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

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## 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.

## Keywords

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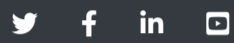
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