FNCE 3415 Fall 2026 Valuation Project

Milestone 1 due October 11 by 11:59pm
Milestone 2 due November 8 by 11:59pm
Final Project due December 13 by 11:59pm
In-Class Final Presentations begin December 8

1 Project Details

The purpose of the valuation project is to give students the opportunity to apply the tools they have learned to a "real world" valuation of a publicly traded company. You should think about this as being of a similar standard as the valuation reports produced by professional equity analysts at major research firms. Students will work in groups of 3-4 to complete the project.

To ensure the suitability of the chosen company, and ensure that each group is working on a different company, you are required to submit three (3) names (in order of preference) of publicly traded firms to me by email by September 23 at 11:59pm. Since you will be studying the firm closely over the course of the semester, I strongly encourage you to choose firms that interest you (e.g., in an industry you work in, or are interested in working in; a company that you own stock in; etc...). I will tell you by September 28th which firm from the list of three that you are assigned to: in most cases it will be your first preference, unless there are conflicts with other class members or the choice seems inappropriate to me. To make this process easier I have provided a list of companies at the end of this document to choose from, as well as companies that may not be chosen. Please select only one company from each industry. If you are interested in a company not listed please check with me before submitting your final list.

The Valuation Project will be completed by each student submitting the text of your project document and your Excel workbook containing the relevant analyses through Brightspace. The final submission should appear to be professionally done and suitable for submission to a senior corporate executive, a lender, or private equity investor. This project document must not exceed 20 pages in length (excluding appendices). Because this class places a strong emphasis on Excel modeling, the quality and clarity of the spreadsheets submitted will be an important component of the grade for this project.

1.1 Report

The final report must contain the following elements in the following order:

1. An executive summary, which should conclude with an estimated valuation range for the stock price of the company.

2. A company overview with the following details:

(a) Nature and history of the company

(b) The company's key products

(c) Key customers and suppliers

(d) Key competitors

(e) Important events that have happened to the company during the semester

3. Financials with the following details:

   (a) Annual common-size income statement and balance sheet for each of the most recent 5 years (vertical analysis: **comment on any trends or issues**)

   (b) Key ratios for each of the most recent 5 years (**comment on any trends or issues**). The ratios should include at least (you may include more if there are industry-specific ratios that are important for the firm):

      i. Quick ratio
      ii. Total debt ratio
      iii. Times interest earned
      iv. Days' sales in inventory
      v. Total asset turnover
      vi. Return on assets
      vii. Return on equity
      viii. DuPont decomposition of the return on equity

   (c) Compare each of these key ratios to the industry (or peer group) average for each of the most recent 5 years: **identify and comment on any trends or issues**

4. Company valuation using the discounted cash flow methodology: **describe all the assumptions used in the model**

5. Company valuation using the multiples methodology: **discuss identification and justification of peer group firms (comparables, aka "comps") and the modeling choices made**

6. An analysis of one important current event that has impacted the firm during the semester, and describe how that has impacted your valuation estimates

7. One quoted section from the "management discussion" section in one of the firm's required reports filed with the Securities and Exchange Commission (SEC) during the semester (form 10-K, 8-K, or 10-Q), and a discussion of how that factor impacted your valuation (must be distinct from section 6 above)

8. Summary of the values provided by different methodologies, including a "football field" chart and an analysis and justification of the valuation range

9. Conclusion, including an investment recommendation (at the current stock price)

10. Any exhibits or appendices

1.2 Due Dates

Milestone 1: Complete Section 2 (a-d) and 3 from above outline. Due October 11 by 11:59pm

Milestone 2: Complete Section 4 from above outline Due November 8 by 11:59pm

Final Project: Due December 13 by 11:59pm

Each deliverable requires a PDF or Word file as well as an accompanying Excel file. Submission are made via Brightspace.

