

# Ayaris 9 Business Valuations

## Web Platform Industry

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**Ayaris 9**

**Integrity. Precision. Fairness.**

# Ayaris 9

## Introduction

Ayaris 9 provides management teams and investors the following corporate finance advisory services: enterprise valuation, M&A synergy valuation, management strategy recommendation, corporate fundraising planning, investment planning, financial strategy advisory and investment target search.



The firm's 15 team members serve our clients from our Taipei, Shanghai and New York offices. Team members are made up of seasoned executives and academically-excelled graduates from Harvard, Stanford, Berkeley and National Taiwan University.

In Asia, Ayaris 9 is a member of The *Chinese Association of Business and Intangible Assets Valuation*, bringing the firm's vision of **Integrity, Precision** and **Fairness** to practice.

# Overview

As technology progresses, the role of **web platforms** has long surpassed the mere virtual presence of brick-and-mortar buildings. Businesses have exploited web platforms to their greater potential, blooming into various types, including:

Dating

E-  
Commerce

Gaming/  
Gambling

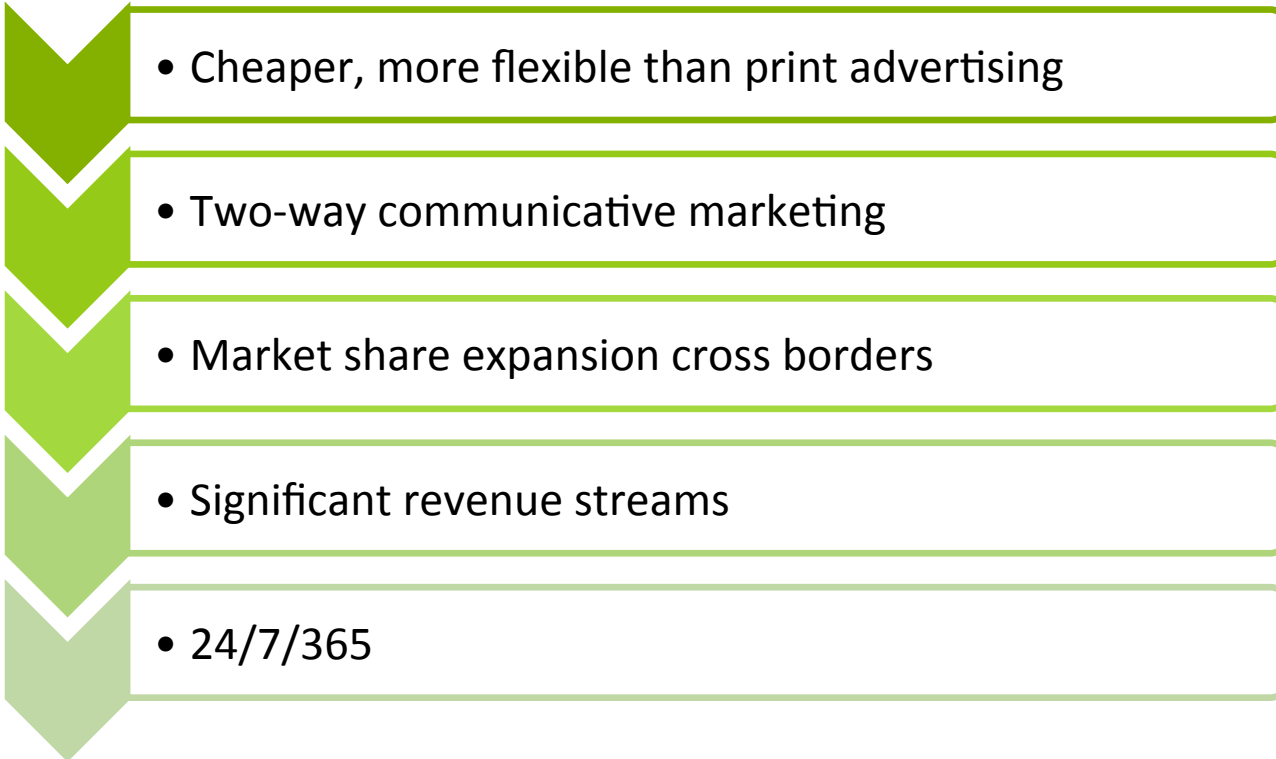
Media  
sharing

News

Social  
networking

# Why use the web?

**Web platforms** are surging as one of the most adopted means to conduct business for jack of all trades. Utilizing web platforms on top of brick-and-mortar presence, or the lack thereof, yields the following **benefits**, just to name a few:

- 
- Cheaper, more flexible than print advertising
  - Two-way communicative marketing
  - Market share expansion cross borders
  - Significant revenue streams
  - 24/7/365

# Ayaris 9

Our comprehensive **practical experience** as well as tailor-made **financial advisory** services will assist you in:

