

5380 BRAMLITT PROPERTIES/BUSINESS

VALUATION ANALYSIS 03/01/2022

To value the property and business, I have looked at it in three ways: A) Business “net revenue” multiplier for business with added value of the real estate, B) CAP rate analysis with Business Net Operating Income inclusive of Real Estate and C) Average business “percentage gross revenue” multiplier inclusive of Real Estate. I have not considered, deducted or added any value for depreciation, amortization, renovations, accounts receivable, assumable debt, contracts, or inventory. These could add or deduct from the value given and would need to be handled separately.

A) BUSINESS NET REVENUE MULTIPLIER PLUS VALUE OF REAL ESTATE AND IMPROVEMENTS

METHOD 1

2021-2022

Revenue: \$1,403,216

Expenses: <\$1,274,834>

Add Backs: \$187,595 (Officer/Owner Salaries, Personal Expenses, Misc, Credit Card non-business)

Total Net Operating Income (NOI): \$227,791

Average Multiplier for this type business per GUIDANT, NAB, ABBA & STESSA: 3.9423, 0.368 Gross Revenue

Value of Business Alone: \$898,020 (Based on Sales-NOI)

Value of Business Alone: \$516,383 (Based on Gross Revenue Multiplier)

Real Estate Value 2022:

Comp Values last year (without business): 222 S SR 19, 4401 St Johns, 3621 Reid, and 820 Reid

Main Property Value: \$1,822,303

Corner Property Value: \$378,000

Total Property Value By Sales Comps (without business): \$2,200,303

Total Value of Combined Properties including business: \$3,098,323

(Inventory of \$316,000 estimated is NOT INCLUDED)

METHOD 2

4 YEAR AVERAGE VALUES AND NOI'S (2018/19, 2019/20, 2020/21, 2021/22)

Revenue Averaged: \$1,266,423

Expenses Averaged: <\$1,168,261>

Add Backs Averaged: \$120,857 (Officer/Owner Salaries, Personal Expenses, Misc, Credit Card non-business)

Total Net Operating Income (NOI): \$219,019 AVERAGED OVER 4 YEARS

Average Multiplier for this type business per GUIDANT, NAB, ABBA & STESSA: 3.9423 NOI, 0.368 Gross Revenue

Value of Business Alone: \$863,439 (Based on Sales-NOI) – AVERAGE LAST 4 YEARS

Value of Business Alone: \$466,044 (Based on Gross Revenue Multiplier) – AVERAGE LAST 4 YEARS

Total Value of Combined Properties including business: \$3,042,570

(Inventory of \$316,000 estimated is NOT INCLUDED)

AVERAGE VALUE WITHOUT INVENTORY USING METHODS 1 & 2 = \$3,070,446

B) VALUE INCLUDING BUSINESS AND REAL ESTATE/IMPROVEMENTS BASED ON VARIOUS CAP RATES

2021-2022 NOI: \$227,791 (INCLUDES ADD BACKS)
2020-2021 NOI: \$109,061 (INCLUDES ADD BACKS)
2019-2020 NOI: \$217,528 (INCLUDES ADD BACKS)
2018-2019 NOI: \$222,584 (INCLUDES ADD BACKS)

AVERAGE 4 YEAR NOI: \$194,241

VALUE AT 6% CAP RATE: \$3,237,350

VALUE AT 6.5% CAP RATE: \$2,988,323

C) VALUE OF BUSINESS AT A CAP RATE WITHOUT REAL ESTATE

VALUE AT 6% CAP RATE: \$3,237,350 Less Real Estate/Improvements: <\$2,200,303> = \$1,037,047

VALUE AT 6.5% CAP RATE: \$2,988,323 Less Real Estate/Improvements: <\$2,200,303> = \$788,020

Values do NOT INCLUDE inventory of \$316,000.

These three valuation methods yield a value range of **\$3,070,446 to \$3,237,350**. If the inventory value is audited and remains at or near the present value of \$316,000 then the total value is between \$3,386,000 to \$3,553,350

Please let me know if you have any questions.