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## The problem – does the market know how to calculate long term value?

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CEOs and boards are faced with the following:

- 1 Declining public trust in institutions – including businesses and investors
- 2 Difficulties in communicating a true picture of value to investors due to the proliferation of data and organizational complexity
- 3 Traditional financial measures (ie tangible assets) becoming too narrow to measure value alone
- 4 A continued focus on short-term financial performance due to the lack of reliable measures of expanded value,

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**Asset Creators**

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Intangible non-financial value of businesses is consistently undervalued

**Asset Owners / Managers**

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Lack of consistency and reliability in non-financial data means it can't be used to drive decisions on market valuations

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**Current perspective**

Intangible value  
Not measured or communicated

Intangible financial value  
Measured and communicated

Tangible book value

**Long term value perspective**

Intangible value  
Not measured or communicated

Intangible non-financial value  
Reliably measured and communicated

Intangible financial value  
Measured and communicated

Tangible book value

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## The problem – does the market know the long term value of the steel sector?

The steel sector is facing some headwinds:

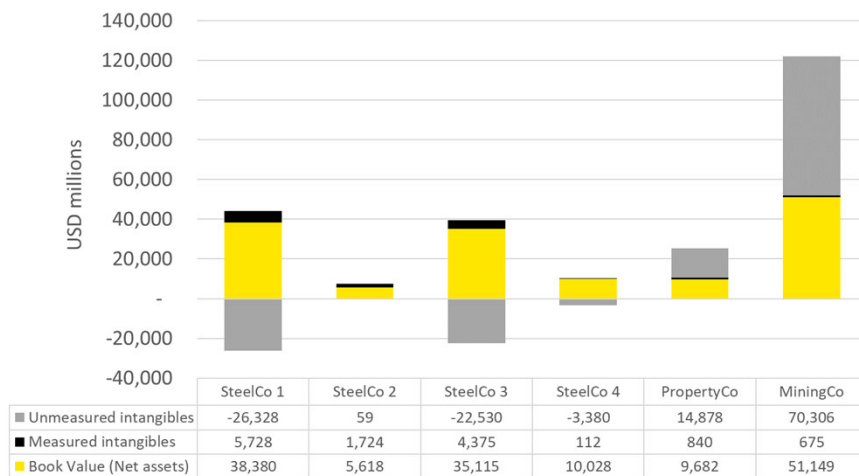
- 1 Discussion on the long term viability of steel given the climate change and other environmental impacts
- 2 The view of corruption in the construction industry can impact the view of steel producers
- 3 Declining trust in business processes for maintaining and communicating quality standards of products
- 4 Traditional financial measures (ie forward sector pricing) still the mechanisms for measuring value in the sector



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Market cap vs Net Assets Comparison



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# EPIC – A new approach to measuring intangibles