## Differentiating elements of success

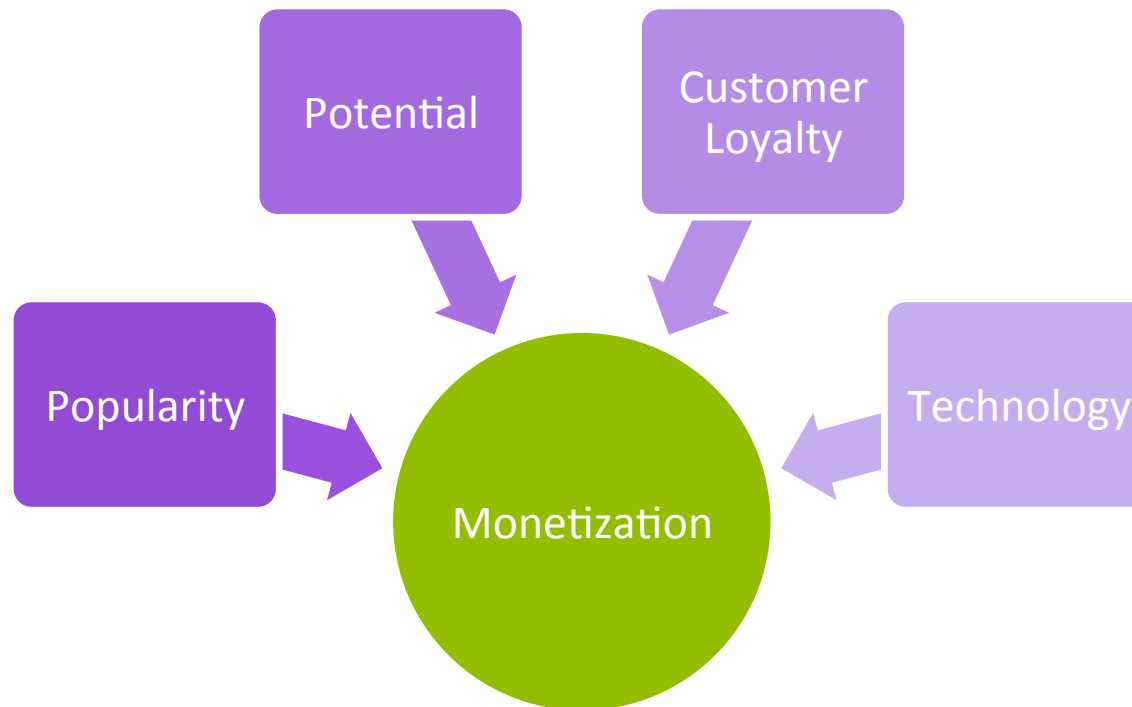
- We will help you understand your long-term goal in advance.
- We will show you how to know your audience.
- We will conduct rigid research for your reference.

## Valuation of your web presence

- We will value your web platform in a fair and professional manner.
- We will facilitate any subsequent processes needed.

# Web Platform Valuation

When requested, Ayaris 9 Web Platform Valuation team conducts in-depth analysis of value and its associated **proper valuation**. Factors we take into consideration include, but not limited to:



# Factors in Web Platform Valuation

## Popularity

- A desirable web platform is well set up with profuse traffic flow relative to scale and an established name.

## Potential

- Business area with a strong potential in the online domain will be more valuable when factored into valuation.

## Loyalty

- Followers/members/customers with strong loyalty substantiate continuous revenue.

## Technology

- An innovative and proprietary technology that competitors can not duplicate, serves as the corner stone of competitiveness.

# Monetization Variables





# Valuation Methods

## Comparable sales:

Comparable sales refer to recent selling prices of similar ventures, with the assumption that the subject venture will sell at a similar price to other similar ones.

A comparable is found by searching for related sites in your niche that are as close as possible to your site's age, traffic and revenue. The closer the numbers are for a comparable site, the higher relevance the site has in the valuation.

Comparable  
Sales

Multiples

Traffic Value

Reverse  
Engineering  
Costs

Customer Value

# Valuation Methods

## Revenue/Profit/Cash Flow Multiples:

The revenue/profit/cash flow multiple valuation method is to divide the monthly or yearly revenue/profit/cash flow by the sales price.

Although buyers have used this method frequently, it is, nonetheless, not an exact science.

For instance, Facebook acquired WhatsApp for a whopping \$19bn with its circa \$50m annual income, a multiple over 380 times, which is uncommon.

Comparable  
Sales

Multiples

Traffic Value

Reverse  
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Customer Value

# Valuation Methods

## Traffic Value:

Another approach to determining the value of a site, specifically sites that have yet to be monetized but have traffic, is the Traffic Value Method.

This method is determined by researching the top key phrase or phrases that drive the majority of traffic to a website. Then find the Cost-Per-Click value of the keywords.

Comparable  
Sales

Multiples

Traffic Value

Reverse  
Engineering  
Costs

Customer Value

# Valuation Methods

## Reverse Engineering Cost:

The Reverse Engineering Cost method formula calculates the price to build a site from scratch to match the site being sold.

The formula is:

Cost to Build Site  
+ Cost to Drive the Same Amount of Traffic  
+ Time Factors  
=Value

Comparable  
Sales

Multiples

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Engineering  
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Customer Value

# Valuation Methods

## Customer Value:

If a buyer already has a list of customers or prospects, he or she likely knows what that list is worth.

For example, Facebook notched up Instagram in 2012 for \$1bn, or about \$30 per user.

Comparable  
Sales

Multiples

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# Ayaris 9

**Ayaris 9** understands the challenges many businesses face in valuating **web platforms**. With our precise understanding, swift judgment, profound expertise, and tailored services, a fair and proper valuation becomes easily accessible for you. We are dedicated to providing services in need to help sustain **growth** and fuel **prosperity** of your business.



# Ayaris 9

## About the Founder & the President

David S. Pan leads the firm's effort in serving clients across energy, healthcare, hospitality and TMT verticals, and manage related institutional investor relationships. Prior to Ayaris 9, David has 15 years of industry experience serving private and publicly listed companies in the Telecom, Media, Electronics Manufacturing, Semiconductor, Software and IT sectors.

Besides finance-related experience, David has significant operational experience in software programming, digital security, managing product development, marketing forecasts, manufacturing production, building end-to-end supply chain ecosystems, international business development in 25 countries, as well as owning P&L responsibilities for half of his career. David graduated from Harvard with a Masters of Finance, Golden Gate with Masters in Enterprise Systems, and UC Berkeley with BA in Architecture.



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## Any Questions?

Please go to:

<http://valuation.ayaris9.com/>