



Deloitte Valuation
Conference
Valuation for AIFMs

February 2015

Conference Agenda

2015 Valuation Conference Series



1. Valuation for AIFMs

10 February 2015

2. AIFMD valuation requirements for depositary banks & asset servicers

24 February 2015

3. Fund directors: valuation and related risks

12 March 2015

4. Valuation matters for conducting officers and risk managers

23 April 2015

5. Fair Value requirements under IFRS 10 and 13

21 May 2015

6. Sound valuation in credit institutions: more than a regulatory requirement

16 June 2015

7. Valuations for incentive plans

15 October 2015

8. Valuation and Tax considerations

12 November 2015

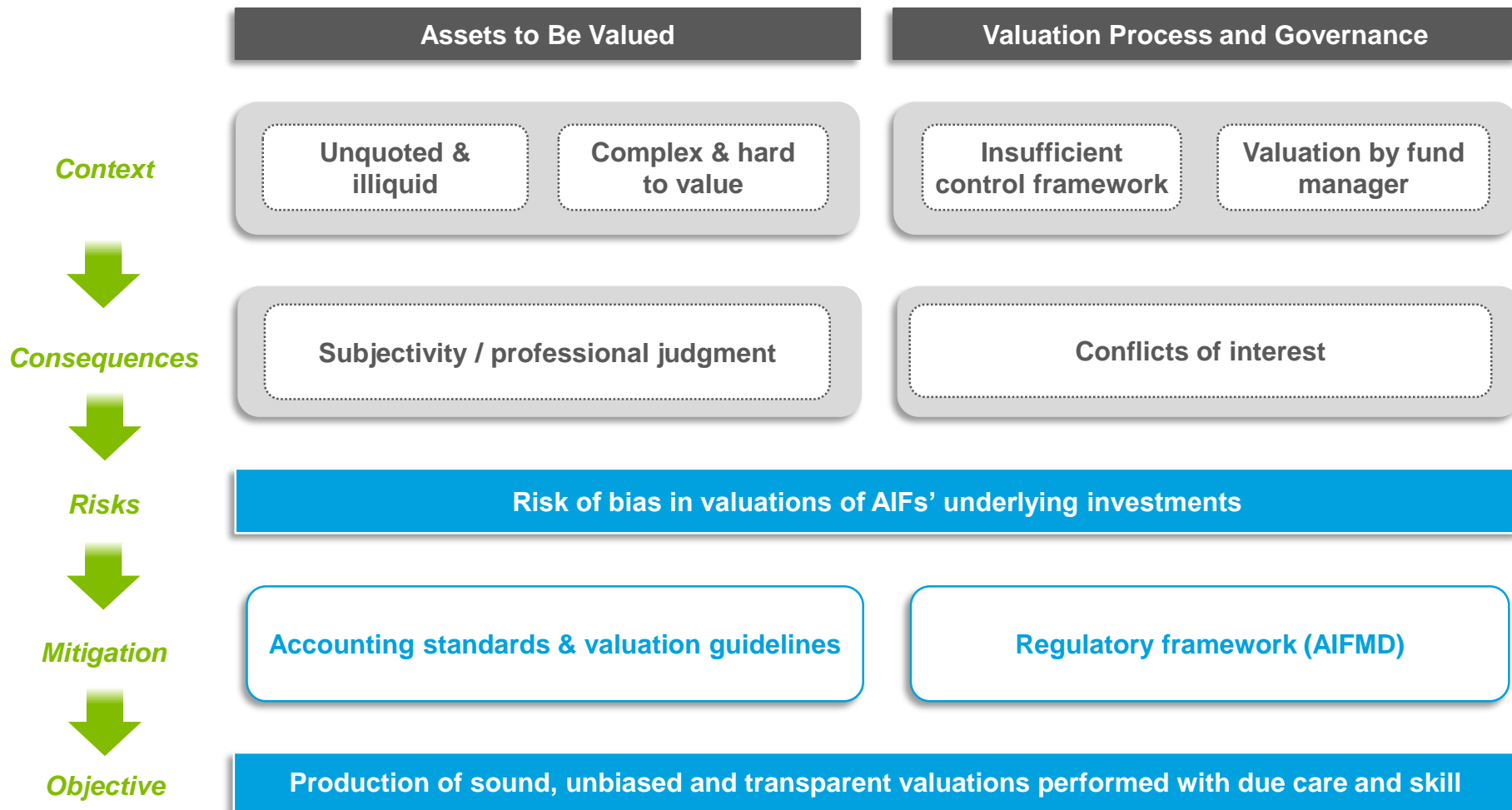
9. Valuation: How to meet audit requirements

