



THE MACKINS AT BLEAKLEY FINANCIAL GROUP

EXIT PLANNING: TRENDS, PREDICTIONS AND INSIGHTS

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CURRENT TRENDS

As of June 2021, there were just shy of 600 mergers and acquisition (M&A) transactions valued at more than one billion dollars in the United States which were completed over the past year. The overall number of M&A deals in the 12 months ending June 30, 2021 amounted to about 17,000, up from around 13,000 in the previous year. That is over 20% higher for the first half of the year. *

2021 was a record year for exits. We saw it first hand in our business, where we had about 20% of our business owner clients exit this year.

If predictions hold, deals will continue to be significantly high in 2022.

*Source:

<https://www.statista.com/statistics/245977/number-of-munda-deals-in-the-united-states/>

EXIT PLANNING COMES IN DIFFERENT SHAPES AND SIZES

- ✓ **Complete sale of the business where the owner steps away immediately**
- ✓ **Gradual exit where the owner has an earn-out and stays onboard for a transition period**
- ✓ **A rollup where a new leadership team is brought in to help get the business to the next level and the owner stays fully engaged in the business with an ultimate goal of reselling down the road at a higher multiple and valuation**

IS NOW A GOOD TIME TO EXIT?

Multiples are high, there is an abundance of capital and a scarcity of assets creating a general supply and demand imbalance. Outside of this year, frankly, there has never been a better time to sell a business.

Is there anything keeping business owners from exiting at the moment?

Common concerns from business owners are worries they will be too distracted, there is still significant growth opportunity and they want to be the one to capture it or they can not afford to exit at this time.

If you're considering an exit, first ask yourself, "Is there still an upside?" If the answer is yes, then ask yourself if you have the desire and ability to capture it.

2022 M&A FORECAST

"Individuals will continue to explore selling. The feds have made it pretty obvious that rate increases will happen and at that point multiples may drop slightly. But, lack of supply will be the tailwind for keeping the multiples high."

- SCOTT SERGEANT, HOULIHAN LOKEY

DOWNLOAD THE CHECKLIST BY VISITING
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7 Steps to Check Off Before Selling

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