LINK AUSTRALIA

# Market Update

Issue 20

## Structuring Smart Deals in 2025: How to Buy and Sell Right

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### Timing the Market: How to Decide If You Should Sell Before or After EOFY

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### Franchise vs. Independent Business: Making the Right Choice Before EOFY

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LINK™ we sell businesses

LINK Australia

## Recent business sales


**Hospitality**
BRISBANE
$450,000 + Stock


**Retail**
GOLD COAST
$275,000 + WIWO


**Services**
HOBART
$291,000


**Industrial Manufacturing**
MELBOURNE
$800,000


**Hospitality**
BRISBANE
$299,000


**Hospitality**
MELBOURNE
$399,000


**Services**
BRISBANE
$650,000 + WIWO


**Industrial Manufacturing**
SUNSHINE COAST
$285,000


**Hospitality**
SUNSHINE COAST
$285,000 + SAV


**Home / Garden**
MELBOURNE
$1,700,000

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# Structuring Smart Deals in 2025: How to Buy and Sell Right

Thinking about buying a business in 2025? While timing matters, success in business transactions isn't about perfectly timing the market—it's about smart preparation and strategic execution.

The market is full of opportunities—but only for those who know how to structure a smart deal. Australia's business sales landscape continues to evolve, presenting both challenges and rewards for buyers and sellers alike. Despite economic fluctuations, momentum remains strong. "There is a lot of activity," says Rebecca Ullman, Chief Executive Officer of LINK Business Sydney.

> "The market remains quite buoyant, and retirement continues to be one of the primary drivers for sellers."

**Selling a Business? Preparation is Everything**
If you're a business owner thinking about selling, preparation is key. The best deals don't happen by accident—they're carefully planned. Beyond just knowing when to sell, ensuring your business is financially prepared is critical.

**Here's How to Make Your Business Attractive to Buyers:**

- Have at least three years of financials ready.
- If relevant, review your lease. Favourable terms, remaining tenure and extension options is ideal.
- Maintain supplier contracts.
- Build a forward order book to show future earnings.
- Consult an accountant early to understand your personal tax implications.

"Make sure that you have your financials in order and that you're ready to answer any questions quickly," advises Ullman. And remember—structuring the deal to meet your broader personal and financial goals is just as important as the final sale price. "The money is clearly important, but it is not the only factor. There are literally hundreds of different ways to structure a deal, and the best dollar amount is not always the best outcome."

**Buying a Business? Set Realistic Expectations**
For prospective buyers, one thing is crucial to understand: there's no such thing as a perfect business at a bargain price. Highly profitable businesses that require little to no owner involvement are rare—and when they do come to market, they are at a price premium.

"It is essential that you use a lawyer who specialises in the buying and selling of businesses," Ullman emphasises.

**Timing the Market vs. Making Smart Moves**

Rather than focusing on whether it is a generically good or bad time to buy or sell, the key lies in understanding fair market value and strategic value. Economic factors like bank lending, interest rates, and consumer spending play a role, but working with trusted professional advisors and an experienced broker will ultimately determine success.

Working with experienced business brokers and advisors can significantly impact transaction success. Their professional guidance will help to:

- Navigate complex negotiations
- Structure deals advantageously
- Identify potential risks
- Ensure compliance with regulations

Whether you're buying or selling, the key is not to wait for perfect market conditions but to prepare thoroughly and move forward strategically when the opportunity aligns with your goals. In business transactions, as in business itself, success often favours the well-prepared.

# Timing the Market: How to Decide If You Should Sell Before or After EOFY

When considering a business exit, timing the sale of a business can be just as important as the decision to sell itself. One of the key questions that can arise is whether to finalise a sale before the end of the financial year (EOFY) or to wait until post-EOFY market conditions stabilise.

## Selling before EOFY

One of the primary advantages of selling before EOFY in Australia is financial clarity. At this stage, financial records are up to date, and prospective buyers can assess a full financial year's performance without ambiguity. This transparency can streamline negotiations and build buyer confidence, especially if the business has demonstrated strong financial results.