1.3 Grading

The final project accounts for 270 points of your final grade. The breakdown is as follows: 50 points for each milestone, 100 points for the final project, 50 points for the presentation, and 20 points for your group member score. For all submissions, 50% is allocated to model accuracy, 40% is allocated to logical reasoning and clear writing, and the remaining 10% to professional presentation of the product (especially formatting of the spreadsheet(s)). **Milestone 1 and 2 feedback must be addressed in final submission.**

1.4 Current Events

An important part of this project is monitoring events that happen to your assigned company during the semester (see sections 2e and 6 above). Since every student will be following a publicly traded company, events that occur to the firm will be well publicized (e.g., there will be at least one earnings announcement during the semester). You are required to follow current events related to the company. Events that may have an impact on firm valuation (both positive and negative) are especially important. Some examples include earnings announcements, new product developments, litigation outcomes, etc... A good tool to keep track of current events related to a particular company is Google Alerts.

1.5 Financial Contracting

Another important part of this project is monitoring the firm's required filings with the SEC (see section 7 above), which represent a critical (albeit implicit) aspect of the financial "contract" between the firm and its shareholders. See below for guidance on accessing such filings.

2 Resources for industry and company research

There are several resources to obtain information on publicly traded companies. Below is small sample of those resources.

2.1 Library Resources

All of these resources can be accessed through the LMU Library databases at `http://library.lmu.edu/` (click on Libguides then Business then Databases direct link `https://libguides.lmu.edu/business`)

- Business Source Complete:
  - Click on Company Profiles in the right hand side "Browse" box.
  - Type in part of the company name (NOT ticker symbol), choose "Match Any Words" and click Search.
  - Download the MarketLine report, good resource for company's background information.
  - Click on the Industry Profiles in the right hand side "Browse" box.
  - Type in part of the industry name, choose "Alphabetical" and click Search.
  - Repeat the previous step and choose option "By title, subject & description."
  - From the results of the two searches, choose the most recent applicable industry report.
- Business Insights Global:
  - Search the company's name in the box (make sure the search type is set to Company).
  - Click on the company.
  - In the left hand side box, click on Investment Reports or Market Share reports.
- Capital IQ (Most comprehensive resource)
  - Must create an account before gaining access.
  - Requires use of VPN off-campus
  - See video on using Capital IQ in database videos.
- Lexis Nexis Company Dossier:
  - Search for company under Get Company Info
  - Another good resource for news and company's background information.
- Mergent Online (for industry ratios):
  - Find the company you're researching
  - Click on tab Report Builder
  - Click on Comparison Reports
  - Compare company against industry
  - Comparison report with top 10 companies

  - Box 3: choose Ratios and any specific ratios that you want to compare
  - Also good for company financials:
    * Enter the company name in the search box and click Search
    * Click on the Company Financials tab
    * . You may choose to customize the financial info
    * Download in Excel (middle right of the page)

- Morningstar:
  - Enter company name or ticker
  - Click on the Financials tab
  - You may customize the financial info
  - Click on Export button

2.2 Required Filings

The SEC's Edgar website is a critical repository for a firm's required filings with the SEC, which are a primary source of information about the firm that is made available to shareholders. You can search this database using your company's name (but be careful that you are accessing filings about the correct company: noting the firm's CIK# once you have identified the firm correctly in Edgar is a good idea). Steps to accessing company filings:

- https://www.sec.gov/edgar/searchedgar/companysearch.html
- Enter the company name (or use the ticker)
- Select the correct company from the search results (will go direct to company page if only one search result or if using ticker)
- Click on the company in the search results
- Important filings: 10-K, 10-Q, 8-K
- To download Excel files of 10-K or 10-Q, click on Interactive Data
- View Excel document
- Remember to make adjustments to the raw numbers if you want to convert them to millions

2.3 Potential Companies

This is simply a sample of companies from certain industries, please contact me if you would like to cover a company not listed. Industries based on Fama-French 12-industry Classification and are as of year-end 2024.

