



FM181: Financial Modelling

Training Description:

What is Financial Modelling? Financial Modelling (FM) is an essential skill for Financial Analysis that anyone dealing with business must-have.

Discover and learn how to have an impact on decision making and the performance of a business through a variety of financial models that could dictate the future direction and growth of a commercial organisation.

How to Build a Financial Model? The opening part of the course practically applies Excel within a financial framework to study and explore how forecast financial models can be efficiently built and modified.

The efficient use of Excel is key and so the course starts by confirming the participants can quickly and accurately harness Excel's tools and functionality.

The succeeding part of the course will foster the best practice approaches to structuring and presenting fully flexible and auditable forecast financial models appropriate for analysis, financial structuring and/or valuation.

Through this intensive training course, you will learn the tried and tested habits and techniques to minimize errors, and make models easy to interpret, adapt and audit.

Training Objectives:

By the end of the training, participants will be able to:

- ✓ Forecast an Income Statement, Balance Sheet and Cash Flow Statement (CFS), given a set of forecast expectations and assumptions
- ✓ Build all formulae plainly and correctly
- ✓ Balance your balance sheet each and every time from your well-constructed CFS
- ✓ Compute interest income and expense based on average balances, and prudently control the resulting intentional circularity
- ✓ Check your complete model for errors and save it in a professional way, ready to be shared with colleagues or clients

Personal Benefits:

- ✓ Build, interpret, review and audit financial models containing forecast integrated income statements, cash flow and balance sheet
- ✓ Numerous practical, hands-on exercises are performed to demonstrate all the basic excel features and functionality, from basic navigation through to more complex 'lookup' functions
- ✓ Take your Excel skills to the level required in order to start to build a financial model with numerous practical, hands-on exercises to show all the basic, features and functionality

Organisational Benefits:

- ✓ Demonstrate and prove knowledge of modelling, income statements, cash flows, assets and liabilities
- ✓ Understand and Know the relationships between items in financial statements
- ✓ Recognise tax computations, managing tax losses and the financial modelling of deferred tax

Training Designed for:

This course is intended for Professionals in corporates and financial institutions who require to make useful and robust financial models and desire to raise their financial valuation skills to a superior level. Participants must be able to practice and use the basic facilities of Microsoft Excel and have basic accounting knowledge.

Training Requirement:

"Hand's on practical sessions, equipment and software will be applied during the course if required and as per the client's request." Each participant should bring their own laptop with MS Office installed.

This training course is available upon request in English or Arabic, virtual online live or face to face public/inhouse. Content, location and duration can be adapted to your specific wishes. It is therefore possible to focus on specific modules of the training course as per client's learning needs and objectives. Further, it should be forwarded to us a month prior to the course dates.

Training Program:

DAY ONE:

- ❖ **Module 1: Key Excel Functions/Functionalities/Applications relevant for Financial Modelling**
 - Mathematical and Statistical Functions
 - Text and Logical Functions
 - Lookup and Reference Functions
 - Financial and Date Functions
 - Worksheet Editing Techniques
- ❖ **Module 2: What-If Analysis and Decision-Making Tools**
 - Scenario Manager
 - Goal Seek
 - Data Table (Sensitivity Analysis)
 - Solver
 - Exercises and Analysis

DAY TWO:

- ❖ **Module 3: Financial Modelling (Concepts) – Introducing Valuation and Techniques**
 - Need for Valuation
 - Difference between Price and Value
 - Different terms of Value (Market Value vs. Intrinsic Value vs. Book Value)
 - Concept of Equity Value Vs. Enterprise value (EV)
 - Different Techniques of Valuation
- ❖ **Module 4: Financial Modelling (Concepts) – Absolute Valuation**
 - Discounted Cash Flow Model (DCF)
 - Dividend Discount Model (DDM)
 - Free Cash Flow to Firm (FCFF) vs. Free Cash Flow to Equity (FCFE)
 - Terminal Value Derivation
 - Discount Rate – Cost of Equity, Cost of Debt & Cost of Capital