8 December 2015

If you have any questions or comments, please contact valuation@deloitte.lu

Valuation for AIFMs

AIFs' Investment Valuations Encounter Several Risks to be Addressed



Valuation for AIFMs

Subjectivity Case Study 1 – Discounted Cash Flows Method

Initial Enterprise Value derived from Discounted Cash Flows Approach

Company
EV/EBITDA

10x

Peers
EV/EBITDA

7x

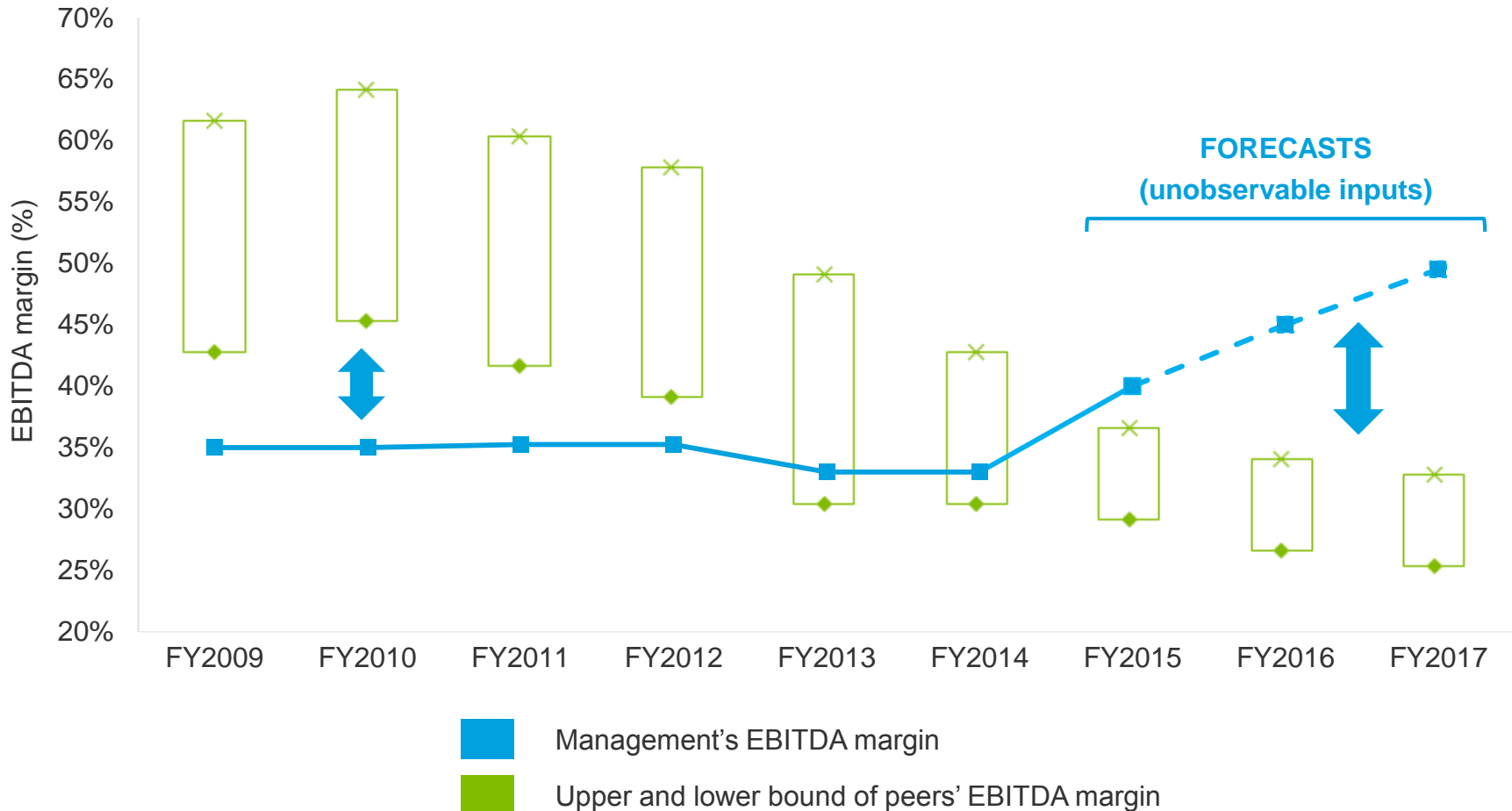
100

Enterprise value
from Management

Valuation for AIFMs

