



Providing financial training to Wall Street®

**FINANCIAL MODELING & VALUATION**  
**CUSTOMIZED TRAINING PROGRAMS**  
**DETAILED COURSE DESCRIPTIONS**

+1 (212) 537-6631  
+1 (212) 656-1221 (fax)  
info@wallst-training.com

**Hamilton Lin, CFA**  
Wall St. Training  
President

[www.wallst-training.com](http://www.wallst-training.com)  
[www.wstselfstudy.com](http://www.wstselfstudy.com)



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## ABOUT WALL ST. TRAINING

### WALL ST. TRAINING OVERVIEW

Wall St. Training provides professional financial training solutions to Wall Street through hands-on classroom training and customized corporate training programs for financial analysts. All of our courses take a hands-on, interactive, practical, non-theoretical approach and is exactly how it is done on Wall Street.

#### Wall St. Training Overview

- ◆ Corporate training
- ◆ Public, open-enrollment seminars
- ◆ Self-study, video-based learning

#### Wall St. Training Services

- ◆ Train finance professionals
- ◆ Conduct new hire and lateral hire training
- ◆ Teach fundamental financial analytics
- ◆ Instruct and promote mastery of advanced topics
- ◆ Provide practical, real-world, hands-on instruction

#### Wall St. Training Specialties

- ◆ Investment Banking and M&A (analysts & associates)
- ◆ Securities Research (equity & fixed income)
- ◆ Asset and Investment Management
- ◆ Credit Analysis (corporate & commercial banking)
- ◆ LBO Modeling (private equity & high yield)
- ◆ CFA (Chartered Financial Analyst)

### WALL ST. TRAINING COURSE TOPICS

Wall St. Training offers a wide variety of topics ranging from Basic to Advanced levels. Our courses are designed for participants with various backgrounds, from students and entry-level professionals to professionals with some work experience to professionals in the midst of a career transition.

#### Basic and Fundamental Concepts

- ◆ Accounting and Financial Statements Integration
- ◆ How to Analyze a 10K
- ◆ Introduction to Finance ("Finance 101")
- ◆ Corporate Valuation (including Corporate Finance)

#### Core Financial Modeling Topics

- ◆ Basic Financial Modeling
- ◆ Advanced Financial Modeling (Core Model) & Valuation Analysis
- ◆ Revenue and Segment Build-up Model
- ◆ Trading & Deal Comps Analysis

#### Merger Modeling Topics

- ◆ M&A Deal Structuring and Merger Modeling
- ◆ Basic and Complex LBO Modeling & LBO Enhancements
- ◆ Advanced Merger Modeling
- ◆ Roll-Up Acquisition Modeling

#### Technical Applications & Topical Subjects

- ◆ Insurance Company and REIT Financial Modeling
- ◆ Overview of the Financial Markets
- ◆ Advanced Excel for Data Analysis + Intro to Macros

## WHY CHOOSE WALL ST. TRAINING

We analyzed the current learning process in finance and Wall Street, figured out how teaching and training should be done and then implemented our learning processes. In short, our strengths that separate us from our competitors include:

- Hands-on, interactive, practical, non-theoretical, no "b.s." approach
- Training modules replicate exactly how it is done on Wall Street
- Blend of real-world and effective teaching style that is more down to earth and at the audience's level
- Fast-paced learning where the goal is for participants to become experts and extremely quick and efficient so they could spend more time on analysis of the numbers rather than pure number crunching
- Learn how to completely avoid using the mouse when building financial models
- Ability to translate difficult and advanced concepts into plain English while providing highly detailed explanations and intricacies; ability to integrate a variety of disparate topics into one focused theme
- Teach nuances and real-life intricacies, not just the basic how-to; we teach the rules and the exceptions!
- Models that are built more cleanly, more efficiently and are meant to be self-contained reference models
- Highly interactive, dynamic teaching approach – we guarantee you will learn AND have fun!

