

## ABSENCE OF STOCK MARKET: IS THERE AN ALTERNATIVE TO EVA, EPS, P/E

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**Key words:** market capitalization, stock market, economic value added (EVA), weighted average cost of capital (WACC), EVA Momentum (EVAM), earnings per share (EPS), price to earnings ratio (P/E), net present value (NPV)

The article proves that there is an urgent need to determine the key performance indicators of the company and to improve the methods of determining capitalization and profitability, for which accounting data is insufficient, because it ignores the costs of capital obtaining, the impact of changes in accounting policies, and the possibility of data manipulation. It was determined that in countries with a developed stock market, the performance of public companies is most often predicted through their share prices, return on assets (ROA), return on equity (ROE), earnings per share (EPS), return on invested capital (ROIC), return on investment (ROI), Economic Value Added (EVA), Economic Value Added Momentum (EVAM). It was found that Ukraine is a unique example of the disappearance in recent years of a stock market created from scratch in the 1990s; the causes of the problems hindering the development of the stock market of Ukraine are outlined.

The essence and purpose of EVA, EPS, P/E indicators are considered in order to propose ways of their modification or replacement in the absence of a stock market. It has been proven that the market capitalization indicator cannot be used for non-joint-stock companies; and the main problem of determining EVA for a non-joint-stock company or in the absence of a stock market is determining the value of equity capital. Under such conditions, it is proposed to choose one of the classic approaches to the assessment of the value of capital - expense (Method of net assets, Method of probability of liquidation), income (Method of discounted dividends, Method of discounted cash flows), market (Method of multipliers, Method of deals, Method of industry ratios). It is also suggested to choose the Net Present Value (NPV) indicator for strategic management, because NPV maximization, even with negative EVA values, is sometimes a higher priority task than EVA maximization. But using NPV has the same problem as EVA using, it is choosing a discount rate. Various methods of calculating the value of equity capital are proposed: the capital asset valuation model (CARM); subjective assessment: interest on long-term government bonds or deposits; average profitability in the industry. Earnings per share (EPS) can be replaced by return on equity and even return on equity. With the ratio of the market value of the share to the net earnings per share (P/E), it is much more difficult, because the calculation of the market value under such conditions is not available.

It is noted that the types of enterprises, which are usually public and private, differ. For example, despite being small in their early stages, technology firms typically go public. Smaller companies tend to experience a greater negative impact from higher interest rates and inflation.

It is concluded that all indicators should be treated with skepticism and used only as tools, not as drivers, and other factors should also be taken into account during the holistic assessment of investments: dividends, projected future profits, corporate culture, social responsibility of the company.

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