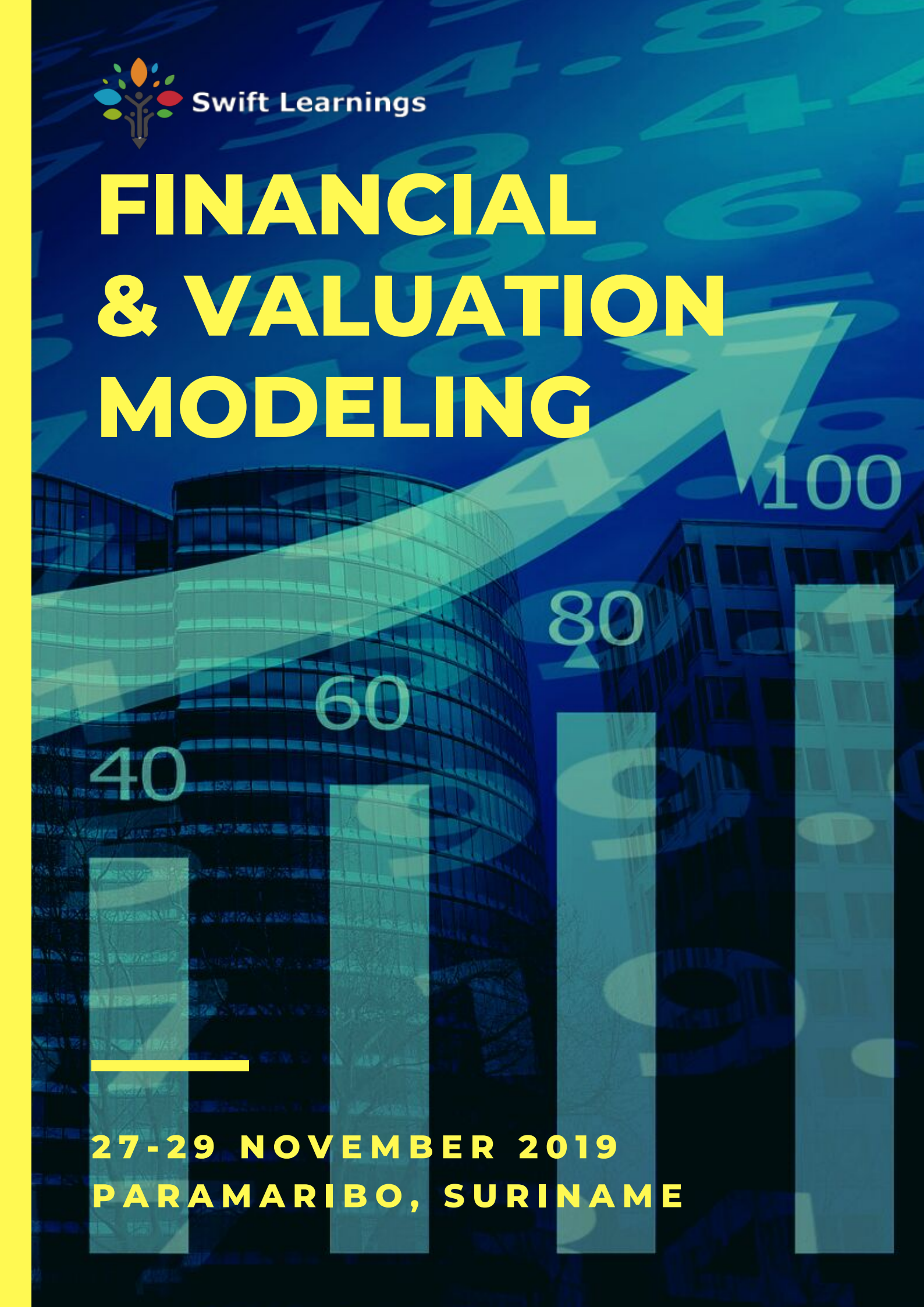
Swift Learnings
FINANCIAL & VALUATION MODELING
100
80
60
40
27-29 NOVEMBER 2019
PARAMARIBO, SURINAME

EXPERT TRAINER

MICHAEL SAMONAS

M.Sc., Ph.D., MBA, Chartered Accountant, FCCA

Michael Samonas is finance professional with extensive experience in Financial Planning, Analysis and Modelling. As the Group CFO of SIDMA S.A., a member of Viohalco Group of companies, he has conducted a range of models for Business planning, valuation, mergers, projects and data analysis. He has more than 25 years of working experience in multinationals including Vodafone S.A. and Hellenic Telecommunications Organization (OTE S.A.).