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## ABOUT WALL ST. TRAINING SELF-STUDY

Wall St. Training Self-Study was formed with the goal of:

- Helping people obtain, advance and **achieve their career aspirations**
- Supplying the tools, skills, knowledge and **ability to succeed on Wall Street**
- **Replicating** the live learning environment to learn at your own pace and time, location-independent
- Providing a **more efficient way** to disseminate knowledge to empower professionals with required skills
- **Improving** self-study – alternatives are text & paper-based; who wants to read 400 pages?
- **Elevating standards** and promoting best practices and efficiencies on Wall Street

## WST SELF-STUDY VIDEO LEARNING PLATFORM

Our fully-integrated, video-based learning platform is a content & learning management system custom-designed for Wall Street financial modeling needs. It was developed to deliver state-of-the-art video & interactive assets to your organization. It is **extremely robust** and provides:

- **Same materials** used for training investment banks, research departments and asset managers
- Dynamic, instructional, **streaming videos** of the entire financial analyst program
- **Interactive and engaging** side-by-side learning with instructor and video
- Excel **templates & models**, presentation and slide materials and supporting content and exhibits

## WHO CAN BENEFIT

- Current finance professionals looking to advance career
- Professionals looking to career transition into finance
- Anyone with an interest in finance and looking to learn analysis
- College or business school students
- Corporations and employees

Our courses set the standard in the following finance areas:

- Investment banking (bulge bracket and boutiques)
- Mergers & Acquisitions (buy and sell-side)
- Securities Research (equity & fixed income)
- Asset and Investment Management
- Credit Analysis (corporate & commercial banking)
- LBO Modeling (private equity & high yield)

## WHY CHOOSE WST SELF-STUDY

- **Robust Learning Platform:** text- and slide-based alternatives simply don't compare
- **Superior Content:** we teach the nuances and real-life intricacies, not just the basic how-to
- **Superior Instruction:** we tie together random disparate pieces of knowledge and translate difficult and advanced concepts into plain English while providing highly detailed explanations and intricacies
- **Ease of Use:** our content is interactive, fun, engaging, easy to follow and is not boring

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## WALL ST. TRAINING COURSE TOPICS

Wall St. Training offers a wide variety of topics ranging from Basic to Advanced levels. Our courses are designed for participants with various backgrounds, from students and entry-level professionals to professionals with some work experience and professionals in the midst of a career transition. Additional courses are available and can be customized to fit your needs. We are flexible in designing & customizing a program structure that works for you.

We begin with the **basic & fundamental** topics to **core financial modeling & valuation** topics to the **extremely complex, super-advanced** financial modeling courses. We highly recommend that you begin with our Basic & Fundamental courses which you must master before proceeding to the core modeling and advanced modeling topics. Our Excel-based courses are extremely keyboard and shortcut oriented to speed up number crunching to allow more time qualitatively to properly analyze and interpret the quantitative results.

### THE APPETIZERS

#### Accounting & Financial Statement Intensive Bootcamp

Our in-depth crash course in accounting helps you learn and master a subject that is **critical to the start of your finance career**. This is oriented towards finance professionals as opposed to future accountants and as such, the focus is on **analysis, proper interpretation and manipulation of accounting** numbers to get closer to economics of what's transpiring. Throw the debits & credits out the door – we take a non-textbook and non-academic approach, instead focusing on how to “cook the books”.

#### PACKAGE 1: Basic & Fundamental Concepts

Our basic concepts will allow you to learn and **gain the fundamental knowledge that you must master** before the advanced content. We answer all the rarely answered "WHY" questions - "why do we do this, why do we do that" - instead of answering: "well, just because" or "that's the way it's always been done", **we actually clearly and easily explain the logic of why and how not just the what**. Whether you are an economics or liberal arts major or a business/finance major looking to summarize the critical 30 pages in that 400 page textbook, our Basic & Fundamental course modules will quickly set the proper foundation for you to excel.

#### PACKAGE 2: Core Fundamental Concepts

Our core fundamental concepts in finance involve the basic **financial modeling and valuation techniques** that introduce model building best practices as well as getting used to working efficiently in Excel. After understanding the basic fundamental concepts, the most important building blocks of modeling are introduced as we begin to **thoroughly analyze financial statements and their implications**. We introduce the underpinnings of **fundamental valuation** (i.e. DCF analysis) and **relative valuation** (comps & multiples).

### MAIN COURSE

#### PACKAGE 3: Advanced Financial Modeling

Take everything to the next level as we build upon the basic & core concepts to cover the **fundamental financial modeling concepts** that one must be master in order to perform the minimum financial analysis required. We will make you **"super-stars" in Excel** and modeling techniques by plowing deep into **building robust, integrated models** and properly analyzing the results of our models.

