

Selling a pest control business: What to expect from start to close

By Daniel Aust and Stuart Aust | PMP Contributors

Selling your pest control business is a major milestone. The process typically takes six to nine months. But it can often close within six months with timely communication and preparation.

Here is a step-by-step breakdown of the process, with an estimated timeline for each phase:

Rely on guidance

Selling your pest control business is both a financial and emotional journey. You may choose to use a seasoned broker or other expert who will guide you from start to finish, maximizing your company's value and negotiating the best possible terms. Those who prepare early and rely on sound advice tend to walk away with the strongest outcomes. **PMP**

Stuart Aust is the founder of The Aust Group. He has successfully guided numerous clients in selling their businesses, leading his firm to be recognized as one of the *Inc.* 5000 fastest-growing businesses. The former pest control company owner turned M&A advisor has been a prominent figure in the pest control industry for 35 years. You may reach him at stuart@theaustgroup.com.



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Consider consulting with a broker: 1 week

You may want to meet with an industry broker to discuss your goals, business performance, services, team, service area and ideal timeline. Request a non-disclosure agreement (NDA) before sharing confidential information with your broker.

Conduct a business valuation: 2 weeks

A valuation will use recent comparable industry deals, or "comps," and analyze your company's earnings before interest, taxes, depreciation and amortization (EBITDA). Adjustments like one-time expenses, discretionary costs and the seller's salary (if over market rate) are added back to increase EBITDA. It's important if you are working with a broker to align on your business' value before going to market.

Prepare the confidential information memorandum (CIM): 4 weeks (or more)

Obtain detailed information via a request list to build your CIM, which also is known as "the deck" or "the book." This presentation tells the story of your company, highlighting your history, service offerings, management team, financial performance and strengths. Your input is crucial to getting this done efficiently.

Send NDAs to potential buyers: 1 week

NDAs are distributed to interested acquirers before they receive your CIM, ensuring confidentiality throughout the process.

Hold management meetings: 2 weeks

Qualified buyers will meet with you, either in person or virtually, to ask questions and learn more about your business. Think of this as a two-way interview because it's also your opportunity to assess whether the buyer is the right fit.

Receive and negotiate letters of intent (LOIs): 2 weeks

Buyers submit LOIs by a specified deadline. These outline the proposed purchase price, deal structure (cash at closing, holdbacks, earnouts, equity rollover), and target close date. If you're working with a broker, they will negotiate on your behalf to ensure the most favorable terms.

Perform due diligence: 8 weeks

Once a buyer is selected, due diligence begins. This phase involves deep analysis across multiple areas, including finances, operations, human resources and legalities. It's the most intense part of the process, but if you're using a broker, they will handle much of the heavy lifting and act as the intermediary between you and the buyer to keep everything moving forward.

Negotiate the purchase agreement: 4 weeks

Attorneys for both parties will review and revise the purchase agreement, including any ancillary documents such as consulting or lease agreements. Once all terms are agreed upon and documents are signed, the deal is made official at a formal closing.