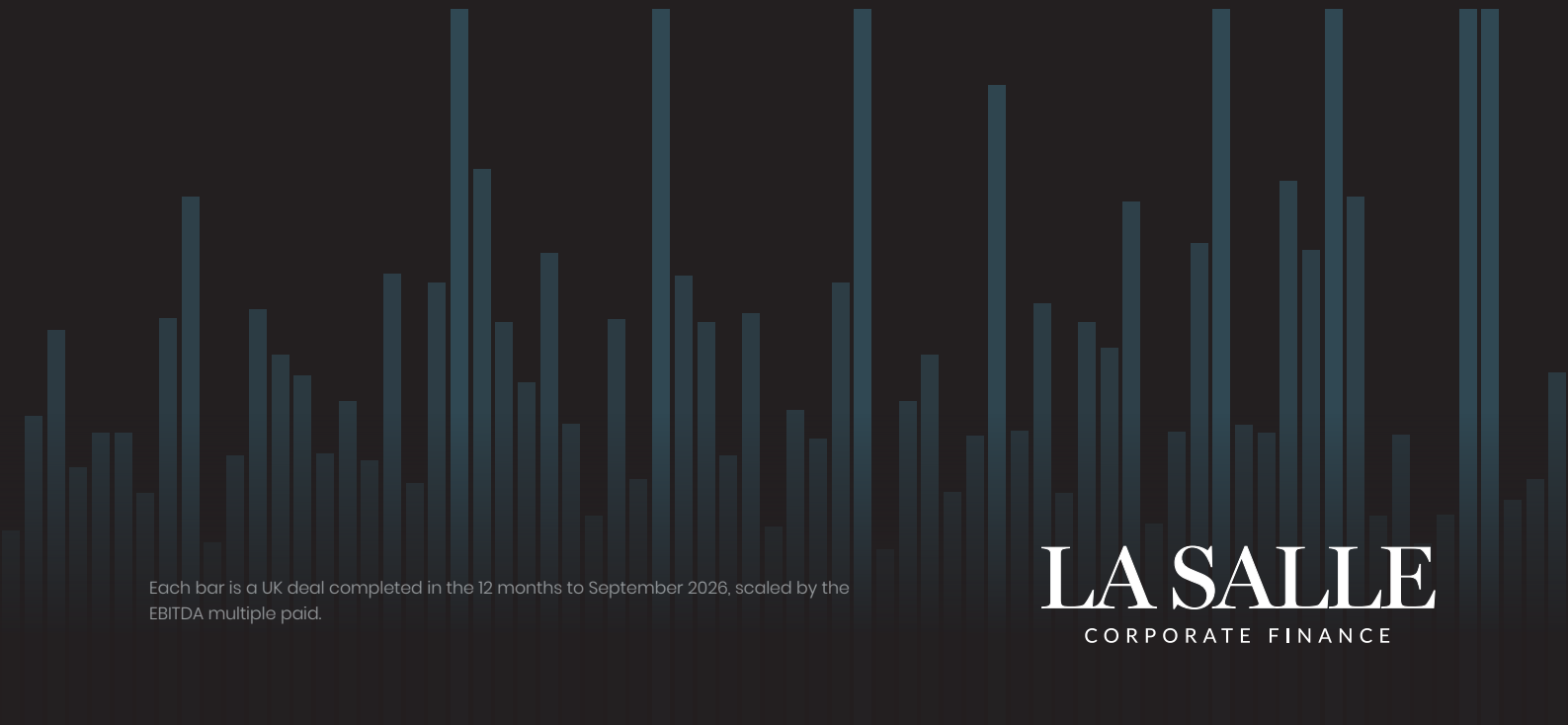
ISSUE 1 · NOVEMBER 2026

QUARTERLY INTELLIGENCE FOR BUSINESS OWNERS

The Exit Report

Valuations, buyers and policy for owners of lower mid-market businesses who are thinking about what comes next.

COVERING JULY TO SEPTEMBER 2026



Each bar is a UK deal completed in the 12 months to September 2026, scaled by the EBITDA multiple paid.

