MVR
GROUP

SELLER'S GUIDE · 2026 EDITION

Selling your business, from the first doubt to the last signature.

Who it is for, how value is calculated, how a sale is structured, what to think about during and after a transaction, and how to tell a good reason to sell from one that will cost you dearly.

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BEFORE YOU START

This guide is free. It commits you to nothing.

Most owners sell a business once in their lifetime. They reach this stage without a map: they know their trade inside out, but not the trade of selling a company. This guide brings together what we wish every owner knew before calling us, or before calling anyone.

1	Who this guide is for	And five questions about your business's value
2	Reasons to sell	The good, those that need a frame, the less good
3	How value is calculated	EBITDA, adjustments, multiples
4	Who buys, and why	The four families of buyers
5	Structuring the deal	Where a good sale is won
6	During: the process, step by step	From mandate to closing
7	Negotiating: the buyer is not an adversary	Compromise, terms, final decision
8	After: the transition and what comes next	Employees, clients, money, personal life
9	The most costly mistakes	And how to avoid them
10	Checklists and glossary	Keep them close

An important note

This guide is general information. It does not replace advice from your accountant, tax specialist or lawyer, who know your situation. Tax and legal rules change; always confirm figures and thresholds with them before making a decision.

CHAPTER 1

Who this guide is for

This guide is for owners of private businesses, most often in Quebec, who are considering selling in the coming years, whether they have decided or are simply curious.

You are in the right place if...

- you own an SME with revenue between $1M and $50M;
- you are moving toward retirement, a life change, or simply "what's next";
- you have no successor;
- you received an unsolicited offer and don't know whether it is good.

This guide will be less useful if...

- your business has less than $1M of revenue;
- the business is not profitable and never has been;
- the business is worth more in asset liquidation value than in share value;
- you are looking for a quick liquidation of equipment;
- you want to sell within the next month, under urgent pressure;
- you have a franchise model, or your company is publicly traded.

Five questions to see what your business is worth

Question	Why it matters for value
If you left for three months, would the business keep running?	A buyer pays for future profits. If they depend on you alone, the buyer will pay less, require you to stay a long time, or walk away.
Are your financial statements for the last three years clean and up to date?	They are the basis of value. If they are not clean, it's not a big deal: they can be put in order. But it will certainly delay the process.
Does a single client account for more than 20% of your revenue?	Customer concentration is one of the first risks a buyer will measure, and it will show up in the price.
Is part of your revenue recurring or under contract?	Predictable revenue (multi-year contracts, clients loyal for years, recurring maintenance) reassures the buyer and its lender, and raises the multiple.
Do you know what you will do the Monday after the sale?	It matters more than it seems. Many deals fall apart at the last minute because the seller is not ready to leave, and buyers quickly sense a hesitant seller.

> The best time to prepare a sale is two to three years before you want to sell. The second-best time is now.

WHY AN EXPERT

You know your business. An expert knows the market.

Nobody knows your business better than you. But a business's value is not decided from the inside: it is decided by what qualified buyers are willing to pay, and on what terms. An advisor who sees transactions every week knows what raises or lowers an offer, and what can be negotiated.

CHAPTER 2

Reasons to sell: the good, those that need a frame, the less good

Every serious buyer will ask: "Why are you selling?" The answer shapes how seriously they take you, the structure of their offer and the trust for everything that follows. A clear, consistent reason reassures. A vague reason sends buyers looking for the hidden problem.

Good reasons

SOLID

A planned retirement

The most common and best understood reason. It is credible because it is predictable: the buyer understands you are leaving by choice, not out of necessity. It is even stronger if you prepared it two or three years ahead.

SOLID

No natural successor

The children chose another path; the team has neither the means nor the desire to buy. Selling externally is then the best way to protect the jobs and the brand you built.

SOLID

Burnout

After 20 or 30 years, fatigue is real, and it is a human, honest reason buyers understand. Present it for what it is: the wish to hand over to someone with the energy for the next stage. The only condition: keep results on track until closing.

SOLID

A health issue

A legitimate reason that no one questions. Because it is often urgent, plan early who can represent the seller and keep operations running if the situation changes along the way.

