

Small Business Valuation Formula Multiples, 2012 Edition

The valuation multiples presented in this analysis are derived from actual market transactions as reported by BIZCOMPS®, with the primary focus on small businesses priced at less than \$1 million. The selected valuation multiple range represents the midrange of the reported transactions. The average and median both fall within this range, with the midpoint of the range closely approximating the median in most cases.

Low	Selected Range	High
-----	----------------	------

The product resulting from the application of these multiples includes intangible assets (such as brands, copyrights, trademarks, patents, licenses, franchises, customer lists, and goodwill), and furniture, fixtures, and equipment. It does not include cash, accounts receivable, inventory, real estate, other tangible assets, or liabilities, so these items must be added or subtracted, as applicable, in arriving at the indicated equity value for the business.

Price - Sales price paid for intangible assets and furniture, fixtures, and equipment.

Price/Revenue Multiple - Price divided by annual net sales.

Price/SDE Multiple - Price divided by seller's discretionary earnings (defined as net income before the primary owner's compensation, other discretionary, nonoperating, or nonrecurring income or expenses, depreciation, amortization, interest, and taxes).

Valuation Formula

$$\begin{aligned} & \text{Revenue or SDE} \\ \times & \text{ Valuation multiple} \\ \hline & \text{Intangible assets and furniture,} \\ & \text{fixtures, and equipment} \\ + & \text{ Cash} \\ + & \text{ Accounts receivable} \\ + & \text{ Inventory} \\ + & \text{ Real estate} \\ + & \text{ Other tangible assets} \\ - & \text{ Liabilities} \\ \hline & \underline{\underline{\text{Indicated equity value}}} \end{aligned}$$

Additional Resources

BIZCOMPS® (www.bizcomps.com) provides transaction data on over 12,000 small business sales transactions from a wide variety of industries. Primary focus is on small businesses priced at less than \$1 million. Available in print, CD-ROM, or online versions.

SIC Code and Industry Description	Price/Revenue		Price/SDE	
	Multiple Range		Multiple Range	
SIC 0181 Landscape and Plant Nurseries	0.21	0.40	1.40	2.28
SIC 0740 Veterinary Services	0.68	0.80	1.69	3.84
SIC 0752 Boarding Kennels and Pet Grooming Services	0.43	0.65	1.31	1.95
SIC 0782 Landscape and Lawncare Services	sample	sample	sample	sample
SIC 0783 Tree Trimming, Planting, and Removal Services	sample	sample	sample	sample
SIC 1520 Residential Construction and Remodeling Contractors	sample	sample	sample	sample
SIC 1541 General Building Contractors - Nonresidential	sample	sample	sample	sample
SIC 1542 Fire and Flood Restoration Contractors	sample	sample	sample	sample
SIC 1611 Paving Contractors	sample	sample	sample	sample
SIC 1623 Utilities Contractors	sample	sample	sample	sample
SIC 1711 Plumbing, Heating, and Air Conditioning Contractors	sample	sample	sample	sample
SIC 1721 Painting Contractors	sample	sample	sample	sample
SIC 1731 Electrical Contractors	sample	sample	sample	sample
SIC 1741 Masonry Contractors	sample	sample	sample	sample
SIC 1742 Drywall, Plaster, Acoustical, and Insulation Contractors	sample	sample	sample	sample
SIC 1743 Tile and Marble Contractors	sample	sample	sample	sample
SIC 1752 Commercial Flooring Contractors	sample	sample	sample	sample
SIC 1761 Roofing, Siding, and Sheet Metal Contractors	sample	sample	sample	sample
SIC 1771 Concrete Contractors	sample	sample	sample	sample
SIC 1791 Structural Steel Contractors	sample	sample	sample	sample
SIC 1793 Window and Door Contractors	sample	sample	sample	sample
SIC 1794 Excavating Contractors	sample	sample	sample	sample
SIC 1799 Fencing Contractors	sample	sample	sample	sample
SIC 1799 Swimming Pool Contractors	sample	sample	sample	sample
SIC 2050 Wholesale and Commercial Bakeries	sample	sample	sample	sample
SIC 2097 Ice and Ice Products Manufacturers	sample	sample	sample	sample
SIC 2300 Apparel and Clothing Manufacturers	sample	sample	sample	sample
SIC 2389 Contract Sewing	sample	sample	sample	sample

