THE MARQUEE GROUP

BUILDING A FINANCIAL MODEL

(of a Company)

SUMMARY:

This hands-on course focuses on the skills required to design and create an interactive financial model of a company that adheres to the highest industry standards.

The course material includes model design, logic, construction, financial concepts and accounting treatment. During the seminar, participants will build a model that includes a forecast of a company's income statement, cash flow statement and balance sheet.

Prerequisites: Participants should have a solid grasp of basic accounting fundamentals and proficiency with Excel prior to taking this course.

Timing: This course requires 1 day

Experts in financial modeling training

(416) 583-1802
www.MarqueeGroup.ca

LEARNING TOPICS:

Design and Structure a Financial Model

- ✓ Design and layout a financial model clearly and logically
- ✓ Discuss the need for a model to serve as a marketing tool
- ✓ Create clearly defined inputs and assumptions sections
- ✓ Connect strings of data to create assumptions and footnotes

Build Powerful Scenarios and Financial Statements

- ✓ Use switches to create effective scenarios and value drivers
- ✓ Forecast and build-up a company's revenues and expenses
- ✓ Design and incorporate a company's income statement, balance sheet and cash flow statement

Incorporate all Relevant Schedules

- ✓ Construct all necessary schedules, including:
  - Depreciation / CAPEX Schedule
  - Working Capital Schedule
  - Income Tax Schedule
  - Debt and Interest Schedule
  - Shareholders' Equity Schedule
- ✓ Use Lookup functions within the model to effectively extract information
- ✓ Properly incorporate Senior Term Debt with an amortizing repayment schedule
- ✓ Create a robust Bank Operating Line (or Revolving Credit Facility)
- ✓ Design and incorporate a cash sweep for a company's Bank Operating Line
- ✓ Balance the company's balance sheet

Building a Financial Model (of a Company) also serves as a preparatory course for the Advanced Financial Modeler (AFM) exam. See www.fminstitute.com for more information.

Design and create a dynamic financial model of a company that adheres to the highest industry standards

DISCOUNTED CASH FLOW VALUATION ANALYSIS

SUMMARY:

This hands-on course is focused on the practical implementation of a Discounted Cash Flow ("DCF") valuation analysis.

The skills required to build a DCF analysis will be discussed and incorporated into a financial model.

Participants will learn to recognize and avoid the most common errors that finance professionals make when creating a DCF analysis.

This course will also include a number of Excel tips and skills to help a user check and audit a financial model.

Timing: This course requires 1 day

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LEARNING TOPICS:

Review Valuation Concepts

- ✓ Discuss various valuation methodologies and the appropriateness of using a discounted cash flow methodology to value a business
- ✓ Use two common styles to create a DCF analysis
- ✓ Discuss various methodologies to value the terminal period

Incorporate a DCF Analysis

- ✓ Properly calculate a company's levered or unlevered free cash flows
- ✓ Build a terminal year in the model to create a steady-state perpetual cash flow
- ✓ Review critical terminal year assumptions including Capex, depreciation, working capital, margins and income taxes
- ✓ Calculate the tax impact of unlevering a company's cash flows
- ✓ Calculate the company's cost of capital and choose an appropriate weighted average cost of capital (WACC) range
- ✓ Discount the cash flows in the forecast period and ensure that the cash flows are discounted to the correct period
- ✓ Discuss common discounting errors and review the magnitude of discounting the cash flows to the wrong time period

Understand the DCF Analysis

- ✓ Use a number of powerful Excel tools to sensitize the outputs
- ✓ Incorporate appropriate ratios and performance metrics
- ✓ Create "flags" to warn the user if a covenant has been tripped
- ✓ Conditionally format output tables to highlight specific results

Recognize and avoid the most common errors that finance professionals make when creating a DCF analysis