

*Enterprise Market Value Rapid Range – Middle Market Version*

This estimate of market value is not an appraisal or a comprehensive valuation. It is intended to provide the reader with a quick but rough approximation of probable purchase / sale price of assets being transferred between willing buyer(s) and seller(s) of an enterprise under normal market conditions at the time specified. The conclusions were reached using limited data without verification by the preparer. It's intended use is for benchmarking, determination of reasonable expectations, and preliminary marketability discussions and for no other purpose. The information is confidential and is not to be shared with parties other than the enterprise owner(s).

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**SUBJECT ENTERPRISE: SampleCo, Inc. – Atlanta, GA**

*[ Primary SIC's – 9080, 9090, 9070 ]*

**June 2007**

**Range of Fair Market Values**

**LOW: \$6,720,000 US**

**HIGH: \$7,450,000 US**

**SAMPLE ONLY**

**CONFIDENTIAL**

**SAMPLECO, INC. – CONFIDENTIAL**

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Normalized Tangible Assets Included in Sale		Normalized Cash Flow	
	At Closing		Annualized
Accounts Receivable	900	Revenue	11,700
Inventory	450	LESS: Cost of Goods Sold	6,850
LESS: Accounts Payable	300	<b>Gross Profit</b>	<b>4,850</b>
<i>Net Working Capital</i>	1,050		
		<i>Operating Expenses</i>	
Property, Plant & Equipment	1,500	Payroll	1,400
Real Estate	0	Parts & Supplies	500
<b>TOTAL ASSETS ( FMV )</b>	<b>2,550</b>	Gas & Oil	400
		Taxes & Licenses	100
		Insurance	175
		Travel & Lodging	75
		Interest Expense	100
		Depreciation	150
		Rentals & Repairs	100
		All Other	350
		<i>Total Operating Expenses</i>	3,350
		<b>Pre-Tax Income</b>	<b>1,500</b>
		PLUS: Interest	100
		PLUS: Depreciation & Amortization	150
		<b>EBITDA</b>	<b>1,750</b>
		PLUS: Non-Recurring / Non-Business	0
		LESS: FMV Rent Factor	(50)
		<b>Normalized EBITDA</b>	<b>1,700</b>
		PLUS: Owners Salary & Benefits	300
		LESS: FMV Executive Compensation	(200)
		<b>Compensation Adjusted EBITDA</b>	<b>1,800</b>
		LESS: Annual Cap-X	200
		<b>Free Cash Flow</b>	<b>1,600</b>

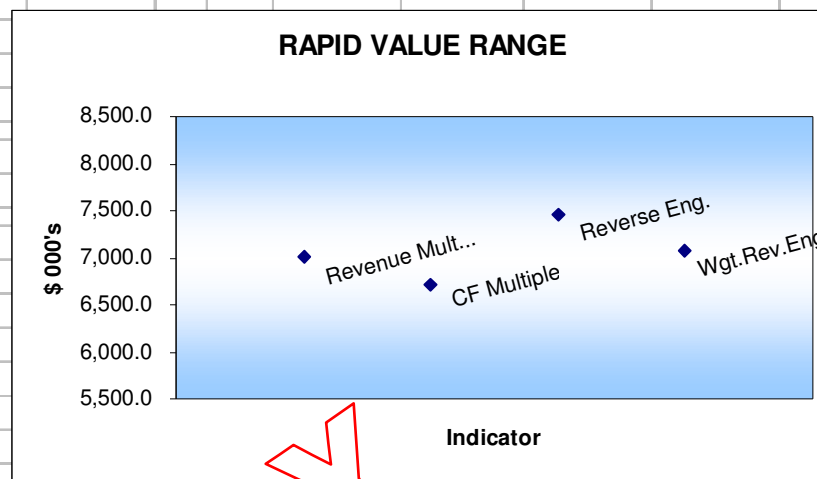
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**Assumed Transaction Parameters:**

(\$ 000's)	
FMV of Assets Included in Sale	2,550.0
Adjusted EBITDA	1,600.0
Normalized Revenue	11,700.0
Representative Cash Flow Multiple	4.2
Representative Revenue Multiple	0.6
Typical Investors Average Cash-on-Cash	
Return Requirement	20.00%
FMV Executive Compensation	150.0
<b>Typical Acquisition Funding Structure</b>	
Equity	30%
Debt	70%
Term (Mos.)	84
Rate (Ann.)	9.00%



**Enterprise SWOT (Strengths, Weaknesses, Opportunities, Threats)**

Marketability Factor	Enterprise Positioning			Marketability Factor	Enterprise Positioning		
	Superior	Average	Inferior		Superior	Average	Inferior
Competition	x			Tangible Asset Quality	x		
Market Base		x		Customer Concentration		x	
Financial Records		x		Reason For Sale		x	
Sales / Profit History			x	Facilities / Leases			x
Employee Base		x		Lender Eligibility			x
Non-Owner Supervisors			x	Subjectives / Intangibles	x		
<b>Weighted Average Factors (1-8 Scale)</b>				<b>3.8</b>			

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