LA SALLE
CORPORATE FINANCE

WELCOME

July to September, in brief

This first issue looks back at July to September 2026, and ahead to what the 28 October Budget means for owners thinking about a sale.

Most business owners only sell once. When you start thinking about it, the questions come quickly. What is my business worth? Who would buy it? How much of the price would I actually keep? And what would happen to my team?

The Exit Report answers those questions with current information, every quarter. Each issue tracks the same three things: what businesses like yours are selling for, who is buying, and what has changed in tax and policy. Each issue also has one feature on a question owners regularly ask us. This time it is the four main ways to exit, compared side by side.

It is written for owner-managers of lower mid-market businesses: established companies, often founder-led, where the owner is still closely involved day to day. If you are curious rather than committed, that is exactly who it is for.



Matt Dillon
Partner, La Salle Corporate Finance

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01 THE QUARTER IN NUMBERS

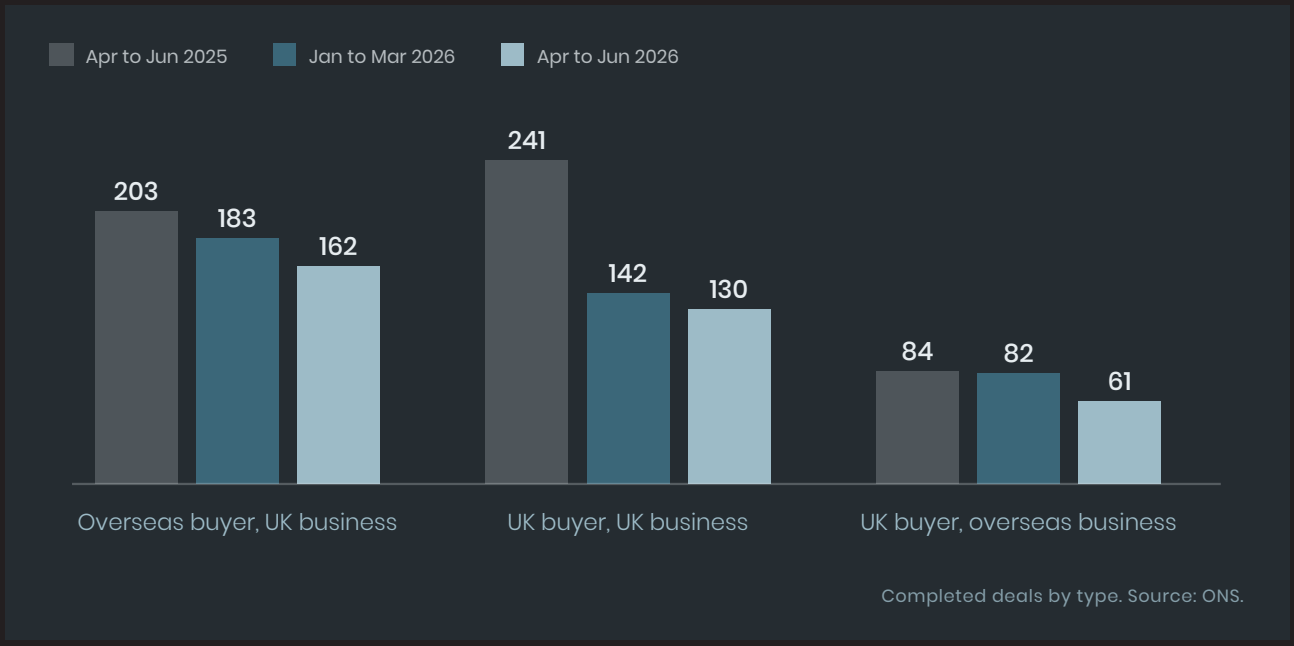
UK deal activity

Official figures run a quarter behind, so the latest available, published in September, cover April to June 2026. They count completed deals worth £1m or more where control of the business changed hands.

353
completed deals involving UK companies, April to June 2026

162
UK businesses bought by overseas acquirers

£25.4bn
spent by overseas buyers on UK businesses in the quarter



Completed deals by type. Source: ONS.

