WORKSHEET 01 / KNOW YOUR NUMBERS

Prepare for Your Business Valuation

Understand your numbers. Organize your business. Plan your next move.

Start with pages 1-3. Complete what you know; write "unsure" where you need help. Pages 4-8 explain why we ask and what you can improve. Download and type in a PDF editor, or print and write. This guide prepares you for a valuation conversation.

01 Tell us about your business.

Guide: p. 4

Business name

Business activity / city / state

Financial period: from / to

Contact name / email or phone

02 Gather a financial snapshot.

Guide: p. 4

Use the latest completed 12 months for every amount. Copy the figures as reported; label estimates. Bring current-year results separately. Amounts in dollars.

Annual sales / revenue
Total sales before business expenses.

Net profit or loss
Bottom line on your profit-and-loss statement.

Owner salary and benefits in expenses
All owners combined; separate owner withdrawals.

Non-owner management pay in expenses
Already included in costs; do not add it again.

Business interest expense
Interest only; exclude loan principal payments.

Business income-tax expense
Only if recorded as an expense; exclude personal taxes.

Depreciation and amortization
Accounting charges; your bookkeeper can identify these.

03 What needs explanation in these numbers?

Guide: p. 4

List unusual income, one-time or personal costs, unpaid owner/family work, or expenses likely to change. Include amounts if known; bring supporting details.

WORKSHEET 02 / UNDERSTAND YOUR OPERATIONS

Understand what a buyer would inherit.

Use short answers. Write "not applicable" where appropriate; "unsure" is a useful answer.

04 What work depends on you?

Guide: p. 6

Owner hours / week

Main duties / who could cover for you

05 Who keeps the work running?

Guide: p. 6

Who manages daily work? Note key employees, contractors, vacancies, and tasks with written instructions.

06 How dependable are your sales?

Guide: p. 5

Share of annual sales from each source below. Categories can overlap; do not add them together.

Largest customer (%)

Repeat customers (%)

Written recurring contracts (%)

07 How do you win new business?

Guide: p. 5

List your main sales channels. Which are company processes, and which depend on your relationships?

08 What has changed recently?

Guide: p. 5

Describe sales and profit trends, seasonality, lost customers, rising costs, or other recent changes.

09 What must transfer or needs investment?

Guide: p. 7

Note key leases, licenses, contracts, suppliers, equipment, inventory, debts, or upcoming spending.

WORKSHEET 03 / YOUR GOALS & RECORDS

Prepare for the conversation.

You can contact us before every box is complete. The gaps help us identify where to start.

10 What would a successful exit look like?

Guide: p. 8

Why you are exploring a sale / your main goal

Preferred timing

Your role after a sale

11 What can you gather?

Guide: p. 8

Write a status beside each group: **Ready / Gathering / Need help / N/A.** For a newer business, bring records for the time it has operated.

Financial history
Last 3 years: profit-and-loss statements, balance sheets and business tax returns.

Current results
Year-to-date profit-and-loss and balance sheet; same-period prior-year results.

Pay and financial explanations
Owner/manager payroll, job duties, and support for the items in question 3.

Customers and sales
Sales by customer, repeat/contract sales and records of how new business arrives.

People and operating rights
Team roles, key leases, licenses, contracts, ownership details and procedures.

Assets and obligations
Equipment/inventory lists, debt, money owed to/by the business and known issues.

12 What would you like to ask Supreme Capital?

Guide: p. 8

Start with customer codes or summaries. Ask your Supreme Capital advisor how to share detailed records securely.

WHY WE ASK / YOUR NUMBERS

What do your numbers tell a buyer?

Questions 1-3: buyers want to know what they are buying.

01. Your type of business

We need to know what you sell, where you work and how large your business is. Buyers compare businesses that are alike. A price from a very different business can give you the wrong idea of what yours is worth.

02. The money left after costs

Buyers care about what is left after the bills are paid. Owner pay and other costs help us work out what profit could continue after a sale. Steady profit can support a stronger price. Big sales with little profit may not.

03. Was this a normal year?

A big one-time bill can make a good year look weak. A one-time gain can make it look too strong. Buyers also check for costs they will need to add, such as paying for work a family member now does free.

Further reading: BizBuySell: Reviewing owner earnings | BizBuySell: Owner pay and expense definitions

WHY WE ASK / CUSTOMERS & SALES

Will the customers keep coming?

Questions 6-8: buyers look for sales they can count on.

06. Who buys from you?

Steady repeat sales can make future income easier to trust. Relying on one large customer adds risk if they leave. Buyers also read contract terms: a signed contract may still end or let a customer cancel.

07. How do new customers find you?

Buyers want a way to keep finding customers. A sales process the team can run helps. Sales tied only to your personal contacts can be harder to pass on. Lots of leads help only when they turn into profitable sales.

08. Is business getting better?

Rising profit can support a higher price. Lost customers or rising costs can pull it down. Buyers check recent results, not just last year. We compare the same months so a busy season does not give a false picture.

Further reading: BDC: Preparing a business for sale | BDC: Business due diligence

WHY WE ASK / YOUR TEAM

What happens when you leave?

Questions 4-5: buyers need to know who will do the work.

04. How much depends on you?

If you stopped working tomorrow, what would stop with you? A buyer may need to hire someone to do your work. That cost can lower profit. A business that runs well without you can be easier to sell.

05. Can the team keep things running?

A skilled team gives a buyer people to count on. If one key person leaves and nobody can fill in, work may stop. Backup staff and clear job roles can make the handover easier.

05. Are the steps written down?

Simple written steps help a new owner keep things running. If important tasks live only in your head, the buyer has more to learn and more that can go wrong. Clear steps make the business easier to take over.

Further reading: BDC: Preparing a business for sale | BDC: Business due diligence

WHY WE ASK / WHAT THE BUYER TAKES OVER

What comes with the business?

Question 9: buyers look beyond sales and profit.

09. Equipment and stock

Working equipment and stock you can sell help a buyer get started. Worn-out machines or goods nobody wants can mean extra costs. Buyers check what is included and what they will need to replace. Those costs can affect their offer.

09. Cash to pay the bills

A business can show a profit and still be short of cash. It may need to buy stock or pay staff before customers pay. Slow payments and unpaid bills can mean a buyer needs more money to keep it running.

09. Permission to keep operating

Can the buyer keep the location, licenses and key agreements? Clear terms help the sale move forward. A lease ending soon or a license that cannot be passed on may add costs, cause delays or stop the deal.

Further reading: BDC: Business due diligence | BDC: Accounting, assets and cash flow

WHY WE ASK / YOUR NEXT STEP

Let's plan your next move.

Questions 10-12: your plans, your records and your questions.

10. What do you want next?

Your timing and plans after the sale help us plan the handover. Time to fix weak spots can help. A rushed sale can limit your options.

11. Are your records ready?

Clear records make it easier for buyers to trust the numbers. Missing or confusing records can delay a sale or lead to a lower offer.

12. What would you like to know?

Your questions show us where you need help. You do not need all the answers before we talk.

Let's set up a time to talk.

Whether you're planning to sell now or in the future, let's discuss your business and your next steps.

Give Supreme Capital a call or submit a form on our website. We'll get back to you as soon as possible to find a date and time that works for you.

This guide helps you prepare. Your business needs its own review to estimate a price.

Further reading: BDC: Understanding business valuation