



Foodplace Restaurant Valuation

Confidential Valuation Analysis

Prepared For Rordon Gamsey
 Date May 2026
 Period of Review FY2023 – FY2025

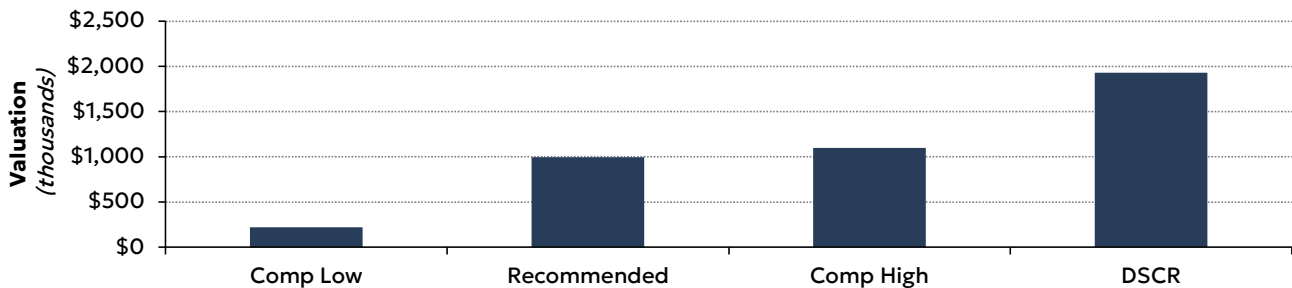
Executive Summary

Based on three years of financial review, Foodplace Restaurant generated a three-year average SDE of \$440,000. Drawing on a market-comp data set of similar businesses and the company's Quality Scorecard (avg 3.8 of 5), our recommended valuation is \$994,400 (2.26x SDE). The full comp range supports a value between \$220,000 and \$1,100,000. A separate debt-service-coverage cross-check — based on the cash flow available for loan payments and standard SBA financing terms — suggests a maximum supportable price of \$1,931,819. Together, these figures inform our recommended price.

Valuation Range

Method	Earnings Base	Multiple	Indicated Value	Notes
Comp Range — Low	\$ 440,000	0.50x	\$ 220,000	Lower bound (outliers excluded)
Recommended (Scorecard)	\$ 440,000	2.26x	\$ 994,400	Scorecard avg drives position
Comp Range — High	\$ 440,000	2.50x	\$ 1,100,000	Upper bound (outliers excluded)
DSCR-Indicated	"—"	"—"	\$ 1,931,819	Max financeable price at SBA terms
Analyst Recommendation	—	—	—	Manual override, if entered