#### PACKAGE 4: Valuation Modeling

We dive deeper into the nuances of valuation by **understanding the art (not science) of valuation**. Build upon your core financial models by integrating and layering on hands-on valuation analysis. Construct standard full-blown **DCF analysis, trading & deal comps analysis and summary football field**. Dive real deep into the **nuances of valuation** by ripping apart footnotes and making subjective inputs while balancing objectivity.

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## MAIN COURSE (cont)

### PACKAGE 5: Merger Modeling Topics

Our merger modeling topics introduce critical skills required for understanding how to **structure and analyze mergers & acquisitions**. After modeling a company's profits / cash flow and valuing the entity, one must decide what to do with the company in the grand scheme of its strategic alternatives, including a merger or acquisition. We introduce the basics of deal structuring and **implications on accretion/dilution** to building more involved **merger models** with the complexity of complicated FASB and IFRS accounting rules.

### PACKAGE 6: Leveraged Buyout (LBO) Topics

Our LBO modeling courses introduce critical skills required for properly **understanding and quantifying capital structure changes** from simple share repurchases to the extreme of a leveraged buyout. The techniques and concepts learned in building proper, robust, dynamic and flexible LBO models are highly valued given the relative **difficult nature of setting up, quantifying and articulating the complex relationships and intricacies of the LBO**. We clearly convey the complexities involved in understanding the deal structure, sources & uses, refinancing options, credit ratios and the all-important debt sweep.

## DESSERT & DRINKS

### TECHNICAL APPLICATIONS: Excel and more

A financial analyst won't be spending all their time on Excel building financial models, but will be **crunching a fair amount of data and creating charts, tables & presentations**. From due diligence of analyzing salary rosters and client lists to industry analysis and reports to creating charts and graphs, you will **live and breathe Excel, Word & PowerPoint** and we will teach you all the best practices of the most important tools.

### OVERVIEW OF FINANCIAL MARKETS + EXHIBITS

In our Overview of Financial Markets, we introduce the **major jargon and finance terminology in finance**, from the sell-side to the buy-side and capital markets, from investment banking to sales & trading and research and asset management. In addition, we **quantify and dig deep into specific selected topics of interest** from the long-term relationship of depreciation and capital expenditures to share repurchase impacts, to cause of circular references in financial models and much more!

## SECOND ROUNDS!

### Private Company Valuation

Evaluation of private companies, middle market entities and those with very sparse publicly available data take a **completely different approach than those of publicly traded companies**. Usually, analysis of private companies requires a **different approach to modeling** than public entities. Instead of focusing just on corporate finance, a **deeper more thorough understanding** of the private company's operations is required.

### Super-Complex M&A LBO Modeling

Take your modeling skills to an unmatched level: build **full-blown, fully-integrated, merger & LBO models** that slap together the complete target + acquiror model into the extremely robust merger model. The integrated full-blown LBO model allows the target to be acquired or LBO'ed. **This is among the most advanced models out there. Period. End of story.**



## INDUSTRY SPECIFIC MODELING

### Distressed Modeling

Normally, our financial modeling & valuation courses are always prefaced with a caveat: “applies to run-rate, going concern entities, not distressed or restructuring” companies. Why? It’s simple - **the rules of engagement are completely different for distressed entities** that have financial or operational difficulties. Our distressed series will teach you how to **model and value distressed companies** and securities undergoing restructuring or the bankruptcy process.

### Bank Financial Modeling

Banks, similar to insurance companies, play by a **different set of accounting** rules in which the **normal approach of building financial models don’t apply** (such as revenue growth, COGS and SG&A, % of revenue, BS and days outstanding working capital). When it comes to balance sheet based companies, it’s a whole other world out there, so strap in and get ready! But don’t worry, we’ll take it easy with a **detailed commercial bank industry primer** and overview to familiarize ourselves with the new terminology and then tee you up methodically to before **diving into the complex stuff**.

### Insurance Financial Modeling

Insurance companies, similar to banks, play by a **different set of accounting** rules in which the **normal approach of building financial models don’t apply** (such as revenue growth, COGS and SG&A, % of revenue, BS and days outstanding working capital). When it comes to balance sheet based companies, it’s a whole other world out there, so strap in and get ready! But don’t worry, we’ll take it easy with a **detailed insurance industry primer** and overview to familiarize ourselves with the new terminology and then tee you up methodically to before **diving into the complex stuff**.

