

Twitter Thread by Tar ■

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This is pretty much all there is to valuations ■■ I personally follow this same process.

(Excuse the handwriting, rough notes from CFA L2 Equity Valuations)

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- * What is the valuation process for a company?
- (1) Understanding the business
 - (2) Forecasting company's performance
 - (3) Selecting the appropriate valuation model
 - (4) Converting forecasts to valuation
 - (5) Applying the valuation conclusions
- Under understanding the business we follow:
- (1) Industry & Competitive Analysis
 - (2) Identify economic drivers of a business
 - (3) Threats & Opportunities
 - (4) Analysing current & previous financial reports