

# TicTacTester

www.tictactester.com

## Recommended Value Range

**\$615 - \$753**

## Information & Website Data

Valuation	\$684
Generates Revenue	Y
Historical Profits (monthly)	\$100
Website Age	17 months
Traffic History (monthly)	2,250
Category	Directory
Revenue Streams	Link Sales

## Selection of comparable website(s) sold:

Based on the information shown to the left and the nature of the website, we searched sales of websites broadly comparable with similar characteristics, such as income, traffic, type of site, and website age and preferably incur a similar level of business risks. Based on the comparable websites found in the nEquity website database, we are able to determine a value range for the TicTacTester website by using the Price to Monthly Earnings ratio (P/E) (described in greater detail on next page) of the comparable sites sold to get a good idea of what the site could be sold for in the current market

## Selection of comparable sold websites:

The search for transactions of comparable websites sold was broad and extensive using the nEquity Website Sales Database. The database holds over 300 sales sourced from the SitePoint Marketplace and is constantly growing. The SitePoint marketplace is a highly used, very active auction marketplace which webmasters use for the selling of websites, and therefore results from it can be considered quite reliable. Any outliers are taken into consideration in our search process

## Description of search process

### Step 1

The complete area searched was the nEquity Website Sales Database which contains information on over 300 website sales on the SitePoint Marketplace.

### Step 2

Websites not earning revenue generally incur a significantly different valuation to those which do, therefore websites sold in the database that were not earning revenue, were excluded from the search.

This step excluded 95 websites sold, leaving 208 potentially comparable websites

### Step 3

Next websites with earnings per month not in the range of \$50 to \$100 were excluded from the search as sites typically with lower earnings per month tend to have significantly higher P/E ratios due to the generally believed higher earnings/growth potential.

This step excluded 165 websites sold, leaving 43 potentially comparable websites.

### Step 4

To increase reliability the category searched was to find Directory websites, so as to find sites with similar functional characteristics as TicTacTester.

This step excluded 38 websites sold, leaving 5 potentially comparable websites.

### Step 5

The remaining 5 websites, as shown in **Appendix I** with their corresponding details, were subjected to a further qualitative review. The review determined the *www.bidforposition.net* was not acceptable as it had a considerably low amount of traffic in comparison, which would have a significant effect on the price of the site.

This left us with 4 comparable websites sold, with a P/E range of 6 to 8.51

TicTacTester

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### Valuation Calculations:

In calculating the value of TicTacTester, we have used an industry norm as used often in valuations in the finance world, the Price to Earnings ratio (P/E). This is the value (or price) divided by the earnings, in this case monthly earnings. Simply put, it is the price an investor is willing to pay for \$1 of the website's earnings. For example if a site is sold for \$20, that is earning \$2 per month, it means the investors are willing to pay 10 times earnings.

The comparable websites resulted in a P/E interquartile range of 6.15 to 7.53. The interquartile range is a common statistics measure used to determine a range as it tends to discard outliers. To apply a valuation range these multiples must be multiplied by the websites historical earnings of \$100 per month, to determine how much should be paid for each dollar of those earnings. This results in a range of \$615 to \$753. This information can be seen in **Appendix I**.

### Conclusion:

Based on the nEquity comparable search conducted as described above and the results presented in **Appendix I**, the valuation range for this TicTacTester is between **\$615 and \$753**. Due to the websites found in the comparable search being of a similar nature with similar attributes, we believe this to be of a good indicative value of what an investor should pay for TicTacTester. Based on the middle of the range the site is therefore valued at **\$684**.

## Appendix I

Website	Description	Category	Has Revenue	Avg Monthly Profit	Avg Monthly Hits (unique)	Earning From	Time Since Established	Date of Sale	Price	P/E Ratio
<a href="http://www.lapic.net/">http://www.lapic.net/</a>	Directory website	Directory	Y	100	8000	Link Sales	3	Jan-09	600	6
<a href="http://www.bablouse.com/">http://www.bablouse.com/</a>	Directory website	Directory	Y	50	4500	Link Sales	3	Jan-09	360	7.2
<a href="http://www.ribcast.com/">http://www.ribcast.com/</a>	PR5 General Directory website	Directory	Y	100	9000	Link Sales	5	Apr-09	851	8.51
<a href="http://www.evilasio.org/">http://www.evilasio.org/</a>	Link Directory	Directory	Y	50	8000	Link Sales	50	Apr-09	310	6.2
<a href="http://www.bidforposition.net/">http://www.bidforposition.net/</a>	PR4 Bid web directory	Directory	Y	50	30	Link Sales	16	May-09	200	4

P/E Range	6 - 8.51		
Average P/E	6.98	Earnings	\$100
<u>Interquartile range</u>			
Quartile 1	6.15	Value 1	\$615
Quartile 3	7.53	Value 3	\$753

## Disclosure and Disclaimer

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