2026 State of the Industry Report

A Snapshot of the M&A Landscape

Introductions - Thoughts on the Market

We are back!

It has been roughly two years since our last industry report was published, and for the end of 2025 we decided to put together a brand new report for 2026.

After all, the M&A landscape has radically changed over the last few years when it comes to digital assets like what we sell at Empire Flippers. The last few years have seen dramatic changes across the profile of buyers that exist, how buyers buy, and what buyers are starting to show far more interest in acquiring.

This report will be useful for you whether you're considering an exit, or considering an acquisition. Knowing how deals are getting done will prepare you on either side of the M&A aisle, which is always our goal to equip you with the proper expectations to get transactions over the finish line.

The marketplace is starting to see stabilization after a rough few years of mass instability.

Just a taste of what the industry went through:

1. Massive failures of the Amazon FBA aggregators
2. Amazon FBA acquisitions go through a cool off period as the bubble bursts
3. Affiliate sites as a whole get deeply wounded by the advent of searchers moving to LLMs for their queries, or queries becoming zero click within search engines.
4. Google's algorithm becomes so unreliable that even Hubspot, long seen as one of the best in class for SEO, loses millions in monthly visitors.
5. AI adoption starts becoming widespread, and new sub industries of SEO start popping up to get brands to show up within LLMs with mixed success - albeit the traffic is nowhere close to where SEO was but conversions tend to be higher.
6. Global logistics shake up as tariff wars go on and off, then back on… then maybe off? Slows down ecommerce purchases in general as new uncertainty is injected into the market.

7. Layoffs across the tech sector as employees are replaced by AI, then those same companies rehiring people for going too hard on AI that wasn't ready for show time, to now employees augmenting themselves with AI rather than full on replacement.
8. Companies become much more conservative as interest rates spike and capital becomes tighter and harder for founders to obtain.

Now, a lot of the above sounds like a whole bunch of doom and gloom.

We're not going to lie to you, the last few years are filled with multiple struggle inflection points. However, often in such chaos comes much in the way of opportunities. Part of all the above is what is informing us more and more about the changing nature of the buyer profile.

The Business Buyer Profile has Changed

The modern business acquirer is more conservative, is using more deal structure strategies to mitigate their personal capital, and is seeking to acquire businesses that are what I call "full funnel".

Full funnel is a concept I coined where the business owner can in theory control every or almost every aspect of the business. This higher focus on full funnel is part of why there is less interest in Amazon FBA (though as you'll see, there are plenty of acquisition and exit opportunities here still), and businesses that are built on the back of a traditional content site. After all, the business owner has no real say in what Amazon policy comes out, and they also have no real say in how Google decides to wreck their own algorithm into a confusing mess.

This means certain business models are more in the limelight today than they were in years past - specifically DTC ecommerce stores hosted on their own website, and marketing agencies as far as digital-first businesses go.

Both of these business models provide the full funnel effect. In many ways they're not as easy to run, but ultimately offer more leverage for the savvy business owner.

SaaS is always a darling when it comes to such discussions, so SaaS remains popular among business buyers. However, there is a new and quite scary caveat to the SaaS world that will likely continue to become a bigger threat to the high valuations of software companies.

It is the exact same threat that hit content sites so hard… artificial intelligence.

While AI wounded the content site model deeply where content became an easy to produce commodity, AI is now also coming for the major moat that SaaS could boast about - the difficulty in creating the software itself. SaaS is often the dream business for many people in this space, it provides monthly recurring revenue, high margins, and software is inherently difficult to make that requires talented developers and coders to launch.

In the age of AI… this is fast becoming no longer a barrier for people.

People are using tools like Cursor, Lovable, or straight up Claude to code up and launch full fledged software. Larger companies have churned from big enterprise software contracts in favor of just creating their own version of the software in house for far cheaper with more customization for their specific needs.

For the first time in a long while, SaaS as a gold-standard business model might be facing a serious challenge. It is unlikely SaaS is truly going anywhere, but the valuations on the smaller scale SaaS likely will fall if this trend continues. For larger SaaS companies, they will need to embrace AI in a meaningful way to continue to stay relevant and the market may fracture as a thousand little competitors pop up thanks to increased commodification of coding skills.

Coding is still a moat, it's just less of one and likely will continue to go that way as these tools become more sophisticated.

As some M&A deals get threatened by the rise of AI, it is also important to realize that financing has gotten more difficult. Loans have higher rates, harder to qualify, and just in general are taking much longer to get done even when they are approved. Overall, buyers want to use less capital and they are far more hesitant on paying for anything that has an above average valuation.

More than ever, sellers need to likely go back to accepting the "normal" valuations for businesses. Just a few short years ago, we sold some Amazon FBA businesses at a similar multiple that a SaaS could command.

This is no longer the reality, as that bubble has bursted.

In general, for any digital business, you will be looking at selling the business 2x to 5x your annual SDE or EBITDA. Anything above 3x or 3.5x, you will need to justify why you are worth that much to the buyer. If you attempt to go above 4x, you are in extraordinary territory for most businesses and thus you need to be equipped with explaining why your business *is extraordinary.*

We've sold businesses all throughout this range even during this turbulent time, so it can be done. You just need to make the case for it. If you want help to make that case and believe you truly do have an extraordinary business, then reach out to us and let's work together.

An Overheated and Also Recovering Landscape

Some parting thoughts before we dig into all of our data… the M&A landscape is at once recovering and also overheated.

The overheating is in the AI bubble, right now AI companies are getting tremendous valuations for very little proven product market fit. They have many customers using their products, but very few of them are making any profit. On the smaller end, many of these AI companies are just API wrappers, which can be okay as an acquisition if there is a real moat, but likely should not be at similar valuations as true SaaS tools that are not wrappers.

The AI bubble likely will pop or start to deflate in 2026 or 2027, as all of the same red flags that existed in the Amazon FBA world during the era of the aggregators are there. Perhaps, even *more red flags.*

For my friends building AI software, my recommendation for you is twofold:

1. Raise an obscene amount of money so you can keep adapting fast and not become obsolete as this is a very fast moving space.
2. Get to a healthy product market fit with great margins, and **sell the business.**

These are the two “safest” paths for my friends building AI businesses.

