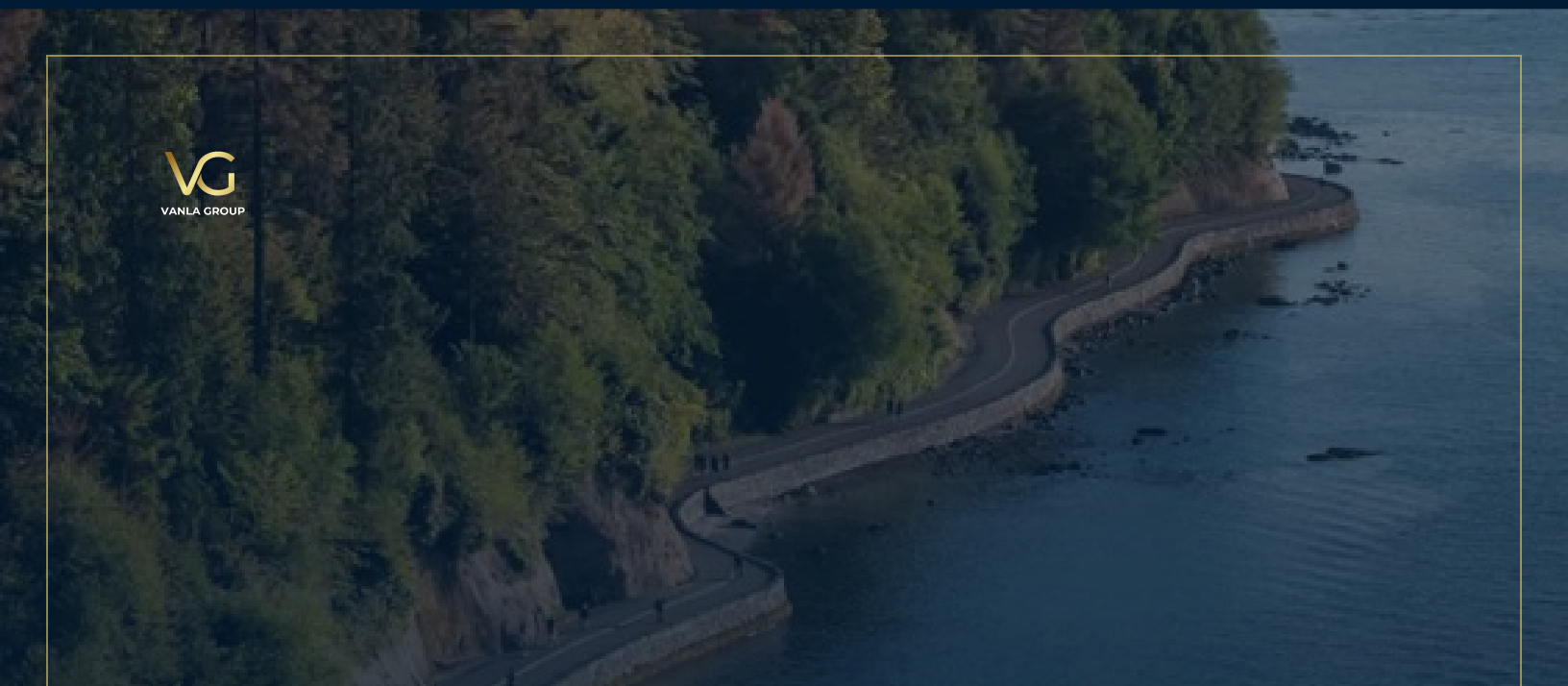


VANLA GROUP

2026 Buyer Criteria Report

We analyzed the stated acquisition criteria of the buyers in our network. This report shows what they target, what they pay for, and why they pass.

For owners of companies doing $1M or more in revenue

Prepared by the Vanla Group team from transactions we have advised on. General guidance, not legal or tax advice.

This report is built from the acquisition criteria that buyers in our network have stated to us: the industries they target, the earnings they look for, the structures they prefer and the reasons they pass. Our network holds 8,100+ buyers. Every buyer we count has stated at least one concrete criterion, and this report is built from those. Where buyers have not stated a preference, we say so rather than guess. Numbers are counts of stated criteria as of the start of October 2026, rounded.

Who is buying in 2026

The buyers who tell us what they want fall into five groups. Private equity firms and the platform companies they already own are the largest and the most specific about criteria. Strategic acquirers (operating companies buying competitors or adjacent businesses) are the second group and the most likely to pay for synergies. Family offices and holding companies buy to hold, usually with less debt and longer horizons. Search funds and independent sponsors are individuals or small teams raising capital deal by deal. Experienced individual buyers round it out, typically at the smaller end of our range.

Two patterns matter for an owner. First, roughly one in five buyers who state a focus describe themselves as generalists: industry agnostic, driven by earnings quality and management depth rather than sector. Second, add on acquisitions (a platform company buying a smaller business in the same space) are now about as common in stated criteria as platform purchases. For an owner of a company doing $1M or more in revenue, that is where much of the demand sits: a buyer who already owns a business like yours and wants another one.

