

Why do you need  
to value a Private  
Company?





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- ❖ Valuations are important for company's, their boards, their employees and shareholders
- ❖ A valuation is a useful yardstick for measuring the progress of a company
- ❖ But there are times when private companies need valuations



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- ❖ The three main reasons for needing a private company valuation are:
- ❖ M&A or capital raising transactions
- ❖ Financial or tax reporting
- ❖ Litigation



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- ❖ The process of going public forces a company to present their financial information to a very high standard
- ❖ The market also provides a daily value for the business
- ❖ Private companies do not have this advantage and may actually prefer to keep their financial information as private as possible



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- ❖ But what if they want to raise money from external investors such as Venture Capital or Private Equity firms?
- ❖ What if they want to make part of the equity available to employees
- ❖ What if a key shareholder wants to sell their stake?



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