



# Realising Value

**February 2020**

CHRIS BALL

**We're by your side**

# Options for Realising Value

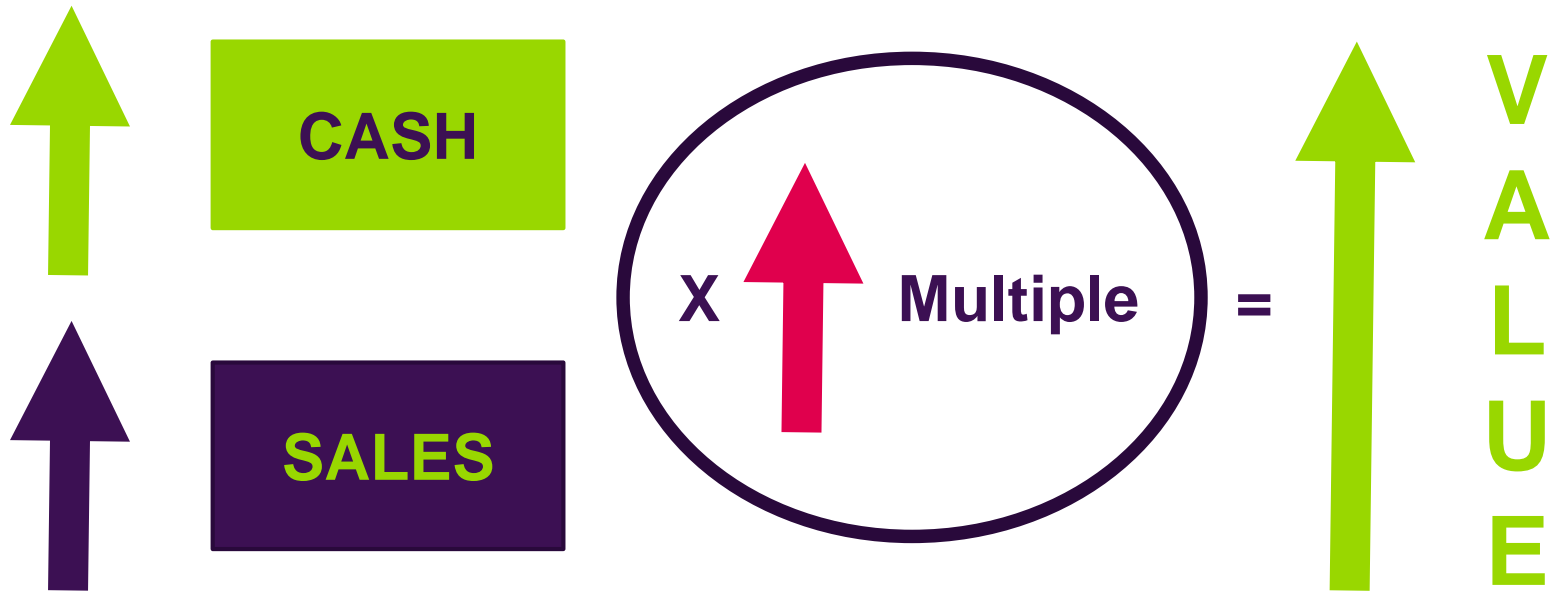
## Two General Categories for Transition

	Inside	Outside
Intergenerational Transfer	✓	
Management Buyout / Sale to Employees	✓	
Sale to Existing Partners	✓	
Sale to Third Party		✓
Recapitalisation		✓
Orderly Liquidation		✓

# Common Mistakes?

# Identify Value

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Predictable Cash Flow  
Clean Balance Sheet  
Size Matters!

**YOU CONTROL**

Private Capital Market  
Conditions  
Terms/Exit Option  
**INTANGIBLES** (Value Factors)

**YOU CONTROL SOME**

# Normalising EBITDA

Net Profit per Financial Statement	E	€1,250,000
Addback:	B	
Interest cost	I	€ 100,000
Taxes	T	€ 350,000
Depreciation	D	€ 50,000
Amortisation	A	€ 20,000
		<hr/>
EBITDA		€1,770,000
<u>Add Back Extraordinary Items</u>		
Excess owner remuneration		€ 250,000
Once off exceptional expenses		€ 150,000
Adjustment for market rent		€ 75,000
		<hr/>
Adjusted EBITDA		<u>€2,245,000</u>

