

Valuing Your Business

There are various ways of valuing a business from net asset value to multiples of profit, none so good as simply finding out what someone is prepared to pay for it.

To provide clients with a guide KWS normally use the company's existing operation profit before tax as a starting point for any business valuation.

However, this figure can normally be adjusted to reflect expected changes post-sale, for example;

- Existing shareholders/directors remuneration
- Replacement management costs
- Rental costs (from owned premises)
- Excess cash held in the company (could be considered in addition to the multiple)

		Multiple Range (of Adjusted Sustainable Operating Profit)									
		1x	2x	3x	4x	5x	6x	7x	8x	9x	10x
Adjusted Sustainable Operating Profit	£2.5million										
	£2million										
	£1.5million										
	£1million										
	£750,000										
	£500,000										
	£250,000										
	£50,000										



The value and structure of bids can vary enormously and are very often dependent on the motivation of the potential purchaser and the nature of their interest.

KWS never stipulate an asking price; we invite potential purchasers to submit a bid which we then assess for value and structure.

Contact KWS on 01273 704777
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