Valuation Summary



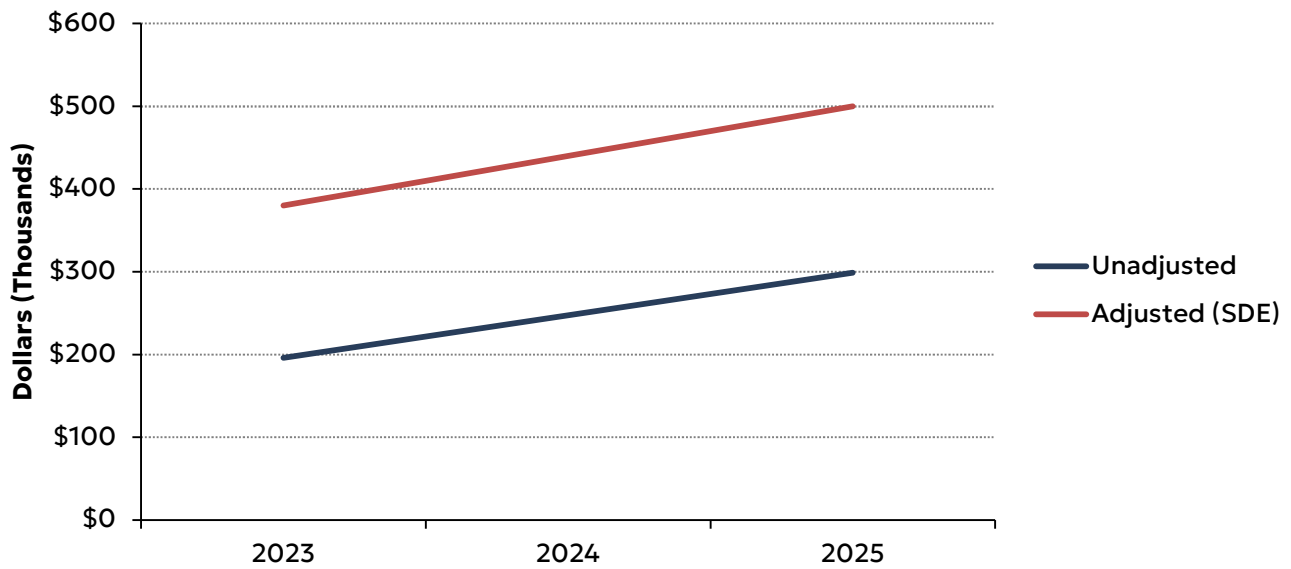
Areas of Opportunity

- Labor Scheduling and POS Analytics.** Front-of-house and kitchen scheduling are driven by feel rather than demand forecasting from the POS. Bringing Toast/Square reporting into a weekly scheduling review — covers per labor hour, prime cost by daypart — would tighten labor percentage and demonstrate a repeatable, data-driven operation to a buyer.
- Marketing Channel and Guest Loyalty Program.** The restaurant relies heavily on word-of-mouth and walk-in traffic. Building an owned email and SMS list, a basic loyalty program, and structured social-media content would diversify the demand engine and provide a measurable marketing ROI a buyer can underwrite against.
- Food Cost Variance and Inventory Controls.** Food cost is monitored monthly but not by category or recipe. Implementing weekly inventory counts, recipe-level costing, and waste tracking would surface margin leaks (over-portioning, theft, spoilage) and provide concrete levers a buyer can flex to improve EBITDA post-close.

