

**AN EQUITY ANALYSIS AND VALUATION: THE DISCOUNT
CASH FLOW APPROACH**



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CASH FLOW APPROACH**

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ABSTRACT

This project report entitled to “A valuation of Tipco Foods Public Company Limited with discount cash flow approach”. The objective is to analyze the financial position and find the market value of the chosen company.

Information used for the analysis are 1) Statement of financial position, 2) Statement of income and 3) Statement of cash flow. Charts and tables are used for better understanding. Through an interview with Tipco’s managing director about company’s future plan, estimations on growth are the best estimates possible at the time of this report.

Discount cash flow techniques used in the process include analyzing factors which affect company as a whole, make an estimation of short and long term growth (high growth rate and terminal growth rate), then use the data to forecast cash flows, find discount rate (WACC) to discount the forecasted cash flows back to its present values. As a result, appropriate stock price suggested that Tipco is undervalued, and that investors should buy Tipco’s stocks. This method is appropriate in finding market value of the company since it suggested major factors that have high impact on stock price. Thus the findings are considered moderately precise, given the best estimates possible from the reliable sources of information.

KEY WORDS: Equity analysis / Valuation / Discount cash flow method /
Financial statement analysis

35 pages

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