### Real Estate Development Modeling

Real estate takes a **different twist from traditional companies** in that it doesn’t sell or produce any goods. As such, the process of building up **the P&L requires a different logic**. From quantifying the costs of a development project to the revenue build-up, we explore a **master plan for community and condo development** to a **commercial hotel project**.

### REIT Modeling

Real Estate Investment Trusts take a different life of their own by **aggregating all the real estate investments** and development projects the REIT manages and owns. The individual line items per property are not as relevant as everything in totality. The **process of quantifying construction-in-progress, acquisitions and new development starts** on the overall REIT entity to arrive at a solid set of projections is the goal in our REIT module.

### Buy-Side Series

Oftentimes, the results of your quantitative, fundamental and relative valuation provides an answer and decision rule, but **results in a different (and opposite) action item than the buy-side analyst**. The goal of our buy-side series is to get **introduced to the psyche of a hedge fund** and learn **how to think like a buy-side analyst**. If you’re a buy-side professional, you must master these fundamentals. If you’re a sell-side professional, adoption of these techniques will **increase the value** of the presenter’s ideas and result in increased and stronger buy-side relationships.

## WST COURSE TOPICS – CORE MODULES

We begin with the basic & fundamental topics to core financial modeling & valuation topics.

Course Module	Classroom Duration	Video Length	Total Time
<b>ACCOUNTING BOOTCAMP</b>	3 days	≈ 11 hours	≈ 16 hours
Accounting & Financial Statements Intensive Bootcamp	3 days	11 hours	16 hours
<b>PACKAGE 1: BASIC &amp; FUNDAMENTAL CONCEPTS</b>	2 ½ days	≈ 9 hours	≈ 13 hours
Accounting & Financial Statements Integration	½ day	2.5 hours	4 hours
How to Analyze a 10K	½ day	2 hours	3 hours
Finance 101 – Introduction to Finance	½ day	1.5 hours	2 hours
Company Profiles	½ day	1 hour	1.5 hours
Company Overview	½ day	1.5 hours	2 hours
<b>PACKAGE 2: CORE FUNDAMENTAL CONCEPTS</b>	2 days	≈ 7 hours	≈ 9 hours
Corporate Valuation Methodologies & Corporate Finance Basics	½ day	2 hours	2.5 hours
Basic Financial Modeling + DCF Modeling	1 day	4 hours	5 hours
Basic Valuation Techniques	½ day	1 hour	1.5 hours
<b>PACKAGE 3: ADVANCED FINANCIAL MODELING</b>	4 days	≈ 14 hours	≈ 18 hours
Advanced Financial Modeling – Core Model	1 day	3.5 hours	5 hours
Enhancements to the Core Model – Part 1	1 day	3 hours	4 hours
Enhancements to the Core Model – Part 2	1 day	3 hours	4 hours
Segment Build-up & Sensitivity Modeling	1 day	4 hours	5 hours
<b>PACKAGE 4: VALUATION MODELING TOPICS</b>	4 days	≈ 10 hours	≈ 15 hours
Corporate Valuation Methodologies & Corporate Finance Basics	½ day	2 hours	2.5 hours
Quick & Dirty Trading Comps	¼ day	1 hour	1.5 hours
Relative Valuation – Football Field	¼ day	0.5 hour	1 hour
Complex Trading Comps Analysis	2 days	4.5 hours	7 hours
Deal Comps Analysis (Precedent Transactions)	1 day	1.5 hours	2 hours
<b>PACKAGE 5: MERGER MODELING TOPICS</b>	2 days	≈ 6 hours	≈ 9 hours
M&A Deal Structuring	½ day	2 hours	2.5 hours
Merger Modeling Basics	½ day	1.5 hours	2.5 hours
Intermediate / Advanced Merger Modeling	1 day	2.5 hours	4 hours
<b>PACKAGE 6: LEVEARGED BUYOUT (LBO) TOPICS</b>	2 days	≈ 5 hours	≈ 7 hours
Leveraged Buyout Overview	¼ day	1 hour	1.5 hours
Quick & Dirty Basic LBO Model	½ day	1 hour	1.5 hours
Advanced LBO Modeling	1 day	2.5 hours	4 hours
<b>OVERVIEW OF FINANCIAL MARKETS + EXHIBITS</b>	½ day	≈ 2 hours	≈ 3 hours
<b>TOTAL DURATION – CORE MODULES</b>	<b>20 days</b>	<b>≈ 64 hours</b>	<b>≈ 90 hours</b>

Note: All times are approximate. Total time = video length + additional interactive tools and setup time. In reality, one can expect to review the videos at least twice to properly absorb all the material.

