Business Valuation Report

February 24, 2020

Venditore & Company, Inc.

Presented by SellPQ

test site

Contents

About Your Valuation Report

This dynamically driven and customized report was generated to provide the business owner, and entrepreneur or his or her advisor with **general estimates of fair market value and liquidation value under relevant transaction conditions** assumed for the profiled business at a fair price and in real-time. The results presented will provide the reader with estimates which reflect both the "sale of assets" and "the sale of equity" (on a going concern basis) as well as estimates which reflect the "liquidation value" and the so-called "enterprise value" of the subject company. For more specific information about business valuation, please see our About Business Valuation pages.

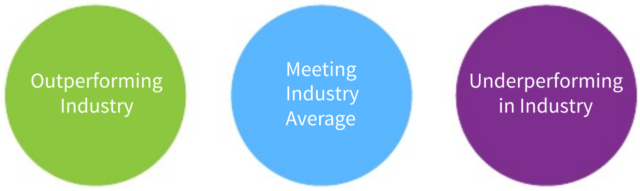
In analyzing your business, we have generated four distinct and useful estimates of value in addition to as many as 30 performance related metrics:

Asset Value	Equity Value	Enterprise Value	Liquidation Value

Key Performance Indicators

The metrics known as Key Performance Indicators (KPIs) were calculated based on the analysis of company-specific data which you input to various industry-specific averages linked to millions of other businesses. These KPIs are useful measures of the all financial and operational health and growth of your business and they should be checked regularly in order to identify meaningful trends or "red flags" which require corrective action. These same measures are commonly utilized by business coaches, financial professionals and potential business acquirers in a variety of real world settings.

Throughout this valuation, the following color system is used to denote business performance:



Your Valuation

Venditore & Company, Inc.

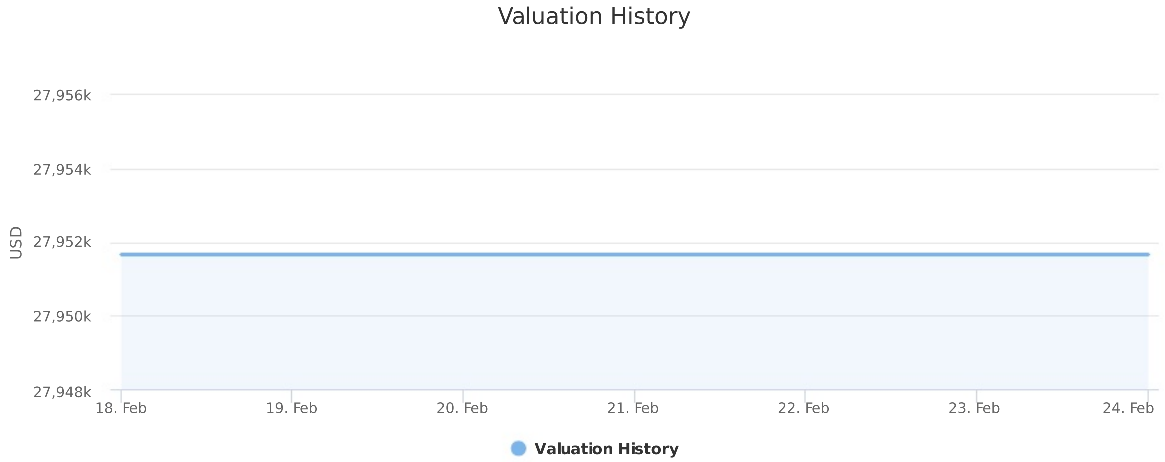
Industry: 33911 - Medical Equipment and Supplies Manufacturing

Equity Value *(Latest Valuation)*

$27,951,677

This fair market value conclusion is the value of the company available to its owners or shareholders and incorporates all of the assets included in the "asset value" plus the firm's liquid financial assets (cash, A/R, deposits, etc.) and minus its liabilities (ST and LT).