Subjectivity Case Study 1 – Discounted Cash Flows Method

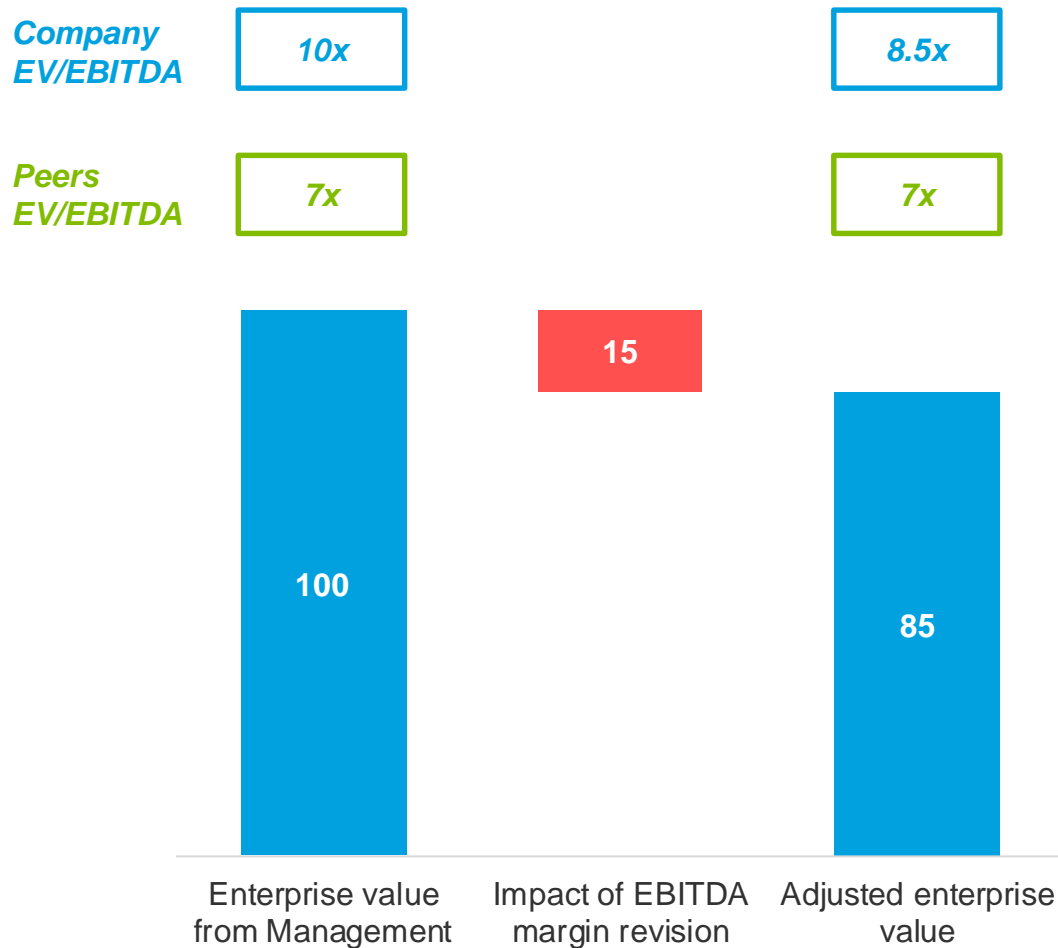
Revision of Cash Flows for EBITDA Margin



Valuation for AIFMs

Subjectivity Case Study 1 – Discounted Cash Flows Method

Impact on Enterprise Value from Revision of EBITDA Margin

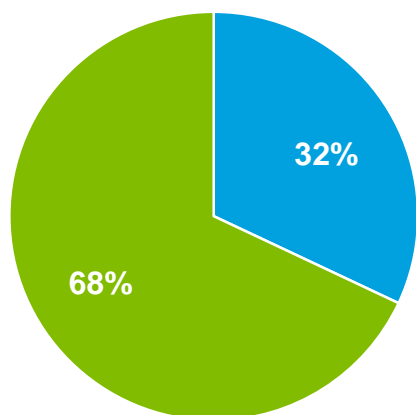


Valuation for AIFMs

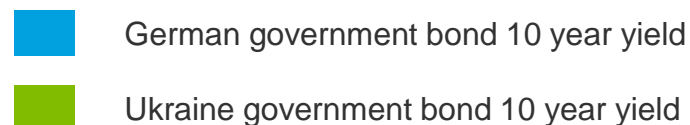
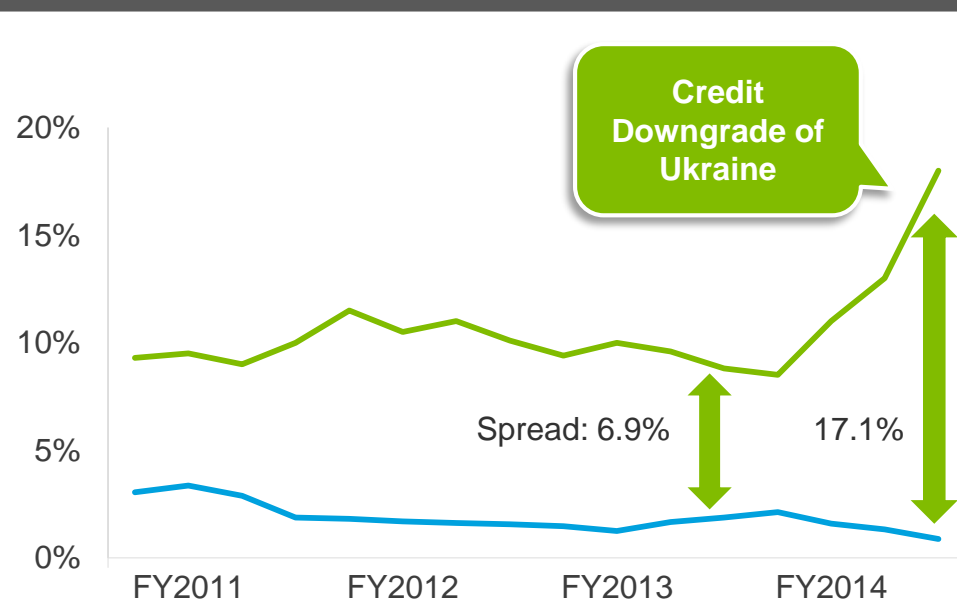
Subjectivity Case Study 1 – Discounted Cash Flows Method

