

Excel Templates for Valuators

By Fred Hall, MBA, CVA, CBA

The template presented in this issue is one of my own. It automatically combines the industry average data obtained from the Bizminer database with the subject company's financial performance data. It is comprised of three worksheets:

1. A data entry worksheet for the subject company's financial statement data;

2. The Bizminer data (no user data entry is required, just copy the downloaded Bizminer data and paste it into this "data entry" worksheet); and

3. The end result is presented in Figures 1, 2, and 3.

The unique feature of this Excel template is its ability to *automatically* consolidate the subject company's

financial statement data and place it into their appropriate cells in Figure 1. This is accomplished via very sophisticated formulas within the Subject Company columns.

If you would like to have a copy of this Excel template along with detailed user data entry instructions, e-mail me at fred@fredhall.biz or call me at (209) 256-1371. **BAP**

Figure 1

FINANCIAL RATIOS												Industry	Subject
2015		2014		2013		2012		2011		2010		2010 to 2014	2011 to 2014
Industry	Subject	Industry	Subject	Industry	Subject	Industry	Subject	Industry	Subject	Industry	Subject	5-Year Avg	4-Year Avg
Cash to Revenue Ratio	0.9%	0.6%	0.9%	0.6%	1.0%	0.7%	0.9%	0.4%	1.0%	0.4%	0.9%	0.0 x	0.0 x
Receivables Turnover (Times)	91.7 x	26.7 x	88.2 x	26.8 x	82.6 x	23.6 x	90.3 x	25.1 x	86.0 x	23.8 x	95.6 x	25.2 x	86.8 x
(Days)	4.0 Days	13.7 Days	4.1 Days	13.6 Days	4.4 Days	15.5 Days	4.0 Days	14.6 Days	4.2 Days	15.3 Days	3.8 Days	14.5 Days	4.2 Days
Inventory Turnover (Times)	40.0 x	29.8 x	43.14	34.9 x	43.34	24.5 x	51.60	57.9 x	51.60	46.8 x	57.33	38.8 x	47.4 x
(Days)	9.1 Days	12.3 Days	8.5 Days	10.5 Days	8.4 Days	14.9 Days	7.1 Days	6.3 Days	7.1 Days	7.8 Days	6.4 Days	10.3 Days	7.8 Days
Payables Turnover (Times)	9.2 x	19.6 x	9.8 x	16.9 x	9.8 x	12.7 x	11.6 x	18.4 x	11.5 x	15.0 x	12.7 x	16.5 x	10.7 x
(incl. credit cards) (Days)	39.8 Days	18.6 Days	37.2 Days	21.6 Days	37.2 Days	28.8 Days	31.4 Days	19.8 Days	31.8 Days	24.3 Days	28.6 Days	22.6 Days	34.4 Days
Working Capital Turnover	-33.3 x	-37.6 x	-32.1 x	-40.3 x	-30.0 x	-31.8 x	-32.8 x	-38.8 x	-31.3 x	-32.8 x	-34.7 x	-36.3 x	-31.6 x
Net Fixed Asset Turnover	8.8 x	21.3 x	8.5 x	22.0 x	7.9 x	19.3 x	8.7 x	20.2 x	8.3 x	19.8 x	9.2 x	20.5 x	8.3 x
Gross Fixed Asset Turnover	7.3 x	4.4 x	7.1 x	5.7 x	6.6 x	4.0 x	7.2 x	6.5 x	6.9 x	5.1 x	7.6 x	5.2 x	6.9 x
Total Asset Turnover	3.1 x	7.0 x	3.0 x	7.2 x	2.8 x	6.4 x	3.1 x	7.3 x	2.9 x	6.5 x	3.3 x	6.9 x	3.0 x
Debt to Equity Ratio	0.8 x	1.7 x	0.8 x	1.6 x	0.8 x	1.7 x	0.8 x	1.7 x	0.8 x	1.6 x	0.8 x	6.9 x	3.0 x
TOTAL INVESTED CAPITAL STRUCTURE													
Total Int Bearing Debt to Total Invested Capital	14.1%	55.8%	14.1%	55.7%	14.1%	56.2%	14.1%	57.1%	14.1%	54.2%	14.1%	55.8%	14.1%
Net worth to Total Invested Capital	85.9%	44.2%	85.9%	44.3%	85.9%	43.8%	85.9%	42.9%	85.9%	45.8%	85.9%	85.9%	85.9%
IB Debt to Equity Ratio	0.164	1.262	0.164	1.258	0.164	1.282	0.164	1.331	0.164	1.185	0.164	44.2%	85.9%
Receivables Turnover (Times) = Total Revenue / Accounts Receivable				Receivables TO (Days) = 365 / Receivables TO (Times)								Industry	Subject
Inventory Turnover (Times) = Cost of Goods Sold / Inventory				Inventory Turnover (Days) = 365 / Inventory TO (Times)									
Payables Turnover (Times) = COGS Purchases / Accounts Payable				Payables Turnover (Days) = 365 / Payables TO (Times)									
Working Capital Turnover = Total Revenue / (Cur Assets - Cur Liabilities)				Total Asset Turnover = Total Revenues / Total Assets									
Net Fixed Asset Turnover = Revenues / (FF&E - Accumulated Depr)				Gross Fixed Asset TO = Revenues / FF&E before depreciation									
Debt to Equity Ratio = Total Liabilities / Total Net Worth				Total Interest Bearing Debt to Total Invested Capital =									
Net Worth to Total Invested Capital =				(Short-Term + Long-Term Int Bear Debt) /									
Net Worth / (Net Worth + Short-Term + Long-Term Int Bear Debt)				(Short-term + Long-Term Int Bear Debt + Net Worth)									