DAY THREE:

- ❖ **Module 5: Financial Modelling (Concepts) – Relative Valuation**
 - Identifying Right Peers/Deals

- Multiples analysis – EV/Sales, EV/EBITDA, EV/EBIT, P/E, P/B, P/CF, P/S etc.
- Trading Multiples vs. Transaction Multiples
- Industry Specific Valuation Multiples
- ❖ **Module 6: Financial Modelling (Concepts) – Sector Specific Valuation (Project Appraisal/Infrastructure/Real Estate)**
 - Capital Budgeting: Evaluating Capital Investment Projects
 - ROI, NPV, IRR and Payback Period Analysis
 - Calculation, Merits and Limitations of each
 - Project Cost, Funding, IDC etc.
 - Exercises and Analysis

DAY FOUR:

- ❖ **Module 7: Financial Modelling (Case Studies/Modelling) – Detailed Financial Modelling Case Studies**
 - Project Finance Feasibility Modelling
 - Business Valuation Modelling
 - M&A Modelling (Accretion/Dilution Analysis, Synergy, Financial Consolidation/Contribution, Goodwill etc.)
- ❖ **Module 8: Overview & Best Practices**
 - Understanding Financial Model Structure (Flow of the Model)
 - Understanding and Creating a Financial Model Template
 - Setting up Assumptions, Scenarios, Checks, Data Collection from Public Sources
 - Dynamic Timelines, Flags and Counters

DAY FIVE:

- ❖ **Module 9: Building the Financial Statements**
 - Building the Historical Statements
 - Art of Projecting Financials (Identifying Revenue & Cost Drivers; Smoothing and Seasonality)
 - Constructing Revenue (Revenue Build-Up) and Expenses (Cost Build-Up: Fixed, Variable and Hybrid)
 - Building Various Schedules (Working Capital, Asset, Depreciation, Debt Amortization, Equity, Tax)
 - Dynamic Loan Repayment with Moratorium Period, Waterfall Structure, Circularity Switch
 - Consolidate & Summarise Financials
 - Developing P&L, Balance Sheet & Cash Flows – minding key line items
- ❖ **Module 10: Finishing Touches to the Financial Model**
 - Key Ratios and Margins Analysis (Profitability, Efficiency, Liquidity, Leverage, DSCR, LLCR etc.)
 - Sensitivity Analysis of Key Valuation Output
 - Valuation Football Field Analysis
 - Dashboards to Present Key Outputs (Advanced Charting)
 - List Box, Option Box, Spinner Data Modelling
 - Breaking Circular Loops
 - Role of Monte Carlo Simulation and Macros in a Model
 - Impact of Various Corporate Actions on Valuation

- Breakeven Analysis
- Sum of the Parts Valuation (SOTP)
- Attributes of Effective Modelling
- Auditing and Testing of a Model
- Grey Areas of Business Valuation
- Exercises and Analysis
- ❖ Course Conclusion
- ❖ POST-ASSESSMENT and EVALUATION

Training Methodology:

This interactive training course includes the following training methodologies as a percentage of the total tuition hours:

- 30% Lectures, Concepts, Role Play
- 70% Workshops & Work Presentations, Techniques, Based on Case Studies & Practical Exercises, Gamification, Software & General Discussions
- Pre and Post Test

Training Certificate(s):

CMCT Internationally recognized certificate(s) will be issued to each participant who completed the course.

Training Fees:

USD\$ - This rate includes participant's manual, hand-outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Note: The 5% VAT (Value Added Tax), will be effective starting 01st of January 2018 as per the new regulation from the UAE Government. The VAT applies for all quotation both for local and abroad.

Training Timings:

Daily Timings:

07:45 - 08:00	Morning Coffee / Tea
08:00 - 10:00	First Session
10:00 - 10:20	Recess (Coffee/Tea/Snacks)
10:20 - 12:20	Second Session
12:20 - 13:00	Recess (Prayer Break & Lunch)
13:00 - 15:00	Last Session

For training registrations or in-house enquiries, please contact:

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