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Methods of Economic-Financial Valuation: Analysis from a Case of Study

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Abstract: The present study analyzes the different methods of economic and financial valuation applied in a company of the industrial sector. It begins with a brief historical overview about the concepts of the subject and the evolution of the valuation methods used, a diagnosis of the main functional areas of the company is continued and finally the SWOT matrix (Strengths, Weaknesses, Opportunities, Threats) is applied in order to evaluate the internal and external environment. Also, an analysis of the financial statements which serve as input for the use of general equilibrium valuation methods and mixed flows is made. Compared to the discounted cash flow method, alternative selected to determine the commercial value of a company with the purpose of evaluating financing alternatives, entering the stock market and obtaining additional funds to maintain the growth experienced, thus meeting the strategic approaches of growth and expansion.

Key words: Valuation, economic, financial, company, industrial, sector

INTRODUCTION

The basic financial objective is to create wealth and add value to the company for stakeholders, employees, customers, suppliers, creditors, state and society in general, the use of financial economic valuation methods in calculating the commercial value of Companies is in common use when it is desired to attract new investors, invest in the stock market or carry out purchase operations. The valuation starts from conditions such as macroeconomic forecasts and sector trends as well as a set of more subjective aspects that will end up influencing the final price such as the seniority of the company, the unipersonal condition of shareholders and management, the scope of the expansion plan among others (Fito, 2015).

In practice, various methods of financial economic valuation are used such as methods based on the balance sheet, profit and loss accounts, mixed or compound valuation methods and discounted cash flow method, the latter being the most used by companies because it takes into account the projections (generally 5 years) and the capacity to generate future returns, adjusting the decision making of the companies according to their financial availability. This creates a greater level of reliability for companies or individuals who wish to invest and provide additional funds, allowing us to know the expectations of future flows and the expected profitability.

The purpose of the study is to analyze the different methods of economic and financial valuation applicable to an industrial sector company to determine its commercial value in order to attract new investors and obtain additional funds to maintain its growth, based on the diagnosis of the main areas using the SWOT (strengths, Weaknesses, Opportunities, Threats) matrix and financial statements to finally apply the most viable valuation method according to the research for this type of company.

Valuation of a company: The valuation of a company is based on logical and mathematical aspects starting from objectivity, neutrality and independence in relation to the parties, the relations of forces in the market and even the market situation itself (Gallego *et al*., 2012; Martinez, 2011).

The theory of the valuation of companies defines as valuation of a company to the search of the quantification in a unit of measure homogeneous (monetary units) of the elements that form the patrimony of the company its activity, its potentiality and other outstanding characteristics where the final result is the estimation of the value of the company model used to calculate a range of values among which is the price of the companythat is it is an instrument to evaluate the results of the company through various economic economic methods to determine their real value (Julio, 2010; Abrocho, 2013). Figure 1 there are shown three steps to evaluate the company which allow having an overview of the different aspects organizations and the relationship that exists between them.

From the economic and financial point of view, financial economic valuation consists of determining the real value of the company for it is necessary to integrate

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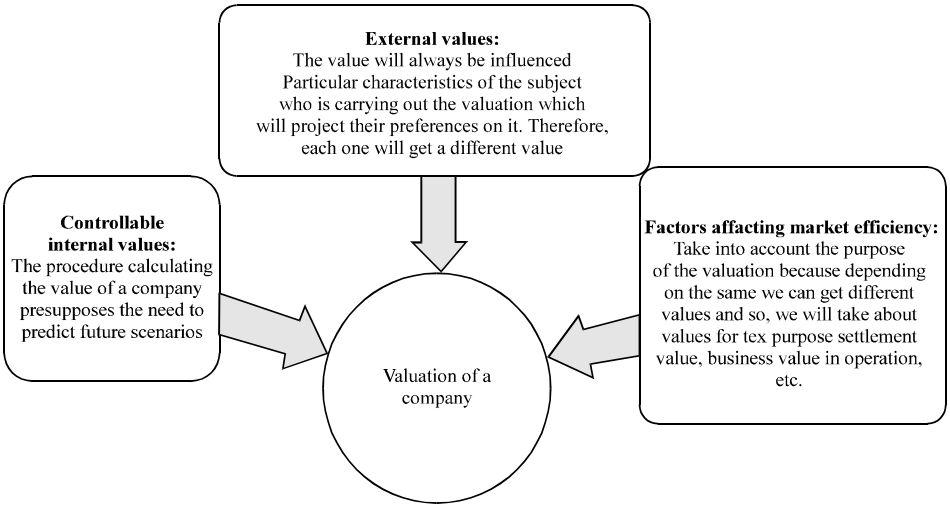

