

# Valuation Tables

**How to Read These Tables** Buying a business, it turns out, isn't all that different from buying a house. If we're shopping for a house, we can easily find out such helpful information as what the median sales price is in the neighborhood, what houses are going for on a square-foot basis, and what comparable homes cost. This table offers the same kinds of information for businesses. For each type of company, it notes median annual revenue, median sales price (defined by BV Resources as MVIC, or equity price plus long-term liabilities assumed), and the three best multiples (rough equivalents of price per square foot). In addition, the line graphs on the right side of the table show the sales price range for each category (the comparables) from low to high with a little circle indicating where the median price falls. For example, look at the second line of the table, where you'll find landscape counseling and planning businesses. The number in parentheses indicates that there were six sales of these businesses during the period the data covers (1/1/01 to 4/12/04). Scanning across the table, you'll find median annual revenue (\$1,134,000), median sales price (\$383,000), the three best multiples for this industry, and the price range. You'll see that the price range is plotted on a logarithmic chart, which makes it easy to compare the ranges of various industries but difficult to determine the precise high and low sales prices. If you'd like to drill down further and see the actual numbers, use our searchable Ultimate Valuation Database to find a description of the businesses sold along with their revenues and when they sold. In fact, you can search almost 6,000 sales by industry or name of business category for the data most relevant to you.

**Book Value of Equity** = Total Assets - Total Liabilities.  
**Book Value of Invested Capital** = (Total Assets - Total Liabilities) + Long-Term Liabilities.  
**DiscEarnings** (Discretionary Earnings) = Net Income + Taxes + Interest Expense + Owners Com-

pensation + Noncash Charges.  
**EBIT** = Net Income + Interest Expense + Taxes.  
**EBITDA** (Earnings Before Interest, Taxes, Depreciation, and Amortization) = Net Income + Interest Expense + Taxes + Non-

cash Charges.  
**EBT** (Earnings Before Taxes) = Net Income + Taxes.  
**Equity Price** = Reported Selling Price (not including long-term liabilities assumed and employment/consulting agreement values).  
**Gross Cash Flow** = Net Income +

Noncash Charges.  
**MVIC** (Market Value of Invested Capital) = Equity Price + Long-Term Liabilities Assumed.  
**Net Income** = After-Tax Net Income.  
**Net Sales** = Annual Gross Sales, Net of Returns and Discounts.

Data from 1/1/2001 to 4/12/2004

GROUP/Type of Business (Number of transactions)	Median Annual Revenue (\$ '000's)	Median Sales Price (\$ '000's)	Median Valuation Multiples			Sales Price Ranges Low/Median/High (\$ '000's)
			Best Indicator	Second Best	Third Best	
<b>AGRICULTURE, FORESTRY, AND FISHING</b> <sup>(25)</sup>	200	175	0.56	1.25	1.83	
Landscape Counseling and Planning <sup>(6)</sup>	1,134	383	0.40	3.07	3.57	
Lawn and Garden Services <sup>(11)</sup>	185	65	0.60	1.48	2.40	
<b>MINING</b> <sup>(18)</sup>	15,687	23,709	2.70	7.89	6.30	
Crude Petroleum and Natural Gas <sup>(14)</sup>	20,531	43,585	3.44	3.44	6.70	
<b>CONSTRUCTION</b> <sup>(68)</sup>	1,330	473	0.33	0.32	1.84	
Plumbing, Heating, and Air Conditioning <sup>(12)</sup>	1,664	685	0.88	2.21	0.24	
Electrical Work <sup>(9)</sup>	2,166	560	0.32	9.52	7.47	
Carpentry Work <sup>(6)</sup>	1,204	423	1.72	0.41	6.91	
Roofing, Siding, and Sheet Metal Work <sup>(8)</sup>	1,361	318	0.19	2.22	0.19	
Concrete Work <sup>(5)</sup>	438	205	0.33	1.59	4.20	

Equity Price divided by:	Net Sales	Gross Cash Flow	EBT	Net Income	Book Value of Equity
MVIC divided by:	Net Sales	EBIT	EBITDA	DiscEarnings	BVIC

EBT = Net Income + Taxes; **Equity Price** = Reported Selling Price (not including long-term liabilities assumed and employment/consulting agreement values);  
**Gross Cash Flow** = Net Income + Noncash Charges; **MVIC** (Market Value of Invested Capital) = Equity Price + Long-Term Liabilities Assumed;  
**Net Income** = After-Tax Net Income; **Net Sales** = Annual Gross Sales, Net of Returns and Discounts Allowed, if any.

