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**THE PRACTICAL APPLICATION OF DISCOUNTED
CASH-FLOW BASED VALUATION METHODS**

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Abstract. Valuation methods based on Discounted Cash-Flow (DCF) play a major role in the field of company valuation. The current literature contains a reasonably deep and detailed theoretical basis for DCF-based valuation, although, when starting to apply the techniques to evaluate a real company, some practical problems may appear. This study summarizes the most important practical difficulties which may hinder the valuation process and proposes different ways of solving these. Beyond the theoretical discussion, the author illustrates the techniques with a case-study, using the financial figures of a fictive firm.

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