

International Asset Transfer

The Challenge

Granite's client, a New Zealand-based seller of enterprise software, was contemplating a transaction whereby one of the company's principal product lines would be acquired by a US-based private equity buyer.

New Zealand law requires government consent before overseas entities can acquire sensitive assets. The client needed to produce documentation to support their claim that the transaction would not, in fact, involve the sale of significant in-country assets despite the significant size (\$150 million) of the anticipated transaction.

The Solution

Although it was clear that the technology itself resided in the company's home country, the vast majority of its revenues were from overseas clients, supported by a workforce that was itself largely located overseas.

The solution involved a two-step analysis. The first step was to allocate the value of the proposed transaction to the individual assets to be acquired, both tangible and intangible.

The second step was to establish a reasonable basis to allocate the value of each asset to the geographical regions where its value resides.

The Outcome

The solution showed, to the satisfaction of government regulators, that the bulk of the client's assets already resided overseas and that the transaction was compliant with applicable regulation.

The transaction was approved and closed to the satisfaction of the client's owners and management.

Granite Valuations helps companies facing challenging financial reporting and tax valuations, transactions and business planning and analysis matters. The team's experience as investors, operators, and advisors means Granite's clients receive high quality advice and deliverables tailored to their needs. Granite's Managing Directors are directly involved in all phases of the work and personally deliver efficient, high quality, timely and informed advice to their clients. The goal is to provide the greatest value for fee in all of Granite's engagements.