services, is 0.55.

Market Comparisons

\$4	22,	02	23

AVERAGE REVENUE

\$284,023

AVERAGE ASKING PRICE

\$121,605

AVERAGE EARNINGS

\$251,535

AVERAGE SALE PRICE

43 BUSINESSES COMPARED TO

Revenue	\$1,408,500
Market Multiple	× 0.55
Market Value	\$774,675
Asset Adjustment (+ / -)	\$4,789
Market Approach Value	\$779,464

When to Use the Market Approach

The Market Approach is commonly used as a rule-of-thumb or gut check price estimate.



EBITDA MULTIPLE APPROACH

The EBITDA Multiple approach aims to provide the maximum value of a business. It is often used by franchisors and other business services providers as a simplistic, rule-of-thumb valuation number. This method is not widely used by professional appraisers or considered a standard business valuation approach, but the resulting number can usually be considered the business's value ceiling. (In some cases, this number will be lower than that of other methods - particularly for businesses with higher assets and lower earnings.) Your estimated business value based on the EBITDA Multiple approach is:

\$913,780

About the EBITDA Multiple Approach

This approach simply multiplies the business's EBITDA (earnings before interest, tax, depreciation and amortization) by a multiple to determine the high end of the business's value. EBITDA is used here because it is a widely-accepted indicator of financial performance. The multiple is calculated from a range of 0 to 4 based on the life cycle stage and revenue volatility of the industry.

2018 EBITDA	\$ 228,445	Pet Grooming & Boarding in the US
Multiple	× 4.00	Life Cycle Stage GROWTH
EBITDA Multiple Approach	\$ 913,780.00	Revenue Volatility LOW

Life Stage	Declining	Mature	Mature	Growth	Growth
Revenue Volatility	Low - High	Medium - High	Low	Medium - High	Low
Multiple	< 1	1	2	3	4

When to Use the EBITDA Multiple Approach

The EBITDA Multiple approach can typically be used to determine the business's value ceiling.



WEIGHTED ESTIMATED VALUE

Each of the five valuation methods has advantages and disadvantages, with certain aspects of the business given more focus than others depending on the calculation method. Your estimated business value based on the weighted estimate is:

\$818,734

About the Weighted Estimated Value

This weighted formula takes into account the five value methods, balancing the different elements to provide a weighted average of your estimated business values. This precludes the need to choose just one of the five estimates to focus on, and instead aims to pull the best of each method into a single number.

Asset Approach: \$166,039

Capitalization of Earnings Methods: \$769,756

Discounted Cash Flow Method: \$837,643

Market Approach: \$779,464

EBITDA Multiple Approach: \$913,780

Weighted Estimated Value: \$818,734

When to Use the Weighted Estimated Value

This estimated value can be used to find a balance between each of the five standard method price estimates provided in this report.



BUSINESS KPIS

Key Performance Indicators (KPIs) are an excellent way to keep track of the health of your business. You can also use these numbers to benchmark your company against similar businesses. Based on the information you've provided, we've calculated six relevant KPIs for your business:

130%

RETURN ON EQUITY

ROE measures a company's profitability by expressing the percentage of profit generated by the money invested.

ROE = Net Income / Shareholders' Equity

46%

DEBT TO EQUITY RATIO

D/E shows the amount of debt a company has in comparison to the value of a shareholder's equity.

D/E = Total Liabilities / Shareholder's Equity

227%

CASH FLOW TO DEBT RATIO

C/D measures the ratio of cash flow to debt and is often used to show the rate at which a company can pay back debt.

C/D = Cash Flow / Total Debt

15%

NET PROFIT MARGIN

NPM shows how efficiently a company generates profit as compared to revenue, often expressed as a percentage.

NPM = Net Income / Revenue

18.5%

TOTAL DEBT TO INCOME RATIO

D/I calculates reoccurring monthly debt compared to gross monthly income to show another measure of risk.

D/I = Total Debt / Gross Income

\$69,814

WORKING CAPITAL

WC calculates the assets available to meet immediate financial goals or obligations, reflecting liquidity.

