Financial Modelling in Excel Masterclass Series: A 4-Program Series (Online)

By Wong Kah Teck, CFA, MBA (Chicago Booth), BSc (Wharton School) and
BA (University of Pennsylvania)

Program Overview

How much is a company worth based on its current operating fundamentals? What assumptions need to be realized for a stock to justify its target price? How much value can be created if a company expands its gross profit margin by 2% and reduces operating expenses by 1%?

A financial model is essential to quantitatively answer the above questions and more. The importance of financial modelling is undisputed in corporate finance, investment research and private equity. Instead of learning Excel without applying it to corporate financial modelling, this Masterclass Series focuses on equipping participants with practical skills to build a detailed financial model for a company. The model will then be used to value the company and its equity securities and perform various sensitivity analyses.

Benefits:

- Extremely *hands-on*, where participants learn *step-by-step* how to build a detailed financial model for a company by using an *actual* set of financial statements
- See how financial concepts such as free cash flow, cost of capital and enterprise value are applied in a financial model
- Learn various Excel short-cuts to expedite model-building
- Appreciate how a good model can be used to aid decision-making
- Learn at your own pace

Masterclass Series Structure

This Masterclass is a 100% self-learning online program and comprises 4 programs. Learners **are highly encouraged to attend all 4 Programs of the Masterclass.** Learners will have access to the programs selected for up to 3 months from the enrolment date. The title, duration and fee for each Program is as follows.

Participants are required to create a user profile via www.fmtcs.e-learn.com to access the selected program's content once registration is completed.

Program	Title	Duration	Program Fee inclusive 6% SST	SIDC CPE points
1 of 4	Financial Modelling in Excel 1-DCF Valuation and Projecting Core Financials	3 hours	RM583.00	10 points
2 of 4	Financial Modelling in Excel 2- Refining the Model Beyond Core Financials	3 hours	RM583.00	10 points
3 of 4	Financial Modelling in Excel 3- Discounted Cash Flow Valuation Model	3 hours	RM583.00	10 points
4 of 4	Financial Modelling in Excel 4- Enhancing the Financial Model	3 hours	RM583.00	10 points
ALL	ALL	12 hours	RM2,120.00*	40 points

*Sign up for all 4 Programs in a single registration and SAVE RM212.00, total fee would be RM2,120.

Key Masterclass Series Takeaways

- Discuss the importance of financial modelling to corporate and equity valuation
- Explain the Discounted Cash Flow (DCF) valuation methodology
- Build projected income statements and balance sheets for a firm using historical income statement and balance sheet data
- Apply useful shortcuts and functions in Excel for expediting financial model construction
- Analyze how projected income statements and balance sheets relate to the DCF valuation of a firm and its shares

How Will You Learn

- Financial modelling case study based on an actual company
- Building a financial model step-by-step using actual financial statement data

Target Audience

- Investment banking professionals
- Buy and sell-side analysts
- Finance professionals in a corporation
- New entrants to capital markets/finance

Others

Eligible for HRDF claim

Prerequisites

- Good foundation in financial statements and a working knowledge of Microsoft Excel

Enquiries

T +6 016 633 2883
E fmtcs.sb@gmail.com

Details of Each Program in the Masterclass Series

Program 1 of 4: Financial Modelling in Excel 1-DCF Valuation and Projecting Core Financials

Key Learning Aims:

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Prerequisites

- Good foundation in financial statements and a working knowledge of Microsoft Excel

Detailed Program Outline

Introduction

- Case study overview and Importance of Financial Modelling to Corporate and Equity Valuation

Discounted Cash Flow Valuation

- DCF Valuation Methodology: Critical Concepts and Logic
- Methods of applying DCF valuation to companies
- Example: DCF valuation applied to companies
- How financial modelling fits in with valuation

Projecting Core Financial 1: The Income Statement

- The financial modelling recipe for success
- Deciphering the historical income statement and reformatting it for the financial statement model
- Incorporating income statement assumptions and applying useful Excel shortcuts
- Projecting the income statement

Projecting Core Financial 2: The Balance Sheet

- Deciphering the historical balance sheet and reformatting it for the financial model
- Incorporating Balance sheet assumptions and applying useful Excel shortcuts
- Projecting the Balance Sheet

Program Summary, Conclusion and Assessment Quiz

- What's next? Program Wrap Up, Summary and Conclusion
- Program assessment: Quiz

Program 2 of 4: Financial Modelling in Excel 2-Refining the Model Beyond Core Financials

Key Learning Aims:

- Project the firm's statement of cash flows based on income statement and balance sheet data
- Incorporate new share issuance and share buybacks into the financial model to refine it further
- Project the firm's debt schedule and determine the firm's future funding requirements
- Assess the impact of assumed changes in fundamentals on the firm's earnings per share (EPS)
- Complete a projected financial statement model that integrates the projected income statement, balance sheet and cash flow statement
- Test the financial model to see if it is robust

Prerequisites

- Completion of Financial Modelling in Excel 1-DCF Valuation and Projecting Core Financials

Detailed Program Outline

Introduction and Projecting the Cash Flow Statement

- How can the core model be refined further?
- Projecting operating cash flow and relating it to Income Statement and Balance Sheet data
- Projecting investing cash flow
- Projecting financing cash flow, Dealing with new share issuance and share buybacks
- Status Check: Completing Gaps in the Model

Modelling the Debt Schedule

- Making sense of the Debt schedule
- Projecting the Debt Schedule and inferring the Firm's future funding requirements from it

Model Integration and Robustness Checks

- Completing the financial statement model by integrating the projected income statement, balance sheet and cash flow statement
- Projecting the interest schedule
- Filling up remaining gaps in the financial statement model
- Running model robustness checks-How do changes in fundamental assumptions impact EPS?

