

Hands-on course , 3  
day(s)  
Ref : EVE

## Participants

Directors, members of  
the Executive Committee,  
financial and management  
staff.

## Pre-requisites

A minimum level of  
accounting knowledge is  
desirable (concept of assets,  
capital, WCR, knowing how  
to read a profit and loss  
account).

## Next sessions

# Valuing a company, methods and practical aspects

*Estimate the value of a business around four axes: asset value, peer group market and sector comparisons, cash-flow analysis of the flow and indicator of capital value, analysis of intangible capital. Analysis of the Business Plan and financial risk assessment.*

## OBJECTIVES

Distinguish the main types of valuation methods  
Determine the value of a company according to different asset-based methods  
Use analog methods of valuation  
Implement cash-flow based methods of valuation  
Assess the value using the intangible capital of the company

### 1) Introduction

### 2) The main types of valuation methods

### 3) Using the main asset-based methods

### 4) Using the main analog methods

### 5) Implementing the main cash-flow methods

### 6) Valuing the new method by assessment of the intangible capital

## 1) Introduction

- Introduction to valuation
- Not to be confused: value and price, value of the company and value of equity.
- The business plan.
- Strategic analysis to assist with the BP.

### Workshop

*Case study Complete a balance sheet to determine the value of a company.*

## 2) The main types of valuation methods

- Asset-based methods.
- Analog methods (by comparison).
- Cash-flow based methods.
- Intangible capital method.

## 3) Using the main asset-based methods

- Adjusted net asset value.
- Adjusted net asset value and goodwill income.

### Workshop

*Case study Using an asset-based approach, estimate the actual net assets and the goodwill. Determine the value of the company with the revalued net asset method with Goodwill.*

## 4) Using the main analog methods

- Sector comparables.
- Stock market comparables. The sample. Corrections (EG GRENAT tasks).
- Multiples used and values obtained.
- Focus on two multiples. PER. EBITDA.

### Workshop

*Case study Calculation of sector multiples. Estimate the value of a company on the basis of a multiple of its turnover and its operating profit from operations as well as the PER and the PEG.*

## 5) Implementing the main cash-flow methods

- Risk, beta and discount rate. The sample. The corrections.
- The weighted average cost of capital (WACC).
- Discounted dividends.
- Discounted free cash flow (free cash flow or DCF method).
- Drawbacks of the DCF method. Business plan. Growth rate and terminal value.

### Workshop

*Case study Prepare a table showing free cash flow. Estimate of the market value of a company's equity. Calculation of a required rate of return for shareholders.*

## 6) Valuing the new method by assessment of the intangible capital

- Mapping of the intangible capital in assets.
- Non-financial valuation of the assets and rating.
- Financial valuation of intangible capital.
- Analysis and comparison of the profit with the DCF method.
- Use of non-financial evaluation in the management.

- Intangible Due Diligence.

**Workshop**

*Case study Valuing a company, summary*