

Best Books for Valuation practice

Investment Banking › Books & Reference Materials



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Here is a selection of books that are recommended by investment bankers to learn about valuation.

Valuation: Measuring and Managing the Value of Companies

811 pages, Wiley (Authors Koller, Goedhart, and Wessels)

This is the Bible of valuation, a book that we often see on bankers' desks and a good reference guide for investment banking analysts and wannabe analysts. It was written by McKinsey consultants and a Wharton professor. While quite a big book (811 pages!), it is a relatively easy read and has some case studies that will help readers understand what is exactly happening in a DCF valuation. If you work for an investment bank, you might be able to request your team to pay for it. If you are a student who wants to go into investment banking, it is a good investment. No need to buy the latest edition so you can save a few dollars (or pounds).

Damodaran on Valuation: Security Analysis for Investment and Corporate Finance

464 pages, Wiley

This is the book written by finance guru and New York University Finance professor Damodaran. Its is lighter than the McKinsey Valuation book, but nevertheless very comprehensive and go through all the key topics in valuation including synergies, cost of equity calculation, CAPM, contingent claim valuation, etc. A big positive is that you can also get additional explanations and free excel models on Damodaran's website [here](#), which is a really fantastic resource.

Investment Banking: Valuation, Leveraged Buyouts, and Mergers and Acquisitions

304 pages, Wiley (Authors Rosenbaum and Pearl)

This other highly recommended book is a bit more practical than the other two. Its many included links to online models are quite useful. Basically this book is more about how valuation is done "in practice" at investment banks, rather than a purely theoretical book. I would say that if you do not want to bother about fully understanding the academic rationale of valuation and want to purely be ready for an investment banking job, this is the shortcut. Personally, I would recommend getting one of the books above. Maybe buy this one if you want a bit of practice before starting the job - but you'll probably get the same practice during an investment bank's training programmes anyway.

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