Figure 2

COMMON SIZED BALANCE SHEET														
	2015		2014		2013		2012		2011		2010		Industry	Subject
	Industry	Subject	Industry	Subject	Industry	Subject	Industry	Subject	Industry	Subject	Industry	Subject	2010 to 2014 5-Year Avg	2011 to 2014 4-Year Avg
Assets														
Cash/Securities	2.8%		3.9%	2.8%	4.3%	2.8%	4.8%	2.8%	2.8%	2.8%	2.5%	2.8%	3.6%	2.8%
Accounts Receivable	3.4%		26.3%	3.4%	26.8%	3.4%	27.3%	3.4%	29.0%	3.4%	27.5%	3.4%	27.4%	3.4%
Inventory/WIP	4.3%		1.9%	4.3%	1.4%	4.3%	1.9%	4.3%	1.0%	4.3%	0.9%	4.3%	1.4%	4.3%
Other Curr Assets	1.4%		3.7%	1.4%	3.7%	1.4%	2.9%	1.4%	2.3%	1.4%	2.9%	1.4%	3.1%	1.4%
Total Current Assets	11.9%		35.8%	11.9%	36.2%	11.9%	36.8%	11.9%	35.0%	11.9%	33.7%	11.9%	35.5%	11.9%
Prop. Plant, Equip - NET	35.5%		33.0%	35.5%	32.6%	35.5%	33.4%	35.5%	36.0%	35.5%	32.9%	35.5%	33.6%	35.5%
Other Assets	52.6%		31.2%	52.6%	31.2%	52.6%	29.8%	52.6%	29.0%	52.6%	33.4%	52.6%	30.9%	52.6%
Total Assets	100.0%		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Liabilities														
Accounts Payables	17.0%		2.9%	17.0%	3.0%	17.0%	3.7%	17.0%	3.1%	17.0%	2.9%	17.0%	3.1%	17.0%
Short Term IB Debt	2.8%		7.3%	2.8%	7.0%	2.8%	7.0%	2.8%	8.3%	2.8%	8.2%	2.8%	7.6%	2.8%
Other Current Liabilities	1.4%		12.2%	1.4%	11.5%	1.4%	12.4%	1.4%	9.5%	1.4%	11.7%	1.4%	11.5%	1.4%
Total Current Liabilities	21.3%		22.4%	21.3%	21.5%	21.3%	23.1%	21.3%	21.0%	21.3%	22.8%	21.3%	22.1%	21.3%
Other Liabilities	17.0%		17.0%		17.0%		17.0%		17.0%		17.0%		17.0%	
Long Term IB Debt	6.3%		40.0%	6.3%	40.6%	6.3%	40.2%	6.3%	41.6%	6.3%	38.1%	6.3%	40.1%	6.3%
Total Liabilities	44.6%		62.5%	44.6%	62.1%	44.6%	63.2%	44.6%	62.5%	44.6%	60.9%	44.6%	62.3%	44.6%
Total Net Worth	55.4%		37.5%	55.4%	37.9%	55.4%	36.8%	55.4%	37.5%	55.4%	39.1%	55.4%	37.7%	55.4%
Total Liab & Net Worth	100.0%		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	Industry	Subject