SIC Code and Industry Description	Price/Revenue Multiple Range		Price/SDE Multiple Range	
SIC 2394 Awnings, Tents, and Other Canvas Products Manufacturers	sample	sample	sample	sample
SIC 2395 Embroidery Services	sample	sample	sample	sample
SIC 2431 Millwork, Window, and Door Manufacturers	sample	sample	sample	sample
SIC 2434 Kitchen Cabinet and Countertop Manufacturers	sample	sample	sample	sample
SIC 2500 Furniture Manufacturers	sample	sample	sample	sample
SIC 2591 Window Coverings Manufacturers	sample	sample	sample	sample
SIC 2700 Book, Magazine, and Newspaper Publishers	sample	sample	sample	sample
SIC 2752 Commercial Printers	sample	sample	sample	sample
SIC 2759 Silk Screen Printers	sample	sample	sample	sample
SIC 2819 Chemical Manufacturers	sample	sample	sample	sample
SIC 2834 Water Purification Products Manufacturers	sample	sample	sample	sample
SIC 3080 Plastics Products Manufacturers	sample	sample	sample	sample
SIC 3270 Ready-Mix and Concrete Products Manufacturers	sample	sample	sample	sample
SIC 3281 Cultured Marble and Marble Products Manufacturers	sample	sample	sample	sample
SIC 3441 Structural Metal Fabricators	sample	sample	sample	sample
SIC 3444 Sheet Metal Fabricators	sample	sample	sample	sample
SIC 3446 Ornamental and Architectural Metal Products Manufacturers	sample	sample	sample	sample
SIC 3470 Metal Coating, Plating, and Finishing	sample	sample	sample	sample
SIC 3544 Tool and Die Shops	sample	sample	sample	sample
SIC 3585 HVAC and Refrigeration Equipment Manufacturers	sample	sample	sample	sample
SIC 3599 Machine Shops	sample	sample	sample	sample
SIC 3672 Electronic Assembly Manufacturers	sample	sample	sample	sample
SIC 3714 Auto Parts and Accessories Manufacturers	sample	sample	sample	sample
SIC 3949 Sporting Goods Manufacturers	sample	sample	sample	sample
SIC 3993 Sign Manufacturers	sample	sample	sample	sample
SIC 4119 Limousine Services	sample	sample	sample	sample
SIC 4119 Medical Transportation Services	sample	sample	sample	sample
SIC 4212 Waste Disposal, Garbage Collection, and Trash Removal	sample	sample	sample	sample

SIC Code and Industry Description	Price/Revenue Multiple Range		Price/SDE Multiple Range	
SIC 4212 Local Trucking Services	sample	sample	sample	sample
SIC 4213 Long Distance Trucking Services	sample	sample	sample	sample
SIC 4213 Vehicle Transport Services	sample	sample	sample	sample
SIC 4214 Moving and Storage Services	sample	sample	sample	sample
SIC 4215 Courier and Delivery Services	sample	sample	sample	sample
SIC 4581 Aircraft Cleaning and Janitorial Services	sample	sample	sample	sample
SIC 4724 Travel Agencies	sample	sample	sample	sample
SIC 4731 Freight Forwarders and Brokers	sample	sample	sample	sample
SIC 4959 Parking Lot Sweeping Services	sample	sample	sample	sample
SIC 4959 Environmental Cleanup Services	sample	sample	sample	sample
SIC 5013 Auto Parts and Accessories Distributors	sample	sample	sample	sample
SIC 5031 Door, Window, Cabinet, and Millwork Distributors	sample	sample	sample	sample
SIC 5044 Office Equipment Distributors	sample	sample	sample	sample
SIC 5045 Computer and Computer Equipment Distributors	sample	sample	sample	sample
SIC 5046 Food Service Equipment and Supplies Distributors	sample	sample	sample	sample
SIC 5047 Medical Equipment and Supplies Distributors	sample	sample	sample	sample
SIC 5051 Metal Service Centers and Distributors	sample	sample	sample	sample
SIC 5063 Electrical Supplies Distributors	sample	sample	sample	sample
SIC 5065 Electronic Parts and Equipment Distributors	sample	sample	sample	sample
SIC 5072 Hardware Distributors	sample	sample	sample	sample
SIC 5074 Plumbing and Heating Equipment and Supplies Distributors	sample	sample	sample	sample
SIC 5085 Industrial Equipment and Supplies Distributors	sample	sample	sample	sample
SIC 5087 Cleaning and Maintenance Supplies Distributors	sample	sample	sample	sample
SIC 5088 Golf Cart Distributors	sample	sample	sample	sample
SIC 5091 Pool and Spa Equipment and Supplies Distributors	sample	sample	sample	sample
SIC 5092 Toy, Game, Hobby, Arts, and Crafts Distributors	sample	sample	sample	sample
SIC 5093 Scrap and Waste Material Recyclers and Processors	sample	sample	sample	sample
SIC 5094 Jewelry, Precious Stone, and Precious Metal Distributors	sample	sample	sample	sample

