DETAILED USER MANUAL

Relative Valuation Model – Template-Style (Exact Procedure)

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1. Workbook Overview

This workbook implements **Relative Valuation using Comparable Multiples** for **five different industries**, strictly following the **same calculation logic** as your original Excel template.

Key Design Principles

- One workbook
- **Index sheet + 5 problem sheets**
- Each problem sheet:
    - Uses **two valuation blocks**
    - Follows **exact step order**
    - No shortcut calculations
    - Equity Value and Enterprise Value are derived **only through template logic**

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2. Index Sheet

Sheet Name

Index

Purpose

- Acts as a navigation page
- Hyperlinks take the user to individual problem sheets

Key Cells

- **A1** – Workbook title
- **A5, A7, A9, A11, A13** – Hyperlinks to:
    - P1_Pharma
    - P2_IT
    - P3_Auto

- P4_FMCG
- P5_Renew

➞ Clicking any link jumps directly to cell **A1** of the corresponding problem sheet.

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3. Structure of Each Problem Sheet (Common to All 5)

Each problem sheet (e.g., **P1_Pharma**) follows the **same structure and row numbering**.

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4. GIVEN INPUTS SECTION

Location

Rows **4–10**

Purpose

These are **primary inputs** provided in the problem.

Cell	Item	Explanation
B5	Revenue (₹ Cr)	Total operating revenue
B6	EBITDA (₹ Cr)	Operating profitability
B7	Net Profit (₹ Cr)	Profit after tax
B8	Book Value of Equity (₹ Cr)	Shareholders' funds
B9	Net Debt (₹ Cr)	Debt – Cash (negative = net cash)
B10	Shares Outstanding (Cr)	Number of shares

👉 These cells are **inputs only**.

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5. DERIVED PER-SHARE INPUTS (Template Requirement)

Location

Rows **6–7 (Columns D–E)**

These are **not given directly** but are **derived exactly as in your template**.

5.1 Book Value per Share (BVPS)

- **Cell E6**

=B8 / B10

📌 Converts total book value (₹ Cr) into **₹ per share**

5.2 Earnings per Share (EPS)

- **Cell E7**

=B7 / B10

📌 Converts total net profit (₹ Cr) into **₹ per share**

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6. PEER MEDIAN MULTIPLES (Given)

Location

Rows **9–12 (Columns D–E)**

Cell	Multiple
E9	EV/Revenue
E10	EV/EBITDA
E11	P/BV
E12	P/E

These are **peer median multiples**, exactly as required in the template.

BLOCK 1: ENTERPRISE VALUE MULTIPLES

(EV/Revenue and EV/EBITDA)

Block Title

Row **14**

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7. Step-by-Step EV-Based Valuation

7.1 Target Company Operating Metric

Row	EV/Revenue Column (D)	EV/EBITDA Column (E)
Row 16	=B5 (Revenue)	=B6 (EBITDA)

📌 Matches template row: *"Target Company Revenue, EBITDA"*

7.2 Peer Median Multiple

Row	Formula
D17	=E9
E17	=E10

📌 Direct reference to peer median multiples

7.3 Implied Enterprise Value

Cell	Formula
D18	=D16 * D17
E18	=E16 * E17

📌 This strictly follows:

Enterprise Value = Operating Metric × EV Multiple

7.4 Target Company Debt

Cell	Formula
D19	=B9
E19	=B9

📌 Same debt used for both EV estimates (as in your template)

7.5 Implied Equity Value

Cell Formula

D20 =D18 - D19

E20 =E18 - E19

📌 **Equity Value = Enterprise Value – Net Debt**

7.6 Intrinsic Value per Share

Cell Formula

D21 =D20 / B10

E21 =E20 / B10

📌 Converts total equity value into **₹ per share**

BLOCK 2: MARKET PRICE MULTIPLES

(P/BV and P/E)

Block Title

Row **22**

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8. Step-by-Step Price-Based Valuation

8.1 Target Company Per-Share Inputs

Row	P/BV Column (D)	P/E Column (E)
Row 24	=E6 (BVPS)	=E7 (EPS)

📌 Matches template row:

"Target Company Book Value, EPS"

8.2 Peer Median Price Multiples

Cell Formula

D25 =E11

Cell Formula

E25 =E12

8.3 Implied Equity Value per Share

Cell Formula

D26 =D24 * D25

E26 =E24 * E25

📌 **Price per Share = Per-share metric × Price multiple**

8.4 Total Equity Value (₹ Cr)

Cell Formula

D27 =D26 * B10

E27 =E26 * B10

📌 Converts per-share value back into **total equity value**

8.5 Net Debt

Cell Formula

D28 =B9

E28 =B9

8.6 Implied Enterprise Value

Cell Formula

D29 =D27 + D28

E29 =E27 + E28

📌 **Enterprise Value = Equity Value + Net Debt**

➞ This exactly mirrors your original template logic.

9. Interpretation Notes (Academic Use)

- EV-based methods isolate **operating performance**
- Price-based methods focus on **shareholder valuation**
- Differences arise due to:
    - Capital structure
    - Profit margins
    - Asset intensity
- Analysts typically compare **ranges**, not a single number