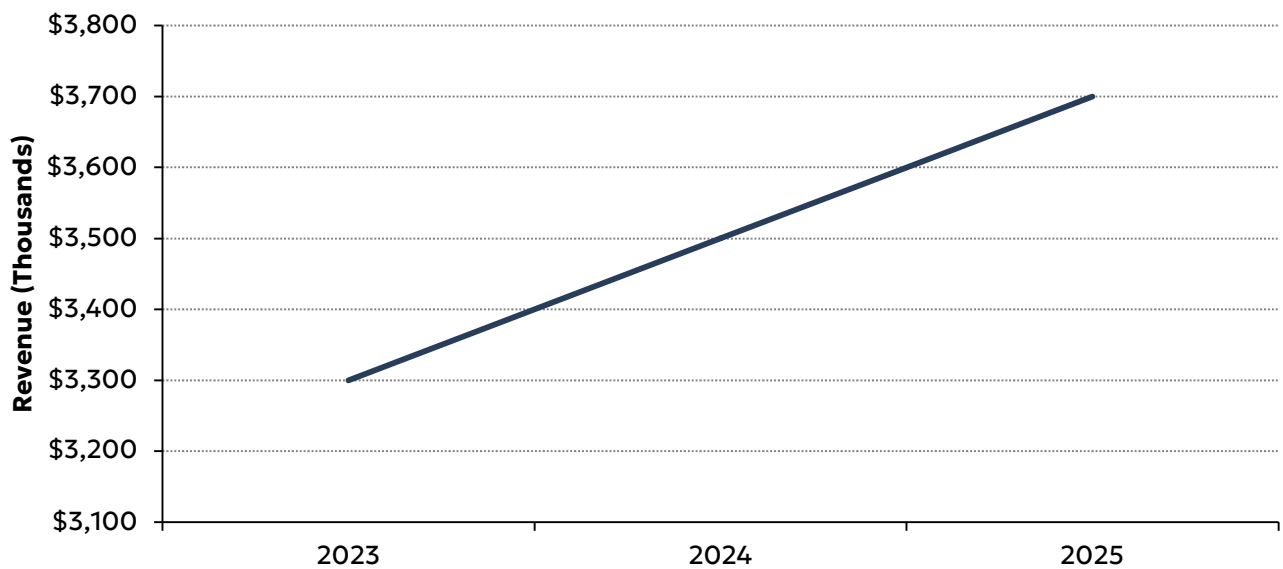
Financial Performance

This page summarizes top-line revenue and bottom-line earnings (Adjusted vs. Unadjusted) across the period under review. Adjusted earnings (SDE or EBITDA, depending on the engagement) reflects the standard add-backs commonly applied in valuation: depreciation, amortization, interest expense, owner compensation and benefits (in SDE mode), and discretionary or one-time items. The Unadjusted line shows reported net income before any of those normalizations.

Earnings Trend



Revenue Trend



Market Comparables

This page summarizes private-market transactions of similar businesses, drawn from a national database of completed sales filtered by industry and revenue size. The Low and High range below excludes statistical outliers (the highest and lowest extremes) so the range reflects typical deal economics rather than unusual one-off transactions. The selected examples are representative samples chosen for similarity to your business — the full analysis draws on the entire filtered data set, not just these selected examples.

Source BVR DealStats / ValuSource Market Comps Export
 Industry / NAICS 722511 Full-Service Restaurants
 Comps in Filtered Data Set 42

Comp Range — Outliers Excluded

	P / Revenue	P / SDE	P / EBITDA
Low	0.15x	0.50x	0.80x
Median	0.43x	2.10x	2.80x
High	0.92x	2.50x	3.40x

Selected Representative Comps

#	Description	Revenue	SDE	Sale Price	P/Rev	P/SDE	Year
1	Full-Service Italian (TN)	3,800,000	510,000	1,100,000	0.29x	2.16x	2025
2	Casual American Bistro (GA)	3,200,000	430,000	890,000	0.28x	2.07x	2025
3	Steakhouse — Independent (NC)	4,500,000	620,000	1,350,000	0.30x	2.18x	2024
4	Sports Bar & Grill (TN)	2,800,000	360,000	720,000	0.26x	2.00x	2024
5	Brewpub & Restaurant (NC)	4,100,000	540,000	1,180,000	0.29x	2.19x	2024
6	Neighborhood Eatery (AL)	2,200,000	285,000	455,000	0.21x	1.60x	2023
7	Farm-to-Table Concept (KY)	3,500,000	470,000	1,050,000	0.30x	2.23x	2023
8	Mexican Concept Restaurant (TX)	3,900,000	525,000	840,000	0.22x	1.60x	2023
9	Seafood House — Independent	5,200,000	700,000	1,610,000	0.31x	2.30x	2022
10	Cafe & Wine Bar (GA)	2,500,000	320,000	640,000	0.26x	2.00x	2022

Note: The Low/High range above is computed from the entire filtered data set (not just these 10 selected examples), with outliers removed using the standard Tukey method. The selected comps shown here are illustrative — chosen for similarity to your business in industry, size, and geography.

Earnings Multiple Valuation

This page applies a multiple to the company's earnings to estimate its market value. The earnings figure (SDE or EBITDA) is averaged across the period under review. The Low and High multiples come from the comp range on the prior page (with outliers excluded). The recommended multiple is positioned within that range based on the Quality Scorecard — a higher score moves the multiple toward the top of the range, a lower score moves it toward the bottom.

