



Cantor Fitzgerald Ireland Valuation Metrics

EPS – (Earnings Per Share) The portion of a company's profit allocated to each outstanding share of common stock. It is calculated by dividing Net Income by the number of issued shares

P/E Ratio: Price to Earnings ratio is calculated by dividing the price of the share by the EPS. A P/E on 7 for example, means that investors are will to pay €7 for every €1 the company earns.

EBITDA – Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is the profit the company has made after accounting for many of the everyday costs of running the business.

Enterprise Value (EV) – Enterprise Value is a method of estimating how much a company is worth. In its simplest form, EV is calculated by adding the companies Market Cap to its Total Debt and subtracting its Cash Balance

Book Value – the value of the company calculated by total assets less total liabilities

P/BV – Price to book value - A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share

EBIT - An indicator of a company's profitability, calculated as revenue minus expenses, excluding tax and interest. EBIT is also referred to as "operating earnings", "operating profit" and "operating income"

Tangible Book Value – this is the value of the company as above, less any intangible assets on the balance sheet such as goodwill, patents, trademarks etc.

PEG Ratio - A stock's price-to-earnings ratio divided by the growth rate of its earnings for a specified time period. The price/earnings to growth (PEG) ratio is used to determine a stock's value while taking the company's earnings growth into account, and is considered to provide a more complete picture than the P/E ratio.

Discounted Cash Flows - Discounted cash flow (DCF) analysis uses future free cash flow projections and discounts them (most often using the weighted average cost of capital) to arrive at a present value, which is used to evaluate the potential for investment.