

What is wrong with this model? (3 stage DDM)

If this is your problem

this may

- If you are getting too low a value from this model,
 - the stable period payout ratio is too low for a stable firm ($< 40\%$)
If using fundamental data
If entering direct cash flow
Use a beta closer to 1
 - the beta in the stable period is too high for a stable firm
Use a beta closer to 1
- If you get an extremely high value,
 - the growth rate in the stable growth period is too high for stable firm
Use a growth rate closer to 0
 - the period of growth (high + transition) is too high
Use shorter high growth period