

# Playbook: Sell your SaaS for multi-millions

How to sell your SaaS company for the highest amount of money without the headache (no gatekeeping)

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## Main Overview

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Context on Me (@[mattepoz](#))

- At 19 years old, first company was acquired by a \$50M business.
- My second company, Journey+, was acquired by private equity just 3 months after launch.
- Reinvested earnings into Halation, my personal holding company.
- Currently, my latest venture, [1Price.co](#), is the #1 app on the Stripe App Store.

“Everything I wish someone told me when I sold my first company at 19.”

## Main Topics

- Understanding of SaaS Multiples
- Breakdown of Company Exits (5 examples)
- Tiers of Who (A/B/C)
- What to Prepare when selling
- Types of Acquisitions (to Company, to Private Equity)
  - Strategic
  - Rolls-up

 (Extra Time)

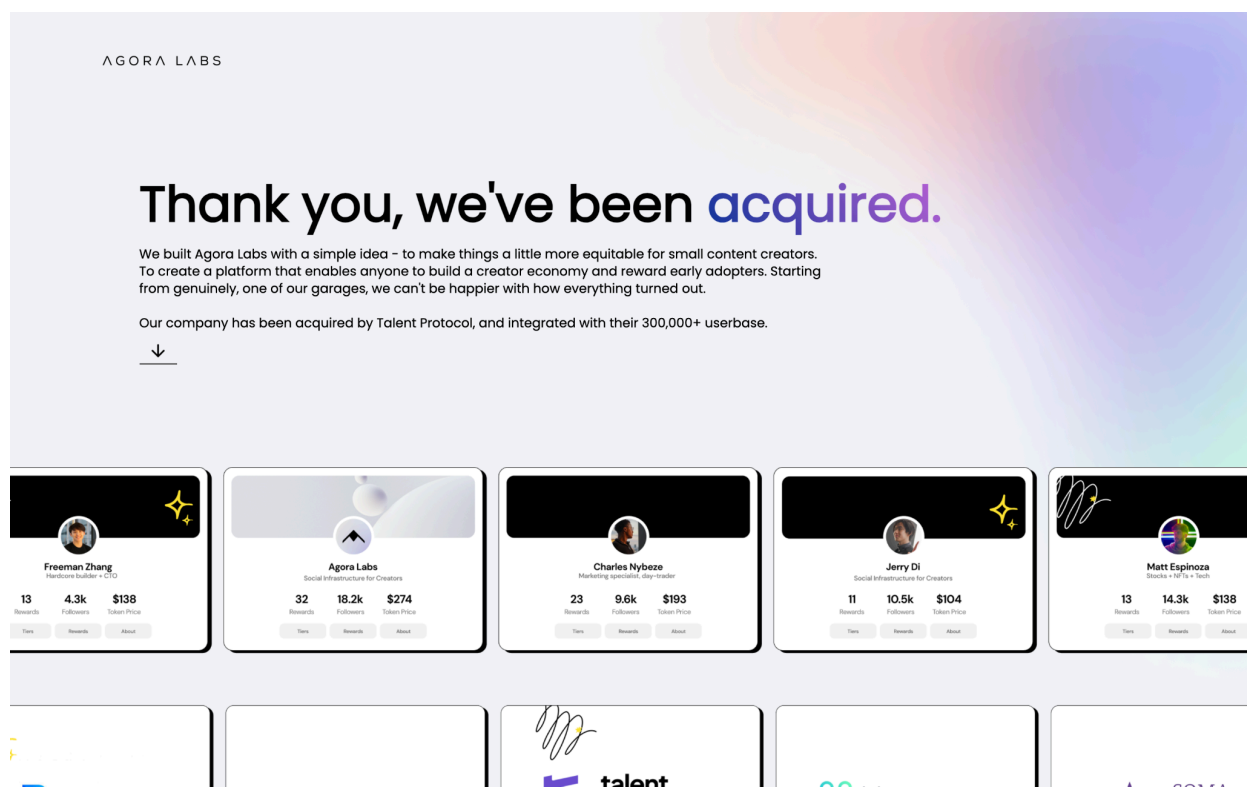
- Q & A
- Individual Company Examples

## SaaS Multiples (Inspiration)

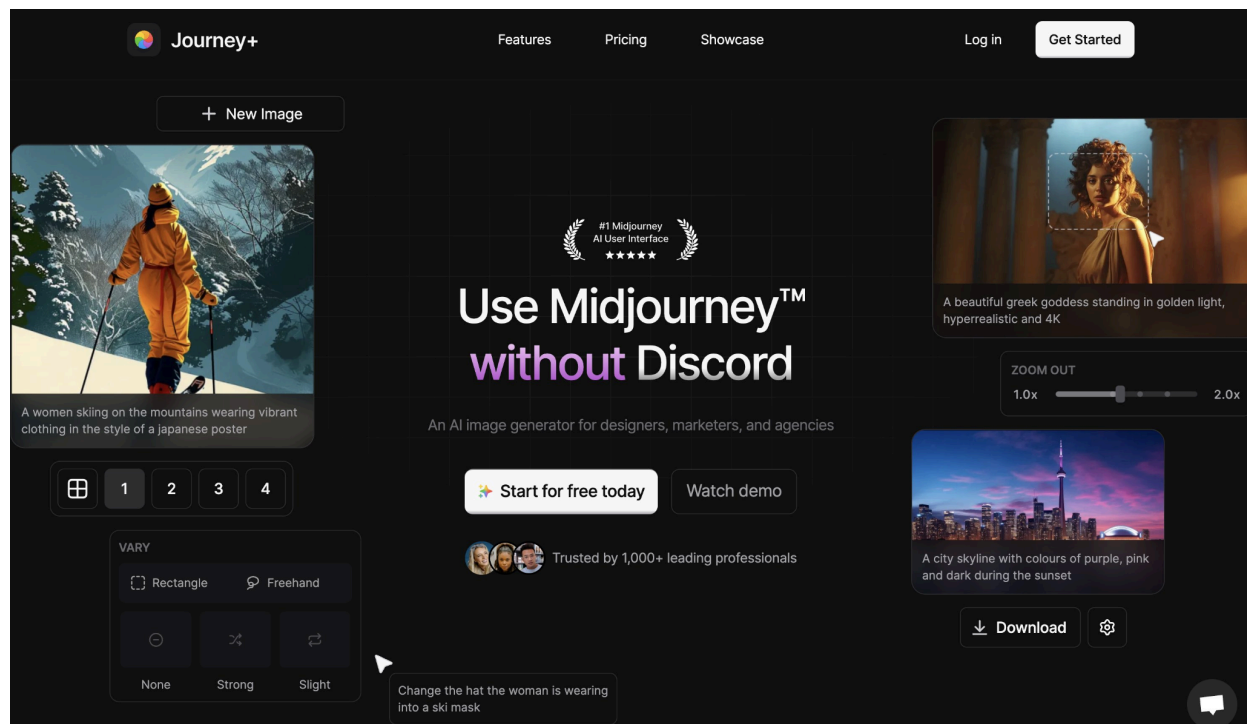


**FROM MATT:** In general, I've personally seen an average range of 4x - 9x ARR. For context, a doctor's office will only sell for 2-3x

