



Beurteilung von Wachstumsunternehmen

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

Venture Valuation AG | Badenerstr. 587 | 8048 Zürich | Switzerland | Phone +41 (43) 321 86 60
Fax + 41 (43) 321 86 61 | info@venturevaluation.ch | www.venturevaluation.com

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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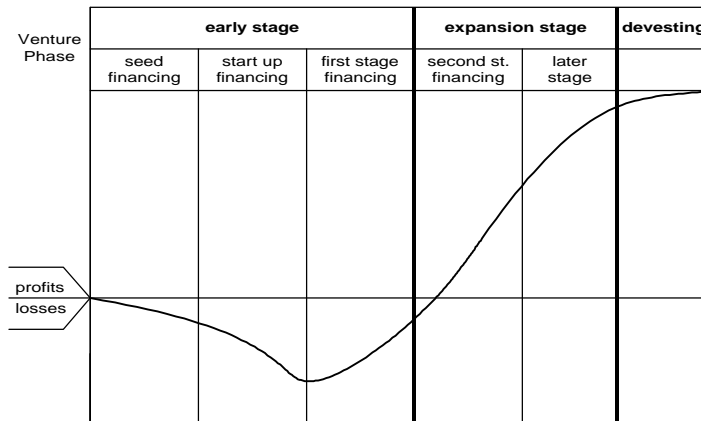
Science & Technology



- 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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your valuation expert



Thank you

Presentation available on:
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**...and how do you
value your company?**

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