KOENIG SOLUTIONS · COURSE OUTLINE

Financial Modelling in Excel: DCF, LBO & M&A (Open Source)

Learn to build financial models in Excel and apply them to DCF, LBO and M&A valuation and analysis.

10 Days	8	115
80 HOURS	MODULES	TOPICS

COURSE OVERVIEW

Overview of Financial Modelling Using Excel Course Our Financial Modelling Using Excel course equips you with the skills necessary to build robust financial models used for accurate financial analysis and decision-making. The course covers both basic and advanced Excel techniques, such as VLOOKUP, Pivot Tables, and Dynamic Dashboards. You will also dive deep into key accounting concepts, Ratios/KPI Analysis, and different financial modeling techniques like LBO, M&A, and DCF valuation. By the end of this 40-hour course, you will be able to create detailed financial models, analyze financial statements, and perform valuation techniques, ensuring you can drive business insights and make data-driven decisions.

WHO THIS COURSE IS FOR

ManageEngine ServiceDesk Plus is a comprehensive ITSM suite designed for IT support professionals to streamline service management. It is ideal for:

IT Support Specialists **Service Desk Analysts** **IT Service Managers** **Technical Support Engineers** **IT Asset Managers** **System Administrators** **Network Administrators** **IT Operations Managers** **Helpdesk Coordinators** **IT Project Managers** **CMDB Managers** **IT Consultants** **ITIL Practitioners**

LEARNING OBJECTIVES

- Apply advanced Excel functions such as VLOOKUP, INDEX and SUMIFS
- Build dynamic dashboards and pivot table reports
- Explain key accounting principles and the three financial statements
- Interpret financial ratios and KPIs including DuPont analysis
- Develop revenue and cost drivers across business types
- Build a Leveraged Buyout model with sources and uses
- Analyse M&A accretion, dilution and EPS sensitivity
- Perform DCF and relative valuation using WACC and comparables

COURSE SYLLABUS

8 Modules, 115 Topics

01

Basic and Advanced Excel

TOPICS

- Introduction to MS Excel and understanding the Ribbon
- Keyboard shortcuts and their importance
- Commonly used functions such as VLOOKUP, HLOOKUP, INDEX, MATCH, SUMIFS, OFFSET, PASTE SPECIAL, CONCATENATE, and INDIRECT, along with their combinations
- Rules of Conditional Formatting
- Font and number formatting
- Concepts of freezing cells, rows, and columns
- Data Validation, Sorting, and Filtering using Excel functions as well as formulas
- Table functions and dynamic arrays
- Data presentation through Pivot Tables, Pivot Charts, and Slicers
- Introduction to Macros

CREATING VARIOUS TYPES OF CHARTS AND GRAPHS, INCLUDING BUT NOT LIMITED TO:

- Bar graphs
- Line charts
- Combo charts
- Football field charts
- Scatter plots
- Histograms
- Pie charts
- Waterfall charts
- Stacked column charts
- Sparklines
- Sensitivity analysis using Data Tables
- Dynamic dashboards
- Time value functions such as PMT, PV, FV, NPER, and RATE
- Text functions including PROPER, FIND, REPLACE, SUBSTITUTE, LEFT, RIGHT, and MID
- Text-to-Column functions like Delimit and Flash Fill
- Return functions including IRR, XIRR, NPV, and XNPV
- Iterative calculations and circular referencing
- What-If Analysis using Goal Seek, Scenario Manager, and Data Table

02

Accounting Concepts and Financial Statements

KEY ACCOUNTING PRINCIPLES, INCLUDING:

- Accrual vs. Cash Reporting
- Double Entry Bookkeeping
- Going Concern Principle
- Principle of Prudence
- Matching Principle
- Money Measurement Concept
- Historical Cost Concept
- Accounting Period Concept
- Full Disclosure Concept
- Business Entity Concept
- Understanding the Income Statement, Balance Sheet, and Cash Flow Statement along with their key components

EXPLANATION OF KEY FINANCIAL TERMS, INCLUDING:

- Revenue, Direct Costs, and Operating Costs
- EBITDA, Depreciation & Amortization, Impairment of Goodwill, and Depletion
- Cash flows from different activities
- Current and Non-Current Assets and Liabilities
- Shareholders' Equity, Minority Interest, and Other Equity
- Capital Expenditures and Deferred Revenue
- Concept of Comprehensive Income
- Importance of Notes to Accounts
- Understanding the interlinkages among the three financial statements
- Preparation of Common Size Financial Statements
- Reading and interpreting Annual Reports, including the Management Discussion & Analysis (MD&A) section

03

Ratio/KPI Analysis

DIFFERENT TYPES OF RATIOS, INCLUDING:

