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Client Organisation/Partners EasyJet Plc. and Tiger Airways Holdings Ltd.			
<p>Abstract</p> <p>Mergers and acquisitions (M&A) are great instruments for business development, especially when both parties win from a deal. Successfully accomplished acquisitions provide potential growth for the buyer and sustainable development for the target company. The objective of this thesis was to illustrate how financial valuation models work in the context of M&A operations.</p> <p>This thesis is considered to be an initial step of the M&A deal, leaving the stages of preliminary due diligence and discovering companies' fundamentals due to the limitations of size and structure. It is assumed that the chosen companies fit each other's organizational structure and the competitive environment of the airline industry. Thus, the primary goal of the thesis was to show the valuation techniques and possible interpretation of companies' financial statements during acquisition transaction.</p> <p>The theoretical framework of this study is backed up by various books, academic and non-academic articles, online publications and web-based databases. A quantitative research of Easy Jet Plc. and Tiger Airways Holdings Limited was studied by analyzing information from annual reports for the 2012-2014 financial years as well as by proceeding analysts' predictions obtained from the Bloomberg platform.</p> <p>The results indicate that several valuation techniques could bring different calculation results of the same company. Therefore it is essential to know the advantages of every technique and realize the environment in which calculations could be applied properly. All in all, it was identified that Tiger Airways is a perfect acquisition object for EasyJet as it is a financially feasible company, generating sufficient positive future cash flow estimated in accordance with the DCF valuation model. Such findings demonstrate that valuation techniques are a powerful tool which assists managers to take an appropriate decision toward choosing the target company and to achieve maximum synergy through the deal, upgrading the business potential to a new level.</p>			
<p>Keywords</p> <p>Financial modelling, , Valuation techniques, Mergers and acquisitions, Due diligence, EasyJet, Tiger Airways, DCF model, Trading multiples</p>			