

ENTERPRISE VALUE (EV)

Enterprise Value represents the total value of a company. It is calculated as:

$$\text{Enterprise Value} = \text{Market Value of Equity} + \text{Net Debt}$$

MARKET VALUE OF EQUITY

- A common example of such would be the Market Cap.



SHARES PRICE

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SHARES
OUTSTANDING

NET DEBT:

TOTAL DEBT - CASH & EQUIVALENTS

PUBLIC:

(EXAMPLE) (BOTTOM-UP APPROACH)

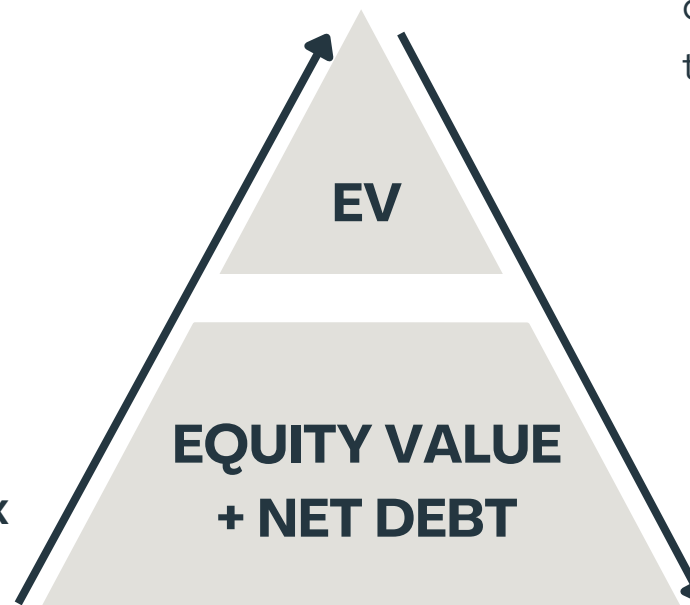
- Market Value of Equity = $12 \times 4,000 =$
\$48,000
- Net Debt = **\$22,000**
- Enterprise Value = **$48,000 + 22,000 =$**
\$70,000
- EBITDA = **\$7,000**
- EBITDA Multiple = **$70,000 \div 7,000 = 10X$**

PRIVATE:

(EXAMPLE) (TOP-DOWN APPROACH)

Use industry EBITDA multiples, with a discount for lower liquidity and transparency.

- Industry EBITDA Multiple = **10X**
- Apply a discount → Private
Company uses **8X**
- Company XYZ EBITDA = **\$7,000**
- Enterprise Value = **$7,000 \times 8 =$**
\$56,000
- Net Debt (book value) = **\$30,000**
- Estimated Market Value of Equity =
 $56,000 - 30,000 = \$26,000$



	XX23	XX24	XX25
Operating EBITDA	2,595	2,819	2,999
3X	7,785	8,457	8,997
4X	10,380	11,276	11,996
5X	12,975	14,095	14,995
6X	15,570	16,914	17,994
7X	18,165	19,733	20,993
8X	20,760	22,552	23,992
9X	23,355	25,371	26,991
10X	25,950	28,190	29,990
Gross Debt	15,078	14,841	14,666
Add: Non-controlling Interest	(11)	(6)	(4)
Add: Pref Share/Perp Bond			
Less: Restricted Cash			
Less: Cash & Fixed Deposits	(2,465)	(2,340)	(2,255)
Total Net Debt	12,602	12,495	12,407
Equity Value (Market Value)			
3X	(4,817)	(4,038)	(3,410)
4X	(2,222)	(1,219)	(411)
5X	373	1,600	2,588
6X	2,968	4,419	5,587
7X	5,563	7,238	8,586
8X	8,158	10,057	11,585
9X	10,753	12,876	14,584
10X	13,348	15,695	17,583

(1) **FOR EACH EBITDA,
CALCULATE THE EV BASED
ON MULTIPLES.**

(2) **CALCULATE THE NET DEBT**

(3) **EV - NET DEBT = MKT. VALUE
OF EQUITY**

Market Value of Equity

What shareholders could get if they sold their shares today

Book Value of Equity

What shareholders "own" on paper

These 2 values are rarely the same.

- **Market Value > Book Value,**
- "Priced for potential" — Investors believe the company has strong future growth
- **Market Value < Book Value**
- "Selling at a discount" — The market sees challenges or slower growth ahead