## MergerstatReview Premiums and Discounts SAMPLE REPORT





(800) 677-2009 nacva1@nacva.com nacva.valusource.com ValuSource's Mergerstat Review Premiums and Discounts database is an annual summary of industry statistics on mergers and acquisitions. The data comes from FactSet's Mergerstat Review, which tracks acquisitions of 100% ownership of a company's common equity. Open market stock purchases, new equity investments, private placements, new joint ventures, asset swaps, and real property are not recorded.

Data is grouped into twenty industries and one "all" category. The number of transactions and average premium paid for the last five years is available to use as a proxy for a control premium.

## Industries covered are as follows:

- Commercial Services
- Communications
- Consumer Durables
- Consumer Non-Durables
- Consumer Services
- Distribution Services
- Electronic Technology
- Energy Minerals
- Finance
- Health Services

- Health Technology
- Industrial Services
- Miscellaneous
- Non-Energy Minerals
- Process Industries
- Producer Manufacturing
- Retail Trade
- Technology Services
- Transportation
- Utilities

## **Using Mergerstat Review Premiums and Discounts**

Mergerstat Review Premiums and Discounts allows you to view and print Mergerstat control premium data, and to download Mergerstat data into ValuSource applications. The last five years of industry summary data is available as well as an All Industry average. The premium is then converted to a minority interest discount using the formula 1 - (1 / (1 + control premium)).

## Using Mergerstat Data in ValuSource Applications

The applications will automate the process of using the data. You can download Mergerstat data into ValuSource applications, including ValuSource Pro and Express Business Valuation. While you are the expert and tell the system which data to use, the program automatically uses the data in the correct manner and on the appropriate schedules. In the following example, the data in blue would be downloaded from Mergerstat.

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A Project Assumptions	File Home	Insert Dr	aw Page Layou	t Formulas	Data Review	View Developer	Help	ය Sha
Setup	1.11	2	EXV.	fx				
Financial Statements		Level of Co	ontrol (Premiur	n or Discount)				
Financial Analysis		Industry Class	: Sample Industr	v				
Appraisal	100.00		01 1011		Average	Implied *		
Premiums and Discounts A Assumptions	Use Year 1=Yes/2=No		Acquisition Year	Number of Transactions	Control Premium	Minority Discount		
Level of Control (Premium	1	Year 5	2016	4	22.00%	18.03%		
Marketability Discount Pluris DLOM	1	Year 4	2017	5	24.00%	19.35%		
Assets and Liabilities Adjust	1	Year 3 Year 2	2018 2019	6	26.00%	20.63% 21.88%		
Asset Approach	1	Year 1	2020	8	30.00%	23.08%		
Income Approach Market Approach			Five year weigh	ited average	26.70%	21.00%		
Conclusion of Value			Selected		26.70%	21.00%		
Sanity Checks	<ul> <li>Formula: 1-(1/(1+Average Premium Paid))</li> <li>© 2020 FactSet Mergerstat, LLC. All Rights Reserved.</li> </ul>							
Custom Worksheets		-T-120/50 VC/C/5		Real Content of The State of St				
Data		Note: Data is	for example and sl	hould not be const	rued as actual data.			

Please Note: The following schedule is shown for example purposes only. It does not contain actual Mergerstat data.