



# THE CRAFT OF VALUATION

Company Valuation: Navigating the Nuances

A masterclass by **Business Retreats**

# **Presented By**

Aswath Damodaran

**The Dean of Valuation and NYU's  
Corporate Finance Professor.**



# Program Overview

There are as many models for valuing stocks and businesses as there are analysts doing valuations. The differences across these models are often emphasized and the common elements are generally ignored.

In this two-day seminar, I will start with the estimation issues and basics of intrinsic valuation, talking about the big picture perspective that must be brought to the estimation of cash flows, growth rates and discount rates.

I will use real companies as lab experiments to bring home the estimation questions that have to be dealt with in valuation. Once I have the foundation laid, I will launch into an assessment of the loose ends in valuation and talk about valuing control, synergy and cross holdings in companies.

Then, we will move on to what I term the dark side of valuation, valuing difficult-to-value companies across sectors (intangible assets, cyclical and financial service companies) and across the life cycle (small private, young growth, mature transition and declining/distressed companies).

In the last part of the session, we will cover the use and misuse of multiples in relative valuation.

The objective of the training is to provide the fundamentals of each approach to valuation, together with limitations and caveats on the use of each, as well as extended examples of the application of each. At the end of the seminar, participants should be able to:

- Value any kind of firm in any market, using discounted cash flow models (small and large, private and public)
- Value a firm using multiples and comparable firms,
- Analyze and critique the use of multiples in valuation,
- Value “problem” firms, such as financially troubled firms and start up firms,
- Estimate the effect on value of a restructuring a firm

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# Program Overview

The first day of the seminar will establish the fundamentals of discounted cash flow valuation, with a special emphasis on the estimation issues that come up when estimating discount rates, cash flows and expected growth. It will look at the choices in terms of DCF models and how to pick the right model to value a specific firm.

In addition, we will use the basic structure of the discounted cash flow model to take a comprehensive look at how to enhance firm value. In addition, we will focus on a myriad of estimation questions related to cash flows, discount rates and growth rates. We will end the day by looking at the terminal value in DCF valuation: how best to estimate it and common errors made in computation.

The second day's discussion will begin with an analysis of what we call the loose ends in valuation – how to deal with cash, cross holdings and other assets, what the value of control, synergy and liquidity are and how best to deal with employee and management equity and option grants. It will also then extend into the discussion of difficult to value companies.

The last part of the day will be dedicated to relative valuation. A range of multiples that are used currently in valuation, from earnings multiples (such as PE, Value/EBIT, Value/EBITDA) to sales multiples (Revenue/Sales, Price/Sales), will be discussed and compared.

The relationship between multiples and discounted cash flow models will be explored, and the notion of a “comparable” firm will be examined. (What is a comparable firm? How do you adjust for differences in growth, risk and cash flow capabilities across firms, when estimating multiples?)

Finally, the special difficulties associated with comparing multiples across time, and across markets, will be highlighted.

*Aswath Damodaran*

# Meet & Greet





# An Historic Evening at the Convento de Cristo - February 27th

Imagine walking through the grand halls of the Convento de Cristo, a site where history whispers from every stone, and being greeted by none other than Aswath Damodaran. On 27th February, you will join 29 other individuals for an unparalleled meeting where Aswath will reveal the inner workings of valuation principles—right in the heart of this UNESCO World Heritage site.

**16:30 - 21:00 | Meet Your Mentor and Peers**

The Valuation Retreat start with a captivating Meet & Greet at Convento de Cristo.

Prepare to embark on an enlightening journey as Colin offers an insightful overview of the upcoming two days, setting the stage for an engaging exchange. Each participant will be gently prompted with simple questions, fostering a connection among us.

As the evening unfolds, indulge in a sumptuous dinner, a fitting culmination to a day filled with exploration.



# Masterclass



# February 28th

09:00 - 10:30

The Discounted Cash Flow Model & Setting up the Model.

10:30 - 12:00

The Big Picture of DCF Valuation & Valuation Examples.

12:00 - 13:00

The Discount Rate Question.

13:00 - 14:15

Lunch

14:15 - 15:30

Risk Premiums and Betas.  
The Cost of Debt.

16:00 - 17:00

Estimating Cash Flows, Growth Rates & Growth Patterns.

17:00 - 18:00

The Terminal Value.  
Closing Thoughts on DCF Valuation.

18:00 - 21:00

Backyard Grill Experience.



# March 1st

09:00 - 10:30

Loose Ends in Valuation:

Cash, Cross Holdings and Other Assets.

The Value of Control, Synergy and Transparency.

The Liquidity Discount.

Employee Stock Options.

10:30 - 13:00

The Dark Side of Valuation:

Valuing Young, Growth Companies.

Valuing Mature Companies in Transition.

Valuing Declining and Distressed Companies.

13:00 - 14:15

Lunch

14:15 - 15:15

The Dark Side of Valuation Continued:

Valuing Cyclical Companies.

Valuing Commodity Companies.

Valuing Financial Service Companies.

Valuing Private Businesses.

15:15 - 16:30

Pricing:

Deconstructing Multiples.

Comparable Company Valuation.

Open Q&A.

16:30 - 18:00 | Closing Session & Signing Certificates & Photos



# Package



# Date

February 27th & 28th + March 1st 2024

# Audience

Equity research analysts, CFO,  
Analysts involved in mergers and  
acquisitions, Portfolio Managers.

# Local

Meet & Greet:

Convento de Cristo, Tomar, Portugal

Masterclass:

Santa Iria Hotel, Tomar, Portugal

# Admittance

3800€ +VAT until 29th November.  
Increases to 4800€ + vat.

