

## Basis of Fees

For each operating company valuation, £750 plus VAT.

The Company Valuation Service is intended for UK businesses with an annual turnover of £2 million or greater.

## Confidentiality

All information provided to Alaris will be held in strict confidence and will, on request, be returned or deleted from folders following completion of the Service. Alaris will, on request, provide a confidentiality undertaking to companies applying for the Company Valuation Service prior to the release of any information.

We pride ourselves on maintaining strict confidentiality in relation to discussions with clients and any information provided to us. As an independent firm, we do not have other departments or service teams into which information could leak.

## Contact Us

If you would like to consider the Company Valuation Service, please contact us directly and speak with a Director. We are happy to discuss any questions you may have.

### Other Alaris Services:

- Exit Strategy and Planning
- Corporate Acquisitions
- Company Sale
- Private Equity/Investment

For further information about Alaris' Services, please see our website.

Alaris Capital Limited  
70 Wimpole Street, London W1G 8AX  
www.alariscapital.co.uk  
Tel: 44 (0) 20 7399 7900  
Fax: 44 (0) 20 7399 7910  
Email: info@alariscapital.co.uk  
Registered in England  
No. 4908023  
VAT Registration: GB 833 0809 41

Terms and Conditions  
The basis, terms and conditions for the provision by Alaris to the client of services referred to in this document, will be subject to and governed solely by the formal contract of engagement between the client and Alaris.  
Alaris reserves the right not to provide any services where requested or to cease immediately their provision in the course of their being provided, at any time and at its sole discretion, without liability.

# alaris

## Company Valuation Service

The Alaris Company Valuation Service is designed to assist business owners in understanding the approach of purchasers to valuation and the value achievable in the event of a sale.

Our accumulated experience in private company sales across a broad range of industries in the UK has given us a strong understanding of the value of a company to a purchaser. In addition, our market presence and ongoing company sale activities provide us with a continuous insight into market pricing and valuations.

Alaris is a leading UK SME company sale specialist based in Central London. We advise UK businesses valued from £3 million to £10 million plus and have a strong track record in successfully securing sales to UK plcs and multinational groups. The Alaris team members have advised on transactions with an aggregate value of over £250 million.



## FAQs

### How do purchasers value companies?

There is no set formula although larger groups tend to have internal guidelines based on a target return on investment. The most common valuation parameter is a multiple of current year operating profit (profit before interest and taxation). Depending on the sector, purchasers will also consider other bases of valuation, for example, multiples of turnover, gross profit, cashflow and assets.

Valuations also vary depending on the type of transaction sought – for example, a cash-only transaction or a transaction involving a combination of cash and deferred consideration (where part of the consideration includes a participation in the future performance of the business).

### Should I retain cash or other surplus assets in the business in advance of a sale and will I get value for them?

Net cash and surplus assets should be added to the valuation of the business.

Most trade purchasers are looking to acquire operating businesses for strategic reasons. Certain assets can normally be separated and retained by the owner if that is preferred. Planned separation of assets should be made clear to a purchaser at the outset of discussions and arrangements for the future use of the assets agreed at the same time, as appropriate.

### Should I continue to invest in the business - how do purchasers value investment that has been made that will benefit the business when in their hands?

It depends on the timescale for making the investment and when the benefits are expected to start flowing through into the performance of the business. The overriding principle during a sale process is to continue to run your business in its normal course.

Where an investment has been made that will take time to benefit the business, there are ways to structure a transaction to achieve value for this, based on future performance.

### How can I achieve full value for my business?

Securing competing offers from purchasers in a structured and carefully managed sale process helps to ensure that the vendor achieves full value for their business.

## A tailored approach to valuation

In our experience, businesses have features that make them different from their competitors. In some cases these can have a material bearing on value – for example, a piece of technology, intellectual property or know-how that provides an important competitive advantage or, a business where a single customer represents a high proportion of turnover.

The Alaris Valuation Service is tailored; we aim to provide our clients with a meaningful insight into valuation, based on a real understanding of their business and its strengths. Alaris specialises in selling businesses and our valuations are based on both practical knowledge and market experience as well as detailed financial analysis.



### Company valuation Service Overview

There is a short company and business information gathering procedure that Alaris undertakes for each company valuation, as shown below.

- Company information request, including statutory and management accounts;
- A meeting at our offices in Central London to discuss the business in further detail.

Following the meeting, the formal valuation report will be prepared by the Alaris team and sent to our client.

Alaris was established in 2003 by the management team and the owners of Cavendish Corporate Finance ([www.cavendish.com](http://www.cavendish.com)), the leading UK mid-market corporate finance business specialising in company sales.

Alaris specialises in the sale of UK businesses. As we do not have retained relationships with purchasers, our clients can be assured of our independence.

# alaris