What the figures show

- More UK businesses were bought by overseas acquirers (162) than by UK acquirers (130). The same was true in the previous quarter (183 against 142).
- Overseas buyers spent £25.4bn, up from £15.7bn in January to March.
- UK acquirers completed 130 domestic deals, against 241 a year earlier.

What it means for owners

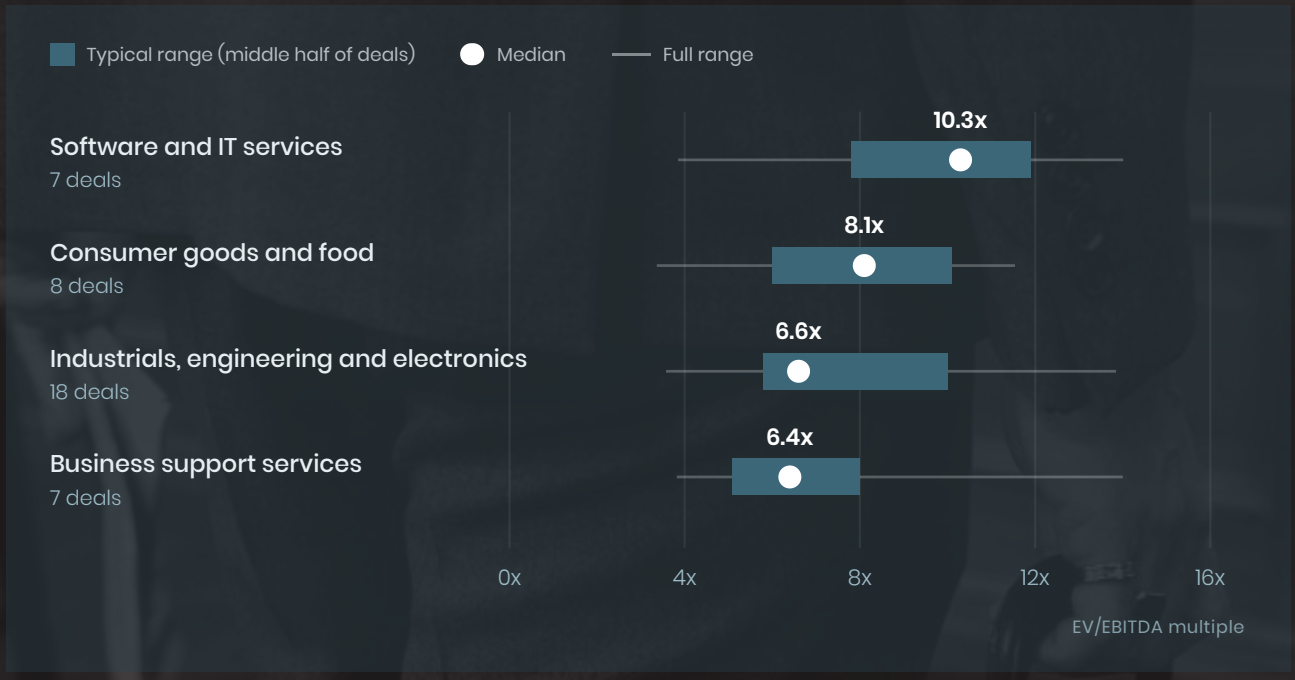
Fewer deals completed, but buyers have not gone away, and overseas buyers in particular kept spending. For a well-prepared business, the pool of potential buyers is wider than just the UK. Reaching those buyers, and getting them to compete, is a large part of how a sale price is set.

Source: Office for National Statistics, Mergers and acquisitions involving UK companies: April to June 2026 (published 1 September 2026). Figures are provisional and include very large transactions, so they indicate the market's direction rather than lower mid-market activity specifically. July to September figures are due on 1 December 2026.

02 VALUATION PULSE

What buyers are paying

Most lower mid-market businesses are valued as a multiple of sustainable profit, usually EBITDA. Here is what buyers paid for UK businesses valued between £2m and £60m in the 12 months to September 2026.



Why two businesses in the same sector sell for different multiples

Recurring revenue

Contracts and repeat customers are worth more than one-off sales.

Customer spread

Heavy reliance on one or two customers pulls the multiple down.

