

# Butler Pinkerton Calculator

Empirical data for total cost of equity and company-specific risk premiums.

\$389/USD  
1-year

\$179/USD  
single search

The **Butler Pinkerton Calculator (BPC)** offers empirical data for total cost of equity (TCOE) and company-specific risk premiums (CSRP) – a first for the business valuation profession. This cutting-edge, web-based tool produces real time beta calculations based on your choice of six different market proxies and allows you to use the empirically-derived results to support and defend your subject company's cost of capital. Excel with the Butler Pinkerton Calculator while your competition relies on subjective guesses devoid of empirical evidence.

## Benefits of the Butler Pinkerton Calculator

- Objectively quantify total risk using real-time market observations with the Butler Pinkerton Model
- Save time and money – the Calculator performs in minutes the work that would otherwise take hours to complete
- Have the most current data – The BPC is updated daily. Quantify TCOEs, CSRPs, and market betas for your exact date of value
- Access the empirical, market-based support for U.S., German, and Canadian stocks with just a few clicks. The model quantifies TCOEs and CSRPs for up to 12 publicly traded stocks at any one time – and delivers objective answers in seconds
- Quickly confirm cost of equity conclusions calculated from other sources or other methods, or determine the CSRP to add to a cost of capital derived from another source or method

**Year Introduced at BVR:** 2007

**Data Type:** Cost of Equity Capital

**Delivery Method:** Online calculator

**Information sources:**

- Xignite: The Calculator obtains data from the adjusted closing stock prices
- Custom: Users have the ability to manually copy and paste closing stock prices from Yahoo! Finance, Google Finance, or other source

**Product Updated:** Daily

**Industries covered:** Public companies in the U.S., Canada, and Germany

**Bonus Content:**

- Combined Company-Specific Risk/Size Premium Sample Template
- Total Cost of Equity Sample Template
- Company-Specific Risk Premium Sample Template

# Sample transaction report

## Total Cost of Equity Calculator



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|                      |                        |
|----------------------|------------------------|
| Risk Free Rate:      | 2.50%                  |
| Equity Risk Premium: | 5.50%                  |
| Effective Date:      | 12/12/2017 (261 weeks) |

| Ticker                               | GOOG          | AAPL          | NFLX          |
|--------------------------------------|---------------|---------------|---------------|
| Company Name                         | Alphabet Inc. | Apple Inc.    | Netflix Inc.  |
| Size Premium                         | 0.00%         | 0.00%         | 0.00%         |
| Weekly Standard Deviation            | 4.53%         | 3.37%         | 7.53%         |
| Levered Beta                         | 1.21          | 0.98          | 1.19          |
| Correlation Coefficient (R)          | 0.43          | 0.47          | 0.26          |
| Total Beta                           | 2.81          | 2.09          | 4.67          |
| <b>Total Cost of Equity</b>          | <b>17.95%</b> | <b>14.02%</b> | <b>28.20%</b> |
| <b>Company Specific Risk Premium</b> | <b>8.78%</b>  | <b>6.11%</b>  | <b>19.15%</b> |

### Additional Regression Statistics:

|  | GOOG  | AAPL  | NFLX  |
|--|-------|-------|-------|
| Constant                                       | 0.000 | 0.001 | 0.010 |
| Coefficient of Determination (R <sup>2</sup> ) | 0.19  | 0.22  | 0.07  |
| T-Stat   | 7.68  | 8.55  | 4.24  |
| Confidence Level                               | 99.0% | 99.0% | 99.0% |
| Degrees of Freedom                             | 258   | 258   | 258   |

| Summary Statistics for Sample    | Beta | Total Beta | Total Cost of Equity | CSRP   |
|----------------------------------|------|------------|----------------------|--------|
| Count                            | 3    | 3          | 3                    | 3      |
| Minimum                          | 0.98 | 2.09       | 14.02%               | 6.11%  |
| 25th Percentile                  | 1.09 | 2.45       | 15.99%               | 7.44%  |
| Median                           | 1.19 | 2.81       | 17.95%               | 8.78%  |
| Mean                             | 1.13 | 3.19       | 20.06%               | 11.34% |
| 75th Percentile                  | 1.20 | 3.74       | 23.08%               | 13.96% |
| Maximum                          | 1.21 | 4.67       | 28.20%               | 19.15% |
| Standard Deviation               | 0.13 | 1.33       | 7.32%                | 6.89%  |
| Mean plus 2 Standard Deviations  | 1.38 | 5.85       | 34.70%               | 25.12% |
| Mean minus 2 Standard Deviations | 0.88 | 0.53       | 5.42%                | -2.43% |