Taking action from insight

Creating a tangible plan with your repurchase obligation study results

UBS

You’re already paying for the study. But what comes next?

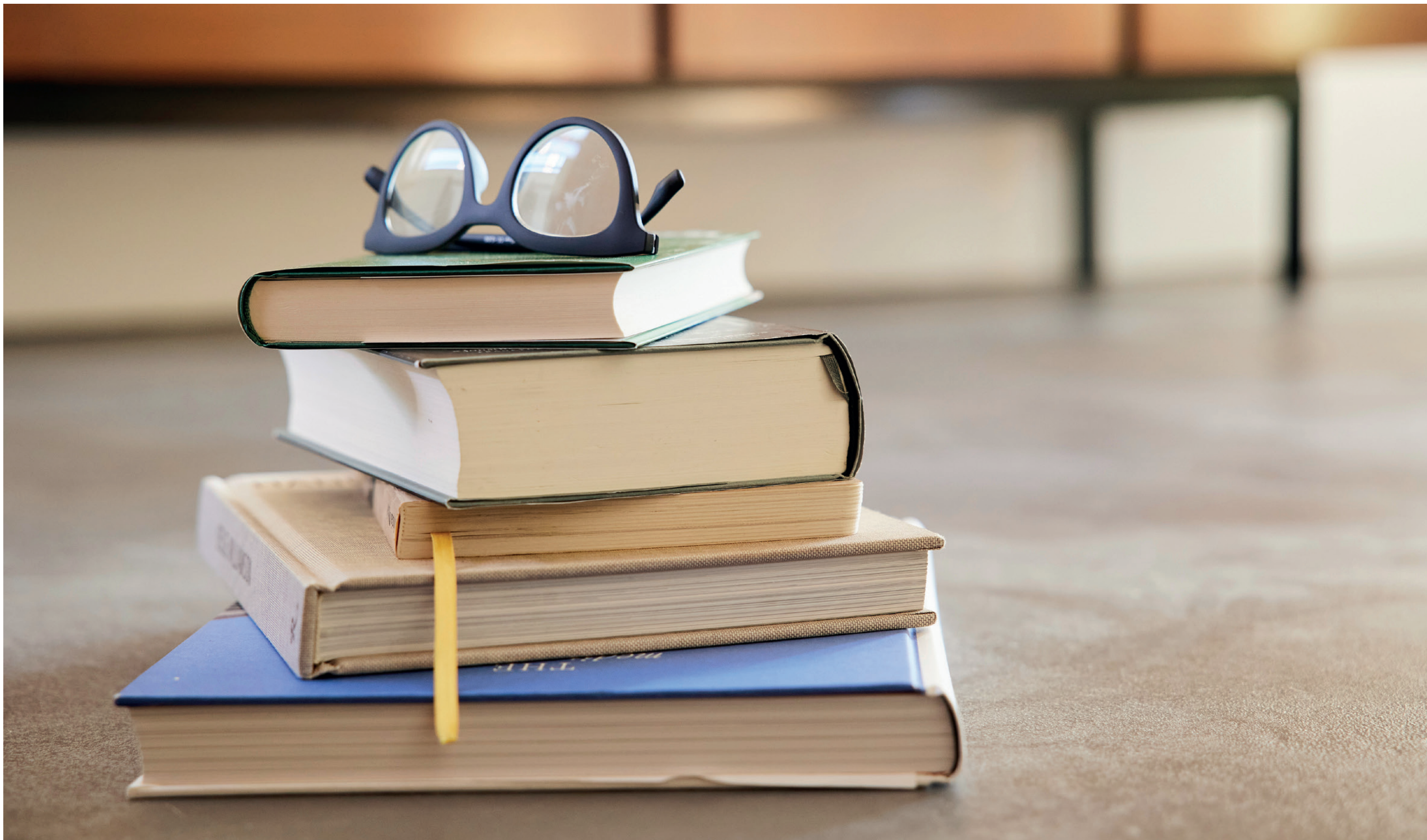
Most ESOP companies invest in a Repurchase Obligation Study—a detailed actuarial analysis showing projected share redemption liabilities over time. These studies are often required by Trustees or banks, and they provide critical insight into what the future holds.

But here’s the problem:

Very few companies take action based on what they learn.
Without a strategy to align your capital with your future obligations,
your company may face:

– Cash flow shortfalls and emergency borrowing
– Forced plan changes or early share redemptions
– Even pressure to sell the business to outside buyers

ESOP sustainability requires more than awareness. It requires a plan.



