







	<h1 style="margin: 0;">mlsmm2122</h1> <p style="margin: 0;">2023</p>	<h1 style="margin: 0;">Firm Valuation</h1>
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5.00 credits	30.0 h	Q1
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Teacher(s)	Petitjean Mikael ;Suin Xavier ;
Language :	English
Place of the course	Mons
Main themes	ESG-Integrated Company Valuation
Learning outcomes	<p>At the end of this learning unit, the student is able to :</p> <p>With regard to the LSM Competency framework at the Master level, this learning unit contributes to the development of the following capabilities:</p> <ul style="list-style-type: none"> • Corporate citizenship (1.3) • Knowledge and reasoning (2.2 + 2.3) • Scientific and systematic approach (3.1 + 3.2 + 3.3 + 3.4) • Work effectively in an international and multicultural environment (5.1) • Teamwork and leadership (6.1) • Project management (7.2) • Communication and interpersonal skills (8.1) 1 • Personal and professional development (9.1) <p>At the end of this course, students will be able to :</p> <ul style="list-style-type: none"> • analyze a concrete case of valuation by developing a solid argumentation ; • ensure sound financial due-diligence practices; • prepare sound business planning projections; • select the most appropriate valuation method for a given company; • provide a sensitivity analysis based on major parameters; • calculate the value of a company using spreadsheets by indicating all the required intermediate steps; • integrate Environmental, Social and Governance (ESG) risk factors in valuation.
Evaluation methods	<ul style="list-style-type: none"> - Written Exam (MCQs + computer-based applications) - Homework (in-class participation, preparation of case studies, etc.) - Valuation Assignment (group of two students)
Teaching methods	<ul style="list-style-type: none"> - Case studies - Spreadsheet applications - Lectures based on readings - MCQs
Content	<p>Theory is clearly not enough to value companies in real life, but it is also plain wrong to believe that firm valuation can be taught by ignoring theory. Theory and practice must be mixed when it comes to learning how to value firms. Theory needs practice and practice needs theory. That is why the valuation of companies without a sound understanding of theoretical principles is bound to fail miserably, and why sophisticated theoretical models are useless if they are not tested against real companies.</p> <p>We have selected two real companies as case studeues. The first is a publicly-quoted company and the second is a private company.</p> <p>1/ The case on Steel Dynamics which is a public company quoted on the Nasdaq stock exchange, will be covered by M. PETITJEAN. The case will be resolved in class completely, showing you how to update the valuation done some years ago using the most recent data. All the materials on this case study, including videos and spreadsheets, will be available.</p> <p>2/ The case on a private company will be introduced by X. SUIN (Director, PwC) and his colleagues. This case will NOT be resolved in class. You will have to discover the firm and understand its business class after class, work on it in a group of 4 to 5 students and give a presentation with the final recommendation about its valuation. During his lectures, X. SUIN will nevertheless present you a similar analysis done for another private company PwC had to value in the past, in such a way that you will learn how to proceed.</p>
Inline resources	<p>https://www.youtube.com/user/financialmodeling</p> <p>https://www.youtube.com/c/AswathDamodaranonValuation</p>

Bibliography	Rosenbaum, Joshua, and Joshua Pearl. <i>Investment Banking: Valuation, LBOs, M&A, and IPOs (Book+ Valuation Models)</i> . John Wiley & Sons, 2022.
Faculty or entity in charge	CLSM

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [120] in Management	GESM2M	5		
Master [60] in Management	GESM2M1	5		
Master [120] in Business Management	GENT2M	5		
Master [120] : Business Engineering	INGE2M	5		
Master [120] in Management	GEST2M	5		
Master [120] : Business Engineering	INGM2M	5		
Master [120] in Management (with work-linked-training)	GESA2M	5		