



Why Do We Need To  
Value A Company?



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- ❖ The context of a company valuation is as important as the value itself



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- ❖ There are many occasions on which a company valuation is a critical part of a transaction...



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- ❖ Mergers and Acquisitions
- ❖ Fairness Opinions
- ❖ Initial Public Offerings (IPOs)
- ❖ Capital Raising
- ❖ Real Estate transactions



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- ❖ Your perspective on the valuation will depend where you are positioned in the deal
- ❖ In simple terms which side of the table are you on?
- ❖ A buyer? Or a Seller?
- ❖ Value high or low?



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- ❖ Valuation can be affected by;
  - ❖ the strategy behind the transaction
  - ❖ The intentions of the negotiating parties, consider game theory
  - ❖ Competition for the asset and potential synergies
  - ❖ Expertise of the transaction advisers



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- ❖ Furthermore you cannot consider a valuation outside of the context of the environment in which the company operates
- ❖ This is why including market comparisons, comparable companies and comparable transactions can be so important



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- ❖ Consider the internal factors of the business;
  - ❖ Core competence
  - ❖ SWOT analysis
  - ❖ Portfolio analysis
  - ❖ Historic performance
  - ❖ Life cycles of markets and products
  - ❖ Management



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- ❖ The external factors are just as relevant;
  - ❖ Markets
  - ❖ Competition
  - ❖ Suppliers
  - ❖ Customers
  - ❖ Channels to Market
  - ❖ Technology





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