

NOUVELLE ANALYTICS
Financial Advisory & Valuation

Business Valuation 101



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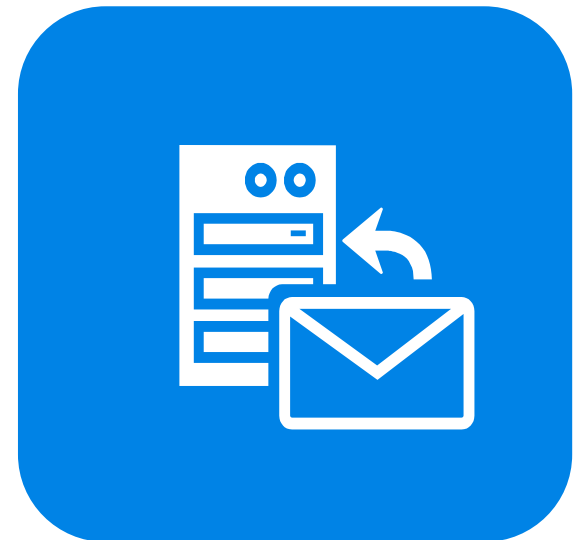
Step 1: Defining Scope

- Subject interest
- Date
- Purpose
- Premise of value
- Standard of value



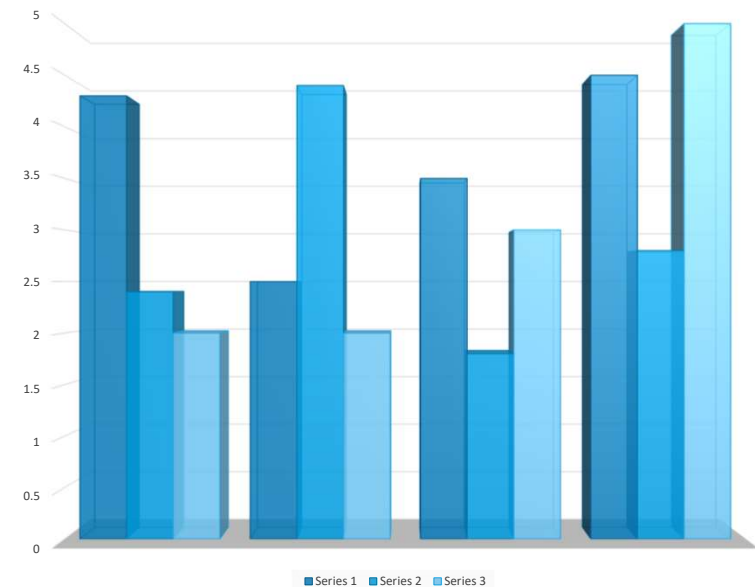
Step 2: Document Production

- Organizational documents
- Historical financial data
- Financial projections
- Key personnel
- Customer and supplier base



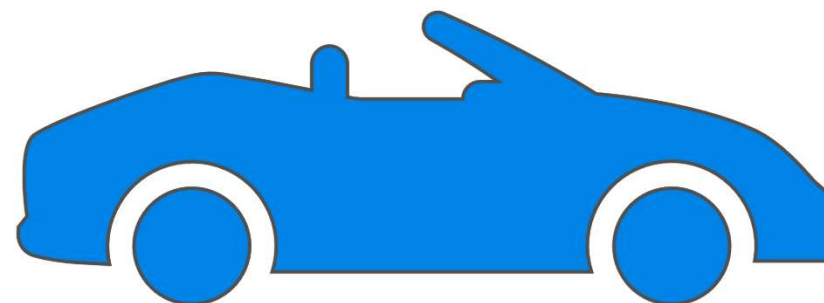
Step 3: Data Review and Analysis

- Economy
- Industry
- Benchmark analysis
- Interviews
- Site visit



Step 4: Normalization of Earnings

- Comparability
- Non-operating/non-recurring
- Owner's discretionary spending



Step 5: Valuation Analysis

- Asset approach
- Market approach
- Income approach



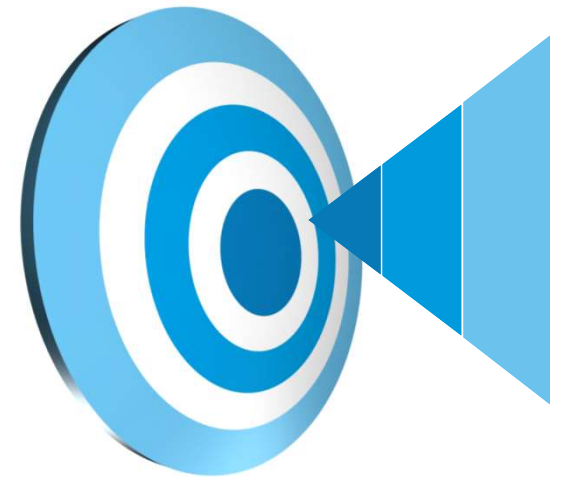
Step 6: Application of Discounts

- Lack of marketability
- Lack of control



Step 7: Reconciliation of Values

- Confidence-level weighting
- Appropriateness
- Accuracy and quantity of evidence



Tips to Sellers

- Select a buyer with the highest expected earnings and lowest perceived risk
- Financial, related, and synergistic buyers



Tips to Sellers (continued)

- Why are you selling?
- Help buyers understand your business



Thank You!

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