# TargetCo | Preliminary sell-side valuation

Student task | 31 December 2025 | EUR millions unless stated

## Professional assignment

The shareholders of Aurelium Packaging Solutions S.A.S. are considering a potential sell-side mandate. No sale process or bid process has started. The VP asks for a defensible preliminary valuation range using Comparable Companies Analysis, Precedent Transactions Analysis, a simplified Discounted Cash Flow Analysis and a reasoned reconciliation of the three methodologies.

Your analysis should make the principal valuation judgments explicit. In particular, determine which companies and transactions are sufficiently comparable, how the management-proposed EBITDA adjustment should be treated, which forecast assumptions are supported by the available evidence, whether the forecast is economically consistent, and how the valuation methodologies should be reconciled.

## Materials

- `TargetCo_company_profile.pdf` and `TargetCo_historical_model.xlsx`;
- `TargetCo_valuation_evidence_pack.pdf`;
- `TargetCo_management_case.pdf`;
- `TargetCo_valuation_workbook.xlsx`;
- `SESSION3_DELEGATION_CANVAS.pdf`.

## Stage 1 | Closed laptop, 25 minutes

**No ChatGPT. No Claude. No laptop.**

Complete the Delegation Canvas on paper. Define the required deliverables, the valuation judgments that remain with the analyst, the tasks to delegate to AI, what the AI may and may not conclude, the source materials for each task, the independent checks, the conditions requiring analyst review, the allocation of the six analytical AI messages, and the exact first prompt.

**Do not write the first prompt until you have defined which valuation judgments remain with the analyst and what the AI is permitted to do.**

## Six analytical AI messages

Each group has a budget of up to six analytical AI messages for the core assignment. Plan their use before opening ChatGPT or Claude. Purely technical upload or interface retries do not count. You are not required to use all six messages: the objective is disciplined decomposition of the valuation analysis, not the prompt count itself.

# Required work

Separate source evidence, analyst judgment and calculations throughout the analysis.

### A. Comparable Companies Analysis

1. Organize the relevant business and financial information for the candidate comparable companies before making the final selection.
2. State the criteria you will use to assess comparability, distinguish the primary criteria from supporting or diagnostic information, and identify any exclusion conditions.
3. Select the principal comparable-company set and identify any additional companies retained for sensitivity analysis or cross-checking.
4. Recalculate EV/Revenue and EV/EBITDA from the supplied source fields. Use revenue growth, EBITDA margin, ROIC, EV/EBIT, EV/NOPAT and CapEx/Revenue as diagnostic measures when assessing differences in operating economics and capital intensity.
5. Apply the selected multiples to the corresponding TargetCo financial statistics. For EV/EBITDA, show the implied enterprise value using FY2025A reported EBITDA and management-adjusted EBITDA separately.

Management's Core Peer designation is an input to the analysis, not a substitute for the analyst's comparability criteria. Do not use an aggregate comparability score unless the underlying criteria, measurement, weighting and treatment of missing information have been defined explicitly.

### B. Precedent Transactions Analysis

Use AI to organize the supplied transaction evidence into a comparison table that separates transaction facts from conclusions that are not established by the evidence. Using that evidence and the source materials, select the transactions to include in the analysis and record the principal caveat for each transaction in the workbook. Independently verify EV/LTM Revenue and EV/LTM EBITDA from the supplied transaction data.

Do not delegate the final transaction selection to AI. Do not attribute differences in observed purchase-price multiples to synergies, scarcity, strategic fit, competitive bidding, seller distress or other causes unless the supplied evidence supports that conclusion.

### C. Discounted Cash Flow Analysis and forecast consistency

Review the Management Case and develop an Analyst Base Case by changing only a limited number of clearly identified forecast drivers. For each change, record the Management Case assumption, the Base Case assumption, the supporting evidence and the rationale. Complete the DCF calculations, implied ROIC, terminal value and the WACC/terminal-growth sensitivity analysis.

**Historical EBITDA adjustment.** The Management Case already assumes that the FY2025A commissioning and duplicate-quality costs do not recur from FY2026E. Do not add the EUR 1.4m historical EBITDA adjustment again as an incremental forecast saving.

### D. Reconciliation

For each valuation methodology, state the valuation evidence it provides, the principal assumptions on which it depends, its main limitation and the range supported by the analysis. Reconcile differences across the methodologies explicitly. Do not mechanically average their midpoints or assign weights without an analytical basis.

### E. VP challenge

After completing and checking the preliminary valuation conclusion, use the final VP challenge prompt shown in class. Assess whether the challenge changes any analytical choice, the use of a valuation methodology or the preliminary valuation range.

# Required outputs

Complete the workbook and prepare a concise preliminary conclusion for the VP.

## Excel outputs

- selected comparable companies, selected statistics and the application of the selected multiples to TargetCo, including the separate reported and management-adjusted EBITDA cases;
- selected precedent transactions, selected statistics and the corresponding TargetCo valuation applications;
- Management Case and Analyst Base Case assumptions, with supporting evidence and rationale;
- Management Case versus Analyst Base Case diagnostics, implied ROIC and WACC/terminal-growth sensitivity analysis;
- method-by-method reconciliation and the enterprise value to equity value bridge;
- AI Delegation Log.

Do not overwrite raw-data sheets or combine the reported and management-adjusted EBITDA cases into a single unlabeled figure.

## AI Delegation Log

For each AI-assisted task, record the stage, delegated task, evidence supplied, what the AI was permitted and not permitted to conclude, the output used, the analyst's decision or change, the independent verification and any unresolved issue. The purpose of the log is to document how AI was used in the valuation analysis; it is not a transcript of every prompt.

## Final deliverable

Submit the completed workbook and a concise VP conclusion containing the preliminary enterprise-value range and enterprise value to equity value bridge; the selected comparable companies and precedent transactions; the Analyst Base Case DCF and sensitivity interpretation; the principal unresolved issue for each valuation methodology; and the three VP challenges together with your response to each.

Present the conclusion as a preliminary sell-side valuation range intended to support shareholder expectations, process planning and later evaluation of bids or offers. Do not present it as a prediction of the eventual transaction price.