LOI offer comparison workbook

Translate three letters of intent into cash settlement, contingent proceeds and the amounts still exposed to collection or exit risk.

How to use this file

1. Enter each offer on the same enterprise-value or equity-value basis. Keep deferred consideration disjoint from cash at close.
2. Enter positive amounts for deductions. Working-capital adjustments may be positive or negative. Use decimal percentages for scenario assumptions.
3. The expected scenario uses your assumed note collection, escrow release, earnout probability and equity exit value. It is pre-tax and undiscounted. Check timing, subordination and payment conditions in the signed documents.

Shop or transaction _____

Prepared by _____

Period and cutoff date _____

> Illustrative outline — not legal advice; have your attorney draft final documents.

LOI offer comparison workbook

Record comparable periods or offers in the three columns.

Measure	Offer A	Offer B	Offer C
Headline consideration Total quoted value before the settlement adjustments.			
Seller note face amount Deferred principal.			
Earnout maximum Maximum contingent consideration.			
Rollover value at entry Value of equity retained or subscribed.			
Escrow held back Cash retained by escrow agent.			
Debt payoff Debt subtracted on the chosen offer basis.			
Fees and closing costs Transaction costs due at closing.			
Working-capital adjustment Add a surplus or enter a shortfall as negative.			

LOI offer comparison workbook

Record comparable periods or offers in the three columns.

Measure	Offer A	Offer B	Offer C
Cash at closing Headline less noncash items, debt and fees, plus true-up.			
Note collection share Your assumed collection share, from 0% to 100%.			
Earnout probability Chance of full payout in this simplified scenario.			
Expected rollover proceeds Input your own exit scenario, including zero.			
Escrow release share Assumed share returned after claims.			
Expected total pre-tax proceeds Cash plus assumed future note, earnout, rollover and escrow receipts.			
Deferred amounts lost scenario Immediate proceeds if all deferred consideration is lost. Excludes indemnity claims beyond holdback.			