



Family Business Succession Planning



Successful partnerships are built on trust and understanding, which is why succession planning requires a respected partner like NSX to help navigate transitioning a family business for continued growth and success.

For family businesses particularly, succession planning needs to be well planned and the option of becoming a listed public company is a serious consideration.

In Australia, more than \$6 trillion of economic value exists in family businesses, 70% are family owned and 80% of Australians are employed by small to medium sized family businesses, making them the lifeblood of our economy.

During the next decade, 80% of family owned businesses will consider succession of ownership or management planning where most of the owners will look to transition out of the business, by handing it down to the next generation, or by selling the business.

Two out of three businesses fail to transition successfully, resulting in closure.

In many cases, a family member nominated as the successor who the value is to be transitioned to, may see additional family members disinterested in working in the business raising the question, how is the divestment of the company to be managed fairly and equitably?



An NSX IPO allows for fair and equitable transition of ownership at an objective and transparent valuation by providing an arm's length model to transfer interest in the business, whilst still allowing control of the business to remain in family hands.

The gradual release of equity, starting from 50 shareholders with a free float of 25%, would see 75% of equity retained by the family, means that there is greater control and provides an alternative to all or nothing solutions.



Additional benefits of an NSX IPO include:

- Provide a framework for the transition of management, and attract new talent
- Create and access liquidity for shareholders and in doing so, realise value
- Attract new capital for future growth strategies
- Increase the profile and credibility of the company with suppliers and customers

IPOs help family businesses achieve a number of goals:

- Formalise and structure communication, governance, decision making and business growth strategy
- Unlock a broad range of corporate strategies including mergers, acquisitions, joint ventures and trade sales
- Increase the investment profile of the company generating a real-time realisation of value creation
- Preserve traditions within a corporate culture

A company is eligible for an NSX IPO where it has:

- A minimum of 50 shareholders holding at least \$2,000 each;
- A minimum of 25% in free float; and
- A two-year track record of operations

The NSX IPO experience:

- Solution focussed service model
- Faster, cheaper and simpler access to market
- User friendly, supportive advisor base model
- Protected from share price volatility generated by short selling and algorithmic trading

By partnering with NSX through an IPO, family businesses will give themselves every chance of success for generations to come.

NSX Snapshot



\$2.8bn

TOTAL MARKET
CAPITALISATIONS



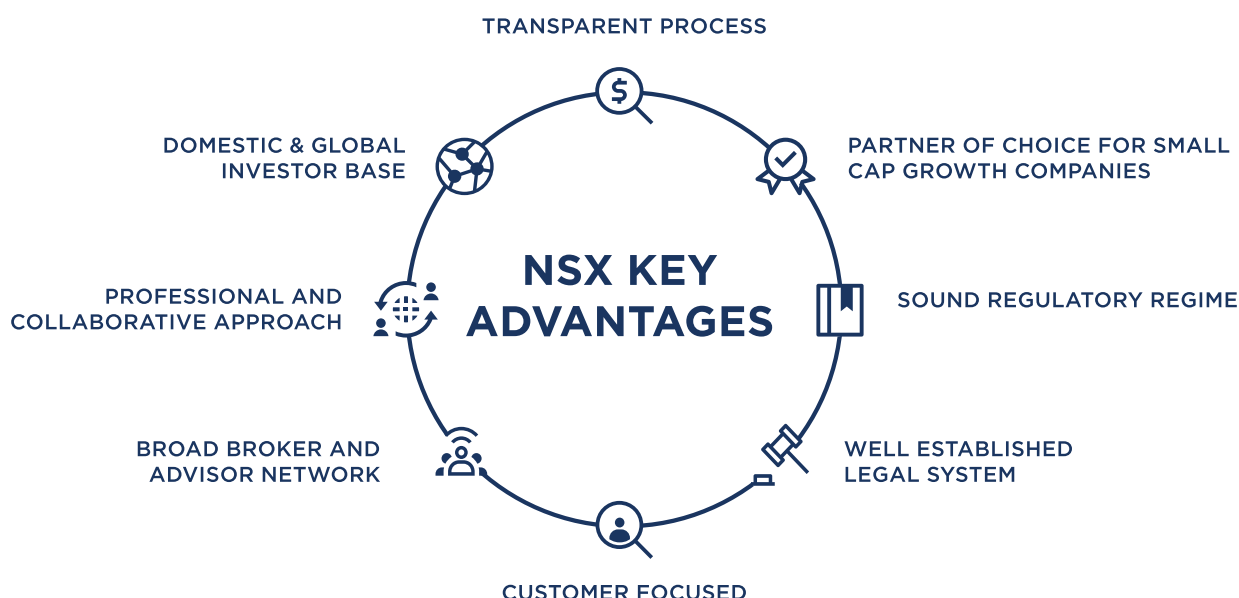
75+

LISTED
SECURITIES



20

PARTICIPATING
BROKERS



MAIN BOARD

- 50 security holders or more in the primary class of securities
- 25% of issued capital held in the hands of the public (non-director hands)
- Two year adequate trading track record or the offer is underwritten to the minimum subscription
- Market capitalisation of listed securities must be at least AUD \$500,000
- Appointment of a Nominated Adviser from within your company or from our list of Nominated Advisers
- CHES electronic settled securities and a CHES capable share registry service required
- NSX compatible constitution

For more information, please refer to the NSX website.
Source: World Federation of Exchanges, NSX.
As at 1 February 2019.

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