Reasons that need a frame

NEEDS A FRAME

A chosen life change

A new project, a move, family, the wish to do something else: legitimate, as long as you allow time for a clean transition. Leaving too quickly worries the buyer about continuity.

NEEDS A FRAME

Selling a business that doesn't exist without you

If every client, price, bid and relationship goes through you, the buyer is mostly buying your presence. That is not a reason not to sell, but the deal must be structured accordingly: a longer transition, an earn-out, gradual delegation before and after closing.

Less good reasons, and why they cost so much

RISKY

Selling "at the top"

Wanting to sell because results are exceptional this year means betting on timing rather than a plan. The buyer will wonder what you know that they don't, and will value the durability of the peak rather than the peak itself. And if you are not personally ready to leave, good market timing won't be enough.

RISKY

A disagreement between partners

A conflict between shareholders almost always shows: blocked decisions, different stories, sellers who disagree on price. The buyer fears inheriting the problem, and the deal is likely to fail along the way. Settle the agreement between you first, then sell.

RISKY

An unsolicited offer

Selling because someone asked is not the same as deciding to sell. An offer that arrives alone sets its own terms with nothing to compare it to, and it is rarely the best. If the idea interests you, make the decision for yourself, then test the market.

RISKY

Reacting to one bad year

Selling right after a decline means having the business valued on its worst numbers. The buyer pays for the present, not your history. If the dip is temporary, it is often better to recover first and sell afterwards.

RISKY

Escaping a problem the buyer will find

The upcoming loss of a large client, a lawsuit, non-compliance, equipment at end of life: due diligence will almost always reveal it. Hiding it leads to a late price cut, a failed deal, or worse, a claim after the sale. A disclosed and explained problem can be negotiated. A discovered problem destroys trust.

RISKY

Selling under pressure from a lender

When the bank sets a deadline, every buyer senses it and waits for the price to drop. If the financial situation is deteriorating, act early, before time works against you.

RISKY

A decision made on impulse

An argument, a bad week, a key employee leaving. A sale takes several months. If the motivation disappears along the way, you will have incurred costs, exposed the business and disappointed buyers for nothing.

RISKY

A purely tax-driven reason, with no plan

Selling "before the rules change" without planning can cost more than what you were trying to save. Tax should serve the decision, not replace it.

How to present your reason to a buyer

Be simple, true and consistent. One sentence is enough: "I am retiring after 28 years and none of my children want to take over." Simply add that you are ready to handle the transition. Avoid long justifications: they make people look for what is left unsaid.

How to talk about your business with a buyer

A buyer doesn't only buy what the business is today. They buy what it can become in their hands. Always talk about it with energy, pride and enthusiasm for its potential:

- **Show the opportunities you have not pursued**: new services, new verticals, new territories, clients you turn down for lack of capacity.
- **Explain why you didn't develop them yourself**: because you are preparing your retirement, because you lack the time, or the capital. It is an honest answer, and it is true for almost every owner.
- **Project the buyer into the future**: "Someone like you, with your team and your means, could add this service, open that territory, and double or triple revenue."

> A seller who talks about the business with enthusiasm sells a future. One who talks about it with weariness sells a problem.

WHY AN EXPERT

You don't get a second first impression.

What you say on the first call and at the first meeting follows the file to the end. An advisor prepares the message, the reason for sale and the growth story with you, then screens buyers before they meet you. You only talk to serious buyers, and you talk to them at the right time.

CHAPTER 3

How a business is valued

There is no single price. There is a range of values, and the final price depends on the buyer, the structure and the negotiation. Understanding the mechanics keeps you from clinging to an unrealistic number, or accepting one that is too low.

The starting point: adjusted EBITDA

EBITDA (earnings before interest, taxes, depreciation and amortization) measures what the business generates from operations. It is **adjusted** (also called "normalized") to reflect what a new owner would really earn:

Adjustment	Effect
Personal expenses run through the business	Added back (EBITDA goes up)
Non-recurring expenses (lawsuit, move, exceptional repair)	Added back, with evidence
Revenue collected in cash	Can be added, whatever its form, as long as it is provable (deposits, invoices, records). Talk to your tax specialist first: a buyer and its lender will want to see how it was recorded.
Owner's salary different from market	Replaced by the real cost of a manager (can raise or lower EBITDA)
Rent paid to a building you own	Brought to market rent

> Each adjustment must be **explainable and provable**. A serious buyer, and especially its lender, will reject those that are not. A defensible adjusted EBITDA beats an ambitious figure that collapses in due diligence.

