

FINANCIAL MODELING AND VALUATION

2019



DATES

March 18, 2019	(Basic Financial Modeling)
March 19, 2019	(Advanced Financial Modeling)
March 20, 2019	(Corporate Valuation Methodologies)
March 21, 2019	(M&A Deal Structuring)

VENUE

Crowne Plaza Manila Galleria
*Ortigas Ave., corner Asian
Development Bank Ave., Ortigas
Center, Quezon City*

WORKSHOP FEES (VAT exclusive)

Early Bird Rate	: Php24,000.00/person per day (Until February 18, 2019 only)
Regular Rate	: Php26,000.00/person per day
CFA Charterholders Rate	: Php21,000.00/person per day
Deadline of Registration	: March 11, 2019



As a participant in the CFA Institute Approved-Provider Program, CFA Society Philippines has determined that each workshop qualifies for credit for the CFA Institute Continuing Education Program. Each full-day workshop is eligible for 7 credit hours.

BASIC FINANCIAL MODELING

March 18, 2019

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, dive deeper into revenue growth assumptions by creating segment build-up analysis to identify drivers of growth. Finally, construct a trading statistics analysis that captures the current market multiples of your target mode. This Excel-based class provides a non-academic, real-world, hands-on primer to the quantitative and technical aspects of financial modeling. Leave the classroom with a template model that is scalable and applicable to other companies immediately. We focus on the fundamental building blocks, both from a technical Excel efficiency perspective, as well as best practices of financial modeling approach.

Learning Objectives:

- Create a top-down 5-year income statement projection model
- Understand and analyze the drivers of growth in a business and translate into Excel
- Trading Statistics: build trading statistics exhibit displaying standard market valuation multiples
- Become fluent in Excel efficiency techniques from shortcuts to best practices and proper spreadsheet setup

Learning Goals:

Course Overview:

- How do you construct a projection model with a five-year forecast?
- What are the intricacies involved with model building?
- What are the basic methods of projecting a company's revenues and expenses?

Build 5-Year Income Statement Projection Model:

- Input historical financial results and recast as necessary
- Calculate historical growth rates and margins which serve as the basis for your projection assumptions
- Calculate your projected profitability from revenue down to EPS
- Understand various approaches to forecasting depreciation and amortization expense
- Learn the correct way to calculate diluted shares outstanding

Operating S: Division Segment Build-Up:

- Calculate and analyze different operating segments as reported in public filings to roll-up into IS
- Adjust for extraordinary items by segment based on MDS:A and disclosed footnotes
- Extract, utilize and incorporate volume and pricing increases into operating segment performance
- Estimate and project future revenue and segment income and allocate for corporate overhead
- Estimate projected COGS and SGS:A on the entire base after operating build-up

Trading Statistics

- Build an analysis of trading statistics that can be used to compare companies across an industry
- Provides current snapshot of the current public market valuation
- Dive into impact of mandatorily convertible preferred securities on valuation and earnings

Prerequisite: Basic proficiency using Excel and a solid grasp of basic accounting fundamentals is required. This Financial Modeling class is a fast-paced, hands-on, technical workshop.



Participants are required to bring PC laptop with Microsoft Excel installed.

ADVANCED FINANCIAL MODELING

March 19, 2019

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. While knowledge of advanced accounting concepts is not required for this course, you should possess knowledge of basic accounting ratios and a basic understanding of how the major financial statements are inter-related. Emphasis is placed on the integration of the major financial statements and becoming experts in Excel. Incorporate different methodologies to forecasting the different types of assets on the balance sheet and compare and contrast with projecting liabilities. Learn how to balance a model utilizing the debt sweep and the revolver and not using any "plugs". Appreciate the danger of and properly control for circular references. Avoid messy nested "if" statements!! You will leave the classroom with a fully constructed model that can be customized and applied to other companies. The final model is a fully scalable model that can be added upon.

Learning Objectives:

- Build an integrated set of financials, including IS, BS & CF statements
- Learn how to balance a model utilizing debt sweep and no "plugs"
- Become super-efficient in Excel through intensive use of keyboard shortcuts
- Intensive focus on correct financial modeling approaches & best practices

Learning Goals:

5-Year Financial Statement Projection Model:

- How do you project an IS 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?

