

# Project Finance Modelling in Excel

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

## Program Overview

*What returns can Financial Sponsors expect from a project? What drives these returns? Would a project be able to service its debts in a timely manner? What is the optimal level of project debt? How would the project's returns and debt servicing ability look like under various scenarios?*

The **Project Finance Modelling in Excel** program equips participants with the skills to build a robust and fully-integrated project finance model to answer the above questions and more. In this hands-on program, we will use a methodical approach to create a financial model for a hypothetical large-scale project. In the process, we will gain insights into best practices in project finance modelling and apply useful Excel functions that can be applied to modelling various large-scale projects such as power plants, toll roads and real estate. Instead of learning Excel without applying it to project finance modelling, this Program focusses on equipping us with practical skills to build a financial model for a project.

Benefits:

- This course is extremely hands on, where we learn step-by-step how to build a project finance model
- Learn various Excel shortcuts and useful functions for project finance modelling
- Apply the model for scenario analysis and decision making

## Key Program Takeaways

- Discuss the role and importance of project finance modelling
- Contrast project finance modelling with corporate finance modelling
- Construct a fully-integrated project finance model that also incorporates all phases of the project's life
- Apply useful Excel functions and short cut keys to expedite the project finance modelling process
- Describe the key steps in building a robust project finance model
- Analyze a project's attractiveness and viability to Financial Sponsors and Lenders under different scenarios
- Incorporate robustness checks into the model

## How Will You Learn

- Project finance modelling case study based on a hypothetical large-scale project
- Building the project finance model step-by-step
- Interactive lectures

## Date and Venue

23 – 24  
NOV

Mon – Tues 09:00 – 17:30

Perdana Room,  
Royal Lake Club, Kuala Lumpur

## Fee (inclusive 6% SST)

Standard	RM 3,392
Early Registration*	RM 3,180

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

\* by 23 Oct 2020

## Target Audience

- Project Sponsors, Lenders and Advisors
- Project engineers and project managers of large scale projects
- Finance professionals in a corporation involved in evaluating large-scale projects
- Investment and corporate banking professionals
- Buy and sell-side analysts

## Others

10 SIDC CPE points  
HRDF Claimable

## 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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E [fmtcs.sb@gmail.com](mailto:fmtcs.sb@gmail.com)

## Program Outline

### Day 1

#### Session 1: Program Introduction

- What is project finance?
- Role and importance of a project finance model
- Project finance modelling vs. corporate finance modelling

#### Session 2: Getting Started on the Model

- Explanation of the project finance modelling case study
- Key terminologies in project finance modelling
- Best practices in project finance modelling
- Key steps to building a robust project finance model
- Useful Excel functions in project finance modelling

#### Exercise:

Incorporating different phases of a project's life into the model

#### Session 3: Modelling the Project's Capital Expenditures, Funding Sources and Debt

- Forecasting the project's funding requirements
- Building a project funding schedule
- Modelling drawdowns of debt and equity capital
- Incorporating interest during construction and financing fees into the model

#### Exercises:

- Modelling the Project's Sources and Uses of Funds
- Modelling drawdowns and repayments of Project Debt

#### Session 4: Modelling the Project's Income Statement

- Modelling revenue and expense drivers
- Incorporating the effect of inflation into the model
- How to deal with corporate taxes in a project finance model
- Building an income statement model for the project

#### Exercises:

- Building bottom-up revenue and operating expense models for the Project
- Creating the Income Statement model

### Day 2

#### Session 1: Modelling the Project's Working Capital and Non-Current Assets

- Estimating the working capital requirements for the project
- Capital allowances and their role in project finance
- Projecting non-current assets and capital allowances

#### Exercises:

- Modelling the project's working capital requirements
- Modelling non-current assets and capital allowances for the project

#### Session 2: Modelling the Project's Cash Flow Waterfall and Balance Sheet

- The role and structure of the Cash Flow Waterfall
- Defining various categories of cash flow in project finance
- Projecting the Equity Balance and dividends to Sponsors
- Modelling the Balance Sheet

#### Exercises:

- Building a cash flow waterfall model
- Projecting the Balance Sheet

#### Session 3: Project Financial Analysis

- Key metrics in project finance analysis
- Estimating the returns of the project to its Sponsors
- Debt cover ratios and how to interpret them
- Incorporating scenarios
- Determining the viability of the project from Sponsor and Lender perspectives
- How to check for model robustness

#### Exercises:

- Calculating the internal rate of return
- Estimating the optimal amount of debt for

the project

- Performing scenario analysis

#### **Session 4: Enhancing the Model**

- The Debt Service Reserve Account and Dividend Lock Up Account:
  - Role and mechanics
  - Modelling these accounts
- Question and answer
- Program summary and conclusion

Exercises:

- Modelling the Debt Service Reserve Account
- Modelling the Dividend Lock Up Account

## 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 how to **build an effective model from scratch**"*
- *"**Practical, fun and easy to follow**-accounting and valuation concepts are brought alive and we can see how various parts of the model fit together"*
- *"**Awesome Excel shortcuts and functions** that expedite my daily use of Excel"*
- *"He has **immense knowledge** of finance and is very passionate and eager to teach-it amazes me how one can **make finance so interesting and easy to understand**"*
- *"**Thoroughly engaged with the audience and extremely patient**-willing to guide in building the model step by step"*

## Registration Form

### Project Finance Modelling In Excel

on 23-24 Nov 2020, Perdana Room, Royal Lake Club, Kuala Lumpur

09:00 am – 05:30pm

Registration commences at 08:30am

Fee (inclusive 6% SST) : RM3,392 (RM3,180 by 23 Oct 2020)

**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](mailto:fmtcs.sb@gmail.com)

### Disclaimer

FMTCS Sdn Bhd (“FMTCS”) reserves the right to alter any part of the published programme or faculty. In the event of course cancellation by FMTCS due to unforeseen circumstances, FMTCS limits its liabilities to refunding tuition fee of the course.

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.