+61 2 8199 9442
info@stylequity.com
Level 5, 115 Pitt Street,
Sydney NSW 2000, Australia
www.stylequity.com
ACN: 162 453 018

## The high-level steps to prepare a business for investment

For a business to maximise its enterprise value and potential for capital, and for it to raise investment, it should ideally perform the following:

i. maximise its sustainable normalised current and projected earnings;
ii. reduce its perceived risk profile by managing its "commercial" risks to an acceptable level within its industry;
iii. clearly articulate its scalable business value proposition with planned upside; and
iv. procure a secured return investor position before it seeks investment.

The higher the earnings, the lower the risk within the industry in which it operates, and the greater the valuation range. The greater the value, the more potential growth capital can be raised and the lower the equity sell % position is likely to be. The planned upside and secured position for an investor should place the business in a position to command a premium.

Regardless of the valuation range, the true value of any deal is dependent on the ability to negotiate, and what the business is prepared to accept, and, more importantly, what the counter-party is prepared to pay or invest.