SIC Code and Industry Description	Price/Revenue Multiple Range		Price/SDE Multiple Range	
SIC 5112 Office Supplies and Stationery Distributors	sample	sample	sample	sample
SIC 5113 Paper Products and Packaging Distributors	sample	sample	sample	sample
SIC 5140 Food Distributors and Wholesalers	sample	sample	sample	sample
SIC 5170 Oil, Fuel, and Gas Distributors	sample	sample	sample	sample
SIC 5193 Flower and Nursery Plant and Supplies Distributors	sample	sample	sample	sample
SIC 5199 Advertising Specialties Distributors	sample	sample	sample	sample
SIC 5211 Building Supplies Stores and Home Centers	sample	sample	sample	sample
SIC 5211 Garage and Overhead Door Dealers and Retailers	sample	sample	sample	sample
SIC 5231 Glass Stores and Shops	sample	sample	sample	sample
SIC 5251 Hardware Stores	sample	sample	sample	sample
SIC 5261 Lawn and Garden Centers	sample	sample	sample	sample
SIC 5331 Dollar and Variety Stores	sample	sample	sample	sample
SIC 5411 Convenience Stores	sample	sample	sample	sample
SIC 5411 Grocery Stores and Supermarkets	sample	sample	sample	sample
SIC 5421 Meat Markets	sample	sample	sample	sample
SIC 5421 Fish Markets	sample	sample	sample	sample
SIC 5441 Candy, Nut, and Confectionary Stores	sample	sample	sample	sample
SIC 5461 Bakeries and Bakery Shops	sample	sample	sample	sample
SIC 5462 Donut Shops	sample	sample	sample	sample
SIC 5499 Water and Ice Retailers	sample	sample	sample	sample
SIC 5499 Health Food, Vitamin, and Supplement Stores	sample	sample	sample	sample
SIC 5521 Used Car Dealers	sample	sample	sample	sample
SIC 5531 Auto and Truck Parts and Accessories Stores	sample	sample	sample	sample
SIC 5531 Tire Dealers	sample	sample	sample	sample
SIC 5541 Gasoline Service Stations and Minimarts	sample	sample	sample	sample
SIC 5551 Boat, Watercraft, and Marine Supply Dealers	sample	sample	sample	sample
SIC 5561 Recreational Vehicle Dealers	sample	sample	sample	sample
SIC 5571 Motorcycle Dealers	sample	sample	sample	sample

SIC Code and Industry Description	Price/Revenue		Price/SDE	
	Multiple Range		Multiple Range	
SIC 5600 Clothing Stores	sample	sample	sample	sample
SIC 5661 Shoe Stores	sample	sample	sample	sample
SIC 5699 Uniform Stores	sample	sample	sample	sample
SIC 5712 Furniture Stores	sample	sample	sample	sample
SIC 5713 Carpet and Floor Covering Stores	sample	sample	sample	sample
SIC 5714 Drapery, Curtain, and Window Covering Stores	sample	sample	sample	sample
SIC 5722 Household Appliance Stores	sample	sample	sample	sample
SIC 5734 Computer and Electronics Stores	sample	sample	sample	sample
SIC 5812 Restaurants, Sandwich Shops, and Cafes	sample	sample	sample	sample
SIC 5812 Coffee Shops and Coffeeshouses	sample	sample	sample	sample
SIC 5812 Food Caterers and Catering Services	sample	sample	sample	sample
SIC 5932 Pawn Shops	sample	sample	sample	sample
SIC 5932 Used Merchandise Stores	sample	sample	sample	sample
SIC 5941 Bicycle Shops and Bike Stores	sample	sample	sample	sample
SIC 5941 Bait and Tackle Shops	sample	sample	sample	sample
SIC 5941 Dive Shops	sample	sample	sample	sample
SIC 5941 Sporting Goods Stores	sample	sample	sample	sample
SIC 5942 Bookstores	sample	sample	sample	sample
SIC 5943 Office Supplies and Stationery Stores	sample	sample	sample	sample
SIC 5944 Jewelry Stores	sample	sample	sample	sample
SIC 5945 Toy, Hobby, Arts, and Craft Stores	sample	sample	sample	sample
SIC 5947 Card and Gift Shops	sample	sample	sample	sample
SIC 5961 Catalog and Mail Order Businesses	sample	sample	sample	sample
SIC 5962 Vending Machine Operators	sample	sample	sample	sample
SIC 5963 Newspaper Delivery Service	sample	sample	sample	sample
SIC 5992 Florists and Flower Shops	sample	sample	sample	sample
SIC 5994 Newsstands	sample	sample	sample	sample
SIC 5995 Retail Optical Services	sample	sample	sample	sample

