Control & Minority

Accounting & Finance

Why the same share is worth different amounts to different buyers.

Premiums and discounts.

Control premium

Ability to set strategy and dividends	Access to synergies
Right to appoint management	Typically 20-40% over market

Minority discount

No influence over decisions	Dividends at others' discretion
Discount for lack of marketability	Often substantial in private companies

Marketability discount is separate from minority discount. A control stake in a private firm still lacks a ready market.