

REASON FOR VALUATION QUALITY OF EARNINGS REPORTS

Understand whether the earnings are real – and whether they will hold up after the deal.

Why QoE matters

In any transaction, the earnings figure is the number that drives the valuation. But reported earnings are not always a reliable guide to what a business will actually generate under new ownership. A Quality of Earnings report looks beyond the headline numbers to assess whether the profits are sustainable, recurring, and free from distortion.

What QoE uncovers

A rigorous QoE analysis separates the signal from the noise. It identifies one-off items, accounting adjustments, and revenue recognition practices that inflate or distort the reported earnings figure. It gives buyers, investors, and lenders a clear view of the normalised, maintainable earnings that should form the basis of any valuation.

- Identification and adjustment of non-recurring, exceptional, or owner-related items
- Revenue recognition review to assess timing and sustainability of reported income
- Working capital normalisation and cash conversion analysis
- EBITDA bridge from reported to adjusted and maintainable earnings
- Customer, contract, and pipeline analysis to validate forward-looking projections

It comes down to whether you have quality earnings. Beyond that, the question is whether you are serving a real need that people are prepared to pay for. That is at the core of every business valuation.



How bizval helps

We provide Quality of Earnings reports that give deal teams, investors, and lenders the analytical foundation they need to price risk and negotiate with confidence. Our QoE work is conducted by experienced valuation and finance professionals who understand both the accounting and the commercial context.

- Buy-side and sell-side QoE reports for M&A transactions of all sizes
- Integration with independent business valuation for a comprehensive deal assessment
- Sector-specific analysis across technology, professional services, industrials, healthcare, and more
- Fast, professionally presented outputs aligned to deal timelines

Ready to get started?

Visit bizvalglobal.com or contact our team for a discovery call.



INDEPENDENT DEFENSIBLE BUSINESS VALUATIONS

Backed by data, human-led and supporting real world decisions