# ( THE ULTIMATE VALUATION GUIDE )

Data from 1/1/2001 to 4/12/2004

Data from 1/1/2001 to 4/12/2004			Median Annual Revenue (\$ 000's)	Median Sales Price (\$ 000's)	Median Valuation Multiples			Sales Price Ranges Low/Median/High (\$ 000's)									
GROUP/Type of Business (Number of transactions)			Best Indicator	Second Best	Third Best												
MANUFACTURING <sup>(369)</sup>			3,000	2,900	3.10	7.52	9.19	10	50	100	500	1,000	5,000	10,000	50,000	100,000	500,000
Food Preparations <sup>(5)</sup>			5,350	2,354	0.50	0.49	3.33										
Women's and Misses' Outerwear <sup>(5)</sup>			95,842	65,830	0.36	11.55	2.08										
Wood Household Furniture <sup>(7)</sup>			1,925	908	0.40	0.40	7.42										
Periodicals <sup>(7)</sup>			255	170	0.75	2.44	17.90										
Commercial Printing, Lithography <sup>(18)</sup>			602	301	2.27	0.55	0.55										
Commercial Printing <sup>(17)</sup>			413	222	0.54	2.89	5.36										
Manifold Business Forms <sup>(5)</sup>			8,656	2,907	6.95	0.19	0.14										
Pharmaceutical Preparations <sup>(15)</sup>			9,344	55,000	34.72	27.80	14.32										
In Vitro and In Vivo Diagnostic Substances <sup>(5)</sup>			54,449	150,000	18.36	15.32	24.12										
Plastics Products <sup>(6)</sup>			4,038	4,019	3.61	5.72	9.45										
Industrial Machinery <sup>(10)</sup>			1,541	1,125	3.33	0.60	0.64										
Communications Equipment <sup>(9)</sup>			8,013	50,100	13.28	9.61	7.90										
Semiconductors and Related Devices <sup>(10)</sup>			11,075	32,550	3.27	2.28	3.28										
Laboratory Analytical Instruments <sup>(6)</sup>			3,461	7,900	8.28	0.85	4.26										
Surgical and Medical Instruments <sup>(6)</sup>			13,334	3,500	2.92	3.12	1.01										
Orthoped., Prosthet., Surgic. Appls. & Suppls. <sup>(9)</sup>			16,712	13,742	11.55	6.88	12.31										
Electromedical Equipment <sup>(6)</sup>			13,548	10,200	0.74	0.74	1.55										
Signs and Advertising Specialties <sup>(12)</sup>			487	329	3.99	5.86	5.86										
Manufactur. Industrs., Not Elsewhere Class. <sup>(9)</sup>			905	638	2.26	0.71	0.70										
TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SANITARY SERVICES <sup>(83)</sup>			3,746	3,200	1.85	4.59	2.99										
Local Trucking With Storage <sup>(5)</sup>			640	370	0.30	1.58	2.49										
Telephone Communications, Except Radio <sup>(15)</sup>			10,367	5,995	4.46	3.71	0.46										
Communications Services <sup>(8)</sup>			2,840	10,547	3.46	4.99	10.84										
Refuse Systems <sup>(10)</sup>			10,730	2,235	2.99	2.89	3.62										
WHOLESALE TRADE <sup>(136)</sup>			1,189	525	0.44	0.43	3.04										
Motor Vehicle Supplies and New Parts <sup>(5)</sup>			962	295	3.15	5.57	4.53										
Medical and Hospital Equipment <sup>(9)</sup>			739	385	4.27	0.62	0.62										
Electrical Apparatus and Equipment <sup>(6)</sup>			1,939	553	3.05	0.36	0.36										
Electronic Parts and Equipment <sup>(8)</sup>			5,517	2,333	5.33	0.45	0.43										
Industrial Supplies <sup>(10)</sup>			2,533	1,420	3.99	0.60	8.21										
Durable Goods, Not Elsewhere Classified <sup>(5)</sup>			400	336	0.52	2.50	11.11										
Stationery and Office Supplies <sup>(5)</sup>			457	158	4.04	4.04	2.46										
Drugs, Drug Proprietarys, and Sundries <sup>(5)</sup>			54,537	45,000	6.00	5.99	0.84										
Nondurable Goods <sup>(8)</sup>			1,303	451	2.76	5.41	5.41										
RETAIL TRADE <sup>(443)</sup>			453	150	0.36	0.37	2.11										
Lumber and Other Building Materials <sup>(8)</sup>			1,566	560	2.82	0.30	6.73										
Hardware Stores <sup>(5)</sup>			1,478	510	2.52	0.44	7.64										
Grocery Stores <sup>(26)</sup>			898	173	3.41	3.44	3.41										
Retail Bakeries <sup>(7)</sup>			233	90	1.07	8.46	0.34										
Auto and Home Supply Stores <sup>(9)</sup>			1,121	250	5.88	3.67	5.80										
Gasoline Service Stations <sup>(14)</sup>			1,489	205	0.15	2.32	2.32										
Boat Dealers <sup>(6)</sup>			1,577	380	2.00	6.79	7.16										
Motorcycle Dealers <sup>(5)</sup>			2,450	662	4.42	0.53	4.75										
Furniture Stores <sup>(5)</sup>			514	216	1.81	0.41	6.87										
Floor Covering Stores <sup>(6)</sup>			1,471	260	5.37	0.26	3.84										
Miscellaneous Home Furnishings <sup>(8)</sup>			630	245	2.29	2.97	3.21										
Computer and Software Stores <sup>(10)</sup>			958	106	0.13	0.13	3.02										
Eating and Drinking Places <sup>(170)</sup>			286	100	1.94	0.38	0.37										
Drinking Places <sup>(24)</sup>			360	130	2.16	2.31	2.20										