1. Consumer Non-Durables
    - Acushnet Holdings (GOLF)
    - American Outdoor Brands (AOUT)
    - Birkenstock Holding (BIRK)
    - Bridgford Food Corp (BRID)
    - Boston Beer Company Inc (SAM)
    - Carter's Inc (CRI)
    - Coca-Cola Co (KO)
    - Columbia Sportswear Co (COLM)
    - Conagra Brands Inc (CAG)
    - Crocs Inc (CROX)
    - Deckers Outdoor Corp (DECK)
    - Figs Inc (FIGS)
    - General Mills Inc (GIS)
    - Hershey Co (HSY)
    - Jones Soda Co (JSDA)
    - Lululemon (LULU)
    - Mattel Inc (MAT)
    - Medifast Inc (MED)
    - Mohawk Industries Inc (MHK)
    - Mondelez International Inc (MDLZ)
    - Nathan's Famous Inc (NATH)
    - Nike Inc (NKE)
    - Oatly Group (OTLY)
    - On Holding AG (ONON)
    - Monster Beverage Corp (MNST)
    - Scholastic Corp (SCHL)
    - Simply Good Foods Company (SMPL)
    - Uppercut Brands Inc (UCUT)
    - Vita Coco Company (COCO)
    - Vera Bradley Inc (VRA)
    - Willamette Valley Vineyards (WVVI)
    - Yeti Holdings (YETI)
2. Consumer Durables
    - Astronics Group (ATRO)
    - Bassett Furniture Industries (BSET)
    - Borgwarner Inc (BWA)
    - Brady Corp (BRC)
    - Commercial Vehicle Group (CVGI)
    - Cool Technologies Inc (WARM)
    - Ethan Allen Interiors (ETD)
    - Garrett Motion Inc (GTX)
    - General Motors (GM)
    - Gentherm Inc (THRM)
    - Helen of Troy LTD (HELE)
    - iRobot Corp (IRBT)
    - Newell Brands (NWL)
    - La-Z-Boy Inc. (LZB)
    - Lovesac Co (LOVE)
    - Oshkosh Corp (OSK)
    - Paccar Inc (PCAR)
    - Purple Innovation Inc (PRPL)
    - Rivian Automotive (RIVN)
    - Sleep Number Corp (SNBR)
    - Somnigroup International Inc (SGI)
    - Trutankless (TKLS)
    - Turtle Beach Corp (TBCH)
    - Universal Electronics (UEIC)
    - Warner Music Group Corp (WMG)
    - Whirlpool Corp (WHR)
3. Manufacturing
    - 3M Co (MMM)
    - AAON Inc (AAON)
    - ACME United (ACU)
    - Alcoa Corp (AA)
    - Allbirds (BIRD)
    - Avery Dennison Corp (AVY)
    - Blue Bird Corp (BLBD)
    - Brunswick Corp (BC)
    - Caterpillar Inc (CAT)
    - Caesarstone Ltd (CSTE)
    - Clearwater Paper Corp (CLW)
    - Cleveland-Cliffs Inc (CLF)
    - Dover Corp (DOV)
    - Flowserve Corp (FLS)
    - Franklin Electric Co (FELE)
    - GE Aerospace (GE)
    - Honeywell International (HON)
    - Howmet Aerospace Inc (HWM)
    - Illinois Tool Works, Inc. (ITW)
    - Kimberly-Clark Corp (KMB)
    - Lifetime Brands Inc (LCUT)

- Lincoln Electric Holdings, Inc. (LECO)
- Monarch Cement Co. (MCEM)
- Nanophase Technologies Corp. (NANX)
- Parker-Hannifin Corp (PH)
- Polar Power Inc (POLA)
- Reynolds Consumer Products Inc. (REYN)
- Snap-On, Inc. (SNA)
- Sunrun Inc (RUN)
- Thor Industries Inc (THO)
- Toughbuilt Industries (TBLT)
- TriMas Corp (TRS)
- IMAX Corp (IMAX)
- Winnebago Industries (WGO)