For everyone else, you should embrace AI as it can lead to massive unlocks in terms of your own profitability which will greatly raise your valuation. The benefit of building a business in the era of AI is truly if *you are not an AI business yourself*. Unlike people who run an AI business, you have the benefit of simply switching to the next best AI that comes out to keep seeing more and more benefits.

As far as the recovering landscape, that is more general across the M&A world.

While times still have much uncertainty, that uncertainty is becoming less as the new reality of the market stabilizes. Uncertainty is the greatest killer of deals, as investors find it hard to acquire when the future is so obscured to them.

Several of our core metrics in 2025 were down versus 2024, but the key and arguably most important metric actually went up - *our transaction volume*.

In 2025 we did $45.6 million worth of transactions versus the $38.3 million in 2024.

Part of this is attributed to our new leadership at Empire Flippers and reworking our teams to succeed in a more challenging environment, but a part of this is also at the macro level as buyers come back to the deal table and complete acquisitions.

Overall, there is still no better way in my view to make truly life changing wealth than buying or selling a business. Many challenges still exist, and likely more will undoubtedly come in 2026, but I remain optimistic in the M&A landscape and believe 2026 will be an even bigger year for not just us, but the industry as a whole.

Let’s look at some actual data about what went down in 2025.

-Greg Elfrink
Director of Marketing
EmpireFlippers.com

P.S Keep reading the report to the very end. I am going to share something special for you that will help you make an extra six-figures in 2026 ***even if you never sell or buy a business with us.***

Marketplace Overview

Unlike other M&A advisors, we can put together a report that reflects a microcosm of the industry as a whole due to our large amount of in-house data we have on deals.

Empire Flippers is often called an M&A marketplace, even by us, but we are in reality M&A intermediaries. Except for our new cobroker program, every deal you see on our marketplace has representation by our team to help facilitate the deal.

This gives us access to a lot of proprietary data about what is actually transpiring in the industry.

Now, let's share some of that data with you.

Marketplace Highlights:

Metric	2024	2025	Difference
Transaction Volume	$38,357,422.57	$45,614,086.53 2024	+18.9%
Deal Volume	141	161	+17.7%
Average Business Age	6.4 years	5.7 years	-12.2%
Average Listing Price	$344,087	$310,037	-9.9%
Average Listing Multiple	32.38x	28.69x	-11.4%
Average Sale Price	$272,038.46	$270,802.75	-0.5%
Sales Multiple (Monthly)	26.60x	23.93x	-10.1%
Average Days on Market	109.5 days	101.8 days	-7%
Seller Submissions	8,109	8,540	+5.31%
New Marketplace	400	490	+22.5%

Listings			
Total NDAs Signed	35,543	34,094	-4.08%
New to Marketplace Buyers	2,028	2,208	+8.88%
Average NDAs per Listing	97.5	77.7	-20.4%

As you can see, there's quite a bit of red going on here.

It is no great secret that the M&A industry is seeing valuations normalize. Traditionally, the vast majority of small businesses are valued between 1x to 4x of annual SDE or EBITDA whether they're an online business or a main street business. During 2020 and 2023, this was not the case at least for digitally native businesses. A huge swathe of private equity, family offices, and other high networth individuals or strategics came in and started acquiring these businesses en masse.

Most digital businesses in 2016-2019 were actually *undervalued* compared to main street businesses. It was towards the latter half of 2019 where multiples started going up for these businesses to reach parity with main street businesses. Valuations went into hyperdrive in 2020 as private equity entered the market in a variety of ways at scale. A big part of this was driven by mainstreet being shut down during COVID, and thus this investment money sought yield in alternative assets.

Now that the buying frenzy is largely over, we're seeing multiples and sales prices come down.

This is not really a crash in value though, **but a return to normalcy.**

2025 Overview Breakdown by Deal Size Segment:

Here is a snapshot of how multiples and sales prices played out by deal size. As you can see, as the business gets bigger so too does the average multiple increase:

Segment	Count	% of Total	Avg Sale Price	Avg Multiple
Under $300K	129	77.7%	$91,098	22.42x
$300K - $1M	26	15.7%	$406,202	26.69x
Over $1M	11	6.6%	$2,058,217	35.09x

Despite the buying frenzy being over, there is clearly a return of buyer interest overall in 2025 versus 2024. We saw more buyers sign up for our platform in 2025 than in 2024, even though we did less in signed NDAs. This tracks with the changing buyer profile we mentioned earlier in that buyers are much more selective in this climate versus in years past.

They're not looking to sign an NDA and do due diligence on businesses at scale, but really want to dive deep on what is the closest business to their personal buy box.

Speaking of that, let's look a little closer at what made up our actual seller submissions for the year.

Overview of Businesses for Sale:

Metric	2024	2025	Difference
Seller Submissions	8,109	8,540	+5.32%
$1m+ Submissions	1,067	799	-25.14%
$300k-$1m Submissions	1,193	1,212	+1.59%
Sub $300k Submissions	5,849	6,529	+11.63%
Pass Initial Vetting	689	843	+22.36%
$1m+	321	164	-48.91%
$300k-$1m	220	270	+22.73%
Sub $300k	321	409	+27.41%
New Listings	400	490	+22.5%
$1m+	48	71	+47.92%
$300k-$1m	110	126	+14.55%
Sub $300k	239	288	+20.50%

There are hundreds of seller submissions to our brokerage every single week.

These entrepreneurs enter our vetting process where we start digging into the business to make sure it is a good fit for our marketplace. The vast majority of businesses that get submitted to us are rejected before we ever get to the valuation stage.

This is for a myriad of reasons, but the umbrella reason is that they are just not a fit for us.

Everything you see in the “Pass Initial Vetting” are businesses that survived the first round of our vetting team looking at a business submitted to us, and is the more important number for us to look at overall.

The biggest outlier is a steep drop of 7-figure businesses, both in general submissions but also our initial vetting. It is hard to pinpoint the exact reason as to why, but a general hesitancy on the seller's parts is likely.

Sellers looking to cash out and take chips off the table by selling their business tend to be entrepreneurs with businesses valued at less than $1 million. The numbers play into this as our numbers actually grew significantly in the sub $1 million range in 2025 versus 2024. On the other side of the coin though are sellers with 7-figure businesses who are hesitant to sell during a time when they rightly see sales multiples are lower versus the past.

