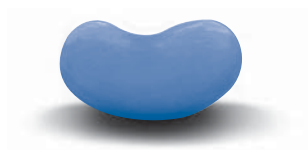


# PRACTICAL FINANCIAL MODELLING

DIFC CENTRE OF EXCELLENCE

3-4 June 2009



The Corporate Training Group



# COURSE OUTLINE

This programme will train delegates in the skills of robust model building. The programme assumes basic competency in Excel and accounting.

Delegates will progressively build an integrated balance sheet, profit and loss, and cash flow forecasting model, suitable for project finance analysis, company valuation, debt structuring and capital structure optimisation.

The training will develop Excel skills to allow delegates to develop rigorous financial models and be in a position to get the most out of peer/third party models. A number of key skills will be addressed such as scenario management techniques; switches and text strings to make models clear and flexible; and data validation to control inputs.

By the end of the course, delegates will:

- Be faster and more efficient in the use of the Excel tools used in modelling
- Have a clear method for building reliable, robust and flexible models
- Understand design principles and best practice
- Be efficient in spotting inconsistencies when auditing other people's financial models
- Have a set of tools for analysing and sensitising financial models

## Day 1: Building an integrated forecast model

### Navigating the workbook

- 10 Excel shortcuts to speed up modelling and make you efficient

### Setting up the model

- The good and bad practice modelling guidelines
- Understanding the structure of the model
- Using the group edit tools to quickly set up a robust, printable, date flexible financial model, Input standards
- Input sheets – creating underlying assumptions/forecasts
- Using different reference types to simplify coding
  - Naming conventions -Cell names & range names

### Naming

#### Cases & exercises

### Creating the working sheets/sub models/ outputs

- Rigorously using cell references/named cells to produce workings & outputs
  - Workings:
    - Revenues, operating costs & working capital
    - Using “Corkscrew”/BASE calculations
    - Capex & depreciation
  - Outputs:
    - P&L, balance sheet & cash flow forecast statement
- Quality control in models
  - Error flags if balance sheet does not balance at any time
- Cases & exercises

### Using logical statements to model flexibility

- IF, AND, OR statements (practical applications)
- Nested IF, AND, OR, MAX, MIN statements (practical applications)

#### Cases & exercises

## Formatting conventions

- Input vs. formulae
- Customising numbers
- Creating reusable styles
- Data validation
- Conditional formatting – uses and dangers

### Cases & exercises

## Methods for more complex problems

- A simple approach to debt
  - Avoiding circularity

## Day 2: Building an integrated forecast model

### Scenario management

- Introducing tools to add flexibility to the model
  - Nested IF limitations
  - Use of VBA forms (switches) vs. data validation
  - Drop down boxes and use of Choose & Vlookup functions
- Solving the debt problems
  - Circularity problems and solutions

### Auditing

- Trace precedents/dependents – auditing toolbar and other shortcuts
- Auditing for consistency – F5 special

### Cases & exercises

### Outputs

- DCF valuation – with Terminal Value flexibility
- Ratios & implied multiples
  - EPS, PER, dividend cover
  - EV/EBITDA, EV/Sales

### Analysing data

- Sensitivity analysis – review impact of altering key inputs
  - Goal seek
  - Data tables
    - Automating data table updates for model modifications
    - Diagnostics to indicate inconsistencies
- Vlookup (revisited) / Hlookup, some useful visual basic tools

### Cases & exercises

### Completion

- Text strings
  - Dynamic labelling
  - Use of diagnostic headers
  - Cover sheet
- Grouping and de-grouping
- Print management –the Camera function
- Cell protection and selective cell protection

# COURSE FACULTY AND REGISTRATION DETAILS

## Mark Woolhouse BA (Oxon)



Mark graduated from St John's Oxford in 1986 and entered the banking world, training with JP Morgan in New York and subsequently working with one of JP Morgan's London based affiliates. He then worked with merchant banks Hill Samuel and Charterhouse Bank.

Mark has a very broad background in credit analysis, lending and structured finance, having, over a 14 year period in banking, variously been a credit and bond analyst; loan portfolio manager; project finance originator, arranger and adviser. Mark has also arranged and led a management buyout of a Sheffield based business.

As a trainer Mark has worked with numerous global investment banks, commercial banks and accounting firms, developing and delivering specialist training programs focused on debt structuring, modelling and project finance.

## Innes Wright BSc FCA



Innes is a specialist in leading highly interactive training programs in accounting and analysis, valuation and financial modelling. He introduced and developed the financial modelling product within CTG and heads that faculty.

The banking, private equity and corporate sectors are where Innes has done most of his work, with courses run throughout the world. During the last year he has led training programs in the UK, France, Italy, Germany, US, Hong Kong, Singapore and Dubai.

In addition to Innes' training commitments, he has recently completed a six-month project to design, write and develop a suite of 16 financial models followed by a successful organisation-wide implementation program for a major European investment bank.

### Your Details

Attendee 1:

Attendee 2:

Attendee 3:

Attendee 4:

Company:

Address:

City:

PO Box:

Tel:

Email:

### How to register

Email: Send your booking to: [bookings@ccl.ae](mailto:bookings@ccl.ae)

Tel: Call us on +971 (0) 4323 0800

Web: Book online by visiting our website: [www.cclcitytraining.com](http://www.cclcitytraining.com)

Post: Fill out your details on the left and send it to: Level2, GV7, DIFC PO Box 506733

\*\*All attendees are required to bring their own laptop with Excel 2003 or 2007.

### Fees and Multiple Booking Discount

\$2,000 per person – including documentation, lunch and refreshments.

Book 4 or more places and receive a 20% discount on your entire booking.

### Payment details

Payment can be made by Cheque or Bank Transfer.

Upon receipt of your booking an invoice will be generated and sent to the email address provided.