

Financial Statement Analysis & Equity Valuations:

Foundations of Financial Modeling

- Need for Financial Models
- What is Financial Modeling
- Best Practices of EXCEL
- Understanding of Key Financial Statements (Balance Sheet & Income Statement)
- Streamlining of the Financial Statements data gathered from Third Party Sources
- Additional information from Annual Reports

Cash Flow Statements

- Preparation of cash flow statement from Balance sheet & Income Statement
- Analysis based on Cash Flow Statements
- Computation & Interpretation of Cash Flow Ratios

Ratio Analysis

- Profitability Analysis
- Efficiency Analysis
- Liquidity Analysis
- Common size Analysis
- DuPont Analysis
- Altman z-Score
- Reporting on overall Financial Health
- Valuation Ratios
- Working Capital Analysis
- Observe historical trends
- Identify determinants of earnings growth
- Measure financial strength
- Observe the link between ROE and implied growth

Forecasting Financial Statements

- Using different functions of EXCEL to forecast
- Understanding Macro economic variables having impact on Future Financial Statements
- Impact of GDP, Inflation & other macro economic variables on Equity Market
- Using Regression to model forecasted Financial Statements
- Understanding the drivers for forecasting

Understanding of Key Components

- Depreciation Schedule
- Debt Schedule
- Shares Outstanding Schedule
- Understanding & Modeling Growth Drivers

Different Concepts of Valuation

- Discounted Cash Flow based Valuation
- Relative Valuation
- Residual Based Valuation
- Calculation of Cost of Equity & Cost of Capital
- Sustainable growth rate
- Terminal value and its importance.

Discounted Cash Flow Techniques

- Understanding Dividend Patterns
- Dividend Discounting Model
- Calculation & Interpretation of Terminal Value
- Computation of Free Cash Flow to Equity & Free Cash Flow to Firm
- Valuation using FCFF & FCFE approached
- Normalization of Earnings
- Enterprise Value calculation

Relative Valuation Techniques

- Understanding key valuation ratios like P/E, P/BV, P/S, P/CF and importance of each
- Computation of each of those ratios dynamically (Leading & Trailing)
- Using the ratios to forecast the value of the Equity/Firm
- Understanding PEG & Dividend Yield

Residual Valuation Techniques

- Understanding the concept of Residuals
- Benefits of Residual Valuation Models
- Calculating residuals like EVA & MVA
- Valuation based on Residuals

Sensitivity Analysis

- Using Advanced EXCEL Tools like Data Table & Goal Seek
- Using Monte-Carlo simulation to forecast sales and do a sensitivity Analysis

Report Writing

Investment Banking Process

- M&A and Private Placement
- Investment Bank
- Industry Overview
- Market Overview
- Client
- Valuation
- Process

- Buyer/Investor Descriptions
- Financing
- Investment Bank
- Industry Overview
- Market Overview
- Client - Positioning
- IPO Valuation
- Marketing
- Pitch Process
- Sell-side Process
- M&A Process
- Private Placement

Portfolio Management