

Valuation of a Carve-Out Business

Restructuring an integrated technology business



Client challenge

A voice recognition technology company was under-going a restructuring effort and divesting non-core assets that were not core to their strategy. The goal was to spin-off their automotive technology business, which was tightly integrated into their existing business – including people, processes, and technology. This sale would provide new capital for strategic reinvestments that strengthened their core business (healthcare).

The project

KPMG helped the client carve-out the automobile technology business and create a “clean” spin-off structure. This included disentangling the automotive business’ systems, people, contracts, and IP from the legacy company.

By gathering and analyzing data for over 50 legal entities, KPMG was able to value various components of the automotive business needed to meet the various tax planning and compliance requirements for the spin-off.

Client results

Amidst an aggressive timeline and leadership changes, KPMG partnered with the client’s legal counsel to ensure the carve-out was completed on time.

Additionally, once the new company was sold, the client was able to use the new capital to pursue strategic acquisitions and reinvest in their core business.