Equity Price divided by:	Net Sales	Gross Cash Flow	EBT	Net Income	Book Value of Equity
MVIC divided by:	Net Sales	EBIT	EBITDA	DiscEarnings	BVIC

Book Value of Equity = Total Assets - Total Liabilities; Book Value of Invested Capital = (Total Assets - Total Liabilities) + Long-Term Liabilities;  
DiscEarnings (Discretionary Earnings) = Net Income + Taxes + Interest Expense + Owner's Compensation + Noncash Charges;  
EBIT = Net Income + Interest Expense + Taxes; EBITDA = Net Income + Interest Expense + Taxes + Noncash Charges;

Data from 1/1/2001 to 4/12/2004

GROUP/Type of Business (Number of transactions)	Median Annual Revenue (\$ 000's)	Median Sales Price (\$ 000's)	Median Valuation Multiples			Sales Price Ranges Low/Median/High (\$ 000's)
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<b>Drug Stores and Proprietary Stores</b> <sup>(7)</sup>	6,566	1,779	3.37	0.20	0.20	10 50 100 500 1,000 5,000 10,000 50,000 100,000 500,000 \$1,000,000 (thousands)
<b>Liquor Stores</b> <sup>(12)</sup>	966	315	4.85	0.36	5.07	
<b>Sporting Goods and Bicycle Shops</b> <sup>(8)</sup>	865	287	0.49	0.47	2.14	
<b>Gift, Novelty, and Souvenir Shops</b> <sup>(10)</sup>	329	202	0.55	6.87	6.87	
<b>Merchandising Machine Operators</b> <sup>(10)</sup>	507	370	0.59	0.59	3.49	
<b>Florists</b> <sup>(22)</sup>	215	113	0.39	2.05	1.83	
<b>Miscellaneous Retail Stores</b> <sup>(16)</sup>	260	120	0.52	1.82	3.10	
<b>FINANCE, INSURANCE, AND REAL ESTATE</b> <sup>(53)</sup>	3,367	6,850	2.30	9.21	3.68	
<b>Security Brokers and Dealers</b> <sup>(10)</sup>	16,348	6,724	6.20	4.65	4.28	
<b>Hospital and Medical Service Plans</b> <sup>(5)</sup>	46,107	10,400	0.47	4.15	25.87	
<b>Real Estate Agents and Managers</b> <sup>(5)</sup>	929	100	0.27	0.81	0.48	
<b>SERVICES</b> <sup>(843)</sup>	955	729	1.57	2.93	3.03	
<b>Hotels and Motels</b> <sup>(10)</sup>	7,156	20,048	2.73	1.46	25.18	
<b>Coin-operated Laundries and Cleaning</b> <sup>(18)</sup>	114	93	2.45	0.91	3.91	
<b>Dry-cleaning Plants, Except Rugs</b> <sup>(12)</sup>	244	178	0.64	2.29	2.62	
<b>Beauty Shops</b> <sup>(26)</sup>	302	115	1.30	0.35	1.62	
<b>Miscellaneous Personal Services</b> <sup>(19)</sup>	210	185	5.90	0.62	0.62	
<b>Advertising Agencies</b> <sup>(7)</sup>	14,732	1,933	4.15	15.36	4.88	
<b>Direct Mail Advertising Services</b> <sup>(8)</sup>	302	306	3.08	5.57	5.57	
<b>Photocopying and Duplicating Services</b> <sup>(8)</sup>	326	200	2.20	0.56	4.53	
<b>Building Maintenance Services</b> <sup>(14)</sup>	503	210	0.50	4.98	2.24	
<b>Equipment Rental and Leasing</b> <sup>(7)</sup>	300	350	1.17	6.55	2.01	
<b>Employment Agencies</b> <sup>(13)</sup>	2,259	1,264	2.41	19.61	9.22	
<b>Help Supply Services</b> <sup>(10)</sup>	2,640	1,765	4.71	4.68	4.59	