The multiple

Enterprise value is often calculated as **adjusted EBITDA × multiple**. For private SMEs, multiples frequently fall between 2.5× and 6×, but they vary widely with:

What pushes it up

- recurring or contracted revenue
- proven growth
- an autonomous team
- a diversified client base
- a niche with barriers to entry

What pushes it down

- dependence on the owner
- one client too large
- irregular results
- equipment to replace
- a declining sector

What also weighs

- size (smaller = riskier)
- interest rates and financing
- number of interested buyers
- payment structure

Other methods

- **Discounted cash flow**: useful when future growth is predictable; very sensitive to assumptions.
- **Asset value**: serves as a floor, especially in equipment-heavy businesses (transport, excavation). A certified fleet appraisal reassures the buyer and its lender.
- **Comparable transactions**: useful as a reference, but private data is scarce and every business is different.

Enterprise value versus share price

Enterprise value generally assumes a "cash-free, debt-free" basis. In practice: the seller keeps excess cash and repays debt at closing, and the business is delivered with a normal level of working capital. The price you receive for your shares is therefore the enterprise value, minus debt, plus cash, plus or minus the working capital difference. Two offers at the same "price" can produce very different net amounts.

Simplified example

Reported EBITDA: $420,000. Personal expenses: +$30,000. Non-recurring legal fees: +$25,000. Owner's $60,000 salary replaced by a $120,000 manager: −$60,000. **Adjusted EBITDA: $415,000.** At 4×, an enterprise value of $1,660,000. Less $200,000 of long-term debt, plus $80,000 of excess cash: a share price of about $1,540,000, before working capital adjustment and before tax.

WHY AN EXPERT

Every missed adjustment is paid for in the multiple.

A $50,000 EBITDA adjustment, at a 4× multiple, is $200,000 of value. An advisor knows which adjustments hold up, how to document them so they survive due diligence, and how to present them to the buyer and its lender.

CHAPTER 4

Who buys, and why

Knowing the families of buyers helps you target the right ones, understand their offers and compare proposals that look nothing alike.

Buyer	What they look for	What they often offer	Watch for
Strategic competitor, supplier, client, adjacent business	Synergies: clients, territory, capacity, team, equipment.	The highest price, because they can pay for part of the synergies.	Confidentiality (sometimes a competitor), integration, fate of the brand and employees.
Financial private equity fund, investor group, family office	Stable cash flows and a team in place, often as a platform for growth by acquisition.	Sophisticated structures, possible residual stake, support.	Return requirements, leverage, holding period, expected role of the seller.
Individual buyer executive, entrepreneur, professional changing careers	To own a healthy business they can run themselves.	Strong personal commitment; price often financed by the bank and the seller.	Real financing capacity, management experience, larger vendor take-back.
Internal key employees, management, family	Continuity, knowledge of the business.	Natural transition, culture preserved.	Limited financing capacity, often payment spread over several years; specific tax rules within families.

Why several buyers, at the same time

A single offer doesn't tell you what your business is worth. Several qualified buyers, approached confidentially and on a common timeline, create a real comparison: on price, but also on structure, speed and certainty of closing. That is the difference between accepting a price and discovering it.

How buyers are found

Posting a file on a listing site mostly attracts the curious. The best buyers are often not actively looking: you have to go to them. At MVR Group, that means high-volume direct outreach, a network of partner firms that share their buyer lists, and matching between files and the criteria of buyers registered on our portal. Then each buyer is qualified, one by one, before gaining access to confidential information.

CHAPTER 5

Structuring the deal

Structure is as important as price, and often more. It decides what you receive at closing, what remains at risk, the tax you will pay, and above all whether the deal can close at all.

Price is won in the structure

Two deals at the same price can have nothing in common. The levers are many, and combining them is how you bring what the seller wants closer to what the buyer can pay:

An earn-out built on potential

Do you believe in the growth potential? Part of the price can be tied to it. The buyer pays more if the potential materializes, and you share in it.

