

A woman with long dark hair, wearing a black top, is looking up towards a large, circular skylight in a modern building. The skylight is illuminated from within, creating a bright, circular glow. The building's interior features curved white walls and a series of concentric circular architectural elements. The overall atmosphere is one of aspiration and forward-looking vision.

**Goldman
Sachs**

Beyond the Build

A Wealth Planning Guide
for a Business Exit or IPO

Choosing the right next step for your business—whether a sale, initial public offering (IPO), or other transaction—is a significant milestone for you, your family, and your personal wealth.

While execution is often the primary focus, personal wealth planning can be equally crucial as you lay the groundwork for your next chapter. By adopting a proactive approach, you can ensure that the impact of your business exit serves as a launchpad for your future endeavors.

“For most startups, the founders still don't believe it's going to work for a long time after everyone else. They don't dare to think about wealth planning even superstitiously for a long time.”



Omri Dahan
Tech entrepreneur

An entrepreneur, if equipped with the right questions to ask, may be able to guide discussions toward a place where the company is bought on their terms, rather than sold on the buyer's. By considering some of the following questions¹ early on with personal tax and estate advisors, and the selected investment banking team, entrepreneurs can identify areas where additional dialogue may be helpful:

What are you looking to achieve with the transaction, both professionally and personally?

What type of deal structure aligns best with your long-term personal wealth goals?

How much of the company do you want to sell?

What milestones does the owner want to reach before a transaction can be considered?

What role do you want to play in the business going forward, if any?

In addition, entrepreneurs can better understand the implications of such a sale on their personal wealth by exploring the following questions with a financial advisor:

Who do you want to provide for and how much of your equity do you want to transfer?

How does ownership of the company line up with your liquid cash needs and greater investment goals?

Building the right team early on can help entrepreneurs ensure that their focus is on the transaction at hand, and build confidence that their strategic estate and financial planning is already in place.

This guide is intended to highlight core areas of concern when exiting a company—diving into several personal decision points both before and after a transaction. It draws from the collective experience of teams across Goldman Sachs Private Wealth Management and Investment Banking.

Optimizing the value of a private business and mapping out possible exit strategies should be considered early in any business's life cycle.

→ **Consider planning for new wealth before exiting your business with a Goldman Sachs wealth advisor.**

¹ The questions are provided for consideration and should not be considered comprehensive.

This guide is for general educational and informational purposes only. Statements herein should not be relied upon for specific investment, financial, tax, legal, or accounting advice.



KEY TAKEAWAYS

1 Build a team of the right advisors

Experienced advisors across several areas of expertise can help founders work through the minutiae of a transaction and personal wealth planning, such as:

- Tax efficiency of proceeds
- Concentrated equity risk
- Family governance

By working closely with these advisors, entrepreneurs can better:

- Manage liquidity needs
- Protect assets
- Achieve a more successful and seamless transaction

Experienced advisors can also help foster a compelling environment to create the best possible outcomes.

2 Utilize the tools at your disposal

There are personal wealth and business strategies available to help entrepreneurs achieve their goals.

Different deal structures can be used to address a myriad of objectives such as:

- The extent of the company you wish to sell
- Your future role in the business
- Capital needs, and more

On the personal wealth planning side, your private wealth advisor may also explore different tools in an effort to secure more value.

3 Make time your advantage

Advanced planning is essential to ensuring that personal and business goals are aligned, allowing both the buyer and the seller to focus their energy on the transaction.

Setting up tax-conscious structures well in advance can also help create a plan that adapts to changing market conditions and personal wealth needs.