C/D = Current Assets - Current Liabilities



KEY ASSUMPTIONS

By definition, estimated business valuation methods are based on a variety of assumptions. These assumptions are made by both the current business owner (you), in order to forecast future cash flow, and by the formulas, as part of the calculations for each approach. It is because of these assumptions that this business valuation is an estimate, not a rule.

Below are the main assumptions made about your business in order to estimate it's value:

Industry

The SIC code you provided in your business valuation survey is used to select similar companies with which to compare yours in the Market Approach. The industry you selected is Animal Specialty Services.

Market Multiple

The market multiple is based on industry and the financial data of a selection of businesses similar to yours and used in the Market Approach. The market multiple used here is .55.

EBITDA Multiple

The EBITDA multiple falls in a range of 0 to 4, and is based on the life cycle stage and revenue volatility of the industry. The EBITDA industry multiple used here is 4 because the industry is in a life cycle stage of Growth and has revenue volatility of Low.

Financial Forecast

Your financial forecast plays a large role in the calculation of each method, and therefore greatly affects the outcome of each price estimate.

Discount Rate

The discount rate is used to translate the value of future cash flow, as estimated by your financial forecast, into present day value. These rates are pulled from the Ibbotson Build-Up Method. The discount rate used in the Discounted Cash Flow method is 18.33%; the Capitalization of Earnings discount rate is 27.99%.

Growth Rate

The growth rate is calculated based on your financial forecast of 7%, and impacts future revenues and cash flow in the Discounted Cash Flow method.



INPUT INDEX

Below are the income, asset and liabilities numbers you provided in your business valuation survey. Each of the above estimated values have been calculated on this information.

		2018	2017	2016
Income				
Income	Revenue	\$1,408,500	\$1,125,899	\$875,665
	Pre-tax Income	\$215,445	\$195,565	\$157,889
	Officer Compensation	\$0	\$0	\$0
	Interest Expense	\$3,000	\$5,075	\$6,525
	Non-Cash Expenses	\$10,000	\$10,012	\$10,550
	One-time Expenses	\$0	\$0	\$0
	One-time Revenues	\$0	\$0	\$0
Assets	Cash	\$84,250	\$78,556	\$75,899
	Accounts Receivable	\$0	\$0	\$0
	Inventory	\$4,789	\$5,000	\$5,525
	Other Current Assets	\$17,000	\$16,779	\$18,832
	Fixed Assets	\$108,225	\$106,550	\$104,000
	Intangible Assets	\$28,000	\$26,000	\$26,000
Liabilities	Accounts Payable	\$0	\$0	\$0
	Other Short-term Liabilities	\$36,225	\$38,500	\$46,000
	Bank Loans	\$40,000	\$70,000	\$90,000
	Other Long-Term Liabilities	\$0	\$0	\$0
	Contingent Liabilities	\$0	\$0	\$0





ABC Pet Training & Grooming | Bellevue, WA SELLER'S FINANCING ASSESSMENT

FINANCING ASSESSMENT

This report shows the types of financing options your business qualifies for and can be used as starting point to selling your business.

Congratulations! Your business has qualified for these financing solutions:

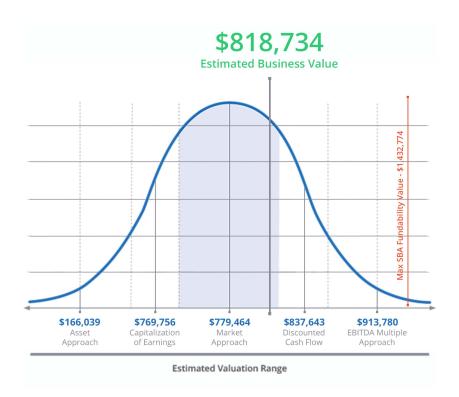
401(k) Business Financing	SBA Loan *	Portfolio Loan	Seller Financing
Funding Amount:	Funding Amount:	Funding Amount:	Funding Amount:
\$818,734	\$654,987	\$818,734	5%-60% Purchase Price
Time to Fund:	Time to Fund:	Time to Fund:	Time to Fund: 3 weeks on average
3 weeks on average	2-5 months	2-3 weeks	
Interest Rate: No Interest	Interest Rate:	Interest Rate:	Interest Rate:
	Prime + 2%	3.5% Interest Only	5% - 10% (Based on Buyer)
Monthly payment:	Monthly payment:	Monthly payment:	Monthly payment:
\$139	\$8,034	\$2,388	TBD (Buyer Pays You)

^{*}GET SBA PRE-QUALIED: With your permission, we can send your Estimate Business Valuation to one of our lending partners to see if they can fund your business. With pre-qualification from a bank, the only thing left will be for prospective buyers to be qualified.