Introducing the repurchase liquidity plan

Your roadmap to action

The Corporate Liquidity Planning Group partners with ESOP-owned companies to create a Repurchase Liquidity Plan—a formal, documented investment roadmap built directly from your existing Repurchase Obligation study.

This is not generic “funding.” This is strategic, year-by-year capital planning to ensure liquidity is available when and where it’s needed.

We help you stop reacting and start preparing.

What your plan includes

- Investment allocation strategies tied to projected share redemptions
- Liquidity timelines matched to RO liability curves
- Asset preservation strategies that minimize downside risk
- Integration with trust or corporate balance sheet needs
- Regular reviews aligned with future studies

A repurchase liquidity plan isn't just smart, it's strategic

For ESOP-owned businesses, Repurchase Obligations can be inevitable—but with the right plan their impact can be anticipated, managed and fully aligned with your long-term goals.

Seven reasons why a repurchase liquidity plan strengthens your ESOP

1 **Smooth cash flow**
Anticipate and plan for obligations and avoid disruptive, expensive last-minute funding efforts.

2 **Business continuity**
Preserve stability and avoid reactionary decisions that derail long-term goals or strategic momentum.

3 **Stronger employee confidence**
Signal long-term commitment to the ESOP, building trust across your team.

4 **Alignment across stakeholders**
Provide your Board and the ESOP Trustee with a clear, defensible plan that meets fiduciary standards.

5 **Potential investment outcomes**
With time on your side, position cash for smarter, more strategic returns.

6 **Market resilience**
Absorb economic shifts more easily without compromising operations or retirement promises.

7 **Strategic flexibility**
Make growth decisions—like acquisitions or capital investments—without RO constraints.

From study to strategy

Our disciplined, stress-tested approach transforms actuarial data into actionable strategies, to help safeguard your company's financial future and preserving employee ownership.

Initial consultation
We begin with a 60-minute consult to understand your company's position, strategy and any funding gaps. If there is a mutual fit, we'll request your RO analysis, financials and details on SARs and warrants to begin your customized review.

Repurchase and liquidity analysis
We analyze your RO study, financials and obligations to identify key risks, timing issues and liquidity needs. Our experienced team collaborates to craft a tailored approach aligned with your goals and timelines.

Custom plan design
We will design your plan to optimize cash flow, reduce risk and meet future repurchase obligations. We stress test recommendations under 1,000 market conditions to ensure confidence and clarity.

Plan delivery and stakeholder support
We present your plan and walk through key decisions with you and your team. If needed, we support communications with your Board and Trustee to ease approvals and implementation.

Implementation
We open and fund the investment accounts and then guide allocation based on your timeline and risk profile. You'll launch with a diversified strategy that reflects your company's unique needs.

Ongoing monitoring
Your plan is reviewed quarterly and updated as conditions shift. We assess any changes to the RO study, SARs, warrants and company needs and make clear, actionable recommendations to keep you on track.

We provide periodic monitoring of advisory accounts in accordance with the client's agreements with UBS. Unless separately agreed in writing, UBS does not manage client's brokerage account, and clients make the ultimate decision regarding the purchase or sale of investments.

Real results. Real companies.

We don't just model strategy—we implement it. We help our clients face the future with clarity, reserves and room to grow. Here's how we helped two very different ESOP companies turn planning into protection.

When the market turned, free cash flow failed

A sudden downturn exposed the risk. Today, this food service ESOP has a 3-year reserve and room to grow.

Before

- Annual Repurchase Obligations of between $8MM – $10MM
- During COVID, profit dropped from $20MM to $200k due to freight and cost surge
- Only $10MM in reserves (barely covered one year); remainder had to be paid from free cash flow and borrowing

After

- Now holds three years worth of Repurchase Obligation reserves
- Plan now helps to protect against downturns with structured investments and funding
- Confidently expanding and recently acquired another business

Early planning yields long-term strength

With a 5-year funding runway, this healthcare services ESOP turned foresight into financial strength.

Before

- Company sold to an ESOP in 2019
- Unsure whether to pay off sellers note early or fund Repurchase Obligations
- No structured plan in place for future Repurchase Obligation events (as they seemed so far away)

After

- Enterprise value increased from $37MM to $45MM
- Now holds $7MM in dedicated Repurchase Obligation Reserves
- 5-year funding runway secured to cover anticipated diversification events and retirements

The case studies presented, based on actual client experiences as told by our Financial Advisors, are provided as an illustration and may not be representative of the experience of other clients. There is no guarantee of the future success of any of the strategies discussed.