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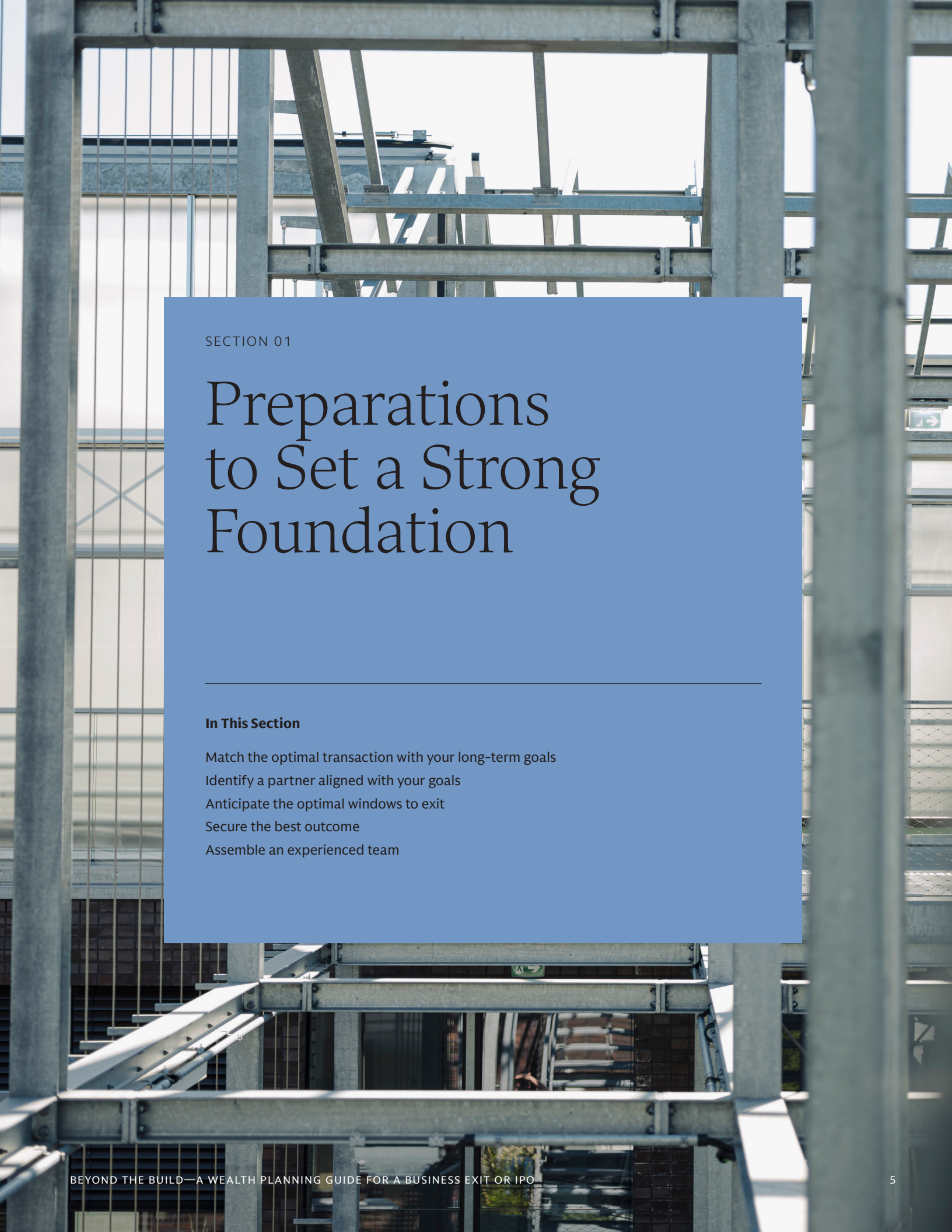


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SECTION 01

Preparations to Set a Strong Foundation

In This Section

- Match the optimal transaction with your long-term goals
- Identify a partner aligned with your goals
- Anticipate the optimal windows to exit
- Secure the best outcome
- Assemble an experienced team

Match the optimal transaction with your long-term goals

Different transactions come with varied liquidity timelines, regulatory hurdles, personal planning opportunities, involvement by founders in the future of a company, and more. An experienced investment banking team can help an entrepreneur work through these processes to create a transaction structure that is aligned with their unique business and personal goals.

Common business goals founders pursue in a transaction include, but are not limited to:

- Infuse capital
- Address competitive pressures
- Buy out certain stakeholders
- Promote management succession
- Incentivize key employees

Common personal goals founders pursue in a transaction include, but are not limited to:

- Realize gains from a successful business venture
- Reduce family conflicts and promote family unity
- Generate personal wealth from business success
- Access liquid proceeds immediately
- Acquire equity with upside potential
- Further philanthropic endeavors
- Dedicate energy to a different business or retiring

Experienced financial advisors and tax counsel can help an entrepreneur understand and anticipate how proceeds will be received and the tax implications, which may change with different types of transactions. For example:

Considerations in a sale for stock:

- Capital gains taxes may be deferred until shares are sold depending on the structure of the transaction.
- Pre-deal transfers of shares may increase tax savings for your family over the long term if done early in the process.
- Volatility in the market and transaction restrictions may limit your ability to hedge your position, creating risk.

Considerations in a sale for cash:

- Gifting or selling company stock to family members early in the sale process may result in significant transfer tax savings over the long term.
- Any gain is generally immediately taxable.

Working with an experienced investment banker, in collaboration with your financial advisor and tax counsel, can help solidify your personal and business objectives, and determine which transaction type would yield the optimal alignment.



“We find family business owners benefit from walking through a hypothetical sale—including discussions around target valuation, identification of likely buyers, solutions for potential family dynamics, investments of sale proceeds, future involvement with the business, and updates that would make the business more attractive to potential purchasers.”



Brian Grzelakowski

Co-head, Family-Owned Business Initiative & region head,
Midwest Private Wealth Management, Goldman Sachs

Identify a partner aligned with your goals

When conducting due diligence, the Goldman Sachs Investment Banking team may use a number of methods, including the below questions, to help uncover if the intentions of a potential buyer align with that of the business owner:

- 1 What is the buyer’s long-term vision for the company and how does it align with your values?
- 2 How has the buyer managed other companies post-transaction, if any?
- 3 How will this transaction impact the company’s culture, customers, and key stakeholders moving forward?

