



Providing financial training to Wall Street®

**UNIVERSITY & MBA TRAINING**  
**LIVE FINANCIAL MODELING TRAINING**  
**SAMPLE CURRICULUMS & DETAILED COURSE DESCRIPTIONS**

+1 (212) 537-6631  
+1 (212) 656-1221 (fax)  
info@wallst-training.com

**Hamilton Lin, CFA**  
Wall St. Training  
President

***www.wallst-training.com***



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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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## UNIVERSITY TRAINING – SAMPLE CURRICULUMS

The following are sample 2-day financial modeling training curriculums designed and targeted for specific academic backgrounds. Please note that these are sample curriculums that we would initially recommend and are fully customizable, in terms of content (more advanced or more basic), duration (shortened or expanded) and other desired components to meet specific needs.

In addition, all students receive access to applicable courses via our online video-based content. Prerequisites are meant to be done prior to the first day of live training and are available one more prior and after training. Post-training supplements replicate live training content as a review and refreshers to hone in the concepts learned and are highly recommended as add-ons after training.

<b>UNDERGRADUATE BUSINESS (FINANCE / ACCOUNTING) MAJORS</b>		
Become fully prepared for interviews and on-campus recruiting by extending textbook terminology learned in the classroom to real-life application on Wall Street. Become fully versed in exactly what bankers and analysts do by jumping right into complex financial modeling content not learned in school.		
Topic	Format	Duration
Corporate Valuation & Corporate Finance	Discussion	1/2 day
Advanced Financial Modeling – Core Model (Integrated IS/BS/CF)	100% Excel	1 day
Valuation Modeling (DCF, Basic Comps & Valuation Analysis)	100% Excel	1/2 day

**Recommended Online Course Access:**  
 Prerequisite: Accounting & Financial Statement Integration  
 Post-Training: Corporate Valuation & Corporate Finance; Quick & Dirty Trading Comps; Advanced Financial Modeling – Core Model; Discounted Cash Flow Analysis

<b>UNDERGRADUATE LIBERAL ARTS (NON-BUSINESS) MAJORS</b>		
Learn the basic and fundamental concepts to fully ground yourself in the pre-requisite knowledge for a successful career as an analyst. Begin with the core knowledge of accounting and valuation and lead up to the basics of financial modeling. Additional more advanced courses are a perfect follow-up.		
Topic	Format	Duration
Accounting & Financial Statement Integration	Discussion	1/2 day
Corporate Valuation & Corporate Finance	Discussion	1/2 day
Basic Financial Modeling	100% Excel	1/2 day
Valuation Modeling (DCF, Basic Comps & Valuation Analysis)	100% Excel	1/2 day

**Recommended Online Course Access:**  
 Prerequisite: Accounting & Financial Statement Integration  
 Post-Training: Corporate Valuation & Corporate Finance; Quick & Dirty Trading Comps; Basic Financial Modeling

**These are intensive financial modeling training programs based off our training to large Wall Street investment banks and asset managers and are meant to challenge, teach and inspire you, not put you to sleep!**

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## UNIVERSITY TRAINING – SAMPLE CURRICULUMS

### **MBA GRADUATE BUSINESS SCHOOLS**

Jump right into the advanced content required to demonstrate ability to learn quickly and hit the ground running as an Associate. Cut the theory and fundamentals out (that should have been taught in b-school) and hone in on the essential skills required.

Topic	Format	Duration
Advanced Financial Modeling – Core Model (Integrated IS/BS/CF)	100% Excel	1 day
Fundamental & Valuation Modeling (DCF, Comps, Football Field)	100% Excel	1 day

#### **Recommended Online Course Access:**

Prerequisite: Corporate Valuation & Corporate Finance

Post-Training: Quick & Dirty Trading Comps; Advanced Financial Modeling – Core Model; Valuation Modeling

### **MERGER MODELING & LBO MODELING COURSES**

Go beyond the financial modeling and valuation techniques and learn about strategic alternatives to maximize the valuation of the target company. Understand the financial implications and comprehend the thought process and analytical skills beyond mergers and leveraged buyouts.

Topic	Format	Duration
M&A Deal Structuring and Merger Modeling	100% Excel	1 day
Quick & Dirty LBO Modeling	100% Excel	½ day – ¾ day
Interview Prep & Career Development Workshop and Q&A	100% Excel	¼ day

#### **Recommended Online Course Access:**

Prerequisite: Financial Modeling & Valuation courses

Post-Training: Merger Modeling Basics; Quick & Dirty LBO Modeling; Advanced Excel for Data Analysis

### **Pricing**

- We offer substantial discounts on our courses to institutions of academia
- Our academic rates are usually flat daily fees for certain minimum headcounts plus travel costs (outside NYC)