About These Options

The qualification status for each financing solution is based on several business factors, including: asking price, cash flow, liabilities and potential monthly debt payments.

Funding amounts may vary depending on the requirements of each option: for examples, SBA loans typically require 20-30 percent down. The chart to the right shows the point at which this business is no longer eligible for an SBA loan.





Buyer '	Tool	kit
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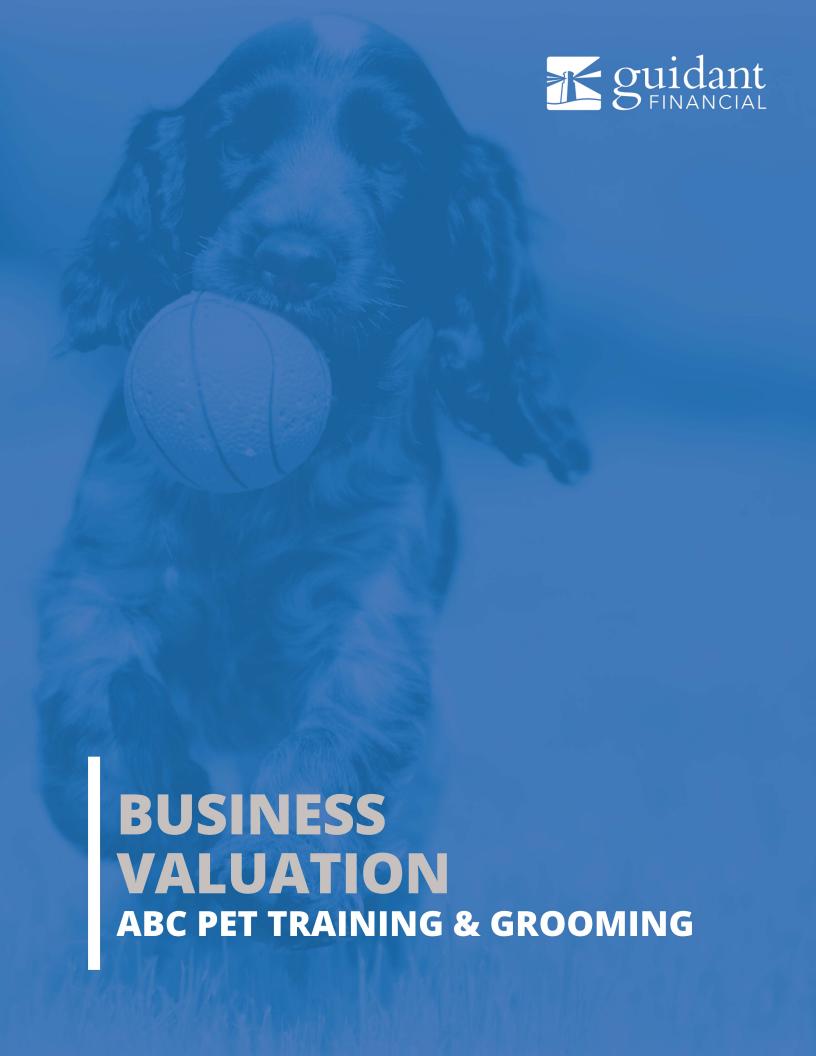




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INTRODUCTION

This valuation report shows the asking price the seller has determined for this business. It also explains the methodology behind the estimated business valuation report we provided to the seller, which shows them a range of estimated values within which we suggest they select an asking price. It is a tool meant to provide context for the seller, not to provide a hard-and-fast number they must follow.