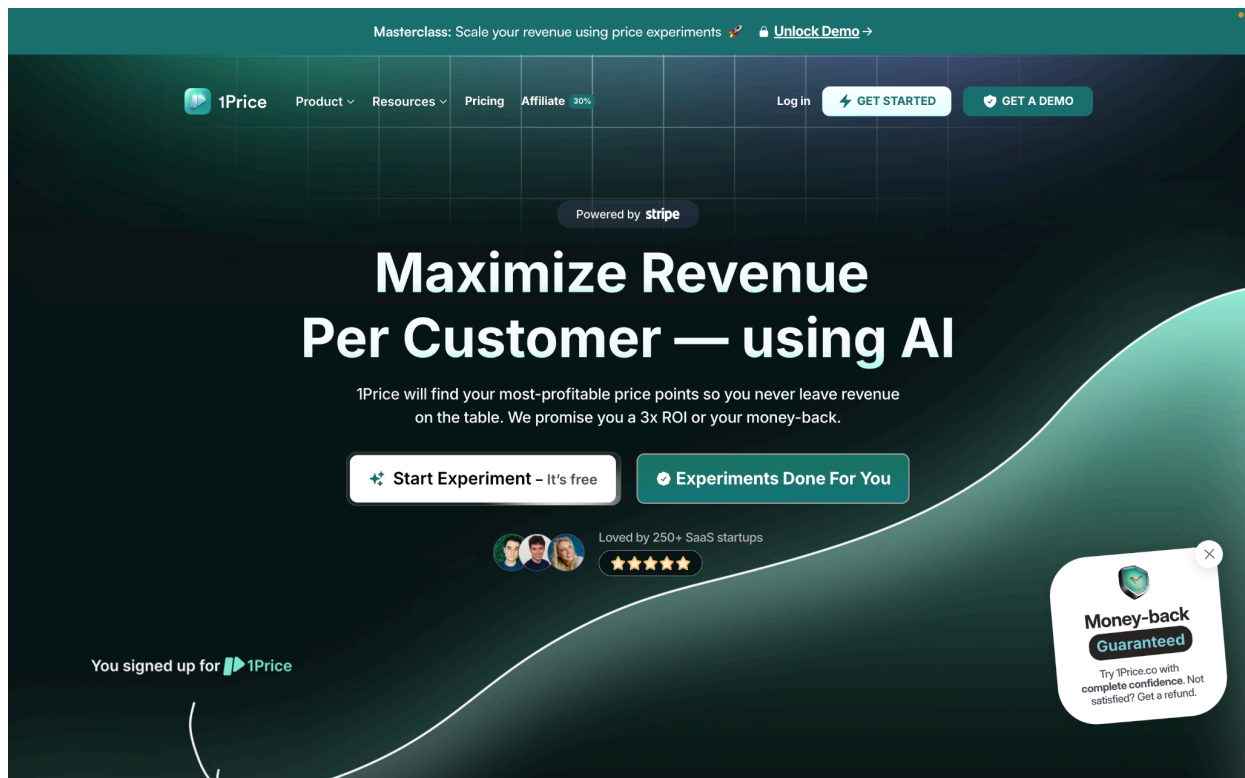
# Company Breakdown Examples



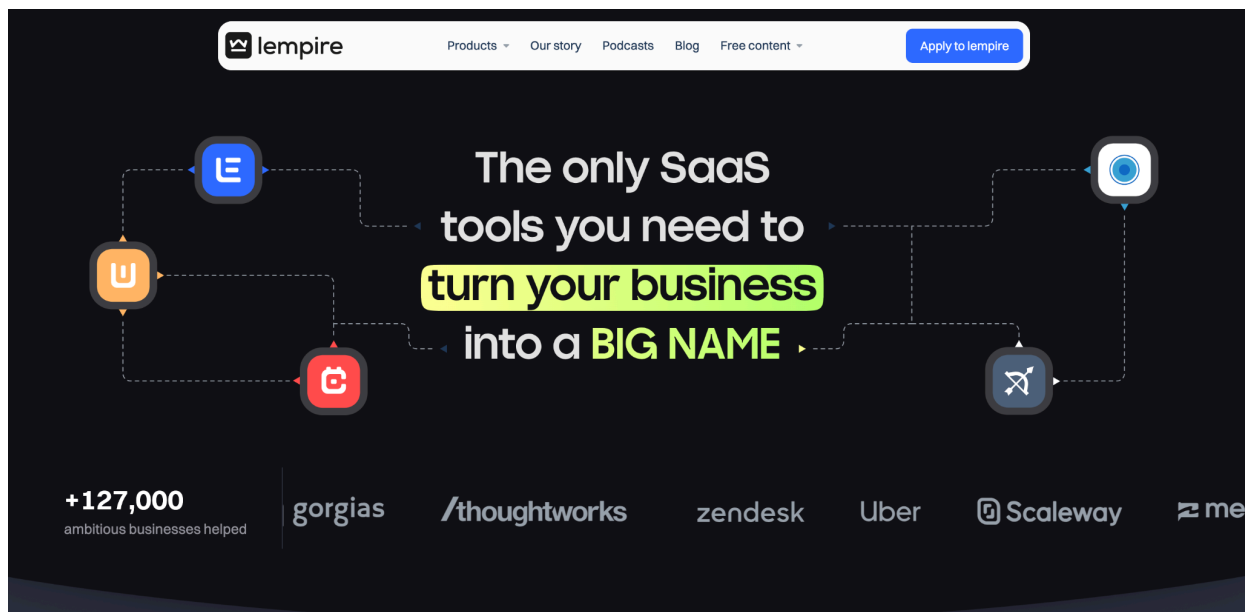
Agora Labs // bought by strategic partner



Journey+ // bought for the roll-up



My newest bet - 1Price.co



Lempire // acquired businesses

Deal structure

Cash upfront	7 figure
Stock options	X% - quick vesting
Earnout	Company performance + Time based
Operating margin w/o founders	X%
Yearly founder's salary	6 figure