Figure 3

COMMON SIZED INCOME STATEMENT														
* Wages in COGS are reclassified as an expense.	2015		2014		2013		2012		2011		2010		Industry	Subject
	Industry	Subject	Industry	Subject	Industry	Subject	Industry	Subject	Industry	Subject	Industry	Subject	2010 to 2014 5-Year Avg	2011 to 2014 4-Year Avg
Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Cost of Goods Sold *	49.5%		5.1%	55.0%	5.2%	58.8%	5.4%	63.6%	6.0%	65.8%	4.9%	65.8%	5.3%	60.8%
Gross Margin	50.5%		94.9%	45.0%	94.8%	41.3%	94.6%	36.4%	94.0%	34.2%	95.1%	34.2%	94.7%	39.2%
Interest Income	0.1%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Income	0.5%		1.9%	0.1%	1.8%	0.1%	1.8%	0.1%	2.5%	0.1%	2.9%	0.1%	2.2%	0.1%
Expenses														
Officer/Manager Salaries	9.1%		15.2%	10.0%	14.8%	10.1%	16.1%	10.4%	17.7%	10.9%	18.5%	9.8%	16.4%	10.4%
Salary and Wages *	18.6%		24.7%	21.1%	24.4%	22.1%	24.5%	23.5%	25.2%	25.6%	24.8%	23.9%	24.7%	23.1%
Rent	6.8%		5.2%	7.5%	6.2%	7.6%	6.3%	7.8%	5.3%	8.2%	5.8%	7.4%	5.8%	7.8%
Taxes, Licenses, Permits	2.2%		3.4%	2.5%	3.3%	15.8%	2.8%	14.5%	2.9%	15.2%	3.1%	13.7%	3.1%	12.0%
Advertising	0.2%		0.8%	0.2%	1.1%	0.2%	1.2%	0.2%	0.9%	0.2%	0.8%	0.2%	1.0%	0.2%
Benefits/Pension	2.8%		3.6%	3.1%	4.0%	3.1%	4.2%	3.2%	4.2%	3.4%	4.4%	3.1%	4.1%	3.2%
Repairs & Maintenance	0.2%		0.3%	0.3%	1.2%	0.3%	1.2%	0.3%	0.6%	0.3%	0.7%	0.2%	0.8%	0.3%
Bad Debts	0.0%		0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Expenses	4.8%		27.8%	5.3%	26.9%	5.4%	28.0%	5.5%	26.7%	5.8%	26.6%	5.2%	27.2%	5.5%
Depreciation	1.1%		0.9%	1.2%	1.2%	1.2%	0.9%	1.2%	0.9%	1.3%	1.2%	1.2%	1.0%	1.2%
Interest	2.7%		0.3%	3.0%	0.3%	3.0%	0.2%	3.1%	0.3%	3.3%	0.7%	3.0%	0.4%	3.1%
Net Income Before Tax	2.4%		14.5%	-9.1%	13.2%	-27.5%	11.0%	-33.3%	11.8%	-40.0%	11.4%	-33.5%	12.4%	-27.5%
Income Taxes	0.2%		3.4%	0.2%	2.8%	0.2%	2.0%	0.2%	2.4%	0.2%	2.2%	0.2%	2.6%	0.2%
Net Income After Tax	2.2%		11.1%	-9.3%	10.5%	-27.7%	9.0%	-33.5%	9.4%	-40.2%	9.1%	-33.7%	9.8%	-27.7%
EBITDA + Officer Compensation	15.3%		30.8%	5.1%	29.6%	-13.2%	28.2%	-18.5%	30.7%	-24.4%	31.7%	-19.5%	30.2%	-12.7%



C. Fred Hall III, MBA, CBA, CVA, is the CEO of Affordable Business Valuations. He received a bachelor's degree in business from U.C.

Berkeley and an MBA from San Diego State University. He was a business loan officer with a major California bank, making business loans from one million dollars to over eight million dollars.

Mr. Hall left the bank and bought and managed a five million dollar lumberyard for the next 27 years. In 2003, he joined Sunbelt, a major business brokerage company, and three years later formed Compass Point Capital, a mergers and acquisitions company specializing in businesses with revenues between \$3 million and \$25 million. In 2004, he pursued an education with the Institute of Business Appraisers to become a

certified valuation expert with a CBA credential. As a business valuation expert, Mr. Hall has done over 700 valuations for business owners, SBA lenders, 401K equity transactions, IRS valuations, partnership dissolutions, and divorces, as well as offering expert witness testimony. He has also spent thousands of hours of research into the Pratt's Stats, Bizcomps, and IBA databases used in the Market Approach for business valuations.