This study aims to analyse a project of investment conducted by the company Señorío de Sarria S.A., whose main activity is the production of milk and dairy products. This project was developed in 2015 and allowed the company to renovate its machinery and to introduce a new product line: cream. With this study we want to know more about the commercial consequences of that investment and re-evaluate the financial study that was done with afterwards information.

Firstly, we will introduce the company and the sector where it operates, to draw the situation of the market and its main competitors. Then, we will make an economic analysis of the company’s financial statements to know about the current situation of the company and afterwards, the investment project is described.

Secondly, a marketing analysis will be carried out. Finally, there is a financial feasibility analysis where we will study the project of investment with valuation methods such as Net Present Value, Internal Rate of Return and Pay Back period. The study will be closed with some conclusions.

Dairy market, Milk, Investment, Cash flows, Cost of capital