OLIVEWOOD
ADVISORS

A GUIDE FOR WEALTH ADVISORS

The New Reality of Mid-Market M&A

What it takes to prepare an owner, and protect the premium.

INTRODUCTION

You are often the first to know a transition is coming.

For most business owners, the sale of their company is the single largest liquidity event of their lives, and it happens once. Long before an investment banker enters the picture, the signals surface in your office, in conversations about retirement, estate planning and “what’s my number.”

That timing is a rare advantage. The value an owner ultimately realizes is decided largely in the years *before* a process begins, and no one is better positioned to start that preparation than the advisor who is already trusted.

For many owners, the business is more than an economic asset. It carries employees, community and a legacy they care about protecting. A good outcome honors both the number and the meaning behind it.

WHAT’S INSIDE

THE CENTRAL IDEA

Preparation creates options, and options are exactly what your clients rely on you to protect.

Active, but *increasingly selective.*

Deals are getting done and capital is available across both strategic and financial buyers. The shift isn't *volume*, it's **selectivity**. Buyers will no longer pay premium prices for an average business, and the gap between what a prepared company and an ordinary one commands has widened.

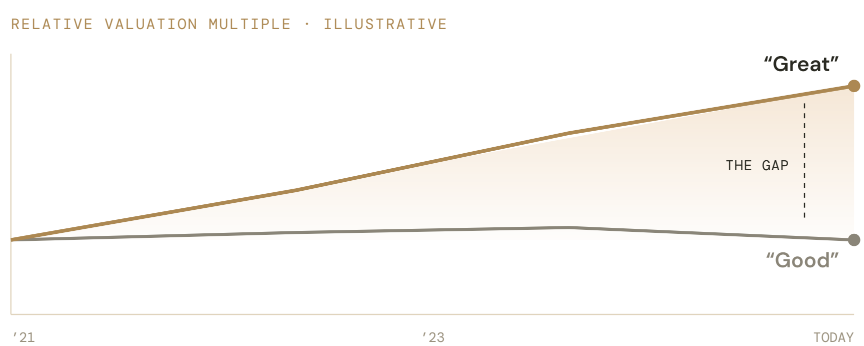
Wins a competitive process

- Clean, consistent earnings
- Management depth
- Recurring, durable demand
- A clear, credible growth story

Draws an immediate discount

- Owner-dependent operations
- Choppy& inconsistent earnings
- Customer concentration
- Operational friction

THE GAP BETWEEN "GOOD" AND "GREAT" HAS WIDENED



FOR YOUR CLIENTS →

Preparation matters more than ever in this active, competitive M&A environment.

THE MARKET TODAY

EBITDA alone no longer carries the story.

Strong earnings still matter. But buyers now underwrite the **durability** and **transferability** of those earnings: will they survive the owner's exit? Two businesses with identical EBITDA can command very different multiples.

BUYERS PAY UP FOR	AND DISCOUNT
Recurring, contracted revenue	Customer concentration
A diversified customer base	Owner-centric relationships
A deep management bench	Weak or inconsistent reporting
Clean, credible financial reporting	Margin volatility
A defensible niche & pricing power	Project-based, one-off revenue

THREE BUYER TYPES, AND WHAT EACH PAYS UP FOR

Strategic

Fit & synergy, industry knowledge, talent, geography.

Private equity

Scale & growth, a platform to build on a defined timeline.

Family office

Stability, a longer hold horizon and cultural fit.

THE TAKEAWAY →

The right buyer depends on the owner's goals, not just the highest headline number.

SIX KEY INSIGHTS

What the market is really telling owners.

Six shifts every wealth advisor should be able to translate, and what each means for the way you guide the conversation.

01 The market is active, but less forgiving.

Capital is plentiful and volume is healthy, yet buyers have grown selective and won't overpay for an average business.

> **What you can do:** Shift the client's focus from timing the market to assessing a company's fundamentals, since a well-run business is what buyers compete for in any market.

02 Diligence has become the deciding factor.

Buyers underwrite risk far more rigorously than a few years ago. Deals are lost or repriced over issues that early preparation would have surfaced.

> **What you can do:** Encourage owners to run "reverse diligence" on themselves long before a process begins, and have a plan to address any gaps or yellow flags a buyer will eventually surface.

03 Valuation is increasingly a function of certainty.

Two businesses with identical earnings can command very different multiples based on how durable and transferable those earnings are.

> **What you can do:** Help owners see valuation as a range they can influence, not a fixed number the market hands them.

Where preparation, and your role, decide the outcome.

04 Timelines are extending, outcomes less predictable.

Deeper diligence, financing scrutiny and structured deals (earnouts, rollover, escrow) lengthen the path from offer to close.

> **What you can do:** Set the expectation that a good outcome is measured in years of preparation, followed by a transition period.

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05 Preparation is the underestimated value lever.

The premium is earned in the years before a sale, not during it, and most owners underinvest here. The work that makes a business easier to run and finance is the same work that earns a premium.

> **What you can do:** Encourage preparation as ordinary planning that can begin today, not a scramble triggered by an offer.

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06 The advisor network matters more than ever.

Complex, structured deals reward owners surrounded by an aligned, experienced team engaged early. Fragmented or late-assembled advisors leave avoidable tax, timing and legal surprises on the table.

