



## **Economic Value Added Approach in Measurement of Financial Performance: An Investigation on Economic Added Values of Holdings and Investment Companies Processed in BIST 100 in Turkey**

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### **Jel Classification**

G32, M21, M41

### **Abstract**

Objective of this study is to examine the economic value added (EVA) approach, which is a value-based performance measurement method, and the calculation of this approach from the methods used to measure financial performance. In this context, an application has been presented for the examination and comparison of holdings and investment companies in terms of economic value, using annual financial statement data for holding companies and investment companies traded in Stock Exchange Istanbul 100 index in Turkey in 2016. In the application part, 9 holding and investment companies were examined and compared in terms of economic added value. In the practice part of the study, companies that can access paid dividend data for the last five years are included in the holding companies and investment companies sector, while the other companies are excluded from the research. According to the findings of the study, when the holdings and investment companies examined in the study are evaluated in general for 2016, Hacı Ömer Sabancı Holding Joint Stock Company, which has the highest EVA value and the best financial performance. (-787.415.407,65) and Eczacıbaşı Investment Holding Partnership Joint Stock Company (-117.686.290,15) cannot create value for their shareholders with EVA value, whereas the existing Have consumed their capital. It has been found that they cannot create shareholder value with EVA value and consume their existing capital instead of creating value.