



# DIFFERENCE  
MAKERS

# VALUATIONS SURVEY RESULTS

Insights into members  
valuation needs

**JULY 2025**

 **SAICA**  
DIFFERENCE MAKERS™



# VALUATIONS

## Overview:

### Why valuations matter

Valuations play a crucial role in the financial and investment landscape, serving as the foundation for informed decision-making across various sectors. Whether it's for mergers and acquisitions, investment analysis, financial reporting, or tax purposes, accurate and reliable valuations are essential. This overview will delve into the significance of valuations, emphasising the need for reliability and relevance and set the stage for understanding the daily responsibilities of professionals involved in valuation processes.

## What is Valuation?

Valuation is the process of estimating the present value of an asset, investment or a company. This process involves a comprehensive analysis of various factors including financial performance, market conditions and future growth prospects. The primary goal of valuation is to arrive at a fair and accurate estimate that reflects the true worth of the asset in question.



## Why is valuation important?

Valuations are critical in that amongst many other critical considerations; they assist market participants in:

### Informed Decision-Making

Reliable valuations provide a solid foundation for making informed decisions. Investors, for instance, rely on accurate valuations to assess the potential return on investment and to compare different investment opportunities. Similarly, companies use valuations to make strategic decisions regarding mergers, acquisitions and divestitures.

### Financial Reporting

Accurate valuations are critical for financial reporting purposes. Companies are required to report the fair value of their assets and liabilities in their financial statements. This ensures transparency and helps stakeholders, including investors, creditors and regulators to understand the company's financial health.

### Regulatory Compliance

Many accounting/regulatory frameworks such as the International Financial Reporting Standards (IFRS) require companies to use fair value accounting for certain assets and liabilities. Reliable valuations ensure compliance with these standards and avoid potential legal and financial repercussions.

### Taxation

Accurate valuations help in determining the taxable value of assets, which in turn affects the amount of tax payable. This is particularly relevant in the context of property taxes, estate taxes and transfer pricing.

### Risk Management

Reliable valuations are essential for effective risk management. By knowing the true value of their assets, companies can better manage their risks and make more informed decisions about asset allocation, hedging strategies and capital structure.

## Relevance and reliability of valuations

The relevance and reliability of valuations is heavily influenced by current market conditions and relevant financial information makes a difference in the decisions made by users. Valuations must reflect the prevailing economic environment - including interest rates, inflation and market trends. This ensures that the valuation is realistic and applicable in the current context. Different industries have unique characteristics that affect valuations. For example, the valuation of a technology company may be driven by factors such as intellectual property, innovation and growth potential while a manufacturing company's value may be more influenced by physical condition of assets and production capacity. Understanding these dynamics is crucial for producing relevant valuations.

The purpose for which a valuation is conducted also affects its relevance. For instance, a valuation for investment purposes may focus on future cash flows and growth potential whilst a valuation for financial reporting may emphasise fair value measurements. Tailoring the valuation approach to the specific purpose ensures that the results are both relevant and reliable.





# Introduction

## Why the valuations survey and its impact on members

As the business environment grows in complexity, the demand for robust, transparent and defensible valuation practices has intensified highlighting the need for consistent methodologies.

**To better understand the realities faced by its members, SAICA conducted a comprehensive survey exploring:**

- The prevalence of valuation responsibilities among members
- The level of experience and expertise in valuations
- The awareness and application of International Valuation Standards (IVS)
- Challenges professionals face in executing valuations
- Training and support needs

This report presents the findings from the survey, which captured insights from a diverse group of SAICA members spanning multiple industries and professional roles. The data provides a meaningful snapshot of how valuations are currently integrated into the work of accounting professionals and highlights opportunities for growth and development.