Buyers typically fall into two categories: Strategic buyers who focus on synergies to improve operations, and financial buyers who focus on investment returns and exit potential.

Financial Sponsor Buyers

Provide partial liquidity

May acquire a minority or majority stake

Typically use cash

Funds are typically looking for liquidity in 3-7 years, but term can be longer based on fund timeline

Bids driven by return on investment (ROI) goals

Depending on the stage of a company (scaled vs. early stage seeking seed capital), buyers can include private equity, venture capital, and hedge funds—and key employees often remain in employment

Strategic Buyers

Provide partial or complete liquidity

Typically acquire entire enterprise

Typically use cash, debt, and stock

Ongoing partnership

May be able to offer higher valuation if they have synergies

Buyers are often companies in similar lines of business

Anticipate the optimal windows to exit

Market cycles also influence buyer appetite, financing conditions, and deal structures. The capital markets typically cycle between four stages:



Company valuations may fluctuate as a result of many factors correlated to their own business cycle, public investor momentum around a particular industry, and macro/market factors that may be outside of the company’s control. Staying connected to an investment banking partner with a depth of capital markets knowledge can be critical for navigating through these peaks and valleys. Unsurprisingly, entrepreneurs seek the peak but the “business cycle” of a company or industry (i.e., the point when profits or growth create momentum for a sale) may not always align with the top of capital markets activity.

A key to any financial decision is to be ready when windows of opportunity arise. According to Kerry Blum, global head, Equity Structuring Group, Goldman Sachs, developing a detailed plan well in advance can help you prepare for when the timing is right. In the absence of a plan, it’s possible to fall into “holder’s remorse.” “In 2022, after equity markets sold off from pandemic highs and selling activity slowed materially, individuals who were still considering plans but had not yet implemented experienced regret for not having taken action when they could have.”



“If you want to remain heavily embedded in leading the business, you will need to find a buyer who shares your vision and will let you run the business the way you want. As you prepare your business to take its next step, you will face decisions about the makeup of your management team and how your employees are taken care of and incentivized.”



Alekhya Uppalapati

Managing director, Global Technology, Media and Telecommunications Group, Investment Banking, Goldman Sachs

Secure the best outcomes: A Q&A with Alekhya Uppalapati, managing director in the Global Technology, Media and Telecommunications Group of Goldman Sachs Investment Banking

Q What advice do you have for entrepreneurs as they start to think about a potential exit and are searching for the best deal?

Be upfront with your expectations (if you have them) on the key details like price, liquidity, ongoing ownership, and governance. When your advisors understand your desired outcome, they can help you determine if it's the right time to achieve your objectives or what the timeframe might be to get there.

Q What are three major pitfalls you've seen entrepreneurs and business owners encounter over the course of your career, and what's your advice for avoiding them?

The biggest pitfall I've seen is not setting expectations up front in terms of outcomes and the process. Beyond that, it's important for owners to invest time in getting to know the buyer well. If going down the IPO route, spending time with other public company operators to understand what their day-to-day looks like can help set the right expectations. I've also seen some business owners not fully appreciate how much market volatility can constrain their ability to guide their long-term decision making.

Q How do you help business owners think through the pros and cons of different transaction paths, particularly if they are looking to take their company public?

We try to make sure founders carefully evaluate how their day-to-day would be different and the type of scrutiny they'd face if taking their company public, compared with selling to a sponsor or strategic buyer. If you're considering an IPO, it's important to evaluate whether your company is structurally set up to be a public company—how volatile is the business model? Are you able to accurately forecast financial results? Is the business one that public markets will be able to easily understand? It's a big change going from private to public. Founders need to ask themselves how they'd feel about being exposed to the level of oversight and accountability that comes with being a public company. When I'm speaking with clients who are exploring an IPO, I'll often ask these three questions:

- Are you willing to spend more time with institutional investors?*
- How do you feel about leverage?*
- Do you want to be accountable to a board of directors?*

If an entrepreneur is going the IPO route, a strong single-stock risk management plan will also be key for their personal finances. For many companies, the IPO route can prove the right one particularly if it helps elevate their brand or provides more flexible currency for M&A and growth ambitions.

Assemble an experienced team

Given the increased complexity of business transactions, experienced advisors are an important factor in helping entrepreneurs confidently move forward. An entrepreneur's team of advisors—which may consist of company leadership, personal lawyers and accountants, and investment bankers—helps design the optimal transaction based on individual goals, helps mitigate potential risks (e.g., protecting intellectual property), and ultimately helps take advantage of available opportunities.

