



## Beurteilung von Wachstumsunternehmen

Patrik Frei, 19. Juni 2003, IFZ-SECA-- Seminar

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## Valuation



Financial Valuation is necessary for:

- Investment decision
- Value based management / value drivers
- Performance measurement
- Merger and Acquisition

=> Financial figures are not sufficient for valuation

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## Factors to influence value



Soft factors are essential ...

- Management
- Market
- Science & Technology

... and the company stage

to define the risk/return profile of company

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## Management



- Composition / Complementary skills
- Track record / Experience
- Ability to reach set goals
- Motivation / Incentive structure
- Composition and involvement of Board of Directors and Advisory Board
- Organization / Capacity to run a structure
- Emotional intelligence / social competence

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## Market



- Five forces by Michael Porter
  - Substitutes
  - Rivalry among existing competitors
  - Barriers of entry
  - Bargaining power of suppliers
  - Bargaining power of buyers
- Market trends
- Market size

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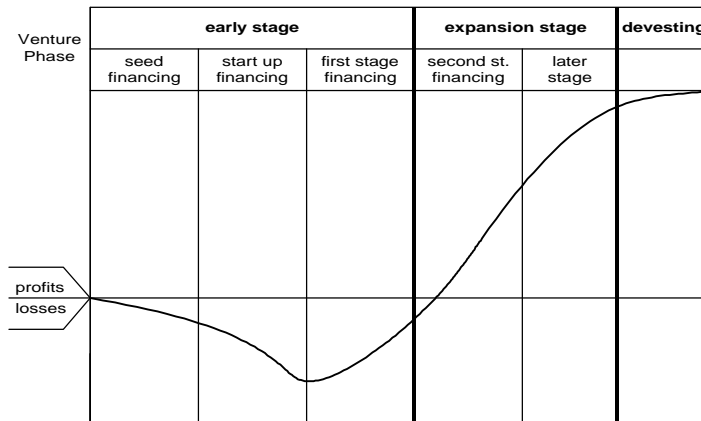
## Science & Technology



- Intellectual Property (IP)
- Competitive Advantages
- Technological platform
- Product pipeline status
- Ability to reach milestones
- Management of future discoveries
- Collaboration agreements & alliances

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## Company Stage



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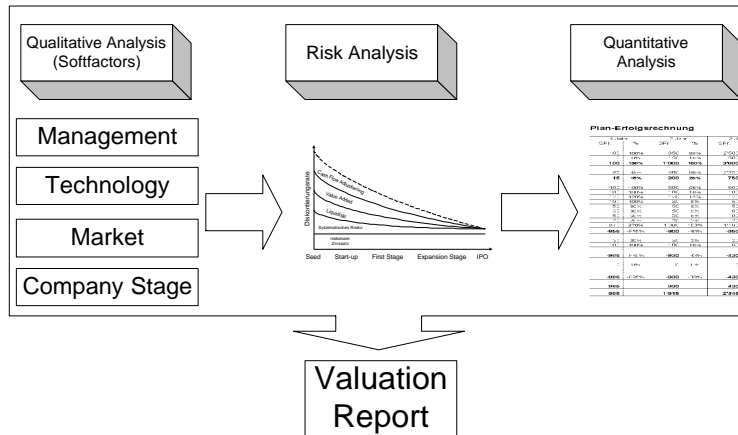
## Valuation approaches



- Operations-based methods:
    - ⇒ *business plan, fundamentals*
  - Market-based methods:
    - ⇒ *price, trends, comparison difficulties*
  - 5 methods:
    - Discounted Cash Flows/DTA
    - Real Options/Monte Carlo
    - Venture Capital method
    - Market Comparables
    - Comparable Transactions
    - } Operations meth.
    - ⇒ Mixed meth.
    - } Market meth.
- ⇒ *use several methods and weigh depending on the company valued*

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## Valuation approaches



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## Venture Valuation



- Independent, third party Valuations
- Industry Experts
- Not a venture capitalist
- International experience (North America and Europe)
- Systematic / Validated Approach
- Track record of over 70 valued companies

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**your valuation expert**



Thank you

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**...and how do you  
value your company?**

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