Many of these 7-figure sellers want to hold onto their business, thinking that if they hold out then they might get a much bigger multiple for their business like in the 2020-2022 era of acquisitions. This is a false expectation, as it is highly unlikely that market conditions will ever again match 2020-2022 in the perfect cocktail to drive up digital business multiples dramatically.

In order for a repeat to happen, we'd need to see several black swan events all working together in unison to create the unnatural sales multiples we saw during that time.

Expectations from 7-figure sellers have yet to adjust completely to the new normal, which is really us returning to the pre-COVID sales multiples. Over time, this will change. Our prediction in 2026 is we will see a bump in 7-figure listings hitting our marketplace, and an even more significant bump in 2027 as sellers adjust their own valuation expectations back to the reality of the market.

Despite expectations likely playing a role in lower 7-figure seller submissions, we actually did a much better job in 2025 of getting 7-figure businesses from our vetting process and listed on the marketplace for sale.

We had a staggering 47.92% increase in 7-figure deals on our marketplace.

A big part of this is thanks to our restructuring to make the process easier, more bespoke and spending more time working with these sellers on the front-end to properly prepare them for the realities of the market.

Another aspect of this is our new cobroker program we silently launched in 2025.

This program has led to many high profile deals coming onto our marketplace. We'll discuss it more and how you can possibly make money with it towards the end of this report.

As you can see, despite a challenging couple of years in the M&A world, we have effectively grown the amount of profitable deal flow on our marketplace considerably in 2025 versus 2024. Between our process changes and investing heavily into technology, making us one of the leading M&A tech platforms in the industry, this is likely to continue to show growth in 2026.

Anatomy of a Business Exit

I first started these industry reports all those years ago due to my frustration from other industry reports. Every industry report in 2016-2017 that I saw our competitors create never included anything about actual sales price or really any information about the actual deal structures of the businesses that got sold.

The reason?

They didn't have any data. They didn't do enough deals to use their own data.

No one transacts as much volume as us and also has the data end-to-end. It is a big part why many industry reports fell to the wayside when I wrote our first one.

I've always thought… Why even read one of these reports if you don't get to *see anything?*

Listing Multiple Quick Facts

Business Quality	Average Listing Multiple (Monthly)
7-Figure Premium Business	41x
Premium Business	31.1x
Typical Business	27.8x
Distressed Business	13.7x

As you can see, the averages across our four main categories all fall within the 1-5x annual SDE/EBITDA range. Keep in mind these are averages, and some businesses will sell far above their average by the very nature of those businesses *being above average.*

The majority of businesses will be closer to the typical range, but businesses that have substantial moats, deep entrenched marketshare, and other high quality factors can still get a great multiple in 2026 and onwards.

This goes back to what I said earlier.

If you want to sell your business for an above average multiple, you must be able to articulate *why your business is above average.*

On the other hand, if you have a distressed business that is showing decline in profits, you better be flexible and have lower expectations. Acquirers are looking for positive cashflow that is stable above all else in this environment. They don't tend to look for businesses that are exploding up and to the right, as while that can be great… it can also signal an unsure future of where that business is going to eventually level out at.

Buyers are more risk adverse in 2025, so long-term stability is the name of the game.

In fact, one of our bigger deals in 2025 proved this out.

We sold a $7 million+ Amazon FBA business that was listed on our marketplace for just 19 days, trademarked, got 20 NDAs during that period and ended up selling for a 42x sales multiple - *slightly above our average 7-figure premium multiple but significantly faster in terms of days on market.*

Considering the average deal is taking 101 days to get done, you can bet this seller was over the moon with the deal we were able to get.

Speaking of trademarks…

How Much Value Do Trademarks Add?

Acquirers are looking for businesses with moats.

There are plenty of ways to get a moat around what you do, but one of the most common ways from an intellectual property standpoint is having a trademark.

Trademarks have always added value to a business exit, but this is true even more in 2025 than before. During the buyer frenzy of the early 20s, buyers were more concerned about getting as many deals under their portfolio as possible versus the actual defensibility of a business.

This is no longer true, and trademarked businesses are back in fashion as they deserve to be.

Here are the differences in average list prices for businesses with and without trademarks:

Year	% Deals with Trademark	Avg Price WITH TM	Avg Price WITHOUT TM	Premium

2024	35.5%	$361,104	$223,101	+61.9%
2025	42.8%	$361,493	$203,024	+78.1%

Trademarks can add *significant value* to your valuation.

You do need to take this data with a grain of salt though, as this is looking at *all businesses on our marketplace with and without a trademark.*

The businesses that have the most amount of trademarks on our marketplace are ecommerce businesses, such as Amazon FBA businesses. Businesses like content sites are very unlikely to have any kind of trademark or real intellectual property - though it can happen.

All things being equal, *you will get paid more if your business has a trademark.*

Now, let's look at ecommerce specific data on trademarks.

Year	% Deals with Trademark	Avg Price WITH TM	Avg Price WITHOUT TM	Premium
2024	74.6%	$374,968.57	$256,161.56	38.89%
2025	75.5%	$269,987.02	$122,852.43	108.51%

Again, take this with a grain of salt.

Even in our ecommerce data it shows that businesses with a trademark vastly outperform in terms of their final sales price versus those without a trademark. Both in 2024 and 2025 we see the majority of our ecommerce deals having trademarks.

The ecommerce businesses without them tend to be dropshipping or smaller by their very nature where getting a trademark may not even be on their radar or considered a worthwhile investment. Smaller businesses as a general rule of thumb will obviously sell for less than bigger businesses. Trademarks themselves can sometimes be seen as something you do later, after you've scaled your business and proven out more of your product market fit.

As buyers look towards defensibility in the businesses they acquire though, it is without a doubt true that having a trademark *will add to your final sales price.*

How Long Does It Take to Sell a Business?

Selling a business can be a complex, intimate and lengthy process.

Average days on market have gone up from the 2020-22 era, but in 2025 we saw the first real improvement in terms of selling businesses faster than the previous year.

A big mistake that entrepreneurs make when going to sell their business is that they *stop running their business.* This leads to all kinds of issues that can crop up. Remember, just because you have listed your business for sale with an intermediary like us doesn't mean the business is sold.

