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[\[PDF \(1644K\)\]](#) [\[References\]](#)**Valuing Corporate Growth Using Real Options**[Latypov Gennady](#)¹⁾

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Abstract: The corporate DCF model is often criticized for its limitations in valuing investments with significant multi-period growth opportunities. The current paper offers a practical methodology that employs recombining binomial trees and real option techniques to value companies pursuing organic growth strategies in case of demand uncertainties. A specially constructed recombining tree is adapted to valuations of multiple American-type compound growth options. Computational complexity is considerably reduced; this makes these solutions feasible for implementation in business practice and empirical testing.

Keywords: [real growth option](#); [corporate valuation](#); [organic growth](#)

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