



Providing financial training to Wall Street®

SECURITIES RESEARCH TRAINING
SAMPLE CURRICULUM
DETAILED COURSE DESCRIPTIONS

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ABOUT WALL ST. TRAINING

WALL ST. TRAINING OVERVIEW

Wall St. Training provides professional financial training solutions to Wall Street through hands-on classroom training and customized corporate training programs for financial analysts. All of our courses take a hands-on, interactive, practical, non-theoretical approach and is exactly how it is done on Wall Street.

Wall St. Training Overview

- ◆ Corporate training
- ◆ Public, open-enrollment seminars
- ◆ Self-study, video-based learning

Wall St. Training Services

- ◆ Train finance professionals
- ◆ Conduct new hire and lateral hire training
- ◆ Teach fundamental financial analytics
- ◆ Instruct and promote mastery of advanced topics
- ◆ Provide practical, real-world, hands-on instruction

Wall St. Training Specialties

- ◆ Investment Banking and M&A (analysts & associates)
- ◆ Securities Research (equity & fixed income)
- ◆ Asset and Investment Management
- ◆ Credit Analysis (corporate & commercial banking)
- ◆ LBO Modeling (private equity & high yield)
- ◆ CFA (Chartered Financial Analyst)

WALL ST. TRAINING COURSE TOPICS

Wall St. Training offers a wide variety of topics ranging from Basic to Advanced levels. Our courses are designed for participants with various backgrounds, from students and entry-level professionals to professionals with some work experience to professionals in the midst of a career transition.

Basic and Fundamental Concepts

- ◆ Accounting and Financial Statements Integration
- ◆ How to Analyze a 10K
- ◆ Introduction to Finance ("Finance 101")
- ◆ Corporate Valuation (including Corporate Finance)

Core Financial Modeling Topics

- ◆ Basic Financial Modeling
- ◆ Advanced Financial Modeling (Core Model) & Valuation Analysis
- ◆ Revenue and Segment Build-up Model
- ◆ Trading & Deal Comps Analysis

Merger Modeling Topics

- ◆ M&A Deal Structuring and Merger Modeling
- ◆ Basic and Complex LBO Modeling & LBO Enhancements
- ◆ Advanced Merger Modeling
- ◆ Roll-Up Acquisition Modeling

Technical Applications & Topical Subjects

- ◆ Insurance Company and REIT Financial Modeling
- ◆ Overview of the Financial Markets
- ◆ Advanced Excel for Data Analysis + Intro to Macros

WHY CHOOSE WALL ST. TRAINING

We analyzed the current learning process in finance and Wall Street, figured out how teaching and training should be done and then implemented our learning processes. In short, our strengths that separate us from our competitors include:

- Hands-on, interactive, practical, non-theoretical, no "b.s." approach
- Training modules replicate exactly how it is done on Wall Street
- Blend of real-world and effective teaching style that is more down to earth and at the audience's level
- Fast-paced learning where the goal is for participants to become experts and extremely quick and efficient so they could spend more time on analysis of the numbers rather than pure number crunching
- Learn how to completely avoid using the mouse when building financial models
- Ability to translate difficult and advanced concepts into plain English while providing highly detailed explanations and intricacies; ability to integrate a variety of disparate topics into one focused theme
- Teach nuances and real-life intricacies, not just the basic how-to; we teach the rules and the exceptions!
- Models that are built more cleanly, more efficiently and are meant to be self-contained reference models
- Highly interactive, dynamic teaching approach – we guarantee you will learn AND have fun!

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SECURITIES RESEARCH TRAINING – SAMPLE CURRICULUM

Topic	Format	Duration
CORE TOPICS		
Accounting & Financial Statements Integration	Lecture / Project	½ day
Corporate Valuation & Corporate Finance	Lecture	½ day
Trading Comps & Deal Comps	100% Excel	½ – 1 day
Revenue and Segment Build-Up Model	100% Excel	1 day
Advanced Financial Modeling – Core Model (IS, BS, CF, Debt, Interest)	100% Excel	1 day
Advanced Financial Modeling – Enhancements Valuation Modeling – Standalone Value (Depreciation, DCF, Financial Summary, Trading Statistics, AVP, Credit Ratios, Treasury Options)	100% Excel	1 – 2 days
TECHNICAL APPLICATIONS		
Advanced Excel for Data Analysis + Intro to Macros	100% Excel	½ – 1 day

Note: Sample training curriculum only; actual curriculum can be customized; topics can be mixed and matched to fit specific requirements.



