

RULE OF THUMB VALUATIONS

Ever wondered what your business is worth? We have compiled a list of value multipliers you can use as a rule of thumb to obtain an estimated business valuation.

Business type	Multiplier	Base value	Plus value of
Accountants	0.9 to 1.5	Annual gross fees	Fixed assets
Advertising agency	0.75	Annual gross fees	Fixed assets
Architects	0.4	Annual gross fees	Fixed assets
Appliance services	1.0 to 1.5	Gross profit	Assets + inventory
Car service centre	0.3 to 0.5	Gross profit	Assets + inventory
Bakery	0.3 to 0.4	Annual gross sales	Assets + inventory
Beauty salon	0.3 to 0.5	Gross profit	Assets + inventory
Bed & breakfast	R250k -R500k	Per guest room	Base property value
Bookkeepers	0.5 - 0.8	Annual gross fees	Fixed assets
Caterers	0.25	Annual gross sales	Assets + inventory
Coffee shop	0.4 to 0.5	Annual gross sales	Assets + inventory



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Business type	Multiplier	Base value	Plus value of
Construction	0.2 to 0.3	Annual gross sales	Fixed assets
Convenience store	0.15 to 0.25	Annual gross fees	Assets + inventory
Cycle shop	0.25	Annual gross sales	Assets + inventory
Dental practice	0.25 to 0.35	Annual gross sales	Assets + inventory
Employment agency	0.5	Annual gross sales	Fixed assets
Engineering services	0.4	Annual gross sales	Fixed assets
Equipment hire	0.8 to 1	Annual gross sales	Assets + inventory
Fast food cafe	0.35 to 0.5	Annual gross sales	Assets + inventory
Furniture & appliances	0.1	Annual gross sales	Assets + inventory
Garden nursery	3.0 to 4.0	Monthly gross sales	Assets + inventory
Grocery store	0.1 to 0.2	Annual gross sales	Assets + inventory
Hardware store	0.35	Annual gross sales	Assets + inventory
Heating / Aircons	0.2 to 0.3	Annual gross sales	Assets + inventory
Hotel	2.5	Annual gross sales	Furniture



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Business type	Multiplier	Base value	Plus value of
Insurance brokerage	0.7 to 1	Annual gross commission	Fixed assets
Law firm	0.25 to 0.5	Annual gross fees	Fixed assets
Liquor shop	0.3	Annual gross sales	Assets + inventory
Manufacturing (general)	0.4	Annual gross sales	Assets + inventory
Medical practice	0.3 to 0.6	Annual gross fees	Assets + inventory
Optical practice	0.6 to 0.7	Annual gross sales	Assets + inventory
Petrol station	0.75 to 1.0	Annual gross sales	Assets + inventory
Pharmacy	3	Annual gross sales	Assets + inventory
Pizzeria	0.3 - 0.4	Annual gross sales	Assets + inventory
Pool maintenance	0.3 to 0.4	Annual gross sales	Assets + inventory
Printing shop	0.5	Annual gross sales	Assets + inventory
Real estate agency	0.3 to 0.5	Annual gross commission	Assets + inventory
Restaurant	2 to 3	Annual gross profit	Assets + inventory
Sporting goods	0.4 to 0.5	Annual gross sales	Assets + inventory

If your business is not listed here, please contact for a free consultation

