Valuation

Measuring and Managing the Value of Companies

By Tim Koller, Marc Goedhart, and David Wessels

USE THIS FOR

Keep operating value separate from financing and make the sensitivity visible.

CORE MOVES

- Forecast free cash flow from operating assumptions.
- Discount cash flow using a rate consistent with its risk.
- Calculate terminal value with a defensible long-run assumption.
- Show how WACC and terminal growth move the answer.

QUICK DRILL

Next-year FCF is $12M, long-run growth is 3%, and WACC is 10%. One-stage terminal value is about $176.6M before discounting.

BEFORE THE ROUND

- [ ] Check forecast logic
- [ ] Match cash flow and WACC
- [ ] Control terminal value
- [ ] Build the sensitivity

OFFICIAL BOOK ACCESS

Use the publisher or author page for the complete book.

OPEN OFFICIAL PAGE >

YOUR NOTES

Apply one idea to your submission. Write the claim and the number that supports it. Then record the risk.