

Table 11.1 and 11.2 are excerpts from pages 183 and 184 of Roger Montgomery's Value.able Second Edition: how to value the best stocks and buy them for less than they're worth. First published in 2010 by My 2 Cents Worth Publishing. © Roger Montgomery 2010

Extended Tables

Value.able by Roger Montgomery

Table 11.2 Multiplier Selection when a Company Retains 100 per cent of its Earnings

Company's Return on Equity	Investors After Corporate Tax Required Return											
	4%	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
5.00%	1.429	1.000	0.720	0.477	0.356	0.274	0.218	0.176	0.146	0.122	0.104	0.089
7.50%	2.734	1.952	1.494	1.132	0.868	0.670	0.531	0.431	0.356	0.298	0.253	0.218
10.00%	4.332	3.138	2.508	1.900	1.494	1.209	1.000	0.811	0.670	0.561	0.477	0.410
12.50%	6.191	4.535	3.748	2.840	2.233	1.806	1.494	1.259	1.076	0.917	0.779	0.670
15.00%	8.288	6.127	5.203	3.943	3.100	2.508	2.075	1.748	1.494	1.294	1.132	1.000
17.50%	10.606	7.902	6.867	5.203	4.092	3.310	2.738	2.307	1.972	1.708	1.494	1.404
20.00%	13.133	9.849	8.733	6.617	5.203	4.209	3.482	2.933	2.508	2.171	1.900	1.678
22.50%	15.856	11.962	10.796	8.180	6.432	5.203	4.305	3.626	3.100	2.684	2.349	2.075
25.00%	18.768	14.233	13.050	9.888	7.776	6.290	5.203	4.383	3.748	3.245	2.840	2.508
27.50%	21.859	16.657	15.493	11.739	9.231	7.467	6.177	5.203	4.449	3.852	3.371	2.977
30.00%	25.125	19.229	18.119	13.729	10.796	8.733	7.225	6.086	5.203	4.505	3.943	3.482
32.50%	28.557	21.944	20.928	15.857	12.469	10.087	8.344	7.029	6.010	5.203	4.554	4.022
35.00%	32.152	24.798	23.914	18.119	14.248	11.526	9.535	8.032	6.867	5.946	5.203	4.596
37.50%	35.905	27.788	27.076	20.515	16.132	13.050	10.796	9.094	7.776	6.732	5.891	5.203
40.00%	39.811	30.910	30.411	23.043	18.119	14.658	12.126	10.214	8.733	7.562	6.617	5.844
42.50%	43.866	34.162	33.918	25.699	20.209	16.348	13.524	11.392	9.740	8.433	7.380	6.518
45.00%	48.067	39.227	37.593	28.484	22.399	18.119	14.989	12.626	10.796	9.347	8.180	7.225
47.50%	52.410	42.934	41.436	31.396	24.688	19.972	16.521	13.917	11.899	10.303	9.016	7.963
50.00%	56.893	46.774	45.444	34.433	27.076	21.903	18.119	15.263	13.050	11.299	9.888	8.733
52.50%	61.512	50.744	49.615	37.593	29.561	23.914	19.783	16.664	14.248	12.336	10.796	9.535
55.00%	66.265	56.175	53.949	40.877	32.143	26.003	21.511	18.119	15.493	13.414	11.739	10.368
57.50%	71.150	61.274	58.443	44.282	34.821	28.169	23.302	19.629	16.783	14.531	12.717	11.232
60.00%	76.163	65.829	63.096	47.807	37.593	30.411	25.158	21.192	18.119	15.688	13.729	12.126

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