

CUMULATIVE RESULT

\$20.9M

TOTAL ECONOMIC BENEFIT

OVER 8 YEARS

\$18.5M more cash for the business**+ \$2.4M** for employee benefits

WITH ASC PARTNERS

\$96.8M

AFTER-TAX CASH

WITHOUT ASC PARTNERS

\$78.3M

AFTER-TAX CASH

A Texas-based owner of multiple businesses generated approximately \$80.9 million in annual gross revenue and \$11.3 million in taxable business profit, incurring roughly \$3.4 million in annual business income taxes. With a 14% pretax margin in an intensely competitive environment, the owner wanted to improve margins, retain more cash, and create greater financial flexibility.

PROBLEM

Intense competition limited the owner's ability to materially improve margins through conventional operating measures alone. Too much economic value was leaving the businesses rather than being retained and redeployed for growth, liquidity, retirement, and employee objectives.

SOLUTION

ASC Partners implemented **Strategic Capital Architecture™** to restructure how the businesses deployed their earnings, improving tax efficiency, increasing capital retained for business and retirement objectives, strengthening employee benefits, and preserving ownership and control of the operating businesses.

RESULTS

IMMEDIATE IMPACT

\$1.8M

MORE CASH IN YEAR 1

NET OF TAXES AND FEES

CUMULATIVE THROUGH YEAR 8

\$18.5MMORE CASH FOR
THE BUSINESS**\$2.4M**FOR EMPLOYEE
BENEFITS

*Illustrative case study based on an actual ASC Partners implementation. Certain identifying and background facts have been modified to preserve confidentiality. Figures reflect cumulative results 8 years after initial restructuring.