Companies seek valuations for corporate governance or regulatory reasons, or because management wants to understand value better so it can make optimal decisions. In these instances, a company is often at a critical juncture—it may be planning an acquisition, resolving a shareholder or joint venture dispute, or seeking to reduce the gap between intrinsic and market value.

At such a strategic time, it makes sense to seek the services of an experienced commercial valuations team. KPMG’s Valuation Services teams are, made up of professionals from KPMG member firms around the world, have the technical skills and practical deal experience to provide objective, independent advice. KPMG professionals approach is to focus management’s attention on many of the key transactional or strategic issues that help generate shareholder value.

KPMG’s Valuation Services teams recognize that a valuation is not a simple numbers exercise. Valuation Services professionals spend time working to understand your business dynamics, as well as industry and value drivers. They also draw on extensive experience to apply relevant valuation methodologies, using industry knowledge and benchmarking analysis.

KPMG member firms’ experience includes acting for large quoted companies and multinational corporations, as well as privately owned and developing businesses.

**KPMG’s Valuation Services team**
KPMG’s Valuation Services teams include more than 1,500 professionals in KPMG member firms across more than 50 countries around the globe, allowing us to mobilize international teams in a timely manner. The teams include country-specific professionals who have a sense of regional market conditions and can consider local issues such as taxes and market regulations. A home office partner acts as a central point of contact for clients. Working with local country teams, this partner helps to ensure quality, consistency, and responsiveness.

**Independent board advice**
Boards of directors can turn to KPMG’s Valuation Services teams for independent, objective advice to help determine what the right price is to pay or accept for a business.

**Investment and transactional advice**
KPMG’s Valuation Services teams can provide independent valuation advice to help companies analyze investment or divestment opportunities. This includes guidance on joint ventures and alliances where valuation advice can help in pricing negotiations or in the final investment decision, as well as equity splits at formation or exit. The integration of due diligence findings into the valuation analysis is integral to KPMG member firms’ transactional advice.

**KPMG’s Valuation Services teams include more than 1,500 professionals in KPMG member firms across more than 50 countries around the globe. This network has experience in a wide range of major industries and familiarity with local regulatory and M&A marketplaces.**

© 2019 KPMG International Cooperative (“KPMG International”), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. All rights reserved.
Fairness opinions
KPMG’s Valuation Services teams can provide independent advice to shareholders, the board, or the company on the fairness of the price and terms of a transaction, as required by regulatory authorities. KPMG professionals experience includes public takeover bids, demergers, squeeze-outs, and related-party transactions.

Accounting support
Part of KPMG member firms’ accounting support is determining the value of identifiable acquired intangible assets such as trademarks, brands, technology, and customer relationships, and tangible assets such as machinery, equipment, and real estate. KPMG’s Valuation Services teams can also undertake annual impairment reviews under U.S. GAAP, IFRS, or other accounting standards and, after a large acquisition, our valuation professionals can assist in allocating a purchase price to individual legal entities in compliance with accounting and tax regulations.

Funds
KPMG’s Valuation Services teams can assist fund managers and financial sponsors throughout the life cycle of an investment and a fund. The teams have well-established capabilities in a variety of transaction-related situations, including providing pricing analyses, purchase price allocations and annual goodwill impairment tests, periodic mark-to-market valuations, tax planning/structuring advice, restructuring/reorganization assistance, related-party/intrafund transfers and valuation of illiquid assets, debt securities, derivatives, liabilities, and asset retirement obligations. Independent valuations are capable of standing up to scrutiny from both commercial (e.g., investor) and regulatory (e.g., external auditor) perspectives.

Restructuring
KPMG’s Valuation Services teams can provide independent valuation advice and opinions to lenders, companies, and administrators in the context of restructurings. Specialized valuation professionals have significant experience of working alongside different stakeholders to provide objective, robust, and commercial valuation advice that will stand up to scrutiny in both consensual and non-consensual situations.

KPMG member firms experience includes the provision of valuation advice and strategic disposal options in connection with Independent Business Reviews and independent valuation opinions for the benefit of an administrator or similar acting party.

Tax planning support
KPMG’s Valuation Services teams can identify and support arm’s-length value analysis for tax planning purposes through KPMG’s global network of member firms and provides independent advice for tax compliance purposes.

Finance support
KPMG’s Valuation Services teams can provide advice needed for raising equity or debt financing, including determining the value of equity to be issued to the new partners or shareholders of an entity or the valuation and equity splits at formation.

Venture capital and holding company support
Establishing the value of unquoted investment portfolios can help venture capitalists and holding companies in their strategic investment decisions.

KPMG’s Valuation Services teams can help establish a value-based portfolio management system in addition to ad hoc valuation support.

Value-based management
KPMG’s Valuation Services teams can assist in setting up value-based management systems as part of a multidisciplinary team.

Litigation support
KPMG’s Valuation Services teams can support litigation and arbitration, and has particularly extensive experience in expert witness and adjudication work in valuation disputes.

KPMG is a global network of professional firms providing Audit, Tax and Advisory services. We operate in 154 countries and territories and have 200,000 people working in member firms around the world.
KPMG’s Valuation Services approach

A thorough understanding of technical valuation issues can be critical...understanding the market dynamics is generally paramount.

**Historical balance sheet**
- Assumptions

**Projected balance sheet**
- Projected CAPEX, R&D, working capital

**Projected free cash flow**

**Projected income statement**

**Company multiples and metrics**

**Transaction multiples and metrics**

**Consider comparability to target**
- Earnings/metric analysis

**Operational considerations**
- Operational gearing
- Surplus assets/contingent liabilities
- Tax losses
- Due diligence issues
- Flow-through of restructuring programs

**Market considerations**
- Liquidity and investor sentiment
- Bid premia/control premia
- Impact of financing and options (Adjusted Present Value [APV], decision trees, real options)

**Transaction rationale**
- Stakeholder rationale for transaction
- Relative attractiveness of target
- Break-up/sum of the parts analysis
- Synergies

KPMG’s Valuation Services teams uses a robust and commercial valuation approach

Access to broad and current information can be important for the valuation approach used by KPMG’s Valuation Services team. Stock and bond market intelligence, sector information, company data, comparable companies, and similar transactions are analyzed using extensive information sources.

A robust process and the use of tailored valuation techniques are only part of the picture. Companies need to know that their independent valuation professional has credible qualifications and a depth of experience. KPMG senior valuation professionals have extensive industry experience, are members of professional valuation organizations, and speak regularly at seminars and through the press. KPMG’s Valuation Services team are experienced in the issuance of public fairness opinions, expert witness work for court purposes and mediation, as well as negotiation of valuation-related matters with the financial reporting and tax authorities on behalf of member firms’ clients.