

11. Estimate the rolling Fama/ French 3 Factors for your firm with weekly (104 weeks) returns from 1/1/2014 to 10/31/2018.
12. Compare the Fama/ French Market Factor with the CAPM Equity Beta using the same proxies for market returns and risk-free interest rates.
13. Estimate the current expected equity return for your firm with the Fama/ French 3 Factors Model and the CAPM taking the factor estimates from 11 und 12. Assume the expected market return is 10%. For the risk-free interest rate take the youngest available yield to maturity for ten-year Treasury bonds.
14. Value one share of your firm using the dividend growth model estimating the dividend in 2019 and the growth rate thereafter. For estimating the required equity return use the CAPM Model as in 13.
15. Value your firm with the FCF/ WACC Model. Estimate the Free Cash Flows in 2019, 2020, 2021 and the growth rate thereafter. For estimating the WACC use the CAPM Model, the current debt rating, the youngest available leverage ratio and the U.S. federal corporate income tax rate of 21%.

Prepare a presentation with max 4 slides.

Please send your results of Case Study 3.0 to stefan.bogner@wu.ac.at.

Subject: 0672_Y2CO_Case

Filenames: 0672_Y2CO_CS_R3.#, 0672_Y2CO_CS_D3.#