### **Benefits**

- Become extremely fast and efficient with Excel; apply these skills in many finance and related classes
- Instill and encourage you to apply thought and reasoning when building financial models
- Get on-going support from WST & participate in live forums & discussions
- Bridge the gap between academic theory and the textbook with practical, real-world application
- Enables you to take on more challenging tasks during summer programs, such as building financial models
- Be better prepared for year-round internships, full-time or post-MBA positions in boutique investment firms or firms with little or no formal training programs
- Elevate the entire quality & reputation of the university & college as students' skill sets are dramatically improved and become more heavily recruited

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## UNDERGRADUATE BUSINESS CURRICULUM

### Corporate Valuation (including Corporate Finance)

Format: Lecture

Duration: ½ Day

How can you tell if a company is undervalued or overvalued? Is the current stock price the only measure of value? Why would one company command a higher or lower premium than its direct competitor? This course takes a practical, tangible, and non-theoretical approach to examining how corporations are valued and the major analytical tools that are used. Go beyond the academic theory of financial ratios and apply fundamental analysis and real-world methods of evaluating a company's intrinsic value. Gain insight into relative valuation methodologies (trading comps, deal comps) to fundamental valuation (discounted cash flow analysis, break-up / sum of the parts valuation). Coverage goes beyond the academic theory of financial ratios to the practical application of fundamental analysis, offering alternative, real-world methods of evaluating a company's intrinsic value. The Course includes a crucial primer to Corporate Finance and its non-theoretical application.

#### 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?
- TEV: what is the correct treatment of minority interest and capital leases from a standalone valuation aspect vs. credit perspective vs change of control
- 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 and calculating implied value based on multiples

##### 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)
- How do you approach valuing a company with completely disparate businesses?



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## UNDERGRADUATE BUSINESS CURRICULUM

### 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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## UNDERGRADUATE BUSINESS CURRICULUM

### Valuation Modeling

Format: 100% Excel

Duration: ½ Day

Layer on a fundamental valuation model by constructing a discounted cash flow analysis on top of your projection model. Continue with relative valuation by building a basic trading comps analysis analyzing the industry valuation multiples. Incorporate all of the analyses together in a summary valuation analysis. This Excel-based class provides a non-academic, real-world, hands-on primer to the quantitative and technical aspects of valuation modeling. You will leave the classroom with a template model that is scalable and applicable to other companies immediately.

#### Learning Objectives:

- Construct a discounted cash flow analysis including present value of free cash flows and terminal value
- Build basic comparables comps analysis
- Integrate model to complete valuation analysis

#### Learning Goals:

##### Fundamental 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
- Build reference range and football field to summarize valuation (after trading comps)

##### Relative Valuation: Basic Comps & Valuation Analysis:

- Build a basic comparables trading analysis (analysis of selected publicly traded companies)
- Calculate market valuation and enterprise value
- Input estimated profitability from analyst projections
- Calculate current standalone and industry market valuation multiples
- Quickly construct a relative valuation analysis range
- Analyze and compare results

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## UNDERGRADUATE LIBERAL ARTS CURRICULUM

### 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

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## UNDERGRADUATE LIBERAL ARTS CURRICULUM

### Corporate Valuation (including Corporate Finance)

Format: Lecture

Duration: ½ Day

How can you tell if a company is undervalued or overvalued? Is the current stock price the only measure of value? Why would one company command a higher or lower premium than its direct competitor? This course takes a practical, tangible, and non-theoretical approach to examining how corporations are valued and the major analytical tools that are used. Go beyond the academic theory of financial ratios and apply fundamental analysis and real-world methods of evaluating a company's intrinsic value. Gain insight into relative valuation methodologies (trading comps, deal comps) to fundamental valuation (discounted cash flow analysis, break-up / sum of the parts valuation). Coverage goes beyond the academic theory of financial ratios to the practical application of fundamental analysis, offering alternative, real-world methods of evaluating a company's intrinsic value. The Course includes a crucial primer to Corporate Finance and its non-theoretical application.

#### 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?
- TEV: what is the correct treatment of minority interest and capital leases from a standalone valuation aspect vs. credit perspective vs change of control
- 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 and calculating implied value based on multiples

##### 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)
- How do you approach valuing a company with completely disparate businesses?



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## UNDERGRADUATE LIBERAL ARTS CURRICULUM

### Basic Financial Modeling

Format: 100% Excel

Duration: ½ Day

Basic Financial Modeling builds upon, and implements in Excel, the fundamental financial analysis and valuation topics. First, you will create a top-down, five year income statement projection model. Then, construct a basic discounted cash flow analysis on top of your projection model. This Excel-based class provides a non-academic, real-world, hands-on primer to the quantitative and technical aspects of financial modeling. The model could be further expanded for valuation purposes or analyzing mergers and acquisitions – either way, you will leave the classroom with a template model that is scalable and applicable to other companies immediately. In addition, learn about subtle nuances including the proper figure for “cash flow” in perpetuity growth models and handling dilutive options for valuation.