Revision of Discount Rate (WACC) to Adjust for Country Risk Premium

Geographic Origin of Cash Flows



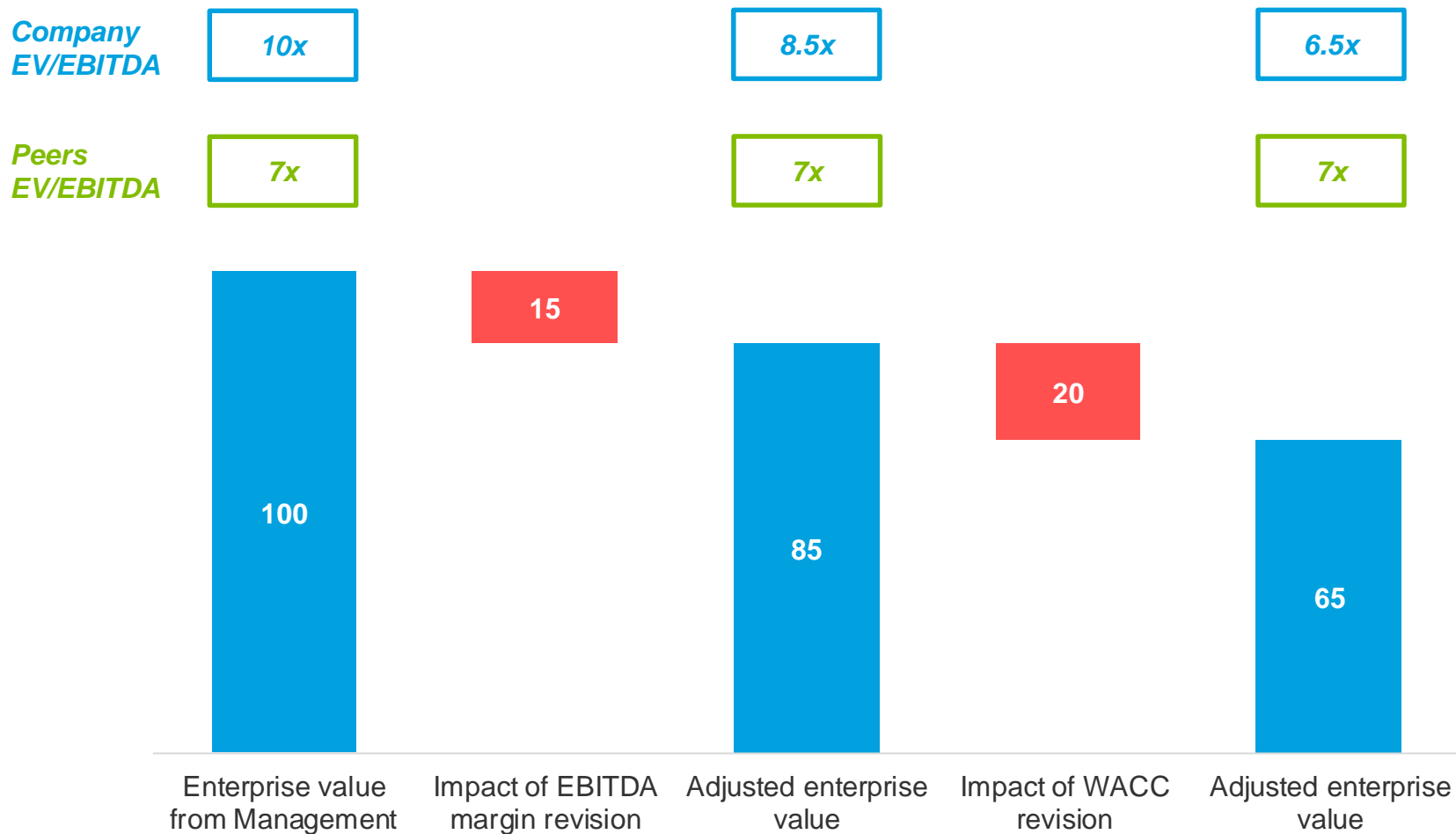
Country Risk Premium



Valuation for AIFMs

Subjectivity Case Study 1 – Discounted Cash Flows Method

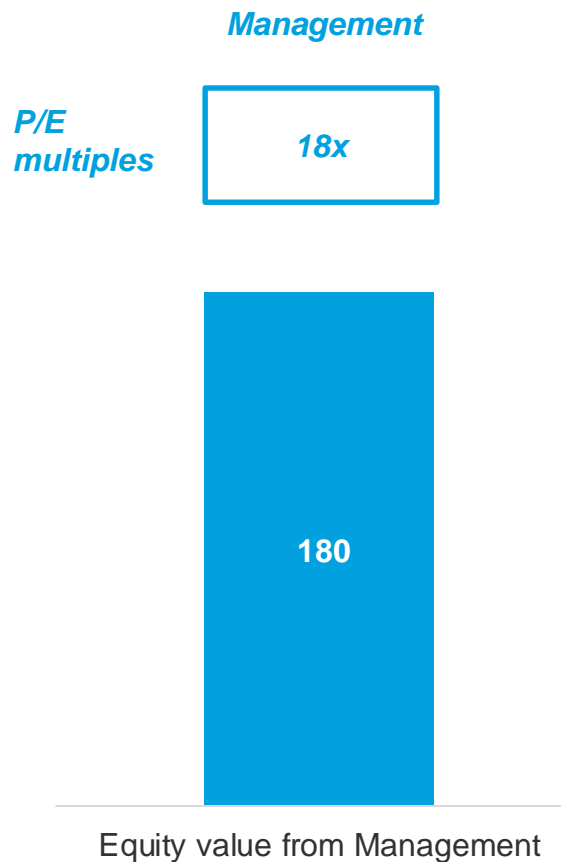
Impact on Enterprise Value from Revision of Discount Rate



