The Business Valuation Update (BVU) is the voice of the business valuation profession. Each monthly issue includes new thinking from leading professionals around the globe, detailed reports of the latest news in the profession, analysis of new business valuation approaches, brief analyses of important court cases, tips from the field, data summaries, and more. A BVU subscription also includes powerful online search functionality of all content by keyword, author, and more!

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About Andy Dzamba, Executive Editor
Andrew Dzamba received his master’s degree from the Columbia University School of Business and his BS in Finance from the University of Connecticut. He worked in the entertainment industry in production and finance for over a decade before becoming a business editor. Prior to joining BVR, he wrote books and articles on finance, accounting, tax, and management for publishers such as Harcourt Brace, Prentice Hall, Aspen, Panel, LRP, Bureau of Business Practice, and BNA’s Institute of Management and Administration. He has also co-authored training materials for professional certification programs as well as self-study courses for the American Institute of Certified Public Accountants.

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Relevant articles from top experts in the profession.

Market Multiple Adjustments: Get a Grip on GRP

By James T. Buday, CPA/ABV, CPA, ASA, Valuation Research Corp. (Milwaukee, Wis., USA)

In a prior article, I discussed certain considerations in valuing a multinational company (MNC). Noted in that article is a useful due diligence framework, Company-Country-Currency-Sector (CCCS). Part of that article also briefly discusses the fact that appraisers use comparable data (comps) and benchmark a company's risk and profitability to others in the same or similar lines of business. We are seeing the impact of the Tax Cuts and Jobs Act, also known as the Tax Reform Act, on 2018 valuations. The impact of tax reform on the stock market and states is also evident in the analysis.

Valuation Experts Give Initial Thoughts on Tax Reform

Texas-based corporate entity and individual—impact valuation, so the new tax law’s trillion dollars of tax breaks create a significant impact on many aspects of valuation practice. Of course, this will be an evolving discussion as experts study the new law and guidance emerges in the form of IRS regs. In the meantime, we asked valuation experts for their initial impressions on what to consider when doing valuations under the Tax Act.

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<th>Company-Country-Currency-Sector (CCCS)</th>
<th>Part of the Business Valuation Data Spotlight</th>
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| LLC in 25 portfolio ranks, with portfolio 1 being the largest and portfolio 25 being the smallest. Smoothed average premiums are present here because they are considered a better indicator than the actual historical observation for most of the portfolio groups. Premiums may be adjusted for differences between historic market risk premiums and expected equity risk premiums as described in the 2017 Valuation Handbook - Guide to Cost of Capital. NOTE: The 2017 Valuation Handbook - Guide to Cost of Capital includes two sets of valuation data: (i) Risk Premium Report data; and (ii) CRSP Decile Size Study (previously published in the Morningstar/Robinson SBB Valuation Yearbook).

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