

Valuation of a company (10% weight, 20 marks)

Deadline: 20th November 2023, 11:59pm

A company is assigned for valuation. The company should be listed on a stock exchange. You can assume end of fiscal Year 2023 as your time 0.

You are advised to use Bloomberg terminal for your project. You can access comparable companies, DCF valuation, FCFF, FCFE projections from Bloomberg

1. Perform the DCF Valuation of the company

1.1 Project the cash flows for the planning period of 5 years.

a) Download the last three years fiscal ending Balance sheet and last three years Income statement for the company and perform common sizing horizontal analysis and prospective analysis using last three years' average figures for the ratios.

b) Project FCFF and FCFE for the firm

Note: You can use Bloomberg projections of FCFE and FCFF as well for next five years.

1.2 Calculate the cost of capital for the firm . You can use data available on websites for the same

1.3 Calculate the terminal value growth rate

a) Calculate the growth rate using reinvestment rates and ROA for FCFF/ ROE for FCFE

b) Calculate the growth rate using relative valuation technique

1.4 Calculate the value of the firm using DCF method

2. Perform the Relative Valuation of the company

a) Select atleast three listed firms in the same industry and calculate the industry multiple

b) Using multiples, value the company

3. Write about the company, the industry it belongs to, its' products or services, what are the sources of revenue generation for the company, who are the competitors, suppliers, creditors, other stakeholders, the board of directors for the company, the shareholding pattern. In addition, go through the industry report related to this specific industry and bring in your insights from the industry report. Industry report can be accessed from ibef.org or Bloomberg

Required files : 1 excel sheet and one presentation file