

How to use this DCF template

- Step 1** On the DCF Model tab, replace every blue cell with your company's figures: name, ticker, current price, shares, and base-year revenue.
- Step 2** Set the operating assumptions (EBITDA margin, D&A, CapEx and NWC as % of revenue, plus the pro-forma tax rate). These apply to every forecast year.
- Step 3** Set the revenue growth for each of the five years. Growth can taper down year by year.
- Step 4** Build up WACC in the WACC BUILD-UP section: pick a region (auto-fills the risk-free rate and equity risk premium), then add your country risk premium, levered beta, cost of debt and capital-structure weights. Set the terminal growth rate (g); WACC must stay above g.
- Step 5** Enter cash and total debt to bridge from enterprise value to equity value.
- Result** The model computes unlevered free cash flow, discounts it (mid-year), and adds a terminal value by either the Gordon-growth or exit-multiple method (your pick), returning a Low/Mid/High fair value per share plus upside/downside vs. the current price. Use the Scenario selector and Scenario Dial to flex the operating drivers.

Color key

- Blue cells** Inputs you fill in.
- Black cells** Formulas calculated by the model — leave them alone.

Key formulas

- Unlevered FCF** NOPAT + D&A - CapEx - increase in NWC
- Terminal value** Gordon: $\text{Year-5 FCF} \times (1 + g) / (\text{WACC} - g)$ | Exit multiple: terminal EBITDA x exit EV/EBITDA
- Enterprise value** PV of forecast FCF + PV of terminal value
- Equity value** Enterprise value + cash - debt
- Fair value / share** Equity value / shares outstanding

Note *The blue values shipped in this template are placeholder examples so the model works out of the box. Replace them with real figures. This tool is for educational purposes and is not investment advice.*

- WACC (CAPM)** Cost of equity = risk-free rate + beta x equity risk premium + country risk premium; WACC blends it with the after-tax cost of debt by capital-structure weights.
- Sensitivity** The WACC and growth axes are formula-driven - they re-centre automatically on whatever WACC and g the model computes.

Discounted Cash Flow (DCF) Model

Fair-value range with a scenario toggle. Blue cells are inputs; black cells are formulas.

\$ millions unless noted. Blue = inputs, black = formulas. 'Low / Mid / High' fair value pairs a higher discount rate with lower growth (Low) through a lower discount rate with higher growth (High).

SCENARIO

Base

Shifts the 5 operating drivers (tune amounts in the Scenario Dial below).

MODEL SUMMARY

Company	Example Company, Inc.		Low	Mid	High
Ticker	EXMPL	Fair value / share	\$32.74	\$37.40	\$43.76
Valuation date	Jul 3, 2026	Upside / (downside)	9.1%	24.7%	45.9%
Current share price	\$30.00	Cost of capital (WACC)	9.4%	8.9%	8.4%
Shares outstanding (mm)	100	Perpetuity growth (g)	2.0%	2.5%	3.0%
Cash & equivalents (+)	100	Terminal value % EV	75.2%	78.0%	80.9%
Total debt (-)	200	Implied exit EV/EBITDA	8.5x	9.8x	11.6x
Assessment (mid case)	Undervalued				
Revenue 5Y CAGR	9.0%				
EBITDA 5Y CAGR	11.1%				
Unlevered FCF 5Y CAGR	13.9%				
5Y avg EBITDA margin	25.8%				

VALUATION ASSUMPTIONS (range)

		Low	Mid	High
Discount rate (WACC)		9.4%	8.9%	8.4%
Perpetuity growth rate (g)		2.0%	2.5%	3.0%
Pro-forma tax rate	21.0%			

Mid-year convention applied (cash flows arrive mid-period).

