Premium Price Test

Name: **Date:**

Evaluation Criteria	1	2	3	4	5
1. Financial statements are audited or reviewed and comply with GAAP in all material respects					
2. Revenue growth outpaces inflation, fueled by both new business and existing clients					
3. Revenue streams are recurring, contractual, and reliably forecastable					
4. EBITDA shows consistent growth with stable or improving margins					
5. Future growth is supported by confirmed orders, backlog or reliable forecasts					
6. Customer concentration is low, with no single client exceeding 10% of total revenue					
7. Minimal capital investment needs, reflecting asset-light business model					
8. Contracts, IP rights, licenses, and compliance are well-documented and current					
9. Company holds a strong position within its niche, supported by robust barriers to entry					
10. Company operates and grows independently of the owner with strong management and systems					
11. Experienced legal, M&A, and accounting advisors are engaged and prepared for the transaction					

Your Score: ____ / 55



Congratulations on Completing Meliora's Premium Price Test!

Score Interpretation:

45-55 points: <u>You Are Premium Exit Ready</u>

Your business is well-positioned for a strong valuation and a smooth sale. The fundamentals are in place, buyers will take you seriously, and you're operating from a position of strength. Stay sharp, stay prepared - you're in the top tier.



33-44 points: <u>Close but There Is Room to Strengthen</u>

You're on the right path. With a few targeted improvements, you can significantly boost buyer confidence and valuation. Focus on the gaps that matter most - you're not far from a premium position.

Below 32 points: <u>At Risk of Leaving Value on the Table</u>

Right now, your business may raise red flags or lead to valuation discounts. But clarity is power and now you know where to focus. Address the critical gaps, and with the right steps, you can turn this into a premium-ready exit.

Remember, this scorecard is just the starting point. With focused action and the right guidance, you can close the gaps, strengthen your position, and set yourself up for the exit you deserve.

To Maximize Your Valuation, Focus on These Key Actions:

- **Ensure financial excellence** by maintaining GAAP-compliant, regularly audited or reviewed financials, supported by strong internal controls and clean records ready for buyer scrutiny.
- **Drive predictable, high-quality revenue** through recurring contracts, a diversified customer base (no client >10% of revenue), and reliable forecasts grounded in data.
- **Build EBITDA strength** by improving operational efficiency, expanding margins, and demonstrating consistent, scalable profitability.
- **Reduce business risk** by minimizing capital expenditure requirements (asset-light model), and keeping all contracts, licenses, and IP fully documented and up to date.
- **Establish a credible growth** story with realistic forecasts, verifiable orders or pipeline, and a competitive advantage backed by meaningful barriers to entry.
- **Be due diligence ready** by thoroughly organizing financial, operational and legal documentation early — and proactively addressing any red flags.
- **Engage experienced M&A advisors** (legal, financial, and transactional) ahead of time to guide strategy, mitigate risk, and prepare for buyer scrutiny.