



Transitioning from Business Ownership to a Secure Retirement

Business For Breakfast Seminar
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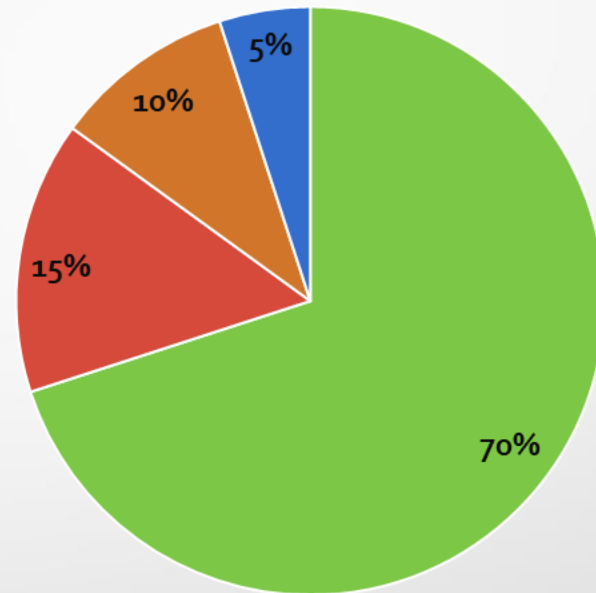


Resume at end of Presentation

TRADITIONALLY, A BUSINESS OWNER'S MOST SIGNIFICANT ASSET IS THEIR BUSINESS

A recent 2014 survey by CNBC stated that more than 70% of a small business owner's wealth is invested in their business.

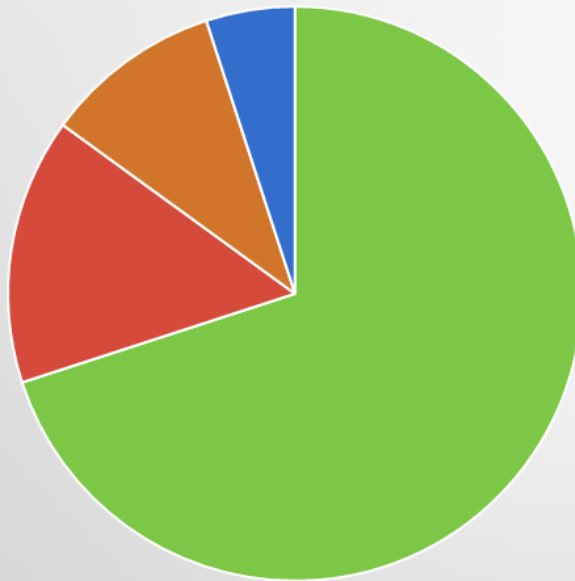
A 1997 survey conducted by the American Family Business Institute revealed that 60% of a family's wealth is tied up in their business. 20% of respondents even estimated that that 80% of their wealth was tied up in the family business.



■ Value of Business ■ Lifestyle Assets
■ Family ■ Philanthropy

Will the Sale of Your Business Fund the Next Chapter in Your Life?

STARTING LINE TO THE FINISH LINE?



Value of Business Lifestyle Assets
Family Philanthropy



Capital Assets Lifestyle
Family Philanthropy

Before You Decide to Sell....Consider

Talking point assumptions...