The key players on a team during such a transaction may include:

Company Leadership	Personal Advisors	Transaction Team
Chief Executive Officer	Financial Advisor	Investment Banking Team
Chief Operating Officer	Trust and Estate Lawyer	Deal Lawyer
Chief Financial Officer	Certified Public Accountant (CPA)	
General Counsel	Tax Lawyer	
Chief Human Resources Officer	Insurance Specialist	
	Trust Officer	



“Coach your bankers to speak directly and honestly about what is achievable and why, rather than anchoring them to your expectations of what a deal should be.

When you’re choosing your prospective bankers, it’s important to consider the whole team you’ll be working with. Often people warm to a single person and fail to properly evaluate how they feel about the full team. One person isn’t going to be doing all the work.

Also, make sure there’s a solid corporate finance team in place at your company. Selling a company at a compelling valuation often relies on demonstrating strong financial rigor.”



Alekhya Uppalapati

Managing director, Global Technology,
Media and Telecommunications Group,
Investment Banking, Goldman Sachs

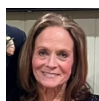


Evolve your team of advisors: Perspectives from Eve Murray, former co-owner, Lee Container

Eve Murray was one of a handful of shareholders of Lee Container, a family business founded by her late father, J. Donald Lee, more than 30 years prior. Ultimately, a confluence of factors—including a business need for greater leverage than shareholders were comfortable with and regulatory shifts—led the family to pursue a sale.

As the family began the process, it quickly became apparent that its existing advisors didn't have sufficient experience for effective pre-transaction wealth planning involving a business of Lee Container's size. The family added additional advisors to its inner circle, enabling them to better understand the impact of taxes on the transaction.

“There was so much information. Relying on the resources from our advisors was pivotal. Then it was a case of being willing to listen and willing to act.”



Eve Murray

Former co-owner, Lee Container

SECTION 02

Planning for New Wealth

In This Section

- Prioritize personal planning
- Understanding business structure and its impact on taxes
- Create a wealth strategy and legacy plan
- Incorporate tax-efficient philanthropy
- Protect your assets for the future
- Access liquid funds
- Prepare the next generation

Prioritize personal planning to secure value and stay on track

Whether pursuing a merger/acquisition, IPO, majority sale, minority sale, or other type of transaction, the process typically becomes more complex as a deal progresses, blending personal financial considerations with the complexities of investment banking.

The trajectory of a transaction should also match the pace of individual personal planning needs. Indeed, the timeline of a deal could be derailed entirely by delays stemming from personal planning objectives missed in the early stages.

Entrepreneurs may choose to prioritize personal planning in tandem with or even ahead of business preparations, as the business transaction can have a major impact on present and future personal wealth, and the window to implement personal planning strategies can close quickly.

Planning for new wealth also means preparing for life after the transaction through a clear strategy to:

- Manage your money
- Help protect your assets
- Establish your legacy
- Support your family's new reality

Taking a proactive approach can help your long-term financial security and success.

Focus your attention on the right places at the right times: Perspectives from Omri Dahan, tech entrepreneur

In the thick of startup survival, Omri Dahan admits he didn't dare to think about wealth planning for a long time. He didn't want to jinx it. However, as the question shifted from "Am I going to have enough?" to it becoming clearer his family would be "OK," he started the journey of educating himself.