Valuation History



Asset Sale Value

$29,823,236

This common transaction-oriented fair market value conclusion includes the firm's inventory, furniture, fixtures and equipment and all intangible assets ranging from customer base to goodwill.

Enterprise Value

$29,951,677

This fair market value estimate is equal to the "total value of the firm" or the value of the firm's equity plus its long term debt, e.g. it reflects the value of the entire capital structure (equityholders and debtholders) or "enterprise".

Liquidation Value

$9,762,500

The liquidation value conclusion is based on the key assumption of insolvency and the immediate sale of all assets (on or off the balance sheet) at or near "fire sale" level coupled with the nearly simultaneous retirement of all liabilities. This figure does not include accounts receivable.

Your Valuation (continued)

Discounted Cash Flow Valuation

$39,421,485

EBITDA last 12-months:	$3,000,000.00
Expected to grow at a rate of % annually	10.00%
Leveling off to an annual growth rate of %	2.00%
Discount value	14.82%

DCF: Discounted cash flow (DCF) is a valuation method used to estimate the value of an investment based on its future cash flows. DCF analysis equates the value of a company today to projections of how much money it will generate in the future. DCF analysis finds the present value of expected future cash flows using a discount rate. A present value estimate is then used to evaluate a potential investment. If the value calculated through DCF is higher than the current cost of the investment, the opportunity should be considered. (source: Investopedia 2019)

PE Valuation

$39,420,000

EBITDA last 12-months:	$3,000,000.00
Liquidity discount: %	85.00%
PE ratio: %	Trailing_PE(87.6%)
Industry PE category:	Healthcare Products

PE-Multiple: The price-to-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its earnings (EPS). The price-to-earnings ratio is also sometimes known as the price multiple or the earnings multiple. P/E ratios are used by investors and analysts to determine the relative value of a company in an apples-to-apples comparison. It can also be used to compare a company against its own historical record or to compare aggregate markets against one another or over time. The price-to-earnings ratio or P/E is one of the most widely-used stock analysis tools used by investors and analysts for determining stock valuation. In addition to showing whether a company is overvalued or undervalued, the P/E can reveal how a companys valuation compares to its industry group or a benchmark like the S&P 500 Index. In essence, the price-to-earnings ratio indicates the dollar amount an investor can expect to invest in a company in order to receive one dollar of that company's earnings. This is why the P/E is sometimes referred to as the price multiple because it shows how much investors are willing to pay per dollar of earnings. If a company was currently trading at a multiple (P/E) of 20, the interpretation is that an investor is willing to pay $20 for $1 of current earnings.
(Source: Investopedia 2019)

Financial Summary (Yearly)

Venditore & Company, Inc.

		2020	2019	2018
Income	Revenue	$25,000,000	$24,000,000	$23,000,000
	Pretax Income	$3,000,000	$2,500,000	$2,400,000
	Officer Compensation	$600,000	$500,000	$400,000
	Interest Expense	$500,000	$500,000	$500,000
	Non-Cash Expenses	N/A	N/A	N/A
	One-Time Expenses	N/A	N/A	N/A
	One-Time Revenues	N/A	N/A	N/A
Assets	Cash	$1,000,000	$900,000	$800,000
	Accounts Receivable	$1,500,000	$1,250,000	$1,000,000
	Inventory	$15,000,000	$14,000,000	$13,000,000
	Other Current Assets	N/A	N/A	N/A
	Fixed Assets	$7,500,000	$7,500,000	$7,500,000
	Intangible Assets	N/A	N/A	N/A
Liabilities	Accounts Payable	$1,250,000	$1,000,000	$900,000
	Other Short-Term Liabilities	N/A	N/A	N/A
	Bank Loans	N/A	N/A	N/A
	Other Long-Term Liabilities	$3,000,000	$3,250,000	$3,500,000
	Contingent Liabilities	N/A	N/A	N/A

KPIs: Return on Equity (ROE)

Venditore & Company, Inc.

Underperforming in Industry

Return on Equity (ROE) Over Time

Compares profitability to the equity value of a company. Indication of the strength of the business model.

