



Providing financial training to Wall Street®

**SUPER-ADVANCED MERGER MODELING
CUSTOMIZED TRAINING PROGRAMS
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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ADVANCED FINANCIAL MODELING – CORE MODEL

Advanced Financial Modeling – Core Model

Format: 100% Excel

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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MERGER MODELING BASICS

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

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DAY FIVE: SUPER-ADVANCED MERGER MODELING

Super-Advanced Merger Modeling

Format: 100% Excel

Construct a full-blown merger model that combines two fully integrated projection models. Combine major financial statements (Income Statement, Balance Sheet and Cash Flow Statement) and new complex debt sweep calculation. Fully sensitize different transaction structures such as cash and stock consideration, various financing scenarios, accretion / dilution and credit ratios. Account for purchase price allocation including step-up of assets to Fair Market Value, Intangibles, goodwill and other considerations.

Learning Objectives:

- Calculate Sources & Uses of Funds, post-transaction ownership, accretion / dilution
- Combine Target and Acquiror Income Statements and incorporate synergies into pro forma merger model
- Calculate pro forma, post-transaction opening Balance Sheet and project future combined Balance Sheet
- Derive combined Cash Flow Statement, debt sweep & interest schedule to balance and integrate model

Learning Goals:

Merger Summary & Sensitivity Options:

- Sensitize deal structure options, including stock & cash consideration
- Construct Sources & Uses of Funds including various financing scenarios and ability to refinance any existing debt and utilize existing excess cash to fund acquisition
- Calculate correct transaction value incorporating economic effect of management options
- Calculate post-transaction ownership summary
- Allocate purchase price among tangible book value (existing assets at cost), step-up in basis to FMV, tax deductible identifiable intangibles, non-tax deductible identifiable intangibles and goodwill
- Proper accounting treatment of transaction costs, tender costs and accrued interest of any refinanced debt and debt transaction financing fees
- Account for differences in GAAP book deductibility and tax deductibility of intangible assets
- Build inability to treat acquisitions as an asset sale for tax treatment

Merger Model (Financial Statement Integration):

- Line-by-line combination of Target & Acquiror Income Statements including revenue and expense synergies and correctly depreciation and amortization of assets from purchase price allocation analysis
- Calculate pro forma, post-transaction EPS, accretion / dilution analyst and pre-tax synergies / cushion required to breakeven
- Project tax levels, incorporating permanent differences in book vs. tax deductibility of intangible assets
- Combine Target & Acquiror Balance Sheets and perform transaction adjustment entries to calculate pro forma opening Balance Sheet
- Calculate projected Balance Sheet and Cash Flow Statement of combined merged company
- Analyze & construct complex debt schedule to sweep through mandatory & discretionary debt payments
- Ability to dynamically pay down tranches of Target & Acquiror's debt and new debt raised
- Calculate pro forma and projected credit & leverage statistics and automatically evaluate debt ratings of merged company