Fig. 1: Valuation of a company (Torre, 2014)

horizontal and verticalthat provide a way to determine the value of the from the point of view of their owners (Labatut).

With regard to financial accounting and the application of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) issuers of international accounting standards, the values of assets and liabilities are measured at fair value, being understood as expressed by Silva the price that would be received when selling an asset or that would be paid when transferring a liability. In a regular transaction between market participants at the measurement date considering the starting price from the perspective of a market participant who controls the asset or owes the liability. Based on the above there are different models of financial measurement for a company which are explained.

Methods of financial valuation of a company: The financial valuation is the action and the effect to indicate the value of a set of financial assets or liabilities, taking into account the liquidity and security of collection or amortization (Cordoba, 2012) concomitant, existing valuation methods are based on the determination of the value to the company under two different approaches an equity or analytical criterion where the value of the company is determined by the sum of the individual elements that compose it considering both tangible and intangible elements. The value determined in this way is called equity or analytical Valuation (Va) a performance or synthetic criterion that is determined by considering it as an independent entity with its own life whose purpose is to obtain future income flows.

Thus, the methods of valuation of companies that have been used traditionally, based on the indicated criteria are divided into analytical methods, patrimonial, simple or static, balance based mixed methods or compounds comparative methods, based on the results account and the cash flow discount model and the real options model. These two models are the ones that best fit the real value of a given company which involves projected accounting information based on extra countable estimates which allows to deduct the loss of money over time to determine the real value of the company (Damoradan, 2016).

Analytical methods, equity, simple or static, based on the balance sheet: As expressed by Fernandez (2016) is the oldest methodology and offers a valuation of equity type with a static perspective that considers the value of the company rooted primarily in its balance sheet or assets without taking into account the expectations of the future, considering only the assets that make up the business. In turn, Escobar and Botero (2013) argue that balance sheet information is the basic input for the valuation of companies, especially assets and equity which allow the investor to value the company in terms of the owner or the operation. With this information is established Table 1 analytical methods, patrimonial, simple or static, based on the balance in which each of the methods that compose it are described.

Mixed or compound methods: These methods incorporate a dynamic component in the valuation which means that they advance the previous ones and add the concept of economic goodwill, "good will" as a dynamic concept that is in general, the value that the company has over its

Table 1: Analytical, patrimonial, simple or static, balance-based methods

Method	Description
Accounting value or net assets (AH)	It is the accounting value of net asset. The value of own resources arising from the balance sheet adjusted by the fictitious assets (establishment expenses and own shares). It is based on the valuation of each of the Balance Sheet items according to accounting criteria
Adjusted Accounting Value (VCA)	It is the net asset value adjusted to market prices (revaluation values), discounting the value of own shares in auto portfolio, dividends on account, outstanding disbursements on shares and the value of the fictitious assets
Settlement Value (VL)	It is the value of the company in the event of non-continuity or settlemnet. In this case, the assets will be sold separately (not en bloc) and the payment of liabilities and settlement costs, so that, assets are depreciated with liquidation and liabilities can increase to cope with possible compensation to shareholders, liquidator's fees, cessation costs, etc
Substantial Value (VS)	It represents the investment that would have to be made to constitute a company in the same circumstances that it is intended to value. Therefore, assets must be valued under the assumption of continuity, considering only those that are included in the operation including certain necessary fictitious assets such as the constitution expenses, since these are necessary for the start of the activity
Permanent Capital Needed for the operation (CPNE)	Represents the value of the assets allocated to the operation at market prices (replacement values) plus the Operational Needs of Funds (NOF) which are defined as the funds necessary to finance the current needs of the company

Santandreu and Torres (2012) modified by the researcher

adjusted book value, making an assessment of it based on the income that can be obtained in the future. The mixed or compound methods.

