

Generating Added Value for Shareholders using Equity-Based Crowdfunding

Artur A. Trzebiński, PhD

Wroclaw University of Economics and Business, Wroclaw, Poland

Abstract

This study examines the medium-term financial effects of equity-based crowdfunding (ECF) campaigns on companies, with a specific focus on shareholder value creation, measured by Market Value Added (MVA) and Economic Value Added (EVA) three years post-campaign. The analysis covers 59 companies involved in 62 ECF campaigns conducted between 2014 and 2020. Results indicate that only 25% of these companies generated positive shareholder value ($MVA > 0$) three years after the campaign. A weak but positive relationship was observed between the amount of capital raised and both EVA and MVA, moderated by additional factors such as capital structure. Principal Component Analysis (PCA) confirmed a medium-term correlation between raised capital and MVA, though its impact was moderate relative to operational performance. Random forest models further demonstrated that EVA and MVA are strongly influenced by operational efficiency, particularly EBIT, indicating that internal financial performance plays a more critical role in value creation than the amount of capital raised. This study enhances the current literature by highlighting MVA and EVA as key metrics for evaluating the medium-term outcomes of ECF campaigns. Practical implications suggest that optimising capital utilisation and improving operational efficiency are crucial for maximising shareholder value after crowdfunding campaigns.

Keywords

Equity-based crowdfunding, MVA, EVA, ECF.