



## The Foundations of Free Cash Flows - Online

This module will discuss how to create a projection of free cash flows to use as the foundation of our DCF valuation. First, you'll learn how free cash flow differs from what you see on the cash flow statement. Then we'll start laying down the free cash flow foundation. We'll see that there are important factors that will determine which way our foundation comes out whether it's firm, wobbly, flexible, or brittle. These are called value drivers and each has an impact on our free cash flow projections.

This course replicates the content from lesson 2 from Business Valuation - Online

This is an asynchronous eLearning course that can be accessed 24/7 from any internet enabled computer. Subscription period for this course is 90 days.

### Targeted Audience

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

### Advance Preparation

No advance preparation required.

### Prerequisites

Financial Statement Analysis and Corporate Finance, or equivalent level of knowledge.

### Learning Objectives

Students will be able to:

- . Describe the difference between cash flow and free cash flow.
- . List the differences and similarities in the direct and indirect methods of determining free cash flow.
- . Recognize the value drivers of free cash flows.

. Identify components of the calculation of free cash flow from the value drivers, using the direct method.

## **Alumni Comments**

*"The content of the training was useful and very clear."*

## **Follow-Up Courses**

Corporate Finance - Online

Mergers & Acquisitions - Online

Flotation - Online

Project Valuation - Online

Corporate Credit Analysis - Online

**Level: Intermediate**

**CPE Credits: 1**

**Instructional Method: Self-Study**

## **Detailed Outline**

### **The Foundations of Free Cash Flows**

#### **Topics covered include:**

- . Cash flow vs. free cash flow
- . Determining free cash flow
- . Reconciling free cash flow with the consolidated statement of cash flow
- . Value Drivers
- . Case Study

Duration: 1 hour

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