

Research | eBook Seller Websites

Recommended earnings times
price to pay for an eBook site

**No more than 2.5x monthly
earnings**

Website Data

Website Types	eBook Sellers
Number of sites sold	15
P/E Ratio - Quartile 1	1.20
PE Ratio Median	1.52
P/E Ratio - Quartile 3	2.38
Lowest P/E achieved	0.72
Highest P/E Achieved	7.50

Investment Points

eBook selling websites tend to sell at a significantly lower Price to Earnings ratio than other websites

Most probably due to limited products lifecycles

Median Price to Earnings ratio for sold sites of 1.52

Conclusion:

Based on our analysis, anyone looking to purchase or sell an eBook selling website needs to note that the median value likely is low, at 1.51 times monthly earnings. Therefore buyers of such sites need to be aware not to overpay, more than 2.5 times earnings in our opinion is overpriced, unless there are other compelling reasons for the higher valuation. Sellers also need to be aware that sometimes holding onto the site and milking it until the product is considered old and obsolete with little sales may be a better more profitable alternative to selling.

Research Conducted:

We wished to do a quick investigation into the valuations of selling or purchasing an eBook related site.

We used our database of sites sold on the flippa.com website marketplace to analyse a range of data related to eBook sites sold as seen in **Appendix I**.

Data Used:

Using our database we narrowed it down to include only eBook seller sites that have revenue. We did not include non-revenue earners which sold, as sites that do not earn revenue tend to be very different in how they are priced. The list contains data on 15 sold eBook websites, which is enough in our opinion to draw adequate conclusions from.

Analysis:

The data shows clearly that eBook seller sites are priced at a significant discount to many other types of sites out there. We can clearly see that the Price to Earnings (P/E) ratio based on monthly earnings for such sites is between 0.72 and 3.52. We see one anomaly with a site coming in at 7.50.

Furthermore, it is important to note that most eBook sites sold are relatively new startups, having only been around for less than 6 months, but even so sites that have a longer history also tend to have depressed valuations in comparison to other types of websites.

Our analysis shows a P/E ratio interquartile range of between 1.20 and 2.38, with a median of 1.52.

The most likely reason for eBook sites attracting such low P/E ratio's is likely to the fact that they are selling electronic books which normally after a period become widely available for free due to illegal copies and other kinds of distribution. Coupled with the fact that these eBook sites are often in a niche and the information they contain becomes somewhat stale after a period, that is to say the product life cycle is not very long.

Appendix I

Website	Description	Avg Monthly Profit	Price	P/E Ratio
http://flipwebsitesforbucks.com/	Sells eBook on website flipping - make money online	2080	1500	0,72
http://50dollaradays.com/	Money making ebook seller	600	510	0,85
http://www.websitemarketingwizard.com/	Ebook on website marketing site	1300	1300	1,00
http://www.ultimateblackhat.com/	ebook seller	2700	3000	1,11
http://www.makemoneyfast2.com/	Money making ebook seller	350	450	1,29
http://www.youroutsourcingsecrets.com/	Outsourcing information ebook	866	1201	1,39
http://mrblackhat.com/	ebook seller	400	600	1,50
http://wealthymembers.com/	Make money online ebook	750	1150	1,53
http://www.flipperspoint.com/	Sells eBook on website flipping - make money online	1000	1650	1,65
http://3inchesin3weeks.com/	Penis enlargement ebook	200	411	2,06
http://momslosingweight.com/	Weight loss ebook	325	750	2,31
http://www.blogflippinginsider.com/	Blog flipping ebook - make money ebook	122	300	2,46
http://www.incomedummy.com/	Sells reports on how to make money on ebay	200	525	2,63
http://KillerProfitSecrets.com/	Money making ebook seller	600	1750	2,92
http://www.QuickAndEasyCashToday.com/	Money making ebook seller	200	1500	7,50

P/E ratio Interquartile range

Q1	1,20
Median	1,52
Q3	2,38
Average	2,06

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