Estimated Business Valuation Approaches

The three widely accepted approaches to valuing a business are **Income**, **Asset** and **Market**. Each takes a different approach to determining the value of the business. Because of this, a quality valuation should include at least two of these approaches in order to provide a comprehensive overview of the business's value. We use five methods, to take into account the strengths and weaknesses of each approach.

The income approach aims to determine value by how much cash the business generates – literally, how much income the owner will gain with this business. The asset approach looks at the value of a business's assets, and the market approach compares this business with the recent sales of similar companies. Within the Income Approach fall the Discounted Cash Flow method and the Capitalization of Earning methods – two different ways to value income. The sixth method, the Weighted Estimated Value, combines the five values into a single, averaged number.

The estimated value methods used here are:

- Asset Approach
- Discounted Cash Flow Method
- Capitalization of Earnings Method
- Market Approach
- EBITDA Multiple Approach
- Guidant's Estimated Valuation

Estimates and Assumptions

Each of these estimated values are based on the financial information the seller provided. Because many of these approaches deal with the future value of the business, there are assumptions inherent in these formulas – and that is why the end result an estimated business valuation is considered an estimate. The values provide an educated reference point to both buyer and seller, but do not reflect an official appraisal.

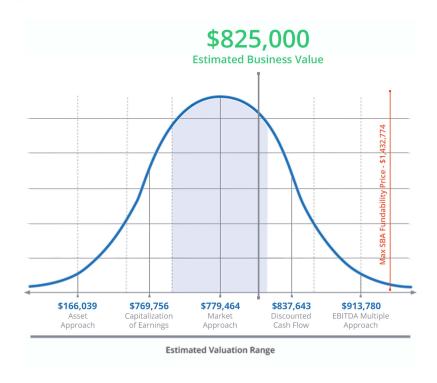
BUSINESS VALUATION: ASKING PRICE

Based on the six estimated business values we provided to the seller, the seller has selected an asking price for this company of:

\$825,000

This chart shows the price range at which this company has been valued, based on the six estimates we provided to the seller.

Here you can see where the seller's asking price falls in this valuation range, as well as the price point at which this business no longer qualifies for an SBA loan (based on SBA requirements).



Qualified Financing Options

The qualification status for each financing solution is based on factors like asking price, cash flow, liabilities and potential monthly debt payments. Funding amounts may vary depending on the requirements of each option or your personal qualifications. (For example, SBA loans typically require 20-30 percent down.)

401(k) Business Financing	SBA Loan	Portfolio Loan	Seller Financing
Funding Amount:	Funding Amount:	Funding Amount:	Funding Amount:
\$825,000	\$660,000	\$825,000	5%-60% Purchase Price
Time to Fund:	Time to Fund:	Time to Fund:	Time to Fund:
3 weeks on average	2-5 months	2-3 weeks	3 weeks on average
Interest Rate:	Interest Rate:	Interest Rate:	Interest Rate:
No Interest	Prime + 2%	3.5% Interest Only	5% - 10% (Based on Buyer)
Monthly payment: \$139	Monthly payment: \$8,095 \$BA-PRE-QUALIFIED	Monthly payment: \$2,406	Monthly payment: TBD (Buyer Pays You)

^{*}SBA PRE-QUALIED: This business has been pre-qualified for an SBA loan by a lending parter. All buyers must still be qualified.



BUSINESS KPIS

Key Performance Indicators (KPIs) are an excellent way to keep track of the health of a business. They can also used to benchmark your company against similar businesses. Based on the information the seller provided, we've calculated six relevant KPIs for this business:

130%

RETURN ON EQUITY

ROE measures a company's profitability by expressing the percentage of profit generated by the money invested.

ROE = Net Income / Shareholders' Equity

46%

DEBT TO EQUITY RATIO

D/E shows the amount of debt a company has in comparison to the value of a shareholder's equity.

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CASH FLOW TO DEBT RATIO

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\$69,814

WORKING CAPITAL

WC calculates the assets available to meet immediate financial goals or obligations, reflecting liquidity.

