

## UBS Investor Watch

# Wind in your sales

### Setting course for a successful business sale



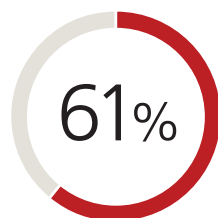
Coming off an active market for mergers and acquisitions, the latest *UBS Investor Watch* looks at business owners who now face headwinds from higher interest rates, inflation and political uncertainty. We spoke with owners considering an exit and those who recently sold their business.

Among current business owners, we found that many fear they missed their best chance to sell. But experts advise that opportunities still exist and the key to attracting the right buyer is to plan ahead. As for business owners who recently sold, most wish they'd taken more time to prepare. They'd agree: start planning now to be ready when the winds shift and opportunity arrives.

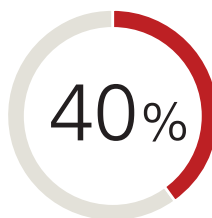
## Business owners are concerned about valuations in the current market

Many worry about getting a fair price ...

... and regret not selling sooner

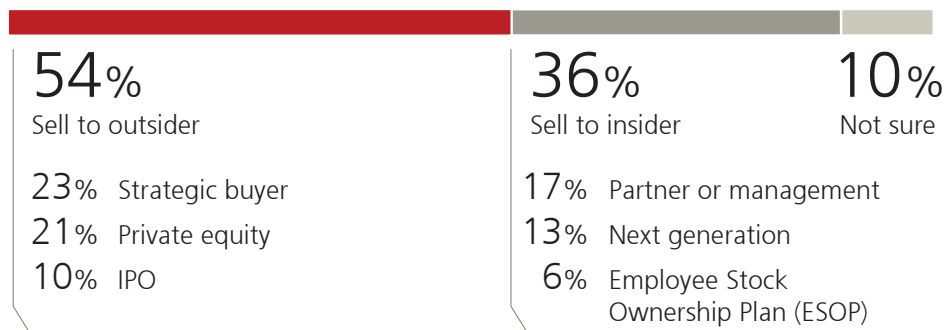


Highly concerned about a lower business valuation in current economy



Regret not trying to sell or exit business sooner

## How they intend to exit



**Expert insight:**  
Investment bank

"While the macroeconomic environment is weighing on overall M&A activity, there continues to be a bid for high-quality, resilient, cash flowing businesses.

Advanced preparation is key for taking advantage of future market windows."

Oliver Henderson, Managing Director, OneBank Coverage, UBS Investment Bank

## Yet many business owners aren't properly prepared to sell when the time is right

They have not taken steps to sell ...



34% Have not identified professionals to help finalize the sale

34% Have not put structures in place to help minimize taxes and shield proceeds

31% Have not completed a business valuation

... or transfer their newfound wealth



40% Have not engaged heirs in dialogue about family wealth

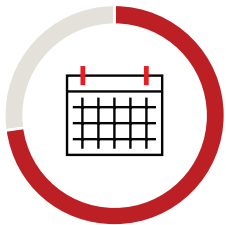
37% Do not have an estate plan

31% Have no plan for what to do with the proceeds

## And business owners who sold underestimated the time needed to prepare

Most spent less than two years preparing for the sale ...

% who agree



73% Spent two years or less preparing to sell their business

32% Less than 1 year  
41% 1-2 years

... and a vast majority regretted not preparing sooner



81% Wish they had spent more time preparing for a sale



**Expert insight:**  
Planning for a sale

"Before engaging an investment banker or soliciting interest, educate yourself on potential tax strategies. Decide whether any ownership interests should be transferred to family or charity so they can also benefit from the transaction.

As for timing, the earlier the better. We often work with clients years before a transaction to get them, their businesses and families prepared for a sale."

Ann Bjerke, Managing Director,  
Head of UBS Advanced Planning

When selling, business owners consider more than just the sale price

**Business owners have concerns beyond the sale**

% worried when giving up ownership



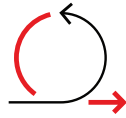
87%

Buyer won't treat employees well



85%

Won't have as much of a sense of purpose



84%

Don't agree with direction buyer will take the business



**Expert insight:**  
Family and philanthropy

"A successful post-sale road map often requires owners to redefine their purpose as well as roles and responsibilities for themselves and family who will be involved in new philanthropic or entrepreneurial pursuits."

