



VALUATION SERVICES

EXPERTS WITH IMPACT™

Our valuation services

FINANCIAL REPORTING VALUATION

- Purchase price allocation
- Impairment review
- Share based payments
- Contingent consideration
- Financial instruments

TAX VALUATION AND TRANSFER PRICING

- Valuation opinions and support in negotiations with tax authorities
- Shares and intangible assets
- Transfer pricing

IP AND OTHER INTANGIBLE ASSETS

- Valuation of IP and other intangible assets
- Licensing advice
- Transfer pricing

PORTFOLIO VALUATION SERVICES

- Alternative assets valuation
- Structuring and valuing long term incentive plans
- Advice on internal valuation policy and procedures
- Risk evaluation and pricing of complex assets

TRANSACTIONS AND RESTRUCTURINGS

- Fairness opinions
- Valuation opinions and advice in restructuring contexts
- Valuation and modelling services to support transactions and restructurings

DISPUTES AND LITIGATION

- Litigation, arbitration and expert determination
- Shareholder disputes
- Post acquisition disputes
- Matrimonial disputes
- Tax and transfer pricing disputes
- Professional negligence claims

FTI Consulting – who we are

GLOBAL PROFESSIONAL SERVICES FIRM

NYSE-listed professional advisory firm, with over 3,500 professionals deployed in 28 countries. We have valuation professionals across the major financial centres globally, including London, New York, Hong Kong, Singapore, Paris, Sydney and Dubai.

LARGE UK VALUATION PRACTICE

Our UK team of over 50 professionals contains accountants, CFA charter holders, MBAs, economists and econometricians. Our team also includes valuers who have prior experience as equity analysts, M&A advisers, asset managers and auditors.

COMPREHENSIVE VALUATION OFFERING

We provide independent and reliable opinions on the value of businesses, shares, financial instruments and intangible assets across the full range of contexts in which valuations are required.

INDEPENDENT

We do not act as statutory auditors and so we are free of any actual or perceived conflicts of interest that can arise where an audit firm also undertakes valuation work.

AUTHORITATIVE

Our valuations are informed by our disciplined and robust application of economics and finance theory and our extensive experience across a broad range of industries and geographies. We have significantly more experts in valuation, financial, and accounting matters than any other firm.

INDUSTRY INSIGHT

FTI Consulting has a global network of over 700 industry professionals who provide industry expertise, technical and market insights, and transaction experience.

Financial Reporting Valuation

The growing scrutiny by accounting oversight bodies of fair value measurements has increased the need for reliable valuation opinions for financial reporting valuations.

FTI Consulting experts provide independent valuation services covering financial reporting requirements under IFRS, UK GAAP and US GAAP.

OUR WORK INCLUDES:

- Assessing the fair value of assets and liabilities acquired (and consideration paid) in a business combination, in accordance with the purchase price allocation requirements under IFRS 3, FRS 102 or ASC 805. Our expertise includes the valuation of intangible assets and contingent consideration.
- Valuing share options and other share based payments in conjunction with the reporting requirements under IFRS 2, FRS 102 or ASC 718.

- Assisting clients with impairment reviews of goodwill and other intangible assets under IAS 36, FRS 102 or ASC 350. These issues include identifying indicators of impairment, identifying and assigning assets and liabilities to cash-generating / reporting units, and assessing the fair value or value in use of the relevant assets and units.

WHY USE FTI CONSULTING?

FTI Consulting is not an audit firm and so we are free from potential conflicts that can arise, including if the audit firm is rotated. Clients trust us because we provide reliable valuation advice that complies with the relevant financial reporting standards and is attuned to the broader commercial context (such as the structuring of a transaction that gives rise to a purchase price allocation requirement).



FTI Consulting's valuation was thorough and well written. It was exactly what I was after.

— Executive Director, leading global financial institution

FINANCIAL REPORTING VALUATION

- Purchase price allocation
- Impairment review
- Share based payments
- Contingent consideration
- Financial instruments

Founding chairman of ICAEW valuation special interest group

Former members of FASB and Financial Reporting Council's accounting council

Free from audit conflicts

Valuation team includes chartered accountants and ex-auditors

Tax Valuation and Transfer Pricing

We provide valuation analysis and support for a wide variety of tax-related purposes, ranging from preparing contemporaneous valuations to support tax filings, participating in discussions and negotiations with tax authorities through to providing expert evidence for matters heard by the Tax Tribunals or other judicial bodies.

OUR WORK INCLUDES:

- Assessing the value of shares.
- Assessing the value of goodwill, know-how, brands, patents and other intangible assets.
- Transfer pricing for intangible assets, complex financial transactions and related party goods and services.

We have been engaged to provide valuations by both tax payers and HMRC. Our valuation team participates in HMRC's Fiscal Valuation Forum and we have also provided valuation training to HMRC's Shares and Asset Valuation team.

