

To read this content please select one of the options below:

Add to cart



34.00€ (excl. tax)



Access through your institution



Access and purchase options ▾

# Valuing companies by cash flow discounting: ten methods and nine theories

[Pablo Fernández](#) ▾

[Managerial Finance](#)

ISSN: 0307-4358  
(International  
Article publication date: 2 October 2007  
Standard  
Serial  
Number.)

[Permissions](#) 

DOWNLOADS

 12087

## Abstract

### Purpose

The aim of this paper is to answer the question: Do discounted cash flows valuation methods provide always the same value?

### Design/methodology/approach

This paper is a summarized compendium of ten methods including: free cash flow; equity cash flow; capital cash flow; adjusted present value; business's risk-adjusted free cash flow and equity cash flow; risk-free rate-adjusted free cash flow and equity cash flow; economic profit; and economic value added.

### Findings

All ten methods always give the same value.

### Research limitations/implications

The disagreements among the various theories of firm valuation arise from the calculation of the value of the tax shields (VTS). The paper analyses nine different theories.

### Originality/value

The paper is an analysis of ten methods of company valuation using discounted cash flows and nine different theories about the VTS.

discounting: ten methods and nine theories", [Managerial Finance](#), Vol. 33 No. 11, pp. 853-876.  
<https://doi.org/10.1108/03074350710823827>

 [Download as .RIS](#)

Publisher: Emerald Group Publishing Limited  
Copyright © 2007, Emerald Group Publishing Limited



© 2025 Emerald Publishing Limited. All rights reserved, including rights for text and data mining, artificial intelligence training and similar technologies.

Services

- [Authors](#)
- [Editors](#)
- [Librarians](#)
- [Researchers](#)
- [Reviewers](#)

About

- [About Emerald](#)
- [Working for Emerald](#)
- [Contact us](#)
- [Publication sitemap](#)

Policies and information

- [Privacy notice](#)
- [Site policies](#)
- [Modern Slavery Act](#)
- [Accessibility](#)