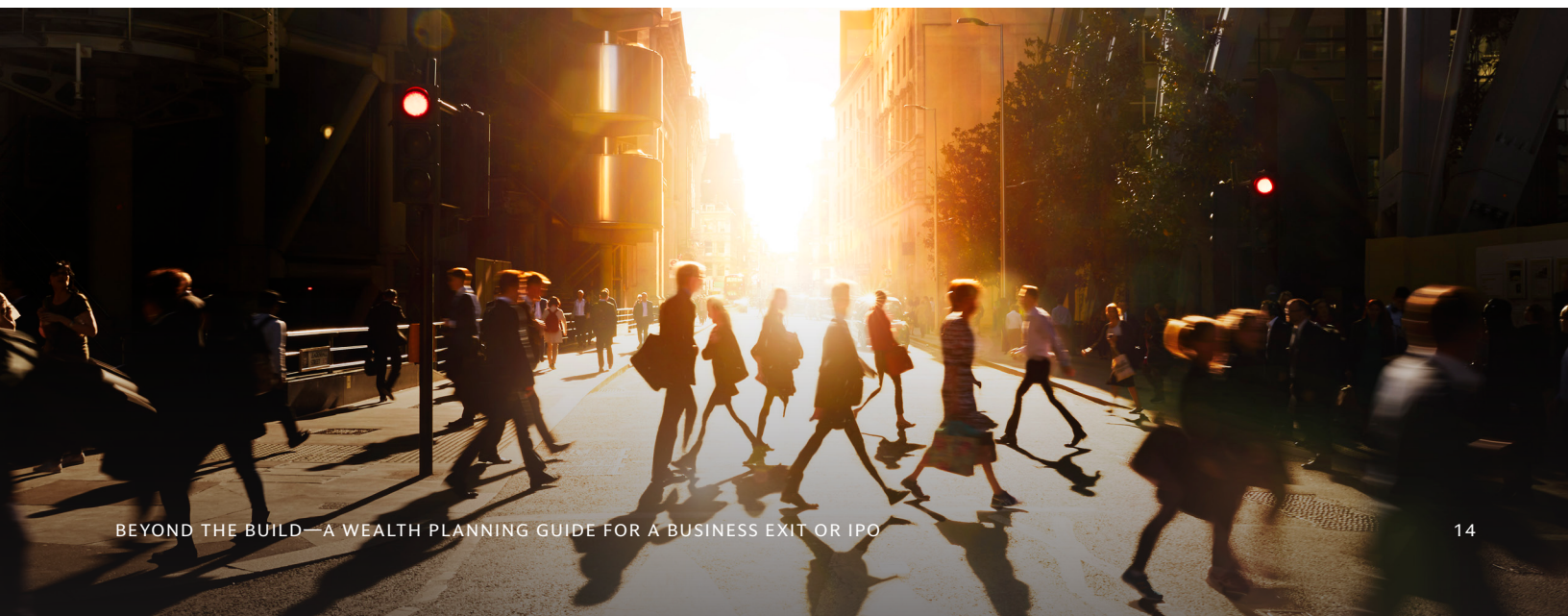
During the pandemic, and nearly a decade into growing his company, Dahan took time to set down a list of financial goals on one page. He broke them down into six qualitative categories: personal wealth, charitable giving, setting up his kids for success (the hardest part), parents aging with dignity, real estate, and lifestyle.

He stressed, "It's important to know what's important. I know I can be happy without wealth but in a society where it's always about more—it's important to set that pressure aside and ask, 'What do I really care about?' ... The vast majority of entrepreneurs have no idea about tax codes or planning. There's a learning journey that has to happen and then you need to be able to take action quickly."

Dahan mostly educated himself through talking to people and doing some online research. He then took what he heard from different individuals and pressure tested it with other advisors, constantly asking questions and challenging whether things could be done differently.

Dahan reflects on his experience throughout the wealth planning process, emphasizing, "You'll be wrestling with your own fear and greed intensely. Period. The antidote to getting sucked into that fight is gratitude. No matter how hard you've worked, it is still an immense privilege, and responsibility, for any individual to be in this kind of position."

Most entrepreneurs consider themselves optimizers and maximizers, yet they don't always carry it to their personal finances. Applying that mantra to creating an action and consideration cycle for wealth planning has become key to Dahan's success.



Understanding business structure and its impact on taxes

As an entrepreneur, understanding what type of equity you own in your business is important. How your business is structured impacts everything from decision-making to tax liabilities and potential exit strategies.

Common types of business structures include:

S-corporations, which do not pay federal taxes at the corporate level, instead passing taxable income through to shareholders.

C-corporations, in which the entity pays taxes on its profits, and shareholders only pay taxes when dividends are paid or a capital gain is triggered. C-corporation stock can be eligible for qualified small business stock treatment if it meets specific requirements, which can result in the exclusion of significant capital gains from federal and possibly state income taxes.

Partnerships, in which profits and losses are passed through to the partners, who then report them on their individual tax returns. Partnerships do not pay taxes on profits at the entity level.

Limited liability companies (LLCs), which can choose to be taxed as a C-corp, S-corp, or partnership.

Experienced tax and legal counsel can assist entrepreneurs with better understanding what type of entity they own, in addition to assisting with planning for a potential exit.

Creating a wealth strategy and legacy plan

Estate planning can play a big role both before and after a transaction, by helping to align short-term goals (e.g., tax efficiency) with long-term goals (e.g., establishing a professional trustee for more permanent stewardship over assets and giving family members a partner to oversee the family legacy).

Working with an experienced estate planning attorney can help an entrepreneur identify the different structures available to help achieve these objectives, and select the one that best aligns with the entrepreneur’s personal approach to legacy planning. Each structure has pros and cons:

Common Wealth and Legacy Strategies to Speak About With Your Estate Planning Advisor

Provide for my family and heirs (or beneficiaries), including charity	Outright gifts	Defective Grantor Trusts (DGT)
	Family Limited Partnerships (FLP)	Charitable Remainder Trusts (CRT)
	Spousal Lifetime Access Trust (SLAT)	Charitable Lead Trusts (CLT)
Estate tax planning	Grantor Retained Annuity Trusts (GRAT)	Generation-Skipping Transfer Trusts (GST)
	Gifting programs	Techniques listed above to provide for family and other heirs
	Valuation discounts	Life insurance trusts
Provide for charity	Outright gifts	Charitable Lead Trusts (CLT)
	Charitable Remainder Trusts (CRT)	Private foundations and donor advised funds

Some questions that may help to frame a conversation with an experienced estate planning attorney can include:

Who do you want to provide for?

