

AUS & NZ Small-Family-SME Business Valuation Services



When providing, reviewing, or critiquing valuations, use this checklist.
If any of the answers are 'No' then review the valuation process and sources of data.

KEY CONCERNS, RISKS AND FLAWS	YES	NO
Valuation process sets out the methodology used for determining the EBIT multiple. <i>The process should be both replicable and defensible.</i>	<input type="checkbox"/>	<input type="checkbox"/>
Valuation EBIT multiple used is not based on 'Rule of Thumb' multiples. <i>Unsupported market multiples can make a valuation susceptible to review by tax authorities.</i>	<input type="checkbox"/>	<input type="checkbox"/>
All non-financial KPIs or 'Drivers' specific to the business have been assessed to determine the EBIT multiple. <i>Between 60 and 90 non-financial factors affect a SME business value.</i>	<input type="checkbox"/>	<input type="checkbox"/>
(If applicable). Differences between the valuation EBIT multiple and any business broker data or appraisal were reconciled before the client set the sale price. <i>Valuation and sale price appraisal processes can be different.</i>	<input type="checkbox"/>	<input type="checkbox"/>
The business's raw financial data was adjusted to normalise EBIT margins. <i>For example, adjustments made for owner(s) market salaries, abnormal income and expense items and personal expenses.</i>	<input type="checkbox"/>	<input type="checkbox"/>
Financial factors (KPIs or 'Drivers') specific to the business were analysed.	<input type="checkbox"/>	<input type="checkbox"/>
Comparable (ANZSIC code, revenue, and date ranges) industry benchmarking data has been used before and during the valuation. <i>If comparable data is not available, this should be noted as a limitation in the engagement and report, or the engagement declined.</i>	<input type="checkbox"/>	<input type="checkbox"/>
EBIT margin value (percentage) is validated by EBIT not Net Profit margin data. <i>Net Profit margin data is not directly comparable.</i>	<input type="checkbox"/>	<input type="checkbox"/>
Validation benchmarking data used to support the EBIT margin value (percentage) comes from a comparable, adjusted EBIT 'like for like' database. <i>Unadjusted EBIT margin data is not directly comparable.</i>	<input type="checkbox"/>	<input type="checkbox"/>
Validation data used is based on a comparable enterprise size. <i>Data from publicly listed enterprises is not directly comparable.</i>	<input type="checkbox"/>	<input type="checkbox"/>
The business's financial and non-financial KPIs assumptions are validated by comparable, AUS/NZ industry specific data. <i>Comparison data should be both industry/business specific and local.</i>	<input type="checkbox"/>	<input type="checkbox"/>
Valuation processes and reporting comply with industry standards and guidelines (such as APES 225, AES2 and IVS Council standards).	<input type="checkbox"/>	<input type="checkbox"/>
Valuation report provides evidence (including benchmarking data) to support each assumption, calculation, and conclusion. <i>The valuation should be reasonable and defensible, supported by data that is external, independent and accurate.</i>	<input type="checkbox"/>	<input type="checkbox"/>