

What Determines Your Business Value

Key Factors Buyers Consider When Valuing Your Company

Financial Performance (EBITDA)

Earnings before interest, taxes, depreciation, and amortization is the primary metric buyers use. Higher and more consistent EBITDA means higher valuations.

Premium: Growing EBITDA, strong margins

Discount: Declining trends, thin margins

Revenue Growth Trajectory

Companies with proven organic growth command premium multiples. Buyers pay more for businesses with clear paths to continued expansion.

Premium: 10%+ annual growth, new markets

Discount: Flat or declining revenue

Customer Concentration

Diversified customer base reduces risk. When one customer represents too much revenue, buyers see vulnerability and discount accordingly.

Premium: No customer over 10% of revenue

Discount: Single customer over 25%

Recurring Revenue

Predictable, repeating revenue streams (subscriptions, contracts, maintenance agreements) are highly valued for their stability.

Premium: 50%+ recurring revenue

Discount: Purely project-based revenue

Management Team Depth

Businesses that can operate without the owner are worth more. Strong management teams reduce transition risk for buyers.

Premium: Experienced team in place

Discount: Owner-dependent operations

Industry & Market Position

Companies in growing industries with defensible market positions (brand, IP, contracts) command higher multiples.

Premium: Market leader, growing sector

Discount: Commoditized, declining industry

Contact us for a personalized valuation based on your specific business characteristics.