

THE AUST GROUP

Mergers & Acquisitions



**REASONS TO GET
A VALUATION**

**Before Selling
Your Company**



M&A TRENDS

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8 reasons to get a valuation before selling your company

What dollar amount are you looking to get for the sale of your company? Some owners already have a number in mind. Others ask us what we believe their business could realistically sell for. In both scenarios, we recommend performing a valuation. Here's why:

1 It gets everyone aligned early.

A valuation makes sure we all are starting from the same place. It removes assumptions and sets clear expectations from the beginning, which helps the entire process run more efficiently.

2 It gives you a clear understanding of value.

You're getting more than a number; you are understanding what your business is worth and why. That level of clarity is critical when it comes time to evaluate offers and make decisions.

3 It shows you how buyers will view your company.

Today's buyers are sophisticated. They know what they are looking for

FACT: A valuation is not just about arriving at a number. It is about gaining control of the process. It gives you visibility into how buyers will view your business, helps you understand what drives value, and allows you to go to market with confidence, knowing you are in the best possible position.

and can quickly identify a "best-in-class" company. They are focused on recurring revenue; strong earnings before interest, taxes, depreciation and amortization (EBITDA); low churn; route density; tenured employees; customer retention and a solid leadership team. A valuation helps you see your business through that same lens.

4 It helps you improve before going to market.

A valuation often uncovers opportunities to increase value. Owners can make meaningful adjustments, such as improving route efficiency, strengthening customer retention, reducing expenses, improving customer pricing or building more depth in leadership. These changes can have a direct impact on the final purchase price.

5 It creates an objective baseline.

Selling your business is deeply personal. It represents years of hard work, sacrifice and growth. Because of that, emotions can enter into the process. An independent valuation creates objectivity and keeps decisions grounded in data.

6 It strengthens your negotiating position.

When you start receiving letters of intent (LOIs), you are not evaluating them in a vacuum. You are comparing them against the market and precedent transactions. That gives you



confidence and leverage at the negotiation table.

7 It helps tell a stronger story to buyers.

From our perspective as advisors, a valuation allows us to build a stronger narrative. We can clearly communicate your company's strengths, understand trends, anticipate concerns before they arise, and benchmark metrics against the industry. This builds credibility and helps move due diligence along more efficiently.

8 It helps you control timing and maximize value.

If the valuation reveals areas that could affect value, you have the opportunity to address them before going to market. Timing matters. Preparation can have a meaningful impact on your final outcome.

If you are seriously contemplating selling your company, do not skip the valuation process. It can be the difference between hoping for a good outcome and executing a strategy that actually achieves one. **PMP**

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