SIC Code and Industry Description	Price/Revenue		Price/SDE	
	Multiple Range		Multiple Range	
SIC 5999 Cell Phone Stores	sample	sample	sample	sample
SIC 5999 Pet Stores	sample	sample	sample	sample
SIC 5999 Picture Frame Shops	sample	sample	sample	sample
SIC 5999 Commercial Art Galleries	sample	sample	sample	sample
SIC 5999 Cosmetics and Beauty Supplies Stores	sample	sample	sample	sample
SIC 5999 Pool and Spa Equipment and Supplies Stores	sample	sample	sample	sample
SIC 5999 Hearing Aid Stores	sample	sample	sample	sample
SIC 5999 Trophy, Plaque, and Award Stores	sample	sample	sample	sample
SIC 6099 Check Cashing Services	sample	sample	sample	sample
SIC 6361 Title Insurance Services	sample	sample	sample	sample
SIC 6411 Insurance Agencies	sample	sample	sample	sample
SIC 6500 Property Management Services	sample	sample	sample	sample
SIC 6512 Executive Suites	sample	sample	sample	sample
SIC 6531 Real Estate Agents and Brokers	sample	sample	sample	sample
SIC 7033 Recreational Vehicle Parks and Campgrounds	sample	sample	sample	sample
SIC 7211 Commercial Laundries	sample	sample	sample	sample
SIC 7215 Coin-Operated Laundries	sample	sample	sample	sample
SIC 7216 Dry Cleaners	sample	sample	sample	sample
SIC 7217 Carpet Cleaning Services	sample	sample	sample	sample
SIC 7221 Photographers and Photography Studios	sample	sample	sample	sample
SIC 7230 Hair Salons, Beauty Salons, and Barber Shops	sample	sample	sample	sample
SIC 7299 Dating Services	sample	sample	sample	sample
SIC 7299 Massage Therapy Services	sample	sample	sample	sample
SIC 7299 Tanning Salons	sample	sample	sample	sample
SIC 7299 Tuxedo Rental	sample	sample	sample	sample
SIC 7311 Advertising Agencies	sample	sample	sample	sample
SIC 7322 Collection Agencies	sample	sample	sample	sample
SIC 7331 Direct Mail Marketing and Advertising Services	sample	sample	sample	sample

SIC Code and Industry Description	Price/Revenue		Price/SDE	
	Multiple Range		Multiple Range	
SIC 7334 Photocopying and Duplicating Services	sample	sample	sample	sample
SIC 7336 Commercial Art and Graphic Design Services	sample	sample	sample	sample
SIC 7338 Secretarial and Transcription Services	sample	sample	sample	sample
SIC 7342 Pest Control Services	sample	sample	sample	sample
SIC 7349 Janitorial and Cleaning Services	sample	sample	sample	sample
SIC 7359 Equipment Rental and Leasing	sample	sample	sample	sample
SIC 7359 Party and Event Rentals	sample	sample	sample	sample
SIC 7359 Portable Toilet Rental Services	sample	sample	sample	sample
SIC 7360 Employment and Temporary Help Agencies	sample	sample	sample	sample
SIC 7371 Computer Repair and Service	sample	sample	sample	sample
SIC 7371 Website Design and Development Services	sample	sample	sample	sample
SIC 7372 Software Companies	sample	sample	sample	sample
SIC 7379 Internet Service Providers	sample	sample	sample	sample
SIC 7381 Security Guard Services	sample	sample	sample	sample
SIC 7382 Security Systems and Alarm Services	sample	sample	sample	sample
SIC 7384 Photo Processing and One-Hour Photo Labs	sample	sample	sample	sample
SIC 7389 Home Inspection Services	sample	sample	sample	sample
SIC 7389 Interior Designers	sample	sample	sample	sample
SIC 7389 Pool Cleaning Services	sample	sample	sample	sample
SIC 7389 Packing and Shipping Services	sample	sample	sample	sample
SIC 7389 Mail Box Rental and Shipping Services	sample	sample	sample	sample
SIC 7389 Paralegal Services	sample	sample	sample	sample
SIC 7389 Conventions, Events, Meetings, Trade Show Services	sample	sample	sample	sample
SIC 7514 Auto and Car Rental and Leasing	sample	sample	sample	sample
SIC 7532 Auto Body Shops	sample	sample	sample	sample
SIC 7532 Auto Interior and Upholstery Repair Shops	sample	sample	sample	sample
SIC 7533 Auto Muffler Shops	sample	sample	sample	sample
SIC 7536 Auto Glass Repair Shops	sample	sample	sample	sample

