
Specialty

Damages and Loss of Profits

Quantifying what was lost, what was not earned and what it costs to restore the position, with a method and documents verifiable head by head.

A damages claim is worth what its quantification can demonstrate.

Optimistic projections, overlapping heads of claim and the absence of a comparative scenario are the most common weaknesses in damages calculations. SGEx links the event to its economic effect and to the documents that prove it, for claimants and respondents alike.

When clients call on SGEx

Business interruption, termination or breach of contract.

Civil liability with material losses.

Arbitration with a damages claim.

Quantification or enforcement of a judgment.

The other side's calculation relies on projections that do not hold up.

How SGEx works

With and without the event

Damage is measured as the difference between what happened and what would have happened without the event.

Head by head

Direct losses and loss of profits are separated, documented and verified individually.

Tested assumptions

The sensitivity of the result to projection assumptions is demonstrated, not assumed.

The final amount comes with the calculation workpapers that allow either party to replicate it.

What We Solve

Questions that determine the value of a damages claim.

What was actually lost?

Determination of direct losses: expenses, costs and outlays caused by the event.

What was not earned?

Loss of profits and lost revenue, based on history and reasoned projections.

Do the heads of claim overlap?

Review of the claim's composition to eliminate double counting.

Is the projection reasonable?

Testing revenue, margin and timing assumptions against historical performance.

Does the other side's calculation hold up?

Review of expert reports and opinions, with questions, challenges and clarifications.

What is owed on quantification?

Quantification and enforcement of judgments, including annuities and indemnities.

How We Approach It

Steps applied to this type of engagement.

1
Scenarios

Defining the scenarios with and without the event.

2
Heads of claim

Separating direct losses from loss of profits.

3
Documents

Verifying the supporting evidence for each head.

4
Sensitivity

Testing the result against the projection assumptions.

What we examine: financial statements, billing and revenue, costs and outlays, contracts, budgets and projections, and the documentation of the event itself.

Deliverables: technical quantification opinion, expert report, calculation workpapers, review of expert reports, questions, challenges and technical clarifications.

Related Topics

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Industries

Construction, Engineering and Infrastructure
Insurance and Reinsurance
Financial Services and Capital Markets
Technology and Telecommunications

SGEx at a Glance

Figures reported by SGEx, updated periodically.

400+

engagements completed

100+

court cases in progress

300+

clients served

200+

law firms served

500+

reports, expert reports and opinions delivered

BRL 100M+

in fraud and irregularities identified

Proven Results

Client and party names withheld.

Economic and Financial Expert Services

+150%

The matter. The client was entitled to ten years of undistributed profits from a road signage and maintenance company whose clients were mostly public entities, and suspected that the financial statements did not reflect actual profits.

What SGEx did. SGEx compared the public tender contracts won by the company, available in public records, with the profit declared for each period, and guided the court-appointed expert's inquiries, which obtained documents from the Federal Revenue Service, the Central Bank and the municipal tax authority.

Outcome. Amount owed 150% higher than the figure presented by the judgment debtor: more than BRL 20 million in additional recovery for the client.

Who Leads the Work

Quantification in court, arbitral and out-of-court matters.



Sidney Gomes
Founder and Managing Partner
of SGEx Group

Works on loss of profits, damages and direct losses, enforcement and quantification of judgments, and expert evidence before arbitral tribunals. Accountant, economist, attorney and auditor.



Fabricio Franco
Operations Coordinator and
Senior Expert, Disputes,
Investigations and Forensic
Services

Accounting expert (CNPJ- CFC no. 8116) specializing in loss of profits and direct losses in court and out-of-court matters, as well as business valuation.

Request an Assessment

Describe the event, the claim or the calculation in dispute and the documents available. SGEx will assess the scope of the quantification before submitting any proposal.

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