

The 7 numbers a buyer scrutinizes before they ever send an LOI

Buyers decide what your business is worth long before the first meeting, from the numbers below. Owners who can produce them cleanly get better offers and smoother diligence. Owners who cannot get re-traded. Check what you can produce today.

1. EBITDA, with the add-backs documented

Not the number in your P&L. The number after a buyer's accountants re-cut it. Every owner add-back (salary above market, personal vehicles, one-time items) needs a paper trail. Undocumented add-backs get struck, and every struck dollar costs you the multiple, not the dollar.

2. Revenue by customer, three years back

The first sort a buyer runs. If any customer is over 15 to 20% of revenue, expect a concentration discount or an earnout tied to keeping them. Know your number before they do, and start widening the base years ahead.

3. Contribution margin by customer or product line

A blended margin hides the accounts that lose money. Buyers increasingly build this view in diligence. If the bottom slice of your book earns nothing, better that you find it, fix it, and bank the improvement than have a buyer price it against you.

4. Working capital, normalized

The deal will include a working-capital peg. If receivables are bloated and inventory is heavy, the peg gets set off your bad habits and the cash stays in the business at close. Every day of DSO and DIO you fix beforehand is cash you keep.

5. A 13-week cash forecast that matches actuals

Nothing builds lender and buyer confidence like a forecast with a track record. Nothing erodes it like "we check the bank balance." Start the discipline now so the accuracy history exists when someone asks.

6. Revenue under contract, and the escalators applied

Recurring, contractual revenue is worth more than the same dollars won job by job. And if your contracts carry CPI escalators or surcharges you never billed, a buyer's QoE team will find the leakage. Collect it first.

7. What happens when you take two weeks off

Not a financial statement, but every buyer prices it. Documented processes, a management layer that decides without you, reporting someone else can run. Owner-dependence is the most common and most fixable discount in private-company deals.

Scoring honestly? The free 2-minute Exit-Readiness Scorecard at helm-advisory.com/exit-readiness-scorecard turns this checklist into a score and shows where value is leaking. If several of these numbers do

not exist yet, that is normal, and fixable: most take 90 days to stand up and pay for themselves well before any sale.