CBV Institute

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CBV INSIGHTS

From Uncertainty to Insight

What CONNECT 2026 Revealed About the Future of Valuation

ABOUT CHARTERED BUSINESS VALUATORS INSTITUTE (CBV INSTITUTE)

CBV Institute leads the Chartered Business Valuator (CBV) profession—Canada's only designation dedicated to business valuation since 1971. With CBVs and students across Canada and around the world, we lead the business valuation profession through the highest standards of professional excellence, exceptional education, and industry advocacy.

ABOUT CBV INSIGHTS

CBV Insights is a thought leadership periodical published by CBV Institute with the aim of sharing the expertise of Chartered Business Valuators with our network and the broader public. While the insights shared by contributing authors in *CBV Insights* are designed to inform and inspire, they do not necessarily carry the endorsement of CBV Institute.

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OUR VISION FOR THE FUTURE OF VALUATION

Canadian leaders are being asked to make decisions in a business environment defined by volatility and complexity. Geopolitical disruption, aging societies, ever-increasing government debt and deficits, rapid growth of private assets, new disruptive technologies, expansion of Indigenous rights and political power, and greater regulatory scrutiny are only a handful of the forces that are changing how businesses are financed, bought, sold, governed, and valued.

Held in Calgary this June 11-12, CONNECT 2026 brought together experienced professionals and subject-matter experts to examine the forces shaping the future of business valuation. Across the sessions, one message took center stage: the uncertainty of our current moment cannot be addressed through one simple adjustment. In this shifting environment, business valuation cannot be treated as a narrow technical exercise or a one-dimensional calculation. For the businesses CBVs value, uncertainty is multi-dimensional and must be understood in a holistic manner, addressed directly in the valuation process, and properly explained in the valuation report.

This issue of *CBV Insights* draws on four stand-out sessions from CONNECT 2026 to demonstrate how business leaders can move from uncertainty to insight with the help of a CBV.

CBVs provide high-quality analysis that is robust, transparent, reliable, and grounded in informed professional judgment. They are uniquely equipped to support high-stakes decision-making across business valuation, litigation support, corporate finance, mergers and acquisitions, and other matters where trust, precision, and credibility are essential.

We hope that the insights shared here can help to shed light on the future of valuation, this work which is both crucial and ever-changing.

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As business decisions become more complex, more scrutinized, and more consequential, credible valuation expertise has never been more important. In a landscape full of both challenge and opportunity, CBVs are more visible, more relied upon, and more central to high-stakes decision-making than at any point in the profession’s history.

– Dr. Christine Sawchuk, President & CEO, CBV Institute

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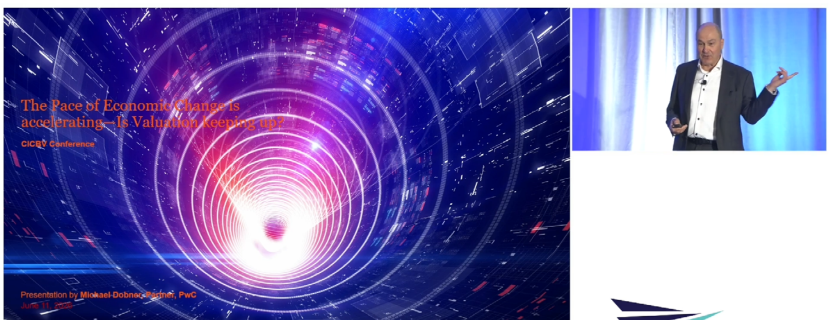
HOW GLOBAL TRENDS ARE CHANGING THE DRIVERS OF VALUE

Speaker Michael Dobner, CBV
Partner, Economics & Policy Practice, PwC



In a volatile business environment, the assumptions behind value can shift quickly. Michael Dobner's session, *Global Trends and Their Impact on Business Valuation*, focused on a point that is simple but often underappreciated: change the economic outlook, and you will likely change the valuation conclusion. A business could have materially different value indications depending on assumptions around interest rates, exchange rates, tariffs, customer demand, sector growth, supply chains, geopolitical disruption, technology disruption, or capital market conditions.

