



PROFIT EVALUATOR

Business Evaluation

BUSINESS INFO

NAME:

XYZ Services

TYPE:

Sales/Service

LOCATION:

Denver, CO

PREPARED FOR

John Smith

jsmith@email.com

Business, Inc.

100 Main St

Anytown, WI, T2T2T

Date Prepared:

July 15, 2021



ESTIMATED BUSINESS MARKET VALUE

\$1,783,000

SDE MARGIN

8.1%

BUSINESS DATA

ASKING PRICE:

\$2,200,000

REAL ESTATE:

\$950,000

TOTAL ASSETS:

\$500,000

SELLER DISCRETIONARY
EARNINGS/CASH FLOW:

\$238,000

INVENTORY:

-

YEAR ESTABLISHED:

1993

GROSS REVENUE:

\$2,945,000

SELLER FINANCING:

-

ASSUMPTIONS

INTEREST RATE – BANK

5.5%

MODEL INCREMENT:

10%

OPERATING CASH:

\$75,000

INTEREST RATE - SELLER:

-

ANNUAL CAPITAL
EXPENDITURES:

\$10,000

ANNUAL REAL ESTATE
LEASE:

-

Projection Analysis 1

XYZ Services

BUYER DOWN PAYMENT

20%

REAL ESTATE INCLUDED?

YES

RESULTS:

OFFERING PRICE	LOAN TERMS (Years)	FORECASTED REAL EARNINGS
\$2,200,000	16	\$55,579
\$1,980,000	16	\$72,143
\$1,760,000	18	\$98,296
\$1,540,000	20	\$120,359
\$1,320,000	22	\$139,495
\$1,100,000	22	\$156,476
\$880,000	22	\$170,816

Projection Analysis 2

XYZ Services

BUYER DOWN PAYMENT

12%

REAL ESTATE INCLUDED?

YES

RESULTS:

OFFERING PRICE	LOAN TERMS (Years)	FORECASTED REAL EARNINGS
\$2,200,000	16	\$38,336
\$1,980,000	16	\$56,557
\$1,760,000	18	\$85,325
\$1,540,000	20	\$109,595
\$1,320,000	22	\$130,644
\$1,100,000	22	\$149,323
\$880,000	22	\$165,098



Profit Evaluator recommended maximum offering price



Definitions

ASKING PRICE

Seller's asking price

SDE

Seller Discretionary Earnings - Sometimes referred to as "Cash Flow" or "Adjusted Net Income", this is the amount of money the seller gets to keep - real cash flow

GROSS REVENUE

Total money received at the point of final sale

BUYER DOWN PAYMENT

Amount of money required from the buyer to finance from a bank

REAL ESTATE

Market value of commercial real estate

INVENTORY

Value of products owned by the seller, but not yet sold

YEAR ESTABLISHED

The year the business began operations

SELLER FINANCING

Total value that the seller is willing to finance out of the purchase price

TOTAL ASSETS

Total value of equipment and furnishings included with the sale. This usually includes inventories, unless noted otherwise. Does NOT include real estate

FF&E

Furniture, Fixtures, & Equipment - usually included in "Total Assets"

OPERATING CASH

Amount of cash added to bank loan for maintaining daily operations

FORECAST INCREMENT

Amount purchase price is reduced for each new forecast example

CAPEX

Capital Expenditures - amount of money recommended for reinvestment into the business

RE LEASE

Real Estate Lease - may be included in the business sale

LOAN TERMS (WITH REAL ESTATE)

Time allowed to pay off the loan (years) when real estate is part of the sale

LOAN TERMS (NO REAL ESTATE)

Time allowed to pay off the loan (years) when real estate is NOT part of the sale

Comments

Summary comments for XYZ Ser