4. Energy, Oil, and Coal Extraction and Products (ignored-beyond scope of course)
5. Chemicals and Allied Products
   - AdvanSix Inc (ASIX)
   - Cabot Corp. (CBT)
   - Celanese Corp (CE)
   - Church & Dwight (CHD)
   - Colgate-Palmolive Co (CL)
   - Coty Inc (COTY)
   - Dow Inc (DOW)
   - Ecolab Inc (ECL)
   - Estee Lauder Cos Inc (EL)
   - Huntsman Corp (HUN)
   - Kronos Worldwide Inc (KRO)
   - Ingevity Corp (NGVT)
   - Inter Parfums, Inc. (IPAR)
   - Mosaic Co (MOS)
   - Nu Skin Enterprises, Inc. (NUS)
   - Olin Corp (OLN)
   - Procter & Gamble (PG)
   - Scotts Miracle-Gro Co (SMG)
   - Sherwin-Williams Co (SHW)
   - Skinvisible (SKVI)
   - WD-40 Co (WDFC)
   - Westlake Corp (WLK)
6. Business Equipment (Computers and software)
   - Acorn Energy Inc (ACFN)
   - Adobe Inc (ADBE)
   - Airbnb Inc (ABNB)
   - Appfolio Inc (APPF)
   - Block Inc (XYZ)
   - Cars.com (CARS)
   - Certara Inc (CERT)
   - Clear Secure (YOU)
   - Chegg Inc (CHGG)
   - Doximity (DOCS)
   - Eastman Kodak Co (KODK)
   - EBay Inc (EBAY)
   - Etsy Inc (ETSY)
   - Eventbrite Inc (EB)
   - Farmhouse Inc (FMHS)
   - Fiserv Inc (FI)
   - GoDaddy Inc (GDDY)
   - Groupon Inc (GRPN)
   - Health Catalyst Inc (HCAT)
   - HealthEquity Inc (HQY)
   - Instacart / Maplebear Inc (CART)
   - Intuit Inc (INTU)
   - Knowles Corp (KN)
   - Lattice Semiconductor Corp (LSCC)
   - Light & Wonder Inc (LNW)
   - Match Group Inc (MTCH)
   - Microsoft Corp (MSFT)
   - Morningstar Inc (MORN)
   - Nerdwallet Inc (NRDS)
   - NetGear, Inc. (NTGR)
   - Nvidia Corp. (NVDA)
   - OneSpan Inc (OSPN)
   - Pinterest Inc (PINS)
   - PayPal Holdings Inc (PYPL)
   - PURE Storage Inc (PSTG)
   - Qualcomm Inc (QCOM)
   - Roblox Corp (RBLX)
   - Roper Technologies Inc (ROP)
   - Salesforce (CRM)
   - Shutterstock Inc (SSTK)
   - Snap Inc (SNAP)
   - Stoneridge Inc (SRI)
   - The Trade Desk Inc (TTD)
   - Toast Inc (TOST)
   - Twilio Inc (TWLO)
   - Unity Software (U)
   - Upwork Inc (UPWK)
   - Verisign Inc (VRSN)
   - Yelp Inc (YELP)
   - Zillow Group (Z)
7. Telephone and Television Transmission

- AMC Networks INC (AMCX)
- Fox Corp (FOXA)
- Gogo Inc (GOGO)
- iHeartMedia Inc (IHRT)
- Disney (Walt) Company (DIS)
- Sirius XM Holdings Inc (SIRI)
- Warner Bros. Discovery (WBD)

