

Valuation Questions

1. Quantify (in total) any discretionary (non-business) expenses that were included in the most recent year-end accounting: \$ _____

2. Quantify (in total) any non-recurring expenses that occurred in the most recent year-end accounting: \$ _____

3. Quantify (in total) any extraordinary income (i.e., extraordinary sales that won't reoccur, gain on sale of asset, receipt of insurance proceeds, lawsuit award, etc.) that occurred in the most recent year-end accounting: \$(_____)

4. How long has this business been in operations:
 - () 0 to 3 years
 - () 4 or more years

5. How would you describe the company's competitive environment relative to recent history?
 - () Increasing
 - () About the same
 - () Decreasing

6. Would the company suffer financially if the owner(s) or a key employee were absent for a prolonged period of time?
 - () Yes
 - () No

7. Is employee turnover an issue for the business?
 - () Yes
 - () No

8. Does the company own patents, copyrights or trademarks that give the company a competitive advantage?

Yes

No

9. Are there significant barriers to entry in the company's industry/market?

Yes

No

10. What percentage of last year's sales/revenues came from the top customer?

0 to 10%

11 to 20%

21 to 30%

31 to 50%

>50%

11. Does the company have alternative vendors for all critical components/supplies that are critical to the business' operations?

Yes

No

12. Is there a known or knowable threat to the industry being disrupted by technology, societal issues, environmental regulations or geopolitical issues?

Yes

No