

SPRING 2013 NEWSLETTER

Below are a few recent sales and a few currently available opportunities.

Visit www.business-team.com for more listings .

Ian MacLachlan
President, BTI Group



Selected Completed Transactions

Fabless Semiconductor	\$28 MM
Test Equipment Manufacturer	\$25 MM
Ag Irrigation Systems Co.	\$15.5 MM
Truck Stop/Gas/Food	\$15 MM
Software/Support Insurance	\$12 MM
Test Lab	\$12 MM
Car Dealership	\$10 MM
Hotel & Casino	\$10 MM
Software/support Insurance	\$9.0MM
Irrigation Equipment	\$9.0MM
Wholesale/Distribution	\$8.0MM
Engineering	\$7.0MM
Manufacturer	\$6.7MM
Seafood Processing & Distribution	\$6.5MM
Manufacturing	\$6.5MM
Civil Engineering & Urban Planning	\$6.3 MM
Consumer Lending	\$6.0MM
Manufacturing	\$6.0MM
Parking Systems	\$5.0MM
Machine Manufacturing	\$4.5MM
Gas Station	\$4.0MM
Manufacturing	\$4.0MM
Supermarket	\$4.0MM
Gas Station + Property	\$3.9MM
Gas Station/Car Wash	\$3.7MM
Signs & Supplies	\$3.7MM
Gas Station	\$3.6MM
Manufacturing	\$3.5MM
Full Service Car Wash	\$3.5MM
Gas Station/Market	\$3.1MM
Cabinet Manufacturer	\$3.1MM
Entertainment Venue	\$3.0MM

M&A ACTIVITY

The number of sales of small, lower-middle market companies increased in 2012 but at a slower rate than in 2011 (BTI revenue increased 15% last year). Often, though, transactions are taking longer to close than in the peak years (2005-2006) due primarily to buyer caution—more extensive due diligence and the added complexity of, in some cases, a foreign buyer or foreign location. One bright spot, however, is that the SBA has increased it’s loan limit from \$2MM to \$5MM significantly enlarging the buyer pool for small companies in the \$5- \$10MM valuation range.

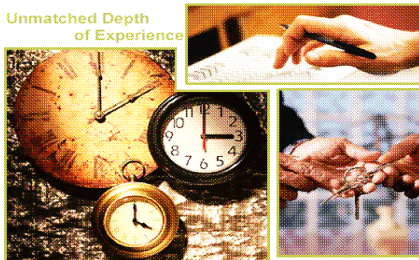


Is This A Good Time To Sell? Yes & No.

The best time to sell depends far more on the combination of business performance and the personal goals of the owner/entrepreneur, than external economics. Certainly from a price point of view it is always best to go to market when a business demonstrates steady growth. The seller’s dilemma in this case, however, is that the business may be worth more tomorrow than today. The rationale to sell then shifts from a strictly financial one to that of personal choice: “Have I lost my drive and enthusiasm for the company? Is there something else I would rather do? Should I take the money off the table now instead of betting on the future?”

The first step for a business owner in arriving at a decision to go to market should be to get an idea of current value (BTI will perform a Market Analysis for you at no charge). The likely proceeds from a sale can be then be weighed against the personal wants, wishes and requirements to make such a decision.

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BTI Group, established in 1981 has sold over 5,000 businesses to private equity groups, strategic buyers and individuals.

MEMBERSHIPS



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Available Opportunities

IT Staffing & Software Consulting	\$19.2 MM
Auto Dismantling	\$19 MM
Sports Complex	\$15 MM
Gold & Pawn Shop	\$8.5 MM
Sports Equipment Retail	\$8.0 MM
Restaurant Equipment & Supplies	\$4.8 MM
Paving Contractor	\$3.4 MM
Staffing Firm	\$3.2 MM
Employment Agency	\$2.5 MM
Precision Machining/Mechanical Design	\$2.4 MM
Printing Company	\$2.3 MM
Recycling Company	\$2.2 MM
Plastic Resins –Imports/Exports	\$2.0 MM
Cosmetic Manufacturing & Distribution	\$2.0 MM
Inn & Restaurant	\$2.0 MM
Charter Bus Company	\$1.8 MM
Flood Damage & Restoration	\$1.8 MM
Medical Management	\$1.7 MM
Auto Detail	\$1.6 MM
Rotation Plastic Molding	\$1.5 MM
Non-Medical Homecare	\$1.5 MM
Lighting Company	\$1.5 MM
Pallet Company	\$1.5 MM
Clothing Import & Distribution	\$1.5 MM
Gas Station	\$1.5 MM
Fishing Resort	\$1.4 MM
Executive Limousine Service	\$1.4 MM
Pipe Distribution Company	\$1.3 MM
Automotive Company	\$1.3 MM
Sushi Restaurant	\$1.3 MM
Image Processing, Editing & Production	\$1.2 MM
	\$1.2 MM

Is This A Good Time To Sell? Yes & No.
cont.

In the previous BTI newsletter a column entitled, “What’s My Business Worth?”, we promised an example that illustrates the uncertainty in the business valuation process.

Example: The owners of a high-tech company located in the San Francisco Bay Area had their business valued by a well respected national firm. The value was determined to be \$8.3MM.

Shortly thereafter, BTI took the company to market, brought 5 LOIs and the winning bid was \$12MM. There were several factors that led to this pleasing (for the seller) result, one of which was competition. A second factor was that for two of the bidders there was perceived technology value (these two bidders offered significantly more than the others). The suggestion of this example is that a certain flexibility is required when setting price expectations and that ultimately the right price, if the business is exposed to a large enough pool of buyers, is determined by the market.

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Unmatched Depth
of Experience



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