8. Utilities (Ignored- Heavy Regulations)
9. Wholesale and Retail
    - 1-800-Flowers.com (FLWS)
    - Abercrombie & Fitch Co (ANF)
    - Aramark (ARMK)
    - Autonation Inc (AN)
    - Autozone Inc (AZO)
    - Bath & Body Works (BBWI)
    - Camping World Holdings (CWH)
    - Carvana (CVNA)
    - Cintas Corp (CTAS)
    - Cheesecake Factory (CAKE)
    - Childrens Place (PLCE)
    - Chewy (CHWY)
    - Darden Restaurants (DRI)
    - Dennys Corp (DENN)
    - Dick's Sporting Goods (DKS)
    - Dollar General Corp (DG)
    - Dollar Tree (DLTR)
    - El Pollo Loco Holdings Inc (LOCO)
    - Five Below Inc (FIVE)
    - Home Depot Inc (HD)
    - McDonald's Corp (MCD)
    - National Vision Holdings Inc (EYE)
    - Noodles & Co (NDLS)
    - O'Reilly Automotive, Inc. (ORLY)
    - Beyond Inc (BYON)
    - Petco Health & Wellness Co (WOOF)
    - Pool Corp (POOL)
    - Revolve Group Inc (RVLV)
    - Ross Stores (ROST)
    - Sally Beauty Holdings Inc (SBH)
    - Shoe Carnival Inc (SCVL)
    - Sprouts Farmers Market Inc (SFM)
    - Sweetgreen Inc (SG)
    - TJX Cos Inc (TJX)
    - Tractor Supply Co (TSCO)
    - Ulta Beauty (ULTA)
    - Wayfair (W)
    - Warby Parker Inc (WRBY)
    - Williams-Sonoma Inc (WSM)
    - Wingstop Inc (WING)
    - YUM Brands (YUM)
    - Zumiez Inc. (ZUMZ)
10. Healthcare, Medical equipment and pharmaceuticals
    - Align Technology Inc (ALGN)
    - AtriCure Inc (ATRC)
    - Atrion Corp (ATRI)
    - Avanos Medical (AVNS)
    - Baxter International Inc (BAX)
    - Becton Dickinson & Co (BDX)
    - Boston Scientific Corp (BSX)
    - Cardinal Health Inc (CAH)
    - CareDx Inc (CDNA)
    - CONMED Corp (CNMD)
    - Cooper Companies, Inc. (COO)
    - Dexcom Inc (DXCM)
    - Edwards Lifesciences Corp (EW)
    - Embecta Corp (EMBC)
    - Envista Holdings (NVST)
    - Ensign Group Inc (ENSG)
    - Gilead Sciences Inc (GILD)
    - Globus Medical Inc (GMED)
    - Haemonetics Corp. (HAE)
    - Hims & Hers Health (HIMS)
    - Incyte Corp (INCY)
    - ICU Medical Inc (ICUI)
    - Insulet Corp (PODD)
    - Integra LifeSciences (IART)
    - Inspire Medical Systems Inc (INSP)
    - Intuitive Surgical Inc (ISRG)
    - Hologic Inc (HOLX)
    - IONIS Pharmaceuticals Inc (IONS)
    - iRhythm Technologies (IRTC)
    - Johnson & Johnson (JNJ)
    - Lilly (Eli) & Co (LLY)
    - Pediatrix Medical Group (MD)
    - Medtronic (MDT)
    - Merit Medical Systems (MMSI)
    - Moderna Inc (MRNA)
    - Novo Nordisk (NVO)
    - Oscar Health Inc (OSCR)
    - Pulmonx Corp (LUNG)
    - ResMed Inc (RMD)

- SI-BONE Inc (SIBN)
- Staar Surgical Co. (STAA)
- Stryker Corp (SYK)
- Tandem Diabetes Care (TNDM)
- Vertex Pharmaceuticals (VRTX)
- Zimmer Biomet Holdings (ZBH)

