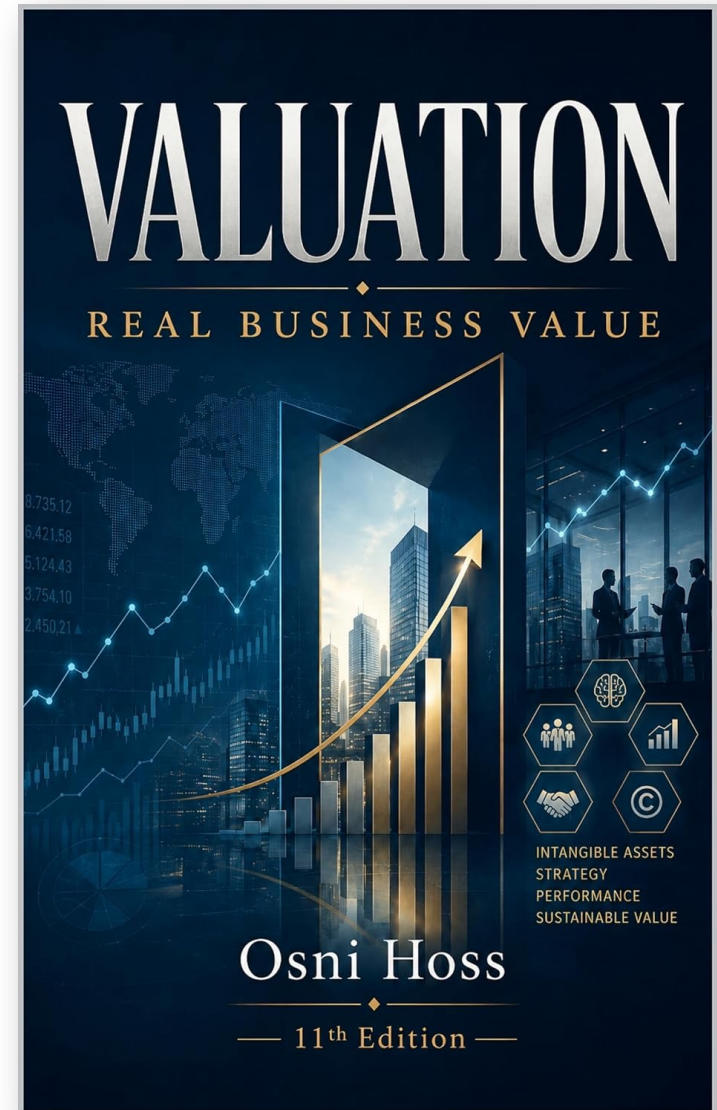


VALUATION REAL BUSINESS VALUE METHOD

VALUATION METHOD



VALUATION REAL BUSINESS VALUE METHOD

KNOWING WHERE, HOW, WITH WHOM, FOR WHOM AND WITH WHAT
WEALTH IS CREATED

IS STRATEGIC FOR MONITORING THE PERFORMANCE OF
COMPANIES

IDENTIFYING POINTS FOR IMPROVEMENT, AS WELL AS FOR
EVALUATING THE SUCCESS OF THE IMPLEMENTED MANAGEMENT
STRATEGIES

FUNDAMENTALS

ABILITY TO GENERATE WEALTH BY CORPORATIONS THAT MUST ACCRUE AN AGGREGATION OF INCOME ABOVE THE COST OF CAPITAL

PROPOSED GROUPINGS

HUMAN, PROCESSES, STRUCTURAL AND RELATIONAL

TIME SERIES

PAST—PRESENT AND PRESENT-FUTURE

VARIABLES ARE MEASURED

QUANTITATIVE AND QUALITATIVE TERMS

FRAMEWORKS



Quadrants	Perspectives		Focus		Drivers	
	Internal	External	Past-present	Present-future	Qualitative	Quantitative
Human	X			X	X	X
Processes	X		X		X	X
Structural	X		X		X	X
Relational		X		X	X	X

METHOD

THE PROCESS dynamic flow

where, how, with
whom, for whom and
through what
the wealth of
organizations is
created