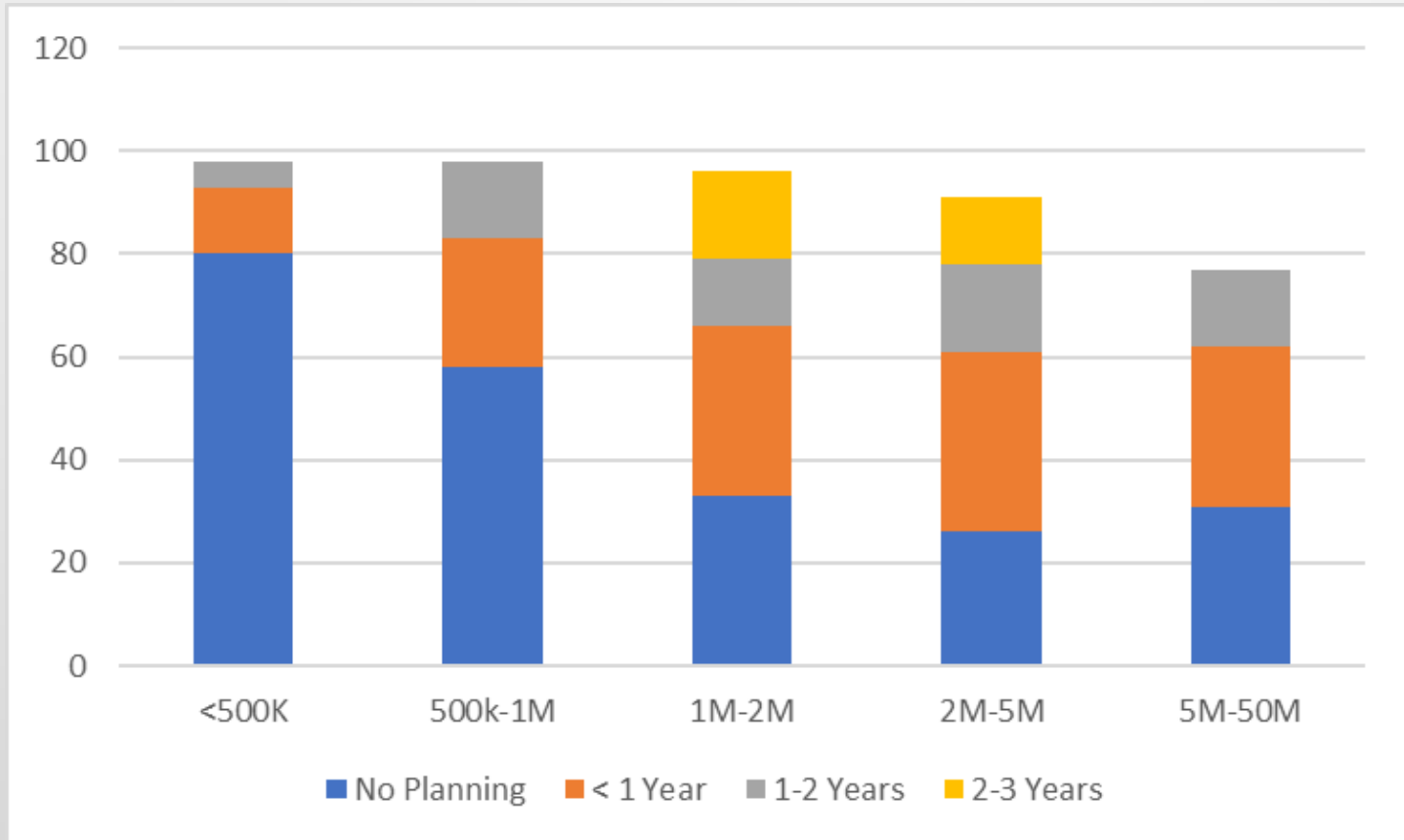
- EBITDA is \$1 million dollars
- Valuation is a 5X Multiple
- Transaction Value is \$5 million dollars
- Net proceeds to Seller after taxes and deal expenses is \$3.5 million dollars

Conservatively, how much income will \$3.5 million generate?

See article "EBITDA vs Cash Flow"