EOFY also presents opportunities for tax planning. Australian business owners should consider the impact of capital gains tax (CGT), potential small business tax concessions, and GST obligations when structuring a sale before the financial year closes. Utilising available tax concessions, such as the Small Business CGT concessions under the Australian Taxation Office (ATO) regulations, could provide significant financial benefits. For businesses with strong profitability, completing a sale before EOFY may also assist in managing tax obligations more effectively.

## Waiting until post-EOFY

On the other hand, waiting until post-EOFY can provide a strategic advantage by allowing time to assess market trends. The period immediately following EOFY often brings shifts in buyer activity, as investors and businesses evaluate their financial standing and adjust acquisition strategies. If market conditions are expected to improve, holding off on a sale could yield a better price and stronger deal terms. Another key benefit is the ability to refine financial performance and address any issues that may have impacted on profitability in the previous year. This extra time allows sellers to present stronger financials for the new fiscal year, potentially increasing valuation and buyer interest. It also provides an opportunity to align with evolving economic conditions, particularly if industry trends in Australia indicate a more favourable climate later in the year.

However, delaying a sale also comes with risks. Market volatility, interest rate shifts, and changes in buyer confidence can all impact demand. Additionally, any unforeseen downturn in business performance in the new financial year could weaken a company's valuation and bargaining position.

## Making the right decision

Ultimately, the decision to sell before or after EOFY depends on your business's unique circumstances and your strategic goals. Sellers who have well-prepared financials and seek tax advantages may benefit from closing before EOFY. Those who anticipate stronger market conditions or wish to improve financial performance may find post-EOFY to be the better option.

For business owners looking to exit, timing is everything. Whether before or after EOFY, a strategic approach, supported by expert broker services, will ensure the best possible outcome in the sale of a business.

# Franchise vs. Independent Business: Making the Right Choice Before EOFY

If you are looking to become a business owner of either a franchise or an independent business, the time to act is now. Make sure you are prepared to make an informed decision as this will have implications that extend beyond daily operations to tax planning, financial positioning, and long-term growth potential.

**Financial Structure and Initial Investment**
A franchise offers a structured business model with an established brand, operational framework, and ongoing support. However, it also comes with upfront franchise fees, royalty payments, and restrictions on operations. Independent businesses, on the other hand, provide greater flexibility but require a more hands-on approach to branding, marketing, and strategy. The financial considerations differ significantly, and you must assess whether you prefer the stability of a franchise or the autonomy of an independent venture.

**Tax Implications and EOFY Planning**
With the financial year-end fast approaching, tax positioning is a crucial factor for you to consider. Acquiring a franchise may provide clear financial reporting systems that facilitate streamlined tax preparation and compliance. Many franchises offer structured financial documentation, making it easier to track expenses and claim deductions. Independent businesses, while offering greater control over financial decisions, may require more intricate tax planning. As a buyer, you should evaluate available deductions, potential asset write-offs, and depreciation schedules before making a purchase. Engaging with financial advisors to understand tax efficiencies can help position the acquisition advantageously ahead of EOFY.

**Operational Control and Strategic Growth**
Franchises operate within defined parameters set by the franchisor, which can provide a proven path to success but may limit innovation and flexibility. Buyers seeking an established system with comprehensive support may find a franchise appealing, particularly if they are new to business ownership. In contrast, independent businesses allow owners to shape their strategies, marketing efforts, and operational processes without external oversight. While this level of control can be advantageous, it also demands a strong entrepreneurial mindset and the ability to adapt to market changes.

The long-term value of a business is a key consideration.

**Making the Right Choice Before EOFY**
As you evaluate opportunities before the end of the financial year, it is imperative to consider both short-term financial benefits and long-term business viability. Franchise acquisitions may offer structured support and brand recognition, but they come with ongoing costs and operational constraints. Independent businesses provide greater freedom but require a strong strategic approach to growth and financial management.

## The numbers just keep getting **better and better**

**$2b+**
of businesses listed on our global websites

**250+**
businesses sold globally per month (avg)

**3,000+**
businesses for sale internationally

**73%**
of buyers think about buying a business for up to three years

**79%**
of buyer prefer an established business