Heather George, Executive Director/  
Senior Strategist, UBS Family Advisory  
& Philanthropy Services Americas

**But they look forward to new opportunities**

% greatly look forward to the following



73%

Traveling and spending time with friends and family



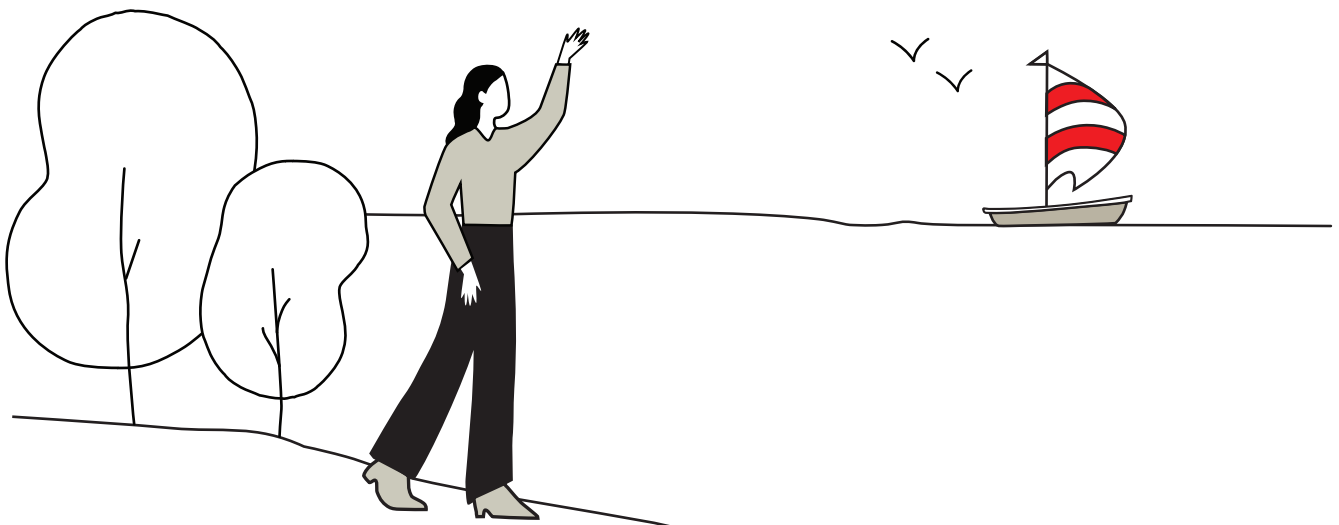
52%

Start a new business venture



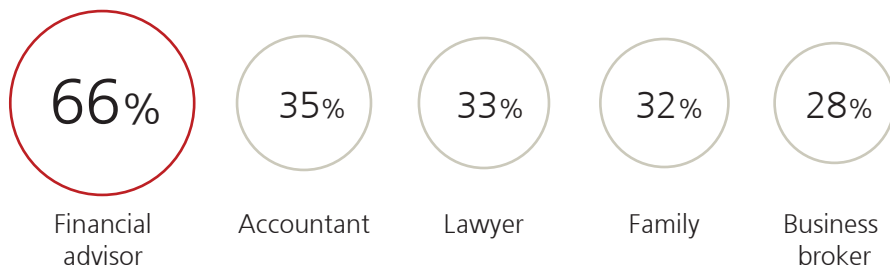
45%

Giving back to community or charitable causes



## Most business owners who recently sold sought advice from their financial advisor

### Who they turned to



### Expert insight: Financial professionals

"For many business owners, their business encompasses how they spend their time, their social lives and purpose.

Talking about these factors with an advisor when constructing a financial plan is integral in getting emotionally and financially ready for life after a business."

James Jack, Managing Director, Head of UBS Business Owners Client Segment

### Plan early and seek the advice needed to take action

It's never too early to plan, but it can be too late, especially to maximize net proceeds. Strategic planning and tailored solutions, including financial and investment banking expertise, can help throughout the lifecycle of a business.

With the right guidance, business owners can proceed with passion and exit on their terms, embracing their future with new enthusiasm.

### Are you exit-ready? **Talk to a UBS Financial Advisor.**

**About the survey:** UBS surveyed 416 US business owners who are looking to sell their business in the next five years and 123 who have recently sold a business. Each business owner has at least one employee and \$1M in annual revenue. Survey was conducted from April 12th – 20th, 2023.

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