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Subjectivity Case Study 2 – Earnings Multiples Method

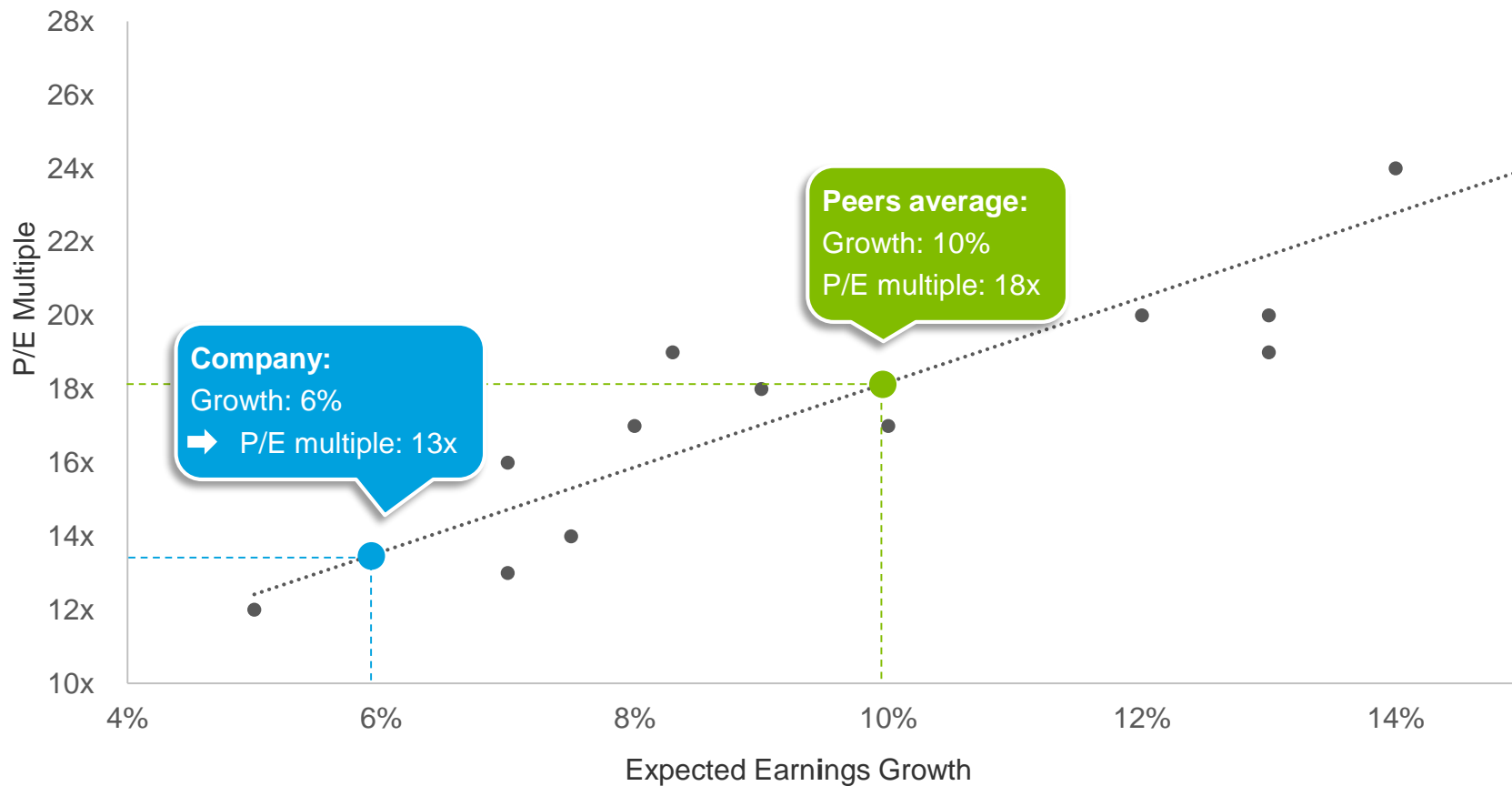
Initial Equity Value based on Peers Trading Multiples