A team beyond the owner

If the business needs you every day, a buyer is buying your job too.

Evidenced growth

A clear record and a believable plan, not just ambition.

Clean numbers

Reliable monthly accounts make due diligence faster and protect the price.



A tailored valuation and exit roadmap for your business

Our free valuation calculator gives you an indicative range in a few minutes, and models the tax on a sale.

GET MY VALUATION REPORT

Source and method: Mark to Market. UK targets, deals completed 1 October 2025 to 30 September 2026, enterprise value £2m to £60m, with a disclosed EV/EBITDA multiple based on the latest or prior year EBITDA. Multiples below 3x or above 20x, and apparent part-disposals or intra-group transfers, were excluded. Deals with disclosed terms lean towards listed buyers, who are required to publish them. Ranges are indicative; the value of any business depends on its own circumstances.

03 NOTABLE DEALS

Who bought what

A selection of notable UK deals from July to September 2026, involving businesses of a similar size and type to our clients.

BUSINESS SOLD	BUYER	BUYER TYPE	EV
Mistral Data Business software · North East · revenue £11.5m	Tracsis plc	Listed trade	£48m
Ideal Group IT managed services and cyber security · South East · revenue £11.8m	Telelink Business Services	Trade	£12m
Revive! Auto Innovations Vehicle repair services · West Midlands · revenue £15.6m	Mobeus Equity Partners	Private equity	£16m
Premier Limpet Packaging and labelling · South East · revenue £11.6m	Dalpo Group	Trade	£7m
Moore Barlow Legal services · South East · revenue £42.4m	Knights Group Holdings	Listed trade	£27m
RM Educational Resources School supplies · East Midlands · revenue £67.2m · sold by RM plc	Eduviva Group AB	Overseas trade	£54m
Optical Fiber Packaging Fibre optic cable assemblies · South East · revenue £5.8m	Aptiv	Overseas trade	£18m
A.J. Sharp Personalised gifts · North East · revenue c. £1.4m	Aford Awards	Trade	£3.5m

Source: Mark to Market, deals completed July to September 2026. Revenue is the latest filed figure; c. denotes an estimate. Publicly reported deals only.

What stands out

01

Buyers came from every direction.

Listed groups, private equity and overseas trade buyers were all active, often for businesses with revenue under £20m.

02

Software commanded the highest multiples.

A median of 10.3x EBITDA over the year, against 6.4x to 8.1x in the other sectors we track.

03

Size is not a barrier.

Several deals in the quarter involved businesses with revenue of £12m or less, bought by established groups and investors.

04 POLICY WATCH

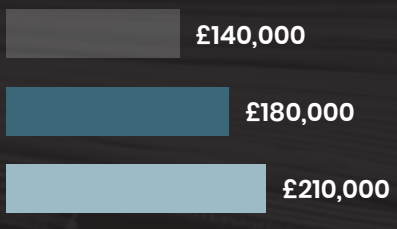
The Budget and your exit

The 28 October Budget left Capital Gains Tax rates unchanged, but halves the lifetime limit for Business Asset Disposal Relief (BADR) from £1m to £500,000 for sales on or after 6 April 2027. A new Founders' Relief was announced, though few lower mid-market businesses are likely to qualify.

What changes, and when

BADR lifetime limit	£1m until 5 April 2027, then £500,000
Tax rates	Unchanged: BADR 18%, Capital Gains Tax 24% for higher rate taxpayers
Founders' Relief (new)	10% on up to £10m of gains, from 6 April 2027, for qualifying high-growth companies
Sale to an Employee Ownership Trust	Since 26 November 2025, half the gain is taxed at sale; BADR cannot be claimed alongside

Tax on a £1m gain qualifying for BADR



From 6 April 2027, a higher rate taxpayer with a £1m qualifying gain pays up to £30,000 more, per shareholder. Contracts agreed before that date but completed after it are covered by anti-forestalling rules. A simplified illustration: the tax on a real sale depends on structure, timing and your circumstances.

Founders' Relief: who might qualify?

PROPOSED, UNDER CONSULTATION TO 30 NOV 2026

You
Held at least 25% of the shares when trading began, held them for five years, and UK resident for five years.