It is always better to view selling your business like getting a second part-time job. If you're selling the business privately, you will be working a ton of extra hours every single week between marketing, buyer-seller calls, negotiations and due diligence tasks the buyers request of you. You can significantly cut down on this time and likely get more money in your pocket when you use an M&A adviser like us, as we take care of the heavy lifting on your behalf.

While we do take a lot of the work off your hands so you can focus on running your business, it is still important to realize you will need to dedicate extra hours to the process to get the best possible exit for your business.

Here is the average days on market between 2024 and 2025:

Metric	2024	2025	YoY Change
Avg Days on Market	109.5	101.8	-7.0%
Avg Business Age	6.4 years	5.7 years	-12.2%
Avg Total NDAs	97.5	77.7	-20.4%

Good quality businesses that are priced to today's market expectations will likely sell faster on average in 2026, just like they did in 2025 compared to 2024. On average, businesses sold 7% faster than in the prior year. Buyer sentiment is returning and likely will go back up more in 2026. This doesn't mean buyers are going on an acquisition spree though, they are far more surgical in terms of where their buy boxes are. This much more strict buyer criteria is likely to continue in 2026 as well.

You can see both of these sentiments played out by looking at both business age and the average NDAs signed per deal sold.

A general buyer rule of thumb is that the older the business, the less risky it is to acquire. This is part of why older businesses tend to command a higher valuation, all other things being equal.

In 2025 we saw the average age of sold businesses fall by 12.2% versus 2024. This shows buyers are willing to come down on the age stability factor if the business meets their other needs - typically stability of positive cash flow being their main requirement.

You can see the strictness playing out as well by looking at the average NDAs signed. Each business on average got 20.4% less NDAs in 2025 than they did in 2024. Less buyers go further down the funnel to acquire a business, are more selective, but still are getting deals done in 2025. The good news for sellers is that though there is less buyer interest, the actual sales multiples have only seen a 0.5% hit… not even a 1% hit in sales multiples in 2025 versus 2024.

As a seller, you are the darling at the ball ultimately. Buyers can only offer you a commodity at the end of the day - *money.*

Now, you may need to treat each buyer as far more valuable than in previous years due to their being just less of them around looking at digital businesses. Less does not directly equate to a materially lower sales price, but it can translate into deal structures that favor buyers more in than they have in previous years.

What Deal Structures Can Sellers Expect?

There are three main deal structures that business sellers can expect at closing.

These are by far the most common regardless of how the buyer acquired the money. Many buyers will use cash only as their down payment, but many will also use more creative deal structuring as well.

Later in this report, I will cover some creative finance tools buyers can use and sellers should know about. I've often said the more a seller understands how a buyer buys a business, the better deal they will ultimately end up getting with more cash in their pocket.

The Three Most Common Deal Structures:

- **Cash Payment:** The seller gets either all, or a portion of their business value in cash. Most buyers are using their personal liquidity here, but some buyers are financing the cash portion of the business. Either way, the seller gets paid a large lump sum payment.
- **Seller Finance:** This is by far the most common tool used by buyers to help mitigate their capital risk and get into a deal. The seller here agrees to "act as the bank" where they are effectively giving a loan to the buyer. Seller finance can have a wide range of terms, but typically seller finance is paid out between 2-5 years post-acquisition. In the

digital realm, most sellers financed deals also have 0% interest attached to the deal.

- **Earn Outs:** A cousin of seller finance, it works much the same. The main difference here is that the buyer only pays an earn out payment to the seller if the business hits certain milestones agreed to by both the buyer and the seller. These milestones are almost always tied to revenue performance, but there are other milestones buyers and sellers can agree to. Earn outs are most commonly used when the seller is valuing their business at a higher valuation than what the buyer thinks the business is worth, thus they will compromise with an earn out clause. Earn outs are almost always going to be far less in total financed than seller finance, and often won't appear in a deal at all.

Earnout Analysis

Below are the general deal structures of our deals between 2024-2025. I use the word earnout, but this includes deals that both have seller financing, earn out, or one or the other.

Year	Deals with Earnout	% of Total	Avg Upfront %
2024	51 deals	36.2%	70.9%
2025	56 deals	33.7%	68.1%

On average, business sellers can expect between 68-70% of their sales price upfront in cash payment. There was a small dip in average upfront cash value that sellers got in 2025 versus 2024, but it is not a dip I would consider incredibly significant.

Paying 70% of the sales price in cash value to the seller has been very common on our marketplace for years, so a small dip here is likely more of an isolated case than a downward trend.

Most sellers are fine with creative financing that buyers can do, as long as that creative financing still leads to the seller getting the majority of their business value as actual cash in their pocket.

This means for buyers you will likely have between 20-30% on average to negotiate other terms such as seller financing and earn out. Our marketplace has seen businesses that had as much as 50% in earnouts, but these are very rare and are not something a buyer should rely upon when making deals.

Do Earnouts Lead to Higher Valuations?

We always tell sellers that deal structure flexibility usually leads to more money for them ultimately.

There's been many times I've been at a conference or a networking event and seen entrepreneurs boldly and proudly say they would never sell their business unless they got 100% cash upfront for the business.

Unless they have a business valued at less than $200,000, then usually I know they own a business that *will never sell.*

Buyers don't just use deal structures to spend less money, but they also do it to make sure that the seller is actually *confident in the continued success of their business.*

Sellers who are unwilling to do any kind of seller finance can often pose a red flag to savvy buyers. As a business increases in its sales price, the more common earnouts and seller financing becomes. Any business valued at above $500,000 will almost always likely have some sort of seller finance, earn out, or both attached to the deal.

It is the nature of selling a business.

Even in deals using government backed loans like the SBA, they still often also have a small portion of the seller financed in the mix if the buyer can get it.

So how does this play in practice? Do businesses that accept more flexible deal structures get ultimately more money?

Year	Avg Multiple WITH Earnout	Avg Multiple WITHOUT Earnout	Premium
2024	27.65x	26.01x	+6.3%
2025	24.27x	23.75x	+2.2%

Short answer… **yes.**

Here is more granular breakdown for earnouts in 2025 broken down by business size:

Earnout Usage by Price Segment (2025)

Segment	Total Deals	With Earnout	Deals with Earnout %	Avg Upfront %

Under $300K	129	38	29.5%	66.8%
$300K - $1M	26	12	46.2%	69.4%
Over $1M	11	6	54.5%	73.1%

The table above is useful for sellers and buyers to know generally how likely it is for a deal to actually have an earn out. As you can see, anything below $300k has a dramatically smaller amount of deals that will have an earnout of any kind. As you go up the value ladder though, they become far more common.