The practical question for leaders is how these external forces make their way into the forecast. Dobner's session emphasized that trends and events do not affect value in the abstract. Their impact is measured through specific revenue and cost drivers, such as demand, pricing, capacity, labour costs, financing costs, input costs, competition, new technologies, new markets, and customer preferences. For example, there are many plausible outcomes of the upcoming CUSMA Agreement negotiation that may have drastic and differing valuation impacts on an Ontario manufacturer. Considering drivers such as tariffs, supply chain costs, customer demand, and capital investment decisions, the valuation conclusion shifts. Furthermore, a technological breakthrough may substantially affect the value of a company through drivers such as productivity, competitive pressure, or changes in the useful life of its existing assets. In this way, forecasts used in business valuation risk losing credibility when they do not thoroughly consider how trends or events outside the subject company's control could affect value.

This is why scenario thinking in a business valuation process matters. Boards can use it to test strategic alternatives. Executives can use it to assess investments, restructurings, acquisitions, and divestitures. Owners can use it to evaluate timing, succession, and transaction readiness.

Lawyers can use it to understand the assumptions behind expert evidence, damages, shareholder disputes, and settlement analysis. In each case, the point is not to predict the future perfectly, but to think holistically. This means identifying the scenarios and respective assumptions that matter the most, how value could change under different conditions, and what decisions may need to be made now. Considering these scenarios and communicating them explicitly in the valuation report is increasingly crucial for credibility and trust in a world that is changing faster than ever.

A robust valuation should not treat the economic outlook as background commentary. It should connect the outlook to the valuation

> The point is not to predict the future perfectly, but to think holistically

process. To this end, the business valuator should ask and answer questions such as: what are the economic drivers behind each material revenue or cost item? How sensitive are those items to changes in interest rates, exchange rates, wages, consumer demand, sector activity, and financing conditions? What assumptions are embedded in management's forecast? Do those assumptions align with the consensus baseline, or do they require explanation? What plausible upside and downside scenarios should be considered?

This does not mean that every valuation should become a catalogue of remote risks. An experienced CBV helps connect management's forecast to the information that an informed buyer or seller would consider at the valuation date, assess whether management assumptions are supportable, and explain how various plausible and relevant scenarios and events were reflected in the analysis. For leaders making high-stakes decisions, this process can be as important as the number itself: it clarifies what drives value, what could change value, and how confident they can be in the conclusion.

The following table illustrates examples of possible watershed events that could have a moderate to high impact on values of certain types of businesses. As the number of possible watershed events increases, business valuators and business leaders should work together to identify the events most relevant to the subject business and analyze their specific impact.

Taiwan Event	US taking over Greenland	Global Financial Crisis (e.g. AI-related stocks, sovereign debt)	Rebuild of Venezuela/Iran economies	Mass cyber-attack war
Business Impact Very high	**Business Impact** Very high	**Business Impact** High	**Business Impact** Moderate	**Business Impact** Moderate to High
Likely Trigger China Blockade	**Likely Trigger** Negotiations fail to reach an agreement	**Likely Trigger** US equity market crash/populist governments in major European countries/loss of confidence in the US Fed and the BEA	**Likely Trigger** Iran and Venezuela move to the US fold leading to investments	**Likely Trigger** Any of the major global flash points
Likely Economic Impact Disruption of supply chains especially high-end semi-conductors and consumer products	**Likely Economic Impact** Major trade war reduces growth in the US and Europe: Canada may be caught in the crossfire	**Likely Economic Impact** Spike in interest rates and feedback loops to all financial markets and, consequently, a recession	**Likely Economic Impact** Oil and gas markets are over-supplied leading to low price environment	**Likely Economic Impact** Severely disrupts social and economic activities in the short term, causing temporary panic and disorder
Sectors Negatively Impacted Manufacturers dependent on semi-conductors and critical minerals, retailers	**Sectors Negatively Impacted** US multinationals exposed to EU global firms dependent on predictable trade policy and supply chains	**Sectors Negatively Impacted** Widespread	**Sectors Negatively Impacted** Oil and gas	**Sectors Negatively Impacted** Financial institutions, utilities, energy, transport
Sectors Positively Impacted Semiconductors, critical minerals, defence	**Sectors Positively Impacted** Defence, aerospace, resource, infrastructure	**Sectors Positively Impacted** Gold, basic consumer products	**Sectors Positively Impacted** Engineering, oil and gas services, energy infrastructure	**Sectors Positively Impacted** Cyber security, data recovery services

