

Advanced Financial Modeling

Learn advanced concepts in financial modeling. This course will cover M&A, DCF modeling, and LBO's with hands-on exercises.

Group classes in NYC and onsite training is available for this course. For more information, email nyc@careercenters.com or visit: <https://www.careercenters.com/courses/advanced-financial-modeling>



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Course Outline

Forecasting Operating Models

Introduction

- Understanding the structure, components and strategies for building time-sensitive and efficient models for your specific purpose
- Fundamentals / best practices for model building

Developing Assumptions – Balance Sheet

- Key items, categories and relevancy for quick analysis
- Current Assets and Liabilities, metrics for analysis
- Non-current Assets, key components
- Operating long term liabilities
- Funding via Debt
- Funding via Equity

Developing Assumptions – Income Statement

- Components and structure
- Understanding Revenue (recognition and cash implications)
- Analysis and metrics

Forecasting

- Income Statement and Balance Sheet
- Cash Flow Statement

Ratios, Analysis and Interpretation of Outputs

- Growth
- Profitability (Margins and returns)
- Asset efficiency and reinvestment analysis
- As-is and normalized metrics

Intrinsic Valuation (DCF)

Introduction

- Quick overview of valuation techniques
- Intrinsic vs Relative Valuation
- Minority and Controlling Stakes
- Strategic vs Financial approaches to valuation
- Enterprise Value

Steps to Intrinsic Valuation

- Determining forecasting period/s
- Calculating free cash flows
- Calculating discount rate
- Calculating the terminal value (TV Multiple vs Perpetual Growth)
- Discounting and calculation of Enterprise Value

Refining Your Intrinsic Valuation

- Sensitizing and cross-checking your outputs
- Perpetual growth assumptions, sanity checks vs reinvestment and asset efficiency
- Enterprise Value calculation refinements

Modeling Financial Acquisitions (LBO)

Introduction

- Overview of key structuring, funding and value generating strategies in the context of financial acquisitions
- KEY financial metrics, strengths and pitfalls (IRR, XIRR, MIRR, MOIC / COC)
- Overview of key entry / exit dynamics / metrics
- Emphasize critical thinking and current market status / trends

LBO Modeling

- Modeling entry / acquisition assumptions
- Build the sources & uses tab
- Funding – deal set up and modeling
- Modeling the shell / holdco and the operating company
- Modeling exit assumptions
- Calculating and sensitizing deal metrics for all stake holders (sponsors, management, combo)
- Critical analysis of outputs and focus on understanding, not just modeling

Modeling Strategic Acquisitions (M&A)

Introduction

- Overview of structuring, funding, forecasting, and calculation of KEY financial metrics
- Emphasize critical thinking about earnings and return impacts, credit consequences, and market perception

M&A Modeling

- Modeling acquisition assumptions
- Modeling the Balance Sheet

- Modeling the Income Sheet
- Modeling the Cash Flow Statement
- Transforming the deal into a multiple / relative valuation for analysis (implications)
- Analysis of key non-EPS metrics (fundamental)