As you go above $500,000 it is very likely there will be seller financing or earnouts attached. As you go above $700,000 and especially $1 million and above, there almost always is. And for the businesses that don't have them, usually it is because of other sorts of financing the buyer has aligned for themselves to use. It is very rare for buyers at this level to use all cash, usually they are financing the deal just in other ways.

Deals in 2024 saw a bigger premium than deals in 2025, but both years show that you are better off on average to accept these kinds of deal structures if your main goal is to maximize the amount of money you get for the business.

For perspective, an extra 2.2% on a $1 million deal is an extra $22,000, and 6.3% represents an extra $63,000 in your pocket.

Now, this is a fine balancing act for sellers.

On one hand, you will likely get more money if you accept a deal structure like the above. On the other hand, you may have to wait for 2-5 years to get the full payment including the roughly 20-30% that was financed by you. It is ultimately up to you to decide which way makes the most sense with your own personal situation and what goals you have.

One way you can possibly get more money upfront, is by simply selling for less.

If you have a $1 million business and are slated to get that extra $63,000 in your pocket, you may find it is better to get $850,000 all upfront by lowering your business sales price to $850,000. This steeper discount means you'll collect an extra $150,000 upfront, but lose out on additional money if you had accepted the initial deal structure.

This kind of strategy should never be used at the outset, but rather something you decide on once you are deep into negotiations with your potential buyer.

Every deal is unique, just like every seller and buyer is unique.

It will ultimately come down to your specific situation in how you want to go about it. Of course, this is a big reason why people hire us as their M&A advisor so we can help them navigate these waters successfully.

Business Model Sales Data for 2025

Depending on how you found out about us, you may think we only sell one type of business model. In reality, we sell almost anything you can imagine as long as it is making profit, and is a digitally native business.

That being said, there are definitely business models that are more popular than others on our marketplace.

Here are the top 5 business models we sold in 2025:

Rank	Monetization	Count	% of Total
1	Amazon FBA	60	36.1%
2	Display Advertising	22	13.3%
3	DTC ecommerce	16	9.6%
4	YouTube	14	8.4%
5	DropShipping	9	5.4%

Amazon FBA

Amazon FBA continues to dominate our marketplace, which makes sense.

There is no one that has sold more Amazon FBA businesses than us over the years. Not to mention we were the first mainstream business broker to actually sell these businesses, to the point where we ended up getting a direct line of communication with Amazon itself. A big part of our business success is dedicated to Amazon FBA, and in a way we paved the road for the FBA aggregators that rose up later - hence why I often jokingly call them our step children.

Despite the aggregators now largely gone from the space, Amazon FBA businesses are still selling. The buyer profile has changed to more entrepreneurial and cash flow buyers though, rather than the private equity and family office crowd that funded the aggregators.

Content Sites

Amazon FBA represented 36.1% of all deals sold in 2025, and display advertising came at a distant second at just 13.3% of our marketplace. This dip in content sites is generally in alignment with everything we're seeing happening with the chaotic nature of Google's organic algorithm.

It's not just content sites being affected by the chaotic new norm of SEO either, but even enterprise software juggernauts like Hubspot have seen massive dips in their organic search. We at Empire Flippers have also had to weather this storm, as SEO is our primary traffic source to our marketplace.

The new reality of SEO has made it tough to adjust, but we have seen much in gains from customers learning about us while using an AI LLM. Due to all of this, content sites have become less popular in general. Many known names in the affiliate SEO game have dipped out completely, moving onto other businesses.

The most successful content site buyers today are likely business buyers who are either extremely skilled at technical SEO, or even better… plan to transform the traditional content business model from ads and affiliate, to owned products such as ecommerce, digital products, or offering higher ticket services. There is still a good strategic opportunity here for buyers that already have these synergistic businesses to go out and acquire content sites simply for the traffic. As a stand alone business though, acquiring these have become inherently more risky than before and have an uncertain future.

DTC Ecommerce

After content sites, we have DTC ecommerce coming in at 9.6% of total deals in 2025.

DTC ecommerce is a natural extension of our skill sets selling Amazon FBA, and buyer interest is likely to continue to grow for these businesses in 2026. This business model offers more of what buyers are trending towards - full funnel business control.

While many DTC ecommerce stores still utilize Amazon's ecosystem, they have firmly categorized Amazon as a useful traffic channel rather than their full business identity. Many of these stores are running ads directly to their shop rather than dealing with the added platform risk that Amazon imposes.

Selling physical goods on the internet is unlikely to go anywhere, even in the age of AI. It will of course evolve and adapt to this new era we are in, but we can safely say the business model will be safe. Unlike Amazon FBA or content sites, a DTC ecommerce store does not have to be beholden to a single form of traffic or major tech platform to succeed.

In fact, the best DTC brands out there tend to employ multiple traffic channels all at once, while also building up their own defensibility moat by creating communities and assets they own such as newsletters.

DTC ecommerce will continue to adapt and evolve, but will remain a strong contender for buyers to acquire.

Early in 2025 we saw the tariff woes like everyone else did. We assumed there would be a large stall out in buyers actually acquiring businesses due to tariff uncertainty. While there was some of that, and the fear was very real, it was nowhere near as impactful as we assumed it was going to be.

As we enter in 2026, the tariff situation has largely stabilized (or so it seems).

Stability is the key factor for business buyers to actually go and acquire businesses. Buyers can make good money buying in a down market or an up market, but they will rarely acquire in an uncertain market.

Our prediction is that DTC ecommerce will continue to grow as far as our marketplace percentages go.

Youtube

While content sites have been hit harder than ever in my memory as an SEO, there is a business model that has risen up to fill the gap left behind - at least partially. That business model is faceless Youtube channels.

These channels are often monetized via ads and affiliate offers, but others can be used as a form of inherent traffic themselves to higher ticket offers.

Faceless Youtube channels provide the same newbie friendliness to business buyers as affiliate sites once did before the era of AI. Though, it is always worth noting that this business model suffers from the same core issue that affiliate sites and Amazon FBA faces - large reliance on a single tech platform’s algorithm and changes.

