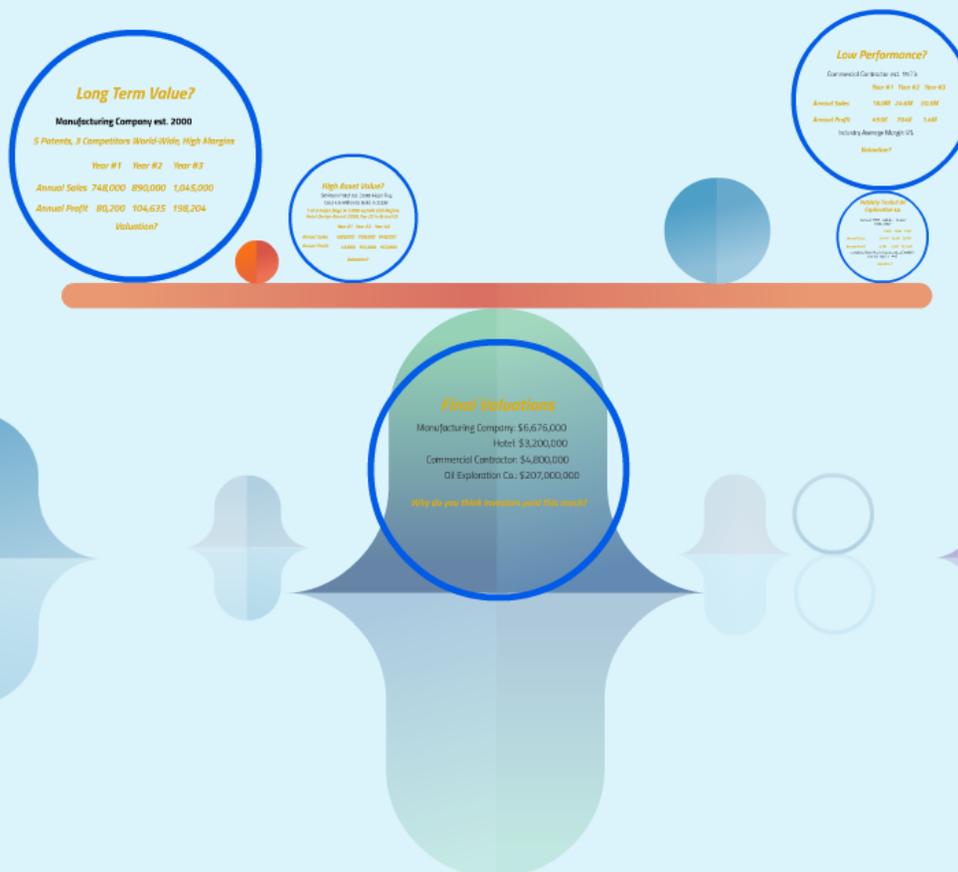


Business Valuation

Find Balance In Metrics

*Valuation requires an understanding of the market.
You must also understand your investor and their motivation for investing in your company.*



Why is there an uneven balance in Valuation?

*Asset Value?
Intellectual Property?
Tangible Assets?
Intangible Assets?
Market Penetration?
Luck?
Other factors?*

Long Term Value?

Manufacturing Company est. 2000

5 Patents, 3 Competitors World-Wide, High Margins

Year #1 Year #2 Year #3

Annual Sales 748,000 890,000 1,045,000

Annual Profit 80,200 104,635 198,204

Valuation?

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High Asset Value?

58 Room Hotel est. 2008 Major Flag

Cost 4.8 Million to Build in 2008

***1 of 3 major flags in 7,000 sq.mile USA Region,
Hotel Design Award 2008, Top 20 in Brand US***

	<i>Year #1</i>	<i>Year #2</i>	<i>Year #3</i>
<i>Annual Sales</i>	<i>680,000</i>	<i>798,000</i>	<i>949,000</i>
<i>Annual Profit</i>	<i>43,000</i>	<i>102,000</i>	<i>162,000</i>

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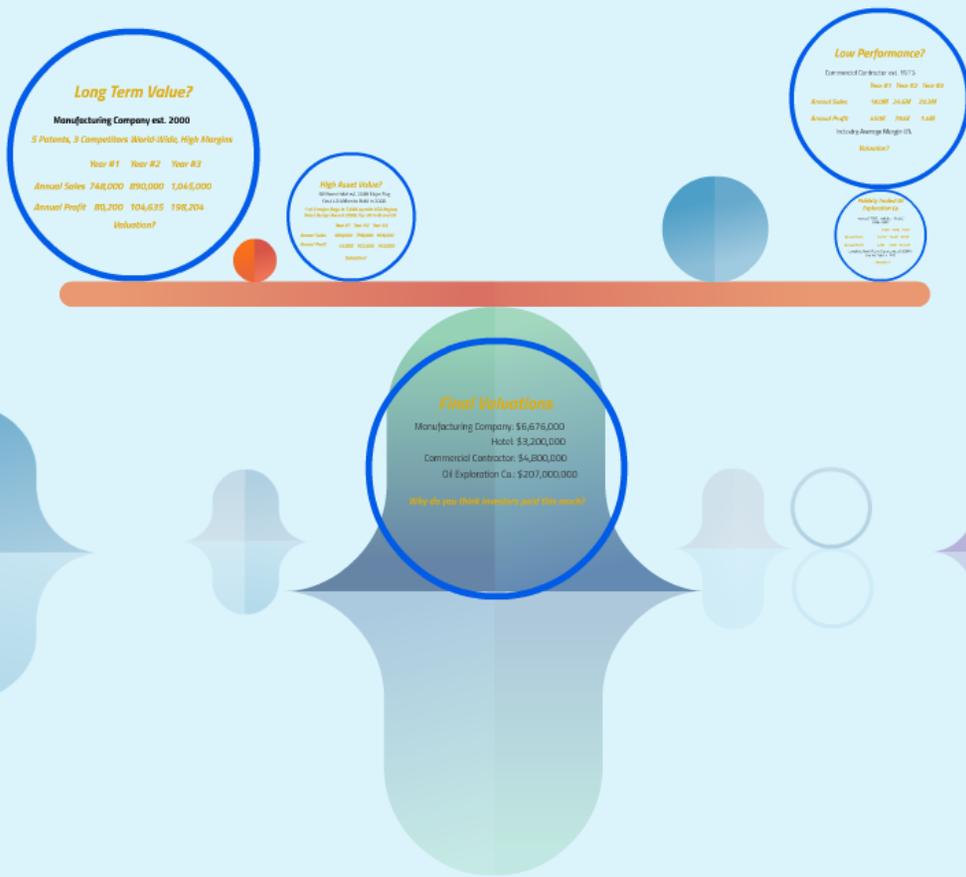
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Other factors?*



Low Performance?

Commercial Contractor est. 1973

	<i>Year #1</i>	<i>Year #2</i>	<i>Year #3</i>
<i>Annual Sales</i>	<i>18.0M</i>	<i>24.6M</i>	<i>30.3M</i>
<i>Annual Profit</i>	<i>450K</i>	<i>704K</i>	<i>1.4M</i>

Industry Average Margin 8%

Valuation?

Publicly Traded Oil Exploration Co.

Founded 1995, Traded on NASDAQ
1996-1997

	<i>1995</i>	<i>1996</i>	<i>1997</i>
<i>Annual Sales</i>	<i>14.1M</i>	<i>76.4M</i>	<i>201M</i>
<i>Annual Profit</i>	<i>4.3M</i>	<i>3.8M</i>	<i>15.24M</i>

Completed two IPOs in 3 years, raised 200M in
Capital. Sold in 1997

Valuation?