A secured vendor take-back

It can be secured in several ways: a hypothec on the assets, a pledge of the shares, a personal guarantee, debt ranking, acceleration clauses on default.

Interest rates

The rate on the vendor take-back is a lever in itself: a higher rate compensates a spread-out payment, a lower rate eases the buyer's financing.

Working capital

The target set at closing can move the net amount by tens of thousands of dollars, in either direction.

Acquiring less than 100%

Selling 70, 80 or 90% of the shares now, and the rest later at fair market value, can make the price affordable while letting you share in the growth.

Performance clauses

Bonuses, price adjustments or buybacks tied to specific targets: they align the seller's and buyer's interests after closing.

WHY AN EXPERT

Value, yes. But above all, structure.

You need an expert not only to establish the value of the business, but also to build the structure under which it will be sold. That structure must make sense for the seller, but also for the buyer and its lender. A structure that works for only one side doesn't close.

Share sale or asset sale

	Share sale	Asset sale
What is sold	The corporation itself, with its history, contracts, permits and obligations.	Selected property: equipment, clients, brand, inventory. The corporation stays with the seller.
Usually preferred by	The seller: possible capital gains exemption, simpler tax treatment for them.	The buyer: chooses what to take, leaves past risks behind and depreciates assets afresh.
Continuity	Contracts, licences and numbers stay in place (subject to change-of-control clauses).	Contracts, permits and employees must be transferred, sometimes with consent.
Buyer protection	Broader representations and warranties, indemnification, sometimes a holdback on the price.	Fewer warranties needed, since liabilities stay behind.

Ways to get paid

Cash at closing

The safest part. It comes from the buyer's funds and bank financing.

Vendor take-back

You finance part of the price, repaid over a few years with interest, and secured. It eases the buyer's financing and shows your confidence in the business.

100% seller financing

No down payment at closing: the buyer pays you the full price over several years, out of the business's profits. The price is generally higher to compensate the deferral and the risk, and the security must be strong.

Earn-out

An additional amount paid if the business hits targets after closing. Useful to bridge a valuation gap, provided the target, the calculation and the accounts used are defined precisely.

Residual stake

You keep a percentage of the shares, bought back later at fair market value. You share in future growth, while remaining partners with a buyer you no longer control.

Combinations

Most deals combine several of these forms. That combination is what gets negotiated, far more than the number at the top of the page.

The capital gains exemption: prepare it and time it

Selling qualified small business corporation shares can give access to the lifetime capital gains exemption, which can shelter a significant part of the gain from tax. It is important to prepare early: the shares must meet specific criteria over a given period, and the corporation sometimes has to be "purified" of excess cash or investments. The closing date can also be planned around the exemption. Beyond the exemption, there are many creative and 100% legal ways to keep even more of the proceeds: holding companies, estate freezes, family trusts, spreading the gain over several years, allocation of the price.

Clauses that almost always come with the price

- **Working capital adjustment**: a target level is set; if the business is delivered above or below it, the price adjusts.
- **Representations and warranties**: what you state about the business. If a statement is false, the buyer can claim.
- **Indemnification and holdback**: cap, duration and an amount sometimes held in trust to cover claims.
- **Non-compete and non-solicitation**: for a reasonable period and territory.
- **Transition**: duration, role, compensation and availability of the seller after closing.

Comparing two offers

Offer A: $2.0M, including $1.9M cash. Offer B: $2.4M, including $1.2M cash, a $0.6M vendor take-back over 5 years and a $0.6M earn-out. Offer B is higher on paper, but Offer A puts more certain money in your pocket, sooner. The right answer depends on your need for liquidity, your confidence in the buyer and your risk tolerance.

WHY AN EXPERT

Tax is planned before the letter of intent, not after.

Once a structure is accepted in writing, it is hard to change. An advisor works with your tax specialist from the start so the structure, the closing date and the exemption are aligned, and every dollar legally saved stays in your pocket.

CHAPTER 6

During: the process, step by step

A structured process protects confidentiality, keeps buyers on the same timeline and lets you keep running the business. For an SME, expect 6 to 12 months from mandate to closing.