For anyone buying up these channels, I always recommend acquiring channels that can naturally grow *beyond* needing Youtube as their only monetization path. All that being said, Youtube channels are seeing faster growth than ever with entrepreneurs leveraging AI tools for script writing, video editing and a plethora of other use cases.

It is hard to say if Youtube channels will fully replace the hole left behind by content sites, but there is a good chance they will. Of course, that is if the Youtube algorithm remains a stable player versus becoming more unpredictable in the age of AI.

Dropshipping

Finally, we have dropshipping coming in at 5.4% of our marketplace for 2025. This business model has many of the same benefits as the DTC ecommerce business model, but is often more accessible for people just starting out in their ecommerce journey.

It allows you to run a true ecommerce store without having to invest heavily into inventory. This business model has had many ups and downs over the years. We have even stopped selling many different styles of dropshipping stores, only to bring them back at a later date, as the industry evolves in popularity.

Overall, dropshipping stores can be great acquisitions if they have defensible moats. You don't want to acquire a business that can be copied in an afternoon after all.

The other strategy business buyers take with dropshipping is similar to what is being done with content sites - evolving the business *beyond being dropshipping.*

Dropshipping gives you a lot of good data that you can use as a sort of R&D product research hub for you to go out and design and make your very own product in that niche. Thus, the entrepreneurs looking to grow the valuation of the dropshipping stores they acquire, usually go about transforming them into full fledged DTC brands themselves.

While not always the case, this remains a popular way to see big jumps in valuations.

Niche Breakdown

I am constantly asked what is the best niche to build a business in that will sell for the most amount of money.

In general, the answer is… *there isn't one.*

A good business in any niche can sell for an ultra premium amount. It's not about the niche, but rather if your business is high quality or not. Now, this comes with a few caveats. Obviously business models play a role, with software tending to get the best valuations out of any business model.

Sometimes niches *can* play a role, and usually when the niche does play a role in giving you a higher than usual valuation… It is your sign to *sell right now.*

The reasoning being that niches that go up in value tend to do so not because of any inherent value in that niche but rather because the niche became very trendy. When crypto was massively hyped, we saw content business models in that space selling for unreasonable multiples for the business model. Amazon FBA also saw this when it became a trend to acquire them.

Now AI tools and agents are having their day in the sun… but as Icarus so often has shown us… those wings likely will get burned sooner or later.

(At least in the unusually high valuation sense, as all these niches still are and likely will remain good niches to build a business.)

Despite this, I know many of you still want to see a quick niche breakdown of what sold on our marketplace in 2025, so here is the top 5 niches of 2025:

Top 5 Niches (2025)

Rank	Niche	Count	% of Total
1	Home	18	10.8%
2	Business	12	7.2%
3	Health & Fitness	9	5.4%
4	Apparel & Accessories	9	5.4%
5	Automotive	7	4.2%

The main qualifier I have for any niche is asking a simple question….

Does the niche support multiple different business models?

If it does, then there is likely unlimited room to expand your business in that niche. A niche that has B2C, B2B, DTC elements, software opportunities, service opportunities, digital products and more is what I personally consider a good niche.

Obviously, every buyer is different but there is a reason why I recommend asking this question.

The reason is that the best way to exponentially grow your wealth in my view is by acquiring a profitable business. If you focus on a single niche and learn the ins and outs of that niche, then use growth-by-acquisition (often coined as inorganic growth), it opens you up to several big opportunities.

A few years back at a networking event in Beverly Hills, I chatted with an entrepreneur who originally owned just a DTC brand in the pets space. He was crushing it. The cashflow was then leveraged into acquiring a massive content site in the same space. Eventually, that content business presented a very lucrative B2B opportunity for him which led to him acquiring and building software to sell to professionals in the pet niche.

He never lost focus on his core knowledge of the niche he was in, but rather used that core knowledge to profit in multiple different ways all up and down the value chain of that niche.

This horizontal and vertical integration is one of the best ways to absolutely explode your profit margin and your overall valuation for the eventual exit. So while niche can be important, it is always more important what business you decide on building within that niche versus the niche itself.

2026 M&A Predictions

1. Faceless Youtube Channels Become More Popular

As content sites are likely to continue to struggle and have their popularity wane even more, it is likely the reverse for faceless Youtube channels.

In the past, content sites were newbie friendly in that the businesses were very hands-off, and were very simple to both understand but also to run. Now as Google's chaotic algorithm puts this business model in a bad place, Youtube channels will start filling a similar niche for newbie business buyers.

It's important to realize the same critical issues with content sites also exists with faceless Youtube channels (as it does with Amazon FBA): deep platform risk. At the moment, Youtube's algorithm looks stable and likely will continue to be but this can always change at any moment at the behest of Google.

The rise of AI tools have made it easier than ever to create low-effort Youtube channels. For those that put in more effort and combine it with AI, they'll likely see increased growth.

2026 is a great time to be a faceless Youtube channel owner and sell these assets on our marketplace. For buyers, my advice remains the same as it was for content sites:

Acquire Youtube channels to grow *beyond* just Youtube monetization.

Use these channels as traffic assets rather than a business in of itself that can help you grow another business you own or start on the back of the profitable Youtube channel.

2. Valuations Stabilize with a Possible Tick Up

Valuations over the last three years have been chaotic both from private industry contractions but also geopolitical issues interrupting delicate supply lines globally.

In 2025 we saw what we believe will be the worse of it, at least on a large scale. Now that things have calmed down a bit at the start of 2026, we believe *more* buyers will again enter the arena to acquire businesses. As more buyers enter, valuations will likely stay the same or slightly tick up as new competitors enter the market.

Keep in mind that while this is good news as a seller, you still need to focus more than ever on creating a business that has deep moats and strong stable cash flows. These are by far and away the two main things business buyers are willing to pay for in this current landscape.

If you want to get an above average sales price, then focus on being an above average business and on your ability to articulate that you are.

3. Service Businesses See Profit Margin Expansion

Service businesses traditionally are very labor intensive, especially at scale. As AI tools develop and start to integrate with businesses around the world, more profit margin will unlock for these service businesses.

We are already seeing much of this rollout, especially during the later half of 2025. Tools coming online such as AI SDRs, more complicated but automated cold outreach methodologies, and of course content creation at scale.

