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Qualitative Analysis of High-Growth Companies

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Abstract: Investing in high-growth companies carries substantial risks. This has been experienced by many investors in the past several years. Despite these negative experiences, however, there are numerous examples of companies that grew from small start-ups to established, cash-flow positive companies. The assessment of a company based on qualitative factors (soft factors) provides a good basis to identify and choose potential winners. The assessment is also used for the financial valuation of a high-growth company.

Keywords: Financial valuation · Forward looking assessment · Growth companies · Management team · Start-ups · Strategic alliances