

Family Company Advisory

At a Glance

While all businesses must overcome challenges to be successful, family businesses face a number of unique and formidable issues at every stage of their life cycle, particularly when it comes to managing the transition to a new generation of family owners.

Our Family Company Advisory (FCA) group has a thorough understanding of the challenges that family businesses face and extensive experience in corporate finance and transaction execution.

We offer comprehensive corporate finance analysis of strategic initiatives and fiduciary services, including succession planning and stewardship with company oversight and monitoring.

We can assist you with the often complex issues associated with business valuations, mergers and acquisitions, liquidity events, and ensuring your family business legacy.

About Bessemer Trust

Privately owned and independent, Bessemer Trust is a multifamily office that has served individuals and families of substantial wealth for more than 115 years. Through comprehensive investment management, wealth planning, and family office services, we help clients achieve peace of mind for generations.

Responding to Family Business Challenges

Known for being well managed, family-owned companies are typically characterized by their traditional values, strong customer relationships, and conservative capital structures.

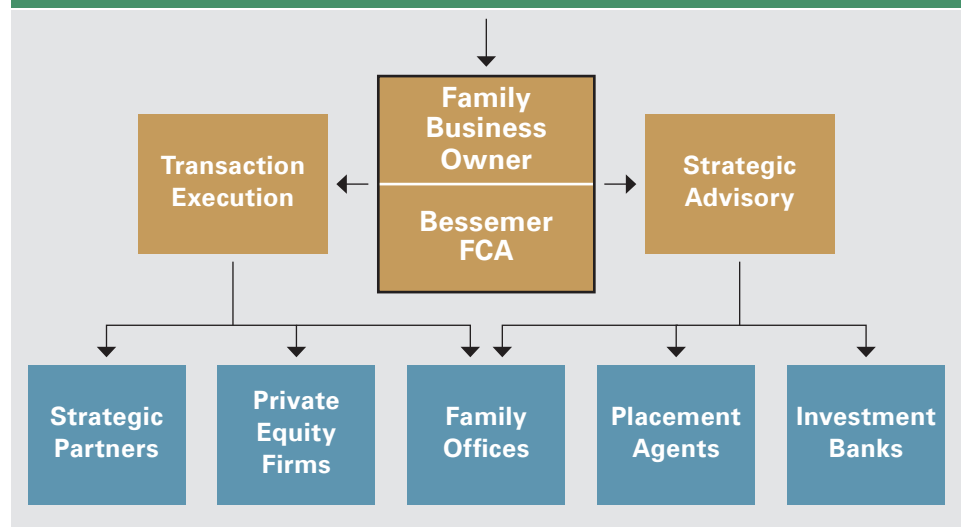
Yet why do less than a third of them manage to survive into a second generation of family owners? The reasons are many. Not only do family business owners face all of the day-to-day and strategic challenges of leading their companies, but they must also grapple with the risks associated with concentration of family wealth, balance the personal

wealth objectives of the family with the capital needs of the business, and manage the transition of the business to the next generation.

At Bessemer, we have a deep understanding of the many challenges involved in running a family business. Not only have we worked with hundreds of family businesses across a wide range of industries, but Bessemer Trust is, itself, a successful family business. We share the values of these companies, and we are committed to their owners. We can assist you in developing strategic alternatives, executing liquidity events, and structuring fiduciary relationships tailored to your family's unique circumstances and objectives.

Our Corporate Advisory and Fiduciary Capabilities

Valuation Analyses	Acquisitions and Divestures	Liquidity Events	Restructurings and Recapitalizations	Oversight of Assets Held in Trusts
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How We Work With You

Independent valuation analyses. We can help you to determine what your company is really worth — in a private sale, partial monetization, growth capital round, or initial public offering — and the best process to maximize value.

Acquisitions and divestitures. The legacy of a successful family business is ongoing wealth creation as well as family identity and pride. We can help you determine whether it makes sense to invest in growth through acquisitions or if the time may be right to sell all or part of your business.

Liquidity events. Evolving market conditions may present strategic challenges that require additional resources. Perhaps you are concerned about the risk of concentrating your family wealth in an illiquid family business. A liquidity event reduces concentrated asset risk and can resolve intrafamily tensions. We can help you to evaluate liquidity alternatives, including deploying cash flow, leveraging the balance sheet, and partnering with a minority capital provider. We can also serve as your family's trusted financial advisor during a transaction.

Restructurings and recapitalizations. What strategic alternatives would best position your company for growth and stability? How should you resolve inadequate equity capital and excessive debt? What about your family members' disparate income needs? We can devise balance sheet initiatives designed to improve your company's performance and also make it more responsive to family shareholder requirements. We can also advise on ways of improving your capital structure and sourcing capital.

Stewardship and succession planning. Does your company's business model and operating performance provide for stable growth and a secure legacy for your family? Has your company outgrown your in-house financial capability? We can address these and many other questions, providing advice on governance, capital

structure, growth strategies, attracting and retaining talent, dividends, the pros and cons of minority partners, succession planning, and other challenges common to family businesses.

Oversight of operating companies held in trust. For family business owners, many long-term financial goals center on succession planning — family control, management continuity, liquidity alternatives, impartiality among beneficiaries, tax minimization, and family wealth preservation. Placing your company assets in a trust can help you to achieve these goals. We have significant experience serving as trustee for family business owners holding their companies in a trust. We are committed to understanding their companies and working to support and enhance their businesses. In addition to providing all customary trustee services, we conduct an annual review that includes a strategic assessment and an in-depth financial analysis of your company along with detailed recommendations.

The Bessemer Difference

Having worked with hundreds of family businesses ranging in value from \$50 million to over \$10 billion, we know that each family business has its own characteristics that need to be considered when providing our services. These can include helping to address intergenerational communication issues, balancing conflicting priorities among family members, and thoughtful succession planning, among others. Our role is not simply to optimize financial results; we must also consider family-specific issues to ensure a truly successful outcome.

We are committed to helping you address the complex challenges and sensitive issues that arise with owning a family business — and using approaches that are fully integrated with your overall wealth management plan.

To learn more about Bessemer's family company advisory services, please contact your client service team or your local Bessemer Trust office.

This material is for your general information. The discussion of any estate planning alternatives and other observations herein are not intended as legal or tax advice and do not take into account the particular estate planning objectives, financial situation, or needs of individual clients. This material is based upon information from various sources that Bessemer Trust believes to be reliable, but Bessemer makes no representation or warranty with respect to the accuracy or completeness of such information. Views expressed herein are current only as of the date indicated, and are subject to change without notice. Forecasts may not be realized due to a variety of factors, including changes in law, regulation, interest rates, and inflation.

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