Method of Classic or German valuation (MC): The value of the company is formed by the Net Real Asset of Exploitation (ANRE) or net real asset + the trade value. The latter will be calculated by multiplying a number of year (n) to allow the buyer to amortize his investment (usually 5 years) for the company's net profit (BN). The value will be = ANRE+(n×BN)).

Direct or Anglo-Saxon Method (MD): With this approach, the value of the company consists of the Substantial Value (VS)+the trade value calculated by perpetually updating the company's super benefit from the risk assumed on the normal profit that would provide the same investment (VS) but risk free however, the value according to Labatutud will be:

$$VS+(BN-(I\times VS))/t$$

Where:

VS = Net substantial value
I = Interest rate of free risk
t = Update rate

The interest of fixed income securities multiplied by a corrector between 1.5 and 2 per risk premium can be taken.

Indirect or practical method: The value of the company will be the average between its equity value (analytical) and its (synthetic) performance value. Thus, as equity or analytical value is taken the Substantial Value (VS) and as performance or synthetic value the perpetual update of the company's net profit (BN) or that of the dividends obtained by the partners. In turn, the simplified short-rent method of "goodwill" or method of the Union of Accountants (UEC). This method attempts to overcome deficiencies in perpetuity updates of the benefits of previous methods by updating goodwill over a series of years, usually five, since, it is unrealistic that it is maintained in perpetuity.

Comparative methods, based on the income statement: These methods are based on the company's profit and loss account and determine their value through the size of their profits, sales or other indicator comparing them with other companies of the sector.

Methods based on the discount of flow or dynamic: Its base in the accounting and financial information from the projections and estimates made by the company future information and methods-based on value creation, this method focuses on accounting information and financial projections-past and future of companies. Vidarte (2009) and Ortega-Gonzalez (2016) was used to evaluate the economic and financial valuation methods. The internal and external variables are used to determine the company's value and to identify the optimal method to evaluate the value of the company.

For the development of this method, it is indispensable to define the different types of cash flows in the valuation among them the Free Cash Flow (FCF) also, called free flow of funds which corresponds to the flow of funds generated for the operations without having Taking into account pre-tax indebtedness. For the case under study the free cash flow is calculated from the profit before interest and taxes (operating income). Taxes must be calculated on operating income directly to obtain the net profit or net profit. The amortizations of the period are added, since, they are not a real exit of money and the amounts of money that are destined to new investments of fixed assets and to new operational Necessities of

Funds (NOF) are subtracted. This operation will allow free cash flow to be obtained which gives a positive free cash flow due to positive operating income and disinvestment in unproductive assets.

Based on the above, the discounted cash flow method is one in which the value of any investment opportunity comes from the cash flows that will be generated in the future in the cash flow valuation method, the cash flow is explicitly calculated. Free cash and available for equity (shareholders) taking into account all payments to and from creditors, then discounting cash flows to shareholders through the use of the cost of equity (Vargas, 2013).

The available cash flow to shareholders also, called Cash Flow (CFac) available to shareholders is calculated by subtracting the capital and interest payments (after tax) made in each period from the free cash flow to the holders of debt and adding up the contributions of new debt. It is ultimately the flow of funds that remains available in the company after having covered the needs for reinvestment in fixed assets and in NOF and to have paid the financial charges and returned the capital of the corresponding debt:

CFac = FCF-[interest paid×(1-T)]-
capital payments + new debt, corresponds to CFac

To determine Cash Flow for Debt (CFD) is necessary interest plus the difference between returns and increments is required. The Cash Flow for Debt (CFD) consists of the cash flow belonging to the creditors as follows:

$$CFD = I\text{-}AD$$

Where:

