

Financial Modelling in Excel

By Wong Kah Teck, CFA, MBA (Chicago Booth), BSc (Wharton School) and BA (University of Pennsylvania)

Program Overview

How much is a company worth based on its current operating fundamentals? What assumptions need to be realized for a stock to justify its target price? How much value can be created if a company expands its gross profit margin by 2% and reduces operating expenses by 1%?

A financial model is essential to quantitatively answer the above questions and more. The importance of financial modelling is undisputed in corporate finance, investment research and private equity. Instead of learning Excel without applying it to corporate financial modelling, this workshop focuses on equipping participants with practical skills to build a detailed financial model for a company. The model will then be used to value the company and its equity securities and perform various sensitivity analyses.

Benefits:

- This course is extremely *hands-on*, where participants learn *step-by-step* how to build a detailed financial model for a company by using an *actual* set of financial statements
- See how financial concepts such as free cash flow, cost of capital and enterprise value are applied in a financial model
- Learn various Excel short-cuts to expedite model-building
- Appreciate how a good model can be used to aid decision-making

Key Program Takeaways

- Describe importance and limitations of a financial model
- Build a fully-integrated set of projected financial statements (i.e. income statement, balance sheet, cash flow statement and related schedules) for a company using annual report data
- Apply useful shortcuts and functions in Excel for expediting financial model construction
- Evaluate a company's future prospects using a financial model
- Calculate the weighted average cost of capital (WACC)
- Apply sales forecasting methods
- Value a company and its equity securities

How Will You Learn

- Financial modelling case study based on an actual company
- Building a financial model step-by-step using actual financial statement data
- Interactive lectures

Date and Venue

23 – 24
OCT

Wed –Thurs 09:00 – 17:30

Perdana Room,
Royal Lake Club, Kuala Lumpur

Fee

Standard	RM 3,200
Early Registration*	RM 3,000

10% discount applies for group registration of 3 or more from the same organization

* by **23 Sept 2019**

Target Audience

- Investment banking professionals
- Buy and sell-side analysts
- Finance professionals in a corporation
- New entrants to capital markets/finance

Others

10 SIDC CPE points

Eligible for HRDF claim

Prerequisites

- Good foundation in financial statements and a working knowledge of Microsoft Excel

Participants are required to bring along their laptops equipped with Microsoft Excel 2007 or higher.

Enquiries

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Program Outline

Day 1

Session 1: Preliminaries

- An overview of the financial modelling process
- The importance of financial modelling

Session 2: Building the Income Statement

Projection Model

- Explanation of the valuation case study
- The role of the income statement model
- Documenting income statement assumptions
- Projecting the income statement

Exercises:

- Inputting income statement assumptions
- Constructing the projected income statement

Session 3: Constructing the Balance Sheet

Projection Model

- The role of the balance sheet model
- Documenting balance sheet drivers
- The difference between operating items and non-operating items in the balance sheet
- Projecting the balance sheet

Exercises:

- Linking balance sheet assumptions to the projected income statement
- Projecting the balance sheet

Session 4: Creating the Cash Flow Statement (CFS) Projection Model

- The role of the CFS model
- A refresher of the various cash flow categories
- Relating CFS items to the income statement and balance sheet
- Dealing with dividends and share buy backs

Exercise:

- Linking the CFS to the income statement and balance sheet

Session 5: The Debt and Interest Schedules

- Why the financial model is still not balanced
- The role of the debt and interest schedules

- Relating items in the debt and interest schedules to the projected financial statements

Exercises:

- Completing the debt and interest schedules
- Balancing the model using the debt and interest schedules

Day 2

Session 6: Projecting Free Cash Flows (FCFs)

- FCFs vs. cash flows detailed in the projected cash flow statement
- Obtaining FCFs from the projected financial statements
- Determining the “steady state” FCF

Exercise:

- Deriving the company’s FCFs

Session 7: Initial Valuation of the Company

- A recap of the discounted cash flow valuation technique
- Finding terminal value using the perpetuity growth and exit multiple approach
- Determining the company’s enterprise value (EV), firm value and equity value

Exercises:

- Finding the EV, firm value and fair value per share
- Sensitivity analysis

Session 8: Finding the Cost of Capital

- Weighted Average Cost of Capital (WACC) - definition and assumptions
- The capital asset pricing model (CAPM)
- Finding the appropriate cost of equity and debt capital and practical considerations

Exercise: Determining the WACC

Session 9: Building “Bottom-Up” Sales Forecasts

- The importance of sales as a driver of the model
- Understanding the drivers of sales growth
- Incorporating “bottom-up” sales forecasts into the projected financial statements
- Statistical methods of estimating sales growth

Exercises:

- Estimating sales growth for the company using “bottom-up” assumptions
- Using statistical methods to estimate future sales growth

Session 10: Putting It All Together

- Using “switches” to toggle between assumptions in the model
- Using the model to answer “what-if” questions
- Q & A session

Trainer's Profile



Kah Teck has more than a decade of capital markets experience. He was a portfolio strategist in CIMB Investment Bank and Am Investment Bank where he was responsible for spearheading investment advisory and product development initiatives and also played an active role in evaluating numerous plain vanilla and hybrid fund raising options. He has also worked for the Securities Commission in research and formulating capital market development policies.

Now the Managing Director and Principal Trainer for FMTCS Sdn Bhd, Kah Teck passionately shares his knowledge and experience with professionals in many of Malaysia's leading financial institutions and government-linked institutions. His trainees frequently credit him with the ability to make finance interesting and demystify complex finance concepts.

Kah Teck graduated *summa cum laude* with a dual degree in finance and economics from the University of Pennsylvania's Wharton School and School of Arts and Sciences, and holds an MBA (with Honors) from the Booth School of Business, University of Chicago. He is also a Chartered Financial Analyst (CFA) charterholder. Kah Teck was also awarded the prestigious ASEAN scholarship to pursue pre-university studies in Singapore.

His teaching and research interests are in corporate finance, derivatives, securities valuation, financial risk management, financial modelling and financial analysis.

What our past participants say about Kah Teck's training delivery:

- *"Finally, a financial modelling course that teaches us how to **build an effective financial model from scratch**"*
- *"**Practical, fun and easy to follow** -accounting and valuation concepts are brought alive in this Program"*
- *"**Awesome Excel short cuts** that expedite my daily use of Excel"*
- *"He has **immense knowledge** of finance and is very passionate and eager to teach and share-it amazes me how one can **make finance so interesting and easy to comprehend**"*

Registration Form

Financial Modelling In Excel

on 23-24 October 2019, Perdana Room, Royal Lake Club, Kuala Lumpur

09:00 – 05:30

Registration commences at 08:30

Fee: RM3,200 (RM3,000 by 23 September 2019)

Name : _____

Designation : _____

Company : _____

Contact Tel. No. : _____

Fax No. : _____

Email Address : _____

Training Dept. : _____

Name: : _____

Contact Tel. No. : _____

Email Address : _____

Payment Details

BY CHEQUE Cheques should be made payable to “FMTCS Sdn Bhd”. Please indicate the following details at the back of your cheque.

- Your Full Name as per registration detail
- Contact Number & Email Address

BY TELEGRAPHIC TRANSFER

- Participants will bear all bank telegraphic transfer charges.
- Once we receive your registration form, we will provide you with an invoice and bank-in details.

Cancellation and refund policy

Cancellations are allowed up to 15 working days before the date of the program.

Cancellation made with less than 15 working days will not receive a refund but may nominate a substitute.

Enquiries

Please contact +6 016 633 2883 or email us at fmtcs.sb@gmail.com

Disclaimer

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Fee includes tuition, documentation, lunch and refreshments. Participants are responsible for their own flights and accommodation. An invoice will be sent upon receipt of registration form.