

# TEUER FURNITURE (A): DISCOUNTED CASH FLOW VALUATION

#### INTRODUCTION

The "Teuer Furniture (A): Discounted Cash Flow Valuation" case analysis focuses on the valuation techniques that should be used for Teuer Furniture with the primary concentration on the Discounted Cash Flow (DCF) method. This case is useful to gain a broad perspective on how major Predictable's financial figures such as cash flow, discount rates, and terminal values should be determined in order to estimate the company's value.

#### DCF VALUATION

DCF is one of the greatly used financial models in the field of financial analysis with a status of the key tool to establish the definite current value of the company with the perspective of paying attention to its future money flows. The DCF analysis for Teuer Furniture entails estimating the firm's free cash flows for a given number of years, usually five to ten and then discounting the cash flows to the present value with the help of an appropriate discount rate.

### APPLICATION AND ANALYSIS

As with any DCF valuation, a lot of attention is paid to the company's financial statements, market situation, and competitors. The case solution is solved through various steps of computations for each of the components of the DCF model used, which offers a clear view on all the necessary assumptions made besides offering the reasoned breakdown of their influence on the final valuation. Sensitivity analysis is also carried out to establish the impact of changes in the underlying assumptions on the process of valuation.

## CONCLUSION

The "Teuer Furniture (A): The case selected for this discussion is the "Discounted Cash Flow Valuation" case available at casesolutions. com provides comprehensive information on the DCF approach and covers its importance and use inside and outside the business environment. Through the usage of this method, it is possible for the stakeholders in the firm to make the right decisions on investments, acquisitions, and general strategic decision making.

#### RESOURCE

This is just a sample partial case solution. Please place the order on the website to order your own originally done case solution.



Resource: Visit <u>thecasesolutions.com</u> for detailed analysis and more case studies.