

Selling Your Business

The Process from Start to Finish

March 21, 2023

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Polling Question 1

1. I am?

- a. Interested in selling my business.
- b. Looking to buy a business and run it.
- c. Looking to invest in a business.
- d. Here to network and learn.



Decision to Sell



Polling Question 2

2. Is inflation impacting your decision to either sell or buy a business?

- a. Yes.
- b. No.



Managing Expectations, Preliminary Diligence, and Buyer's Due Diligence

Managing Expectations

- Preliminary financial due diligence
- Industry and economic outlook
- Adjusted Discretionary Sustainable EBITDA
- What does a full process look like

Preliminary Process Phases

- Building of Offering Materials & Buyers' List
- Out-to-market and initial buyer discussions
- Positioning and preliminary negotiations
- Management Presentations

Buyer's Due Diligence

- How long does it take and obligation of seller
- Diligence Request Lists
- Buyer's Quality of Earnings ("QoE")



Polling Question 3

3. What part of the buy/sell most concerns you as a business owner?

- a. Purchase Price.
- b. Cash flow after the sale/purchase.
- c. Tax exposure.
- d. Remorse.



Transaction Phase

- Letter of Intent to Definitive Purchase Agreement to Closing (Staggered vs. Simultaneous)
- Diligence period continues and becomes more in depth and the importance of sale side diligence review
- Ongoing negotiations will continue post LOI
- Purchase Price Adjustments (Working Capital)
- Transitional agreements and Consultant/Employment role for Seller
- Representations, Warranties, Indemnity and Survival – Risk Allocation



Post Closing Issues

I thought I was done?

- Final working capital computation
- Possible Earnout

What do I do with the sale proceeds?

- Asset allocation/diversification
- Tax diversification
- You will need a plan



Polling Question 4

4. What stage of the M&A Process would you like to learn more about at future events?

- Decision to buy/sell?
- Due diligence.
- Transaction phase.
- Post-close.



Questions?



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