



Making compliance simple, every day

## **M&A Your Guide to Business Matchmaking**

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## WHO ARE WE?

We're on a mission to take consulting from dreary to delightful. Our clients love our friendly, jargon-free and personal approach, but we're more than just happy faces.

We lead by example, holding ourselves to high standards of governance, risk management, and compliance.

Quite simply, we would never ask our clients to do something we wouldn't do ourselves.

# Why buy or sell a business?

## Sell

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- Retirement/ lack of succession
- Strategic Exit – core v non-core
- Opportunistic
- Regulatory requirement
- Shareholder dispute/divorce
- Need for funds



## Buy

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- Commercial gain
- Strategic purchase
- Protection of own future earnings
- Synergistic gains with own business or business integration

# Why is due diligence important?

Consider a house purchase:

## FOR SALE:

- Detached house
- Countryside location
- Stunning views
- Private drive
- Open plan living
- In need of some renovation



# What determines value?

*Market value is defined as “that amount that a willing buyer would pay a willing seller acting at arm’s length”.*

Businesses are often valued using an earnings multiple against historic or prospective earnings. Earnings are adjusted to identify “future maintainable earnings”.



# What can adversely impact value

Business value is influenced by various factors. Understanding these impacts is crucial for buyers and sellers in acquisitions. This presentation explores key elements affecting value and the importance of due diligence.



# The relationship between Risk and Value

1

## Risk Identification

Risks can appear in all aspects of a business. Thorough assessment is crucial to uncover potential issues.

2

## Risk Quantification

Each identified risk is evaluated for its potential impact on the business's operations and financials.

3

## Value Impact

Greater risk leads to lower value. Buyers adjust their valuation based on the level and nature of risks identified.



# Compliance and Due Diligence



1

## Regulatory Compliance

Lack of compliance in taxation, health and safety, employment, and data protection can significantly decrease value. It increases legal and financial risks

2

## Due Diligence Process

Buyers protect themselves through comprehensive due diligence. This includes financial, legal, environmental, commercial, and security assessments of the target company.

3

## Disclosure and Warranties

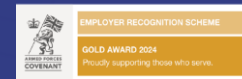
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# ANY QUESTIONS?



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