

Where this deal stops working.

This deal needs a cut to \$657,000 — \$93,000 below asking — to clear the bank.

Every driver swept across its full range — 1,231 model runs on the same engine behind your analysis. These are the numbers to negotiate against.

DEAL	ASKING	SDE	DSCR	AT ASKING
Sample HVAC Business	\$750,000	\$205,000	1.09x	PASS

Price anchors — the most you can pay

Each figure is a ceiling on your offer: pay more than this and that test stops passing. The distance from asking is your room to move.

MAX PRICE YOU CAN PAY

\$657,000

to clear: Bank approves (DSCR 1.25x)

-12.4% vs asking

You would have to negotiate down to \$657,000 to clear bank approves (dscr 1.25x) — a cut of \$93,000 from asking (-12.4%).

MAX PRICE YOU CAN PAY

\$896,000

to clear: Returns turn positive

19.5% vs asking

You can pay up to \$896,000 and still clear returns turn positive. That is \$146,000 above asking — your room to move (+19.5%).

MAX PRICE YOU CAN PAY

\$735,000

to clear: 20% IRR (acquisition threshold)

-2.0% vs asking

You would have to negotiate down to \$735,000 to clear 20% irr (acquisition threshold) — a cut of \$15,000 from asking (-2.0%).

Where it turns, and what protects it.

Where the verdict turns

The exact prices at which the call changes. Cross one of these in a negotiation and the deal is a different deal.

\$587,597

GO becomes CAUTION at \$587,597 — \$162,403 below asking.

\$657,647

CAUTION becomes PASS at \$657,647 — \$92,353 below asking.

Diligence cushion — the least the earnings can be

How far the seller's earnings can be overstated before each test fails, with the price held at asking. This is what you are protecting in diligence.

MINIMUM EARNINGS NEEDED

\$231,000

to clear: Bank approves (DSCR 1.25x)

needs to be 12.7% higher

Earnings would need to be at least \$231,000 to clear bank approves (dscr 1.25x) at the asking price — +12.7% against the seller's claim. It does not clear on the figures as presented.

MINIMUM EARNINGS NEEDED

\$175,000

to clear: Returns turn positive

seller's figure can be 14.6% high

Earnings can come in as low as \$175,000 and the deal still clears returns turn positive at the asking price. The seller's figure can be overstated by \$30,000 (-14.6%) before this test fails.

MINIMUM EARNINGS NEEDED

\$210,000

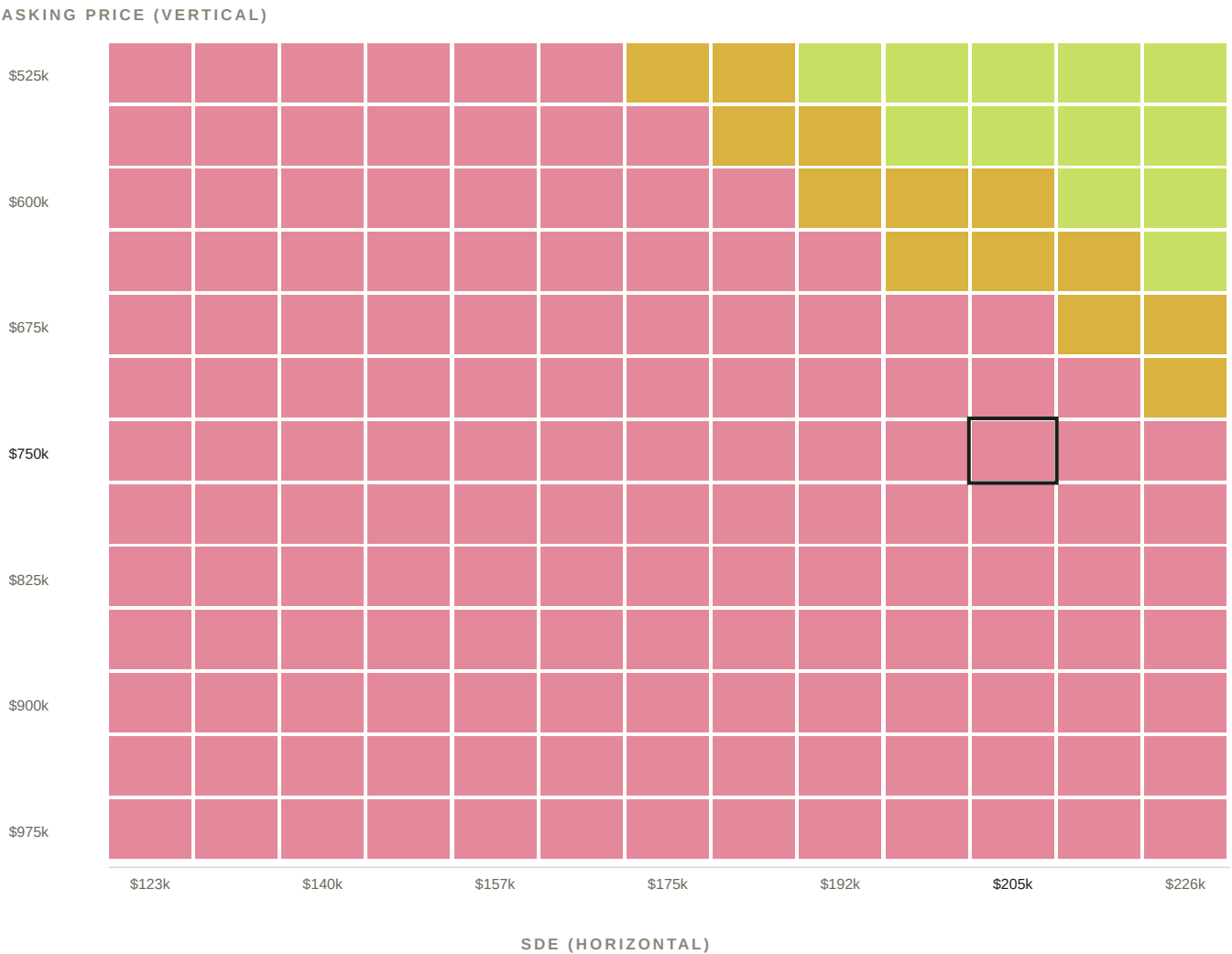
to clear: 20% IRR (acquisition threshold)