Program Summary, Conclusion and Assessment Quiz
- Summary and Conclusion
- Assessment: Quiz

Program 3 of 4: Financial Modelling in Excel 3-Discounted Cash Flow Valuation Model

Key Learning Aims:
- Create a discounted cash flow (DCF) valuation model using a methodical process
- Project free cash flows using data from projected financial statements
- Estimate the terminal value for a business using the Gordon Growth Model and Exit Multiple method
- Value the firm and its equity securities using the discounted cash flow (DCF) valuation financial model
- Sensitize the value of the firm's shares for changes in fundamentals such as growth and the cost of capital
- Evaluate the valuation obtained via the DCF valuation model

Prerequisites
- Completion of Financial Modelling in Excel 1-DCF Valuation and Projecting Core Financials
- Completion of Financial Modelling in Excel 2-Refining the Model Beyond Core Financials

Detailed Program Outline

Building the Discounted Cash Flow (DCF) Valuation Model
- Methodical process for building the DCF valuation model and projecting free cash flows
- Discounting projected free cash flows

Estimating Terminal Value and the Value of the Firm and Its Equity with the Model
- The Terminal value concept
- Estimating terminal value and the value of the firm and its equity-the exit multiple method and Gordon Growth Model
- Evaluating terminal value

Valuation with the DCF Valuation Model Created and Applying the Model
- Sensitizing the equity value for changes in fundamentals (e.g. growth rate and cost of capital)
- Applying the model-valuation and other issues

Program Summary, Conclusion and Assessment Quiz
- Summary and Conclusion
- Assessment: Quiz

Part 4 of 4-Enhancing the Financial Model

Key Learning Aims:
- Enhance a financial model by incorporating detailed estimates of the weighted average cost of capital (WACC), bottom-up sales forecasts and depreciation forecasts
- Use the financial model to find the cost of equity
- Estimate equity beta using the historical beta approach and the target beta approach
- Project sales for the firm using a bottom-up sales forecasting model

- Create a detailed depreciation schedule that relates depreciation to capital expenditure and existing depreciable assets
- Assess the impact of the model enhancements on the value of a firm's shares

Prerequisites

- Completion of Financial Modelling in Excel 1-DCF Valuation and Projecting Core Financials
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Detailed Program Outline

Model Enhancement 1: Estimating the Weighted Average Cost of Capital (WACC)

- Why incorporate enhancements into a financial model?
- A review of the WACC concept
- Using the model to find cost of equity
- Equity beta estimation-historical approach and target beta approach
- Putting it together: Using the model to find the firm's value
- Discussion: WACC

Model Enhancement 2: Bottom-Up Sales Forecasting Model

- Rationale for bottom up sales forecasting and projecting sales bottom-up (part 1)
- Projecting sales bottom-up (part 2)
- Projecting sales bottom-up (part 3)
- Discussion: Bottom-up sales forecast

Model Enhancement 3: Depreciation Schedule Model

- Depreciation schedule modelling- relating depreciation to existing depreciable assets
- Depreciation schedule modelling- relating depreciation to capital expenditure

Program Summary, Conclusion and Assessment Quiz

- Assessing the impact of model enhancements on value of the firm's shares
- Program summary and Conclusion
- Assessment: Quiz

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Trainer's Profile

Kah Teck has more than a decade of capital markets experience. He was a portfolio strategist in CIMB Investment Bank and Am Investment Bank where he was responsible for spearheading investment advisory and product development initiatives and also played an active role in evaluating numerous plain vanilla and hybrid fund raising options. He has also worked for the Securities Commission in research and formulating capital market development policies.

Now the Managing Director and Principal Trainer for FMTCS Sdn Bhd, Kah Teck passionately shares his knowledge and experience with professionals in many of Malaysia's leading financial institutions and government-linked institutions. His trainees frequently credit him with the ability to make finance interesting and demystify complex finance concepts.

Kah Teck graduated *summa cum laude* with a dual degree in finance and economics from the University of Pennsylvania's Wharton School and School of Arts and Sciences, and holds an MBA (with Honors) from the Booth School of Business, University of Chicago. He is also a Chartered Financial Analyst (CFA) charterholder. Kah Teck was also awarded the prestigious ASEAN scholarship to pursue pre-university studies in Singapore.

His teaching and research interests are in corporate finance, derivatives, securities valuation, financial risk management, financial modelling and financial analysis.

What our past participants say about Kah Teck's training delivery:

- *"Finally**,** a financial modelling course that teaches us how to **build an effective financial model from scratch**"*
- ***"Practical, fun and easy to follow** -accounting and valuation concepts are brought alive in this Program"*
- ***"Awesome Excel short cuts** that expedite my daily use of Excel"*
- *"He has **immense knowledge** of finance and is very passionate and eager to teach and share-it amazes me how one can **make finance so interesting and easy to comprehend**"*

Registration Form

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Name : _____

Designation : _____

Company Name (for billing) : _____

Contact Tel. No. : _____

Email Address : _____

Payment Details

☐ **BY BANK TRANSFER**

- Participants will bear all bank telegraphic transfer charges.
- Once we receive your registration form, we will provide you with an invoice and bank-in details.

Cancellation and refund policy

Please visit our webpage https://fmtcs-elearn.com/frequently-asked-questions-faqs/ for information.

Enquiries

Please contact +6 016 633 2883 or email us at fmtcs.sb@gmail.com

Disclaimer

FMTCS Sdn Bhd ("FMTCS") reserves the right to alter any part of the published programme. An invoice will be sent upon receipt of registration form.