Instructed by

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Step-by-Step DCF Valuation

COALESCENCE CAPITAL

Course Introduction – **Step-by-Step DCF Valuation**

01 **Core Principles of Valuation**

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

02 **DCF Valuation Analysis**

Financial Forecasts, WACC, Assumptions & Excel Modeling

03 **DCF Sensitivity Analysis**

Most Common Sensitivity Drivers & Best-Practice Modeling

04 **Presentation Outputs**

Industry-Standard Valuation and Sensitivity Outputs

Determining the Valuation Date and Stubs

	Description	Model Input
Valuation Date	▪ The date at which the DCF valuation is calculated ▪ Remember that the DCF only accounts for *future* free cash flow!	**31-Mar-21**

Stub Period	▪ Calculated as the percentage of the year remaining from the Valuation Date to the Forecast Financial Year End Date
	▪ In this case, the first forecast financial year end is 30-Jun-21, and the valuation date is 31-Mar-21
	    ▪ Therefore, there are 3 months remaining
	    ▪ = 3 month stub / 12 months in a year = 0.25 stub
		0.25