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## WST COURSE TOPICS – ADVANCED & INDUSTRY MODULES

After mastery of the core modules, we focus on the advanced and industry specific modules.

Course Module	Classroom Duration	Video Length	Total Time
<b>PRIVATE COMPANY VALUATION</b>	3 days	≈ 10 hours	≈ 13 hours
Private Company Valuation	1 day	3 hours	4 hours
Segment Build-up & Sensitivity Modeling	1 day	4 hours	5 hours
Private Company Pro Forma Modeling	½ day	1.5 hours	2.5 hours
M&A Earnout Modeling	¼ day	1 hours	1.5 hours
<b>SUPER-COMPLEX M&amp;A LBO MODELING</b>	4 – 6 days	≈ 14 hours	≈ 20 hours
Complex, Super-Advanced Merger Modeling	2 – 3 days	5 hours	10 hours
Complex LBO Modeling & LBO Model Enhancements	2 – 3 days	8.5 hours	10 hours
<b>DISTRESSED MODELING</b>	1 day	≈ 6 hours	≈ 9 hours
Distressed Investing Overview	½ day	2.5 hours	4 hours
Distressed Financial Modeling	½ day	3 hours	5 hours
<b>BANK FINANCIAL MODELING</b>	5 days	≈ 12 hours	≈ 19 hours
Bank Industry Primer	½ day	2.5 hours	4 hours
Basic Bank Financial Modeling	½ day	2 hours	3 hours
Intermediate Bank Financial Modeling	1 day	2 hours	3 hours
Advanced Bank Financial Modeling	3 days	5 hours	9 hours
<b>INSURANCE FINANCIAL MODELING</b>	4 days	≈ 9 hours	≈ 16 hours
Insurance Industry Primer	½ day	2.5 hours	4 hours
Basic Insurance Company Financial Modeling	½ day	1.5 hours	3 hours
Advanced Insurance Company Financial Modeling	3 days	5 hours	9 hours
<b>REAL ESTATE DEVELOPMENT MODELING</b>	1 day	≈ 4 hours	≈ 5 hours
Real Estate Development – Master Plan	½ day	2 hours	3 hours
Real Estate Development – Hotel Development	½ day	1.5 hours	2 hours
<b>REIT MODELING</b>	3 days	≈ 5 hours	≈ 7 hours
REIT Modeling	3 days	5 hours	7 hours
<b>BUY-SIDE SERIES</b>	½ day	≈ 2 hours	≈ 3 hours
Hedge Fund – Mechanics & Applications of Long/Short HF	½ day	2 hours	3 hours
<b>TECHNICAL APPLICATIONS – EXCEL</b>	3 days	≈ 11 hours	≈ 16 hours
Excel 2003 => Excel 2007 Transition	½ day	0.5 hour	1 hour
Excel Fundamentals for the Finance Professional	1 day	3 hours	5 hours
Advanced Excel for Data Analysis	1 day	3.5 hours	5 hours
Excel Charting & Graphing Techniques & PowerPoint Integration	1 day	3.5 hours	5 hours
<b>TOTAL DURATION – ADVANCED &amp; INDUSTRY MODULES</b>	<b>26 days</b>	<b>≈ 73 hours</b>	<b>≈ 108 hours</b>

Note: All times are approximate. Total time = video length + additional interactive tools and setup time. In reality, one can expect to review the videos at least twice to properly absorb all the material.