#### Learning Goals:

- How do you construct a five-year forecast? What is the real way?
- How do you begin to forecast a company’s profitability?
- What are the intricacies involved with model building?
- What are the basic methods of projecting a company’s revenues and expenses?
- What is the **correct** way to calculate shares outstanding?
- What are different proxy methods for calculating working capital?
- How do you forecast depreciation and amortization expense?
- Why is amortization non-tax-deductible from a tax perspective and what are the implications on value?
- How is a discounted cash flow analysis actually constructed?
- What is the difference between the terminal value and perpetuity growth approaches and what are the implications on value?



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## UNDERGRADUATE LIBERAL ARTS CURRICULUM

### Valuation Modeling

Format: 100% Excel

Duration: ½ Day

Layer on a fundamental valuation model by constructing a discounted cash flow analysis on top of your projection model. Continue with relative valuation by building a basic trading comps analysis analyzing the industry valuation multiples. Incorporate all of the analyses together in a summary valuation analysis. This Excel-based class provides a non-academic, real-world, hands-on primer to the quantitative and technical aspects of valuation modeling. You will leave the classroom with a template model that is scalable and applicable to other companies immediately.

#### Learning Objectives:

- Construct a discounted cash flow analysis including present value of free cash flows and terminal value
- Build basic comparables comps analysis
- Integrate model to complete valuation analysis

#### Learning Goals:

##### Fundamental 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
- Build reference range and football field to summarize valuation (after trading comps)

##### Relative Valuation: Basic Comps & Valuation Analysis:

- Build a basic comparables trading analysis (analysis of selected publicly traded companies)
- Calculate market valuation and enterprise value
- Input estimated profitability from analyst projections
- Calculate current standalone and industry market valuation multiples
- Quickly construct a relative valuation analysis range
- Analyze and compare results

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## MBA GRADUATE BUSINESS CURRICULUM

### 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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## MBA GRADUATE BUSINESS CURRICULUM

### Fundamental & Relative Valuation Modeling – Standalone Value

Format: 100% Excel

Duration: 1 Day

Layer on a fundamental valuation model by constructing a discounted cash flow analysis on top of your projection model. Continue with relative valuation by building a quick and dirty trading comps analysis analyzing the industry valuation multiples. Incorporate all of the analyses together in a summary reference range valuation analysis that rolls into the final football field graphiic. This Excel-based class provides a non-academic, real-world, hands-on primer to the quantitative and technical aspects of financial modeling. The model could be further expanded for valuation purposes or analyzing mergers and acquisitions – either way, you will leave the classroom with a template model that is scalable and applicable to other companies immediately.

#### Learning Objectives:

- Fundamental Valuation: construct a discounted cash flow analysis utilizing multiples & perpetuity growth
- Relative Valuation: integrate with trading & deal comps to complete valuation analysis
- Build and analyze reference range and football field to summarize overall valuation metrics

#### Learning Goals:

##### Discounted Cash Flow (DCF) Valuation Modeling:

- How is a discounted cash flow analysis actually constructed?
- Estimate unlevered free cash flow (free cash flow to firm)
- Why is amortization non-tax-deductible from a tax perspective and what are the implications on value?
- What are different proxy methods for calculating working capital?
- Terminal Value estimation: what are the differences between the EBITDA multiple and perpetuity growth approaches and what are the implications on value?
- Learn subtle nuances including the proper figure for “cash flow” in perpetuity growth models
- 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

##### Quick & Dirty Trading Comps:

- Build a basic, quick and dirty, back-of-the-envelope trading comps analysis
- Construct a relative valuation analysis
- Input historical results and analyst projections for comparable companies (public traded competitors)
- Calculate current standalone market valuation multiples

##### Reference Range & “Football Field” Valuation

- Build reference range that quantifies fundamental and valuation methodologies
- Perform valuation modeling techniques including: quick & dirty trading comps, reference range analysis
- Crystallize and appreciate the capital structure and the relationship between total enterprise value, equity value and price per share
- Utilize best practices to reduce average construction time from 2 hours to 30 seconds
- Build and update dynamic football field to graphically summarize valuation metrics
- Analyze, discuss, compare and contrast valuation results



## MERGER MODELING

### M&A Deal Structuring and Merger Modeling

Format: Discussion & Excel

Duration: 1 Day

This course focuses on the mergers and acquisitions process, the basics of deal structures, and covers the main tools and analyses that M&A investment bankers and acquirers utilize. Learn about common structural issues, crucial merger consequence analysis and structures and methodologies. Translate fundamentals into different modeling techniques, including the most basic and widely used back-of-the-envelope method, Accretion / Dilution, as well as a more robust combination analysis combining a Target and Acquiror's Income Statement. Learn how to sensitize basic deal structures and combination options.

