

## FINANCIAL EXPERTS IN ACTION

ValueTrust acts as valuation expert to bbh on a dispute with the German Federal Network Agency about the cost of equity for network operators

On behalf of a large number of distribution network operators, Becker Büttner Held ("bbh") filed an action against the determination of cost of equity for the third gas and electricity regulatory period at the Oberlandesgericht ("OLG") Düsseldorf. The imputed cost of equity were redefined by the responsible Federal Network Agency ("Bundesnetzagentur" or "BNetzA") on October 5, 2016 for the third regulatory period from January 1, 2018 for gas grids and January 1, 2019 for electricity grids. The applied cost of equity for the third regulatory period are significantly below the values set by the BNetzA for the previous regulatory periods.

Within this dispute, ValueTrust issued an expert opinion on the market risk premium set by the BNetzA. In addition, ValueTrust performed a determination of empirical cost of equity based on the total shareholder return and implied cost of equity with the result that the cost of equity, determined by the BNetzA, are too low.

With the judgment of March 22, 2018, the OLG Düsseldorf followed the expert opinion of ValueTrust. The BNetzA now has to re-determine the cost of equity for the network operators.

### Party-related Expert Opinion

Financial Advisor to



BECKER BÜTTNER HELD

on the dispute with



Provided an expert opinion in connection with the determination of the cost of equity

### About bbh

BBH is a partnership of lawyers, tax advisors and auditors and a leading law firm for the energy and infrastructure sector. Other core areas include media and copyright law, tax consultancy and auditing, civil and commercial law and the entire area of public law.

### About ValueTrust

ValueTrust is the only consulting firm that focuses on business valuation and corporate finance advisory. ValueTrust supports management and investors with truly unbiased advice in transactions, restructurings, disputes/litigations and value management. ValueTrust offers its clients solution-oriented financial advisory services combining both customer-focus and independence with highest standards of quality. ValueTrust's advisory approach is based on years of project experience, the skills of its professionals, a trustful cooperation with its clients as well as the support of industry-experienced senior advisors.

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