Along with his practical experience, he teaches specialized courses in Financial Analysis, Equity Valuation & Business Modelling at the School of Finance Accounting & Economics of the American College of Greece - Deree, Credit analysis & Cash flow forecasting at University of Piraeus & IBHS and Investment Evaluation & Appraisal. He is also teaching Financial Modelling and Valuation at University of Nicosia, Athens and Bucharest Campuses. Also, for a number of years Michael taught at the School of Business & Economics of the University of Laverne, Athens Campus. His interests lie in the field of Financial Modelling & Valuation. Michael is the author of Financial Analysis Forecasting and Modelling: A framework of Long-Term Forecasting, WILEY Finance Series, 2015.

Michael holds both a M.Sc. and a PhD degree from the Electronic Engineering department of the University of Surrey as well as an MBA from the University of La Verne California. He also holds a BSc degree in Applied Accounting from University of Oxford Brooks (with honors) and is a Fellow member of the Association of Chartered Certified Accountants – ACCA.

INTRODUCTION

Over the past several years, spreadsheet models have been the dominant vehicles for finance professionals to implement their financial knowledge. Financial modeling is a core skill in many key leadership and strategic roles ranging from CFOs and FP&As to Private Equity and Investment Banking. Moreover, Financial Modelling professionals has steadily increased as organizations need to plan and adjust to the economic volatility and uncertainty that has become the “new normal”.

The course develops the initial model with integrated financial statements and adds more advanced features. The workshop uses the logical consistent approach and builds the cash flow model through a series of practical stages. Upon completion delegates, will have a comprehensive understanding of advanced modeling, as well as how they can apply each technique to their own models.

COURSE OBJECTIVES

- Learn how to develop step by step guide that it takes through the entire process of developing long term projection plans using Excel.
- Learn the articulation of the three financial statements and the theory behind the DCF and Comps valuation techniques.
- Learn to build the detailed proforma financial statements for an explicit forecast period of 5 years and then applies DCF and Comps to estimate the so-called intrinsic value of a company.
- Learn to use of various tools (Excel Scenario Manager & Sensitivity Analysis and Monte Carlo Simulation).
- Provides practical examples on how to apply risk and uncertainty to these projection plans and the associated intrinsic value.

COURSE STRUCTURE

This is an intensive course and delegates will be spending majority of the time on practical model building tasks. With a step by step approach this practical seminar guides participants through the various techniques of financial modelling and valuations. Participants will build their own models in order to forecast the financial performance of a case company and estimate its intrinsic value bringing a practical application to the skills they have learned.

COURSE METHODOLOGY

This programme will be delivered through and interactive case study and worked examples demonstrating how and why each technique is used. Emphasis is placeds on the delegates gaining practical, hands-on experience of the design and construction of financial models in Excel. Delegates will also benefit from formal lectures and group discussions.

WHO SHOULD ATTEND?

Training is relevant for all industry with an interest in Financial and valuation and job titles include:

- Financial Directors / Controllers / CFO's
- Corporate / Structures / Project Finance Officers
- Management Accountants
- Financial / Strategic Planners
- Business / Financial / Treasury / Market Analysts
- Operational Managers
- Business Analysts

PRE-REQUISITE

Participants should bring their own laptop, ideally one they are accustomed to using, with a Microsoft Windows operating system and Microsoft Excel 2010 or 2013 installed and have a basic understanding of MS Excel.
This seminar presumes moderate experience in financial accounting.

