

Ownership Transitions in the Green Industry

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Ownership Transitions...

Succession

- Internal transition to family and / or Company employees
- Flexible process that may take years (flexible timeline, ownership purchase or gifting over time)

Sale

- External transition to third-party buyer / investor (e.g. larger green industry company, private equity)
- Expedited process typically taking months (buyer focus on quickly growing, capital for full purchase)

...Driven by Significant Market Tailwinds

\$10 Trillion

Value of private businesses expected to change hands in next two decades

\$1 Trillion

Capital held by private equity firms for investment in private companies

Sources: EY, Headway

Select Reasons for Ownership Transitions

Retirement

- Start next chapter after years of hard work
- Most common

Liquidity

- Unlock financial value of ownership in company (e.g., diversify net worth)
- Capitalize on favorable company valuation environment

Personal

- Achieve lifestyle-related goals (e.g., spend more time with loved ones, focus on health, pursue other interests, etc.)

Business Optimization

- Improve operations and/or drive growth
- Procure capital and resources to enhance performance (e.g., retain and attract more labor, respond to competitive pressure)

Illustrative Ownership Transition Processes

Succession

1. Define Exit Vision and Timeline
2. Identify and Assess Successors
3. Formalize Organizational Structure and Go-Forward Strategy
4. Establish Valuation and Ownership Transfer Mechanism/Transaction
5. Phased Management and Ownership Transition

Timing: ~3 - 10 Years

Sale

1. Financial Review and Valuation
2. Prepare for Buyer Engagement
3. Identify and Solicit Interest from Buyers
4. Receive, Negotiate and Accept Proposal
5. Buyer Diligence, Documentation and Finalize Transaction

Timing: ~4 – 12 Months

A close-up photograph of a green leaf, showing a network of veins. The veins are a lighter shade of green than the leaf's surface, creating a complex, branching pattern. The lighting is soft, highlighting the texture of the leaf. The text "Q&A" is centered in the middle of the image.


Q&A




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