

# Case Example: L&A Forecasting

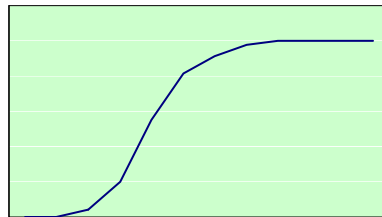
## Situation

- A large biotechnology company was considering an acquisition with a variety of possible assets in clinical development and needed a way to value both the possible revenues and costs associated with each asset under various scenarios.

## Approach

- Trinity's approach included five parts:
  1. Revenue valuation
  2. Net income and cash flows
  3. Time adjusted cash flow (NPV)
  4. Incorporation of clinical risk
  5. Incorporation of commercial risk

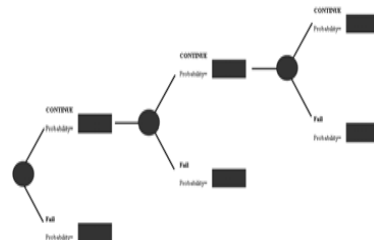
### 1. Revenue Valuation



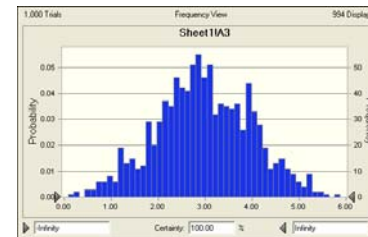
### 2/3. Cash Flows

	2008	2009	2010
COGS			
SGA			
Marketing			

### 4. Incorporation of Clinical Risk



### 5. Incorporation of Commercial Risk



## Result

- The 5-step process provides an efficient, replicable methodology for asset / scenario valuation of new business projects across a variety of therapeutic areas. The application of this process allowed our client to objectively evaluate both the potential returns but also the costs and risks associated with a multitude of assets before making a bid for a company-level acquisition.