



# Venture Valuation

Independent Valuation and Monitoring  
of high growth Companies

Patrik Frei, Founder & CEO Venture Valuation  
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# Overview

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- Company
- Services
  - Valuation Radar
  - Valuation Report
- Qualitative Analysis
- Valuation Process
- Reasons for a Valuation
- Conclusion



# Company

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- Independent, third-party valuation, assessments and monitoring of high growth companies
- Founded in spring 1999
- Offices in Zurich, Toronto/Canada and Munich/Germany
- Track record of over 50 valuated companies



# Company

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- Not a venture capitalist
- Clients: Companies, Corporate and Venture Capital Investors, Incubators, Universities
  - ⇒ Novartis Venture Fund
- Expertise in Biotech
- Systematic / validated approach



# Valuation

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## Our services:

- Valuation Radar
  - ⇒ for VC, Corporate Investors
- Valuation Report
  - ⇒ for Companies and Investors



# Valuation Radar

- External reporting tool
- Short report
- Periodical
- Comparison with last period
- Standardized
- Development and changes
- Valuation update

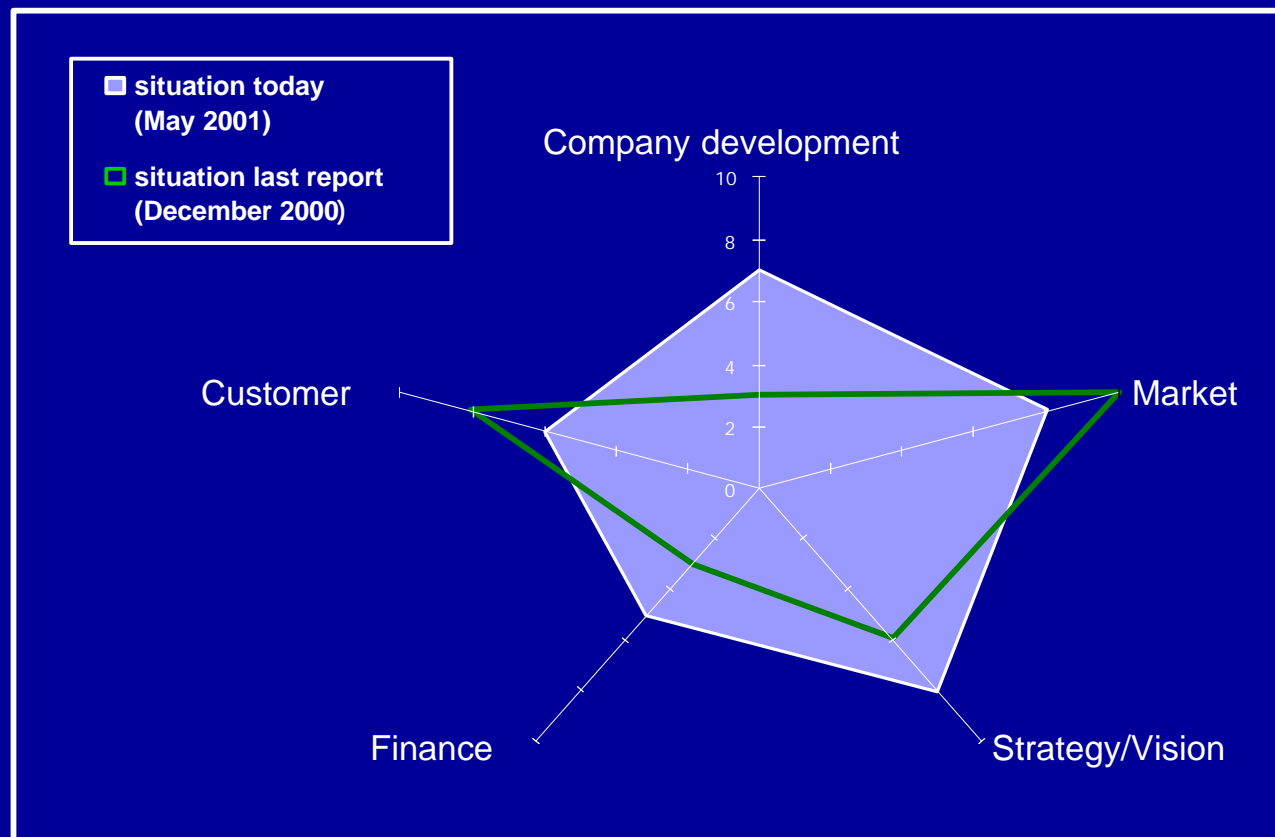




# Valuation Radar



Based on balanced scorecard-cockpit





# Valuation Report

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## Fundamentals of the Valuation

- Value = future earnings potential
- Key elements (qualitative analysis)
  - Management
  - Market
  - Science and Technology / Product
  - Company stage
- Valuation methods:
  - Discounted Cash Flow
  - Market Comparable
  - Venture Capital
  - Option Pricing





# Valuation Report



- Soft factor driven
- Extract key value drivers
- Recommendations on how the company value can be increased (value based management)
- Implications for the future strategy
- Calculation of a value range





# Qualitative Analysis

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- Management
- Market
- Science and Technology
- Company Stage



# Management

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- Composition / Complementary skills
- Track record / Experience
- Ability to reach set goals
- Incentive structure
- Composition and involvement of Board of Directors and Advisory Board

...

