

Roadmap for GSK – GlaxoSmithKline Valuation

- **Introductory Material:** Company Description, Ticker Symbol, Industry (Type of the industry), officers/Directors Holdings, Partners, etc.
- **Corporate Governance Analysis:** Is this a company where there is a separation between management and ownership?
- **Economy Analysis:** Discuss the general economy, Economic life cycle, Economic indicators, Macro-economic forecast and the future expectations from an economy
- **Industry Analysis:** Discuss the industry of the company, Industry life cycle, Macro and micro level of industry forecast and future expectations from an industry.
- **Company Information:** Copy of any relevant articles that appear in the written media, summarize the listed articles and discuss the effects of the articles to the company's financial structure. Follow the company news and information presented to the Stock Exchange, discuss the effects of the news to the company's stock price.
- **Risk and Return:** Is the risk of the coming from market, firm, industry or currency? What return would you have earned investing in this company's stock? Would you have under or outperformed the market? How risky is this company's equity? Why? What is its cost of equity? How risky is this company's debt? What is its cost of debt? What is this company's current cost of capital?
- **Capital Structure Choices:** What types of financing that this company has used to raise funds. Advantages or disadvantages for the firm in using debt. Does your firm have too much or too little debt comparing with the industry and the market?
- **Dividend Policy:** How has this company returned cash to its owners? How would you recommend that they return cash to stockholders?
- **Financial Information:** Monthly Stock Prices of the last 3 years. Adjusted and Unadjusted. Monthly Stock Price Graph of the last 3 years, compare it to the FTSE 100 monthly returns. Fundamental Values with fundamental analysis (Last 3 years balance sheet and income statement with the most important accounts and headings, discuss the company's past performance in-terms of financial statements).

- **Valuation:** What type of cash flow would you choose to discount for this firm? What is your estimate of value of equity in this firm? How does this compare to the market value? What is the value of the firm? Is the firm over or undervalued?
- **Most recent:** Market Value, Book Value, Beta, ROE, ROA, ROI, Profit Margin, Current Ratio, Dividends, P/E approach, and other important ratios of your choice from Leverage, Liquidity, Efficiency, Profitability, and Market-Value approaches.