Free Cash Flow

This is the amount of cash that a company is able to generate after laying out the money required to maintain or expand its asset base.

Floor Price

This is the lowest preconceived price a seller will or should accept.

Financial Buyer

This is a buyer that values a business based on the expected future economic performance of that business if operated on a standalone basis.

Fair Market Value

This is the amount that a hypothetical willing buyer would pay a willing seller acting at arm’s length in an open and unrestricted market, when neither is under any compulsion to buy or sell, and when both have reasonable knowledge of the relevant facts.

Discounted Cash Flow (DCF)

This is a valuation model that assigns a value, in today's dollars, to the discrete cash inflows and outflows that are reasonably expected to occur during future periods.

Discount Rate

This is a rate of return used to convert a monetary sum, payable or receivable in the future, into present value.

Collateral

This is property pledged by a borrower to guarantee payment of a debt.

Cash Flow

This is the cash that is generated over a period of time by a business enterprise. There are many types of cash flow.

Capitalization

This is a conversion of a single period stream of benefits into value.

Capital Expenditure

This is an amount spent to acquire or improve long-term assets such as property, plant, and equipment.