

Private Business Valuation Services from Invermaster

This document describes the business valuation services offered by Invermaster, including three types of valuations with their respective scopes. It also details the specific activities performed in each type of valuation.

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Types of Valuation

1

Basic Valuation

A **Basic** Valuation is a simple and effective way to determine a company's value in comparison to similar businesses in the same industry. This uses multiples of sales, earnings, or other financial ratios obtained from stock exchange reports and certain regional M&A transactions.

2

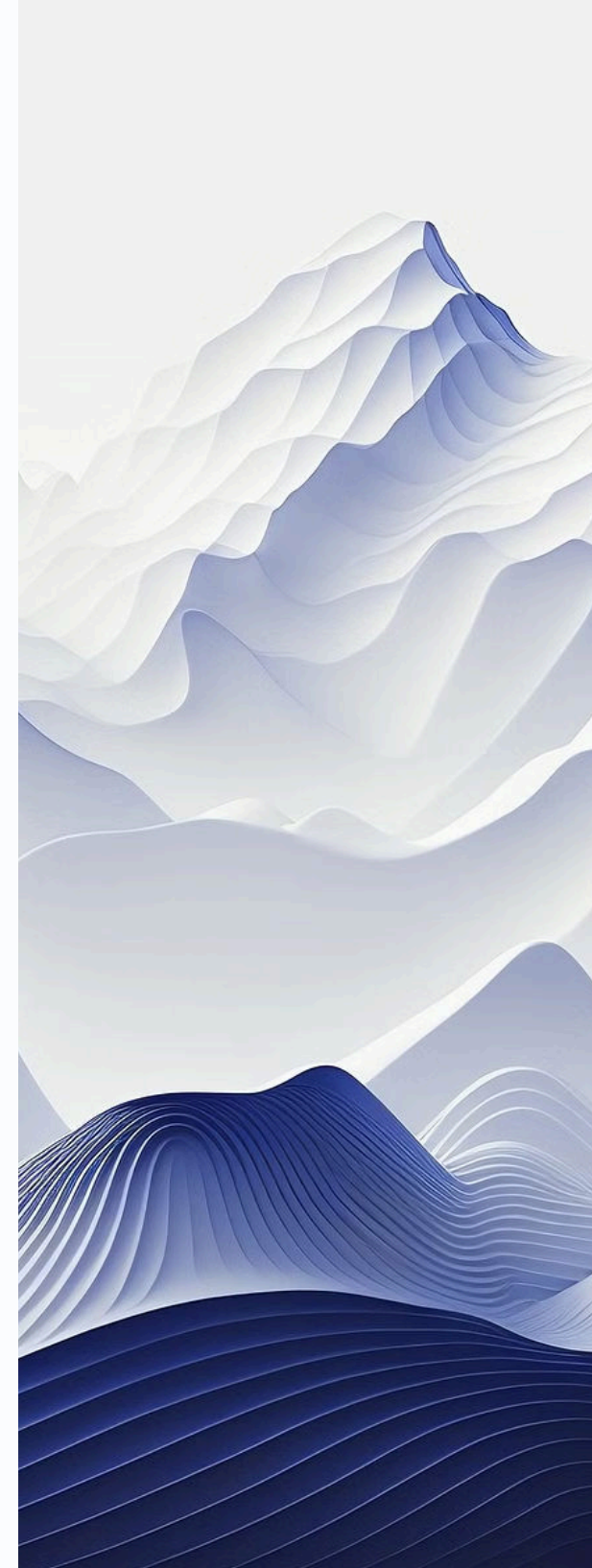
Standard Valuation

A **Standard** Valuation builds upon the Basic Valuation by also performing a discounted cash flow analysis using long-term financial projections. This includes an analysis of the Weighted Average Cost of Capital (WACC) as the discount rate.

3

Full Potential Valuation

A **Full Potential** Valuation identifies the impact of the company's strategy, development areas, growth opportunities, and improvements to unlock the business's maximum potential. This analyzes the current value versus the potential value if the strategic assumptions are achieved. This is ideal for attracting partners or uncovering areas for maximizing returns.



Valuation Project Content

Key Activities	Basic	Standard	Full Potential
General understanding of the information on the businesses in question, their operations, projections and strategies.	✓	✓	✓
Development of projections of key items of income, expenses and balance sheet. The available information will be used making adjustments and estimates to best reflect the operational reality of the business in question. NOTE: In the case of the Basic valuation, the Client must provide minimum information and projections.		✓	✓
Projection of income, costs and expenses by business unit.		✓	✓
Analysis of scenarios with operational utilization and efficiency indicators that affect the key items of the income statement and balance sheet.			✓
Review of the appraisals of the fixed assets involved, including real estate and its value as an asset separate from the operation.			✓
Compilation and effect of contracts with clients, age, duration and probability of renewal.			✓
Income projection model with seasonality calculation and sensitivity to key business variables.			✓
Review of debt obligations (obligations that involve payment of interest).	✓	✓	✓
Calculation of estimates of investment needs in working capital: including operating cash, inventories, accounts receivable and payable.		✓	✓
Calculation of estimates of investment needs in fixed assets.		✓	✓
Estimation of installed capacity utilization and efficiency scenarios for the use of fixed assets.			✓
Scorecard for subjective determination of the specific inherent risk of the company in comparison with a selected peer group. This is an extension of the "Discount for Lack of Liquid and Public Trading" that typically applies to a private company not listed on a stock exchange.	✓	✓	✓
Valuation using comparable measures and multiples typical of developed public markets and acquisitions and mergers (e.g. earnings multiples, sales multiples, etc.).	✓	✓	✓
Calculation of the weighted average cost of capital (WACC). It represents the minimum return a company must earn to satisfy its creditors, owners, and other capital providers, or else they will invest elsewhere.		✓	✓
Financial valuation using the discounted cash flow method at a weighted average cost of capital (WACC) rate.		✓	✓
Development of financial scenarios. The updating of the strategic and financial effects of a growth and improvement plan proposed by management will be included in the valuations.			✓
General recommendations about projections, the potential of the Client company and the probable synergies in a possible operational and commercial integration with a potential strategic partner.			✓
Development of an executive presentation with the company's reference value.	✓	✓	✓
Development of a detailed presentation with the company's reference value, scenarios and recommendations (optimistic, optimal and conservative cases).			✓
Value recommendation for the partner, as well as heat for a potential buyer and a potential negotiation value or "Asking Price" for a third party.			✓
Development of an Information Memorandum containing a general description of the company, potential and valuation, with the objective of being presented to third parties potential partners or investors.			✓

Conclusion

Invermaster offers a comprehensive range of business valuation services to meet the needs of different clients and situations. From a simple basic valuation to a full potential valuation, Invermaster provides a rigorous and professional analysis to help clients make informed decisions about their businesses.

Request a valuation now!

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