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CORE TOPICS

Accounting and Financial Statements Integration

Format: Part lecture, part hands-on Duration: ½ Day

This program covers the basics of financial accounting including the major financial statements (Income Statement, Balance Sheet and Cash Flow) and the most important components of each as it relates to financial analysis. Concentration is placed on the integration of the financial statements and provides a full integrated grasp of accounting from a finance perspective. This is not an Accounting class, but rather, is a perfect course for those needing a refresher or those desiring a financial statements crash course as it relates to financial analysis.

Learning Objectives:

- Income Statement items and Balance Sheet accounts
- Cash Flow Statement derivation and interaction of financial statements
- Ratio analysis – what are they, what are the important ones and why do we care?
- Overview of depreciation and working capital concepts
- Hands-on project to immediately apply knowledge in a real-world scenario

Learning Goals:

Accounting Overview:

- Definition of Accounting and its importance
- GAAP vs. FASB vs. FIN vs. IASB
- Explanation and illustration of accrual concept of accounting and matching principle

Financial Statement Review:

- Income Statement, Balance Sheet, Cash Flow Statement defined and importance of
- Comprehensive Financial Statement review
- Components of each major financial statement
- IS: Revenue and expense items, EBITDA defined and discussed
- BS: Assets, Liabilities, and Shareholders' Equity
- CF: Cash Flow from Operations, Investing Activities and Financing

Financial Statement Interaction:

- Understand how financial statements are inter-related to each other
- Relationship between the Income Statement and Cash Flow Statement
- Explanation of Accrued Expenses, Receivables and Payables and how they tie together

Depreciation, Working Capital, Ratio Analysis:

- Depreciation – what it is, why it's absolutely critical to understand and examples of
- Working Capital – what it is, why it's absolutely critical to understand and examples of
- Overview and explanation of major financial ratios, including: liquidity, asset management, debt management, profitability, and market value ratios
- Interactive group project break-out to analyze, compare and contrast financial statements of various companies; discussion and recommendation of which companies are more attractive



CORE TOPICS

Corporate Valuation (including Corporate Finance)

Format: Lecture

Duration: ½ Day

Learn how corporations are valued and the major analytical tools that are used. Go beyond academic theory to real-world methods as used by professionals; includes a crucial primer to Corporate Finance and its non-theoretical application. Apply learning objectives and goals immediately by analyzing a \$6 billion+ transaction.

Learning Objectives:

- How to value a company (trading comps, deal comps, DCF, LBO, break-up and asset valuation)
- Importance of Enterprise Value, EBITDA, capital structure, leverage and WACC
- Analyze valuation multiples and ratios; why are PE ratios sub-optimal as a valuation metric?
- Practical, non-theoretical application of introduction to corporate finance

Learning Goals:

Introduction to Valuation and Corporate Finance:

- How much is a company worth? Why is the current stock price not an accurate indication of value?
- How do you tell if a company is under-valued or over-valued?
- Why would one company command a higher or lower premium than its direct competitor?
- What is the importance between enterprise value and equity value?
- What is the relevance of capital structure and leverage on a company's value?
- Why and how is corporate finance so critical to managing a firm's profitability?

Ratios and Multiples Discussion:

- What exactly does a multiple tell us? Learn the **correct** way to use P/E ratios and other multiples
- Why are P/E ratios misunderstood and what other profitability-related ratios are more important?
- What is EBITDA and why is it so important?
- Utilizing the correct numerator for multiples analysis
- Calculating implied value based on multiples analysis

Detailed Valuation Analysis:

- Analysis of "football field" and reference ranges
- Detailed discussion of the major valuation methodologies, their nuances and application in the real-world
- Analyzing, comparing and contrasting trading comps, deal comps and premiums paid
- Detailed explanation of Discounted Cash Flow (DCF) valuation, its theory and application
- Discussion of why the DCF is arguable one of the most important analyses while simultaneously one of the most academic and least practical of them all
- Review of WACC (weighted average cost of capital), CAPM (Capital Asset Pricing Model)
- Beta: what you don't know about beta but really should know
- How do you approach valuing a company with completely disparate businesses?
- What is a leveraged buyout and what are the main motives for LBOs?
- Why are LBOs so inherently risky?



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CORE TOPICS

Trading & Deal Comps Analysis

Format: 100% Excel

Duration: ½ – 1 Day

Trading and deal comparables analysis is one of the most critical functions of any financial analyst. Mastering this job is crucial to success on Wall Street, whether you are in investment banking, equity research, or asset management. This hands-on, Excel-based course teaches you to analyze and compare publicly traded companies from a relative valuation perspective, focusing on current market valuation and trading multiples.