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ASSET APPROACH

The Asset Approach estimates the worth of the business based on the value of the business's assets. Specifically, this approach uses the balance sheet to calculate the value of assets minus the value of liabilities.

About the Asset Approach

This approach does includes assets like cash, accounts receivable and accounts payable. While included in the estimate, in an asset sale the seller keeps these, and the buyer gets a business full of inventory and supplies without taking on any of the business's debt. The buyer then creates a new legal entity under which to operate the business, while the seller retains the original entity.

When to Use the Asset Approach

The Asset Approach is commonly used when the business is an early-stage start-up or the assets make up a significant portion of the company's value.

Intangible assets, which are also included in this estimate approach, can include technology, vendor relationships and goodwill. This is important to keep in mind if these intangibles represent a large portion of your business, as that affects the significance of this value estimate.

DISCOUNTED CASH FLOW METHOD

DCF is an income-based method that attempts to calculate the future money the company will make and translate that into today's dollars. In other words, this method assumes the company's current worth is equal to the net present value of its future cash.

About the DCF Method

A 3-year forecast is used to estimate the business's future expected cash flow and EBITDA. EBITDA is a rule-of-thumb indicator of financial performance, calculated by adding non-cash expenses of depreciation and amortization back to the company's operating income. The terminal value is then calculated, which gives a reasonable dollar amount that can be ascribed to the future value of your business's cash flow past the three-year forecast. With the terminal value identified, it's time to figure out what that forecasted money would be worth today.

When to Use the DCF Approach

The DCF method is commonly used when the user is reasonably confident in the company's future forecasts, as this method relies heavily on those assumed numbers.

This is accomplished by applying a discount rate to the forecasted cash flow and terminal value. The discount rate is pulled from a section of the standard Ibbotson Build-Up Method, created in 1977 and still widely used today. The discount rate's purpose is to level out the future value of money with today's value, so that the business can be valued in today's dollars.



CAPITALIZATION OF EARNINGS METHOD

The Capitalization of Earnings method is another income-based valuation approach. Like the Discounted Cash Flow method, COE prices your business based on the value of its future cash. The two methods differ in how they translate future value into present day value: DCF uses the discount rate, while COE uses the capitalization rate.

About the Capitalization of Earnings Method

COE is calculated by dividing the business's expected pretax income by the capitalization rate. The capitalization rate is identified by subtracting the estimated future growth of the business from the discount rate. Both the discount and capitalization rates are pulled from the Ibbotson Build-Up Method (though this discount rate is different from that in the DCF method).

When to Use the COE Method

The Capitalization of Earnings method is most commonly used when the business has been operating for 3 years of more, which improves the accuracy of the economic benefit.

The discount rate's purpose is to measure the amount of risk an investor (buyer) takes on when investing in your business – essentially, it finds the rate of return required to make this investment worth it to the buyer.

MARKET APPROACH

The Market Approach is a user-friendly, intuitive pricing approach. On the most basic level, this approach assumes that similar businesses are worth a similar amount. In order to adjust the value estimate for variables such as size and quantity, a multiplier is applied to a specific value factor. The value factor can be a variety of numbers, but a common choice - and the one we use here - is projected revenue for the upcoming year.

About the Market Approach

In order to estimated value, projected revenue is multiplied by an industry average multiplier. The multiplier is calculated based on the financial data of a selection of similar businesses, chosen by revenue and industry, which which to compare the business.

When to Use the Market Approach

The Market Approach is commonly used as a rule-of-thumb or gut check price estimate.

Market Comparisons

\$422,023
AVERAGE REVENUE

\$121,605
AVERAGE EARNINGS

43
BUSINESSES COMPARED TO



EBITDA MULTIPLE APPROACH

The EBITDA Multiple approach aims to provide the maximum value of a business. It is often used by franchisors and other business services providers as a general, rule-of-thumb valuation number. This method is not widely used by professional appraisers or considered a standard business valuation approach, but the resulting number can be considered the business's value ceiling.

This approach simply multiplies the business's EBITDA (earnings before interest, tax, depreciation and amortization) by a multiple to determine the high end of the business's value. EBITDA is used here because it is a widely-accepted indicator of financial performance. The multiple is calculated from a range of 1 to 4 based on the life cycle stage and revenue volatility of the industry.

