

SHAREHOLDER VALUE ADDED AS A VALUE CREATION MEASURE IN NON FINANCIAL BRAZILIAN COMPANIES: AN EXPLORATORY STUDY

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ABSTRACT

The Shareholder Value Added - SVA represents the economic profit generated by a company above the minimum return required by the capital providers. The comparison with other performance measurements based on accounting data has been historically considered as the most useful one for the business managers, not the shareholders. The SVA, differently from the conventional measurements, emphasizes the amount of capital invested in the investment. The calculation methodology involves the difference between the market, debt and equity capital values in each period. This study aimed to calculate the SVA for Brazilian companies of open capital from 2000 to 2010, which came to belong to the New Market of the BM&F Bovespa, in order to analyze whether such companies would add more shareholder value before or after opting for the high level of corporate governance. In order to do so, the SVA methodology was used as being the discount by the capital cost, in perpetuity conditions, of the EVA variation in the period analyzed. As a result, it was found out that, in general terms, there was a destruction of the shareholder value of each company of about 51,799.50 million of reais, that is, in the average, the companies created 30% less value after the change. The conclusion points to a high interest rate along with the recurrent crises in the financial system as the main responsible factor for the performance presented by the companies.

Keywords: *Shareholder Value Added (SVA), Brazilian Companies, New Market.*