I = Accrued interest in the fiscal year
AD = Increase in debt for the year on the other side

Te Capital Cash Flow (CCF) the cash flow for the debt holders should be added, the cash flow for:

$$CCF = CFac + CFD \text{ shares}$$

The estimation of the Weighted Average Cost of Capital (WACC) requires knowing among other things, the market value of the shares (equity) an important element for the valuation of the company, since, it is the discounted rate of cash flows free cash flow. To calculate the WACC, the following formula is used:

$$kWACC = ke\ E/V + kd\ (1\text{-}t)\ D/V$$

Where:

kWACC = Weighted average cost of capital after tax
ke = Cost of equity adjusted for risk
kd = Cost of debts before taxes
t = Marginal tax rate
E = Market value of the firm's stockholder's equity
D = Market value of company debt
V = The total market value of company values (D+E)

Therefore, the WACC is calculated by weighting the cost of debt (Kd) and the cost of own resources (Ke) depending on the financial structure of the company. Based on the above, the cost of own resources (Ke) is obtained by adjusting the CAPM (Capital Asset Valuation Model) model to the corresponding country.

MATERIALS AND METHODS

The company in which the case study is carried out is located in a geographically favorable area for the exploitation, commercialization and distribution of its products (industrial activity that it develops) for that reason, it identifies those differential aspects that can come to offer value and that generate their own competitive advantage.

The study of the company environment is based on the key external opportunities and threats to the organization that when analyzed with the internal sector, generate strategies that allow a better performance of the organization or make significant decisions for the company.

Phase 1: Collection of information. Information to obtain a broad knowledge of the reality of the company, through the elaboration of a list of check (check list) designed for the most important functional areas of the company where it is contemplated points relevant for the economic and financial valuation.

Phase 2: General diagnosis of the company where the business diagnostic technique called the SWOT matrix was applied, based on the information provided by the company, tabulation of this matrix.

Phase 3: Implementation of the financial economic valuation methods in the company case study, based on the financial information collected in the previous phases, applying three of the four valuation methods according to the literature review and starting from the information obtained by the company.

Phase 4: Analysis of the methods of calculating financial economic value in which the most appropriate economic

financial valuation method was chosen and applied for the calculation of the commercial value in order to attract new investors to obtain additional funds allow it to maintain the expected growth.

Phase 5: Preparation of a final research report, submitted to the organization which corresponds to the calculation of its financial economic value in order to determine the commercial value of any company.

RESULTS AND DISCUSSION

Diagnosis of the company: Through the validation by departments and the application of the survey to the management, a general diagnosis of the company was made, especially in the financial area in which the information object of study is found. The company is industrial, since, it is a producer and marketer of different products of the sea.

Description of the company's environment: The company is located in the country of ecuador which is located to the Northwest of South America between Colombia and Peru and its coasts extend along 2.859 km which include open coasts to the pacific ocean. Towards the West and 1.000 km from the coast are the Galapagos Islands, considered a world heritage site and by their nature are a national park where fishing activity is limited to the artisanal. The fishing activity is determinant for the social and economic development of ecuador it represents 1% within the PIB of ecuador, although, its participation in the international context has been gaining participation in where the products that are offered are considered of the highest valuation in the international market. Ecuador has important pelagic and demersal fisheries located in the Eastern Pacific Ocean (EPO). Estimated annual fishery potential is 110,000 tonnes for tuna fisheries, 600,000 tonnes for small coastal pelagics, 60,000 tonnes for demersal and large pelagic fisheries.

The company is of the industrial fishing sector that is dedicated to the processing and commercialization of tuna in different presentations like cans, glass jar, pouch and precooked loins and frozen to the vacuum is considered one of the most modern tuna processing plants of the andean region always at the forefront in the use of technology and development of new food products.

Its main export market is spain, italy, germany, chile and brazil in the administrative area has a staff of more than 1.000 employees of which 40 are administrative and the difference is in the production area.