Learning Objectives:

- Analyze current market data (trading comps) and historical acquisitions (deal comps)
- Learn the nuances of “spreading” comps and how to avoid common mistakes
- Normalizing financials for extraordinary items, non-recurring and restructuring charges
- Calculating transaction value (purchase price), premiums and multiples in past deals
- Best practices on inputting and checking data, “Do’s and Don’ts” tips

Learning Goals:

- Learn the steps required to construct a trading and deal comps analyses
- Learn how to filter straight through to the relevant information
- Best practices on inputting and checking data, “Do’s and Don’ts” tips
- Calculate LTM (last twelve months)
- Treasury Method of calculating diluted shares outstanding
- Normalizing financials for extraordinary items, non-recurring and restructuring charges
- Specific Income Statement and Balance Sheet reminders
- Hands-on creation of trading and deal comps analyses
- Handling projections for comparability
- Weighted average cost of capital analysis
- Calculating transaction value (purchase price), premiums and multiples in past deals
- Incorporate trading and deal comps with core financial model and DCF valuation to build reference range and football field to summarize overall valuation ranges

Complex Comps Adjustments:

- Our comps module covers just about 98% of ALL adjustments one would possibly encounter!! Learn:
 - When and when not to adjust for asset impairments and write-downs
 - How to adjust for zero-coupon convertible securities that are simultaneously in-the-money and out-of-the-money
 - The effects of a LIFO / FIFO change in accounting recognition
 - How to adjust for changes in accounting principle and discontinued operations
 - The difference between below-the-line and above-the-line adjustments and evaluate when an item affects both, one or the other or neither
 - How to properly account for difference fiscal year ends
 - Proper treatment of capital leases
 - When to use reported GAAP Income Statement figures and when to use Pro Forma figures

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CORE TOPICS

Revenue and Segment Build-Up Model

Format: Lecture Duration: ½ – 1 Day

Learn how to build detailed revenue and segment build-ups into your larger financial model. Many financial projection models are based off simple revenue growth rate and expense margin assumptions, resulting in reduced precision in the projection model. This course teaches various approaches to true, bottoms-up, fundamental analysis, from both an "account-by-account" and "business segment" basis (very detailed build-up vs. division by division). The results of build-up analysis roll-up into a consolidating income statement that feeds into the Income Statement revenue items.

Learning Objectives:

- Learn detailed revenue build-up algorithms for various types of businesses and scenarios
- Provide additional credibility, support and precision to your financial models
- Understand and analyze the true drivers of growth in a business and translate into Excel

Learning Goals:

Detailed Account by Account Build-Up:

- Project sources of revenue based on growth in number of accounts and customers
- Model out revenue per account and associated commissions and expenses
- Incorporate inflation trends and rate increases into model

Detailed New Business Build-Up:

- Model out effects of hiring new sales representatives and the associated increased revenue
- Triangulate new revenue and tiered commission expenses due to renewal business
- Calculate incremental salary and bonus cost of new sales representatives
- Calculate additional cost of sales and other expenses related to new business

Detailed Business Segment Build-Up:

- Model out historical change in key drivers of growth and project future detailed growth
- Analyze and break down growth based on publicly available data and inputs from 10K filing
- Incorporate and remove effect of growth from non-core items such as foreign exchange rate fluctuations
- Project future detailed growth assumptions that roll up into larger projection model

Detailed Business Segment Build-Up:

- Model out detailed segment revenue and income based on data and inputs from 10K filing
- Incorporate effect of acquisitions, divestitures, new capital intensive growth initiatives
- Detailed build-up consolidates into Consolidating Income Statement which feeds into model

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CORE TOPICS

Advanced Financial Modeling – Core Model

Format: 100% Excel

Duration: 1 Day

Build a fully integrated financial statement projection model with income statement projections, a self-balancing balance sheet, an automated cash flow statement and the balancing cash flow sweep / debt schedule. Emphasis is placed on the integration of the major financial statements and becoming experts in Excel.

Learning Objectives:

- Build an integrated set of financials, including income statement, balance sheet & cash flow
- Learn how to balance a model utilizing debt sweep, no “plugs” and the danger of circular references
- Become super-efficient in Excel through intensive use of keyboard shortcuts and best practices

Learning Goals:

5-Year Financial Statement Projection Model:

- How do you project a company’s Income Statement from revenues and expenses down to Net Income?
- What are the different methodologies to forecasting the different types of assets on the balance sheet and how do they compare and contrast with projecting liabilities?
- How do you project the shareholders’ equity account?
- What is the importance of financial ratios in building the balance sheet projections?
- How do you approach building an integrated cash flow statement?
- How do you build each component of the cash flow statement and why is cash the last item to project?