<b>Custom Computer Programming Services</b> <sup>(38)</sup>	7,217	13,019	11.19	9.26	8.56	
<b>Prepackaged Software</b> <sup>(71)</sup>	5,020	10,550	11.59	9.86	10.13	
<b>Computer Integrated Systems Design</b> <sup>(49)</sup>	4,294	10,995	10.71	10.59	10.96	
<b>Data Processing and Preparation</b> <sup>(5)</sup>	7,980	4,800	0.69	5.59	N/A	
<b>Information Retrieval Services</b> <sup>(8)</sup>	3,093	3,000	4.71	10.49	10.43	
<b>Computer Maintenance and Repair</b> <sup>(6)</sup>	2,503	733	0.23	0.24	3.52	
<b>Computer Related Services</b> <sup>(20)</sup>	4,782	2,291	3.77	6.35	4.95	
<b>Business Services</b> <sup>(68)</sup>	392	203	2.74	0.59	0.59	
<b>General Automotive Repair Shops</b> <sup>(18)</sup>	477	233	0.39	2.07	3.82	
<b>Auto Repair Shops, Not Elsewhere Class.</b> <sup>(5)</sup>	605	325	0.62	1.69	12.58	
<b>Car Washes</b> <sup>(12)</sup>	443	555	2.22	0.97	3.79	
<b>Automotive Services</b> <sup>(10)</sup>	540	346	3.15	3.22	2.34	
<b>Electrical and Electronic Repair Shops</b> <sup>(5)</sup>	622	450	2.75	0.53	3.49	
<b>Bowling Centers</b> <sup>(15)</sup>	826	1,200	1.66	15.91	10.64	
<b>Physical Fitness Facilities</b> <sup>(7)</sup>	696	149	4.24	3.90	2.62	
<b>Offices and Clinics of Medical Doctors</b> <sup>(7)</sup>	1,206	1,100	1.56	0.58	1.70	
<b>Offices and Clinics of Dentists</b> <sup>(149)</sup>	1,097	600	1.27	1.26	1.31	
<b>Home Health Care Services</b> <sup>(6)</sup>	8,975	1,843	3.07	3.06	3.20	
<b>Health and Allied Services</b> <sup>(5)</sup>	1,635	1,250	0.76	0.76	3.41	
<b>Child Day Care Services</b> <sup>(28)</sup>	296	133	5.46	3.72	0.46	
<b>Engineering Services</b> <sup>(13)</sup>	17,006	9,000	3.38	0.58	0.47	
<b>Accounting, Auditing, and Bookkeeping</b> <sup>(15)</sup>	169	240	1.00	1.00	4.29	
<b>Commercial Physical Research</b> <sup>(7)</sup>	6,763	19,900	2.92	13.46	11.02	
<b>Testing Laboratories</b> <sup>(6)</sup>	953	725	0.52	0.52	4.44	
<b>Management Services</b> <sup>(6)</sup>	27,751	18,761	6.52	10.22	7.00	
<b>Management Consulting Services</b> <sup>(19)</sup>	10,780	7,655	8.83	11.87	16.48	
<b>Business Consulting Services</b> <sup>(7)</sup>	1,713	2,396	6.65	7.90	1.00	

Equity Price divided by:	Net Sales	Gross Cash Flow	EBT	Net Income	Book Value of Equity
MVIC divided by:	Net Sales	EBIT	EBITDA	DiscEarnings	BVIC

EBT = Net Income + Taxes; **Equity Price** = Reported Selling Price (not including long-term liabilities assumed and employment/consulting agreement values);**Gross Cash Flow** = Net Income + Noncash Charges; **MVIC** (Market Value of Invested Capital) = Equity Price + Long-Term Liabilities Assumed;**Net Income** = After-Tax Net Income; **Net Sales** = Annual Gross Sales, Net of Returns and Discounts Allowed, if any.