

MVA = Market value added

Difference between total value of firm and total capital to finance it

Increases if ROIC is greater than Cost of capital (or NPV is positive)

Relates to EVA = Is the present value of future EVA's

EVA = Economic value added

**Formula**

$$\left( \frac{\text{Operating Profit}}{\text{Capital Invested}} - WACC \right) \times \text{Capital Invested}$$

Net sales	30
- Operating expenses	15
= Operating profit	15
- Capital charges	10
= EVA	5

# Economic Added Value Driver Tree



**Legende:**

(Konstante)

(Subtraktion)

(Addition)

(Multiplikation)