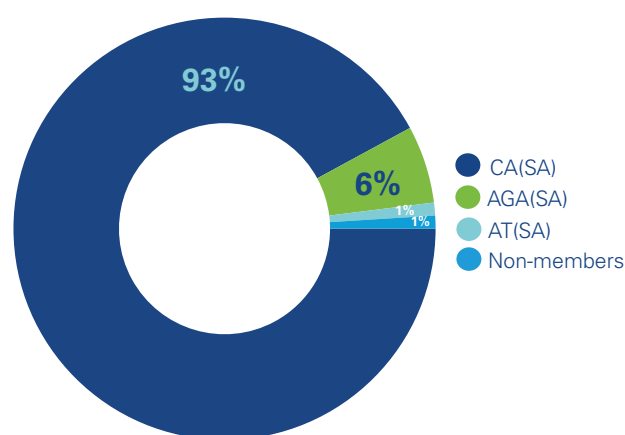
# Survey Highlights

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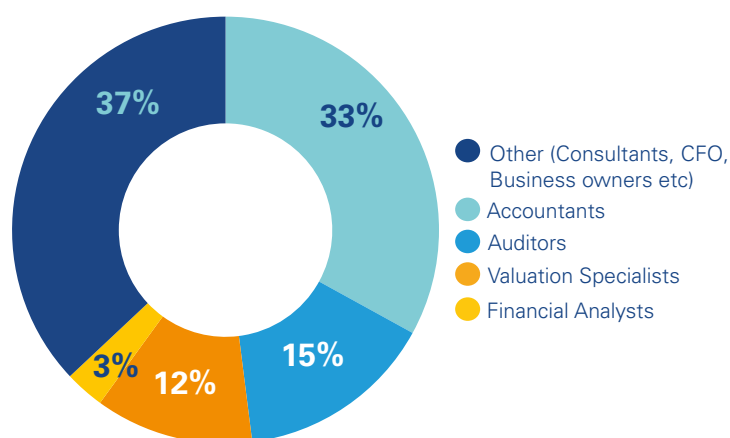
Participants completed the survey.

## Who responded

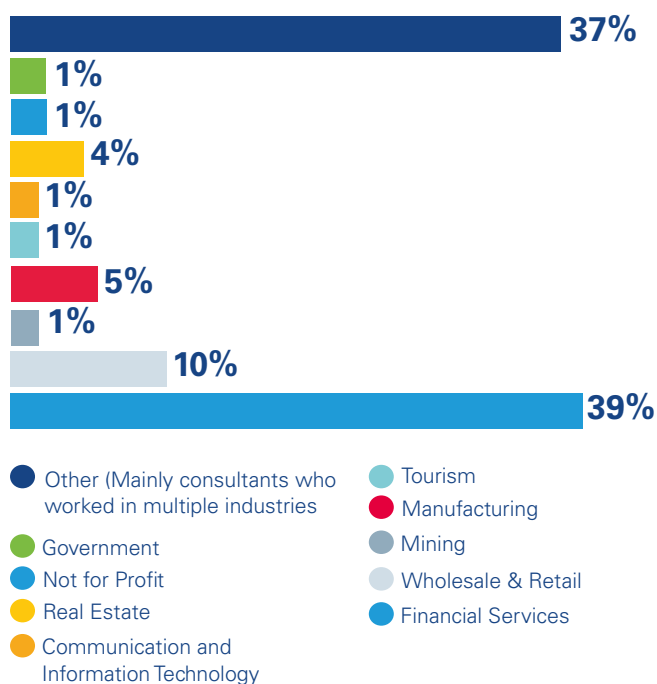
Membership: The respondents to the surveys were:



## Roles



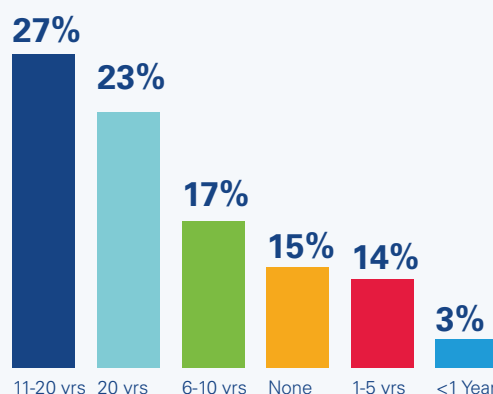
## Industries



## Valuations exposure and experience

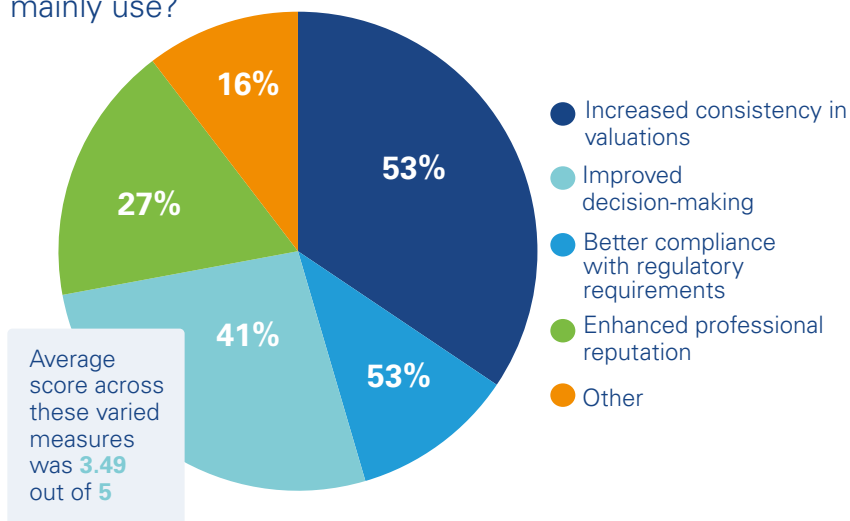
When asked about exposure to valuations within their roles 19% of respondents had no exposure, whilst 81% had some exposure. Of those with exposure to valuations, the most common valuations they did was on valuing unlisted investments – some indicating valuing shareholders' interest in businesses for estate purposes.

## Number of years' experience in the valuation profession

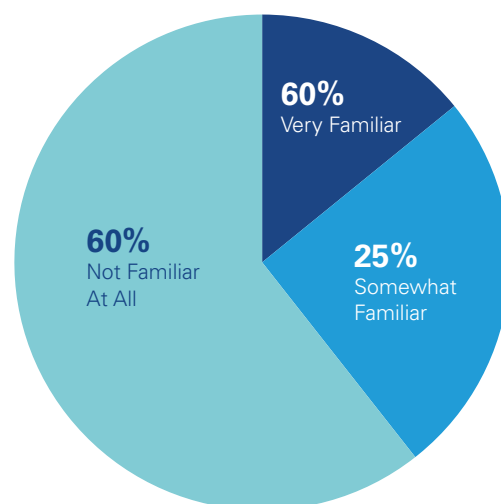


## What perceived benefits do the Valuations Standards bring?

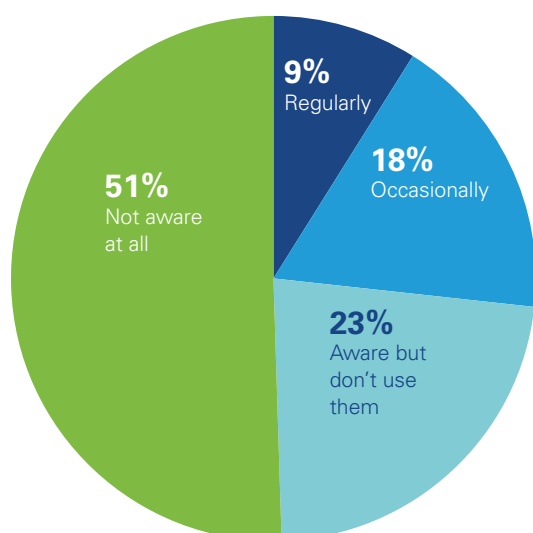
Respondents were asked about the benefits they have observed from the valuation standards / techniques they mainly use?