WHY WOULD A CBV CHALLENGE MANAGEMENT'S FORECAST?

Management forecasts are often the starting point for a business valuation. Grounded in management's deep understanding of the business, these forecasts reflect strategy, customer relationships, pipeline opportunities, operating plans, and management's view of what the company can achieve.

In a notional valuation, a CBV considers this forecast through the lens of what a market participant might reasonably assume at the valuation date. The valuator assesses whether the key inputs and assumptions are supported by available evidence, market conditions, industry outlook, and the broader economic environment, among other factors. Depending on the circumstances, this may involve corroborating the forecast with external data, developing alternative scenarios, adjusting cash flows, applying probability-weighted outcomes, or explaining why certain risks were considered but not incorporated into the model.

Management knows the business best, but a CBV brings independence, consistency, rigour, and informed judgment to the process, which ultimately results in a valuation that is credible, properly supported, and fit-for-purpose.

QUESTIONS A CBV MAY ASK WHEN REVIEWING MANAGEMENT'S FORECAST

In reviewing management's forecast, a CBV looks beyond the numbers to understand the assumptions that drive them. The goal is both to assess whether the forecast is supportable in the valuation context as well as whether, in accordance with the informed seller and buyer principle, it reflects the consensus economic, industry, and market conditions that could affect value. To do so, a CBV will typically hold discussions with management and independently consider the following:

1. What are the economic drivers of each revenue/cost item and their estimated magnitude?
2. What is the sensitivity of the revenue and cost items to the said economic drivers?
3. What implicit or explicit assumptions regarding those drivers underpin management's forecast?
4. What is the consensus baseline scenario for the said drivers and how do they align with management assumptions? How would the forecasts change if we apply consensus assumptions?
5. What are the key scenarios and potential watershed events we should consider for the revenue and cost drivers and what are their respective likelihoods? Has management considered them?
6. How would management's forecast change under each of the scenarios?
7. Is management's forecast suggesting a significant deviation from the relevant market's trajectory? If yes, what is the rationale for that deviation?

Ultimately, a CBV's review of management's forecast is not a technical formality. It is an exercise in informed judgment. In a fast-changing environment, forecasts must be tested against the economic, industry, and market conditions that could influence future performance. By staying current on trends and plausible events, and by understanding how those forces may affect different types of businesses, CBVs help ensure that valuation conclusions are not only mathematically sound, but grounded in reality, transparent in their assumptions, and useful to the decisions they are meant to support.

VALUATION CREDIBILITY IN AN AGE OF GREATER SCRUTINY

Speaker **Catalina Miranda, CBV**
Director, Damages Quantification, Business Valuations & Forensics, Resolution Economics

Valuation is undoubtedly a central issue to transactions, private market investments, financial reporting, and disputes—and stakeholders are increasingly asking more of valuation advisors. Catalina Miranda's session, delivered with Nick Talbot, CEO of the International Valuation Standards Council (IVSC), examined how the future of the business valuation profession is being shaped by global standards, professional judgment, and the growing importance of demonstrating trust to stakeholders and regulators. The message for business leadears is clear: when valuation conclusions influence high-stakes decisions, professionalism matters just as much as standards or methodology.

