

# VALUE

ASSOCIATES



# Private Equity Valuation Services



## The new regulatory environment calls for a boost in valuation procedures and skills

While Luxembourg is the undisputed leader in European-domiciled UCITS assets with a market share in excess of 35%, it only ranks 3rd in terms of AIF assets, with a market share of 12% as at year-end 2015.

The Alternative Investment Fund Managers Directive (AIFMD) undoubtedly creates new opportunities for the European alternative assets sector, and the existing Luxembourg fund cluster clearly offers an attractive environment for new AIFs seeking their home base.

However, the AIFMD also raises the bar in terms of investor protection, procedures, documentation and reporting requirements. These challenges will have to be addressed if Luxembourg wishes to capture the full growth potential in the alternative investment segment.

In particular, AIFMs have to present coherent and consistent valuations in compliance with international best practices, for all investments and on a regular basis. Also, in order to avoid conflicts of interest, valuations must either be performed by a separate team on the inside, or by an external valuation specialist.

Regulation and best practices being one-way streets, the additional requirements for valuation policies and procedures have already started to spill over to other investment vehicles such as SICARs or SIFs, even if they do not qualify as AIFs.



*"The fair value concept sounds straightforward on paper but can, for an unlisted equity investment, only be measured through a sale in the open market at the point in time where value is to be assessed. This is obviously not helpful as AIFMs now need to report in detail between acquisition and sale. Because AIFMs need to provide a value, they have to open Pandora's box of theoretical valuation methods and face interesting discussions with their auditors and possibly regulators."*

Manuel Baldauff, founder of Value Associates, interviewed by Luxembourg for Finance



*Value Associates helps you to navigate today's fair value complexities by providing independent valuation assistance for regulatory, financial and investor reporting purposes.*

## **How Value Associates can help you**

Value Associates assists you in addressing your valuation requirements with fully substantiated and documented valuations to respond to stakeholder requirements including auditors and regulatory bodies. Our services include valuations of entire businesses, subsidiaries, joint ventures, equity interests and specific assets including intellectual property.

### ***Defining valuation policies and procedures***

As proven valuation experts, Value Associates proposes to assist you with the following:

- Reviewing your valuation policies and procedures (methodologies, parties involved, validation processes) and their compliance with International Private Equity Valuation (IPEV) guidelines
- Advising on the most suitable valuation approach for each type of investment
- Improving your overall approach, policies and procedures, including the complete description to be reflected in your internal documents

### ***Building state-of-the art valuation frameworks***

Value Associates also implements state-of-the-art independent valuation frameworks. In this area of expertise, we can help you with:

- Building tailored valuation models from the ground up
- Reviewing and constructively challenging valuations executed by your teams, including valuation assumptions and methodologies
- Providing input to your teams, e.g. comparable multiples from listed companies or recent transactions, discount rate assumptions, etc.
- Acting as external advisor to your teams, your valuation committee and your board of directors

### ***Bringing best practices to your team***

We also offer dedicated trainings tailored to your specific needs, covering various fields including:

- Private Equity valuation
- Using Capital IQ for valuation purposes
- Purchase price allocation (PPA)
- Financial modeling

*Value Associates guarantees an independent valuation process in line with AIFMD requirements and best practices.*

## Why Value Associates?

### State-of-the-art expertise

Our valuation experts have gained state-of-the-art expertise in the most demanding professional environments, and have between six and twenty years of experience in the field of valuation.

### Reasonable cost

Our clients benefit from our light cost structure. Moreover, we have developed efficient valuation tools and models that allow us to produce reports with outstanding price-quality ratios.

### Agility

We react quickly and flexibly. As we only offer corporate finance services, we are not exposed to independence conflict checks to the same extent as global professional services firms. Also, as we only work for the most reputable clients, our acceptance procedures are lighter and faster than those applied by global firms.

### Trusted advisor approach

We adopt a client-focused approach in order to build long-term trusted relationships and strong personal contacts.

## An impressive track record

Value Associates has been mandated by numerous prestigious clients on valuation topics, including Luxembourg private and universal banks, a supranational lending and investment bank, an S&P 500 member company, a global US payment solutions provider, a leading Luxembourg law firm, the Government of Luxembourg, several private equity funds and investors including UHNWI family office clients.

## A broad sector expertise

Value Associates maintains a focus around several key industries where we are familiar with valuation drivers and major trends, including in particular:

*Infrastructures*  
*Healthcare & pharmaceuticals*  
*Industrials* *Consumer markets*  
***Private equity funds***  
*Information, communications & entertainment*  
*Energy & natural resources*  
*Financial services*

*Value Associates is a competent, flexible and affordable partner endorsed by the most demanding and prestigious clients.*

## Meet our team

**Manuel Baldauff** (ETH Zurich and HEC Paris) is the founder of Value Associates. He was formerly the partner in charge of corporate finance and company valuations with a major professional services firm in Luxembourg. Prior to this, he worked for a leading Luxembourg bank, as an equity analyst and portfolio manager, deputy to the company secretary, head of ALM market risk analysis and head of corporate finance.

**Jean-Christophe Gillet** (Louvain School of Management) specialised in business valuation, business modeling and strategic analysis with a major professional services firm, where he was further involved in international buy- and sell-side transactions.

**Ramon Hoyos** (Institut d'Etudes Politiques - IEP Strasbourg and HEC Paris) started his career as the personal counsel of an international business man and gained further expertise in an industrial environment. Ramon focuses on strategy and business analysis.

**Philippe Heisbourg** (Leopold Frantzen Universität Innsbruck and Cass Business School London) has been specialising in corporate finance and in particular valuations with two major professional services firms in Luxembourg prior to joining Value Associates.

*Value Associates is a strong and diversified team with best-in-class valuation skills and complete client dedication as common denominator.*