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 BS and financial statements balance 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

Prerequisite: Intermediate proficiency using Excel and a solid grasp of basic accounting fundamentals is required. This Financial Modeling class is a fast-paced, hands-on, technical workshop.



Participants are required to bring PC laptop with Microsoft Excel installed.

CORPORATE VALUATION METHODOLOGIES

March 20, 2019

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 second half of this course builds on the first half and is hands-on, interactive and Excel-based. Apply the concepts learned in the discussion portion and perform relative valuation modeling techniques in Excel. We start the fundamental valuation modeling portion by building a DCF valuation model and turn our attention to relative valuation modeling by building a quick and dirty trading comps analysis by inputting historical results and analyst projections for comparable companies and calculating current standalone market valuation multiples. Then, construct a detailed comprehensive reference range analysis that quantifies valuation methodologies. In doing so, crystallize and appreciate the capital structure and the relationship between total enterprise value, equity value and price per share. Finally, build and update dynamic football field to graphically summarize valuation metrics. These tools are useful for any financial professional interested in analyzing a company.

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

Introduction to Valuation and Corporate Finance:

- How much is a company worth? Why is the current stock price not an accurate indication of value?
- What is the importance between enterprise value and equity value?
- TEV: correct treatment of minority interest from standalone valuation vs. credit vs change of control
- What is the relevance of capital structure and leverage on a company's value?

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

Discounted Cash Flow Analysis Modeling

- Construct DCF model by starting with estimating unlevered free cash flow (free cash flow to firm)
- Terminal Value: model out EBITDA multiple and perpetuity growth approaches and when to use each
- Calculate from enterprise value down to equity value and ultimately down to stock price per share

Trading Comps Analysis

- Input historical results and analyst projections for comparable companies (public traded competitors)
- Calculate current standalone market valuation multiples and compare/contrast against target company
- Differentiate between over/undervalued vs. trading at premiums/discounts
- Incorporate industry and sector specific knowledge and company-specific factors into analysis

Reference Range and Football Field

- Build reference range that quantifies fundamental and valuation methodologies
- Crystallize and appreciate capital structure and the relationship between TEV, equity value and price per share
- Utilize best practices to reduce average construction time from 2 hours to 30 seconds
- Update dynamic football field to graphically summarize valuation metrics
- Compare and contrast intrinsic value vs. current market valuation and understand final investment decision



Participants are required to bring PC laptop with Microsoft Excel installed.

Prerequisite: Intermediate proficiency using Excel, a solid grasp of basic accounting fundamentals and an understanding of basic valuation techniques are required. This Corporate Valuation class is a hands-on, technical workshop.

M&A DEAL STRUCTURING

March 21, 2019

Learn about mergers and acquisitions and how deals are structured. The first half of this course focuses on the mergers and acquisitions process and the basics of deal structures, presenting the main tools and analyses that MS:A investment bankers and acquirers utilize. It covers the following modules: (i) in-depth analysis of the entire MS:A process, including due diligence and legal issues; (ii) common structural issues including cash vs. stock, upfront payments vs. earn-outs, and stock vs. asset deals; (iii) crucial merger consequence analysis including detailed accretion/dilution and contribution analyses; and (iv) detailed analysis of transaction case studies to illustrate various deal structures and demonstrate detailed alternative earn-out structures and methodologies.

The second half of this course builds on the first half and is hands-on, interactive, Excel-based and covers different ways to model out financial combinations. Different techniques are covered including the most basic and widely used back-of-the-envelope method, accretion I dilution and more robust analyses. Build dynamic models that account for different transaction structures, learn how to sensitize financial projections and the financial impact on a transaction and construct a pro forma merger model. Calculate estimated combined income statement for target and acquirer, key pro forma balance sheet items, cash flow for debt repayments and other relevant items in a merger and acquisition context.

