

Conducting an equity valuation exercise of large tech companies for a London-based private bank



- Valuation analysis
- Stock performance analysis
- Investment management

Business need

- For its upcoming Investment Management meeting, a London-based private bank wanted to assess whether the tech sector was in a bubble.
- It also wanted to explore the drivers behind the rebound of the technology companies as their stock prices had shot up.

To identify the drivers behind the rebound of technology companies and their rising stock prices.

The client outlined two key reasons for selecting RocSearch:

- Our extensive experience in conducting equity valuation and analysing stock market performance.
- Our experienced team of investment researchers with global exposure.

Approach & Methodology

- Our financial advisory team conducted valuations of various leading global tech companies such as Microsoft and Zoom using the Discounted Cash Flow approach.

RocSearch conducted a valuation exercise of leading tech companies, examining the drivers behind surging stock prices and future scenarios.



- We assessed various factors and the extent to which they contributed to the surge in stock prices, such as changes in growth forecasts and interest rate decline.
- We evaluated likely scenarios and the impact they were likely to have on the technology stock prices by challenging several growth assumptions.

Business outcomes

- Based on our research, we concluded that the changes in growth forecasts contributed the most to the increase in valuations for tech companies.
- We also concluded that although valuations were high, there were no bubble-like conditions similar to the Dot-Com era.
- The client decided to maintain a positive stance on the tech sector in the portfolio.

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About RocSearch

Founded in 1999, RocSearch has been a pioneer in empowering our clients to overcome challenges and realize their goals. Our strength is delivering research and advisory solutions through managed and dedicated teams that produce the expert intelligence our clients require to gain a true competitive advantage.

We draw on proven expertise to deliver consistent value across all types of business requirements: ranging from digitization and analysis of business, financial, or customer data to the provision of 'act-on' insights for the most challenging business problems.

Our longstanding client relationships bear testament to the enduring value we create, alongside our consistent reliability and absolute discretion. We take great pride that many of the brightest global companies rely on us to help them achieve top-line growth, operational efficiency and increased profitability.

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