



Instructed by

Michael Ng

# Step-by-Step DCF Valuation

# Course Introduction – Step-by-Step DCF Valuation

2



## Core Principles of Valuation

The Time Value of Money, Free Cash Flow & Net Present Value



## DCF Valuation Analysis

Financial Forecasts, WACC, Assumptions & Excel Modeling



## DCF Sensitivity Analysis

Most Common Sensitivity Drivers & Best-Practice Modeling



## Presentation Outputs

Industry-Standard Valuation and Sensitivity Outputs

# Finding Forecast Financials using MarketScreener

[marketscreener.com](https://marketscreener.com)

## Step 1: Search for Company

MarketScreener

Symbol or Keyword(s)

MARKETS NEWS ANALYSIS STOCK PICKS PORTFOLIOS WATCHLISTS TOP / FLO



Rolling with the changes:  
Bridgestone America's CEO on leadership now



Exclusive - Tesla hunts for design chief to create cars for China

Investors look to upcoming U.S. earnings for a view into 2021

Marriott, BlueCross suspend donations to U.S. lawmakers who voted against Biden certification

What Is the Brobdingnagian Base? -- Journal Report

New York Transit Officials to Vote on Fare Increase

This Could Be the Best Year on Record for Job Growth

SCARCE DOSES AND EMPTY VACCINATION CENTRES: Germany's



## Step 2: Click on 'Financials'

MarketScreener

Symbol or Keyword(s)

MARKETS NEWS ANALYSIS STOCK PICKS PORTFOLIOS WATCHLISTS TOP / FLO

IF IT AIN'T BROKE,  
DON'T FIX IT.

Easily replicate our portfolios,  
we only place a few orders per month.

MarketScreener Homepage > Equities > Australian Stock Exchange > Boral Limited BLD AU000000BLD2

### BORAL LIMITED (BLD)

End-of-day quote Australian Stock Exchange - 01/06

4.8 AUD -0.83%

2020 BORAL : Selling 50% Share in Meridian Brick Business for \$125 Million

2020 BORAL : Australia's Boral to sell N.American business, exit global brick operations

2020 BORAL : Australia's Boral to sell N.American business, exit global brick operations

Summary Charts News Ratings Calendar Company **Financials** Consensus Revisions

#### Valuation

Fiscal Period: June

2018 2019 2020 2021 2022 2023

#### Analysis



# Finding Forecast Financials using MarketScreener

[marketscreener.com](https://marketscreener.com)

## Step 3: Copy Key Valuation Data into Excel

Valuation						
Fiscal Period: June	2018	2019	2020	2021	2022	2023
Capitalization <sup>1</sup>	7 655	6 002	4 645	6 018	-	-
Enterprise Value (EV) <sup>1</sup>	10 108	8 195	7 220	7 977	7 811	7 637
P/E ratio	17,4x	13,7x	-3,98x	26,7x	21,0x	16,8x
Yield	4,06%	5,18%	2,51%	0,97%	3,23%	3,92%
Capitalization / Revenue	1,30x	1,02x	0,81x	1,08x	1,03x	1,00x
EV / Revenue	1,72x	1,40x	1,26x	1,44x	1,33x	1,26x
EV / EBITDA	9,57x	7,90x	8,79x	8,96x	7,90x	7,12x
Price to Book	1,34x	1,02x	1,02x	1,23x	1,20x	1,16x
Nbr of stocks (in thousands)	1 172 332	1 172 332	1 225 654	1 225 654	-	-
Reference price (AUD)	6,53	5,12	3,79	4,91	4,91	4,91
Last update	08/28/2018	08/25/2019	08/27/2020	11/23/2020	11/23/2020	11/23/2020

<sup>1</sup> AUD in Million

Estimates

## Step 4: Copy Current Year & Forecast Years P&L Numbers into Excel

Annual Income Statement Data						
Fiscal Period: June	2018	2019	2020	2021	2022	2023
Net sales <sup>1</sup>	5 869	5 863	5 728	5 552	5 852	6 048
EBITDA <sup>1</sup>	1 056	1 037	821	890	988	1 073
Operating profit (EBIT) <sup>1</sup>	688	660	329	408	496	575
Operating Margin	11,7%	11,3%	5,75%	7,36%	8,47%	9,51%
Pre-Tax Profit (EBT) <sup>1</sup>	483	364	-1 194	287	367	423
Net income <sup>1</sup>	441	272	-1 139	229	280	332
Net margin	7,51%	4,64%	-19,9%	4,12%	4,79%	5,50%
EPS <sup>2</sup>	0,38	0,38	-0,95	0,18	0,23	0,29
Dividend per Share <sup>2</sup>	0,27	0,27	0,10	0,05	0,16	0,19
Last update	08/28/2018	08/25/2019	08/27/2020	12/22/2020	12/22/2020	12/13/2020

<sup>1</sup> AUD in Million

<sup>2</sup> AUD

Estimates

# Finding Forecast Financials using MarketScreener

5

marketscreener.com

## Step 5: Copy Key Balance Sheet Data into Excel

Balance Sheet Analysis						
Fiscal Period: June	2018	2019	2020	2021	2022	2023
Net Debt <sup>1</sup>	2 453	2 193	2 575	1 959	1 793	1 619
Net Cash position <sup>1</sup>	-	-	-	-	-	-
Leverage (Debt / EBITDA)	2,32x	2,11x	3,14x	2,20x	1,81x	1,51x
Free Cash Flow <sup>1</sup>	157	309	315	394	395	433
ROE (Net Profit / Equities)	8,47%	7,50%	3,42%	4,86%	6,35%	7,38%
Shareholders' equity <sup>1</sup>	5 206	3 627	-33 289	4 706	4 414	4 506
ROA (Net Profit / Asset)	5,01%	2,86%	1,89%	2,74%	3,56%	4,22%
Assets <sup>1</sup>	8 803	9 527	-60 116	8 339	7 885	7 869
Book Value Per Share <sup>2</sup>	4,89	5,00	3,70	3,98	4,10	4,22
Cash Flow per Share <sup>2</sup>	0,49	0,65	0,53	0,56	0,62	0,70
Capex <sup>1</sup>	422	453	346	331	363	370
Capex / Sales	7,18%	7,73%	6,04%	5,97%	6,20%	6,12%
Last update	08/28/2018	08/25/2019	08/27/2020	12/10/2020	12/10/2020	11/23/2020

<sup>1</sup> AUD in Million    <sup>2</sup> AUD

Estimates