One defining trend in today's capital markets is the rapid growth of private assets. Private equity, infrastructure, and private credit have become core allocations for institutional investors around the world, with pension funds and sovereign wealth funds increasingly allocating to these investments to meet long-term return objectives. Yet private markets present unique valuation challenges. Unlike publicly-traded securities, private assets do not benefit from continuous price discovery. Valuations, therefore, depend on models, assumptions, and informed and objective professional judgment.

This distinction has attracted increasing attention from regulators and investors, who are increasing scrutiny over valuation governance—how frequently valuations are updated, how models are governed, whether sufficient independence exists in the process, and whether valuation practices are subject to robust oversight. This is where standards-setters and professional bodies such as CBV Institute play a critical role. By providing internationally recognized principles for valuation approaches, inputs, and reporting, the International Valuation Standards (IVS) help to create a common language between valuers, investors, auditors, and regulators.

> "This is where standards-setters and professional bodies such as CBV Institute play a critical role"

For example, IOSCO, the international body that brings together the world's securities regulators, has called for high-quality valuation information in financial reporting that is relevant, reliable, and internationally consistent to support investors' needs. IOSCO's statement further emphasizes that, in private markets and other high-scrutiny contexts, confidence in a valuation comes from a robust valuation process performed objectively and transparently without bias, and from sufficient supporting documentation that demonstrates the use of appropriate high-quality inputs and assumptions as part of the valuation process. Business leaders may be pleased to know that CBV Institute's standards mandate such practices.

WHEN START-UP VALUE HAS A SHORTER SHELF LIFE

Speaker Sean Smith, CBV
Director, Strategy, Risk & Transactions | Valuation Advisory, Deloitte

In *Valuation of Start-Up Entities: Valuation Theory and Investor Reality*, Sean Smith, CBV, and Jon Wolkin of Deloitte explored why start-up value can be difficult to assess and why business leaders should not assume that yesterday's investment, development spend, or financing round reflects today's value. Start-ups often operate with limited financial history, negative cash flows, evolving business models, dependence on key people, and the need for future financing. These conditions make valuation highly sensitive to changes in market sentiment, funding availability, competitive positioning, and the company's progress against key milestones.

One timely issue is the accelerating impact of artificial intelligence on software start-ups. Under a cost-based lens, a company's historical development spend may appear to support value, particularly where significant capital has been invested in building proprietary technology. However, cost is not the same as value. If commercially available AI tools or platform features can now replicate similar functionality faster and at lower cost, the cost to recreate the technology using today's tools may be substantially less than historical spending. Moreover, the development time may be significantly contracted and the obsolescence of the technology may accelerate. For owners, executives, and boards, this can have direct implications for impairment assessments, capital allocation, financing discussions, and whether continued investment in a product is justified.

> "Start-up value is often driven less by a smooth forecast and more by milestone achievement"

The same uncertainty affects market and income-based views of value. Comparable company or transaction evidence may be limited or less reliable, especially where business models are new or investor enthusiasm is concentrated in specific sectors. Forecast-based valuation can also be misleading if it relies on a single growth case and does not adequately reflect survival risk, future dilution, ability to pivot, or outsized success. In practice, start-up value is often driven less by a smooth forecast and more by milestone achievement, access to capital, exit potential, and the optionality created by the company's technology and market position.

The discussion also highlighted an important distinction for decision-makers: fair market value and investor pricing are not always the same thing. Investors may price a financing round based on target ownership, expected return, competitive tension, sector momentum, and available capital, rather than a formal assessment of intrinsic value. Instruments such as SAFEs (Simple Agreement for Future Equity) may even defer the need to establish value until a later financing event. For boards and owners, the governance challenge is to understand what a valuation is being used for—financing, tax, financial reporting, compensation, shareholder transactions, or strategic planning—and to ensure the assumptions behind it are current, supportable, and aligned with the intended use and decision at hand.

