FAQ about contributions in kind, mergers, divisions and equivalent operations

Information to be provided for most common valuation methods

In order to enable shareholders to form a well-founded judgment on the fairness of the exchange ratio, the FSMA considers that the most important hypotheses on which valuations are based must be reported in quantitative form in the legally mandated reports.

The minimum information to be provided for most common valuation methods:

1. **Multiple analysis of comparable companies**

The legally mandated report should describe the selection method of the peer group and key information on the selected peer group companies, i.e.

- a narrative description of their activities
- their key figures (market capitalization, enterprise value, revenue, EBITDA margin, compound annual growth rate of revenue and EBITDA margin for the forecast period, etc.)
- the relevant multiples for the peer group companies

The report should include the valuation steps used to arrive at the value per share:

	Year 0	**Year 1**	**…**
Relevant key figure			
Multiple			
Enterprise value			
Net debt[1]			
Equity Value			
Value per share			

2. **Multiple analysis of comparable transactions**

The legally mandated report should describe the selection method and key information on comparable transactions, i.e.

- the context of the comparable transactions chosen (date, bidder, initial stake, final stake, etc.)
- a narrative description of the activities of the target companies
- the key figures of the target companies (market capitalization, enterprise value, revenue, EBITDA margin, compound annual growth rate of revenue and EBITDA margin for the forecast period, etc.)
- the relevant multiples for the comparable transactions

The report should include the valuation steps to arrive at value per share (cf. multiple analysis of comparable companies).

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[1] A detailed calculation should be added of the composition of "net debt”. This should allow a reconciliation with the latest published accounting figures.

3. Discounted Cash Flow analysis

The report should include the key hypotheses used in the DCF analysis, i.e.

- the key assumptions (i.e. revenue growth, EBITDA margin, CAPEX, NWC) underlying the cash flow projections in the forecast period (e.g. in the form of a CAGR or average over the forecast period)
- the growth rate used to calculate the terminal value, as well as the ratio of terminal value to enterprise value
- the discount rate as well as the underlying inputs (including source reference)

The report should include the valuation steps to arrive at value per share (enterprise value, net debt[2], equity value, value per share).

The report should include sensitivity analyses for reasonable possible changes in key hypotheses (discount rate, terminal growth rate, main hypotheses of the business plan, etc.).

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[2] A detailed calculation should be added of the composition of "net debt”. This should allow a reconciliation with the latest published accounting figures.