



Providing financial training to Wall Street®

**WST BOOTCAMP
FOUR SATURDAYS PROGRAM
DETAILED COURSE CURRICULUM**

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www.wallst-training.com
www.wstselfstudy.com
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WST BOOTCAMP OVERVIEW

	BOOTCAMP TOPICS	Format	Laptop Required
Session 1	Advanced Financial Modeling – Core Model (IS, BS, CF, Debt, Interest)	100% Excel	Yes
Session 2	Fundamental & Relative Valuation Modeling (Trading Comps, Deal Comps, DCF, Football Field)	100% Excel	Yes
Session 3	M&A Deal Structuring and Merger Modeling (Merger analysis / consequences, accretion/dilution)	100% Excel	Yes
Session 4	Leveraged Buyout Analysis (Capital structure impact and LBO modeling)	100% Excel	Yes

Testimonials:

"Wall St. Training conducted an intense session over the course of several days for our Analysts. Some in the group were brand new, and others had been with the firm for a few months. Feedback from all trainees was very positive. The initial review of accounting theory was an excellent primer for the hands-on, intensive Excel analytical work that ensued. I had the sense from the Trainees that WST kept the group on its collective toes, firing questions and looking for the Trainees to validate their learning in real-time. The Trainees took away very practical skills in the use of Excel and in proper financial modeling techniques, which is useful training that even the most "book-smart" new hire needs. The foundation laid for the Trainees in the Wall St. Training session is one of fundamental concepts complemented with practical application, and we are confident that this will help our Analysts acclimate themselves to the fast-paced environment in the firm. The fact that WST has been receptive and responsive to follow-up questions from Analysts ("How do you do this in Excel...?") is a plus. I would definitely recommend Wall St. Training to others."

– **Jack Rabun, Vice President, Training Coordinator, Grail Partners LLC**

"Wall St. Training's financial modeling program provided a comprehensive overview of investment banking essentials including discounted cash flows, trading comps, transaction comps and leveraged buyout valuation. The program comprised a balanced blend of theory, practical application, interactive media and printed materials. I would strongly recommend Wall St. Training for any individual entering corporate finance, equity research, commercial and/or investment banking."

– **Ramy Ibrahim, Investment Banking Associate, Oppenheimer (formerly CIBC) World Markets**

"I learned an incredible amount about using Excel and analyzing 10K's, 10Q's, trading comp and deal comps. We were able to get through lots of material and always stayed busy. It was a great experience and I learned an incredible amount!"

– **Name Withheld, Bulge Bracket Investment Banking**

"Wall St. Training's Advanced Financial Modeling class was exactly what we were looking for. Hamilton had complete command of everything he was teaching...from Finance to Accounting and Excel. I would recommend Wall St. Training to anyone who would like to develop a deeper set of finance skills that will clearly set you ahead of the pack. Understanding where all the numbers on a company come from and how they inter-relate are the key to building a valid and detailed model; training with Hamilton will provide you with that skill set."

– **Sapan Vyas, CFA, Kimelman & Baird LLC**

"I would highly recommend Wall St. Training to anyone who wants to understand the workflow and responsibilities of an analyst... FactSet is in a much better position to create applications, reports, and charts that make company and industry analysis easier for the analyst. Wall St. Training was very effective and knowledgeable..."

– **Eric Weitzman, Vice President, Senior Product Manager, FactSet Research Systems**

"I was very impressed with Wall St. Training. It has been difficult to find an advanced, hands-on financial modeling class that walked you through the steps of building a bottoms-up financial model. I had taken another class..., but the instruction was not hands-on enough."

– **Valisha Graves, Senior Research Analyst**

Read more at www.wallst-training.com/testimonials.html

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SESSION ONE

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



SESSION TWO

Fundamental & Relative Valuation Modeling

Format: 100% Excel

Duration: 1 Day

Our Valuation Modeling starts by taking the Core Model and then layering 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 graphic. 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
- Learn the **correct** way to calculate shares outstanding using the treasury diluted method

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



SESSION THREE

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



SESSION FOUR

Quick & Dirty, Basic LBO Modeling (Impact of Changes in Capital Structure)

Format: 100% Excel

Duration: 1 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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About WST Founder

Hamilton Lin, CFA, President and Founder of Wall St. Training, has a broad background in investment banking and mergers and acquisitions. His responsibilities have included analyzing, structuring and negotiating mergers & acquisitions. Mr. Lin custom-builds and develops all of the financial and merger models that he uses which became corporate and departmental standards. Mr. Lin has closed over two-dozen transactions and has diverse industry experience ranging from oil & gas to insurance to asset management and related sectors.



EMPLOYMENT EXPERIENCE

- **Wall St. Training**, corporate training firm dedicated to teaching fundamental financial concepts
- **Freeman & Co.**, boutique investment bank focused on asset management and broker dealers
- **Hales & Co.**, boutique investment bank focused on insurance and insurance brokerage
- **Banc of America Securities**, Mergers & Acquisitions
- **Ryan Labs**, specialized bond asset management firm
- **Goldman Sachs**, Investment Banking Research
- **Pricewaterhouse Coopers**, Management Consulting

CREDENTIALS

- CFA (**Chartered Financial Analyst**) charterholder
- Professional continuing education instructor at:
 - **NYSSA** (New York Society of Securities Analysts)
 - **BSAS** (Boston Society of Financial Analysts)
 - **HKSFA** (Hong Kong Society of Financial Analysts)
- CFA (**Chartered Financial Analyst**) instructor
- **Adjunct Professor** at Baruch and Hunter Colleges
- **NYU Stern** Bachelor of Science in Finance and International Business
- Published in "**Who's Who in America**"
- Panelist speaker for joint NYSSA / CFAI "**Value of a CFA**" seminars



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About WST Bootcamp Instructors



David Kovacs

David Kovacs has a broad background in investment banking, private equity, and venture capital with extensive experience in both mature and emerging markets, focusing in a myriad of industries such as energy, media and entertainment, real estate, transportation, technology, telecom, and financial services. Mr. Kovacs has analyzed hundreds of deals, executing many as a sell-side (M&A), buy-side (Private Equity and Venture Capital), and capital raising engagements.

EMPLOYMENT EXPERIENCE

- **Indian Family-backed Private Equity Firm**, one of the largest diversified groups in the world with over \$50 billion under management
- **Strategic Investment Firm**, Venture Capital firm focusing on real estate, entertainment, energy, and healthcare.
- **Global Investment Firm**, Private Equity Division
- **Leading Bulge Bracket Investment Bank**, Investment Banking Division

EDUCATION

- Completed four-year college degree at the age of eighteen
- College of Staten Island (CUNY), Bachelor in Economics and Finance, and a minor in Political Science
- Columbia University, Postbaccalaureate Premedical Program



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