

Acquisition Valuation: Client case studies

Evaluation of assets of an acquisition transaction



Client challenge

A publically traded mid-stream oil and gas client was acquired by a PE firm. As a result of the acquisition, the value of all assets needed to be determined as part of the transaction.

This purchase price allocation required a “push down” of all values on a consolidated basis to four separate reporting units.

Additionally, each reporting unit held equity method investments that had to be fair valued, along with certain of those investments requiring more detailed allocations to underlying assets.

The project

The KPMG EVS team leveraged their historical experience with the client to expedite the valuation of assets.

During the engagement, KPMG aided the client in understanding and refining their projections related to the underlying businesses. Additionally, the team uncovered data errors and reporting inconsistencies that helped in updating financial projections and improving their forecast.

Client results

The evaluation conducted during this engagement was critical to the acquisition transaction.

The team contributed additional value by updating the client’s 5-7 year forecast and financial projections.

Furthermore, KPMG has been asked to perform additional valuation for the client.