1. **Meeting and preliminary valuation.** Understand the business, your goals and the realistic value range.
2. **Mandate.** Agreement with the advisor: role, fees, duration, exclusivity. At MVR Group, we work on a success fee.
3. **Preparing the file.** Adjusted EBITDA, an anonymous teaser (one to a few pages describing the opportunity without naming the business) and the confidential information memorandum (the full file).
4. **Finding and qualifying buyers.** Targeted list, direct approach, verification of each buyer's financial capacity and seriousness.
5. **Confidentiality agreement (NDA).** Signed by each buyer before any information that could identify the business.
6. **Memorandum and meetings.** Qualified buyers receive the full file, ask their questions, then meet the seller.
7. **Indications of interest.** Non-binding preliminary offers that allow comparison and a shortlist of the best candidates.
8. **Letter of intent (LOI).** Price, structure, conditions, timeline, exclusivity period. Non-binding on substance, but it sets the frame for everything that follows: this is the time to negotiate the important points, not later.
9. **Due diligence.** The buyer, its accountants and lawyers check everything: finances, taxes, contracts, employees, equipment, compliance. A well-organized data room speeds everything up.
10. **Purchase agreement and closing.** Drafting the final contract, buyer financing, signatures, transfer of funds and of shares or assets.

Confidentiality, in practice

- The business name never appears in the teaser; each file carries a code name.
- No direct contact between a buyer and your employees, clients or suppliers without your consent.
- Visits take place after hours, or under an agreed pretext.

- Decide in advance when and how to tell key employees: often after the LOI, sometimes only at closing.

Meanwhile, the business must keep performing

The most common trap: the owner pours energy into the sale and the business slows down. Yet the buyer follows your monthly results until closing, and a drop can trigger a price renegotiation.

WHY AN EXPERT

You run the business. They run the sale.

A sale takes hundreds of hours: calls, qualification, documents, follow-ups, coordination with accountants and lawyers. An advisor carries that load so you stay focused on what protects the price: the business's results.

CHAPTER 7

Negotiating: the buyer is not an adversary

The buyer is not an enemy in the transaction. They are the other party who comes to help you complete the sale of your business. If you ask for everything and give nothing, nothing will happen. Good deals are made of compromises, on both sides.

Certainty of closing
A financed, experienced and fast buyer is sometimes worth more than a higher offer with uncertain conditions.

The cash portion
What is paid at closing is yours. The rest depends on the future and on the security negotiated.

Warranties required
Cap, duration, deductible, holdback. Unlimited indemnification can cancel part of the price.

Working capital
A poorly set target can cost tens of thousands of dollars at closing.

The transition
How long, at what salary, with what responsibilities. Six to twelve months is common.

Employees and the brand
If their future matters to you, negotiate it while you still have leverage: before signing.

Principles that always help

- **Look for agreement, not victory.** A deal where the buyer feels trapped often ends badly, before or after closing.
- **Don't negotiate alone.** Emotion is normal when selling a life's work. An intermediary lets you say no without breaking the relationship.
- **Disclose problems early.** An issue known before the LOI gets settled. The same issue discovered in due diligence becomes leverage to lower the price.
- **Keep options.** Having more than one serious buyer is the best negotiating position there is.
- **Don't let time drag.** The longer a deal takes, the more likely it is to fail.

The final decision is yours
In every case, the sale of your business closes with your signature. Whatever conditions are requested, whatever discussions take place or purchase prices are confirmed along the way, you make the decision at the end.

> The best price is not always the best offer. The best offer is the one that closes, on terms you can live with.

WHY AN EXPERT

A well-placed compromise is worth more than one more demand.

Knowing what to accept, what to trade and where to hold firm is the heart of the job. An advisor knows where the buyer has room, what its lender requires, and how to offer something in return that moves the deal forward without costing you value.

CHAPTER 8

After: the transition and what comes next

Signing is not the end. The first months after closing decide whether the business keeps doing well, whether your deferred payments arrive, and whether you enjoy your new life.

For the business

- **Announce the sale together** to employees, then to key clients and suppliers, with a prepared, shared message.
- **Transfer relationships** one by one: personally introduce the new owner to important clients.
- **Pass on the knowledge**: procedures, tricks of the trade, client history, reliable suppliers.
- **Step back gradually.** Your role shifts from boss to advisor. It is often harder than expected.

