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News Release

UBS Investor Watch: US business owners regret not selling and fear they mistimed the market

- **More than sixty percent of US business owners surveyed are concerned about lower valuations**
- **Eighty-one percent of owners that have recently sold a business wish they had spent more time preparing for a sale**

New York, July 20, 2023 – Following the pandemic, US business owners reported being concerned about the economy and challenging middle-market M&A environment. According to the latest UBS *Investor Watch* report, 40% of US business owners regret not selling their business in the previous two years, which saw increased M&A activity and valuations, and 61% fear they will receive a lower business valuation in today's market.

According to the report, many business owners are underprepared for an exit. Seventy percent of business owners who sold their companies in recent years spent less than two years preparing for an exit, and eight in 10 wish they had started preparations earlier.

"Many business owners are concerned about making an exit when markets are volatile," said James Jack, Head of UBS's Business Owner and Multigenerational Client Segments. "Good businesses will find the right buyers when the time is right, so it's never too early to begin planning for an exit, but it can be too late. Sellers should engage a strong team of advisors early to help maximize their business's valuation and sale proceeds."

Among owners who have not yet sold their business, 37% do not have an estate plan and 34% have not yet put structures in place to minimize taxes and shield proceeds. Business owners should take advantage of the slowdown in the M&A market and begin carefully planning their exit to ensure they are ready when market conditions improve.

The survey found that a majority of business owners (66%) who were looking to exit their businesses turned to financial advisors for advice, as they play an important role in helping owners prepare for exits. This includes addressing key issues such as post-sale spending and investing needs, financial planning and ways to efficiently support their family and safeguard their legacy.

The findings of the latest report are based on a survey of more than 500 US-based business owners who are either looking to sell their business in the next five years or who have recently sold a business.

To learn more, visit: www.ubs.com/planforexit.

Notes to Editors

About the report
For this edition of UBS Investor Watch, UBS surveyed 416 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 had at least one employee and $1 million in annual revenue. The survey was conducted from April 12th – April 20th, 2023.

About UBS
UBS convenes the global ecosystem for investing, where people and ideas are connected and opportunities brought to life, and provides financial advice and solutions to wealthy, institutional and corporate clients worldwide, as well as to private clients in Switzerland. UBS offers investment solutions, products and impactful thought leadership, is the leading global wealth manager, provides large-scale and diversified asset management, focused investment banking capabilities, and personal and corporate banking services in Switzerland. The firm focuses on businesses that have a strong competitive position in their target markets, are capital efficient and have an attractive long-term structural growth or profitability outlook.

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