

# Valuation

## Corporate Finance - South Africa

FTI Consulting provides robust, independent valuation opinions, informed by the disciplined application of economic and financial frameworks.



*“We provide valuations where market and financial information is plentiful and when it is scarce or hard to interpret”.*

### Our Clients

Our clients include leading financial institutions, legal firms and corporates. We are not an accounting firm or a provider of statutory audit services and therefore we are independent and free of actual and perceived conflicts of interest when undertaking valuation work.

### Our Approach

Drawing on our extensive experience in valuing assets across a broad range of industries and geographies, we gauge the appropriate valuation method to deploy in the specific context, considering all the relevant factors, such as financial reporting standards, regulatory requirements, accepted or preferred valuation approaches and global best practices, contractual or statutory frameworks and case law precedent. We provide clear explanations and evidence to justify our view.

We have particular expertise in ‘hard to value’ assets and provide valuation advice that is attuned to the broader commercial context. Our valuation services are provided in both contentious and non-contentious situations, including mergers and acquisitions, bankruptcy, portfolio valuations, collateral and lender instrument security, transaction unwinds and disputes, as well as for financial reporting and regulatory purposes.

## Our Expertise in Valuation Services include:

### Businesses

The valuation of all or parts of businesses is central to much of the work undertaken by our practice.

These engagements vary considerably in complexity from the valuation of a well-established business operating in a mature industry sector on the one hand, to a new high technology company launching into an emerging market on the other.

### Shareholdings

We have extensive experience of valuing stakes in unlisted entities for which no market price is readily observable. Our work frequently involves the valuation of shareholdings of different sizes and different classes of shares, having due regard to the rights and obligations associated with each including agreements between shareholders.

### Securities

We provide independent valuations of equity, with an emphasis on complex transactions and illiquid securities and derivatives.

### Intellectual Property

Intellectual property rights, contractual rights and intangible assets are often significant sources of value, which are scrutinised in commercial, regulatory, taxation and contentious contexts. We advise on valuation of, among others: patents and know-how; trademarks and brands; copyright and creative content; software; database rights and customer lists; customer relationships; core deposits and goodwill.

### Financial Reporting Valuation

Our experienced team provides valuation advice on the purchase price allocation; impairment reviews; share-based payments; fair value determinations; contingent consideration and financial instruments under International Financial Reporting Standards as well as US GAAP.

### Regulatory Valuation

We provide valuation opinions for financial assets as well as intangible assets and support in negotiations with tax authorities for capital gains tax, transfer pricing and estate duty, valuation opinions for South African Reserve Bank submissions, independent expert reports for submission to the JSE and the Transactions Regulation Panel under the Companies Act.

We also provide valuations for price setting purposes as required by sectoral economic regulators such as NERSA and ICASA, as well as advising on the appropriate methods by which assets should be valued in the context of competition analysis.

### Portfolio Valuation Services

Our team provides insights on alternative assets valuation including unlisted asset portfolios; structuring and valuing long-term incentive plans; advice on internal valuation policy and procedures; risk evaluations and pricing of such assets.

## Industry Experts - Corporate Finance South Africa



### Operational Diligence & Transformation

- Operational restructuring
- Operational due diligence
- Development and implementation of performance improvement plans
- Post Merger integration
- Interim Management



### Merger & Acquisitions

- Execution and project management of M&A transactions
- Valuation, Structuring, Negotiation support and diligence co-ordination
- Market testing, accelerated and distressed M&A



### Financial Due Diligence Services

- Buy and sell side financial due diligence
- Vendor assist services to prepare a business for sale
- Financial modeling to support a transaction and debt financing



### Valuation Services

- Providing valuation analysis and/or opinions
- Buy and sell side financial advisory
- Independent expert opinions for JSE, Companies Act & Reserve Bank
- Financial reporting
- Fair value for business combinations, share-based payments, impairment defence
- Valuing identifiable, intangible assets and asset portfolios

## Our Stats

# 5,400+

Employees & offices in 27 countries on six continents

# 95

Advisor to 95 of the world's top 100 law firms

# 81

Offices in 81 cities around the globe

# 14

Countries in the Americas, EMEA and APAC regions

# 600+

Business transformation experts

# 200+

Interim/permanent operating positions filled

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

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

## Our Awards



### Strategy Consulting Firm of the Year

FTI Consulting named Strategy Consulting Firm of the Year by Global M&A Network (2019)

### #1 Restructuring Adviser

by Dollar Volume (2017-2019)

### 9 of Top 10

Private Equity International 300 are FTI Consulting clients

## Examples of our Valuation work:

- Providing an independent valuation of two minority shareholdings in Airports Company South Africa SOC.
- Being appointed by a mid-tier South African goldminer to perform valuations for financial reporting purposes to allocate the purchase price it paid for a mining and processing business and to establish the estimated share-based payment charge for Black Economic Empowerment transactions.
- Performing a post-acquisition valuation on an unlisted asset portfolio for a global private equity firm to establish baseline values for the purposes of remunerating investment staff.
- In the context of a pricing investigation, providing evidence to Competition Commission of South Africa on the economic value of the assets used by Sasol to produce propylene and polypropylene.
- Performing a portfolio valuation for a South African investment holding company to meet lenders annual requirements.
- Valuing a minority shareholding in a UK-based company with interests in a range of energy and mining projects across sub-Saharan Africa.
- Defending value of indefinite life intangible assets for listed investment holding company.
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## About FTI Consulting

FTI Consulting has offices in Cape Town and Johannesburg, which are home to our Forensic & Litigation Investigations, Economic & Financial Consulting, Business Transformation, Corporate Finance and Strategic Communications teams.

And with offices in 29 major financial centres across the globe, we successfully serve clients wherever and whenever challenges and opportunities arise.

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