Company Performance

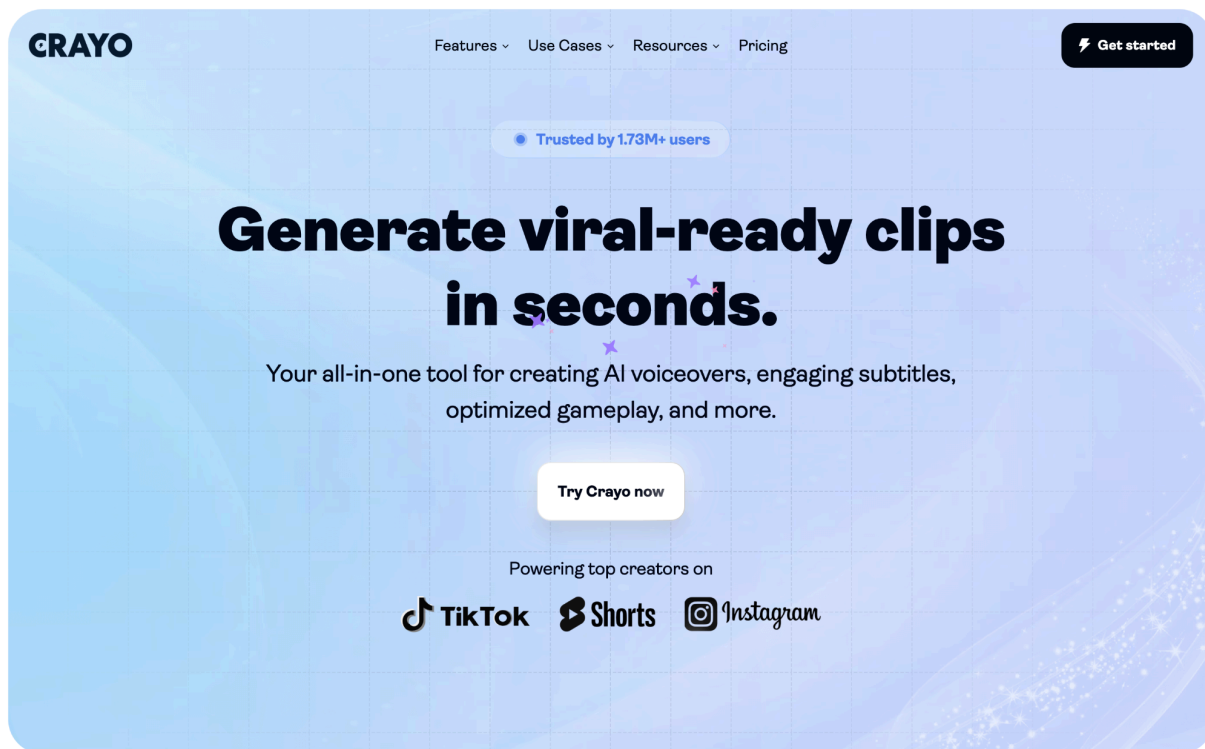
Milestone	Earnout
€2,000,000.00	6 figure
€3,000,000.00	6 figure
€4,000,000.00	7 figure
€6,000,000.00	7 figure
€8,000,000.00	7 figure
€10,000,000.00	7 figure

Time based

Time	Earnout
Year 1	6 figure
Year 2	6 figure

Deal Recap

Total earnout	8 figure
Cash upfront	7 figure
BSPCE	X% - quick vesting



Crayo // built proprietary software

## Formula for Exit

### My Formulas

1. [Seller Discretionary Earnings]  
**SDE** = (Revenue - Operating Expenses - Cost of Goods) + Your Compensation x Multiple
2. [Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)]  
**EBITDA** = Net Profit + Interest + Taxes + Depreciation and Amortization
3. [Revenue Pure]  
**Pure Value** = Revenue x Multiple

**Pro Tip:** get a valuation firm // and you've got an accurate, fair number that will hold water under intense buyer scrutiny.

**LEARNING:** The Hart-Scott- Rodino Antitrust Improvements Act of 1976 is a law that requires that each and every US merger and

acquisition transaction over \$90 million must be reviewed by the Federal Trade Commission (FTC) or Department of Justice (DOJ) before the deal can close!

## Tiers of Who (A/B/C)

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### C-Tier - Marketplaces

- Microns ([link](#))
- Flippa ([link](#))
- Rejigg | privately sourced ([link](#))
- MicroAssets ([link](#))
- LittleExits ([link](#))
- Acquire.com ([link](#))

### B-Tier - Private Equity Newsletters

- BuySellStartup ([link](#))

### A-Tier - Direct Message / Pitchbook / Databases

- PitchBook / Database
- Partnerships
- 'Software Private Equity Firms' (vertical specific)
  - Tiny.com
  - Bigbandsoftware.com

## Stages of Selling

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### Stages

- LOI (Letter of Intent)
  - Purchase price
  - Due diligence requirements
  - Applicable deposit
  - Exclusivity period

- Due Diligence
- Purchase Agreement
- Transfer of Ownership

#### **What to Negotiate**

- Vesting Terms
- Liquidation Preferences
- Earnouts
- Exclusivity period

#### **Other Values to Consider**

- CAC
- LTV
- Revenue you're doing (MOM)
- Churn Rate (per product)
- Profit Margins (per product)
- Channels of Opportunity

## **What To Do Today**

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#### **Main Steps (homework)**

- Main more partnerships
- Stabilize the 'Brand'
- Diverse your Growth Channels
- Move away from the business
- Find your optimal price with [1Price.co](https://1Price.co)
  - [Book a call](#) & try first experiment for just \$1

## **2 Types of Acquisitions**

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*(to Company, to Private Equity)*



To Company

- Strategic

To Private Equity

- Rolls-up

To Growth PE

- 10M -> 100M e.g.

**Always Happy to Help** 🙌

Tag [@MattEspoz](#) from Community