When to Use the EBITDA Approach

The EBITDA Multiple approach is most commonly used to identify the business's value ceiling. In other words, the highest dollar amount the business can reasonably be valued at.

WEIGHTED ESTIMATED VALUE

Each of the five valuation methods has advantages and disadvantages, with certain aspects of the business given more focus than others depending on the calculation method.

About Weighted Estimated Value

This weighted formula takes into account the five value methods, balancing the different elements to provide a weighted average of your estimated business values. This precludes the need to choose just one of the five estimates to focus on, and instead aims to pull the best of each method into a single number.

When to Use Weighted Estimated Value

This estimated value can be used to find the right balance between each of the five method price estimates provided in this report.



KEY ASSUMPTIONS

By definition, estimated business valuation methods are based on a variety of assumptions. These assumptions are made by both the current business owner, in order to forecast future cash flow, and us, as part of the calculations for each approach. It is because of these assumptions that business valuations are an estimate, not a rule.

Below are the main assumptions we have made about the business in order to estimate it's value:

Industry

The SIC code provided by the seller is used to select similar companies with which to compare yours in the Market Approach. The industry selected is Animal Specialty Services.

Market Multiple

The market multiple is based on industry and the financial data of a selection of similar businesses and is used in the Market Approach. The market multiple used here is .55.

EBITDA Multiple

The EBITDA multiple falls in a range of 0 to 4, and is based on the life cycle stage and revenue volatility of the industry. The EBITDA industry multiple used here is 4 because the industry is in a life cycle stage of Growth and has revenue volatility of Low.

Financial Forecast

The provided financial forecast plays a large role in the calculation of each method, and therefore greatly affects the outcome of each price estimate.

Discount Rate

The discount rate is used to translate the value of future cash flow, as estimated by the seller's financial forecast, into present day value. These rates are pulled from the Ibbotson Build-Up Method. The discount rate used in the Discounted Cash Flow method is 18.33%; the Capitalization of Earnings discount rate is 27.99%.

Growth Rate

The growth rate is calculated based on the financial forecast of 7%, and impacts future revenues and cash flow in the Discounted Cash Flow method.



ABOUT GUIDANT

Who is the company behind this report you're reading? We're Guidant Financial, based in Bellevue, Washington and founded in 2003. Since then, we have helped over 18,000 small business and franchise owners get the funding they needed to launch or buy a business, and each year we help over 8,000 current business owners value their business

Small Business Funding Made Easy

Here are some of the ways we can help you get the funding you need:



401(K) BUSINESS FINANCING

Entrepreneurs can use their 401(k) and IRA funds to buy a business without taking a taxable distribution or getting a loan. Learn More >



SBA LOANS

SBA business loans offer up to \$5 million with low-interest rates, flexible repayment terms and no ballooning costs. Learn More >



SBA \$150K LOANS

All the benefits of a traditional SBA loan w/ out the personal collateral requirements! Get quick access to \$150,000 or less. Learn More >



PORTFOLIO LOANS

Borrow up to 80% against the value of your stocks, bonds or mutual funds portfolios without having to sell. Learn More >



UNSECURED LOANS

Rather than using personal assets to secure business financing, unsecured loans offer capital based on credit worthiness. Learn More >



EXPANSION CAPITAL

For existing business owners looking to expand operations, our expansion capital program offers quick access to funds. Learn More >

Contact Us to Learn More!

Contact us for a free, no-pressure consultation with one of our financing experts to talk through your funding options!