- **Activity/Turnover Ratios:** Receivables Turnover, Days Sales Outstanding, Inventory Turnover, Days Inventory on Hand, Payables Turnover, Number of Days Payables, Total Asset Turnover, Fixed Asset Turnover, Working Capital Turnover
- **Liquidity Ratios:** Current Ratio, Quick Ratio, Cash Ratio, Defensive Interval, Cash Conversion Cycle
- **Solvency Ratios:** Debt-to-Equity, Debt-to-Capital, Debt-to-Assets, Financial Leverage, Interest Coverage, Debt-to-EBITDA, Fixed Charge Coverage
- **Profitability Ratios:** Net Profit Margin, Gross Margin, EBIT/Operating Profit Margin, Pre-tax Margin, Return on Assets, Operating Return on Assets, Return on Total Capital, Return on Invested Capital, Return on Equity, Return on Common Equity
- **Valuation Ratios:** Price-to-Earnings, Price-to-Cash Flow, Price-to-Sales, Price-to-Book Value, EV/EBITDA, EV/Sales
- Understanding the DuPont Formula (three-stage and five-stage analysis)
- Calculation of Basic EPS and Diluted EPS (including dilutive and anti-dilutive securities, Treasury Stock Method)
- Preparation of a financial summary
- Benchmarking a company's performance against peers and industry standards

04

Technical Aspects of Financial Modelling

TOPICS

- Introduction to the structure of a Financial Model
- Creating scenarios using INDEX, CHOOSE, and Scenario Manager
- Forecasting the three financial statements (Income Statement, Balance Sheet, and Cash Flow Statement)

BUILDING DETAILED REVENUE AND COST DRIVERS FOR VARIOUS BUSINESS TYPES, INCLUDING:

- Real Estate
- E-commerce
- Utilities
- Business Services
- Automobiles
- Food Aggregators
- Subscription-based firms
- Conglomerates/MNC businesses
- Preparation of schedules for equity, depreciation, debt, working capital, and fixed assets
- Best practices in financial modeling and error-tracking techniques
- Key formatting tips, including best print setup approaches
- Addition of Cover Page, Index, Financial Summary, and other essential tabs

05

Types of Financial Models

TOPICS

- Concept of a Leveraged Buyout (LBO) Deal
- Key assumptions for an LBO model
- Building Pro-Forma Financial Statements and required adjustments
- Debt and Goodwill calculation
- Preparing a Sources and Uses Table
- Cash Waterfall preparation
- Exit analysis and calculation of return metrics, including IRR and MOIC

06

M&A Model

TOPICS

- Basics of a Merger and Acquisition (M&A) Model
- Accretion and Dilution Analysis
- Understanding Synergies - Operating and Financial
- Performing Sensitivity Analysis on EPS

07

Business Valuation

RELATIVE VALUATION - TRADING & TRANSACTION COMPARABLES

- Difference between GPC (Guideline Public Companies) and GTM (Guideline Transactions Method)
- Understanding Deal Value, Offer Value, and Transaction Value
- Screening criteria for comparable companies
- Key valuation multiples used in relative valuation
- Calculation of Enterprise Value (EV) using Equity Value and other components
- **Relevant time periods:** Last Twelve Months (LTM), Next Twelve Months (NTM), historical years, and projected years
- Concept of Control Premium

DCF VALUATION

- Calculation and understanding of Free Cash Flow to Firm (FCFF) vs. Free Cash Flow to Equity (FCFE)
- **Related concepts:** NOPAT, changes in working capital, Capex adjustments
- Detailed calculation of WACC including:
- Cost of equity using CAPM, multi-factor models, dividend capitalization models, and bond yield plus risk premium approach
- Various approaches for calculating the cost of debt and cost of preferred stock
- **Risk components:** Equity Risk Premium (ERP), Country Risk Premium (CRP), Size-Specific Risk Premium (SSRP), Company-Specific Risk Premium (CSRP), Discount for Lack of Marketability (DLOM), Discount for Lack of Control (DLOC)
- Calculation of Beta (Levered & Unlevered Beta)
- Terminal Value calculations using:
- Gordon Growth Model (Perpetuity Growth Model)
- Exit Multiple Method
- H-Model
- Mid-period valuation adjustments

NAV APPROACH FOR VALUATION

- Understanding the relevance of Net Asset Value (NAV) Approach

08

Stakeholder Management and Negotiation

MANAGING STAKEHOLDERS

- Self-assessment of skill levels and development areas
- Understanding the Stakeholder Engagement Lifecycle
- Common pitfalls in stakeholder engagement and how to avoid them
- Critical success factors for effective stakeholder management

DEVELOPING A PERSONAL BRAND & PROJECTING A STRONG IMAGE

- Key elements of a strong personal brand (education, experience, authenticity, values, consistency)
- Crafting an effective elevator pitch
- Creating impactful presentations and reports

Stakeholder Management and Negotiation (continued)

NEGOTIATION STRATEGIES

- Principles of effective negotiation
- Developing a strong negotiation position
- Handling challenges and achieving mutually beneficial outcomes

WHAT IS INCLUDED

Everything You Need to Succeed

- Koenig course material for every module
- Delivery by certified instructors and subject matter experts
- Hands-on exercises throughout the course
- Course completion certificate from Koenig

ABOUT KOENIG

Who We Are

Established in 1993, Koenig Solutions is a globally recognised training provider with 35+ technology partnerships, 5,000+ training programmes and a network of certified instructors and subject matter experts, supporting individuals and enterprise teams worldwide.

FLEXIBLE DELIVERY

Learn the Way That Suits You

Classroom Training | Live Online Classes (ILO) | Fly-Me-A-Trainer (FMAT) | Flexi (Self-Paced) | 1-on-1 Training

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