VALUATION - REAL BUSINESS VALUE

FORMULA

VALUATION - REAL BUSINESS VALUE

$$\mathbf{RBV = KA + EMV}$$

RBV = Real Business Value

KA = Knowledge Assets

EMV = Equity at Market Value

VALUATION - REAL BUSINESS VALUE

$$RBV = KA + EMV$$

$$KA = (CAR + VAI) \times (1 + VCA)$$

VALUATION - REAL BUSINESS VALUE

STEP 1

$$\boxed{\text{KA}} = (\text{CAR} + \text{VAI}) \times (1 + \text{VCA})$$

KA = Knowledge Assets

CAR = Comprehensive Assessment Result

VAI = Value-Adding Investment

VCA = Valuation Coefficient Assessment.

COMPREHENSIVE ASSESSMENT RESULT (CAR)

STEP 1

$$KA = (CAR + VAI) \times (1 + VCA)$$

$$CAR = \frac{\sum_{i=1}^7 (FCF_i - A/E_i \cdot HR_i)}{7}$$

FCF = Free Cash Flow

HR = Hurdle Rate

A/E = Total Assets or Equity

COMPREHENSIVE ASSESSMENT RESULT (CAR)

i	1	2	3	4	5	6	7	Subtotal
Periods	-3	-2	-1	0	+1	+2	+3	
(=) EBITDA								
(-) Investments								
(=) FCF								
(-) Opportunity cost as Total Assets or Equity $\times$ Hurdle Rate								
(=) CAR								
Average								
Standard deviation								
CAR $-\sigma$								
CAR								
CAR $+\sigma$								

VALUE-ADDING INVESTMENT (VAI)

STEP 1

$$KA = (CAR + VAI) \times (1 + VCA)$$

$$VAI = \frac{\sum_{i=1}^7 (VAI_{hi} + VAI_{pi} + VAI_{si} + VAI_{ri})}{7}$$

VAI_h = Value-Adding Investment of the human quadrant

VAI_p = Value-Adding Investment of the process's quadrant

VAI_s = Value-Adding Investment of the structural quadrant

VAI_r = Value-Adding Investment of the relational quadrant

VALUE-ADDING INVESTMENT (VAI)

i	1	2	3	4	5	6	7	Subtotal
Periods	-3	-2	-1	0	+1	+2	+3	
Variable 1								
Variable n								
(=) VAI (h, p, s, r)								

VALUE-ADDING INVESTMENT (VAI)

	1	2	3	4	5	6	7	Subtotal
Periods	-3	-2	-1	0	+1	+2	+3	
VAI (h)								
VAI (p)								
VAI (s)								
VAI (r)								
VAI								
							Periods	
							Average	
							Standard deviation	
							VAI $-\sigma$	
							VAI	
							VAI $+\sigma$	

VALUATION COEFFICIENT ASSESSMENT (VCA)

