

WHAT IS THE VALUE OF MY BUSINESS?

Date: October 4, 2025



INTRODUCTION

Similar to bond or real estate valuations, the value of a business can be expressed as the present value of expected future earnings. Use this calculator to determine the value of your business today based on discounted future cash flows with consideration to "excess compensation" paid to owners, level of risk, and possible adjustments for small size or lack of marketability.

SUMMARY OF INPUT

Annual earnings before interest, taxes, depreciation, and amortization	\$15,600
"Excess compensation" paid to owners (if any)	\$40,000
Anticipated rate of earnings/compensation growth (0 if level)	0.00%
Number of years earnings are expected to continue (maximum 10 which assumes perpetuity)	8
Level of business/industry/financial risk (Typically restaurants and retail are lower risk than manufacturing and high tech)	High
Discount for lack of marketability	22.00%

ANALYSIS

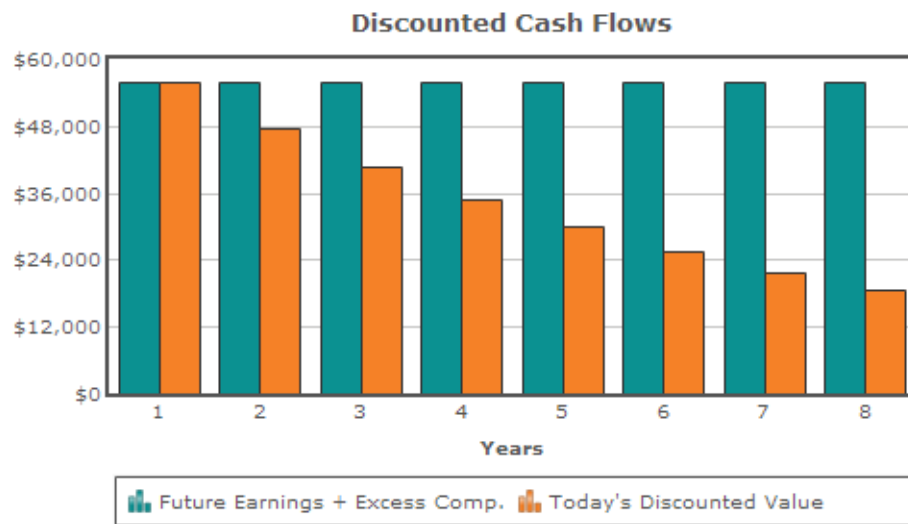
Based on a calculated discount rate of 17.0%, your estimated business value is \$236,380.

Summary

Total future earnings/excess compensation \$556,000
Calculated discount rate 17.00%
Present value of today's earnings/excess compensation \$303,051
Less adjustment for small size/lack of marketability \$66,671
Estimated business value \$236,380

Year	Future Earnings Plus Excess Compensation	Today's Discounted Value
1	\$55,600	\$55,600
2	55,600	47,521
3	55,600	40,617
4	55,600	34,715
5	55,600	29,671
6	55,600	25,360
7	55,600	21,675
8	\$55,600	\$18,526

This information may help you analyze your financial needs. It is based on information and assumptions provided by you regarding your goals, expectations and financial situation. The calculations do not infer that the company assumes any fiduciary duties. The calculations provided should not be construed as financial, legal or tax advice. In addition, such information should not be relied upon as the only source of information. This information is supplied from sources we believe to be reliable but we cannot guarantee its accuracy. Hypothetical illustrations may provide historical or current performance information. Past performance does not guarantee nor indicate future results.



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