The company's internal structure: Has one of the most modern tuna processing plant located in ecuador, dedicated to the processing and commercialization of tuna in different presentations is always at the forefront in the use of technology and the development of new food products. The working conditions and their environment are strictly adapted to the latest sanitary and ecological regulations.

It has three leading departments that provide relevant information for the development of the study. Production department with a 40% stake, followed by the financial department with a 30% stake, followed by the marketing sales department with a 20% stake and finally the administration department with a 10% stake for the total 100% of the information provided by the different areas of the company.

Quality assurance guidelines: One of the pillars of the production department is the quality research based on the assurance and control of the products elaborated through a HACCP (Hazard Analysis and Control Critical Point) system which is used to identify hazards and to estimate the risks that can affect the quality of the produced foods. This system operates in the different flows of the process from the primary production to the consumption, handling good practices of manufacture contemplated in the codex alimentarius which form the basis for the implementation of this system.

Environmental responsibility: The company guides its productive activities to become a leader in the implementation of an environmental management system whose approach based on continuous improvement which keeps it at the forefront as a profitable company, competitive worldwide and less contaminant through the implementation and certification of an environmental management system under the application of ISO 14001 2004 at the same time.

The company currently complies with environmental regulations and local and national legal regulations and has trained all personnel in environmental awareness issues, the environmental management system and the application of 3R: reduce, reuse and recycle on the other hand.

Flue gas emissions are monitored by external contractors who perform the sampling, analysis and calibration of boilers and power generators and leads a program for the proper management of hazardous wastes for the environment, encourages the conservation of resources, raw materials and energy through internal communication campaigns and competitions involving all staff in compliance with standards and increasing ecological awareness.

Diagnosis financial department: Provides the financial information on which to make the financial economic valuation, analyzing its financial statements for the year 2009-2011 with its main financial indicators.

Income statement: At the end of 2011, the company recorded a 52.7% with respect to the previous period, due to an increase in the use of installed capacity which increased from 100 MT/Day to 130 MT/DAY thanks to the good stock of raw material reached to an increase in demand and in the international price levels of the different product lines of which 94% corresponded to exports and the remainder to sales in the local market. The gross margin, decreased due to an increase in the price of the raw material. Situations related to price and production as well as greater control over sales and administrative expenses, led to an improvement in the levels of operating profitability, significantly improved at 4.3%.

General balance analysis: Current assets represent 49% of total assets, its largest representation is in inventories and accounts receivable accounting for 48 and 27%, respectively. Liquidity indicators show deficits-below the unit-handling negative working capital of US$ 4 million at the cut-off date, coupled with a high dependence on short-term bank financing and suppliers.

The rotation of inventory is equivalent to 17 day and its decrease which is due to the fact that at the end of the period it was in the closure of the tuna and the chambers of cold were full of raw material. Is to clarify that the seasonality of the business is given by the tuna closure periods that are recorded each year which occur between July/September or December/January. For the company, the estimated optimum rotation is 60 day's. The turnover of the commercial portfolio shows a downward trend during the periods reviewed and is located in 44 day.

In relation to the fixed assets of the company, at the date, the company made re assessments in all items of fixed assets, resulting in an increase of approximately US $ 7 million. In order to give effect to these appraisals, the company derecognised all the assets registered at January 1.2011 against accumulated depreciation and recorded the amounts included in said revaluations as the initial balance of the item as well as depreciating them to the rates included in the studies.

Analysis of the capital structure: Current liabilities are financing 58% of the total assets (77% to last year) with the main components being: Bank Debt (58%), the company registers indebtedness for working capital for US $11,1 million out of a total of US $23 million that has been approved within the ecuadorian financial system by lines of credit in the short term. His big problem is that, he finances investments with these lines of credit which is why his working capital problem is negative.