Rationale for  
Addbacks to  
Arrive at  
EBITDA

Explain  
Adjustments to  
EBITDA

# Drivers Of The Multiple

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› Customers

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› Industry

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› Suppliers

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› Competition

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› Management & Financials

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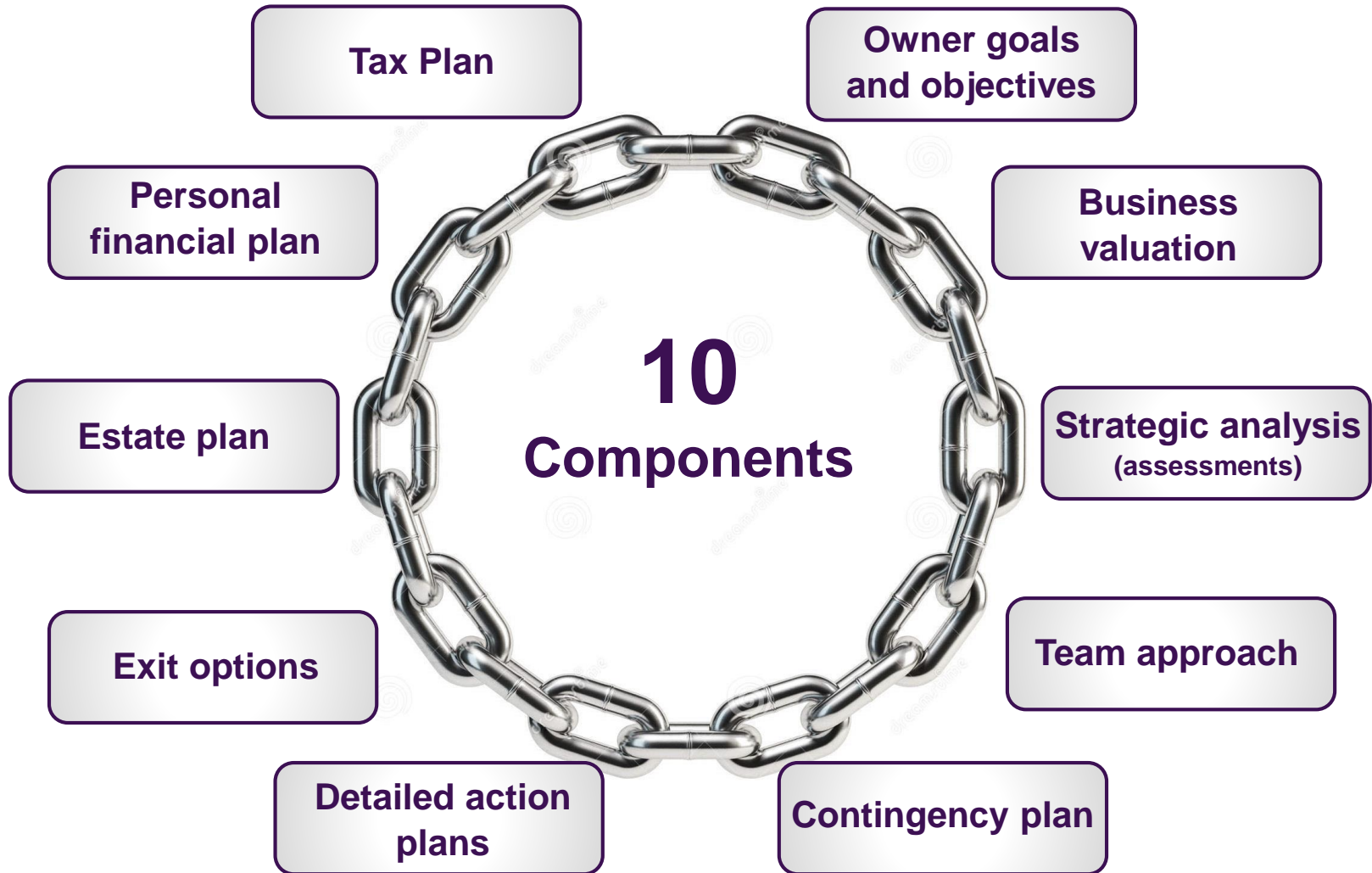
# Current experience

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- › Good environment for vendors
- › Multiples are trending upwards
- › Access to capital
  - Private investors & Private equity
  - Banks
  - Mezzanine
- › Specific sectors are very active
  - Nursing homes & healthcare / Insurance / Packaging

# 10 Components of Successful Plan

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# Conclusions

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1

It takes time to get ready; starting is difficult

2

Readiness correlates to value

3

Once-in-a-lifetime event post a lifetime of building




# Thank You

 @RBK Chartered Accountants

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