Mortgage Brokerage Valuation Report Worksheet

This valuation report worksheet is designed to help mortgage business owners gain a clearer understanding of the factors that contribute to the value of their business. While a professional valuation is often necessary for an accurate estimate, this worksheet provides an initial framework to assess key metrics and performance indicators. By working through these sections, you'll gain insights into how potential buyers might evaluate your business and identify areas for improvement before you decide to sell.

Section 1: Financial Performance

1. Revenue

- **Annual Revenue for the Last Three Years**
  Year 1: $______________
  Year 2: $______________
  Year 3: $______________
- **Revenue Growth Rate**
  Calculate the average growth rate over the last three years:
  Growth Rate = ((Year 3 Revenue - Year 1 Revenue) / Year 1 Revenue) x 100
  Growth Rate: ___________%
- **Revenue Sources**
  What percentage of your revenue comes from the following?
  - Residential Mortgages: ________%
  - Commercial Mortgages: ________%
  - Alternative Lending: ________%
  - Renewals/Trail Income: ________%
  - Other Services (e.g., insurance, consulting): ________%

2. Profitability

- **Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)**
  Year 1 EBITDA: $______________
  Year 2 EBITDA: $______________
  Year 3 EBITDA: $______________
- **Net Profit Margin**
  Calculate your net profit margin for each year:
  Net Profit Margin = (Net Profit / Total Revenue) x 100
  Year 1: ___________%
  Year 2: ___________%
  Year 3: ___________%

- **EBITDA Margin**
  Calculate your EBITDA margin:
  EBITDA Margin = (EBITDA / Total Revenue) x 100
  Year 1: __________%
  Year 2: __________%
  Year 3: __________%

3. Cash Flow Stability

- **Annual Free Cash Flow (After all operating costs, taxes, and reinvestments)**
  Year 1: $_____________
  Year 2: $_____________
  Year 3: $_____________

Section 2: Client Base and Relationships

1. Client Retention Rate

- **How many clients return for renewals or new mortgages?**
  Calculate your client retention rate:
  Client Retention Rate = (Number of Returning Clients / Total Clients) x 100
  Retention Rate: __________%

2. Diversity of Client Base

- **Do you serve a diverse client base?**
  List the breakdown of your clients:
  - First-Time Homebuyers: _______%
  - Real Estate Investors: _______%
  - Commercial Clients: _______%
  - Other: _______%
- **Concentration Risk**
  What percentage of your revenue comes from your top five clients?
  Top 5 Client Revenue Percentage: _______%

Section 3: Operational Strength and Efficiency

1. Technology and Automation

- **CRM System**
  Are you using a modern CRM system to manage leads and clients?
  - Yes

- No

- **Mortgage Origination Platform**
  Are you using any automated underwriting or origination systems?
  - Yes
  - No

- **Digital Lead Generation Tools**
  Are you actively using digital marketing, SEO, or paid lead generation platforms to attract new clients?
  - Yes
  - No

2. Process Standardization

- **Are your key processes documented and standardized?**
  (e.g., client onboarding, compliance, deal tracking)
  - Yes
  - No

3. Lender Relationships

- **Number of Active Lenders**
  How many lenders do you currently work with?
  - Number of Lenders: _____________

- **Lender Concentration**
  What percentage of your volume comes from your top three lenders?
  Top 3 Lender Volume Percentage: ___________%