INSIGHT FROM AN INVESTOR

The cost, market, and income approaches all remain relevant in the valuation of start-ups. However, the emphasis must change as a company matures and better information becomes available. At the idea or seed stage, where cash flows are typically negative, product-market fit may be unproven, and reliable forecast data may be limited. In this case, valuation approaches may rely more heavily on qualitative factors, invested cost, SAFE instruments, scorecard methods, or scenario-based analysis. As a company progresses into early growth and expansion, with more evidence of customer demand, operating performance, and financing needs, valuation methods such as the venture capital method, market-based multiples, and, eventually, DCF analysis may become more supportable. The key point for leaders is that the valuation methodology should evolve with the stage of the business; a method that is useful at one stage may become less relevant or require significant adjustment as the company's risks, data, and capital structure change.

Jon Wolkin
Managing Director, Deloitte Ventures

COMPANY STAGE

ATTRIBUTES	Idea/Seed	Seed/Startup	Early growth	Expansion	Sustainable Growth
Cash flows	N/A	Only negative	Negative; high growth	Positive; slow growth	Stable
Product-market fit	✗	✗	✓	✓	✓
Historical data	✗	✗	✓	✓	✓
Forecast data	✗	Limited	Limited	✓	✓

Valuation Perspectives

- SAFE Investment Instrument
- Scenario analysis
- Venture capital method
- Market multiples
- Scorecard valuation method
- DCF

HOW INDIGENOUS OWNERSHIP IS RESHAPING THE CANADIAN DEAL LANDSCAPE

Speakers

Adam Van Elsberg, CBV
Senior Manager, Valuation & Litigation Support, MNP

Benjamin Cooper-Janvier, CBV
Senior Manager, Financial & Deal Advisory, MNP

In *The Evolving Deal Space in Indigenous Markets*, Adam Van Elsberg, CBV, and Benjamin Cooper-Janvier, CBV, of MNP explored how Indigenous economic participation in Canada is increasingly extending beyond consultation and benefits-based arrangements to include equity ownership, governance participation, and long-term capital investment. Consultation, impact benefit agreements, employment commitments, procurement opportunities, and revenue-sharing remain important components of Indigenous participation in major projects. Increasingly, however, Indigenous communities are evaluating opportunities through an ownership lens, with a focus on their potential as long-term investments. For project developers, investors, lenders, boards, and Indigenous communities, this shift creates significant opportunity but also introduces new valuation, financing, governance, and execution questions that need to be understood before a transaction can advance.

One key takeaway from the session was that technical transaction skills, while necessary, are not sufficient to provide effective advice in Indigenous transactions. CBVs and deal advisors bring important tools to the table: valuation, diligence, cash flow analysis, risk assessment, capital structure, tax assumptions, scenario analysis, and documentation. However, in Indigenous deal advisory, these tools need to be applied with an understanding of the community's objectives, decision-making process, governance readiness, capacity, access to capital, and tolerance for risk.

It is essential to understand that there is no single Indigenous investment lens. Some communities have mature economic development corporations, trusts, investment policies, experienced boards, and a long track record of commercial activity. Others are still building that capacity. Many are somewhere in between. Advisors should not assume that all parties—Chief and Council, an economic development corporation, a trust, a board, the broader membership—will view a transaction in the same way. Understanding the community context early on is critical to determining which transaction tools are relevant and how the analysis should be sequenced.

Once that context is understood, the next question is whether the opportunity is feasible and actionable for the community. Before proceeding to detailed valuation or financial modelling, advisors should assess whether the community context supports moving forward. Cooper-Janvier referred to this moment as the "pencils down" stage and emphasized that it does not mean doing less analysis – it means performing the right analysis in the right order.

THREE FEASIBILITY QUESTIONS ARE ESPECIALLY IMPORTANT.