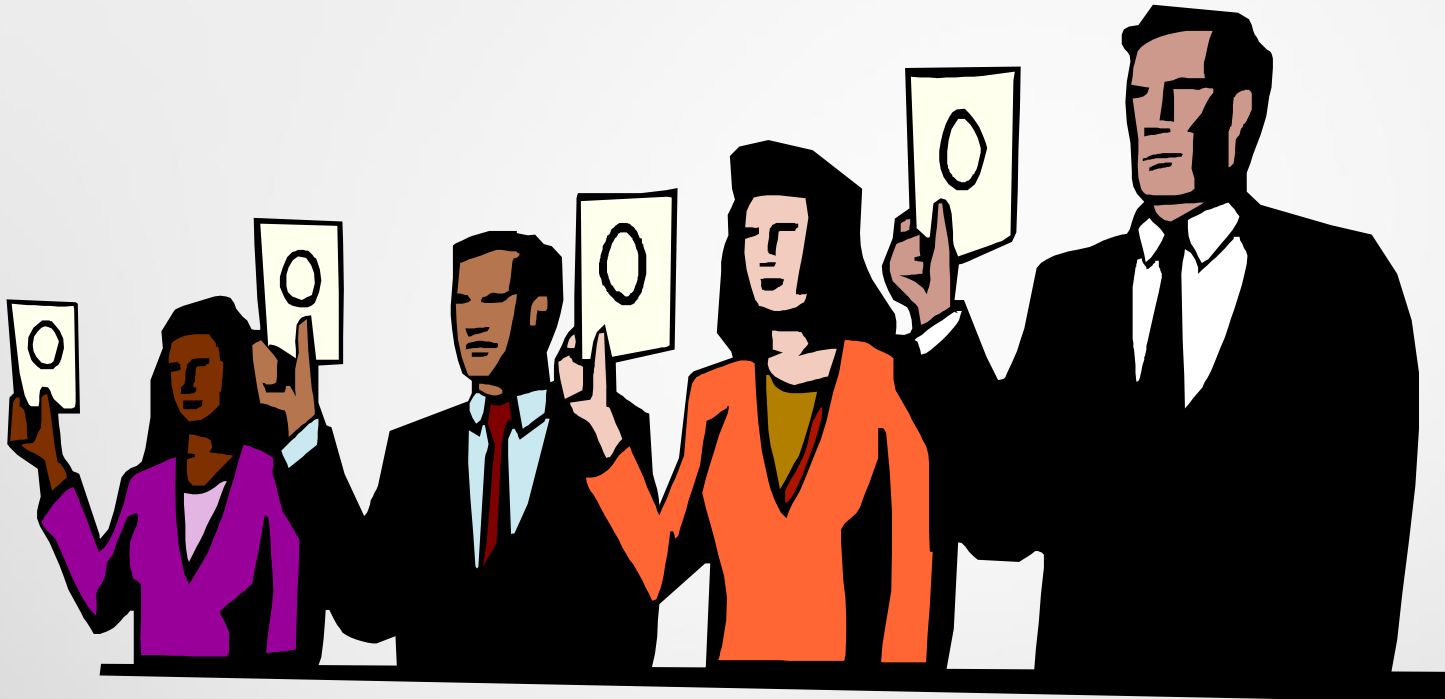
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Exit Planning is Lacking...



Source: *Pepperdine Private Capital Market Report through 4Q 2018*

Deal Truism ...



“If you fail to prepare,
be prepared to fail.”

Barriers to Success

Why Deals Fail to Close

Top Three Reasons:

- Unrealistic Expectations
- Poor Financial Records
- Emotional Ties to the Business

Other Reasons:

- Time Kills All Deals
- Poor Process
- Hidden agendas
- Missing information
- Chance



Source: *Pepperdine Private Capital Market Report through 4Q 2018*

Deal Truism...

Buyer's Rarely Buy...

What Seller is Selling



Why a Competitive Process

Buyer	EBITDA Multiple*	Cash as % of Asking Price
1	4.5	85.0%
2	4.4	90.0%
3	4.1	80.0%
4	3.6	64.0%
5	3.5	66.3%
6	2.9	64.0%

EBITDA multiples of done deals in this industry sector range from 3.5 to 4 times.

