

## APPRAISAL PROCESS AND REQUIRED INFORMATION

- I. Initial Qualification
  - A. Brief company description
  - B. Revenue and earnings (3 years if possible)
  - C. Are company revenue and earnings stable or growing?
  - D. What are the customer concentrations?
  - E. What is the current ownership structure?
  - F. What are the Exiting Party or Client goals?
  - G. What deal structure is Exiting Party or Client open too (if applicable)?
  - H. Will there be sufficient management continuity?
  
- II. Pre-Valuation Information
  - A. Current capital structure
  - B. Financial Statements
    - 1. 3-years historical financial statements (audited if available, or unaudited balance sheet, income statement at a minimum)
    - 2. 3-years historical tax returns
    - 3. Current YTD interim financial statements with comparative prior year interim period
    - 4. Quarterly summary P&L (past 3 years)
    - 5. Detailed calculation of EBITDA
  - C. Revenue
    - 1. Description of major product categories
    - 2. Revenue by period by major product category
    - 3. Description of sales process and customer profile
    - 4. Market size; share analysis; opportunities and threats to market share
    - 5. Key competitors
    - 6. Dashboard metrics currently used to evaluate sales performance
  - D. Concentrations
    - 1. Customer concentrations - List the 5 largest customers revenue amounts for the past 3 years and total of all other customers.
    - 2. Vendor concentrations - List the 5 largest vendors with amounts for the past 3 years and total of all other vendors
  - E. Employees
    - 1. Headcount by function
    - 2. Brief biography on key employees
  - F. Facilities – Lease terms for facilities
  - G. Description of pending litigation
  - H. Site visit

