CFA Society Philippines

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Financial Modeling · Corporate Finance · Capital Markets
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present

FINANCIAL MODELING & VALUATION 2018

March 12-15, 2018 | 9:00 AM to 5:00 PM | Crowne Plaza, Manila Galleria

Mar. 12	Basic Financial Modeling
Mar. 13	Advanced Financial Modeling
Mar. 14	Segment Build-Up Modeling
Mar. 15	Corporate Valuation Methodologies

WORKSHOP FEES:

Early Bird Rate	:	Php24,000.00/person per day (Until February 09, 2018 only)
Regular Rate	:	Php26,000.00/person per day (Until March 09, 2018 only)
CFA Charterholders Rate:		Php21,000.00/person per day

(VAT EXCLUSIVE)

CFA Institute

As a participant in the CFA Institute Approved-Provider Program, The CFA Society of the 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.**

Mar. 12 | Basic Financial Modeling

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 & 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 MD&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 SG&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.*

Mar. 13 | Advanced Financial Modeling

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.*

Mar. 14 | Segment Built-Up Modeling

Learn how to build detailed revenue and segment build-ups into your larger financial model by quantifying the drivers of growth. Many financial projection models are based off simple revenue growth rate and expense margin assumptions, resulting in reduced precision in the projection model. This course teaches various approaches to true, bottoms-up, fundamental analysis for both publicly trade and listed companies as well as private companies or entities in which you have additional detail. We start by understanding the logic of channel checks and building the case for growth rates based on qualitative analysis and comprehension of industry- and company-specific drivers of growth. We then turn around and quantify our qualitative analysis by incorporating into our financial model on a business and operating segment basis. The results of the build-up analysis rolls into the Income Statement from your core integrated financial projection model. In addition, layer on sensitivity and scenario analysis to easily toggle through various cases, including base (management) case, upside and downside cases.

Learning Objectives:

- Analyze industry specific and company specific channels checks to perfect qualitative analysis
- Convert qualitative analysis into quantitative model by understanding the true drivers of growth
- Understand difference between sensitivity analysis vs. scenario analysis and incorporate into model

Course Sections:

Operating & 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 MD&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 SG&A on the entire base after operating build-up

Detailed Account by Account Build-Up:

- Project sources of revenue based on growth in number of accounts and customers
- Model out revenue per account and associated commissions and expenses
- Incorporate rate increases into model
- Further enhance model via sensitivity & scenario modeling and analysis
- Detailed build-up consolidates into Consolidating Income Statement which feeds into model

Sensitivity Analysis and Multiple Cases:

- Layer sensitivity analysis on top of segment build-up to incorporate various assumptions and cases
- Build multiple scenarios and cases, including Base Case, Optimistic & Pessimistic Cases
- Toggle and sensitize profitability and cash flow of model based on various case assumptions

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

Mar. 15 | Corporate Valuation Methodologies

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.

Introduction to Valuation and Corporate Finance:

- How much is a company worth? Why is the current stock price not an accurate indication of value?
- How do you tell if a company is under-valued or over-valued?
- Why would one company command a higher or lower premium than its direct competitor?
- What is the importance between enterprise value and equity value?
- TEV: what is the correct treatment of minority interest and capital leases from a standalone valuation aspect vs. credit perspective vs change of control
- What is the relevance of capital structure and leverage on a company's value?
- Why and how is corporate finance so critical to managing a firm's profitability?

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

Valuation Modeling Analysis:

- Analysis of "football field" and reference ranges
- Detailed discussion of the major valuation methodologies, their nuances and application in the real-world
- Analyzing, comparing and contrasting trading comps, deal comps and premiums paid
- Incorporate the concepts learned by immediately working on Excel-based, hands-on exercises
- Perform valuation modeling techniques including: DCF valuation model, quick & dirty trading comps, reference range analysis and football field construction
- Input historical results and analyst projections for comparable companies, calculate current standalone market valuation multiples and calculate implied valuation of target company

☑ *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.*

SPEAKER

Mr. Hamilton Lin, CFA

Hamilton Lin, CFA, is President of Wall St. Training (www.wallst-training.com), a corporate training firm that teaches the fundamentals of financial analysis, modeling and valuation. Clients include prestigious firms including some of the largest investment banks, many boutique investment banks, buy-side asset managers, research firms and commercial banks, such as Bank of America / Merrill Lynch Capital Group, CIT Group, Citigroup, Credit Suisse, Deutsche Bank, Dow Jones, Factset, Fidelity, GE CFA & Private Equity, Greenhill, Goldman Sachs, JPMorgan Chase, Morgan Stanley, TD Securities, TIAA-CREF, World Bank (IFC), and many others.

Hamilton has a broad background in investment banking and mergers & acquisition in diverse industries ranging from oil and gas to insurance to asset management and related sectors. He has worked on over six dozen deals and closed over three dozen deals, ranging from plain vanilla deals, to squeeze-outs, LBOs and distressed situations ranging in deal value from $10 million to over $6 billion.

Prior to founding his firm, he worked at Goldman Sachs Investment Banking, where he standardized his group's best practices; Banc of America's M&A department, where he customized many of the firms's models; various boutique middle-market investment banks, executing private transactions; and Ryan Labs, an asset-liability asset management firm. Hamilton teaches globally, from all major cities in the USA including NYC, San Francisco, Chicago, to Asia including Hong Kong, Singapore, Shanghai to Europe including London and most major financial hubs.

Hamilton has taught as an adjunct professor at Baruch College and Hunter College in New York City. He graduated from NYU Stern in Finance and International Business, is a Chartered Financial Analyst and has taught all levels and all study sessions of the CFA exam. He also teaches all of the financial modeling and valuation courses (dozens of classes a year) at the following CFA institute member societies.

New York Society of Securities Analyst
Chicago CFA Society
San Francisco CFA Society
Boston Security Analyst Society
The Hong Kong Society of Financial Analyst
Singapore CFA Society
CFA-China: Shanghai and Beijing
Toronto CFA Society
Stamford CFA Society

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I WOULD LIKE TO ATTEND: (Please check the relevant box)

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  9:00 AM to 5:00 PM
- ☐ March 13, 2018 | Advanced Financial Modeling
  9:00 AM to 5:00 PM
- ☐ March 14, 2018 | Segment Build-Up Modeling
  9:00 AM to 5:00 PM
- ☐ March 15, 2018 | Corporate Valuation Methodologies
  9:00 AM to 5:00 PM

(VAT exclusive)

POLICY FOR SUBTITUTIONS, 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 Soceity 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 Subtitution.

You can email this to: info@cfaphilippines.org