IN-HOUSE TRAINING

Organization is willing to train the group of employees on this particular topic or looking forward for something specific and suitable for your organization needs. Do contact us for more information or quote.

pradhan.raj@swiftlearnings.com +1979 289 1678 www.swiftlearnings.com

SEMINAR OUTLINE

DAY 1

INTRODUCTION AND OVERVIEW

- Definition and Uses of Financial Models
- The financial Modeling Process
- Excel best practices

COFFEE BREAK – 10:30

FINANCIAL STATEMENT MODELLING

- Collecting and analyzing historical data
- Integrating assumptions and drivers into the model
- Modelling the Income Statement
- Building supporting Balance Sheet schedules: Working Capital, PP&E, Depreciation, and Debt & Interest
- Balancing the Balance Sheet: The Debt or Cash Plug
- Modelling Interest and Circular References
- Modelling the Cash Flow Statement

LUNCH BREAK – 13:00

PROJECTING REVENUES

An examination of the different types of forecasting techniques that can be sued in financial modelling:

- Linear Regression
- Non-Linear forecasting

PRACTICAL EXERCISE:
Using regression analysis to produce a revenue forecast.

COFFEE BREAK – 15:30

ERROR CHECKING

- Sources of Error
- Best practices for checking model integrity

CASE STUDY

- Use past data to analyze and project future financial performance.
- Built a five-year Balance sheet, Income statement and Cash Flow forecast of a listed company.
- Estimate the Free Cash Flows and the level of risk associated with them.

END OF DAY 1 – 17:00

DAY 2

BUSINESS VALUATION TECHNIQUES

MODELING FREE CASH FLOWS (FCF)

- Explicit forecast period
- Unlevered vs. levered FCF

COFFEE BREAK – 10:30

DISCOUNTING THE CASH FLOWS

- Deriving the cost of debt
- Derive the cost of equity using CAPM

- Estimating the weighted average cost of capital (WACC)
- Delevering and relvering beta
- Determining the optimal WACC

ESTIMATING TERMINAL VALUE
- Perpetuity (Gordon growth) formula
- EBITDA multiple approach

From Enterprise Value to Equity Value per share
Calculating net debt and treatment of debt equivalents such as convertibles, capital leases, and Non-Operating Assets.

LUNCH BREAK – 13:00

COMMON PITFALLS
- Terminal Value growth rates
- R&D and Lease adjustments

TRADING COMPARABLES TECHNIQUE
- Select comparable companies
- Select key valuation multiples (i.e.P/BV, P/E, EV/Sales, EV/EBITDA, etc)
- Present the results in a structured output schedule

TRANSACTION COMPARABLES TECHNIQUE
- Select comparable companies
- Select key valuation multiples

COFFEE BREAK – 15:30

ADVANTAGES AND DISADVANTAGES OF COMPARABLES TECHNIQUE

CASE STUDY
Valuing a going concern company using Fee cash Flows and Comparables
Presenting the results in a football field graph.

END OF DAY 2 – 17:00

DAY 3

DEALING WITH UNCERTAINTY

RISK AND SENSITIVITY
- Building what – if, 2- dimensional sensitivity analysis
- Adding scenarios to a five-year forecast model

PRACTICAL EXERCISE:
Using Excel's Scenario manager to create and compare scenarios.

COFFEE BREAK – 10:30

MONTE CARLO SIMULATION (MCS)
- Probabilities and Cumulative probabilities
- Random Numbers
- Creating Histograms

LUNCH BREAK – 13:00

PRACTICAL EXERCISE:
Use MCS to access the probability that the debt capacity of a company is exhausted.

COFFEE BREAK – 15:30

BUDGETING & FORECASTING (FMVA CERTIFICATION CURRICULUM)

- The importance of budgets
- Identify the components of a master budget
- The budgeting process
- Developing Budgets
- Budgeting techniques
- Forecasting Costs
- Tracking Budget Performance with Variance Analysis
- Reporting results using pivot tables

END OF DAY 3 – 17:00