



MICRO-PLAYBOOK

The Seller Deal Terms Playbook

Compare the economics and risk of an offer, not only its headline price.

LANGUAGE

EN

STATUS

RELEASE CANDIDATE

EVIDENCE CUTOFF

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REFERENCE

S04

The Seller Deal Terms Playbook

An offer is not one number

Two offers with the same headline price can create very different outcomes if one pays all cash at close while the other depends on an earn-out, future financing, extensive seller protection or a mandatory post-close role.

Compare **economics, certainty, conditions, risk and future role**. This playbook does not choose an offer for the seller.

1. Cash at close

What amount is payable once closing conditions are met? In which currency, through which bank, and after which debt or adjustment items?

2. Deferred consideration

Deferred price creates buyer credit risk. Understand maturity, interest, security, ranking, default events and future payment capacity.

3. Earn-out

Earn-outs can bridge valuation views but create governance risk: **who controls the decisions that determine the metric?** EBITDA/revenue definitions, accounting policies, CAPEX, transfer pricing, management and information rights matter.

4. Seller financing

Seller finance can enable the structure while extending exposure. Amount, interest, maturity, security, subordination, covenants and acceleration need professional treatment.

5. Net debt and working capital

Enterprise-value offers may be adjusted for debt/cash and working-capital levels. Without clear definitions, the agreed headline price may move materially at completion.

6. Warranties, indemnities and escrow

A higher offer may transfer more post-close risk to the seller through warranties, holdbacks, partner escrow, caps/baskets or specific indemnities. Compare risk, not only the front-page figure.

7. Exclusivity

Exclusivity protects a buyer investing in diligence but removes seller options. Scope, duration, obligations, exceptions and termination consequences should be explicit.

8. Post-close role

Transition, consultancy, temporary management, rollover equity or non-compete obligations can materially change personal economics. They are not footnotes.

Offer Comparison Grid

Dimension	Offer A	Offer B	Question
Headline price			same basis?
Cash at close			certain amount?
Deferred			credit risk?
Earn-out			controllable metric?
Financing condition			committed funds?
Net debt/WC			definitions?
Warranties/indemnities			maximum exposure?
Exclusivity			term / exit?
Seller role			duration / authority?
Closing probability			critical conditions?

Discipline rule

Do not collapse all criteria into one score that hides risk. Sellers may rationally prioritise certainty, price, speed or continuity differently. The grid makes trade-offs visible; it does not declare a winner.

Questions for counsel

Which LOI clauses are binding? How is final price calculated? Which conditions depend on the buyer? What price remains at risk after close? What remedies exist for non-payment? Which warranties survive and for how long?

DealPME

P14 can structure offer/counteroffer/LOI and factual comparison; P15 handles diligence issues; P16 records completion status. The parties accept or reject. DealPME does not recommend a winning offer.

Closing certainty is a separate dimension

Add a **CERTAINTY** column covering financing conditions, approvals, regulatory matters where relevant, remaining diligence, co-investor dependency, timetable and CPs. A lower offer may be more certain; that does not make it universally “better”.

Price bridge

Bridge headline enterprise value to seller net cash: debt pay-off, cash, working capital, fees, relevant taxes, deferred consideration, partner escrow and earn-out. Without a bridge, two offers are not truly comparable.

Negotiation log

For every changed term record old version, new version, rationale, economic effect, owner, counsel review and date. This prevents concessions across different documents from accumulating without an overall view.

Mini-FAQ

Should every earn-out be rejected? No. It can bridge value differences but needs precise definitions and protections.

Is the highest price always preferable? The playbook does not decide. Compare certainty, timing, post-close risk and personal objectives as well as price.

Working tool — Offer Comparison Grid

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

Dimension	Offer A	Offer B	Evidence / definition	Seller priority
Headline price				
Cash at close				
Deferred consideration				
Earn-out				
Financing condition				
Net debt / working capital				
Warranties / indemnities				
Exclusivity				
Seller role				

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

Publisher: DealPME · Tier: Governed internal source

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

Source interne gouvernée / Governed internal source