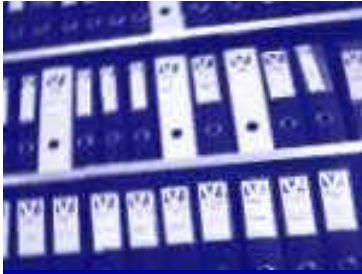


# Market

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



# Science & Technology

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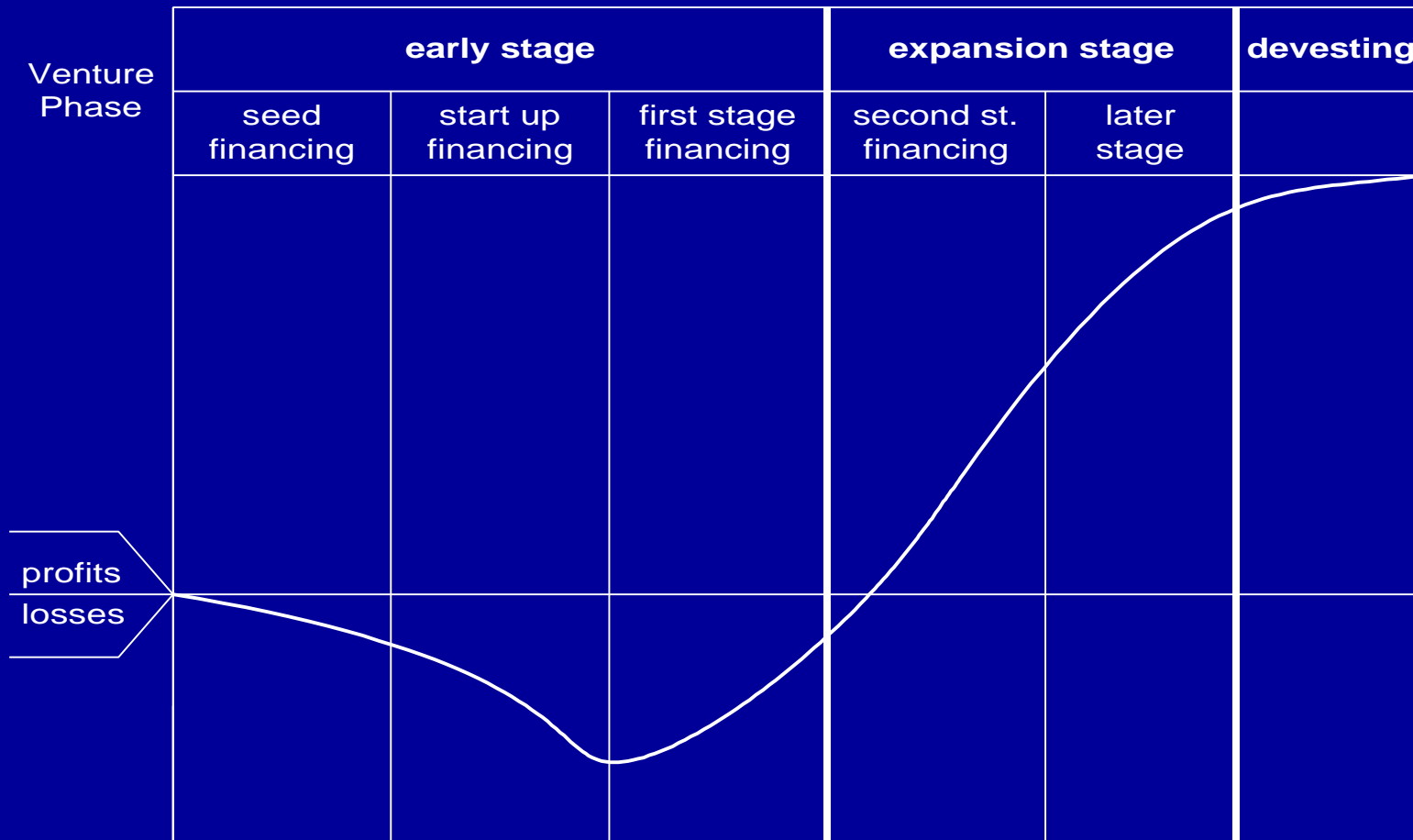


- Intellectual Property (IP)
- Competitive Advantages
- Technological partnerships & alliances
- Ability to reach technological goals
- ...

⇒ Cooperation with specialists



# Company Stage







# Reasons for a Valuation

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- Basis for negotiations and decisions
- Periodical valuation of portfolio
- Communication between fund management and fund investors
- Buy or sale (acquisition)
- Merger
- Extraction of key value drivers





# Conclusion

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- Valuation as a process
- Several methods
- Risk as main component
- Value spectrum as a result



# Thank you

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These slides and further information available at:

[www.venturevaluation.com](http://www.venturevaluation.com)