

Exit Readiness Assessment



Understand. Strengthen. Maximise your exit outcome.



STRATEGY



FINANCIALS



OPERATIONS



PEOPLE

A practical assessment of the key drivers that determine value and deal certainty.



Exit Readiness Assessment



How to Use Our Assessment

- For each question, score your business:
 - 1 point = Weak / High risk / Not ready
 - 3 points = Adequate / Partial Gaps
 - 5 points = Institutional Quality / Buyer Ready / Confident
- Based on your total score, your business is likely to be:
 - Not ready for sale
 - Partially ready for sale
 - Market-ready
- Buyers will assess your business more critically than you do.
- Be objective. The value of this assessment lies in identifying gaps early.
- Most businesses leave **20%–40% of value on the table** due to avoidable issues. We help close that gap.



Exit Readiness Assessment

Financial Quality & Earnings Credibility

- To what extent would your financials withstand institutional buyer diligence without material adjustment?
- How defensible are your EBITDA normalisations under third-party scrutiny?
- How predictable and defensible is your revenue base under buyer scrutiny?
- How stable are margins, and how clearly are their drivers understood?

Financial Quality & Earnings Credibility

- How exposed is the business to working capital volatility?
- What proportion of earnings is dependent on non-transferable relationships (e.g. founder, key clients)?
- How clearly can you bridge reported earnings to cash generation, and how consistent is that conversion over time and how well does your financial model link operational drivers to financial outcomes, and can it be interrogated in real time?
- How sensitive is your profitability to key assumptions (e.g. pricing, volume, input costs), and how well is this understood and modelled?
- Total possible score = 40 points



Exit Readiness Assessment



Commercial Position & Revenue Quality

- How clearly differentiated is your market position, and is it supported by evidence or perception?
- How predictable is forward revenue (contracted vs pipeline vs assumed)?
- Where would a buyer challenge your growth assumptions, and could you defend them?
- How concentrated is revenue across customers, products, or channels?
- How visible and credible is your future pipeline?
- Are key commercial relationships secured through enforceable contracts?
- Total possible score = 30 points



Exit Readiness Assessment



Operational Independence & Scalability

- To what extent can the business operate independently of the founder?
- How institutionalised are key processes, systems, and decision-making?
- Where are the key person risks, and how effectively are they mitigated?
- How scalable is the operating model without disproportionate cost increases?
- How robust are internal reporting systems and operational controls?
- Could a buyer step in and run the business with minimal disruption?
- Total possible score = 30 points



Exit Readiness Assessment



Legal, Structural & Transaction Readiness

- How clean and efficient is your corporate structure from a buyer's perspective?
- Are all material contracts signed, enforceable, and easily accessible?
- Is ownership of intellectual property clearly defined and protected?
- Are there any latent liabilities that could trigger price adjustments or deal protections?
- How aligned are shareholders on a potential transaction?
- Could any structural complexity delay or derail a transaction?
- Total possible score = 30 points



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Growth Story & Buyer Appeal

- How credible is your 3–5 year growth strategy under external scrutiny?
- Are your growth drivers specific, actionable, and measurable?
- How compelling is your equity story to different buyer types (strategic vs financial)?
- What would make a strategic buyer pay a premium for your business?
- Have you identified clear synergy opportunities?
- How well can you articulate why now is the right time to sell?
- Total possible points = 30 points



Exit Readiness Assessment



Owner Readiness & Transaction Objectives

- Do you know your true walk-away valuation, and how flexible is it?
- Are you clear on full vs partial exit, and the implications of each?
- What role (if any) are you willing to play post-transaction?
- Have you considered tax, structuring, and wealth planning implications?
- Are all shareholders aligned on timing, valuation, and deal structure?
- Are you prepared for the trade-offs between valuation, control, and certainty?
- How prepared are you for the intensity and demands of a transaction process (time, scrutiny, decision-making under pressure)?
- If a transaction does not meet your expectations, what is your alternative plan, and how credible is it?
- Total possible points = 40 points



Exit Readiness Assessment

EXIT READINESS SCORE



Your Exit Readiness Profile

- 0-40% (0-80 points) → Not Exit Ready
 - Significant risks likely to impact valuation and deal certainty
- 40-70% (80-140 points) → Partially Ready
 - Transaction possible, but valuation likely compromised
- 70-90% (140-180 points) → Market Ready
 - Strong positioning with targeted improvements required
- 90%+ (180+ points) → Premium Ready
 - Well positioned to maximise valuation and competitive tension
- Most transactions that underperform expectations do so due to issues identified too late in the process.



**Prepare Your
Business for a
Successful Exit.**

**Get in touch to
discuss your next
transaction**

If you would like a confidential discussion on your results and how to position your business for a successful transaction, we would welcome the opportunity to engage.



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