Valuation for AIFMs

Subjectivity Case Study 2 – Earnings Multiples Method

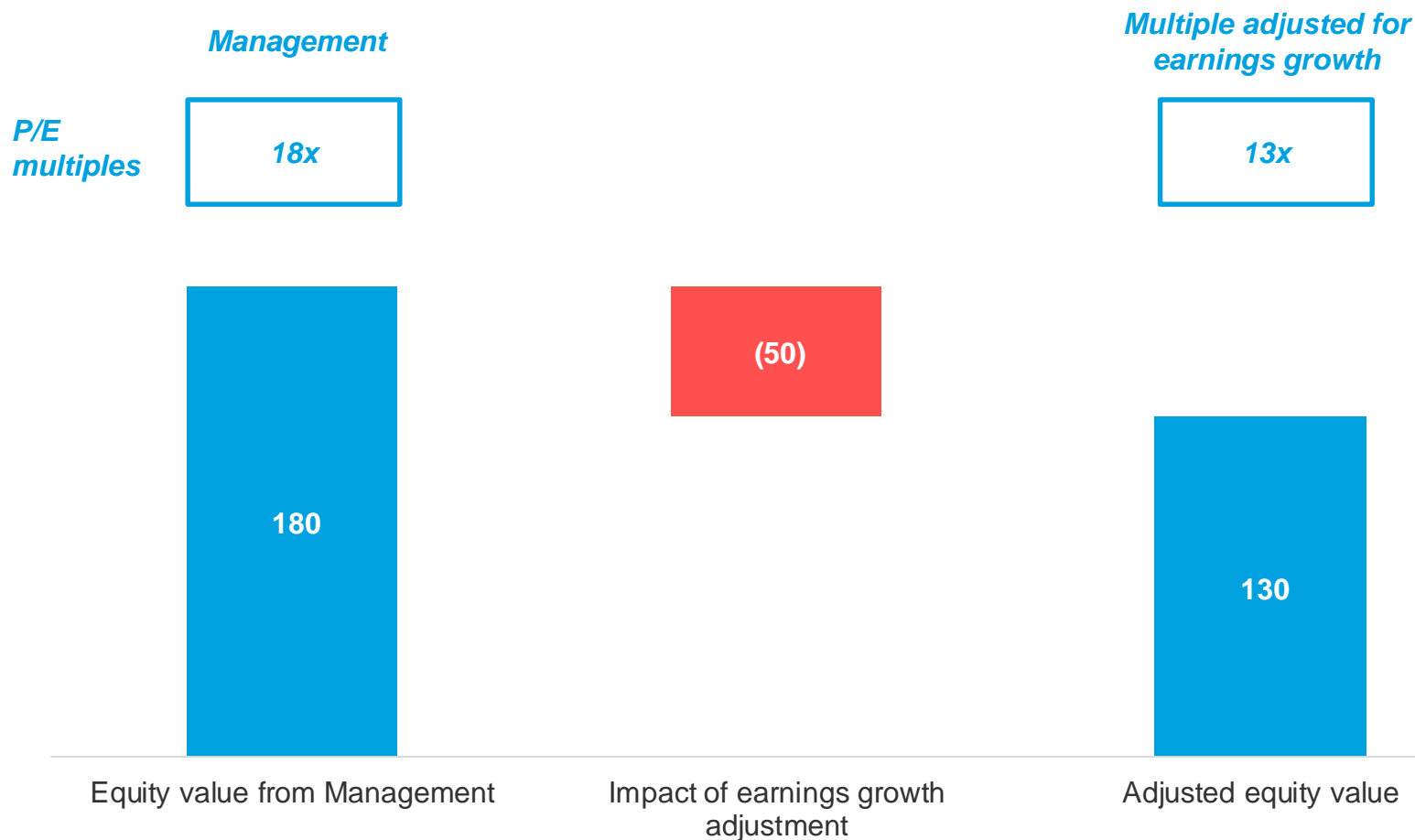
Revision of P/E Multiple for Expected Earnings Growth



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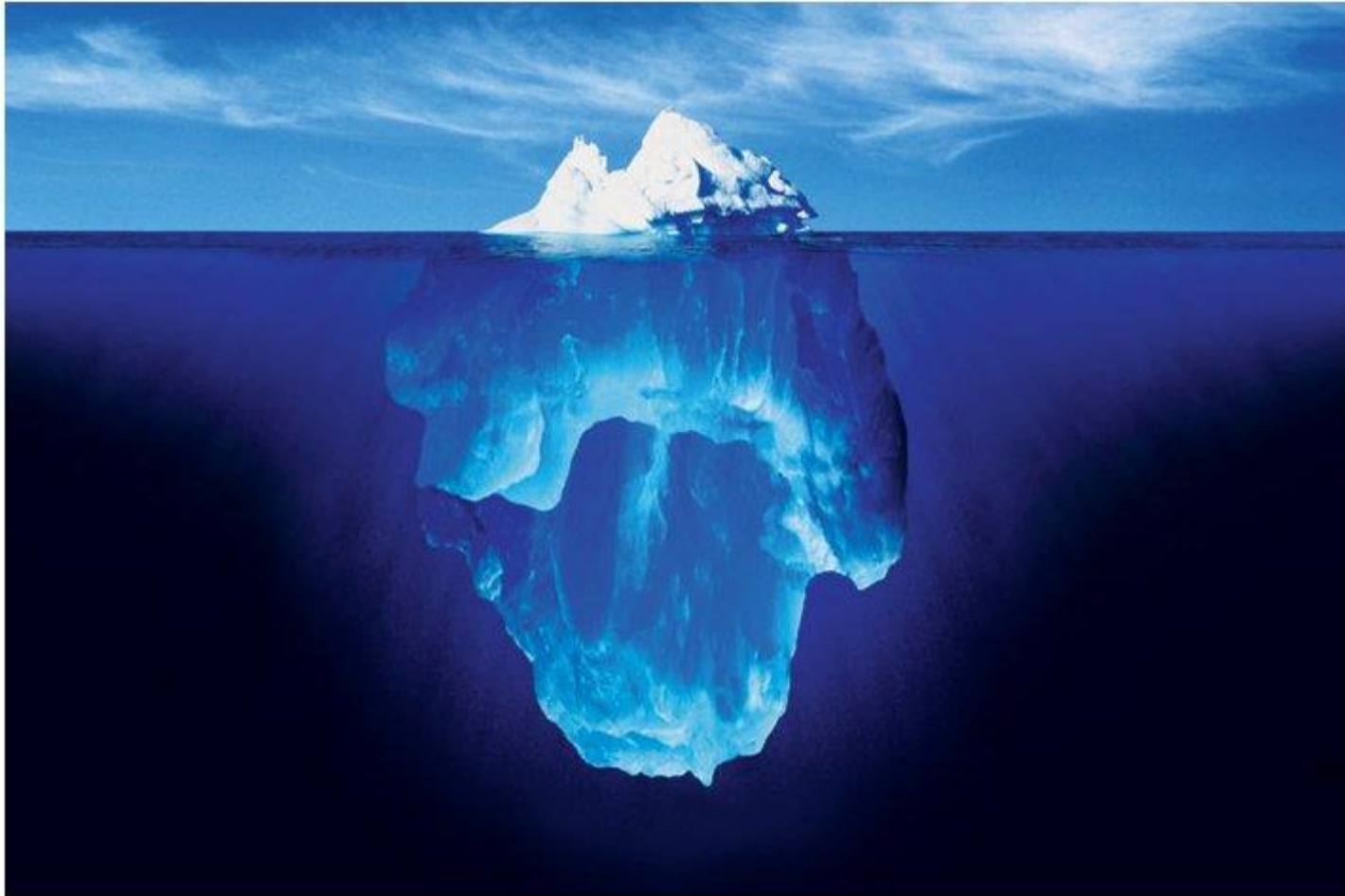
Subjectivity Case Study 2 – Earnings Multiples Method