888.755.5359 | www.guidantfinancial.com | sellersuite@guidantfinancial.com



ABC Pet Training & Grooming | Bellevue, WA FINANCING ASSESSMENT

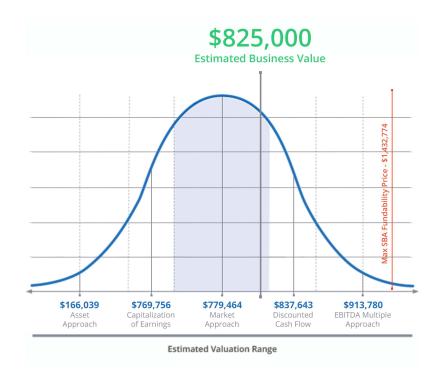
FINANCING ASSESSMENT: ASKING PRICE

Based on the six estimated business values we provided to the seller, the seller has selected an asking price for this company of:

\$825,000

This chart shows the price range at which this company has been valued, based on the six estimates we provided to the seller.

Here you can see where the seller's asking price falls in this valuation range.



Qualified Financing Options

The qualification status for each financing solution is based on factors like asking price, cash flow, liabilities and potential monthly debt payments. Funding amounts may vary depending on the requirements of each option or your personal qualifications. (For example, SBA loans typically require 20-30 percent down).

401(k) Business Financing	SBA Loan	Portfolio Loan	Seller Financing
Funding Amount:	Funding Amount:	Funding Amount:	Funding Amount:
\$825,000	\$660,000	\$825,000	5%-60% Purchase Price
Time to Fund:	Time to Fund:	Time to Fund:	Time to Fund:
3 weeks on average	2-5 months	2-3 weeks	3 weeks on average
Interest Rate:	Interest Rate:	Interest Rate:	Interest Rate:
No Interest	Prime + 2%	3.5% Interest Only	5% - 10% (Based on Buyer)
Monthly payment: \$139	Monthly payment: \$8,095 SBA-PRE-QUALIFIE	Monthly payment: \$2,406	Monthly payment: TBD (Buyer Pays You)

^{*}SBA PRE-QUALIED: This business has been pre-qualified for an SBA loan by a lending parter. All buyers must still be qualified.



SELLER SUITE BUYER TOOLKIT BUSINESS SUMMARY FLIER

ROASTED COFFEE
AND
LIGHTMEAL

SOLD

mon-fri gam-6pm sat-sungam-8pm









777 The Avenue, Bellevue, WA 98004



Asking Price: \$825,000

Revenue: \$1,408,500 | Cash Flow: \$172,918 | Established: 2007



Main Contact

Joshua Barnes | (555) 226-7789 | joshua.barnes@ABCpetgrooming.com www.abcpetgrooming.com

Business & Facilities Description

Bellevue, WA pet grooming, socialization training and dog training center business with private residence. The business is a one of a kind with a great reputation. We are well connected to the pet owners in the community and are a frequent participant in local school fundraisers. The location has a beautiful forest setting across from a quiet State Park.

Growth & Expansion

This business is a family owned and operated. There is a tremendous opportunity for growth, being the only facility this big on the East side that offers all of these services with a residence and potential second residence. There are 5 dog grooming businesses and 2 dog training businesses in a 25 mile radius. None offer the type of intensive training we specialize in, nor the experience, reputation, or sheer square footage of our facility. We average 20 new clients per month and have a client database of over 5,000. To go with our strong client base in services 60% of clients purchase additional goods and supplies.

Reason for Selling

I started this business over 10 years ago because of my love of pets, and have been operating and growing my business since. My family dynamics have changed and I wish to spend more time with my children. I considered simply hiring someone to manage the entire business for me, but I want some running this business who cares as much about our clients' pets as I do.



