



18 Breezewood Drive * Orchard Park NY 14127
Toll Free (877) 841-2910
www.asradin.com || info@asradin.com

CONFIDENTIALITY IS PRIORITY # 1

THIS IS A REAL BUSINESS MARKET VALUATION with the name and industry changed for confidentiality

A.S. Radin & Associates (or your broker) Business Market Valuation for **Widgetts Inc.**

In consideration of your \$299 fee paid, we agreed to provide you a detailed and professional Business Market Valuation on your business. Attached hereto you will find the Business Market Valuation of your business. The value is based on financial data that you provided us and we do not warrant or guarantee the accuracy of said financial data. Based on the information that you provided, the current market value of your business is...

Business Market Value Based on ----- P&L - \$898,162

Based on these numbers, we feel that you have a very viable business to sell. Your positive cash flow is very impressive and your business has been established for more than 3 years.

We can list your business for \$900,000.

Our fee is ---% of the final selling price

If we move forward and list your business, we will require you to provide us the following copies of data...

1. 20—and 20-- tax returns
2. List of current equipment and inventory
3. Proof of Contributions deducted from "miscellaneous" expense on P&L
4. Proof of Cell Phone bill deducted from "telephone" expense on P&L

The Eight Reasons to use us to sell your business...

1. We protect the confidentiality of the transaction
2. We qualify buyers by net worth, experience and credit
3. We can help finance the buyers
4. Our experience of selling businesses worldwide since 2001
5. Our connections are vast and utilize the most current systems
6. We do not take every listing presented to us
7. We only take listings that we feel that we can sell
8. We do not charge retainer or listing fees – we get paid for being successful

And since your Business Market Valuation was determined the same way SBA places a value on a business and the same way that business buyers use in determining value, I am confident that we would be able to successfully sell your business. Again thank you for using A.S. Radin & Associates.

Scott Radin

Owner & Founder
A.S. Radin & Associates
Toll Free 1 (877) 841-2910
Web - www.asradin.com
Email - scott@asradin.com



BUSINESS MARKET VALUE ANALYSIS

Prepared by Scott Radin of A.S. Radin & Associates

18 Breezewood Drive * Orchard Park NY 14127
Toll Free (877) 841-2910 * web www.asradin.com * email scott@asradin.com

This Market Value Analysis is based on information provided by the below named business and A.S. Radin & Associates does not warranty or guarantee the accuracy of the figures provided. This is a Business Market Valuation for the purpose of setting a market value on the business.

BUSINESS NAME – Widgetts Inc.

ADDRESS – 12 Main Street * Knoxville TN (fictitious address)

This valuation is based on the financial information provided by Business as follows...

- 20-- Profit & Loss statements supplied by the business named above
- Current estimated Equipment Value as estimated by owner of business
- Current estimated Inventory Value as estimated by owner of business
- Any other tangible or intangible asset with value
- Business has two locations and this valuation is combined for both

20-- Gross Sales	20-- Net Profit/Loss
\$1,452,894	\$230,222

Cash Flow Add Backs To Profit (expenses or portion of expenses added back into Net Profit/Loss.). This determines true profit of the business as these are expenses to profit or expenses not necessary in doing business. ALL add-backs below can be proven by the business owner herein.

Expense	Year 20--
Owner Salary	\$57,900
Miscellaneous	\$39,000 (contribution)
Legal	\$7,671
Accounting	\$1,650
Travel/Entertainment	\$2,874.56
Telephone	\$2,100 (personal cell phone)
Dues/Subscriptions	\$432.85
Charitable Contributions	\$50
Auto	\$82.39

Total Add Backs to Net Profit...

20--
\$111,760.80

Cash Flow (Net Profit/Loss + Add Backs)...

20--
\$341,982.80

(\$230,222 + \$111,760.80)

Cash Flow Multiplier Used – 2.1 x cash flow (+ Assets)

Cash flow multipliers in the --- industry range between 1 – 3 x cash flow depending on success and business longevity. This business falls in the higher end success and longevity and given a multiplier of 2.1 x cash flow

Hard Asset Values...

Asset	Value
Equipment	\$20,000
Inventory	\$160,000

Current Real Estate Value- \$N/A

CURRENT MARKET VALUE OF YOUR BUSINESS

Cash Flow (\$341,982.80) x Multiplier (2.1) + Hard Assets (\$180,000) ...

Business Market Value without Real Estate
\$898,162

Business Market Value with Real Estate
\$N/A

The above Business Market Valuation represents the current market value of your business. This value is generally accepted by small business lenders and business buyers. This is the recommended asking price should you decide to sell.

OTHER VALUE ANALYSIS METHODS

The following Market Value analysis formulas are also used in valuing a business. The formulas are flawed and generally not accepted by business buyers or small business lenders. Buyers and lenders use the above Cash Flow method in determining a value. The following values are provided for reference only.

GROSS SALES VALUE

20-- Gross Sales: **\$1,452,894**

Industry: ----

Gross Sales Multiplier for this industry – 50% of Annual Sales

GROSS SALES VALUE – (gross sales x 50% + real estate if applicable)

Gross Sales Value without Real Estate
\$726,447

Gross Sales Value with Real Estate
\$N/A

Flawed because gross sales do not accurately reflect profit or loss (cash flow)

COMPARISON VALUE

Industry: -----

This method uses the median average asking price of similar businesses for sale in the gross sales and cash flow range in USA (source BizBuySell)

Number of similar businesses used in comparison value: 19

Comparison Value without Real Estate
\$427,600 (rounded off)

Gross Sales Value with Real Estate
\$N/A

Flawed because no two businesses are alike and assets are not accounted for.