The company
Turnover of £10m or more and at least 15 full-time employees in the year before the sale.

Growth or innovation
Two of three: 25% a year turnover growth, 25% a year headcount growth, or £1.5m of qualifying R&D.

BADR claimed from 6 April 2027 counts against the £10m Founders' Relief limit. The final rules may change after consultation.

Plan the tax before you plan the sale

How a deal is structured can make a material difference to what you keep. Our colleagues in the tax advisory team at UHY Williamson Croft can advise on reliefs and structure before any sale process begins.

LEARN MORE

Sources: HM Treasury and HMRC, Budget 2026 (28 October 2026): Overview of Tax Legislation and Rates and Annex A; Capital Gains Tax: reduction in the Business Asset Disposal Relief lifetime limit; Founders' Relief: technical consultation. HMRC policy paper, Capital Gains Tax: Employee Ownership Trusts relief reduction (26 November 2025). Proposals are subject to legislation.

05 FEATURE

Four routes to exit, compared

Selling to the highest bidder is only one option. The right route depends on what matters most to you: the price, the timing, your team, or how involved you want to stay.

01 Trade sale

WHO BUYS
A competitor, supplier, customer or larger group

HOW YOU ARE PAID
Usually cash at completion, often with part deferred or linked to performance

YOUR ROLE AFTER
Typically a handover period, then you step away

BEST SUITED TO
Owners wanting the strongest price and a clean exit

WORTH KNOWING
Buyers may be competitors, so confidentiality is critical

02 Private equity

WHO BUYS
An investment firm, taking a majority or minority stake

HOW YOU ARE PAID
Cash for part of your shares, often keeping a stake for a second bite later

YOUR ROLE AFTER
Often stay on to lead the next stage of growth

BEST SUITED TO
Owners wanting to take money out while still growing

WORTH KNOWING
Investors need a team that can deliver without you over time

03 Management buyout

WHO BUYS
Your existing management team, usually with funding

HOW YOU ARE PAID
Often partly deferred, paid from future profits or borrowing

YOUR ROLE AFTER
Step back, with the business in familiar hands

BEST SUITED TO
Owners with a strong team ready to take over

WORTH KNOWING
The price is limited by what the team can raise

04 Employee Ownership Trust

WHO BUYS
A trust holding the business for the benefit of employees

HOW YOU ARE PAID
Usually paid over several years from future profits

YOUR ROLE AFTER
Flexible, but control passes to the trustees

BEST SUITED TO
Owners who prioritise legacy and their employees

WORTH KNOWING
Tax relief was reduced for sales from 26 November 2025

OUR VIEW

Owners often decide on a route before they have tested the market. It pays to understand what each type of buyer would offer before choosing. A competitive process can bring trade buyers and investors to the table at the same time, and the best answer is not always the highest headline figure.

06 IN CONVERSATION

The other side of the table



Courtney Ward
INVESTOR
BGF

BGF is a growth capital investor, established in 2011, that takes minority stakes in businesses across the UK and Ireland, so founders and management teams stay in control. We asked Courtney what investors really look for, and what makes them walk away.

> *"We're choosing a partner just as much as they are choosing an investor."*

01 What makes you pay more than you'd planned to?

Conviction in the quality of the business and scale of the opportunity. BGF is a long-term, minority investor, so we don't make deals work through high levels of leverage or aggressive financial engineering. If diligence gives us greater confidence in the management team, quality of earnings, market position and ability to compound growth over a number of years, we can be flexible on valuation. Ultimately, though, we still need to see a credible route to generating the right return.

02 What's made you walk away from a deal you actually wanted?

Often it's alignment rather than purely price. Our model means founders and management teams remain in control of their business, so we're choosing a partner just as much as they are choosing an investor. If we don't have alignment on the growth plan, governance, future capital requirements or what everyone ultimately wants to achieve, that can be more fundamental than a valuation gap. Equally, anything in diligence that materially changes our view of earnings quality or the investment case can cause us to step away.

