

Value Investing & Financial Analysis

Manual of Fundamental Analysis & Company Valuation

Financial Statement Auditing, Free Cash Flow, Multiples & Calculating Intrinsic Value

Nivel / Level	Páginas / Pages	Autor / Author	Editorial
Level: Intermediate - Advanced	232 páginas	ManualesdeBolsa.com Equity Research Desk	ManualesdeBolsa

Executive Summary & Learning Objectives

Learn how to dissect businesses using the same analytical rigor applied by institutional equity analysts and value fund managers. This handbook teaches you how to audit financial statements (Balance Sheet, Income Statement, Cash Flow Statement), identify durable competitive moats, and compute intrinsic value using discounted cash flows and comparative multiples.

Core Handbook Takeaway:

"Price is what you pay; value is what you get. Buying a wonderful business with durable competitive advantages at a fair price vastly outperforms buying mediocre companies at bargain prices."

Complete Handbook Curriculum

1. Deconstructing Financial Statements: Balance Sheet, Income Statement & Footnote Disclosures
2. Free Cash Flow (FCF): Why Accounting Net Profit Can Mislead While Real Cash Never Lies
3. Crucial Financial Ratios: P/E, EV/EBITDA, Price/FCF, ROE, ROIC & Net Debt to EBITDA
4. Identifying Economic Moats: Network Effects, Switching Costs, Intangible Assets & Cost Scale
5. Business Valuation Models: Historical Multiples & Simplified Discounted Cash Flow (DCF) Frameworks
6. Real-World Case Studies: Comprehensive Financial Audits of Microsoft, Apple, and Inditex

Disciplined Investor Checklist

- ✓ Verify that Return on Invested Capital (ROIC) reliably exceeds 12-15% over at least 5 consecutive fiscal years.
- ✓ Audit that Net Debt / EBITDA stays below 2.5x to preserve financial solvency during economic downturns.
- ✓ Ensure the conversion rate of reported Net Income into Free Cash Flow remains above 80-90% over time.
- ✓ Demand a minimum 20% to 30% Margin of Safety below your calculated intrinsic value before buying.
- ✓ Evaluate management's capital allocation track record regarding share buybacks versus sustainable dividend distributions.

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