needs to be 2.4% higher

Earnings would need to be at least \$210,000 to clear 20% irr (acquisition threshold) at the asking price — +2.4% against the seller's claim. It does not clear on the figures as presented.

Every price against every earnings figure.

How to read this: find your price on the left axis and the SDE along the bottom — the colour where they meet is the verdict at that combination. The outlined cell is this deal as analysed (\$750,000 at \$205,000). The boundary between colours is where the deal changes state.



GO works at asking **CAUTION** works, with a caveat **PASS** doesn't work as it stands

THIS DEAL as analysed

What you control, and what you don't.

If the rate moves

SBA 7(a) is prime-linked and variable: the rate you sign is not the rate you live with for ten years. Coverage is shown at the analysed 9.50% and across the band either side.

This deal does not clear 1.25x coverage at the rate it was analysed at, so a rate move is not what stands between it and the bank. The table shows what a lower rate would and would not fix.

SENIOR RATE	DEBT SERVICE	DSCR	MOST YOU COULD PAY	BANKS?
7.00%	\$90,548	1.19x	\$717,000	below floor
8.00%	\$93,836	1.15x	\$692,000	below floor
9.00%	\$97,205	1.11x	\$668,000	below floor
9.50% as analysed	\$98,920	1.09x	\$657,000	below floor
10.00%	\$100,654	1.07x	\$645,000	below floor
11.00%	\$104,182	1.03x	\$623,000	below floor
12.00%	\$107,786	1.00x	\$603,000	below floor
13.00%	\$111,465	0.97x	\$583,000	below floor
14.00%	\$115,217	0.94x	\$564,000	below floor

If you change the structure

How much cash you put in, how much the seller carries, and whether that note pays from year one. Same engine, same deal — only the capital stack moves.

STRUCTURE	CASH AT CLOSE	DEBT SERVICE	DSCR	IRR
70/20/10 the deal as analysed	\$172,500	\$98,920	1.09x	18%
90/10 90% SBA · 10% cash · no seller note	\$97,500	\$104,812	1.03x	22%
90/5/5 5% cash · 5% note counts toward the injection	\$60,000	\$104,812	1.03x	30%
85/10/5 tighter senior debt	\$97,500	\$107,689	1.00x	22%
80/10/10 more seller paper	\$97,500	\$110,566	0.97x	22%
as analysed · seller note on full standby note pays nothing until it settles — lifts coverage, defers the cost	\$172,500	\$81,520	1.32x	20%

Year by year, what the debt costs.

Cash available for debt service, what the debt takes, and what is left. Every figure is the engine's own — the same series behind your on-screen analysis.

YEAR	CASH FOR DEBT	DEBT SERVICE	DSCR	CASH TO YOU	CUMULATIVE
1	\$108,340	\$98,920	1.09x	\$9,420	\$9,420
2	\$113,534	\$98,920	1.14x	\$14,614	\$24,034
3	\$118,961	\$98,920	1.20x	\$20,041	\$44,074
4	\$124,632	\$98,920	1.25x	\$25,712	\$69,786
5	\$130,557	\$98,920	1.31x	\$31,637	\$101,423

Coverage sits below the 1.25x floor in Years 1, 2, 3, bottoming at 1.09x in Year 1. A lender underwrites Year 1, but the later years are what you actually operate through.