STEP 1

$$KA = (CAR + VAI) \times (1 + VCA)$$

$$VCA = VCA(h, p, s, r) 1 + \sum_{i=1}^n ((\mu VAR - 3.5) 0.071429)$$

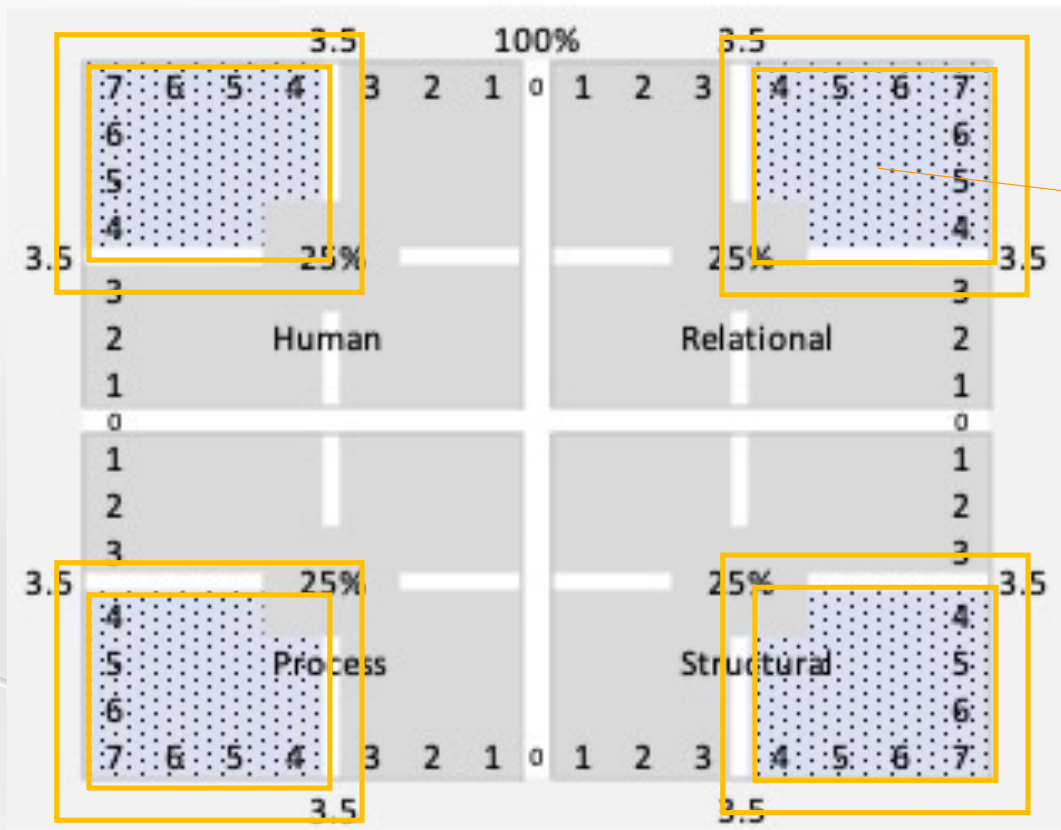
VCA (h, p, e, r) = Calculation of the Valuation Coefficient Assessment of the human, processes, structural and relational quadrants

μVAR = Average value of evaluations of each variable

THE FACTOR 0.071429 AND VALUE-ADDING

$$VCA = VCA(h, p, s, r) 1 + \sum_{i=1}^n ((\mu\text{VAR} - 3.5) 0.071429)$$

THE FACTOR 0.071429 AND VALUE-ADDING



$$25\% \div 7 = 0.03571$$

$$3.571429 - 3.5 = 0.071429$$

Each note can reach 3.571429
so that the quadrant
can reach 25%.

VALUATION COEFFICIENT ASSESSMENT (VCA)

	Assessments				Average	Standard	Difference	Factor	VCA
	1	2	...	n	(a)	(b)	(c=a - b)	(d)	(e = c x d)
Variable 1						3.5		0.071429	
Variable n						3.5		0.071429	
VCA (h, p, s, r)									

VALUATION COEFFICIENT ASSESSMENT (VCA)

Valuation Coefficient Assessment	subtotal
VCA (h) - human quadrant	
VCA (p) - processes quadrant	
VCA (s) - structural quadrant	
VCA (r) - relational quadrant	
VCA (h + p + s + r)	
1 + VCA	

VALUATION - REAL BUSINESS VALUE

STEP 2

$$RBV = KA + EMV$$

$$EMV = AMV - LPV$$

EMV = Equity at Market Value

AMV = Assets at Market Value

LPV = Liabilities at Present Value

VALUATION — REAL BUSINESS VALUE

THE COMPLETE FORMULA

VALUATION – REAL BUSINESS VALUE

RBV

$$\begin{aligned}
 &= \left\{ \left(\frac{\sum_{i=1}^7 (FCF_i - A/E_i - HR_i)}{7} \right) + \left(\frac{\sum_{i=1}^7 (VAI_{hi} + VAI_{pi} + VAI_{si} + VAI_{ri})}{7} \right) \right. \\
 &\times \left(1 + VCA(h', p', s, r) \right) + \sum_{i=1}^n ((\mu VAR - 3.5) 0.71429)) \left. \right\} \\
 &+ (AVM - LPV)
 \end{aligned}$$

$$\mathbf{RBV = KA + EMV}$$

REAL BUSINESS VALUE METHOD

