

Self project

Stock Valuation Using Comparable Companies Analysis

- 1) Analyzed the metrics Enterprise value (EV), Earnings before Interest and Taxes (EBIT), Earnings before interests, taxes, depreciation and amortization (EBITDA) for 7 motor companies for the 4th quarter of 2021
- 2) Calculated earnings multipliers to get a fair stock value of Tesla
- 3) Using Price to Earnings (P/E) average ratio, concluded that the valuation of Tesla stock should be lower than the current market price
- 4) Learned the limitations of the method and exceptions to why maybe a company is performing better/worse than other and learned that the analysis may give better results for companies not having much technical work like food, manufacturing, chemicals, etc