Design Company Example Design Company Statement

Business Valuation

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VALUATION TECHNIQUES

<u>Technique 1</u> Book Value

This technique estimates the value of your company to be:

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

\$718,189

I Assets			×			
	Your Company				78	8%
17.8 %		воттом				TOP
21.2 %		10%	25%	MEDIAN	25%	10%
24.0 %	33.4 %					
28.0 %						
54.8 %		of your compa	ny.			
	21.2 % 24.0 % 28.0 %	17.8 % 21.2 % 24.0 % 28.0 %	17.8 % BOTTOM 21.2 % 10% 24.0 % 33.4 % 28.0 % Compared to swell above the value of your of your of your compared to state of your of	17.8 %21.2 %10%25%24.0 %33.4 %Compared to similar firms in well above the average. The value of your company and to of your company and to of your company	17.8 % BOTTOM 21.2 % 10% 25% MEDIAN 24.0 % 33.4 % Compared to similar firms in your industry, the Bowell above the average. The level of Book Value value of your company and this provides an importance of your company.	17.8 % 21.2 % BOTTOM 24.0 % 33.4 % Compared to similar firms in your industry, the Book Value of your well above the average. The level of Book Value influences the value of your company and this provides an important addition of your company.

<u>Technique 2</u>	•	ation Rate	results in value of		\$808,348		
Your profitability co	mpares to that	of your peers as follows	5:				
Return on Sales			****	\			
Industry	,	Your Company					90%
BOTTOM 10%	1.7 %		BOTTOM				ТОР
25%	2.4 %		10%	25%	MEDIAN	25%	10%
MEDIAN	2.6 %	3.9 %	1 5	0	a considerably larger p		

the average company in your industry. You should periodically review this ratio to be sure that your above average profit performance continues.



25%

TOP 10%

2.9 %

3.8 %

BUSINESS VALUATION

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Return on Assets			***	*			
Industry	,	Your Company		24%			
BOTTOM 10%	4.5 %		BOTTOM				ТОР
25%	10.1 %		10%	25%	MEDIAN	25%	10%
MEDIAN	11.6 %	9.7 %			smaller return on you		
25%	12.6 %		investment in,		dustry. You should c ssets to determine he		
TOP 10%	15.0 %		improved.				

VALUATION MEASURES

<u>Technique 3</u>	Capitalization of Current Earnings							
	Sales Growth Rate							
	Assumed	14.82 %	results in value of	\$	1,984,547			
Your profitability co	mpares to that	of your peers as follow	/S:					
Sales Growth Rate	e			\				
Industry	,	Your Company					100%	
BOTTOM 10%	0.0 %		BOTTOM				ТОР	
25%	0.0 %		10%	25%	MEDIAN	25%	10%	
MEDIAN	0.0 %	14.8 %			lued more highly than			
25%	0.4 %		among the faste	and this is an important variable in the value of a company. Your firm is among the fastest growing in your industry and this may result in a higher				
TOP 10%	0.7 %		value for your firm when compared to those growing less rapidly.					
			-					

<u>Technique 4</u>	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.

<u>Technique 5</u>	Operating I	Operating Income Multiple						
	Assumed	5	results in value of	\$1,322,563				
				the star substant is a substant of the	in the work is a subscript of the Their			

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 EstimateEstimated Value of Your Firm

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

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.



\$1.140.373

\$463,876