



Real World Business Valuation

Pre-Game Planning Program

A 3-phase planning program offered by the M & A Quarterback gives business owners a vivid picture of where they are, where they are headed, and how to get there.

Phase 1 Real World Business Valuation

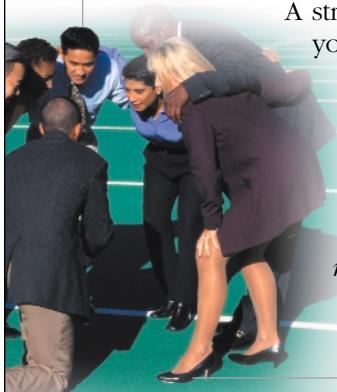
A realistic evaluation of your business “through the eyes of a buyer” to help you answer the question: *Where am I today?*

Phase 2 Roadmap to Financial Independence

A comprehensive analysis of your current and future financial resources and anticipated needs to help you answer the question: *How far am I from financial independence?*

Phase 3: Business Value Builder Program

A strategic analysis of your business “through the eyes of a buyer” to help you answer the question: *How can I improve my business to reach my target value?*



M&A Quarterback is a program designed to help business owners coordinate all the financial, legal and marketing aspects of selling a business:

- Pre-sale planning
- Valuation
- Tax planning
- Marketing and finding the buyer
- Negotiating and closing the sale



David Bishop

The M & A Quarterback program was created by David Bishop in cooperation with Bishop & Company, *Investment Bankers and Mergers and Acquisitions Advisors*, and Bishop, Capitano & Abner, *Attorneys at Law*. All legal services are provided by Bishop, Capitano & Abner.

For more information on the the Pre-Game Planning Program or any other services offered by the M & A Quarterback call us at 704-442-8875 or visit us at www.bishop-company.com.



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Real World Business Valuation

Getting a Vivid Picture of What Your Business is Really Worth

Coordinating all the financial, legal, & marketing aspects of your Mergers and Acquisitions game plan



The Purpose

Do you ever wonder how much you would get if you sold your business today? M & A Quarterback's Real World Business Valuation gives you a true picture of what you should expect to receive if you sold your business today.

Why Now?

Even if you don't plan to sell today, understanding where you are is fundamental to knowing where you are going. It's hard to set clear goals for building your business when you don't have a vivid picture of your current value. Just knowing how would-be buyers perceive your company will help you determine what you need to do today to realize your dream of financial independence tomorrow.

“With a Real World Valuation you will know how much you will get from a buyer and how much you will have after the sale to spend or invest. And that’s what you really want to know anyway!”

What's Involved?

We gather financial information and interview you to learn more about your business and its future prospects. We research your industry and “check out” the market, keeping everything confidential. Our sophisticated interactive model considers growth, working capital, capital expenditures, and other important factors that affect the true cash flow of the buyer – the ultimate determinant of Real World Business Value.

What You Will Get

You will receive a Real World Valuation Report estimating what you would receive on the sale of your business and a Real World Tax Report estimating what you will have to spend or invest after paying taxes on the sale. We will explain our methodology and conclusions and help you to understand the financial and nonfinancial factors that determine value. We will also discuss with you the likelihood of finding an interested and qualified buyer and anything that could jeopardize a sale.

Typical Business Valuation

- Based on what a typical buyer will pay
- Ignores likely structure of the sale (*asset or stock sale*)
- Ignores borrowing capacity of assets
- Ignores likely financing by seller or bank
- Ignores tax consequences
- Ignores actual sales of similar size companies

Real World Business Valuation

- Based on what the best buyer will pay
- Considers likely structure of the sale (*stock or asset sale*)
- Considers borrowing capacity of assets
- Considers likely financing by seller or bank
- Considers tax consequences
- Considers actual sales of similar size companies

What's So Important About Real World Valuation?

A Real World Valuation will help you:

- Understand how buyers perceive your business and uncover its real value
- Stop procrastinating on your plans to improve your company
- Commit to a deliberate plan to build the value of your company



XYZ, Inc. Real World Valuation Summary

Price Multiple 5.49	EBITDA 6.10	EBIT	Business Value 8231	Buyer Equity 3437	41.8%
EBITDA	1500	Cash Down Payment	6552	Buyer's Pre-Tax ROI	25.0%
Net Assets Acqd @ Book Value	3400	Gap (Seller): Note	1679	Goodwill	3831
Net Assets Acqd @ FMV	4400	Gap (Seller) Balloon Note	0	Total Buyer Capital	3437
Stock vs. Asset Purchase	Asset	Remaining Non-Compete	0	Business Bank Loan	3280
		Remaining Consulting	0	Total Gap (Seller) Financing	1679
	Year 1	Year 2	Year 3	Year 4	Year 5
BVX Cash Flow	0	96	172	257	350
Add'l Revover	118	0	0	0	0
Taxable Inc.	377	503	653	818	1001