

Broadcast & Telecoms

Corporate Finance



Global telephone M&A deal supported by asset valuation

A major mobile telephone operator acquired the business of a global fixed line operator.

Consequent upon the acquisition of the business the acquirer was required to perform a purchase price allocation to disaggregate the purchase price between tangible and intangible assets and goodwill.



The work

The valuation of the tangible assets was performed by applying IFRS guidelines; IFRS 3 provided the definition of fair value and IFRS 16 provided the valuation approach for the property, plant and equipment (PP&E) assets.

The assets included owned and leased fibre as well as ducting, switches and transmission assets located worldwide with a significant cost and book value.

The complex nature of the fixed asset register provided significant challenges in terms of understanding the asset base. Working with the fixed asset register, network topography reports and the company's engineers the analysis and values were completed.

The outcome

The valuation was reviewed and accepted by the acquirers auditors before being submitted to the company to provide opening balance sheet book values.

Please contact us to discuss our knowledge and experience in this sector in more detail or our approach to a particular issue.

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