> **What you can do:** Convene the wealth, M&A, legal and tax team, before an offer arrives, with you as the trusted anchor.

THE THROUGH-LINE

Every insight points the same direction: value is protected early, in conversations you're uniquely positioned to start.

PRACTICAL GUIDANCE

Five moves that change outcomes.

None of these require you to be an M&A expert. They require you to start earlier, and to know for what you're listening.

1

Start the conversation early.

The most valuable preparation happens 18–36 months out. Raise it in routine planning reviews, not when an offer lands. These conversations should include the personal side of transitioning.

2

Assess readiness, not just interest.

Interest is emotional; readiness is structural. Test whether the business can run, and grow, without the owner in the room.

3

Align the advisory team.

Bring M&A, legal, and tax into the conversation early and make sure they operate as one coordinated team.

4

Reframe expectations around value.

Anchor owners to what actually drives their multiple, not to a peer or industry headline number.

5

Position yourself as a long-term partner.

The sale is one event in a longer relationship. The proceeds, the family, the legacy and the next chapter are yours to help steward.

You hear the signals *first.*

Long before an owner calls a banker, the cues surface in your conversations about retirement, estate and "my number." These are the signals worth listening for.

WHAT YOU'RE HEARING

"I'm getting tired."

"My kids aren't interested in the business."

"I've had a few calls from buyers."

"Most of my net worth is in the company."

"It might be time to take some chips off the table."

"I'm thinking about slowing down."

EACH ONE IS A CUE TO GENTLY CORRECT A COMMON ASSUMPTION

WHAT OWNERS ASSUME	WHAT THE MARKET DOES
"I'll know when I'm ready."	Timing is often forced: health, partners, an inbound offer.
"It's worth what a peer got."	Valuation is specific to *this* business and its risk profile.
"I'll clean things up when it's time."	The premium is earned in the years *before* the process.

Questions that *open the door.*

When a signal surfaces, a few well-placed questions at a review help owners think earlier, without ever feeling like a sales pitch.

→ "If you stepped away for 90 days, what would break?"

→ "Who are the next-level leaders in the business?"

→ "How dependent are top customers on you personally?"

→ "Have you pictured what the next chapter looks like?"

→ "If someone approached you tomorrow, would you be ready?"

→ "What matters most to you, from a people, culture and legacy perspective?"

→ "What would need to improve before you'd explore options?"

You don't need the answers. Asking the questions early is what creates better outcomes.

Each advisor protects a different part of the outcome.

Aligned from the start, advisors move the process with fewer surprises and more optionality, and no one anchors that alignment earlier than you.

PROTECTS THE PROCEEDS · YOU

Wealth & Estate Advisor

Aligns proceeds with the owner's long-term goals for family, legacy, and charitable intentions, well before the money arrives.

LEADS THE PROCESS

M&A Advisor & Banker

Prepares the company, builds the buyer universe, runs a disciplined competitive process, and negotiates price, structure, and terms through close.

STRUCTURES THE DEAL

Legal Counsel

Negotiates and documents definitive agreements, translating the owner's non-negotiables into enforceable commitments.

MODELS THE OUTCOME

Tax & Accounting

Prepares clean financials for diligence, models the after-tax result, and surfaces planning most effective before closing.

THE PRINCIPLE

Engage the team **before** the process begins, not after an offer arrives. The earlier the work, the more options the owner keeps.

WHEN YOU INTRODUCE AN M&A ADVISOR

What the handoff looks like.

When an owner is ready, a disciplined process protects the outcome you've helped them prepare for. Here is how it runs, and why it matters.

PHASE 01

Prepare & position

Goals, story, financials, buyer list.

PHASE 02

Go to market

Targeted outreach, meetings, offers.

PHASE 03

Diligence

Confirm value, negotiate terms.

PHASE 04

Close

Documents, funds flow, transition.

A senior-led process, typically 6–7 months, that flexes to the owner's timing.

The first offer is rarely the best one.

In our experience, the price at close routinely exceeds the first indication of interest, often by a meaningful margin.

A DISCIPLINED PROCESS IS A QUIET AUCTION

- Tells the best version of the value story
- Curates the right, motivated buyers
- Creates genuine competitive tension
- Keeps confidentiality, control & leverage with the owner

FOR YOUR CLIENTS →

This is why a DIY sale, or the first unsolicited offer, so often leaves value behind.

IN CLOSING

Preparation creates *options.*

The companies earning premium valuations today are rarely accidental; they were prepared, often years in advance. You are in the best position of anyone to start that conversation early, and to help an owner protect not only the number, but the people, culture and legacy behind it.

The Readiness Checklist

A LEAVE-BEHIND FOR YOUR CLIENT

The more of these an owner can confidently check, the stronger their position, and the wider their options.

- [ ] The business can run 90 days without the owner
- [ ] Revenue is recurring; customers are diversified
- [ ] A documented growth plan and forecast exist
- [ ] Personal, family, and estate planning are underway
- [ ] Financials are clean, timely, and diligence-ready
- [ ] A real leadership layer exists beyond the owner
- [ ] The owner has a clear picture of life after the sale
- [ ] An aligned advisory team is already in place

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