**Company Relative Valuation Methods**

1. Comparable Analysis (“Comps”)
	1. Aka Trading Multiples
		1. Multiples of EBITDA (Earnings before interest, taxes, depreciation, and amortization) multiple
		2. P/E
		3. EV/EBITDA - Enterprise value-to-operating profit
	2. Aka Peer Group Analysis
	3. Aka Equity Comps
	4. A Relative Evaluation Method
2. Discounted Cash Flow Analysis (DCF)
	1. An intrinsic value approach where an analyst forecasts the business’ unlevered [free cash flow](https://corporatefinanceinstitute.com/cash-flow/) into the future and discount it back to today at the firm’s Weighted Average Cost of Capital ([WACC](https://corporatefinanceinstitute.com/what-is-wacc-formula)).
	2. Build a model in Excel and discount the cash flows back to today’s value
	3. Requires the most assumptions and often produces the highest value
3. Precedent Transactions
	1. Compare the company in question to other businesses that have recently been sold or acquired in the same industry
	2. These transaction values include the take-over premium included in the price for which they were acquired.
	3. These values represent the en bloc value of a business. They are useful for M&A transactions, but can easily become stale-dated and no longer reflective of the current market as time passes. They are less commonly used than Comps or market trading multiples.