# Package

Meet & Greet February 27th  
2 Day Course February 28th & March 1st  
Workbook  
Hotel & Food Included  
Backyard Grill Experience  
Signed Certificate  
Airport & Hotel Transfer

# Contact

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## **Mihir Desai, Mizuho Financial Group Professor of Finance at Harvard Business School, author of The Wisdom of Finance**

"There is no better guide to the world of finance than Aswath Damodaran. In this wonderful contribution, he creates a readable, rigorous and provocative guide to investing across the life cycle — a great guide for readers of all ages."

## **MICHAEL Maubonssin - Head of Research, Morgan Stanley**

"I can say without hesitation that Aswath Damodaran is the best teacher of valuation that I have ever encountered..."

## **Meb Faber, co-founder and the Chief Investment Officer of Cambria Investment Management**

"You can't skip a single class taught by my favorite Professor, Aswath Damodaran..."

# Arc Retreats Participants

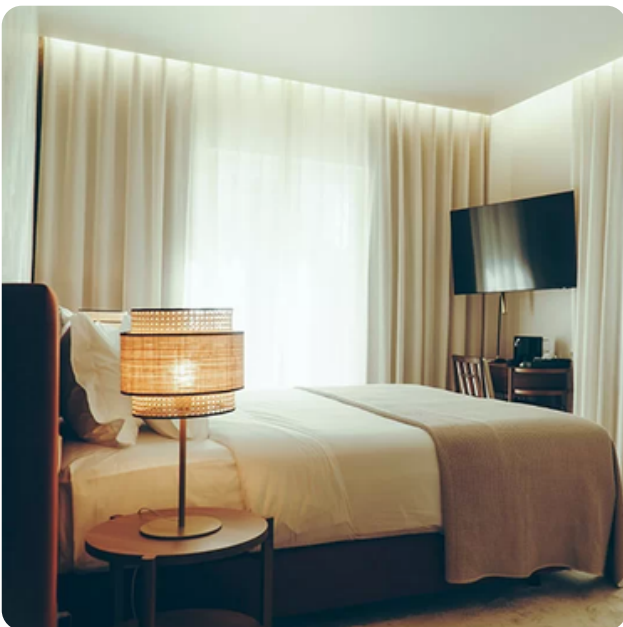


# Accommodation



# Santa Iria Hotel, Mouchão Garden

Indulge in a stay at the Santa Iria Hotel in Tomar, where comfort meets historic charm. Nestled in a serene setting, your accommodations offer a perfect blend of elegance and tranquility, providing a restful retreat after each day's enriching experiences. Enjoy luxurious amenities and breathtaking views, ensuring a truly memorable stay.



# Backyard Grill



# Backyard Grill

Immerse yourself in our Backyard Grill Experience, where premium cuts of meat are expertly grilled to perfection, and lively music sets a vibrant backdrop for engaging conversations. This relaxed, informal setting invites you to savor delicious flavors while deepening connections and reflecting on the day's insights.



# Workbook



# The Valuation Workbook

Receive a high-quality printed manual, meticulously crafted to capture all the methodologies and strategies shared throughout the masterclass. This valuable resource will serve as your guide, helping you implement the principles long after the retreat concludes.



# Personal Driver



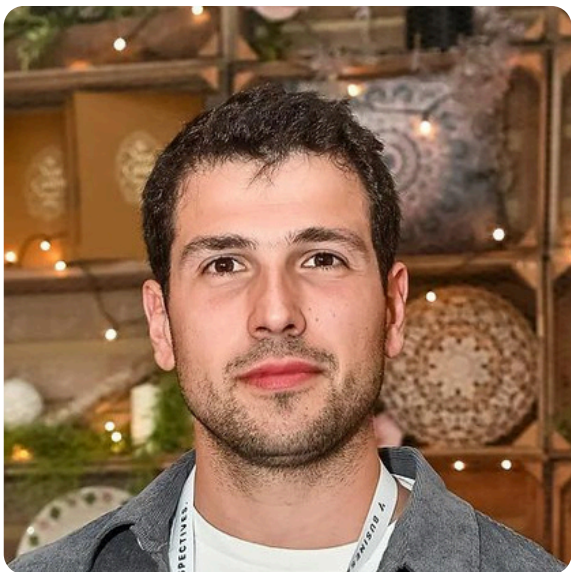
# Airport Transfer

Experience seamless airport transfer with our dedicated team, who will ensure a smooth and comfortable journey to Tomar. From the moment you arrive, relax as we take care of every detail, guiding you effortlessly to Tomar, so you can focus on the incredible experiences that await.



**Business  
Retreats  
Committee**

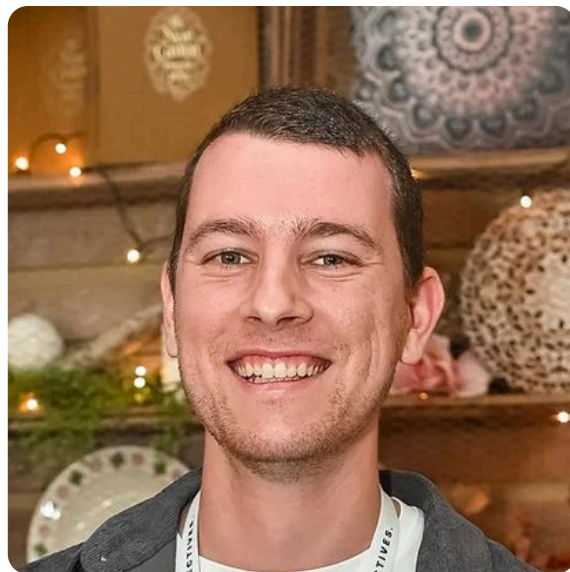




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**Liz Muller**

Advisor and Former SVP at Starbucks



**Paula Arriscado**

Advisor and CHRO at Salvador  
Caetano (Toyota)