

## **Market Method of Small Business Valuation: Estimating Cash Flows and Balance Sheet Adjustments**

### **Brief Description of the Session:**

A review of the market method for use with small business valuation.

Emphasis will be on making adjustments to estimate various cash flows including revenues, Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA), and Sellers Discretionary Earnings (SDE).

A review of the balance sheet and adjustment of the preliminary indication of value for balance sheet matters will be covered.

### **Learning Objectives:**

- List the strengths and weaknesses of the market method and how to adjust cash flows to be compatible with comparable data to reduce error
- Know the definitions of EBITDA and SDE and proper adjustments to find those cash flows
- Calculate discretionary adjustments based on supporting documentation
- Estimate other adjustments to the cash flow
- Properly weight the cash flows to determine a proper selected cash flow value
- Calculate a preliminary indication of value with the market method
- Adjust the preliminary indicated value found for variations in balance sheet assets and liabilities.
- Estimate working capital and net current assets over liabilities
- Determine a business value using the market method

**Program Level:** Basic to Intermediate

**Presentation Time:** 50 - 60 minutes

All presentations will be customized for your participant's needs or requirements.

**Contact us (609-664-7955 or [learning@TheArtofBusinessValuation.com](mailto:learning@TheArtofBusinessValuation.com))  
to learn about other presentation topics – or to discuss your group's specific requirements.**

**Presentations by Gregory Caruso, J.D., C.P.A., C.V.A.**  
Author, “The Art of Business Valuation, Accurately Valuing a Small Business”

**Webinars, presentations, and courses by Greg Caruso are perfect for**

- **Continuing Legal Education (CLE)**
- **CPA and Accounting Continuing Professional Education (CPE)**
- **Business Valuation (CVA, ABV, ASA) Continuing Professional Education**
- **And many other groups**

All webinars and presentations are created and led by [Greg Caruso, JD, CPA, CVA](#) , author of “The Art of Business Valuation, Accurately Valuing a Small Business”.

- All virtual events are recorded for post-event viewing.
- Extensive professional materials are provided to attendees.
- Greg is available for questions by email or phone for a period of time after each presentation.
- For some presentations, Greg can facilitate small group discussions after the event.

By presenting in an interactive format and covering topics at varying technical levels, your participants are engaged and learn critical elements including relevant applications of the material. We are committed to providing an excellent program that exceeds your expectations.

**About Greg:**

**Partial CV, Previous Presentations:**

- “Business Valuations in the Shadow of COVID-19” - multiple including BVR, AAA CPA
- “Primer on SBA Business Valuation, What to Look For,” Maryland Commercial Lenders Assoc.
- “Market Method for Valuing Small Businesses,” NJ NACVA
- “Taxes for Small Business M&A” Virginia Association of CPA’s
- “Buying, Selling, Valuing Small Business: The Similarities and Differences”, Valuation Products and Services, Jim Hitchner
- “Exciting Exits”, Society of Financial Service Professionals, Maryland

**Editor-In-Chief**

- “Around the Valuation World” Webinar, NACVA, Editor, Moderator and Contributor, monthly since 2016

**Author**

- [The Art of Business Valuation, How to Value a Small Business](#), Wiley, Fall 2020
- [11 Secrets To Selling Your Business](#), Book, March, 2007, Authorhouse.

**Business Valuation and Business Brokerage**

- Harvest Business, LLC, Business valuations and business brokerage since 2004. Lead broker in over 60 transactions. 100’s of business valuations for all purposes.

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