Year	%	Under-Performing	Industry Average	Out-Performing
2020	14%	●		
2019	13%	●		
2018	13%	●		

What does it mean?

This is the amount of net income generated as a percentage of shareholder's equity. Return on Equity (ROE) measures a company's profitability by depicting how much profit a company generates with money shareholders have invested.

Why should it matter?

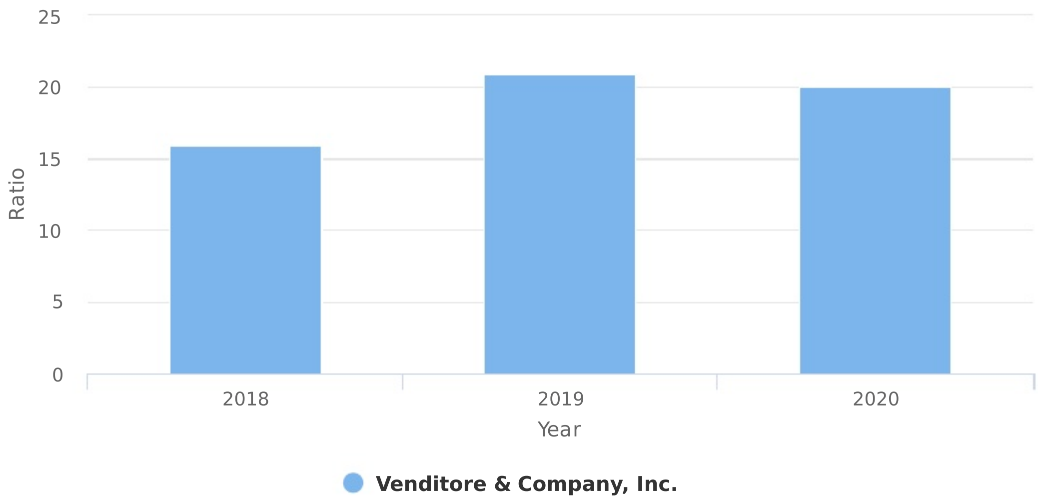
ROE is a universal and very useful measure to compare a company's profitability to that of its peers in the same industry. High growth companies tend to have a high ROE.

Give me an example

If an E-Commerce company has an ROE of 0.48 this means it generated 48 cents in net income for every $1 the shareholder had invested.

KPIs: Receivables (Conversion)

Outperforming Industry



Receivables (Conversion) Over Time

Increases time could signal difficulty in collecting from customers.

Year	Days	Under-Performing	Industry Average	Out-Performing
2020	21			●
2019	21			●
2018	16			●

What does it mean?

The time period shows the number of days it takes a company to collect its accounts receivables.

Why should it matter?

A lower time period indicates that a company relies mainly on cash or is efficient in imparting credit and collecting its debts. On the other hand a higher time period could mean some inefficiency in collecting the account receivables and require a review of the current credit and collections policies of the company. The quicker receivables are collected, the sooner cash is available to meet other business needs (thereby reducing the need to borrow funds).

Give me an example

If a lumber wholesaler has a receivables conversion of 24 days, it means it takes 24 days on average to collect its account receivables. If the firm's credit terms are "net 30 days", this would be considered a positive result.

Next Steps

Where are you in your journey?

We trust that you found your Business Valuation Report to be an informative resource. The aim of this report is to provide guidance for growing companies as they evolve and take steps to elevate their performance results.

No matter where you may be today, this Report can probably help you get closer to your vision:

- If you're in the early stages of your company's life, perhaps you need to expand your capabilities and reach via marketing, intellectual property advisory, benefits and tax consulting.
- If your business is established and nearing a turning point, maybe you seek legal representation, strategic partners and/or growth funding.
- If the company is already a substantial success with a critical mass of business, we can help you formulate and/or pursue a smart exit strategy.

If you have more specific questions and feel our experience and network may be of value, please feel free to contact us to start a dialogue: