

WE PREPARE FAIR MARKET VALUATIONS FOR RADIO STATIONS, NATIONWIDE

Clifton Gardiner & Company provides radio station valuations to owners, lenders and many others for a variety of requirements. We can propose a valuation for any requirement, large or small. We are well known and respected in the broadcast industry for the accuracy of our valuation reports.

There are several reasons why an accurate, up to date value of a radio station needs to be determined:

- ✦ An owner's peace of mind, including an update of industry radio station values
- ✦ A corporate restructuring
- ✦ Estate planning and settlement
- ✦ Financing an acquisition through a financial institution
- ✦ Preparing for the sale of a station(s)
- ✦ Preparing for the purchase of a station(s)

Radio stations are almost always valued through a process called a Fair Market Valuation, or FMV. This process allows for recognition of the unique features of the broadcast industry:

- ✦ Value based on the number of people (POPS) covered by the station's signal, using a standard multiple
- ✦ Value based on the station's operating income (BCF), or cash flow, using a standard multiple
- ✦ Value based on the station's gross revenue (seldom used today)

If a station is "sufficiently" profitable, the valuation is usually based on a multiple of its operating income, or EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization), or as it is sometimes called BCF (Broadcast Cash Flow).

If the station does not produce positive operating income it is usually valued on a POPS, or persons covered by the signal, basis using a standard contour and per POP multiple.

Our "earnings based" valuations look at both metrics.

Additionally, we produce a summary of actual regional completed deals and use those multiples to compare with the current national published ones.

The value of a station's equipment is not usually a component of the valuation, because it is assumed to be in good order for the station to cover "people" and to generate "cash flow". *(A FMV is sometimes reduced if the equipment is minimal or in bad condition.)*