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)
- Buyer and seller preferences for various deal structures and rationale
- Tax implications of transactions based on deal structure and IFRS #3 goodwill amortization
- Merger consequence analysis including accretion I dilution and financial implications of a deal
- Analysis of breakeven PE for both 100% stock and 100% cash considerations

Accretion I Dilution Modeling

- Build dynamic merger consequence analysis (accretion I 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
- Tax implications of transactions based on deal structure and IFRS #3 goodwill amortization
- Analysis of breakeven PE for both 100% stock and 100% cash considerations
- Calculate pre-tax and after-tax synergies I cushion required to breakeven

Simple Merger Modeling

- Construct a merger model, simple combination of Income Statement for target and acquirer
- Project simple stand-alone Income Statement for both target and acquirer
- 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 acquirer'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 I dilution and credit ratios

Prerequisite: This course focuses specifically on structuring MS:A transactions. To obtain the desired financial background and valuation concepts, the "Corporate Valuation Methodologies" class is highly recommended as a precursor. Intermediate proficiency using Excel and a solid grasp of basic accounting fundamentals is required. The "Advanced Financial Modeling - Core Model" class is recommended, but not required.



Participants are required to bring PC laptop with Microsoft Excel installed.

SPEAKER**Mr. Hamilton Lin, CFA**

Hamilton Lin, CFA, is Founder & CEO of Wall Street Training & Advisory, Inc. (www.wallst.training), a corporate training and advisory firm that teaches the fundamentals of financial and credit analysis, modeling and valuation. WST has a nearly two-decades-long successful track record providing training, capital raising and advisory services to clients in investment banking, mergers & acquisitions, buy and sell-side research, private equity, hedge funds, venture capital, Fortune 500 companies, government agencies, regulatory authorities and professional organizations worldwide.

Hamilton has a broad background in investment banking and mergers & acquisitions in diverse industries ranging from oil & gas to insurance to asset management and related sectors. He has evaluated hundreds of transactions and closed scores of deals, ranging from plain vanilla deals, to squeeze-outs, LBOs and distressed situations ranging in deal value from \$10 million to over \$6 billion.

Hamilton also leads HL Capital Partners, Ltd. ("HLCP"), a diversified investment company focused on helping early stage and growth companies expand by providing access to growth capital, consulting services, and financial training. HLCP takes an active role with its portfolio companies, facilitating growth with hands-on operational, strategic, and financial advisory.

Prior to founding WST and HLCP, Hamilton worked at: Goldman Sachs Investment Banking DRG, where he standardized his group's best practices; Bank of America's M&A department, where he customized many of the firm's models; various boutique middle-market investment banks executing private transactions in insurance and asset management; and Ryan Labs, an asset-liability asset management firm.

Hamilton teaches globally, from all major cities in the USA & Canada including NYC, Boston, Chicago, Houston, San Francisco, Toronto & Montreal, as well as Asia, including Hong Kong, Singapore, Shanghai, Beijing, Tokyo, Kuala Lumpur, Manila and most major financial hubs. Hamilton is a former Adjunct Professor at NYU Stern School of Business, Baruch College and Hunter College. He graduated from NYU Stern in Finance and International Business, is a Chartered Financial Analyst and also teaches the CFA exam.

Employment Experience

"Wall Street Training & Advisory, Inc., corporate training and advisory firm
HL Capital Partners, Ltd., investment firm focused on early stage companies access growth capital
Freeman & Co, boutique investment bank focused on asset management and broker dealers
Hales & Co, boutique investment bank focused on insurance and insurance brokerage
Bank of America, Mergers & Acquisitions group
Ryan Labs, specialized bond asset management firm
Goldman Sachs, Investment Banking Research

Credentials

CFA (Chartered Financial Analyst) charterholder
Former **Adjunct Professor** at NYU Stern School of Business, Baruch College and Hunter College
NYU Stern Bachelor of Science in Finance and International Business "

POLICY FOR SUBSTITUTIONS, CANCELLATIONS AND NO SHOW:

1. Interested parties are requested to register online at www.cfaphilippines.org.
2. Registration is only confirmed upon receipt of payment.
3. After completing the online registration and payment process, registrants will receive an e-mail notification with registration details. A reminder will also be sent before the event. If you have not received the e-mail confirmation and reminder from CFA Society Philippines, it is the delegate's responsibility to contact CFA Society Philippines for the confirmation.
4. Registration should be paid in full before the commencement of the event. Immediate payment is required upon e-mail confirmation. Full amount will still be charged for no show. Should the registration fee remain outstanding, CFA Society Philippines reserves the right to disallow entrance to the event.
5. No **Cancellation**, only **Substitution**.

For more information, you may call us at **(+632) 637 8968**