The company's debt level stood at 59% to Dec.-11 (77.9% to last year) its main source of funds being bank debt which accounts for 57% of total liabilities, followed by commercial indebtedness with 33% participation (36%) the turnover of accounts payable is 45 days to December-11 (51 day to last year) and its decrease is related to the demand of international markets which at affordable prices have significantly increased its requirements this year. Approximately 30% of the raw material is purchased from local related companies, owners of fishing vessels.

Debt capacity: Liquidity indicators are quite low, since, they are at 0.84, compared to 0.75 in 2010. That is below the unit, handling negative working capital of US$ 4 million at the cut-off date. Although the company has been constantly improving from year to year. This contributes to the high dependence on short-term bank financing as well as to suppliers.

The acid test like the previous improvement, although it is still low is equal to 0.56 and has a very high weight on accounts receivable. Operating cash generation Ebitda recorded a significant improvement that to Dec.-11 stands at 2.82 compared to 0.91 for the previous year, due to a control of expenses and increase in sales volumes.

Equity: The company's equity finances 41% (22% 2010) of total assets and is made up of capital stock (66%), reserves (48%) and accumulated results (-14%). It is worth mentioning that the company is performing reinvestment of profits permanently in the company (dividend distribution policy is not specified). The strengthening of the equity is given by the revaluation of assets, allowing a better absorption of the accumulated losses.

Proposed solution: The company is a strong in the fishing sector of ecuador, thanks to its responsibility and commitment to the community has achieved a continuous growth through the year it has in the market, currently requires to know its financial economic value for the purpose of power attract new investors and obtain additional funds to sustain growth.

Based on the above and based on the theoretical framework developed and the company's diagnosis, the economic and financial valuation of the company is performed through the application of different methods such as balance methods in which relevant issues are involved accounting value, adjusted book value, settlement value, substantial value, net real assets. The second method is that of the income accounts which tries to determine the value of the company through the size of profits, sales or profitability indicators, this method was not applied in the company case study, Since, it does not have companies from the same sector that are listed on the stock exchange.

The following method applied to the organization is the mixed flows (good will) method which calculates the

Table 2: Analytical or static methods applied

Analytical methods	Descriptions
Accounting value or net assets (AH)	Accounting value or net Asset is $16,468,000 (approximate to the thousand) discounting the total of the fictitious assets (intangible assets)
Adjusted Accounting Value (VCA)	Net Real Asset is $16,468,000 (approximately one thousand) due to the fact that the company applied the International Financial Reporting Standards (IFRS) in the last quarter of 2011 whereby the assets already include the replacement value
Settlement Value (VL)	Settlement value (if the company has to liquidate) $10,073,000 (approximately 1,000) where assets are penalized at a 10% rate and liabilities are based at the corporate rate for settlement purposes of 8.9% applied by the Government for this type of companies
Substantial Value (VS)	Value Growth Substance (VSB) if the company plans to build a company in identical conditions at market values would have a cost of $42,222,000 (approximately 1,000)
Substantial Value Net (VSN)	If the company plans to build a company in the same conditions at operating values would have a cost of $17,217,000 (approximately one thousand)
Permanent Capital Needed for the Operation (CPNE)	Permanent capitals necessary for the exploitation of the company owns $38,805,000 (approximately 1,000)

The methods based on the discount of flows or dynamic was applied in the companies under study and the following results are obtained

Table 3: Mixed or compound methods

Methods	Classic calculations
Method of classic or German valuation (MC)	Net asset value plus the value of the goodwill multiplied by 5 years (projection estimated by the company) by the company's Net Profit (BN) results for the classical method its value is: U $17,542. 000 (Approximately one thousand)
Direct or Anglo-saxon Method (MD)	Substance Value (VS) plus the value of the goodwill which is established by perpetually updating the super-benefit that the company derives from the assumed risk over the normal profit that would provide the same investment (VS) but free of risk resulting in the direct method is U $9,320,000
Indirect method or practical	The value will be the average between its equity value (analytical) and its (synthetic) performance value. Based on the calculation the value of the company as an average between static and dynamic valuation, based on this method is U $10,399,000
Modern calculations simplified short-rent method of "good will" or method of the Union of Accountants (UEC)	Method of the Union of Accountants (UEC) or capitalization of the "good will". It was developed through two versions resulting in the value of the company UEC (1): U $15,107,000 and UEC (2): U $15,426,000

value of the company through the estimation of the joint value of its assets plus a capital gain resulting from the value of its future profits.

