

Note: Net Cash, Share Repurchases and EPS Growth



Thecasesolutions.com
Fancy a Price?

DCF: The Steps

- we discount cash flow values, we need
 - to estimate the life of the asset
 - to estimate the future earnings in cash flows during the life of the asset
 - to estimate the discount rate to apply to these cash flows
 - to get present value
 - Choose the right DCF model for the asset and value it

Thecasesolutions.com

Intrinsic Value ?!

intrinsic value is the value of an asset to its owner, independent of the market. It is the value of an asset to its owner, independent of the market. It is the value of an asset to its owner, independent of the market.

Thecasesolutions.com

Valuation is All About Judgments!

Valuation techniques such as DCF are all quantitative. Intrinsic valuation is a subjective matter.

Thecasesolutions.com

WHY DCF?

- Profit can be influenced by accounting assumptions but not cash.
- Cash generated in the business cannot be hidden nor it can be taken by accounting gimmicks.

Thecasesolutions.com

Revenue is mostly DCF of equity cash in Brazil - version 10/11

Over time the market will adjust the share price, much of Great Wall Media 2011

DCF:

The DCF valuation takes all cash flows projected into the future (indefinitely) and discounts it back to present value. Represents a company's "intrinsic" value.

Thecasesolutions.com

Valuation!!

Thecasesolutions.com

So Coming to the Million \$ Question!!

- What is Valuation
- What is Discounted Cash Flows

Thecasesolutions.com

Limitations & Assumptions of DCF

DCF is a very complex task when multiple uncertainties, business risk and market risk. It is the most difficult to use discount rate and growth rate.

- Very sensitive to small errors
- Assumptions are often subjective and difficult to quantify and can be manipulated by the subject, resulting in overvaluation or undervaluation. The growth rate is often based on a subjective forecast of the rate of return on capital.

DCF Works Best When

It is best used when the business has a high degree of predictability in its cash flows and a low degree of risk. It is also best used when the business has a high degree of predictability in its cash flows and a low degree of risk.

Seems so easy, aint it??

How easy is it to use by using simple for valuation

Thecasesolutions.com

Note: Net Cash, Share

Repurchases and EPS Growth

Valuation is All About Judgments!

Valuation techniques (such as DCF) are all quantitative. Your valuation is a subjective matter.

Thecasesolutions.com

Intrinsic Value ??

Intrinsic value refers to the value of an asset in its current state, without regard to market conditions. It is the value of an asset based on its own merits, not on the price it is selling for in the market.

Thecasesolutions.com

DCF: The Steps

- use discounted cash flow valuation to find
- to estimate the NPV of the asset
- to estimate the future earnings or cash flow during the life of the asset
- to estimate the discount rate to apply to these cash flows to get present value

Choose the right DCF model for the asset and value it.

Thecasesolutions.com

WHY DCF?

- Profit can be influenced by accounting assumptions but not cash
- Cash generated in the business cannot be hidden nor it can be hidden by accounting gimmicks

Thecasesolutions.com

Remember to check the quality of cash flow before using DCF.





ThecaseSolutions.com
Fancy a Price?

- P
- b
- Ca
- no



Valuation!!

Firefox Thomas Prescher Tourbillon Triple Axis ...

www.amazon.com/Thomas-Prescher-Tourbillon-Regulator-Mechanical/dp/B009I3TG2/ref=sr_1_3?s=watches&ie=UTF8&qid=1352662534&sr=1-3&keywords=watches

Member: Faiaz Rahman

Thomas Prescher
Thomas Prescher Tourbillon Triple Axis Regulator Sport Mechanical Grey Dial Men's Watch #TP-TTA04

★★★★☆ (2 customer reviews)

Price: **\$359,500.00**

Usually ships within 3 to 5 weeks.
Ships from and sold by **BlountJewels**.

- Blount Jewels Watch Collector Program: Receive up to \$1000 credit at BlountJewels.com towards your next purchase with each purchase of a fine timepiece from Blount Jewels.
- Triple Axis
- 18k white gold 43 mm diameter case

Show More

Quantity: 1
\$359,500.00 + Free Shipping
Usually ships in 3 to 5 weeks. Sold by BlountJewels

Add to Cart

or


Sign in to turn on 1-Click ordering.

Add to Wish List

More Buying Choices

Have one to sell? [Sell on Amazon](#)

Share



Visit the Men's Watch Store at Amazon
Explore watches from Casio, Citizen, Omega, Stuhrling, TAG Heuer, and more in the [Amazon Men's Watch Store](#). [Learn more.](#)

[Share your own customer images](#)

Product Specifications

Watch Information

Brand, Seller, or Collection Name: Thomas Prescher

Thecasesolutions.com

So Coming to the Million \$ Questions???

- What Is Valuation?
- What is Discounted Cash Flow??

Thecasesolutions.com

Valuation is All About Judgement!!!

Valuation Techniques (such as DCF) are all Quantitative. Hence Valuation is a subjective matter

Thecasesolutions.com

DCF:

The DCF calculation Takes all cash flows projected into the future (infinitely) and discounts it back to present value

Represents a company's "intrinsic" value

ThecaseSolutions.com

Intrinsic Value ??



Intrinsic valuation, relates the value of an asset to its intrinsic characteristics such as:

- 1) Its capacity to generate cash flows
- 2) Risk in the cash flows.
- 3) Growth of the Project's cash flows

Thecasesolutions.com

DCF: The Steps

To use discounted cash flow valuation, we need

- to estimate the life of the asset
- to estimate the future earnings or cash flows during the life of the asset
- to estimate the discount rate to apply to these cash flows to get present value
- Choose the right DCF model for this asset and value it.

TheCaseSolutions.com