



Valuation and Appraisal Services

Mergers and Acquisition, Refinancing and Financial Restructurings

Joint Venture

The Issue

A significant sized U.S.-based petrochemical company felt that it needed to enter into a joint venture in order to achieve greater economy of scale and presence in the marketplace. But, the value of its contribution to the joint venture was contentious, and this was detrimental to the prospects for achieving a fair and successful transaction with the joint venture partner.

The Service

Nexant was engaged as a valuation advisor to prepare an independent valuation that would be based on our own forecast for the overall industry, as well as our independent views and judgments on the merits of the client's assets and businesses.

The Outcome

Nexant prepared a valuation by using our own existing forecast of future industry prices and supply/demand trends, and modeling the client's operations in a "bottom-up" manner. The values were presented for the entire enterprise, the business segments within it, and individual manufacturing plants within the segment. The client was able to successfully negotiate and enter into the joint venture. The new company was favorably received in the marketplace.

Report Overview

Key Issues addressed in the Study:

- **Project Type**
Business and Asset Valuation
- **Client**
U.S. Chemical and Polyolefin Producer
- **Duration**
Two months
- **Scope**
Operations and Strategic Assessment
Review of planned capital expenditures
Valuation of segment and by plant site
Industry commercial dynamics analysis and forecast
Industry profitability analysis and forecast

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