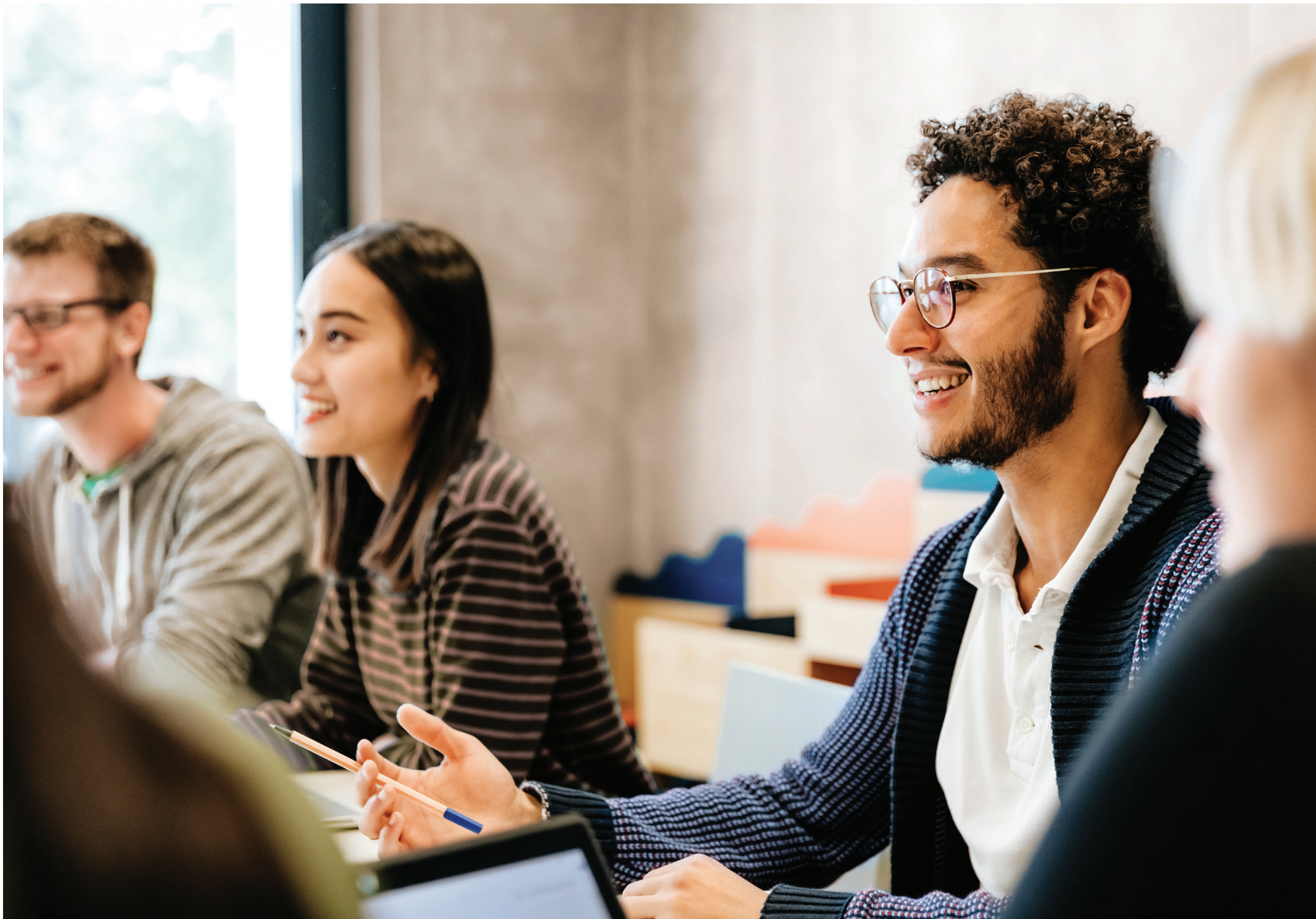
Is your company ready for what's next?

If you already conducted a Repurchase Obligation Study, you're halfway there.
Let's build the next piece.

We offer:

– No obligation RO planning review
– Risk assessment based on your most recent study
– Liquidity modeling and scenario testing

Let's create your repurchase liquidity plan.



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