What portion of your equity do you want to transfer?

Do you want to pass assets as a one-off or as part of an ongoing process?

How much control do you want to retain over distribution and usage of proceeds?

What guidelines and expectations are important for you to establish with beneficiaries?

Would you and the beneficiaries benefit from professional trust management, or will the trust be administered by an individual?

Entrepreneurs may also want to explore creating the following revocable documents, in partnership with their financial advisor and estate lawyer, to ensure their family has a plan in place in case of an emergency:

- Will
- Revocable or living trust (to avoid probate cost and delays)
- Durable power of attorney
- Health care proxy
- Living will for end-of-life medical direction
- HIPAA authorization

Incorporate tax-efficient philanthropy into your wealth strategy

Working with an experienced tax advisor can help entrepreneurs identify alternate paths to enhancing tax efficiency during a transaction, such as through charitable giving. By establishing philanthropic entities and gifting company ownership ahead of the sale, a donor may avoid including proceeds in their gross income or capital gains—making the full amount available for charitable goals.

The chart below outlines different charitable giving structures.

Charitable Giving Options	
Outright Gift	Charitable Remainder Trust
Charitable Lead Trust	Private Foundation
Donor Advised Fund	Supporting Organization

Each of these structures comes with different levels of control, tax efficiency, and administrative responsibilities. For more information on the pros and cons of different philanthropic vehicles, speak with your tax advisor.



Seek to protect your assets for the future

Entrepreneurs may want to consider insurance coverage to help have an added layer of protection from liability.

Key asset protection strategies entrepreneurs can explore include:

- Reviewing fundamental estate planning documents with an attorney for potential updates
- Some entrepreneurs consider reviewing excess liability umbrella insurance coverage for sufficiency of coverage limits and whether key activities that carry potential liability are specifically covered, for example, non-profit board exposure
- Reviewing any/all directors’ and officers’ insurance coverage for any for-profit entity board exposure
- Reviewing appropriate titling of assets with an attorney

“A lot of business owners are so consumed with the activities of running their companies that they don’t think about the exit plan early enough. The earlier you start to think about that, the smoother it will go, the more control you’ll have, and the happier you’ll be. Think about it early and often.”



Roxanne Quimby
Co-founder, Burt's Bees



Access liquid funds before the transaction

Entrepreneurs often require access to liquid funds while their balance sheet is still tied up in illiquid assets before a transaction. Strategic lending solutions such as secured lines of credit, portfolio-backed loans, and bridge financing, may help unlock funds without requiring the sale of assets or disrupting long-term wealth strategies.

Financial advisors can provide tailored advice, but in general, to design the terms of a loan, a bank will first evaluate the underlying business. Important factors include revenue, growth, profitability, projections, investor base, and business fundamentals. The entrepreneur's personal assets are also reviewed—including any real estate, private collections, securities portfolios, and alternative investments. Loan to value against private stock tends to be in a range of up to 20%.

Some of the questions a lender may ask an entrepreneur include:

What does your personal balance sheet look like outside of the equity in your private company?

Are you open to lending structures other than a traditional, personal loan?

Are you comfortable having the loan disclosed in pre- and post-IPO SEC filings?

Are you comfortable with personal/equity recourse?

Would the company be comfortable allowing a pledge and removing any internal restrictions on pledged shares?



Prepare the next generation for your new financial reality

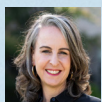
With a business transaction event comes a need to shape how the next generation learns about their wealth and how it can fuel their contributions to the family—and even society as a whole.

Regularly scheduled family meetings, which can be facilitated with the support of your financial advisor, can help effectively convey lessons on the responsibilities of wealth and philanthropy. Done properly, and guided by the family's values, these meetings can help proactively inform, inspire, and achieve the following goals:

- Promote greater understanding and appreciation of the family's financial picture (where appropriate), potential risks, and long-term outlook.
- Educate appropriate family members on important topics, including the family's estate plan structure, future administration plans, creditor protection, insurance, trust terms, and the rights, roles, and responsibilities of family members.
- Unite the family around mutual goals, expectations, and involvement in shared endeavors.
- Create a clear channel of communication and transparency among family members, and provide a platform to address concerns, resolve family conflict, and foster an environment of openness and a sense of belonging.
- Prepare the next generation to lead productive economic lives and, where appropriate, to serve as effective stewards of the family's wealth, philanthropic values, and charitable commitments.

A business transaction event may also bring uncomfortable conversations with friends, family, and the broader community regarding your wealth. A financial advisor can help establish a process to manage expectations and set appropriate boundaries.