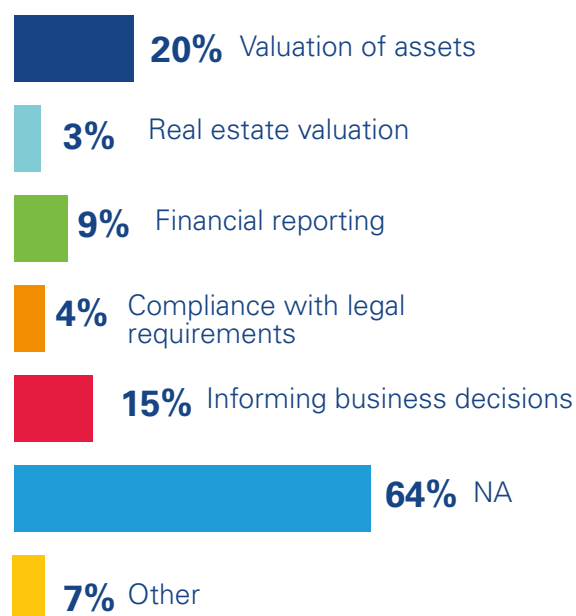
## How familiar are members with IVS?



## How often do members use IVS



## Purpose the IVS are used:



## Ranking of frequently used standards – Ranked from most used to the least



# Key valuations institutions in South Africa

Although we have noted some of these key valuation institutions locally

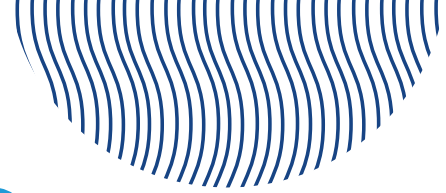
- The **South African Council for the Property Valuers Profession (SACPVP)** (Regulator for Property Valuers),
- The **South African Institute of Valuers (SAIV)** (a professional body for valuers)
- The **Office of the Valuer-General (OVG)** (a juristic person accountable to the Minister of Agriculture, Land Reform and Rural Development).

None of them were mentioned by respondents when we asked about their main support and resources for valuation.

In supporting institutions through valuations there are organisations with guidelines that address complex valuation concerns and helps guide entities through valuation considerations. In our survey, most respondents highlighted the use of IPEV Guidelines, IVS standards and SAVCA for Private Equity.

There were valuation methods and techniques members mentioned to frequently use – multiples, Net Asset Value, with the Discounted Cashflow method being the commonly used and preferred method.





## South African Venture Capital Association (**SAVCA**)

Several respondents referenced using guidance from SAVCA, particularly where venture capital or private equity investments are involved. SAVCA encourages the adoption of IPEV (International Private Equity and Venture Capital Valuation Guidelines), offering a tailored framework for valuing unlisted investments.

SAVCA is a non-profit industry association representing private equity and venture capital professionals in Southern Africa. It promotes the profession by engaging with regulators, providing training, and offering networking opportunities. SAVCA plays a significant role in advocating for a supportive regulatory environment, conducting research and providing guidelines and standards for the industry. It helps members access capital and mobilise investments that generate returns and contribute to economic growth.

It offers training programs, capacity-building opportunities and a member's portal with resources such as IRR calculators and industry news. These tools assist valuation professionals in staying informed and improving their practices.

## International Private Equity and Venture Capital Valuation (**IPEV**)

IPEV has its objective centred around provision of high-quality, uniform, globally accepted, best practice, principles-based valuations and for private equity and venture capital practitioners. The IPEV Guidelines set out recommendations for valuing private capital investments, representing current best practices in the industry and helping investors in private capital funds make better economic decisions by providing a framework for fair value reporting. They are endorsed by numerous associations worldwide, ensuring widespread adoption and consistency. These resources help valuation professionals apply rigorous and thoughtful approaches to their valuations, enhancing the reliability and credibility of their work.

## International Valuation Standards Council (**IVSC**)

The IVSC is an independent global standard setter for the valuation profession. It develops and maintains the International Valuation Standards (IVS), which are principles-based standards that promote consistency, comparability, and transparency in valuations. IVS has since January 2025 been publicly available for everyone – prior to this they were only available to members. The standards include detailed guidance on valuation models, data inputs, documentation and ESG factors. These resources help valuation professionals apply consistent methodologies and improve the accuracy of their valuations, the wide use of the IVS locally and globally can address the concern raised by members on comparability and consistency in application of valuations.

