



Tri-Star Example Co. Valuation

Confidential Valuation Analysis

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 Period of Review: FY2023 – FY2025

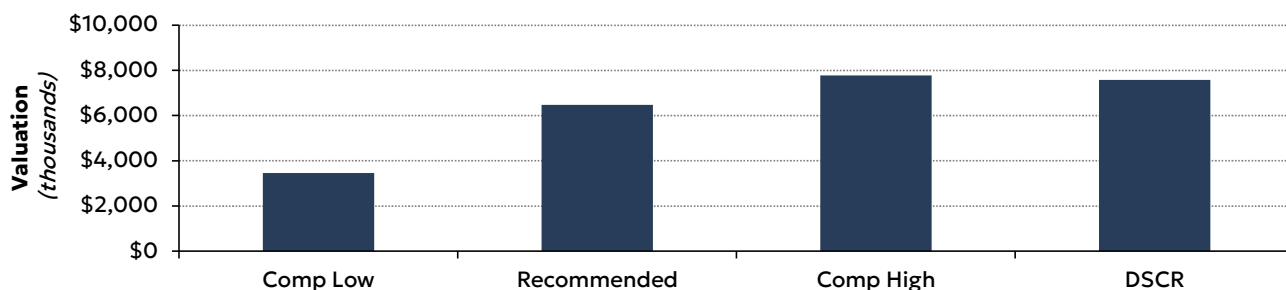
Executive Summary

Based on three years of financial review, Tri-Star Example Co. generated a three-year average EBITDA of \$1,727,333. Drawing on a market-comp data set of similar businesses and the company's Quality Scorecard (avg 4.0 of 5), our recommended valuation is \$6,477,500 (3.75x EBITDA). The full comp range supports a value between \$3,454,667 and \$7,773,000. 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 \$7,583,853. Together, these figures inform our recommended price.

Valuation Range

Method	Earnings Base	Multiple	Indicated Value	Notes
Comp Range — Low	\$ 1,727,333	2.00x	\$ 3,454,667	Lower bound (outliers excluded)
Recommended (Scorecard)	\$ 1,727,333	3.75x	\$ 6,477,500	Scorecard avg drives position
Comp Range — High	\$ 1,727,333	4.50x	\$ 7,773,000	Upper bound (outliers excluded)
DSCR-Indicated	"—"	"—"	\$ 7,583,853	Max financeable price at SBA terms
Analyst Recommendation	—	—	—	Manual override, if entered

Valuation Summary



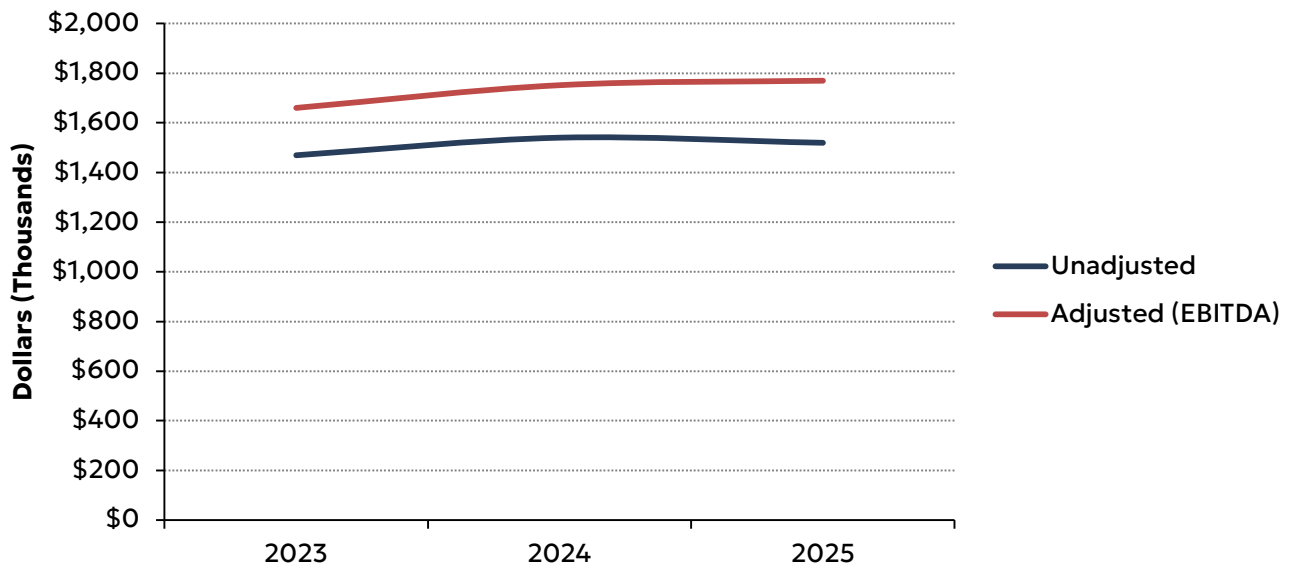
Areas of Opportunity

- Sales and Marketing Systems.** Tri-Star's revenue has grown organically with limited investment in proactive business development. Implementing a structured sales process, a CRM platform, and a targeted lane-development effort would diversify the customer base and demonstrate scalability to a buyer—supporting a higher multiple at sale.
- Management Team.** Day-to-day operations remain reliant on owner oversight. Hiring or promoting a general manager, building a second-tier leadership bench, and formalizing reporting cadences would reduce transition risk and broaden the pool of qualified buyers, including strategic and private-equity acquirers seeking turnkey operations.
- Documented SOPs and Operational Continuity.** Core processes—dispatching, billing, safety, warehouse receiving—live primarily in the owner's head. Building written SOPs, training documentation, and a basic operations playbook would protect institutional knowledge through a sale and reassure buyers that performance is repeatable post-close.