This will naturally make service businesses a much more interesting acquisition for buyers than in years past. There is always a cohort of business buyers interested in service businesses, but now that cohort is likely to grow as these acquirers seek service businesses that have not yet implemented AI and automation workflows so they themselves can do it and ride the equity creation up.

The service businesses that will likely see the most expansion in margin are service businesses that are naturally digital.

Services like marketing agencies are most likely to win the biggest in expanding their profit margin using all these new tools, not to mention that many will either pivot or offer AI and automation services to their less tech enabled clients as part of their profit growth.

4. Micro SaaS Will Face New Threats from AI

Just as content sites saw their main traffic source become uncertain due to AI threatening traditional search, we will likely see AI start threatening SaaS as a business model more in 2026.

SaaS isn’t going anywhere as a business model, but it will now have to start competing in a much more red ocean than they used to enjoy. This will likely occur at its most competitive in the microsaas, software businesses valued at less than $500,000.

As more people get used to and learn vibe coding, design, and embrace AI coding innovations… More entrepreneurs are simply going to build simple in-house apps for themselves where the costs are one-time and the maintenance costs are cheaper.

Many of these vibe coded apps will likely do better as well, as they are made for specific use cases for that business versus other software often being a suite of solutions rolled into the subscription price.

In 2025 we did see some of this threat play out at the enterprise level, with big Salesforce contracts being rejected in favor of the client company to just build their own bespoke CRM instead. In 2026, this threat will likely continue to grow and will play out most aggressively in the microsaas space.

Another threat for SaaS here is their reliance on SEO.

Similar to content sites, many SaaS businesses relied heavily on SEO. Since most SaaS businesses tend to use info rich style content for their SEO traffic, just as content sites did, we can conclude that SEO will be a much more unreliable traffic source for SaaS companies.

This will make SaaS have to rely more on paid channels over organic, which can lead to some profit crunch as they wait to get profit from each new subscriber.

In 2026, SaaS founders will need to focus even more on lowering churn so their economics make sense to do paid marketing channels, and also will need to seriously ask themselves how do they keep their competitive moat in the age of AI where the rise of vibe coding may galvanize into a true threat to their traditional coding moats.

5. AI Valuations Bubbles May Not Pop… But Start Losing Air

It is no great secret that AI businesses are having a feverish moment to say the very least.

Due to our nature of being the largest digital M&A advisory for lower middle market digitally native businesses, it goes without saying that we have a lot of friends building and playing in the AI space right now.

I will give you the same advice now as I've given all my friends building in this space:

You need to either build so incredibly fast you can sell now, or need to raise an obscene amount of money to fight the battle to prevent yourself from becoming obsolete.

These are the only two winning strategies in my mind, with the latter strategy being a possible win but less certain than the former strategy.

One of my friends a couple years ago, a little after AI became mainstream in the business world, built a one-man $25,000 net profit per month chatbot business using the new AI tools. He hustled hard, only to have that entire business fall apart when the AI giants offered the exact same service as him but largely for free. His entire business was wiped before it ever truly got going.

This kind of pattern is likely to repeat over and over again due to the fast moving nature of AI.

However, the valuation aspects of AI companies may not keep repeating as we move into our fourth and fifth years of mainstream AI dominance.

Companies are pouring immense amounts of money into acquiring these AI software companies, which is making it a very great seller's market right now. White AI is unique in its own way, it has many classic red flags that Amazon FBA showed during the aggregator boom and bust era of 2020-22.

Investors are paying outlandish multiples for extremely young and often dubious AI-enabled companies. Right now, this money is still relatively cheap to get your hands on due to the feverish nature of the investors trying to get in on the AI boom. These investments will likely start cooling AI valuations as the ROI starts becoming clearer in 2026 now that many investors have acquired AI focused businesses for longer than a two year period.

Will it actually pop and deflate the value of AI businesses in 2026?

Probably not yet, but the warning signs are there with how many investors are going hard into acquiring AI companies at large valuations, and the AI companies themselves often being just API wrappers of Chatbot, Claude or one of the other big LLMs.

While the bubble is unlikely to pop in 2026, it is likely to start seeing some deflating demand here as the investors start looking at the returns their feverish acquisitions bought them.

Is it still a good time to build an AI business?

Absolutely.

As long as your plan is to sell that business as fast as possible, or raise enough capital to keep innovating on the business to prevent yourself from becoming obsolete as more startups enter this heavy red ocean space.

Alright, there are some predictions for you, now let's talk about two interesting ways you can make an extra six-figures in 2026 through M&A… **even if you don't buy or sell a single business.**

A Roadmap for You to Make an Extra Six-Figures

The game of M&A is by its very definition a high ticket game.

There is no other section of the business world I can think of where so much money can be made than by buying and selling businesses. But this is a somewhat exclusive club. After all, you can only make a lot of money in M&A if you already have a successful business that you can sell, or understand how to finance a profitable acquisition.

Both of these are not exactly "newbie" friendly.

Yet, there is another path for those of you who want to get into the game but may not have a business you want to sell or buy, and *still make a ton of money.*

There are two main paths to make this happen for you: our referral program, or our cobroker program.

The first path is open to anyone, and the second path is open to reputable brokers that we personally vet.

Both can make you life changing money if you decide to put in the effort and take real action.

A Single Click that Led to an $80,000 Payday

The first path to making an extra six figures this year is by utilizing our referral program.

There is no program in our industry that pays as well, and offers nuanced tracking of every referral you send our way. Most brokers will offer you a 10% referral payout for any business seller you send their way, which can be nice but… *we figured we could do better than that.*

First off, why only sellers?

Unlike other broker referral programs, we allow you to send us qualified business buyers and make money with us too, not just sellers. Also, unlike other broker programs that will pay you just 10% of their commission, we will pay you 20% of our commission.

But… that's not all.

Most referral programs stop with the single business that you referred to, without taking into account a very important thing that many business sellers end up doing after they make a major exit… they often end up *buying businesses!*

Who is that seller most likely to buy a business from?

In our experience, it is typically the broker that helped sell their business in the first place that will be their first port of call when it comes to them acquiring a business using their newfound liquidity.

That is why our referral program allows you to get paid both on referring business buyers and sellers to us. Because not only do we pay you on the initial deal that gets done, but we'll pay you on ***every deal that referral does with us whether they buy or sell a business, for a full two years after you referred them to us.***

So, how does this all end up leading to an $80,000 click?