03 What do sellers most often overvalue in their own business?

Probably the forecast. Founders naturally have huge belief in what their business can become, whereas an investor has to differentiate between growth that's already evidenced and growth that still needs to be delivered. One advantage of BGF's minority model is that we can be flexible in how we bridge that difference - investing initially and providing further follow-on capital as the business grows, rather than both sides having to agree exactly what it might be worth several years from now.

04 In the first 90 days after buying, what tells you whether you overpaid?

At BGF, we'd talk about the first 90 days after investing, rather than buying. We're generally backing an existing management team to deliver its strategy, not coming in with a playbook to fundamentally change the business. So we're looking at whether the assumptions underpinning our investment case are playing out - trading, cash conversion, customer behaviour, pipeline and operational KPIs, but also whether the relationship with management is developing as expected. One quarter rarely determines whether you've overpaid and our patient approach means we take a much longer-term view.

05 What's the first thing you look at when you assess a business?

Management ambition and alignment. As a minority investor, we're backing the existing team, so we want to understand what they're trying to achieve and whether we're aligned on that journey. BGF can provide growth capital, fund acquisitions, support international expansion or enable some shareholder de-risking (often a combination). As a result, we're looking for a clear vision where our flexible capital and support can genuinely help accelerate growth.

07 EXIT READINESS

Are you exit-ready?

A sale typically runs over several months from preparation to completion. The work done before a buyer is approached has the biggest effect on the outcome. Five questions to ask yourself:

1 **Could the business run for a month without you?**
If not, start delegating key relationships and decisions now.

2 **Do your three largest customers account for less than a third of revenue?**
Buyers look closely at concentration risk.

3 **Are your monthly management accounts accurate and on time?**
Due diligence will test every number.

4 **Are contracts, leases and key staff agreements in writing and up to date?**
Gaps slow deals and give buyers reasons to reduce the price.

5 **Do you know what you would keep after tax?**
Knowing your net figure tells you whether an offer works for you.

If you answered no to two or more, that is normal. Most owners have work to do, and there is usually time to do it if you start early.



STEP ONE

Get an indicative valuation

Our free calculator takes a few minutes.

GET MY VALUATION REPORT

STEP TWO

Have a confidential conversation

No commitment and no obligation. A partner will talk through your options with you.

0161 975 1521
info@lasallecorporate.com

08 ABOUT LA SALLE

Partner-led, from first conversation to completion

La Salle Corporate Finance advises owners of lower mid-market businesses on selling their companies. Our team has been working together since 2010.

The same people throughout

Partners stay involved at every stage of your sale. You will not be handed to a junior team once you sign.

We guide you through every step

For most owners this is a first sale. We explain what is happening, what comes next and what each decision means for you.

Experienced negotiation

Partner Matt Dillon leads negotiations on every deal, drawing on an extensive network of trade and private equity buyers.

Tax and financial support built in

We work alongside qualified colleagues at UHY Williamson Croft, covering tax advice and transaction services.

Recent deals

Mulberry Bush Nursery Group Nursery group, five sites	SOLD TO	Foresight Group (private equity)
Creative Hut Ed-tech	SOLD TO	Founders Private Capital (private equity)
Advantiv Supply chain management	SOLD TO	Foresight Group (private equity)
Vivre Care Specialist care provider	SOLD TO	Elysium Healthcare (trade)
Speed Couriers Specialist medical courier	SOLD TO	Undisclosed buyer (trade)

More at lasallecorporate.com/deal-highlights

TALK TO US IN CONFIDENCE

What is your business really worth?

Start with our free valuation calculator, or book a confidential conversation with a partner.

VALUATION CALCULATOR	GET MY VALUATION REPORT
TELEPHONE	0161 975 1521
EMAIL	info@lasallecorporate.com

The next issue of The Exit Report will be published in February 2027.

Important information. This report is for general information only and does not constitute tax, legal, financial or investment advice. Tax rates, reliefs and thresholds are stated as at the date of publication and may change. You should take professional advice on your own circumstances before acting. Valuation ranges are indicative and do not represent a valuation of any specific business. La Salle Corporate Finance is a trading name of La Salle Corporate International Limited. Registered in England and Wales No. 06786436.

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