11. Finance (ignored-beyond scope of course)
12. Other (Hotels, Construction, Business services, Entertainment)
    - Accel Entertainment Inc (ACEL)
    - Allegiant Travel Co (ALGT)
    - Avis Budget Group (CAR)
    - Bally's Corp (BALY)
    - Boyd Gaming Corp (BYD)
    - Blink Charging Co (BLNK)
    - Cinemark Holdings Inc (CNK)
    - Churchill Downs, Inc. (CHDN)
    - Clean Harbors Inc (CLH)
    - Coursera (COUR)
    - DHI Group Inc (DHX)
    - Expedia Group Inc (EXPE)
    - FlexShopper Inc (FPAY)
    - Frontdoor Inc (FTDR)
    - Hunt (J.B.) Transport Services, Inc. (JBHT)
    - Insperity Inc (NSP)
    - Stride Inc (LRN)
    - Kforce Inc. (KFRC)
    - Laureate Education (LAUR)
    - Lionsgate Studios Corp (LION)
    - Live Nation Entertainment (LYV)
    - Lyft Inc (LYFT)
    - Madison Square Garden Sports (MSGS)
    - Marriott International (MAR)
    - Old Dominion Freight (ODFL)
    - Planet Fitness Inc (PLNT)
    - Upbound Group Inc (UPBD)
    - Ryder System, Inc. (R)
    - Seaboard Corp (SEB)
    - United Parks & Resorts Inc (PRKS)
    - Six Flags Entertainment (FUN)
    - Southwest Airlines (LUV)
    - Tidewater Inc (TDW)
    - TKO Group Holdings (TKO)
    - Trex Company Inc (TREX)
    - United Parcel Services Inc (UPS)
    - U-Haul Holding Co (UHAL)
    - Uber Technologies (UBER)
    - United Rentals (URI)

2.4 Unauthorized Companies

This is list of companies that **may not** be chosen for the valuation project. Companies not listed may still not be appropriate.

- Abbott Laboratories (ABT)
- Alaska Air Group (ALK)
- American Express Co (AXP)
- Amgen Inc (AMGN)
- AT&T Inc (T)
- Autodesk Inc (ADSK)
- Beyond Meat (BYND)
- Best Buy (BBY)
- Boeing Co (BA)
- Brown Forman Corp (BFB)
- Build-A-Bear Workshop, Inc (BBW)
- Bumble Inc (BMBL)
- Topgolf Callaway Brands (MODG)
- Campbell Soup Co (CPB)
- Carmax Inc (KMX)
- Celsius Holdings (CELH)
- Chipotle Mexican Grill (CMG)
- Costco Wholesale Corp (COST)
- Datadog Inc (DDOG)
- Dave & Busters Entertainment Inc (PLAY)
- Deere & Co (DE)
- Doordash Inc (DASH)
- DraftKings Inc (DKNG)
- Dropbox Inc (DBX)
- Duolingo (DUOL)
- Dutch Bros (BROS)
- Enphase Energy Inc (ENPH)
- e.l.f. Beauty Inc (ELF)
- Equifax (EFX)
- Ford Co (F)
- Gamestop (GME)
- Garmin Ltd (GRMN)
- Generac (GNRC)
- Goodyear Tire & Rubber Co (GT)
- GoPro (GPRO)
- Hasbro Co (HAS)
- Herbalife Nutrition (HLF)
- Honest Company (HNST)
- HP Inc (HPQ)
- Kraft Heinz CO (KHC)
- Krispy Kreme Inc (DNUT)
- Kroger Co (KR)
- Levi Strauss & Co (LEVI)
- Lockheed Martin Corp (LMT)
- Lucid Group Inc (LCID)
- Macy's Inc (M)
- Malibu Boats Inc (MBUU)
- MGM Resorts International (MGM)
- Microstrategy Inc (MSTR)
- Molson Coors Beverage Co (TAP)
- National Beverage Corp. (FIZZ)
- Netflix Inc (NFLX)
- Palantir Technologies (PLTR)
- Peloton Interactive (PTON)
- Plug Power (PLUG)
- Quest Diagnostics (DGX)
- RealReal Inc (REAL)
- Roku Inc (ROKU)
- RTX Corp (RTX)
- Smith & Wesson Brands Inc (SWBI)
- Smucker (JM) Co (SJM)
- Snowflake (SNOW)
- Sonos Inc (SONO)
- Tesla (TSLA)
- Toll Brothers Inc (TOL)
- VF Corp (VFC)
- Visa Inc (V)
- Vital Farms Inc (VITL)
- Waste Management Inc (WM)
- Workday Inc (WDAY)
- Wynn Resorts (WYNN)
- Zoom Communications Inc (ZM)