#### Learning Objectives:

- Common structural issues in a transaction (stock vs. asset, 338(h)(10) elections)
- Merger consequence analysis including accretion / dilution and financial implications of a deal
- Build a fully functional accretion / dilution model that accounts for different transaction structures
- Learn how to sensitize financial projections and the financial impact on a transaction

#### Learning Goals:

##### M&A Deal Structuring:

- Review of various deal considerations and deal structuring options (cash vs. stock)
- Common structural issues in a transaction (stock vs. asset, 338(h)(10) elections)
- Buyer and seller preferences for various deal structures and rationale
- Tax implications of transactions based on deal structure and FASB 142 goodwill amortization
- Merger consequence analysis including accretion / dilution and financial implications of a deal
- Analysis of breakeven PE for both 100% stock and 100% cash considerations
- Dive deep into merger accounting for your merger model including NOL treatment and FMV step-up

##### Accretion / Dilution Modeling:

- Build dynamic merger consequence analysis (accretion / dilution) incorporating the following:
  - Synergies switch, cash vs. stock sensitivity
  - Amortization of goodwill switch (depending on purchase price allocation)
  - Common structural issues: Stock vs asset deals and 338 (h)(10) elections
  - Tax implications of transactions based on deal structure and FASB 142 goodwill amortization
  - Analysis of breakeven PE for both 100% stock and 100% cash considerations
  - Calculate pre-tax and after-tax synergies / cushion required to breakeven

##### Simple Merger Modeling:

- Construct a merger model, simple combination of Income Statement for target and acquiror
  - Project simple stand-alone Income Statement for both target and acquiror
  - Analyze selected balance sheet figures and ratios and multiples
  - Estimate target valuation and deal structure
  - Calculate selected Pro Forma balance sheet items
  - Combine target and acquiror's Income Statement and estimated synergies
  - Calculate cash flow for debt repayments to estimate debt repayments and cash balances
  - Compute interest expense and interest income based on paydowns
  - Calculate accretion / dilution and credit ratios



## LBO MODELING

### Quick & Dirty Basic LBO Modeling

Format: 100% Excel

Duration: ½ Day – ¾ Day

In the normal course of running a company, the CFO must balance capital requirements with capital sources of funds. Changes to the capital structure are not insignificant as each component of capital has an opportunity cost. In this course, we introduce the impact of changes in capital structure and the resulting impact on a company's decision to borrow vs. raise equity. We quantify the thought process and the logic that dictates one or the other by examining both extremes of capital structure changes: from a simple small share repurchase to the opposite spectrum, the leveraged buyout. This class examines and incorporates all the major inputs and value drivers of capital structure changes by building a short, quick and dirty LBO analysis, providing an excellent condensed overview and introduction to LBO modeling. As LBOs are risky and complex financial transactions, sometimes, building a full-out, complex LBO model is not necessary or required if one just wants to quickly gauge the feasibility of an LBO.

#### Learning Objectives:

- Discussion on leveraged buyouts, including overview, rationale, ideal candidate and drivers of value
- Construct and sensitize a basic, quick and dirty, leveraged buyout model
- Incorporate fundamental drivers including Sources & Uses, Pro Forma, post-LBO projections, available cash flow, debt sweep, credit ratios and IRR

#### Learning Goals:

- Drivers of value from a financial point of view and changes in capital structure
  - Comparison to share repurchases and the lack of value creation
  - Counter argument of cost of capital, funding costs and opportunity costs arbitrage
  - Counter-counter argument of weighted average cost of capital changes
  - Final assessment of source of returns of LBOs
  - We first introduce the obvious rationales, then prove why that is wrong, then disprove the proof and disprove that and disprove that and finally agree on how corporate finance and the capital markets extract value from capital structure arbitrage
  - In short, participants might be thoroughly confused at first, but will finally understand every aspect of the value proposition by the time we are done!
- Discussion on LBOs, including: overview of LBO's, rationale for going private, ideal LBO candidate
- Create a quick and dirty, condensed LBO model from scratch
- Build a summary Sources and Uses of Funds analysis that dictates LBO value
- Construct a Pro Forma, post-LBO Income Statement projection model incorporating LBO changes
- Calculate cash flow available to firm through simplified debt sweep pay off high debt volumes
- Create condensed IRR (internal rate of return) analysis to evaluate financial sponsor returns
  - Comparison of IRR to multiple of capital as a return metric and benchmark
  - Identify true source of returns, from building of equity to time value of money
  - Compare and contrast returns trends based on exit multiple contraction or expansion
  - Discussion on why highly levered transactions must exit within 3 to 5 years
  - Analyze and partially quantify the trend towards dividends to financial sponsor as opposed to debt paydown
- Analyze basic credit and leverage statistics and equity sources that drive the LBO model

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