



MICRO-PLAYBOOK

The First-Look Buyer Playbook

Eight blocks for deciding where to investigate before an LOI.

LANGUAGE

EN

STATUS

RELEASE CANDIDATE

EVIDENCE CUTOFF

24 September 2026

REFERENCE

B03

The First-Look Buyer Playbook

Purpose

Before full diligence, buyers need to decide where to spend time. First-look analysis does not prove the company. It selects a working state: **PASS** , **INVESTIGATE** , **PROGRESS** .

These are workflow labels, not DealPME investment recommendations.

Block 1 — Market

What demand does the business serve? Growth alone is not enough: competition, barriers, substitution, regulation, cyclicalities and pricing power matter.

Block 2 — Growth

Separate volume, price, acquisition, FX and one-offs. Ask whether growth requires additional working capital or CAPEX.

Block 3 — Customers

Top 10, concentration, churn, contracts, owner dependence, renewal, customer credit and receivable quality.

Block 4 — Profitability

Reconcile presented EBITDA to accounts and management data. Identify unusual items, owner pay, related expenses, subsidies and costs that return after acquisition.

Block 5 — Cash

Strong accounting margins can coexist with weak cash conversion. Review working capital, inventory, receivables, suppliers, tax/social liabilities, CAPEX and debt.

Block 6 — Owner dependency

Who sells, negotiates, recruits, signs, manages banks and holds critical know-how? Dependency may be manageable if a credible transition exists.

Block 7 — Team

Who actually leads? Turnover? Critical roles? Compensation? Second line? Change-of-control retention risks?

Block 8 — Structural risks

Title/ownership, licences, disputes, tax, environment, cyber/IT, safety, fraud, related parties, debt, guarantees and change of control.

First-Look Screening Sheet

Block	What we know	What is missing	Potential impact	State
Market				PASS/INVESTIGATE/ PROGRESS
Growth				
Customers				
Profitability				
Cash				
Owner				
Team				
Risks				

Using the three states

PASS — a fact conflicts with the thesis or the risk does not justify further work.

INVESTIGATE — the target may fit, but a material question should be resolved before LOI.

PROGRESS — available information supports the next step without prejudging diligence.

Anti-bias rule

Every state requires a reason and evidence. “I like the sector” or “the founder impressed me” is not enough unless converted into testable facts.

DealPME

First-look work may use permitted teaser/T1 information and later documents only as NDA/permissions allow. It must never bypass T0/T1/T2 or ask AI to use sources the user cannot access.

Prepare the first management meeting

Turn screening gaps into questions: why did margin move, which customers declined, what CAPEX was deferred, who controls pricing, why did inventory rise, which functions depend on the owner?

Each question should have a hypothesis and expected evidence. Avoid long generic lists that change no decision.

Identify specialist diligence early

First look should flag where expertise is required: complex tax, environmental, IP, cyber, technical, pensions, litigation, real estate or sector regulation. Do not pretend to cover specialist risk superficially with a standard questionnaire.

The role of price at first look

An early range can help decide whether the opportunity merits time, but should not hide gaps. Indicative price remains revisable after earnings normalisation, debt/cash, working capital and material risks.

Mini-FAQ

How much information is enough before LOI? Enough to understand perimeter, economics, major risks and price assumptions—not necessarily all confirmatory diligence.

Does PROGRESS mean buy? No. It only means the next investigation step appears worth its cost.

Working tool — First Look Screening Sheet

Print or complete this table during the process. Blank fields are intentional and should be completed using deal-specific evidence or decisions.

Block	What we know	Missing	Potential impact	Evidence	State	Reason
Market					PASS / INVESTIGATE / PROGRESS	
Growth						
Customers						
Profitability						
Cash						
Owner dependency						
Team						
Structural risks						

Sources, methodology and limitations

The sources below support the rules, methods or context used in this playbook. They do not turn the document into transaction-specific legal, tax, financing, valuation or investment advice.

DealPME governed product baseline - Core Build Pack and P04-P25 process reference

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Use: Product rules for disclosure, qualification, VDR, diligence, closing, Deal-Ready, partner boundaries and human decision ownership.

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