



Financial Modeling - Core Skills Analyst Program

The benefits to using spreadsheet modeling for financial management and valuation are undisputed in the world of finance. This module provides hands-on modeling experience that begins with construction of a basic financial model and ends with completion of a full-scale forecasted model with valuation components. This module provides practical modeling tips and techniques as well as valuation tools for valuing a company and determining the effects of mergers and acquisitions. Actual company financial statements are used.

Special Offer

Clients who register for this course will receive a complimentary 4-month subscription to FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. The move to the electronic version follows an ongoing review of our environmental responsibilities as a global business and as part of the Pearson group. FT.com also has features that are not available in hard copy, such as: Special Reports, Alphaville, editor blogs, education sections and much more! Subscriptions will start within 6-8 weeks of the start of class and are limited to one subscription per client. (Please note: as of May 1, 2011, the electronic subscription replaces the hard-copy 3-month Financial Times subscription.)

Advance Preparation

No advance preparation required.

Prerequisites

Undergraduate degree or equivalent, fluency in English, proficiency in basic Excel, word processing skills. Financial calculator required.

Learning Objectives

Students will be able to:

- . Use common function keys

- . Construct a basic IF statement
- . Differentiate between different ways of summing and counting
- . Select alternatives to using the IF function
- . Use error trapping
- . Control the appearance of numbers and text
- . Apply various methods for determining dates
- . Select and apply appropriate lookup and reference functions
- . Create a Pivot Table to analyze data sets
- . Use functions for discounting on uneven periods
- . Understand other useful Excel features
- . Apply financial modeling best practices
- . Project an income statement and balance sheet
- . Force-balance the balance sheet
- . Construct a Statement of Cash Flows
- . Calculate free cash flow
- . Incorporate projection scenarios in a model
- . Add an automatic cash sweep feature to a model
- . Construct a discounted cash flow model to determine the intrinsic value of equity
- . Perform meaningful sensitivity analysis
- . Construct a valuation sheet to apply the APV valuation approach
- . Value a stream of future interest tax shields
- . Measure residual earnings (earnings above or below required earnings).
- . Determine the value of earnings using accrual accounting

- . Determine the value of equity or the firm using multiples

Alumni Comments

"Being able to apply valuations to companies as we go."

"Great overview of financial modeling"

"The strength of the course lies on the competence of the facilitator"

"Complete workbook and CDs that can be used over and over again to practice a variety of exercises."

"This course entices one to dig more into the world of modeling!"

Level: Basic

CPE Credits: 36.0

Instructional Method: Group-Live

Detailed Outline

DAY ONE

Advanced Excel for Financial Modeling

- . Introduction / Tips & tricks that will help you speed up your spread sheeting
- . Multiple sheet models
- . Multiple file models
- . Drilling down: allows one to double-click a formula, and move back to its source. This can be particularly useful in the creation of menus
- . Logical tests
- . Protecting your data
- . Database activities
- . Pivot tables
- . Grouping downloaded data by account headings
- . Vertical and horizontal lookup tables
- . The Choose function
- . Interactive formulas to extract data

DAY TWO

Financial Modeling

- . Introduction and Overview
- . Projection-Valuation Modeling Best Practices
- . Pro-Forma Modeling
- . Exercises

- . String functions
- . Data tables
- . Outlining
- . Graphs
- . Indirect addressing

Each module will be followed up by hands on exercises

DAY THREE

- . Basic Valuation Techniques
- . Case Study: Analyze historic information and develop a projection basis
- . Mergers and Acquisitions
- . Projecting financial statements for a complex M&A
- . Debt capacity and credit analysis for the acquisition
- . Alternative financing methods
- . Sensitivity analysis on cash flows
- . Case Study Exercises
- . Cost of Capital and CAPM
- . Return on equity
- . Seven steps using CAPM to determine the cost of capital
- . Implied risk premium in the current P/E multiple

DAY FOUR

- . Four Steps using the Gordon Model to determine the cost of capital
 - . Four steps using the P/E multiple to determine the cost of capital
 - . Financial Valuation Case Study Exercises Review and Discussion
 - . Accrual Accounting Valuation
 - . Accrual accounting valuation exercises
 - . Valuation Using Multiples
 - . Multiples valuation exercises
 - . Transaction Multiples
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DAY FIVE

- . Special Valuation Issues
- . Implied profit margin
- . Three-stage valuation model
- . Develop an accrual accounting valuation model Review and Discussion
- . Warrants and Executive Stock Options
- . Warrant valuation
- . Value outstanding warrants

- . Share Repurchases
- . Using share repurchases to calculate growth in distributions
- . Sustainable growth rate
- . Share repurchases for comparable companies
- . Presentation of Valuation and conclusion

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.