For your deferred payments

- Track vendor take-back repayments and the reports used to calculate the earn-out.
- Know your remedies if a payment is late, and the security that protects it.
- Respect your non-compete scrupulously: a breach can give the buyer grounds to withhold payments.

For you

Your money

Before receiving the funds, have a plan with a financial advisor: investments, retirement income, tax on instalments, family protection. Avoid big decisions in the first six months.

Your time and identity

Many former owners feel a void after the sale: the business was an identity, a routine, a network. Plan concrete projects: mentoring, board seats, a new venture, family, volunteering.

> The happiest sellers are those who knew, before the sale, what they would do afterwards. It is not a detail: it is often what makes it possible to sign with peace of mind.

CHAPTER 9

The most costly mistakes

Mistake	What it costs	How to avoid it
Starting too late	Selling on unprepared numbers, in a hurry.	Prepare 2 to 3 years ahead, even without a set date.
Overestimating value	Lost months, discouraged buyers, a file "burned" on the market.	A realistic valuation and defensible adjustments.
Accepting the first offer	Leaving value on the table without knowing it.	Test the market with several qualified buyers.
Neglecting confidentiality	Worried employees, departing clients, competitors taking advantage.	Systematic NDA, code name, controlled contacts.
Letting operations slip during the sale	Price renegotiated downward at the end.	Delegate the process, stay focused on the business.
Hiding a problem	A failed deal or a claim after the sale.	Disclose early, explain, propose a solution.
Looking only at price and ignoring structure	Less real money, more risk after closing.	Compare cash, warranties, structure and net after tax.
Forgetting tax and the related advantages	Tens or even hundreds of thousands of dollars of avoidable tax.	Prepare the exemption and tax structure before the LOI, ideally years before.
Not knowing what comes next	Last-minute hesitation, cancelled sale, regrets.	A concrete life plan before putting the business up for sale.

WHY AN EXPERT

Every one of these mistakes is avoidable.

Almost all of them come from the same place: an owner selling alone, for the first time, facing buyers who buy often. Working with an expert puts both sides of the table on equal footing.

CHAPTER 10

Checklists and glossary

Documents to gather

- ☐ Financial statements for the last 3 to 5 fiscal years
- ☐ Current-year interim statements
- ☐ List of equipment and vehicles
- ☐ Leases
- ☐ Client and supplier contracts
- ☐ Employee list (positions, seniority, salaries)
- ☐ Licences, permits, compliance certificates
- ☐ Insurance policies
- ☐ Articles, share register, shareholders' agreement

Before signing an LOI

- ☐ I know my net after-tax amount
- ☐ My tax specialist has validated the structure
- ☐ I understand the cash and deferred portions
- ☐ The working capital target is defined
- ☐ The length of the transition is clear
- ☐ The exclusivity period is reasonable
- ☐ The buyer's financing conditions are known
- ☐ I know what happens to my employees
- ☐ I know what I will do after the sale

Glossary

EBITDA
Earnings before interest, taxes, depreciation and amortization.

Adjusted EBITDA
EBITDA corrected to show real profitability for a new owner.

Multiple
Factor applied to adjusted EBITDA to estimate enterprise value.

Enterprise value
Value of the operations, before debt and cash.

Teaser
Anonymous document of one to a few pages presenting the opportunity.

NDA
Confidentiality agreement signed by the buyer.

CIM
Confidential information memorandum: the complete sale file.

IOI
Indication of interest, a non-binding preliminary offer.

LOI
Letter of intent: price, structure and main terms.

Due diligence
In-depth review of the business by the buyer.

Vendor take-back
Part of the price financed by the seller and paid later.

Earn-out
Additional price contingent on future results.

Working capital
Current assets minus current liabilities.

Capital gains exemption
Amount of gain on qualifying shares that may be exempt from tax, subject to specific conditions.

Let's talk about your business.

A confidential 30-minute conversation, no commitment, to place your business, its likely value, the possible structure and the right time to sell. We work on a success fee: we are paid only if the sale closes.

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