MAGNUS BUSINESS GROUP

FAQ

WHAT IS AN ASSET SALE?

An **asset sale** is a type of deal structure in Mergers & Acquisitions (M&A) where the buyer acquires selected assets and liabilities of the target company—rather than buying the company itself. This allows the buyer to choose the specific assets they want, while leaving behind unwanted assets or liabilities.

In an **asset sale**, the buyer typically purchases both tangible assets (such as equipment, inventory, and real estate) and intangible assets (such as intellectual property, customer lists, and goodwill). The buyer may also assume certain liabilities, like accounts payable or outstanding debt. The exact assets and liabilities being transferred are detailed in the purchase agreement between buyer and seller.

Advantages of an Asset Sale include:

- **Flexibility** – Buyers can customize the deal to fit their needs.
- **Tax Benefit**s – Buyers may depreciate acquired assets; sellers may offset gains or losses.
- **Reduced Ris**k – Only specified liabilities are assumed, limiting exposure to unknown issues.
- **Simplicity** – Often easier and faster than transferring full ownership.

Potential downsides: contracts and licenses must be individually reassigned, and employees may feel unsettled during the transition.

Bottom line: An asset sale offers customization and risk control, but both sides should weigh the trade-offs carefully before choosing this structure.

WHAT WE DO

BUSINESS VALUATION

What's your business worth today? Find out with an instant estimate.

BUSINESS BROKERAGE/M&A

From planning to closing, Magnus Business Group helps you sell your business smoothly—and for maximum value.

EXIT PLANNING AND PREPARATION

Whether selling or transferring your business, **careful planning is key.** We help you clarify your goals and reach them.

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