SIC Code and Industry Description	Price/Revenue		Price/SDE	
	Multiple Range		Multiple Range	
SIC 7537 Auto Transmission Repair Shops	sample	sample	sample	sample
SIC 7538 Auto Repair Shops	sample	sample	sample	sample
SIC 7542 Car Washes and Auto Detailing Services	sample	sample	sample	sample
SIC 7549 Tow Truck and Towing Services	sample	sample	sample	sample
SIC 7549 Oil Change and Fast Lube Services	sample	sample	sample	sample
SIC 7549 Auto Window Tinting Services	sample	sample	sample	sample
SIC 7629 Appliance Repair Services	sample	sample	sample	sample
SIC 7641 Upholstery and Furniture Restoration Services	sample	sample	sample	sample
SIC 7699 Lawnmower Repair Shops	sample	sample	sample	sample
SIC 7699 Locksmith Shops	sample	sample	sample	sample
SIC 7699 Tool and Blade Sharpening Services	sample	sample	sample	sample
SIC 7699 Welding Services	sample	sample	sample	sample
SIC 7812 Video Production	sample	sample	sample	sample
SIC 7841 Video Rental Stores	sample	sample	sample	sample
SIC 7911 Dance Studios	sample	sample	sample	sample
SIC 7933 Bowling Alleys	sample	sample	sample	sample
SIC 7991 Health and Fitness Clubs	sample	sample	sample	sample
SIC 7991 Day Spas and Salons	sample	sample	sample	sample
SIC 7992 Golf Courses and Driving Ranges	sample	sample	sample	sample
SIC 7993 Amusement Arcades	sample	sample	sample	sample
SIC 7999 Billiard Parlors	sample	sample	sample	sample
SIC 7999 Boat and Jet Ski Rentals	sample	sample	sample	sample
SIC 8011 Medical Practices	sample	sample	sample	sample
SIC 8021 Dental Practices	sample	sample	sample	sample
SIC 8021 Oral and Maxillofacial Surgery Practices	sample	sample	sample	sample
SIC 8041 Chiropractic Practices	sample	sample	sample	sample
SIC 8049 Physical Therapy Services	sample	sample	sample	sample
SIC 8051 Nursing Care and Assisted Living Facilities and Services	sample	sample	sample	sample

SIC Code and Industry Description	Price/Revenue		Price/SDE	
	Multiple Range		Multiple Range	
SIC 8072 Dental Laboratories	sample	sample	sample	sample
SIC 8082 Home Health Care Services	sample	sample	sample	sample
SIC 8099 Medical Testing Services	sample	sample	sample	sample
SIC 8111 Legal Practices	sample	sample	sample	sample
SIC 8249 Technical and Trade Schools	sample	sample	sample	sample
SIC 8299 Auto and Truck Driving Schools	sample	sample	sample	sample
SIC 8299 Flight Schools	sample	sample	sample	sample
SIC 8299 Tutoring Services	sample	sample	sample	sample
SIC 8351 Child Day Care Centers	sample	sample	sample	sample
SIC 8711 Engineering Services	sample	sample	sample	sample
SIC 8712 Architectural Services	sample	sample	sample	sample
SIC 8713 Surveying Services	sample	sample	sample	sample
SIC 8721 Accounting, Auditing, Tax, and Bookkeeping Services	sample	sample	sample	sample
SIC 8721 Medical Billing Services	sample	sample	sample	sample

This publication is not intended to offer legal, accounting, or other professional advice. If legal, accounting, or other expert advice is required, the services of a competent professional should be sought.

© 2012 Valuation Resources, LLC. All Rights Reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in an information storage or retrieval system, without the prior written permission of the publisher.