Earnings Base

Earnings Mode	SDE	Manager Replaceme	\$	-
Year 1 Earnings	\$	380,000		
Year 2 Earnings	\$	440,000		
Year 3 Earnings (Annualized)	\$	500,000		
3-Year Average / Weighted Earni	\$	440,000		

Valuation Summary

Method	Earnings Base	Multiple	Indicated Value	Notes
Comp Range — Low	\$ 440,000	0.50x	\$ 220,000	<i>Bottom of comp range (outliers excluded)</i>
Recommended (Scorecard-driven)	\$ 440,000	2.26x	\$ 994,400	<i>Comp median ± scorecard-weighted std dev</i>
Comp Range — High	\$ 440,000	2.50x	\$ 1,100,000	<i>Top of comp range (outliers excluded)</i>

Why This Multiple

The recommended multiple of 2.26x reflects the company's Quality Scorecard average of 3.8 out of 5. Scorecard scoring covers bookkeeping quality, tax-return profitability, sales infrastructure, management depth, and customer concentration. A score of 3.0 anchors at the comp median; a perfect score of 5 reaches the displayed Comp Range High; a score of 1 reaches the Comp Range Low. Linear interpolation across the IQR-trimmed comp range.

Debt Service Coverage Ratio (DSCR) Cross-Check

This page estimates the maximum price a typical buyer could finance using a Small Business Administration (SBA) 7(a) loan while still meeting the bank's required Debt Service Coverage Ratio (DSCR). The DSCR is the ratio of cash flow available for loan payments to the actual loan payment — banks typically require a minimum of 1.25x to 1.50x. Cash Flow for Loan Payments below is the SDE (or EBITDA) available after a buyer has paid themselves a reasonable salary. The result is a useful sanity check on what a buyer is actually able to pay for the business given current interest rates and loan terms — it does not represent the value of the business, only what's financeable.

Cash Flow for Loan Payments

Year 1 Cash Flow	\$	380,000	
Year 2 Cash Flow	\$	440,000	
Year 3 Cash Flow (Annualized)	\$	500,000	
3-Year Average Cash Flow	\$	440,000	<i>Used as denominator below</i>

Loan Terms

Annual Interest Rate	11.5%	<i>Quoted SBA rate, prime + spread</i>
Amortization (Years)	10	<i>SBA 7(a): 10 yrs (goodwill); 25 yrs (real estate)</i>
Required DSCR	1.50x	<i>Bank minimum, typically 1.25x - 1.50x</i>
Buyer Equity Down %	10.0%	<i>Buyer cash contribution</i>

Indicated Maximum Price

Annual Loan Payment Capacity	\$	293,333	
Maximum Loan Amount Supported	\$	1,738,637	
Buyer Equity Contribution	\$	193,182	
Indicated Maximum Price (Loan + Equity)	\$	1,931,819	

Additional Notes & Methodology

Methods Used

This valuation applies two complementary methods commonly used for main-street businesses: an earnings-multiple approach and a debt-service-coverage cross-check. Together they triangulate a defensible price range.

Earnings Multiple Approach

The earnings-multiple approach values the business as a multiple of its discretionary earnings (SDE) or operating earnings (EBITDA), benchmarked against private-market transactions of similar businesses by industry and size. We exclude statistical outliers from the comp range to reflect typical, not extreme, deal economics.

Debt Service Coverage Cross-Check

The debt-service-coverage cross-check estimates the maximum price a buyer could finance using standard SBA terms while still meeting the bank's required Debt Service Coverage Ratio (DSCR). It is a useful sanity check on what a typical buyer is actually able to pay.

Quality Scorecard

We position the recommended multiple within the comp range based on a Quality Scorecard scoring five criteria: bookkeeping quality, tax-return profitability, sales infrastructure, management depth, and customer concentration. Higher scorecard averages translate to a higher position in the comp range.

Risks & Caveats

Risks and caveats common to main-street valuations include: dependence on owner relationships that may not transfer to a buyer; customer concentration that can erode value rapidly if a key account is lost; commingled owner expenses requiring add-backs that may be challenged by a buyer; and macroeconomic shifts (interest rates, labor costs, demand cycles) that can move private-market multiples meaningfully. The recommended price range here reflects a snapshot and should be revisited if market conditions change materially.

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