Next, we analyze the results obtained from the analytical or static methods applied as explained in Table 2. Analytical or static methods applied and in which based on the calculations in the balance method the value of the company would be in a range between 10 and 17 million $.

The mixed or compound methods as evidenced in Table 3 mixed or composite methods, incorporate a dynamic component in the valuation which is the concept of economic surplus value, "good will" or fondode comercio as a dynamic concept that in general is the value of the company over its adjusted book value, based on a valuation based on incomes that can be obtained in the future, therefore, the value of the company through the classical and mixed methods would be in a range between 9 and 17 million $. Cash flow available to shareholders also called:

Cash Flow (CFac) CFac = FCF-
[interest paid×(1-T)]-Capital payments+new debt

Corresponds to:

CFac = (1.693,000)

Data to the nearest thousand. Because it is a negative value there is no cash flow available to shareholders. To determine Cash Flow for Debt (CFD) is determined from the CFD = I-AD for the case of the company analyzed the CFD is US $10,575,000 which means that said capital corresponds to the creditors of the company also, to calculate Capital Cash Flow (CCF) is obtained CCF = CFac+CFD. Resulting in US $8.900,000 which means that said capital is the value available by the company to creditors and shareholders and with an average for loans to ecuador which is 11%. Which indicates Kd is 5.83% which is the percentage of cost of its debt. Therefore:

The E/V = 41% (equity/liabilities+equity)

And:

D/V = 59% (liabilities/liabilities+equity)

Therefore:

kWACC = 12.5%

The discounted cash flow method is one in which the value of any investment opportunity comes from the cash flows that will be generated in the future in the cash flow valuation method, the cash flow is explicitly

calculated. Free cash and available for shareholder's equity (taking into account all payments to and from creditors) and then discounting cash flows to shareholders through the use of the cost of capital (Vargas, 2013).

Likewise, the valuation method of cash flows to own capital represent payments to shareholders and must be discounted with the company's own cost of capital (WACC) which represents the average return that the company must pay its investors (both creditors and shareholders) on an after tax basis. Thus, in order to be profitable, the company must generate an expected return of at least the weighted average cost of the company's capital. For the case of the company the weighted average cost kWACC is 12.5, therefore, the value of the company by this method represents FELC = US $26,933,000. This is the most advisable for the company, since, it represents the highest value that fits the reality of the company, based on the estimation of the projections and taking into account the risk and deterioration of money in the time (Vargas, 2013).

CONCLUSION

The discounted cash flow method is the most appropriate for the determination of a company's commercial value, since, it allows a better value to be determined than the balance sheet, profit and loss accounts and mixed methods which serve as a comparison point for to be able to determine the real value of the company.

With the application of the SWOT (Strengths, Weaknesses, Opportunities and Threats) matrix in the company under study, it was possible to determine that it currently has a total vulnerability of 27% which indicates that it is a strong and consolidated company in relation to its environment.

The financial analysis, based on the financial statements of 2009, 2010 and 2011 and various financial indicators, showed that, the company has experienced significant financial growth in recent year which has been consolidated and will be considered as a company in the future financially sustainable.

When applying the methods of economic valuation of balance sheet and mixed flows (good will) which showed that the value of the company reaches 17 million $ were used as reference, compared to the value of the method of discounts of flows of cash which yielded a result of 26 million $. It is here that, it is evident that the balance and mixed methods leave important concepts without evaluating such as the financial projection to future, reason why they are not the most suitable to determine the commercial value of a company.

RECOMMENDATIONS

Finally, this information obtained in the study will allow the company to make good decisions about whether or not it is convenient to enter the stock market in order to attract new investors and thus obtain additional funds that will allow it to maintain the growth experienced.

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