



# NEWSLETTER



## 3 Factors Driving Up Manufacturing Valuations

The manufacturing sector is seeing unprecedented interest, but buyers aren't just paying for high revenue; they're paying for predictable, defensible value. If you're a manufacturing business owner thinking about an exit, focusing on these three key factors in the next 12-24 months can dramatically increase your sale price and secure a Premium Multiplier.

### Key factors:

#### 1. Deep Customer Concentration Control (Monopoly Control)

Buyers want a company that isn't dependent on one or two large customers. They are paying a premium for businesses that show Monopoly Control, meaning your product or service is so niche or essential that customers have difficulty replacing you. Reduce customer concentration risk and demonstrate a broad, stable client base to unlock higher valuation multiples.



#### Number 2: Secure, Recurring Revenue Streams (Hierarchy of Revenue)

Manufacturing businesses that can prove stable, contractual revenue (like long-term maintenance contracts, subscription services for consumables, or predictable supply agreements) are worth significantly more. Verifiable recurring revenue reduces buyer risk and increases confidence.



#### Number 3: Independence from the Owner (The Switzerland Structure)

The "Switzerland Structure" means your business can thrive without your daily presence. This requires documented Standard Operating Procedures (SOPs), a strong second-tier management team, and reduced reliance on the owner for sales, technical expertise, or key client relationships.

#### Ready to Capitalize on the Demand?

Don't guess your value. Understand exactly where your manufacturing business excels and where you need to focus to secure that top-dollar offer.

➔ Contact Wright Business Advisors for a confidential valuation assessment today!

