

ABORDAREA PRIN COMPARAȚIE ÎN EVALUAREA ÎNTREPRINDERII

COMPARISON-BASED APPROACH IN THE VALUATION OF A COMPANY

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Abstract: The term *approach in valuation* refers to the generally accepted analytical methodologies for the estimation of value, each type of approach possibly including different methods through which the principles of that approach are applied to certain types of specific properties or situations. Regardless, however, of the type of the property valued, there are three main approaches that can be used for economic valuation: *market approach*, *income approach* and *cost approach*. The market approach (through comparison) of the valuation of the company is a logical process where its market value is obtained through the analysis of transactions with similar and relevant companies and, the comparison of these companies with the valuated company and, lastly, the estimation of its value by using some conversion keys (multipliers). The relation “MULTIPLE = value (price) / relevant economic parameter”, which shows how the *multiple* is determined, expresses in fact the essence of this approach. The simplified case study presented below aims at getting the reader familiar with the stages and overall approach of a market approach (through comparison).

Keywords: market approach, market multiples, comparable companies, value of capital assets (VCA), value of capital investment (VCI), fundamental economic parameters