We are experienced at working alongside tax advisors, either from FTI Consulting's own Tax Advisory Group or from other firms.

EXAMPLES OF RECENT WORK INCLUDE:

- Calculating the market value (in accordance with s272 of TCGA 1992) of shares in a diversified international conglomerate.
- Determining a royalty structure for a complex and maturing biotech group.
- On behalf of a UK listed multinational company, participating in negotiations with HMRC regarding the value of certain intellectual property acquired as part of a transaction.
- Being instructed by HMRC in its dispute with a taxpayer to provide expert evidence on the transfer pricing of certain patented products.



If you want your transfer pricing to be robust and work in practice, I suggest FTI Consulting.

— Finance Director, Global Hospitality Group

TAX VALUATION AND TRANSFER PRICING

- Valuation opinions and support in negotiations with tax authorities
- Shares and intangible assets
- Transfer pricing

Instructed as an expert witness by HMRC

Provided valuation training to HMRC's Shares and Assets Valuation team

Expert named in the Euromoney Transfer Pricing Guide 2017

Provided evidence to UK and US tax courts

Intellectual Property and **Other Intangible Assets**

Intellectual property rights, contractual rights and intangible assets are often significant sources of value. Such assets are therefore central to commercial activity, whether as individual assets, in combination with other rights or as part of overall businesses.

We provide economics and finance advice on intellectual property matters where thoughtful and tailored analysis is vital. Our practice includes valuation and licensing advice in commercial, regulatory and contentious contexts.

WE ADVISE IN RESPECT OF:

- Patents and know-how
- Trade marks and brands
- Copyright and creative content
- Software
- Database rights and customer lists
- Design rights
- Confidential information
- Idiosyncratic rights and obligations

COMMERCIAL TRANSACTIONS

We advise in situations such as:

- Transactions – we assist in transactions involving specific intangible assets, portfolios of intellectual property rights or companies whose value depends on underlying intangible assets. We provide independent opinions in fundraising and due diligence processes.
- Licensing – we advise on royalty rates, licence structures and negotiating considerations, taking into account the rights and obligations of the parties to the licence.

- Security reviews, restructuring and insolvency processes where we advise on the potential recoverable values.
- Investment appraisals, such as the valuation of new technologies and brand extensions.

REGULATION AND GOVERNANCE

The exploitation of intellectual property rights, including transactions between related parties, is increasingly monitored by fiscal, accounting and competition regulators.

We advise on matters such as:

- Fiscal valuations and transfer pricing of intangible assets, including under the UK legislation and OECD transfer pricing guidelines.
- Transfers between related parties, where a board or trustee requires independent advice, or an administrator is examining if intangible assets were transferred at undervalue.
- Public policy issues such as the regulation of consumer goods brands.

IP AND OTHER INTANGIBLE ASSETS

- Valuation of IP and other intangible assets
- Licensing advice
- Transfer pricing

Advised FTSE 100 company on IP and Intangible Assets values in its negotiations with HMRC

Advised a sovereign wealth fund on value of potential brand extensions of a major UK sports asset

Advised major collecting societies on licence fees and structures

Expert witnesses in *Unwired Planet v Huawei*, the first decision on FRAND from the English High Court

“

FTI Consulting has long been the “go to” firm for any form of IP valuation... ”

— Partner, leading UK IP law firm

Portfolio Valuation Services

The advent of fair value standards and introduction of IPEVCG has transformed the way valuation is approached in the alternative investments market. This, together with regulatory directives such as AIFMD, has brought greater transparency, independence and better governance in fair value reporting.

Our team brings many years of experience in financial markets, including research, valuation and trading and risk management. Our Portfolio Valuation Service provides independent valuations with a particular emphasis on private equity assets, illiquid and complex securities. We can also assist in establishing valuation policies and procedures and exit valuations. Our services extend across the fund lifecycle. We provide portfolio valuations for ongoing reporting needs as well as in special situations.

OUR WORK INCLUDES:

- Valuation of a wide range of financial products (securities, financial agreements, derivatives and structured products) across various asset classes.
- The structuring and valuation of long-term incentive plans for managers.
- Advising on industry 'best practice' regarding the development and implementation of valuation policies and procedures. We can help in establishing a valuation committee, which ensures that compliance requirements are fully met.
- Providing independent valuation advice on portfolios in the form of negative or positive valuation assurance.

- Preparing or reviewing calculations for management incentive pay-off during exits and exit-triggering events.

EXAMPLES OF RECENT WORK

- Advised NAMA on a large number of valuations of property backed loans in Ireland.
- Advised a syndicate of top tier PE firms on the structuring and valuation of an LTIP for the management team of an investee company.
- Advised a USD 10 billion clean energy fund on the adoption of valuation policy and procedures as prescribed under AIFMD.
- Advised a family office on a valuation of complex equity, foreign exchange and commodities derivatives and structured products.