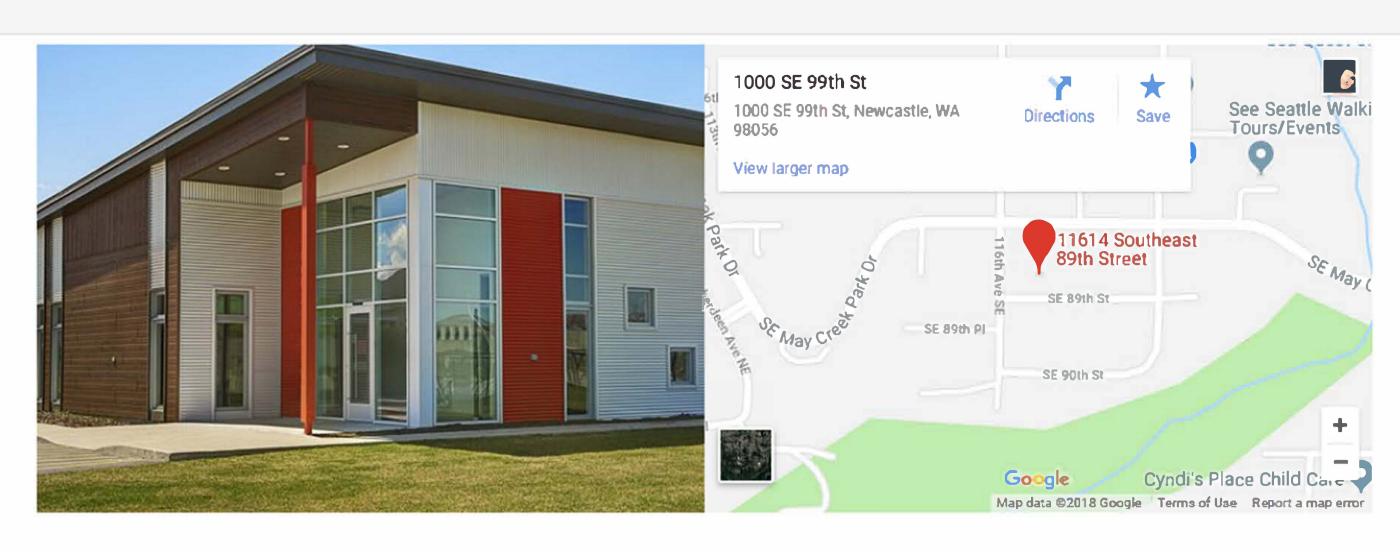
SELLER SUITE BUYER TOOLKIT BUSINESS SUMMARY WEB PAGE

ROASTED COFFEE AND LIGHTMEAL

SOLD

mon-fri gam-spm sat-sungam-spm

Questions? 888-472-4455



ABC Pet Grooming

Asking Price: \$825,000

Revenue: \$1,408,500 | Cash Flow: \$172,918 | Established: 2007



Main Contact Joshua Barnes | (555) 226-7789 | Joshua Barnes@ABCPetGrooming.com http//:www.abcpetgrooming.com

Business & Facilities Description

Bellevue (WA) pet grooming, socialization training and dog training center business with private residence. The business is a one of a kind with a great reputation. We are well connected to the pet owners in the community and are a frequent participant in local school fundraisers. The location has a beautiful forest setting across from a quiet State Park.

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Reason for Selling

I started this business over 10 years ago because of my love of pets, and have since been operating and growing my business since. In then family dynamics have changed and now have more children I am ready to spend more time with. I contemplated simply hiring someone to manage the entire business for me, but I want some running this business who cares as much about our clients pets as I do.

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Time to fund:	Time to fund:	Time to fund:	Time to fund: 3 weeks on average
3 weeks average	2-5 months	2-3 Weeks	
Interest rate:	Interest rate: Prime + 2%	Interest rate:	Interest rate:
No Interest		3.5% Interest Only	5% – 10% (Based on Buyer)
Monthly payment:	Monthly payment:	Monthly payment:	Monthly payment:
\$139	\$8,095	\$2,406	\$TBD by Buyer Eligibility

See if you're qualified!

Pre-qualify in two minutes. Learn your maximum funding amount. Compare your pre-approved options.

Last Name **Email** Phone Number First Name

GET STARTED

Additional Information About This Business



Business Valuation Report DOWNLOAD NOW ◆



Financing Assessment DOWNLOAD NOW ****



Business Summary Flier DOWNLOAD NOW ****



Our Pledge to You

Guidant Financial takes an educational and transparent approach to small business and franchise financing. Our team of financing experts will help you understand your funding options and develop a personalized solution tailored to your businesses needs. We invest in your long-term success so you can create the life you want.

Products & Services **Product Overview**

401(k) Business Financing SBA Business Loans

Unsecured Loans Portfolio Loans **Equipment Leasing**

Growth Capital Business Services Comparison Chart

Pre-Qualify

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