“Your family legacy is what you build together, not just what you leave behind. Families that devote sustained energy and resources to cultivating trust and a shared culture—as well as governance and communication practices—are more likely to have successful stewardship outcomes. If you aren’t clear on how your present family culture and practices align with a desired goal, like raising resilient kids, that’s an opportunity to develop and implement a more effective, supported strategy.”



Carra Cote-Ackah

Head of Philanthropy Engagement and Legacy Planning, Goldman Sachs Family Office



Use estate planning and philanthropy to foster the next generation of good stewards of wealth: Perspectives from Roxanne Quimby, co-founder, Burt's Bees

Burt's Bees co-founder Roxanne Quimby started her company to make a meager living while raising two children in a cabin tucked away in a remote, wooded corner of Maine. "We didn't have a lavish lifestyle—in fact, we didn't even have electricity," she says.

What she did have was a strong instinct for growing a company and understanding what people want. Burt's Bees grew more and more successful, and after 20 years of running the business, she sold an 80% stake to a private equity firm and then a few years later, the remaining stake to a large industry player.

When this influx of wealth occurred, one of her biggest priorities was ensuring her kids maintained a keen sense of passion and purpose, despite their family's new circumstances. "Once you've established your personal financial security, the next step is helping others," she says.

Before selling the company, Quimby met with advisors and specialists to understand how to create a philanthropic mission. The first decision she had to make would set the foundation for her family's legacy. How much did she want to keep personally, and how much did she want to put toward a philanthropic entity that fulfilled her desire to be a better citizen of the planet? She thought she'd start at 50-50. While she admits this was a little arbitrary, in her mind, "it seemed a well-balanced place to start."

She worked with financial advisors, tax counsel, and estate planning attorneys to set up trust and estate plans, and establish foundations to support her charitable and legacy goals. Quimby also focused on allocating her capital toward investments which aim to make both a meaningful environmental and social impact, and generate market-rate performance.

After the sale, Quimby had great concerns around the impact wealth would have on her children. She worked with consultants and specialists, devoting significant time and effort into shaping their ideas and relationship with money.

While her children had expressed little interest in joining the family business, they were enthused by the prospect of philanthropy. As they grew older, Quimby involved them in the strategic decision making of the new foundations and assessing grant proposals. Over time, her daughter was able to channel specific interests around wellness and nutrition to shape the ongoing mission of the family foundation. "She had a clear vision and passion and was extremely capable," Quimby says. "So I withdrew and gave her the space to direct that foundation ... Releasing my control so [my children] could run these foundations helped them accept the responsibility of this great wealth in a character-building way. They have a certain amount of luxury many people aren't fortunate enough to have. But they also work hard every day at what they believe is important."





SECTION 03

Steps to Building Personal Wealth

In This Section

A Six-Step Manifest
Conclusion

A Six-Step Manifest

There are many decisions and tax considerations to keep top of mind after a successful transaction. These six steps can help you work through key action items with your financial advisor and tax counsel, as well as any family and estate planning attorneys.

1 Business and Equity Planning

- Review contractual, practical, and securities law considerations around equity holdings to help avoid missteps.
- Review and deploy your plans outlined before the transaction for a large, concentrated stock position to meet objectives for liquidity generation, de-risking, diversification, and yield enhancement.
- Evaluate continued involvement with the company and the considerations your role imposes on your wealth plan, including trade restrictions and market reactions.

2 Tax Planning

- Consult with legal counsel and tax advisors to determine the tax treatment of the sale and any corresponding tax obligations.
- Discuss with tax advisors whether there are any strategies to consider to help offset any tax liability from the sale, such as charitable donations.
- Evaluate state residency for potential income or estate tax considerations, particularly if transaction structure creates ongoing or future income.

3 Estate and Family Planning

- Review pre-sale wealth transfer strategies to make sure they continue to be properly administered until expiration.
- Review basic estate planning documents to make sure they reflect your family's increased wealth profile.
- Evaluate whether to continue or increase lifetime transfer tax strategies (e.g., making gifts, etc.) to fully utilize remaining gift tax exemptions and credits.
- Review all estate planning documents, including successor trustee provisions, to ensure beneficiaries will have adequate support in place to manage increased wealth.
- Engage with advisors on a process to create or evolve family governance and communication practices.
- Consider the emotional and intellectual impact of new wealth on your children and make plans to educate and prepare them for the future stewardship of wealth as part of an overall family governance plan.

4 Liquidity Planning

- Review any loans and liabilities and determine if they should be restructured in light of the new liquidity.
- Update old financial planning projections.

5 Asset Protection and Additional Services

- Review your family's liability exposure and consider whether your current umbrella liability insurance coverage is still sufficient.
- Consult with counsel to determine if any asset protection/preservation strategies may be available to protect some or all of the after-tax sales proceeds from future creditors.
- If your health insurance, life insurance, or other services such as cyber security, physical security, private aviation, and more were previously provided by your company, explore alternative options available through your financial advisor.