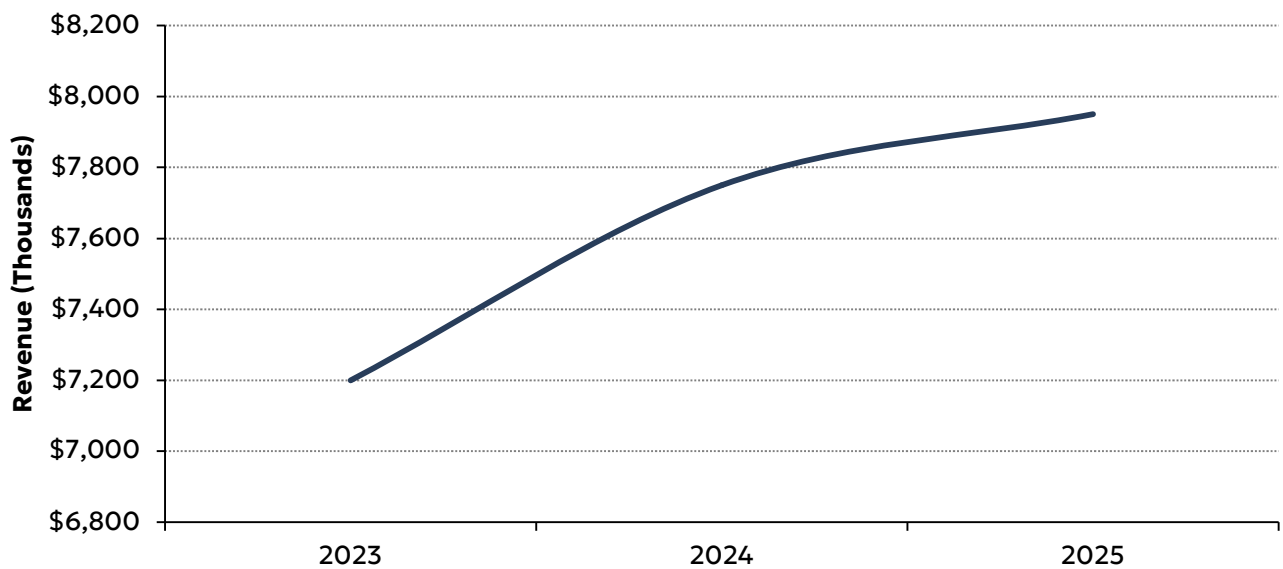
Financial Performance

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 493110 General Warehousing & 484122 General Freight Trucking
 Comps in Filtered Data Set 32

Comp Range — Outliers Excluded

	P / Revenue	P / SDE	P / EBITDA
Low	0.20x	1.75x	2.00x
Median	0.65x	2.65x	3.00x
High	1.30x	3.95x	4.50x

Selected Representative Comps

#	Description	Revenue	EBITDA	Sale Price	P/Rev	P/EBITD	Year
1	General Warehousing & Storage	6,500,000	1,500,000	4,500,000	0.69x	3.00x	2025
2	Last-Mile Delivery & Distribution	7,200,000	1,600,000	5,600,000	0.78x	3.50x	2025
3	Cold Storage Facility (NC)	5,800,000	1,400,000	5,600,000	0.97x	4.00x	2024
4	Asset-Light 3PL Logistics (TN)	8,500,000	1,900,000	4,400,000	0.52x	2.32x	2024
5	Freight Brokerage & Trucking (TX)	6,800,000	1,500,000	6,000,000	0.88x	4.00x	2024
6	Local & Regional Trucking (AL)	5,500,000	1,200,000	2,400,000	0.44x	2.00x	2023
7	Regional Distribution Center (KY)	9,200,000	2,000,000	7,400,000	0.80x	3.70x	2023
8	Reefer Trucking & Cold-Chain (GA)	7,000,000	1,600,000	4,000,000	0.57x	2.50x	2023
9	LTL Freight Carrier (FL)	6,200,000	1,300,000	5,500,000	0.89x	4.23x	2022
10	Specialty Hauling — Equipment	4,800,000	1,000,000	2,800,000	0.58x	2.80x	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	EBITDA	Manager Replaceme	\$	150,000
Year 1 Earnings	\$	1,660,000		
Year 2 Earnings	\$	1,752,000		
Year 3 Earnings (Annualized)	\$	1,770,000		
3-Year Average / Weighted Earni	\$	1,727,333		

Valuation Summary

Method	Earnings Base	Multiple	Indicated Value	Notes
Comp Range — Low	\$ 1,727,333	2.00x	\$ 3,454,667	<i>Bottom of comp range (outliers excluded)</i>
Recommended (Scorecard-driven)	\$ 1,727,333	3.75x	\$ 6,477,500	<i>Comp median ± scorecard-weighted std dev</i>
Comp Range — High	\$ 1,727,333	4.50x	\$ 7,773,000	<i>Top of comp range (outliers excluded)</i>

Why This Multiple

The recommended multiple of 3.75x reflects the company's Quality Scorecard average of 4.0 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	\$	1,660,000	
Year 2 Cash Flow	\$	1,752,000	
Year 3 Cash Flow (Annualized)	\$	1,770,000	
3-Year Average Cash Flow	\$	1,727,333	<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	\$	1,151,556	
Maximum Loan Amount Supported	\$	6,825,467	
Buyer Equity Contribution	\$	758,385	
Indicated Maximum Price (Loan + Equity)	\$	7,583,853	

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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