



Executive Certificate in Financial Modelling

Module 2: Public Comparables and Discounted Cash Flow Analysis

Integrate Valuation Analysis On Your Financial Model

In equity valuation theory and practice, we generally encounter two valuation approaches: **Comparable Companies Analysis** and **Discounted Cash Flows (DCF) Analysis**. This course will walk you through the process and theories of the two models.

Who Should Attend

- Practitioners working in the financial services industry (banking, insurance, consulting, research, asset management, wealth management, private equity, brokerage, sales & trading, investor relations, risk management, etc.)
- Financial analysts and business analysts seeking a best practice approach to building a financial model representing an acquisition transaction, using case studies

Workshop Leader

Marcus Chan is a seasoned investment banker with over 10 years of investment banking experience in transaction experience in corporate mergers and acquisitions, carve-outs and public takeovers in different regions and jurisdictions. He has advised middle market and large capitalization companies in a variety of sectors including financial services, natural resources, food and beverage, real estate, pulp and paper, natural resources, technology, media and telecommunications. Marcus graduated from University of Michigan, Ross School of Business. Currently Marcus serves as the Vice President for an entertainment and hospitality group. Prior to his current role, he was Vice President in the Mergers and Acquisitions Group with Deutsche Bank.

Other Advanced Courses Available

Check out modules on **Leverage Buyout Analysis** and **Merger Analysis**.

Pre-requisite

Have attended **Introduction to Financial Modelling** with Excel or have equivalent techniques.

Certificate of Attendance

All participants will be issued a certificate of attendance upon successful completion of this module.

Kaplan Certification

Kaplan awards an **Executive Certificate in Financial Modelling** upon successful completion of at least 3 financial modelling courses within a 12-month period.

For course details of module 3 & 4, please refer to Kaplan website.

Enquiries / Registration

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Teaching Language

English

Duration

9 hours

Venue

Kaplan E-Tech Centre Campus

Program Schedule

Registration	09:00am
Course begins	09:30am
Morning break	11:00am
Lunch break	12:30pm
(Course ends at 12.30pm on Day 2)	
Course resumes	02:00pm
Afternoon break	03:30pm
End	05:00pm

Program Outline

Course Introduction

- Overview of key valuation methodologies and basic concepts of each methodology
 - Comparable companies analysis
 - Precedent transactions analysis
 - Discounted cash flow analysis

Overview of Comparable Companies Analysis

- Objectives of adopting comparable companies analysis
- Selecting comparable companies
- Definition of enterprise value (EV) and market capitalization (MV)
- Latest twelve months (LTM) calculation
- EPS calendarization calculation
- Adjustment of non-recurring items
- Key benchmarking metrics and multiples
- Tips, shortcuts and pitfalls
- Deriving an implied valuation range
- Exercise for a case company

Overview of Precedent Transaction Analysis

- Objectives of adopting precedent transaction analysis
- Identification of precedent
- Choosing the appropriate deal list
- How control premiums and synergies impact multiples
- Exercise for the same case company

Overview of Discounted Cash Flow Analysis

- Introduction to DCF analysis
- Calculating unlevered free cash flows
- Mid-period convention
- Introduction to the concept of terminal value
 - Different methodologies of calculating terminal value
 - Comparison of terminal value methodologies
- Normalizing earnings
- Introduction to Weighted Average Cost of Capital (WACC)
 - Calculation of WACC
 - Discussion on how to derive Beta
- Exercise: Building a DCF analysis using the same case company

Compilation of Valuation Summary

- Considerations of appropriate valuation ranges under each methodology
- Creating a valuation summary based on different methodologies

What To Bring

- PC Laptop with an English version of Microsoft Excel (MS Office Excel 2010 is used by presenter in class) and Adobe Acrobat Reader
 - If you need to hire a PC, please contact us and we will be happy to refer you to our preferred supplier. Extra cost applies.
 - Thinking of bringing a Mac? Many of the shortcuts and functions are not available. We highly recommend a PC and if Mac is your only option, please run Windows on your Mac.
- USB memory stick ability (for file sharing and distribution)
- Laptop charger
- External mouse