



Essentials of Business Valuation - Day

This one-day course enables participants to achieve a solid understanding of the fundamentals of business valuation. It lays the theoretical groundwork for how businesses are valued, and applies these concepts to actual business valuations in the marketplace using case studies.

Available Session(s):

29-Oct-2008 -- 29-Oct-2008 New York USD \$1475

NY Institute of Finance - 9:00am - 4:30pm Wed
Midtown

Instructor(s):[Richard Malekian;]

18-Nov-2008 -- 18-Nov-2008 New York USD \$1475

NY Institute of Finance - 9:00am - 4:30pm Tue
Midtown

Instructor(s):[Richard Malekian;]

01-Dec-2008 -- 01-Dec-2008 New York USD \$1475

NY Institute of Finance - 9:00am - 4:30pm Mon
Midtown

Instructor(s):[Richard Malekian;]

Targeted Audience

Individuals in credit, investment banking, corporate finance, and sales and trading.

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation

No advance preparation required.

Learning Objectives

Students will be able to:

- Describe shareholder value creation
- Create a framework for choosing the appropriate valuation technique
- Highlight the benefits and pitfalls of the different methods of valuation
- Calculate the cost of debt and WACC
- Value companies using the Gordon Discount Model

Level: Basic

CPE Credits: 14.0

Instructional Method: Group-Live

Detailed Outline

Introduction to Business Valuation

- Why determine a business valuation?
- How methodology affects results
- The role of the public markets in business valuation
- Common valuation methodologies

DCF Valuation

- Cash flow vs. free cash flow
- Determining free cash flow: direct and indirect methods
- Reconciling free cash flow with the consolidated statement of cash flow
- Value Drivers
- Projections

Determining the Weighted Average Cost of Capital (WACC)

- Introducing the WACC equation
- Calculating the after-tax expected cost of debt
- Using CAPM to calculate the expected cost of equity
- Calculating the WACC
- The effect of leverage on WACC

Limitations of DCF and Improving the Base Case Valuation

- Sensitivity of DCF valuations to the assumptions made
- Using sensitivity analysis to improve the base case valuation
- Scenario analysis and Monte Carlo simulations

LBO Based Valuation Models

- Rationale
- LBO Structure
- Equity
- Mezzanine Debt
- Senior Debt
- Case Study LBO Valuation
- Implications

Comparables Based Valuation Techniques

- P/E
- Enterprise Value / EBIT
- Operating Multiples
- Typical Comps Sheet
- Case Study

Determining the Terminal Value

- Defining terminal value and its impact on the DCF valuation
- Methods for determining terminal value
- Example

Case Study DCF Approach

- Measuring shareholder value creation
- Discounting to find the value of operations
- Enterprise Value
- Market Value

Options Value Based Pricing

- Implications of Options in Underlying Value of the Firm
- Options Pricing Models
- Advantages / Disadvantages
- Case Study

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