1. First, how is the transaction expected to be financed? Is the community assuming commercial debt, financing from an Indigenous Financial Institution, vendor financing, community equity, or some combination of these sources? Is any of that financing expected to be supported by a federal or provincial Indigenous loan guarantee or other government program? Is the asset the type of asset that lenders or guarantee providers are likely to support? Are the cash flows stable enough to support debt? A transaction may appear attractive on paper, but if the financing assumptions are unrealistic, a detailed valuation may not help decision-makers.

2. Second, do the basic economics make sense for the community? Ownership percentage alone does not tell the full story. A community may hold a majority interest but receive limited economics after debt service, fees, preferred returns, taxes, reinvestment, or operating obligations. Conversely, a minority interest with strong governance rights, reliable distributions, and a credible partner may be more valuable than it first appears. The analysis needs to ask what economic benefit the community actually receives, who bears the downside risk, and whether the community is compensated for the time, governance burden, reputational capital, and risk that it takes on.

3. Third, does the opportunity align with the community's structure, aims and practices? A transaction may work in a model and still fail in practice. Does the opportunity align with the community's priorities? Is there capacity to oversee the investment? Is there a credible operating partner or management team? Who has authority to approve the transaction? Is community approval required? What is the realistic approval timeline? What risks would make the opportunity a non-starter?

For boards, owners, lenders, project developers, and communities, disciplined valuation advice can help turn a complex opportunity into a structured decision. The goal is not only to estimate value, but to identify what must be true for that value to be realized: credible financing, workable governance, aligned objectives, realistic timelines, a clear approval path, and a shared understanding of risk.

The advisory role is crucially relational. When a transaction is not ready, not financeable, or not economically viable, the most valuable advice may be to identify a respectful off-ramp. This means being clear about what is missing, what risks exist, what would need to be true for the opportunity to advance, and why the current information may not support moving to a full valuation or diligence process. Done well, this advice supports informed decision-making, avoids the unnecessary commitment of community resources, and preserves relationships for future opportunities.

CREATING CLARITY IN COMPLEX TIMES

Business leaders are now navigating an environment shaped by global economic shifts, regulatory scrutiny, technological disruption, and private market growth. Together, these forces are transforming how value is created, assessed, communicated, and challenged.

Across the CONNECT 2026 sessions highlighted in this issue, a common idea emerges: the credibility and usefulness of a valuation does not require perfect foresight. Rather, a credible valuation process identifies the drivers of value, tests the assumptions behind them, considers the plausible scenarios and watershed events that could impact them, and explains the judgment applied along the way.

For boards, executives, owners, and legal advisors, that process matters. Whether reviewing a forecast, assessing private market exposure, valuing an early-stage company, analysing an Indigenous ownership opportunity, preparing for a transaction, or supporting dispute resolution, valuation advice is most useful when it helps decision-makers understand not only what a business may be worth, but why—and what could cause that value to change.

In an increasingly complex and scrutinized environment, CBVs bring independence, rigour, standards, and informed professional judgment to questions of value. This is how valuation moves beyond calculation to become a tool for better decisions, stronger governance, and greater confidence in the face of uncertainty.

LEARN MORE ABOUT SERVICES OFFERED BY CBVS

To learn more about how CBVs help businesses, boards, owners, and legal professionals understand value in complex environments, visit CBV Institute or consult a Chartered Business Valuator.

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ABOUT THE CBV DESIGNATION

The Chartered Business Valuator (CBV) designation is a globally recognized business valuation accreditation and the benchmark of excellence in the profession.

For more on the CBV accreditation, visit: www.cbvinstitute.com/become-a-cbv/

UPSKILL WITH CBV INSTITUTE

CBV Institute has launched Foundations of Business Valuation, a live, two half-day online course designed for professionals who work with Chartered Business Valuators, but who are not valuation specialists themselves. The course provides participants with a solid grounding in the fundamental concepts of business valuation. This knowledge helps professionals communicate and collaborate more effectively with CBVs in the context of deals, financial reporting, disputes, and strategic advisory work.
Learn more: https://cbvinstitute.com/foundations/