We noted that most members (60%) were not familiar with the standards and rarely used them, granted how they help address most of the valuation concerns they have – we will be looking into the potential value add of these standards within the industry.

# Key valuation challenges and strategic resolution

The survey identified several recurring challenges that valuation professionals encounter in practice:

- **Incomplete or unreliable information:**

Access to accurate, comprehensive data remains a significant barrier, impacting the credibility and defensibility of valuation outcomes.

- **Lack of comparable data:**

Many professionals struggle to find relevant benchmarks or comparable, particularly in niche or illiquid markets.

- **Oversimplified methods preferred by stakeholders:**

Stakeholders often favour simplified methods that may not reflect the complexity or true value of the asset, leading to potential misrepresentation.

- **Limited awareness or use of valuation standards:**

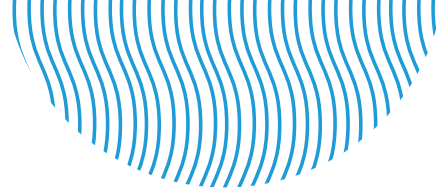
A substantial portion of respondents indicated unfamiliarity with established frameworks such as the International Valuation Standards (IVS), resulting in inconsistent.

A central recommendation from respondents is the promotion and broader adoption of valuation standards, particularly IVS, to enhance consistency, transparency, and reliability across the profession. These standards offer structured guidance that can directly address many of the challenges identified.

**To bridge the knowledge gap, respondents emphasised the need for targeted training interventions.** Feedback suggests a dual approach:

**Short-format workshops** (e.g., 1–2 days) for foundational knowledge and practical application.

**Extended, in-depth programs** for professionals seeking advanced technical proficiency and specialisation.



SAICA is currently exploring both formats to accommodate the diverse needs and learning preferences of its members. Recognising the dynamic nature of valuation practices, SAICA will continue to engage with industry stakeholders to ensure that training, resources and support mechanisms are tailored, relevant and impactful. These efforts aim to empower members with the tools and knowledge required to deliver high-quality, defensible valuations in an evolving economic landscape.

## Conclusion

The **2025 SAICA Valuations Survey** paints a clear picture of a profession in transition one that is increasingly engaged in valuation activities but still navigating the complexities of standardisation, training, and practical application. While the majority of respondents are involved in valuations, the survey reveals a fragmented landscape in terms of methodologies, institutional support, and familiarity with global standards.

A **key insight** is the underutilisation of the International Valuation Standards (IVS), despite their potential to address many of the challenges members face such as inconsistent methodologies, lack of comparability, and limited guidance. With **60% of respondents unfamiliar with IVS** and only **9% using them regularly**, there is a significant opportunity for SAICA to lead a shift toward greater standardisation and global alignment.

The survey also highlights a strong reliance on alternative frameworks such as the IPEV Guidelines and SAVCA guidance, particularly in the context of private equity and venture capital. These resources are valued for their practical relevance and sector-specific focus, suggesting that members are seeking tools that are both accessible and directly applicable to their work.

**Challenges** such as **unreliable data**, **oversimplified valuation methods**, and **limited access to comparable** continue to hinder the quality and defensibility of valuations. However, the appetite for improvement is evident. Members are calling for more structured training, practical resources, and a stronger support ecosystem.

**SAICA is well-positioned** to respond. By **expanding its training offerings**, **promoting awareness of IVS**, and **fostering collaboration** with local and international valuation bodies, SAICA can play a pivotal role in elevating the profession. The recent public release of IVS further strengthens this opportunity, making it easier than ever to integrate global best practices into local workflows.

# Strategic Priorities Going Forward

- **Awareness:** Drive broader understanding of IVS and its relevance to South African professionals.
- **Education:** Offer flexible, tiered training programs to meet diverse learning needs.
- **Support:** Create a platform for ongoing engagement, peer learning, and access to valuation tools.
- **Advocacy:** Collaborate with institutions like SAIV, SACPVP, and SAVCA to align efforts and amplify impact.

In summary, the survey findings are both a reflection of current realities and a roadmap for future action. With the right interventions, SAICA can help its members build valuation capabilities that are not only technically sound but also globally credible and locally relevant.



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