What they target: industries

Of buyers who name a sector, the largest groups by family are:

Sector family	Buyers naming it	What they usually say they want
Industrial and manufacturing	About 4,100	Niche manufacturing, industrial services, distribution, transportation and logistics, energy services
Technology	About 2,400	Software and SaaS, tech enabled services, IT services, data
Business services	About 2,100	B2B services, marketing, staffing, training, professional services
Healthcare	About 1,850	Healthcare services, home health and hospice, medtech, healthcare IT
Consumer	About 1,700	Food and beverage, consumer products, consumer services, hospitality
Field and home services	About 1,400	HVAC, plumbing, electrical, construction and building products, facilities
Financial services	About 700	Insurance, accounting, fintech, wealth management

Buyers name more than one family, so the columns overlap. The single most named sectors are manufacturing, software, business services, general industrials, healthcare services, transportation and logistics, and distribution and wholesale. Field and home services is smaller in raw count but has grown fastest in the last two years of our data, driven by platform companies buying trade businesses in regional clusters.

What they target: size

Buyers describe size in earnings, usually EBITDA, far more often than in revenue. Of the roughly 1,700 buyers who state an EBITDA floor:

Minimum EBITDA stated	Share of those stating a floor
Under $500K	About 7%
$500K to $1M	About 25%
$1M to $2M	About 14%
$2M to $5M	About 33%
$5M and above	About 21%

Read that table from an owner's side. A business earning $750K of EBITDA clears the floor for roughly a third of the buyers who state one. At $1M of EBITDA it clears the floor for close to half. At $2M it clears the floor for about four in five. Earnings, not revenue, decide how wide your buyer pool

is, which is why the earnings adjustments buyers accept matter so much (our valuation guide covers them).

Upper limits are stated less often. Where they are, they cluster between $10M and $25M of EBITDA, so a company doing $1M or more in revenue rarely hits a buyer's ceiling. The floor is the limit that matters.

Structures they prefer

Among buyers who state a deal type, control transactions dominate: majority, full buyout and control acquisition together account for the largest share of stated preferences. Minority and growth investments appear about a quarter as often. Recapitalizations, where an owner sells a majority stake and keeps 20 to 40% for a second transaction, are stated by a meaningful minority and are the structure most often offered by private equity to an owner who wants to stay involved.

What this means in practice: an owner who wants a clean exit has the deepest pool. An owner who wants to sell part of the business and keep running it has fewer buyers, but those buyers are specific about it and tend to move quickly when the fit is right. The structure you want should be decided before going to market, because it changes who we approach.

Geography

Most buyers in our network state the United States or North America as a whole. Canada is named by a substantial group, which reflects our closed transactions on both sides of the border. Regional preferences (West Coast, East Coast, Midwest, Texas) are stated by a smaller set, usually platform companies adding businesses near their existing operations. For a company in the lower middle market, buyer location matters less than most owners expect: a buyer in Chicago will fly to Dallas for the right business. It matters more for add on acquisitions, where route density or service territory is part of the thesis.

Why they pass

The reasons buyers give for passing repeat across hundreds of stated criteria. In rough order of how often they appear:

1. **Owner dependence.** The owner is the sales function, the key relationships or the technical knowledge, and there is no second layer of management. Buyers price this as risk or walk away.
2. **Customer concentration.** One or two customers carry a large share of revenue. Many buyers state a hard limit, often that no single customer should exceed 15 to 25% of revenue.
3. **Earnings that cannot be verified.** Cash sales, personal expenses in the business, or books that do not reconcile. Buyers do not pay for earnings they cannot prove in diligence.

4. **Declining or lumpy revenue.** Project based revenue with no backlog, or a downward trend without a clear reason, narrows the pool sharply.
5. **Turnarounds and startups.** Most buyers in our network state that they do not buy distressed businesses or pre profit companies. A small group specializes in exactly that.
6. **Service businesses without recurring revenue.** Some buyers avoid service businesses altogether; others want them only with contracts, service agreements or retainers in place.

None of these is permanent. Each one is something an owner can change in 6 to 24 months, and each one changes both the size of the buyer pool and the price the remaining buyers will pay.

How we use this

Before a business goes to market, we match it against stated criteria to see how many buyers in the network fit on sector, size, structure and geography. That count, and the list behind it, shapes the process: who is approached first, how the business is positioned, and which buyers are likely to compete. The business is also listed on the major business for sale marketplaces, because some of the best buyers for a given company are not yet in anyone's network. Several qualified offers produce a different number than one, and the matching is how we get to several.

What to do next

See how many buyers in our network fit a business like yours, with a price range and closed deals near your size. About a minute.

Get your Exit Readout

The team behind this guide

Vanla Group is an M&A advisory firm and business brokerage for owners selling companies. We are paid a success fee at closing, with no retainer and no upfront fees.



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HR and PR Director



Nik Avendano
Operations Director

$182M+
Closed, US and Canada

8,100+
Buyers in our network

6 to 9
Months to close, typical

Questions about your own business? An advisor will talk them through with you.