See article "Tilt the Odds"

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IMPROVE YOUR ODDS

Have a Plan Before You Start

- Start Early
- Know What You NEED from a Sale
- Understand Why You Want to Sell

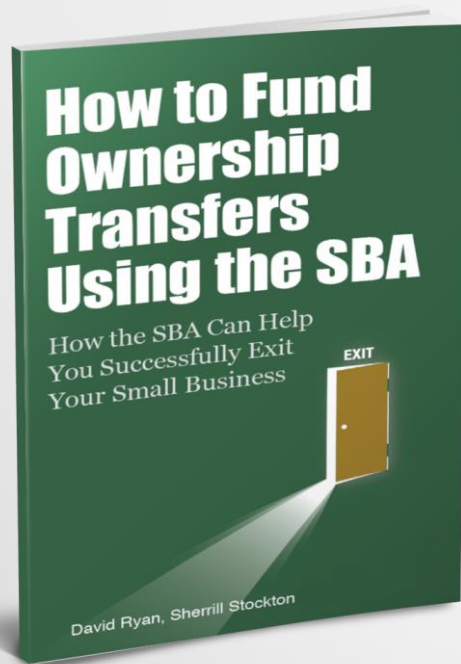
Employ A Competitive Process to Generate Multiple Buyers

- Focus On Buyers Who Can Buy The Way You Want To Sell !!!!

See article "Will You Get the Best Price For Your Business?"

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FOR TRANSACTIONS IN THE \$2MM TO \$7MM RANGE



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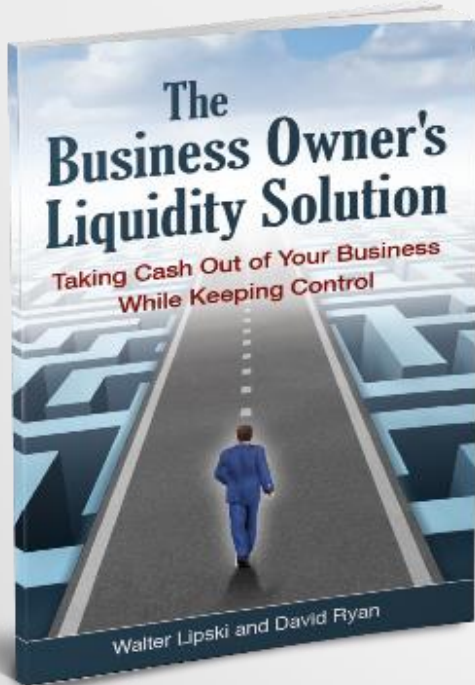
How to Fund Ownership Transfers Using the SBA

How the SBA Can Help You Successfully Exit Your Small Business

Nearly 80% of all business owners who aim to sell their businesses fail at completing the sale. Why is this? Often times, small business owners want to sell their company to a family member, partners, or loyal employees. This may make it difficult to secure financing in order to avoid the business owner taking on personal risk, which could jeopardize their retirement.

That's where the SBA comes in. The SBA loan program may provide business owners with the solutions needed to exit their company successfully.

FOR TRANSACTIONS LARGER THAN \$10M



Take Cash Out of Your Business While Maintaining Control

Discover how you can take cash out of your business while maintaining majority ownership and operational control which allows you to diversify your assets and protect your personal wealth. In the future, as the majority owner, you will receive the majority of the financial benefits as your company continues to grow and take advantage of growth opportunities.

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www.BusinessOwnersLiquiditySolution.com

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Walt Lipski **Managing Member, Arizona** **Upton Financial Group**

Walt brings his entrepreneurial experience and perspective to his client's investment banking transactions. In 1980, Walt founded an energy control manufacturing firm serving the global hospitality industry. In 1992, Walt sold his company to a public company where he was responsible for integrating and managing world-wide sales and marketing teams across multiple acquisitions.

Over the last 24 years, Walt has used his entrepreneurial experience and energies to help owners of privately held middle market companies, across many industries, realize their transition and liquidity goals through business sales, acquisitions and recapitalizations.

Walt is a nationally recognized speaker at professional meetings and conventions on topics ranging from business sales, acquisitions and M&A negotiation strategies. Walt is the 2006 recipient of the Darrell Fouts award, the most prestigious award given by the M&A Source (the largest association of M&A intermediaries) in recognition of his contributions to the profession.

Walt has held board level positions in state, national and international professional organizations, including past chair of the M&A Source. In 2008, he served as co-chair of this organization's Strategic Initiative Task Force on Security Licensing, and was instrumental in the SEC's issuing of a landmark "CBI No Action Letter."



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