At Empire Flippers we have always leaned heavy into both service and technology. There are very few brokers out there that have the same technology stack that we do. This is also why most brokers have you do simple email intros for a referral, which you can certainly do with us as well.

We're always happy for a warm introduction to a business seller or buyer.

But, we also know our audience is filled with amazing internet marketers and thus we wanted to make our referral program easy for them to send traffic our way.

This is why every referral partner gets unique affiliate links they can use that will have a 2-year cookie when someone clicks that link, and these cookies are hardcoded into our CRM.

That is exactly how the $80,000 click happened.

One of our referral partners who runs a Youtube channel would drop his Empire Flippers link in the description of his videos. Someone clicked that link, came to our platform, and ended up using our services.

Pretty cool, right?

You only need to refer a handful of sellers or buyers to us to make an extra six-figures this year. And it doesn't matter that you're not actually buying or selling or even brokering the deal, you can get paid handsomely just from the referral itself.

If you want to make money this year by referring your peers to us or by doing actual internet marketing for one of the highest ticket proven affiliate programs out therer, then sign up for our referral program at https://empireflippers.com/referral-program/

Our referral program is one of the best and easiest ways to monetize the M&A world if you already have an audience of entrepreneurs as part of your main business.

Of course, we have another option that is open to a select few of our readers too.

Our "Secret" Cobroker Program that Added an Extra $40 Million+ in Deals

Our marketplace is the largest curated marketplace in the world for digitally native businesses, but we are not truly a marketplace. We're an M&A advisory that represents every deal that comes onto our marketplace.

We help buyers and sellers negotiate win-win deals, walk them through the often confusing acquisition and exit process, and offer counsel on what to do after the deal is done.

The marketplace has always served as a marketing tool for us, and over the years we've built a website that gets more traffic than almost any other M&A marketplace out there.

In 2025 we decided to do a soft launch of leveraging our marketplace and technology more, by opening up a syndication cobroker program. In the M&A world, a cobroker is where two brokers come together to work on the same deal and create a split in the commission.

Over the years we thought about doing this, going as far as doing Q&A research calls with brokers across the industry. In 2025, we finally did launch our very own cobroker program.

Our program allows vetted, approved brokers to leverage our massive traffic on our marketplace and verified buyers to promote the listings that they're representing. This is a very new program of ours, but in 2025 we added a little over $40 million in deals in our seller pipeline directly attributed to our cobroker program.

In order to join, you'll need to be a reputable business broker that has done many deals and also pass our own vetting interview. Once you are approved, you can list your listings on our marketplace where we will send you verified buyers.

What are verified buyers?

Well, if you're a business broker you already know how *poor* leads can be coming from traditional syndication channels. These syndication channels typically boast a huge amount of leads coming your way, signing NDAs, and so on… but you also know that this huge amount of leads often never do anything at all. Some might even be competitors snooping on your client's business. You have to spend a ton of time qualifying each and every lead that comes through the door, lest you waste your seller's time which is not a great client experience to say the least.

Our buyers are built *differently.*

In order for a buyer on our platform to view a business, they have to do more than just sign an NDA. They need to verify their sources of funds and how much capital they have to acquire a business. Buyers on our platform have to convince us with actual proof that they have the ability to acquire the business they want to look at and do due diligence on.

Many of our buyers find this a bit of an annoying process, as it is multiple extra steps versus what most other brokers require of them.

We get that, but… *our sellers absolutely love it.*

<u>Turns out so far our cobrokers *also love it.*</u>

Our cobroker program is still fledgling, it was an MVP in 2025 and is still working towards a true 1.0 launch in 2026. Still, it showed us there is a ton of demand by other brokers to list their businesses with us on our marketplace.

We will be improving our cobroker program further in 2026 with more bespoke tools, better UI, and other quality of life features as we expand this to make it easier for vetted brokers to syndicate their dealflow on our marketplace.

If you are a reputable broker that has profitable businesses you are representing and want to leverage our marketplace, reach out to greg AT empireflippers DOT com. We're happy to do an intro call and see if we're both a good fit or not for your dealflow.

One of our cobrokers listed a multiple 7-figure business with us and **had it sold within 30 days.**

This makes using us as a cobroker one of the more lucrative opportunities you have as a business broker in 2026.

If that sounds appealing to you, then let's talk.

Closing Thoughts

The M&A world has gone through several pivots over the last few years.

Valuations have dipped, many buyers have fled after deals they acquired did not return the ROI they hoped - or even went bankrupt from their portfolio they acquired, and sellers are hesitant to sell due to lower multiples versus in previous years.

Despite all of that, I am cautiously optimistic about the future of M&A both in general and in the online business world. While many changes are happening in the era of AI, there is also an uptick of acquirers coming back to the market.

These business buyers are much more pragmatic overall, and are looking for solid value investing fundamentals over acquiring hype created by other PE funds all trying to buy the same thing i.e. Amazon FBA business, or HVAC in the offline world.

Sellers are also starting to return to the M&A world in seeking exits. They realize that the crazy high valuations during the COVID era are over, and are unlikely to ever come back in any meaningful way anytime soon.

Realistic sellers will find many realistic buyers ready to turn them into millionaires by acquiring their businesses.

All of this is a *good thing.*

The M&A world is returning back to normal, rather than being distorted by tons of artificial factors like before. There will always be feverish trends that come and go, such as likely what we’re seeing with M&A in the AI sector right now, or what we saw briefly with newsletter businesses just before the AI boom, but overall the market is healing from the COVID era and deals are getting done again.

There is much money to be made for sellers and buyers that approach this market with realistic expectations, reasonable deal structures, and a collaborative mindset where buyer and seller are both willing to work together and compromise to get a good deal done.

And of course, we would be more than honored to help you on that journey by offering our counsel as your M&A advisor.

If you are an entrepreneur looking to make a big exit in 2026, then go to https://empireflippers.com/sell to start the exit process with us today.

If you are an investor looking to acquire your next winning deal, then sign up for an Empire Flippers account today by going to https://empireflippers.com/registration

2026 is poised to be a profitable year for those who take action, and we’re happy to help you make that action a reality.

All the best,
-Gregory Elfrink
Director of Marketing
EmpireFlippers.com