Supporting Schedules:

- Incorporate calculation and payment of dividends into your integrated financial model
- Emulate announced share repurchase program by estimating implied price and shares repurchased

Integration and Balancing of Financial Model:

- Balance the model using the debt schedule and debt sweep logic – the most important analysis in terms of balancing the model!!
- How does the cash actually flow through the model?
- Incorporate automatic debt payments and use cash generated to either pay down debt or build cash
- How does the revolver facility actually balance the model? Avoid messy nested “if” statements!!
- How does the balance sheet and financial statements balance by itself without the use of “plugs”?
- How are the financial statements integrated using the Interest schedule?
- What are circular references, why should they be avoided and how to get around circular references

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CORE TOPICS

Advanced Financial Modeling – Enhancements Valuation Modeling – Standalone Value

Format: 100% Excel

Duration: 1 – 2 Days

Enhance core integrated financial model by building a detailed depreciation schedule, financial summary, trading statistics and analyzing and automated credit and leverage statistics. Layer on complete valuation analysis including discounted cash flow analysis, analysis at various prices, reference range and football field. Learn the proper way to account for options in valuation context using complex treasury method.

Learning Objectives:

- Enhance financial model with additional detail and supporting analysis
- Construct a “fully-loaded”, complex discounted cash flow analysis the correct way with options
- Perform ratio and trading analysis; integrate with trading & deal comps to complete valuation analysis

Learning Goals:

Enhancements to Core Integrated Financial Model:

- Build a stand-alone depreciation schedule to better estimate working capital changes and free cash flow by depreciating existing PPE as well as new capital expenditures
- Create quick financial summary exhibit that summarizes key figures from financial model
- Build an analysis of trading statistics that can be used to compare companies across an industry
- Sensitize trading analysis through an “Analysis at Various Prices” analysis
- Credit and leverage statistics ratio analysis with automated comparisons vs. S&P rating statistics

Valuation Modeling:

- Construct a discounted cash flow analysis (simple and complex version)
- Estimate unlevered free cash flow (free cash flow to firm)
- Estimate terminal value using multiples approach and perpetuity growth approach
- Weighted average cost of capital (WACC) analysis that supports the DCF (estimate discount rate)
- Calculate from enterprise value down to equity value and ultimately down to stock price per share
- Learn the **correct** way to calculate shares outstanding using the treasury diluted method
- Build reference range and football field to summarize valuation (after trading & deal comps)

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TECHNICAL APPLICATIONS**Advanced Excel for Data Analysis + Intro to Macros**

Format: 100% Excel

Duration: ½ – 1 day

This course focuses on how to effectively and efficiently utilize Microsoft Excel for data analysis. A financial analyst will not only use Excel to build financial models, but also to crunch a large data dump. Learn how to minimize as much manual labor as possible, thereby saving time and performing more detailed analysis quickly. Apply commonly-used formulas in new and different ways; uncover often over-looked Excel formulas; streamline number crunching and analysis via functions and tools including pivot tables, sumif, sum+if, transpose, working with arrays, vlook-up, subtotals, and regression analysis; enhance your spreadsheets with drop-down boxes, data validation techniques, automation of alternate row shading; take Excel to the next level with an introduction to building and automating simple macros and more!

Learning Objectives:

- Learn how to minimize as much manual labor as possible in data analysis
- Learn to use the most overlooked Excel formulas that will make your life easier
- Learn powerful functions built in Excel that streamline your analysis
- Learn how to build macros to automate common tasks

Learning Goals:

- Learn the most useful and overlooked Excel shortcuts to make life easier!
- What are the different ways to make your Excel worksheet into a model instead of just a flat analysis? Learn different "switches alternatives" (if, choose, offset)
- Learn data validation techniques to dummy proof your model!
- What is the XIRR function and how is it different from the basic IRR function?
- Perform basic regression analysis using least squares approach
- How do you perform one-dimension and two-dimensional sensitivity analyses using data tables?
- Utilize the vlookup function to its fullest to streamline tedious lookup jobs
- Pivot Tables: Everybody's heard of it but who knows how to use it! Learn how to summarize and dissect large amounts of data for analysis!
- Pivot Tables: Even better – add built-in and custom calculated fields to really use pivot tables to the max!
- Utilize the sumif formula and sum+if array functions to simplify complex conditional calculations
- Learn how to use the subtotal formula and function to minimize errors
- Combine subtotal with AutoFilter options to easily crunch all sorts of data!
- Learn how to rank data in order and remove duplicate rankings using countif formula
- Automate alternate row shading in a table of data
- Learn how to have Excel automate certain analysis using complex conditional formatting
- Learn how to use the indirect formula (and its many limitations) as well as the transpose array function
- Add some spice to your Excel analysis and models using drop-boxes
- Learn how to create complex, combination charts such as double stacked charts and "football field" valuation range charts
- Introduction to recording macros, modifying and coding macros and creating macro icons