FORECAST DRIVERS (historicals · forecast · terminal)

	FY-2	FY-1	Year 1	Year 2	Year 3	Year 4	Year 5	Terminal
Revenue	800	1,000	1,150	1,288	1,417	1,530	1,622	1,663
Revenue growth (%)		25.0%	15.0%	12.0%	10.0%	8.0%	6.0%	2.5%
EBITDA margin (%)	24.0%	25.0%	25.0%	25.0%	26.0%	26.0%	27.0%	27.0%
EBITDA	192	250	288	322	368	398	438	449
Depreciation & amortisation (% rev)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
D&A	40	50	58	64	71	77	81	83
Capital expenditures (% rev)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
CapEx	40	50	58	64	71	77	81	83
Net working capital (% rev)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Net working capital (level)	120	150	173	193	213	230	243	249
Increase in NWC		30	23	21	19	17	14	6

UNLEVERED FREE CASH FLOW

EBITDA	288	322	368	398	438	449
Less: D&A	(58)	(64)	(71)	(77)	(81)	(83)
EBIT	230	258	298	321	357	366
Less: pro-forma taxes	(48)	(54)	(62)	(67)	(75)	(77)
NOPAT	182	204	235	254	282	289
Plus: D&A	58	64	71	77	81	83
Less: CapEx	(58)	(64)	(71)	(77)	(81)	(83)
Less: increase in NWC	(23)	(21)	(19)	(17)	(14)	(6)
Unlevered free cash flow	159	183	216	237	268	283
Mid-year discount period	0.5	1.5	2.5	3.5	4.5	4.5

ENTERPRISE VALUE → FAIR VALUE (range)

	Low	Mid	High
PV of forecast FCF (mid-year)	836	846	856
Terminal FCF (normalised)	283	283	283
Terminal value (selected method - set in C105)	3,808	4,400	5,211
Terminal discount factor	0.667	0.681	0.695
PV of terminal value	2,539	2,995	3,621
Enterprise value	3,374	3,840	4,476
Plus: cash / Less: debt	(100)	(100)	(100)
Equity value	3,274	3,740	4,376
Shares outstanding (mm)	100	100	100
Fair value per share	\$32.74	\$37.40	\$43.76
Implied exit EV/EBITDA	8.5x	9.8x	11.6x
Implied exit EV/Revenue	2.3x	2.6x	3.1x
Current LTM EV/EBITDA (market)	12.4x		

SENSITIVITY | FAIR VALUE PER SHARE (WACC vs perpetuity growth)

WACC \ g	1.5%	2.0%	2.5%	3.0%	3.5%
9.9%	\$29.18	\$30.56	\$32.13	\$33.93	\$36.00
9.4%	\$31.14	\$32.74	\$34.58	\$36.69	\$39.17
8.9%	\$33.37	\$35.24	\$37.40	\$39.93	\$42.92
8.4%	\$35.92	\$38.13	\$40.71	\$43.76	\$47.44
7.9%	\$38.88	\$41.51	\$44.63	\$48.38	\$52.98

SCENARIO DIAL | percentage-point shifts applied to the operating drivers (edit to tune)

Driver	Conservative	Base	Optimistic	Applied now
Revenue growth	-3.0%	0.0%	3.0%	0.0%
EBITDA margin	-2.0%	0.0%	2.0%	0.0%
CapEx (% rev)	1.0%	0.0%	-1.0%	0.0%
NWC (% rev)	1.0%	0.0%	-1.0%	0.0%
D&A (% rev)	-0.5%	0.0%	0.5%	0.0%

WACC BUILD-UP (CAPM cost of equity, with a regional risk-free / ERP lookup)

Region	US
Risk-free rate (Rf)	4.2%
Equity risk premium (ERP)	4.6%
Country risk premium (CRP)	0.0%
Levered beta	1.10
Cost of equity (Ke = Rf + b x ERP + CRP)	9.3%
Pre-tax cost of debt (Kd)	5.0%
Tax rate	21.0%
After-tax cost of debt = Kd x (1 - t)	4.0%
Total capital (V = equity + debt)	3,200
Equity weight (E / V)	93.8%
Debt weight (D / V)	6.3%
WACC = We x Ke + Wd x Kd(1-t)	8.9%
Terminal method (Gordon / Exit)	Gordon
Exit EV/EBITDA multiple	10.0 x

Region	Rf	ERP
US	4.2%	4.6%
EU	2.5%	5.0%
MENA	4.0%	6.0%
Asia	3.0%	5.5%

Country risk premium (CRP, cell C95): source your country's value from Damodaran's estimates (updated annually).

[Damodaran - Country Default Spreads and Risk Premiums](#)