

Financial Modeling in Excel

Course Overview

Learn essential finance & accounting concepts while building a comprehensive discounted cash flow model in Excel. This financial modeling class blends finance, accounting and Excel techniques into an intensive 2-day course. Build a valuation model on a real public company, while learning how to analyze its business, financial statements, and future growth prospects.

Finance Principles

Review essential finance concepts, such as Net Present Value (NPV), Internal Rate of Return (IRR), and how to calculate them in Excel.

Market Capitalization

Learn how to calculate market cap for real companies, and which share count to use (basic versus diluted, and treasury stock method).

Enterprise Value

What is enterprise value and why do we use it? What should and shouldn't be included and why?

Financial Accounting

Learn accounting principles including accrual versus cash accounting. Analyze the core financial statements, including the income statement, balance sheet and statement of cash flow. Review financial ratios and working capital and discuss how these items impact modeling and valuation.

Discounted Cash Flow (DCF) Modeling

Learn the "skeleton" of DCF modeling, how to project cash flow and a terminal value, and derive a share price from the model.

Excel Techniques

Learn various Excel techniques, including Data Validation, CHOOSE, Data Tables, Goal Seek and more.

Leveraged Buyouts (LBOs)

Review LBOs essentials, the players, and typical transaction structures. Create a simple LBO model to illustrate how these deals work and how private equity firms analyzes them.

Analyze a Publicly-traded Company

At home, review a presentation and financial statements for a public restaurant company. Understand the company's business model, growth drivers, profitability metrics, and other factors that impact valuation.

Setup the Financial Model

Input historical financials, capital structure and other company information to start setting up your financial model.

Project Revenues, Expenses, Capex & Taxes

Analyze the company's revenue and expenses via financial statements and management commentary. Adjust for one-time items. Understand what is causing revenue increases/decreases and margin expansion/contraction. What will happen going forward?

Corporate Valuation

Calculate the WACC for the discount rate. Use the WACC and terminal growth rate to determine the Terminal Value (Gordon Growth Model).

Derive a value per share

Using the projections and discounted cash flows, derive an equity value per share. Review the model for reasonableness and sensitize the main assumptions.

Analyze the Model Output

Should we invest in the stock? What more information do we need? Where is our model deficient? Where do we will confident? How do these projections compare to management's and the analyst community?