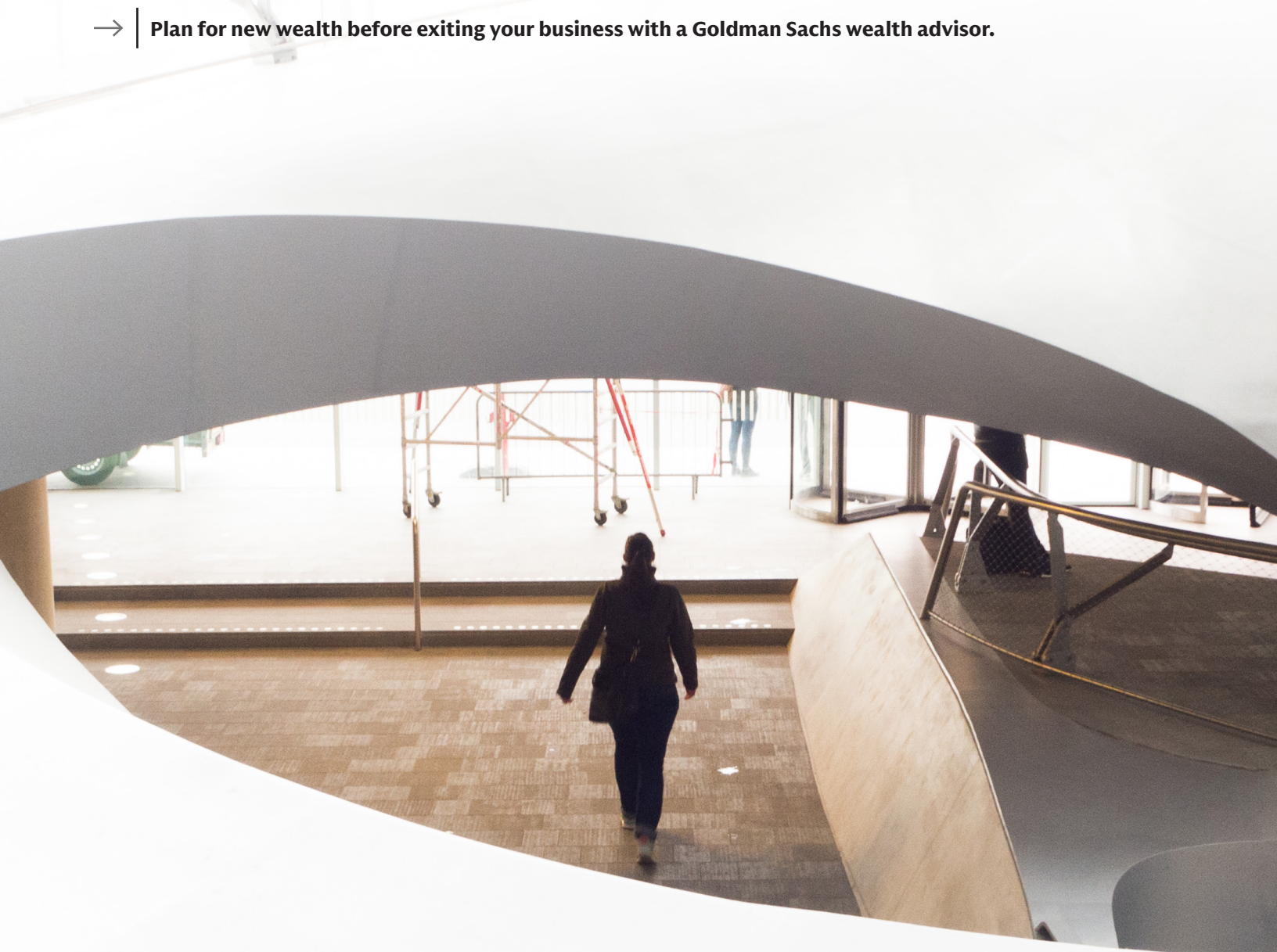
6 Philanthropic Planning

- Begin to engage with advisors and organizations on deploying the next phase of your philanthropic strategy using transaction proceeds.

Conclusion

Reaching the point of an exit or transition for your business represents a defining moment in your journey. Careful, advanced planning across the transaction timeline is key to building long-term impact. At each stage, a multitude of choices can be made. An experienced investment banking team can help navigate complex decisions like choosing the right buyer and structuring a deal. These decisions can be further informed through consultation with a wealth advisor, tax and estate attorneys, and an accountant, each of whom can guide decisions on optimizing taxes, protecting assets, securing your legacy, and more to reach the best outcome for you, your business, your employees, and your family.

→ | **Plan for new wealth before exiting your business with a Goldman Sachs wealth advisor.**



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