We appreciate the thorough and well-thought through work performed by FTI Consulting.

— Partner, COO & CFO, pan-European private equity firm

PORTFOLIO VALUATION SERVICES

- Alternative assets valuation
- Structuring and valuing long term incentive plans
- Advice on internal valuation policy and procedures
- Risk evaluation and pricing of complex assets

Advised one of the largest asset managers in the world with AUM exceeding USD 60 billion



Advised leading sponsors in Europe



Advice on valuation issues across all asset classes



Advised some of the largest clean energy funds



Transactions and Restructurings

We provide reliable opinions on the value of businesses, shares and other instruments in the context of acquisitions, disposals, mergers and restructuring proposals.

We provide valuation opinions and services to support a range of transaction or restructuring situations, including pre-pack administrations, schemes of arrangement, sales to a related party or as required under section 593 of the Companies Act 2006.

Our valuation professionals provide objective and reliable valuation advice, informed by a deep understanding of markets and the circumstances that can prompt a transaction or restructuring. Drawing upon our experience of preparing valuations in a litigation or contentious context, we prepare objective and well supported valuations that withstand scrutiny.

Our clients include: over 30 leading debt, equity and special situation investors; the four largest UK-based banking groups; a range of private and listed businesses; and UK & Irish government bodies.

EXAMPLES OF VALUATIONS WE HAVE PROVIDED IN A RESTRUCTURING CONTEXT:

- Valuation opinion in connection with the sale of a distressed EUR 1 billion turnover European business. Our report was submitted to the Court to obtain permission for a transaction that became the first ever Cayman Islands pre-packaged sale.

- Valuation opinion regarding a distressed UK listed business in the context of a potential pre-packaged administration.
- Valuation advice to a UK government body to support a high-profile, multi-billion pound financial restructuring involving a regulated apportionment arrangement.

EXAMPLES OF VALUATIONS WE HAVE PROVIDED IN AN ORDERLY TRANSACTION CONTEXT:

- Fairness opinion for a UK listed private equity firm relating to the sale of a EUR 900m equity and loan portfolio.
- Valuation opinion for a UK listed private equity firm of a GBP 500m portfolio company in the context of a transaction between related funds.
- Fairness opinion for a UK based private equity firm relating to the sale of portfolio company with an EBITDA of EUR 100m.



FTI was very responsive and produced a high quality valuation opinion report. Clear explanation and evidence was provided to justify their view.

— Partner at a UK private equity firm

TRANSACTIONS AND RESTRUCTURINGS

- Fairness opinions
- Valuation opinions and advice in restructuring contexts
- Valuation and modelling services to support transactions and restructurings

Extensive experience advising European lenders and sponsors

Clients also include large governmental bodies on large complex restructurings

Team includes valuers with an M&A or restructuring background

Free from audit conflicts

Disputes and Litigation

FTI Consulting has the pre-eminent valuation and damages expert witness practice, both in the UK and globally. What distinguishes us is the combination of technical expertise and professional delivery that we bring to bear, and the quality of our team from top to bottom.

We have extensive experience of providing expert evidence on the value of businesses, shares, financial instruments and intangible assets in courts and tribunals in England and other jurisdictions, and in arbitrations of commercial disputes or arising under investment treaties. We are also regularly appointed to provide expert determinations or to assist in mediations.

RANGE OF CONTEXTS

We provide expert opinions on value in the full range of dispute contexts, including in:

- Shareholder disputes
- Post-acquisition disputes
- Matrimonial disputes
- Professional negligence claims
- Licensing and intellectual property disputes

RECOGNITION

The International Who's Who of Commercial Arbitration Expert Witnesses (Who's Who Legal) recognises that FTI Consulting leads the field in this area. In the 2018 edition of Who's Who Legal's Analysis, FTI Consulting is recognised as having:

- A significantly greater number of experts than any other firm. FTI Consulting has over three times the number of recognised experts than the next closest firm.
- Eight of the 18 'Thought Leaders'. By way of contrast, no other firm has more than two experts with this recognition.



When I take a step back I realise that I have never come across a bad expert from FTI Consulting – and there are plenty of bad experts around.



— Partner, Magic Circle Law Firm

DISPUTES AND LITIGATION SUPPORT

- Litigation, arbitration and expert determination
- Shareholder disputes
- Post acquisition disputes
- Matrimonial disputes
- Tax and transfer pricing disputes
- Professional negligence claims

Extensive experience of testifying in courts and international arbitrations



Over three times the number of recognised experts than any other firm



Three of the 10 most highly regarded damages experts in Europe



We work on disputes where claims range from the low millions to the billions





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About FTI Consulting

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities.

www.fticonsulting.com

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