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# Why identifying and valuing intangible assets is good for business

Uncover their hidden value to unlock growth, attract investment, access financing. BY TAN KONG HWEE

IN DECEMBER 2024, Swedish private equity firm EQT Private Capital Asia completed an all-cash acquisition of PropertyGuru, valuing the company at around US\$1.1 billion – a 52 per cent premium over its stock price. Analysts attributed this premium to the strength of its intangible assets (IA), including a proprietary real estate technology platform, brand recognition across South-east Asia, and network effects stemming from marketplace scale.

Many enterprises first see the value of their IA during mergers and acquisitions (M&A). Unsurprisingly, these assets contribute to higher valuations. Yet businesses often overlook the potential of IA and how they can be leveraged.

Identifying IA is an important first step, but assessing and valuing them will allow enterprises to fully understand and unlock their potential. This understanding is increasingly critical for business growth.

## What are intangible assets?

IA are non-physical resources that drive growth and profitability, differentiating one company from the next.

They include intellectual property (IP) such as patents, trademarks, copyrights and designs that protect inventions, logos and creative works. Other IA include software, proprietary data, licences, customer relationships, brand and goodwill, the additional value buyers pay for reputation and market position.

While some of these IA are captured on financial statements, many assets – such as internally generated brands and customer lists – often go unrecognised. In today's economy, IA often generate more value than physical assets such as buildings or machinery, making them critical to business performance and long-term growth.

## Why identifying and valuing IA matters

Global corporate intangible value surged to a new peak of US\$79.4 trillion in 2024 – a 28 per cent growth from 2023 and a staggering increase by 13 times since 1996. IA also account for 90 per cent of S&P500's corporate value.

Similarly, Asean-5 companies have seen recognised IA rising from S\$6.5 billion in 2005 to S\$47.5 billion in 2022. However, this figure – representing only the IA captured on financial statements – is a small fraction of total corporate value, which amounted to about S\$1.9 trillion in 2022. These numbers clearly show that there is potential yet for Asean enterprises to develop and grow their IA.

Identifying and valuing IA benefits business in multiple ways. During M&A discussions, clear disclosure of IA helps investors and financiers understand a company's prospects, potentially leading to higher valuations – as seen in PropertyGuru's acquisition.

Understanding IA's value can also aid in negotiating licensing and technology transfer deals, such as through patent monetisation or royalty-based licensing.

Qualcomm, for example, used patents and technology IP valuations to secure stronger licensing outcomes. By strategi-



In today's economy, intellectual property, including patents, trademarks and copyrights, often generate more value than physical assets such as buildings or machinery, making them critical to business performance and long-term growth. ILLUSTRATION: PIXABAY

cally valuing its vast portfolio of wireless communication patents (particularly around 3G, 4G and 5G standards), Qualcomm shifted from being just a chipmaker to a licensing powerhouse.

The company monetised these IP through royalty-based licensing agreements with handset makers worldwide, with giants like Apple and Samsung paying royalties to use its patented technology.

Licensing and franchising are not just business models for big multinational corporations, they are suitable for smaller companies with differentiated IP wanting to pursue a fixed asset-light business model.

In the UK, major financial institutions like NatWest and HSBC have introduced IP-backed loan products to support businesses with IA. For instance, NatWest provided a £700,000 (S\$1.2 million) loan to Sci-Net, a software company, based on the value of its IP, allowing them to leverage their IP to secure financing without the need for physical assets as collateral.

While Singapore's financial ecosystem still relies heavily on traditional collateral like property, there is growing interest in IA-backed financing.

## How to identify and value IA

Identifying IA is the first step to making informed business decisions supported by reliable valuations.

Singapore's Intangibles Disclosure Framework (IDF) offers a standardised way for companies to identify, manage and disclose their IA – covering IP, brands, customer relationships and proprietary technology. Co-created with business, legal and technical stakeholders, the framework helps enterprises communicate the value of their IA consistently to investors, lenders and other stakeholders.

Under the Foundational Intangibles Disclosure (Find) programme, Nanofilm Technologies will present its IDF report, which

discloses its critical technology and customer-related intangibles, at IP Week 2025. Find, an initiative by the Intellectual Property Office of Singapore, Singapore Exchange, World Intellectual Property Organization Singapore Office and Stock Exchange of Thailand, seeks to develop benchmark reports to guide businesses in sharing structured information about key IA.

This comes at a time when investors increasingly seek clearer insights into IA, which often form a substantial part of company value.

Additionally, the Institute of Valuers and Appraisers, Singapore, together with the American Society of Appraisers, Chartered Business Valuators Institute and the Royal Institution of Chartered Surveyors, are seeking public feedback on proposed IA valuation guidelines.

## Leverage practical tools

Once finalised, the guidelines will provide a trusted, consistent approach to valuing IA, including IP. Reliable valuations make it easier for companies to license, invest in or use these assets for financing, unlocking the full potential of their IA to support growth and strategic decisions.

The PropertyGuru acquisition demonstrates how IA can drive premium valuations.

For business leaders, the bottom line is this: get your IA figured out, and uncover their hidden value to unlock growth, attract investment and access financing.

Leverage practical tools such as Singapore's IDF and the upcoming valuation guidelines, to map and communicate IA effectively. Enterprises that proactively assess and manage their IA will be better positioned to compete and thrive in a knowledge-driven economy.

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