Impact on Equity Value from P/E Multiple Adjustment for Earnings Growth



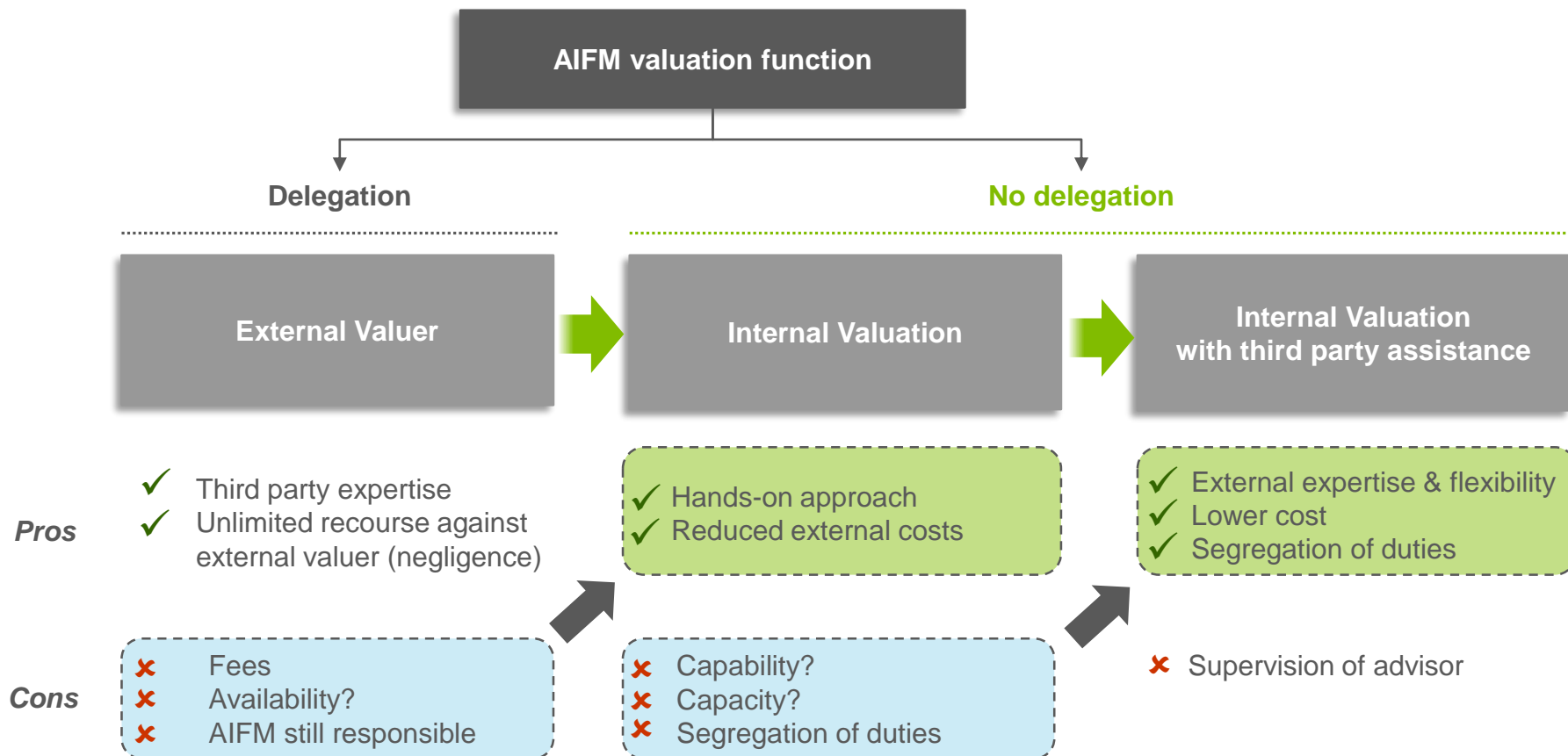
Valuation for AIFMs

What you see is not always what it seems



Valuation for AIFMs

AIFMD Framework to Achieve Independent and Sound Valuation Process



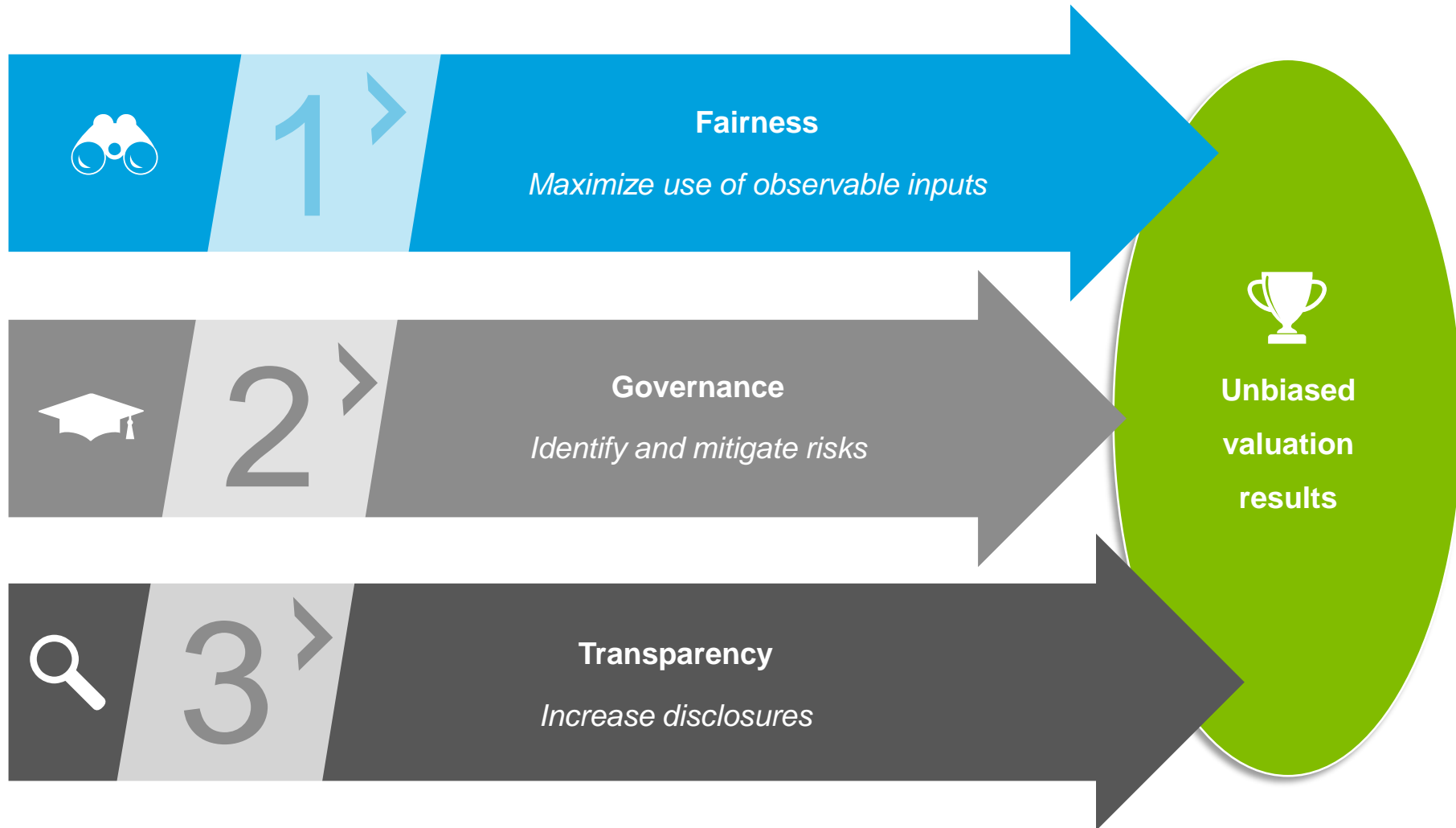
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Illustration of Risks Embedded in Valuation Process and Governance



Valuation for AIFMs

How to Achieve Unbiased Valuations



Valuation for AIFMs

Panelists



Alexandre Dumont
Chief Executive Officer, BIL Manage Invest



Simon Powell
Director of Compliance and Risk Management, Advent International



Antonio Thomas
Partner, ManagementPlus



Jérôme Wittamer
Head of Investment Management, Genii Capital

Thank you for listening

If you have any questions or comments, please contact valuation@deloitte.lu

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