NUMERA

CASE STUDY · NUMERA

Good inputs, good output.

A $36.2M goodwill impairment, done in ten hours, cleared by a national audit firm.

A PE-backed company had $104 million of goodwill and a valuation in freefall. Austin Panhans, Director at Numera, ran the test and wrote the memo. Time: ten hours. Usual time: a week.

He made every judgment. That's why it held up on assessment. Point AI at the right test, right order, right evidence, and you get work worth reviewing. Get one wrong and you get a memo that reads fine and dies at the first auditor question.

THE 30-SECOND READ

~10 hours	$36.2M	0 findings
Friday evening to Saturday. Usual: a week.	Impairment tested, measured, documented	National audit firm review — cleanup only

Client-identifying information has been omitted.

THE SITUATION

The company's year-end results indicated a triggering event

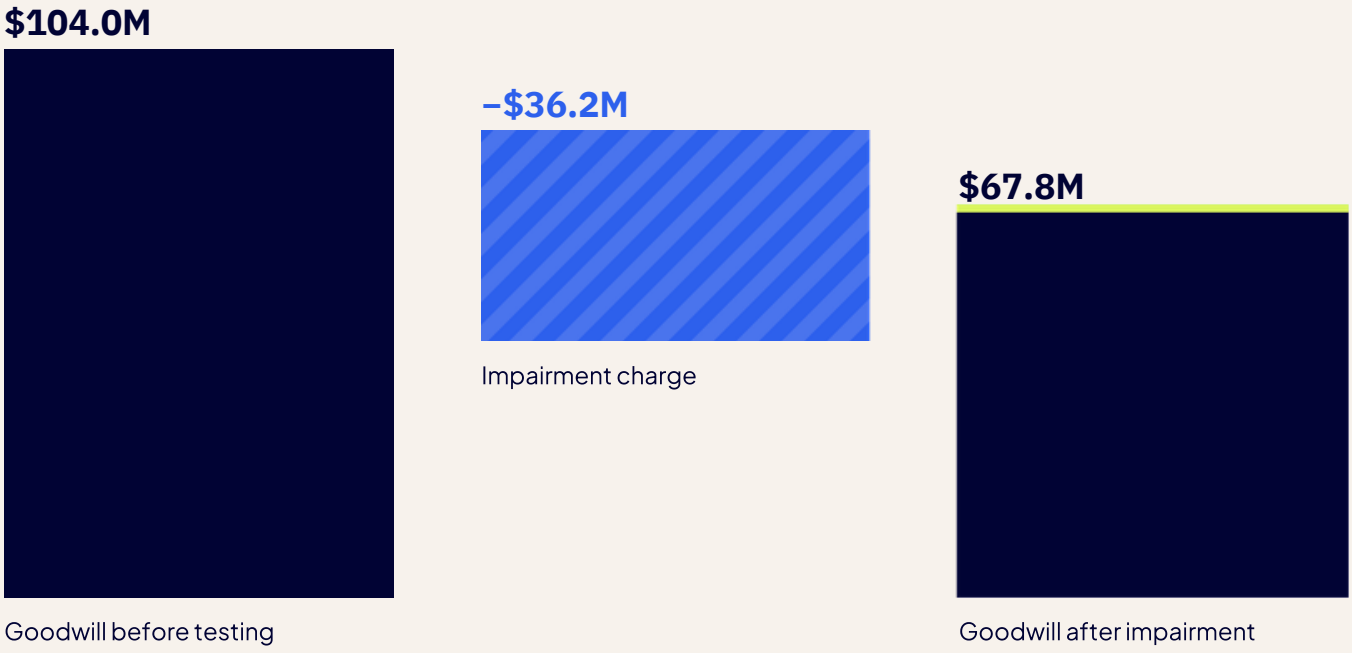
FY2025 closed well off plan.The miss forced a credit agreement amendment and a fresh capital infusion from the sponsor. The valuation that followed came in far below the $140M paid at acquisition eighteen months earlier.

Revenue ▼16% YoY

Adj. EBITDA ▼30%, 35% below budget

Net leverage 5.1× → 9.1×

Goodwill under test $104M



THE JUDGMENT

"Couldn't anyone do this with AI?"

No.Every line below is knowledge the model didn't have and couldn't pull from the file. Four calls, all Austin's, all made before he typed a word.

WHAT THE PRACTITIONER HAD TO KNOW	WHAT CLAUDE DID WITH IT	ELAPSED
Which documents count as evidence. The sponsor's valuation report and the full-year general ledger. Wrong inputs produce output that is confident and worthless.	Ingested and structured both as the working evidence base.	Fri 19:00
That ASC 360 runs before ASC 350. Long-lived assets first, so goodwill can't absorb impairment belonging to the amortizable intangibles. Reverse the order and every number after it is wrong.	Ran the undiscounted cash flow test. Coverage cleared at 2.56× — trade name and developed technology not impaired.	Fri evening
Which fair value method survives review. A weighted multiple across public comparables, precedent transactions and a DCF-implied multiple. Point estimate, agreed with the auditors, range run in parallel.	Built the entity fair value and the parallel range.	Fri → Sat
Which questions the auditors would press. Test ordering, the point estimate, and why the charge lands on goodwill. Three or four redrafts aimed at those three.	Produced the ASC 350/360 memorandum and took each redline.	Sat

Ten hours, total. "Run an ASC 350 impairment test" gets you a memo-shaped document in five minutes. It fails at the first auditor question.

WHAT HELD UP

A national audit firm reviewed the work. Cleanup comments, nothing more. No change to the method, no change to the conclusion. The point estimate was agreed with the auditors before the memo was final, not defended after.



"I already knew what 'good' looked like — the triggers, the valuation mechanics, the memo quality an audit firm expects. I steered Claude through the work and kept the judgment and the auditor calls to myself. That's what turned a week into a weekend."

Austin Panhans · Director, Numera

Big Four audit senior manager, then corporate controller. He knows what a reviewer probes because he's been the reviewer.

AI made zero judgment calls here. It ran on decisions a practitioner had already made. That's the leverage — and the limit. It won't tell you when one of those decisions is wrong.

Triggering event on your calendar?

Impairment, a hairy transaction, an audit deadline that won't move — talk to Numera before the weekend it lands on you.

Talk to Numera

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