

# What Is It Worth?

Crowe Horwath LLP  
Valuation Services



## Choose an Experienced Adviser to Assist With Your Valuation Needs

We've built our reputation as a leading provider of valuation services through a long history of outstanding achievements. For more than 20 years, the Crowe Horwath LLP valuation team has specialized in services provided in connection with business combinations, tax restructuring, financial reporting, and litigation services.

### Crowe Valuation Services

Our team approach to valuations combines the knowledge of our industry-focused professionals with the financial expertise of our valuation team members. Crowe provides a comprehensive set of services to meet the needs of public companies and midsize to large privately held companies in a wide array of industries, as well as wealthy individuals and family offices. These services include:

- Business combinations
- Mergers and acquisitions
- Transaction structuring
- Tax planning
- Financial reporting
- Structured financing
- Complex security testing
- Bankruptcy and solvency
- Asset value maximization
- Outsourced corporate development
- Financial consulting

### Broad Spectrum of Services

#### Financial Reporting

We help organizations comply with the Financial Accounting Standards Board (FASB) Accounting Standards Codifications (ASC). Among the standards we help clients address are:

- Fair value measurements and disclosures (ASC 820)
- Goodwill and other intangibles impairment testing (ASC 350)
- Purchase price allocation studies (ASC 805)
- Impairment or disposal of long-lived assets (ASC 360)
- Fair value opinions for financial assets and liabilities (ASC 825)

### Shareholder and Corporate Planning

Our consulting expertise encompasses a wide range of services, including:

- Comprehensive pretransaction deal planning and modeling
- Leveraged buyouts
- Buy/sell agreements
- Share grants
- Corporate recapitalizations and spinoffs
- Noncompete agreements
- Stock redemptions
- Merger and acquisition pricing
- Dissenting shareholder actions

### Tax Issues

We have expertise in numerous tax situations, including:

- Intangible asset holding-company structures
- S-corporation elections and sales
- Built-in gains (BIG) under Internal Revenue Code (IRC) Section 1374
- Gift and estate analyses
- Abandonment losses
- Income from discharge of indebtedness under IRC Section 108
- Charitable donation valuations

# Experienced advisers

## Incentive Compensation Valuations

Our work in this arena typically involves:

- Options (ASC 718) and restricted securities
- 401(k) investments in closely held companies
- Phantom stock plans
- Executive compensation plans
- Stock appreciation rights
- Nonqualified deferred compensation plans under IRC Section 409A

## Machinery and Equipment Valuation

We offer machinery and equipment valuation services in connection with business combinations, tax restructuring, financial reporting, and litigation services, as listed. Further, we provide clients with additional solutions, including:

- Fair market value (FMV) tax elections (IRC 1.861) – FMV of tangible assets for international/foreign tax credits
- Ad-valorem tax reporting – FMV of property, plant, and equipment (PP&E) for state and local taxes
- Property tax abatement support – obsolescence studies and embedded intangible asset studies
- Cost segregation – classification of assets into appropriate tax lives
- Pre-deal assessments – estimate depreciation and assess plant capacity optimization

- Structured financing – FMV and orderly liquidation value (OLV) of PP&E for leasing, lending, partnerships, or project finance
- Fixed asset record management – organization of existing records or creation of new records
- Insurable value replacement costs – replacement cost new (RCN) for insurance coverage
- Depreciable life studies – research and support of depreciation lives for PP&E

## Outsourced Corporate Development Services

Backed by our consulting expertise, we offer predeal analysis involving comprehensive pretransaction deal planning and modeling. The analysis includes the creation of both stand-alone and synergistic valuations to assist organizations in determining acquisition pricing, assessing acquisition returns, and understanding the cash flows generated from the post-transaction entity, as well as estimating predeal accretion or dilution.

We can also develop dynamic financial models for our clients, which enable buyers and/or sellers to run sensitivity analyses and scenario testing on key performance variables. Our models provide users with a detailed road map of projected growth in future periods, along with the impact of synergy and performance improvement opportunities.

## Fresh Start Accounting

Crowe offers fresh start accounting services for entities that emerge from Chapter 11 bankruptcy. The accounting guidance requires certain emerging entities to adopt fresh start accounting, which involves fair value analyses to determine an entity's reorganization value and establish a new basis for financial reporting. All assets and liabilities of the emerging entities may need to be adjusted from historic balances to current fair values.

## Solvency Testing

We offer solvency opinions, which can lower the risk of fraudulent conveyance faced by the board of directors and shareholders. The purpose of solvency testing is to assess whether a company would remain solvent assuming a specific future event. Simply stated, in performing the solvency test, Crowe helps answer the questions, "Will the company be able to satisfy future liability obligations as they become due?" and "Will the company retain sufficient capital?" based upon the contemplated corporate action. Typical corporate actions where solvency testing is applicable include dividend recapitalizations and highly leveraged transactions.



## Connect With Us

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## The Crowe Valuation Team

With deep expertise in valuation, our team of accredited professionals stays current on regulations that affect your business. We leverage the diversity of our team's backgrounds to assist clients with their most complex challenges. Members of our team hold designations including accredited senior appraiser (ASA) from the American Society of Appraisers, Chartered Financial Analyst® (CFA®) from the CFA Institute, and accredited in business valuation (ABV) from the American Institute of Certified Public Accountants. Our team members also include Ph.D. economists and finance professionals who are published in advanced valuation topics.

We actively participate in professional valuation associations such as the Appraisal Issues Task Force. Our professionals serve as editors for industry publications such as the Business Valuation Review and as instructors for ASA certification on advanced business valuation topics. We use a team approach, combining the industry knowledge of our consulting team with the financial expertise of our assurance and tax professionals.

## About Us

Crowe Horwath LLP is one of the largest public accounting, consulting, and technology firms in the United States. Our dedicated professionals create value for our clients by connecting deep industry knowledge with innovative technology, while maintaining a commitment to independence, integrity, and objectivity. By listening to our clients, we learn about their businesses and the unique challenges they face. We forge each relationship with the intention of delivering exceptional client service while upholding our core values and strong professional standards. We invest in tomorrow because we know smart decisions build lasting value for our clients, people, and profession.

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