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## WST COURSE TOPICS – TOPICAL SUBJECTS

The following are additional topical subjects that are available only in live classroom setting:

Course Module	Classroom Duration	Video Length	Total Time
<b>TOPICAL SUBJECTS</b>	4 days	N/A	N/A
Pension & OPEB Accounting & Analysis	1 day	N/A	N/A
Overview of the Financial Markets	1 day	N/A	N/A
Capital Markets / Securities Markets Overview	½ day	N/A	N/A
Introduction to Economics (Macro, Micro and Global)	1½ days	N/A	N/A
<b>TOTAL DURATION – TOPICAL SUBJECTS</b>	<b>4 days</b>	<b>N/A</b>	<b>N/A</b>

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## ACCOUNTING BOOTCAMP

### Accounting & Financial Statements Intensive Bootcamp

#### Course Goals & Overview:

Our Financial Accounting Intensive Bootcamp is specifically built as a pre-requisite for our finance, valuation, financial modeling and more complex course topics. The bootcamp is structured as an interactive discussion in which we cover definitions and terminology thru examples and case studies. Oftentimes, learning and teaching accounting is associated with boring definitions; however, our approach is to tell a story, illustrate what the numbers mean through interesting examples, not by reading slides or textbooks. We stress learning through application, practice and repetition not memorization. We emphasize, hone and re-hone concepts via one large integrated case study in which the focus is not on debits/credits and t-accounts, but rather financial analysis. This is geared towards those with little to no accounting background (i.e. liberal arts majors) and is perfect as a refresher of the most important concepts for those having previously taken "Accounting 101" courses.

#### Course Sections:

##### Ten Ways to Cook the Books

- Overview of importance of accounting, accounting as a performance measurement tool and discussion of various stakeholders involved
- Accrual concept of accounting, revenue recognition and matching principle
- Classification and construction of financial statements
- Comprehend the basic concepts underlying the Income Statement and Balance Sheet and the relationship between the two
- Ten ways to cook the books, significance of & how to spot them from a financial point of view; how to:
  - Overstate revenue and prematurely recognize income
  - Distort performance measurement by including non-recurring items
  - Manipulate and decrease expenses and distort profit
  - Fail to recognize losses through write-offs and allowances
  - Use LIFO/FIFO accounting methods to manipulate profits and inventories
  - Analyze off-balance sheet items such as operating (and capital) leases to distort debt and profitability
  - Over / under - value marketable securities to distort profitability
  - Hide pension expenses and create phantom income
  - Manipulate cost vs. equity accounting methods and minority interest overview
  - Manage earnings by modifying reserve valuation estimates

##### Detailed Income Statement review, including definition, significance and application of:

- Revenue, COGS, Gross Profit, SG&A, Operating Income (EBIT) & EBITDA
- Interest Expense and Income, Pre-Tax Income, Taxes (Current & Deferred)
- Net Income, Shares Outstanding (Basic and Diluted), Earnings per Share

##### Detailed Balance Sheet review, including definition, significance and application of:

- Current Assets (Cash, Inventories, Accounts Receivables, Pre-paid Expenses),
- Fixed Assets (PPE), Long-Term Assets (Equity Investments)
- Goodwill and Intangibles
- Current Liabilities (Accounts Payable and Deferred Revenue)
- Long-Term Liabilities (Debt and Capital Leases)
- Minority Interest
- Equity (Common Stock, Additional Paid in Capital, Retained Earnings, Treasury Stock and Other Comprehensive Income)



## ACCOUNTING BOOTCAMP

### Accounting & Financial Statements Intensive Bootcamp (cont)

#### Detailed Cash Flow Statement review, including definition, significance and application of:

- Review of working capital and understanding its impact on a business and cash flow
- Understand how depreciation, amortization and other non-cash expenses are accounted for and how they impact the financial statements
- Detailed Cash Flow Statement review, including definition, significance and application of:
  - CFO: Cash Flow from Operations (Net Income, Depreciation & Amortization, Changes in Working Capital)
  - CFI: Cash Flow from Investing (Capital Expenditures, Acquisitions, Divestitures)
  - CFF: Cash Flow from Financing (Dividends, Stock Issuances, Repurchases, Debt Borrowings & Paydown)
- Understand why the Cash Flow Statement is the "ultimate balancer and equalizer"
- Appreciate the information content of the Income Statement, Balance Sheet and Cash Flow Statement and their inter-relationships
- Analyze financial statements from a high-level context and how to spot inconsistencies on the Income Statement and Balance Sheet ("cooking the books") that appear and cannot be hidden on the Cash Flow Statement ("cash is king" – can't hide cash or lack of cash)
- Understand the process by which an entity's financial activities ultimately get reflected in its financial statements

#### Wrap-up & Summary

- Begin hands-on, interactive case study creating major financial statements
- Modify and enhance case study by interjecting ways to "cook the books" and analyzing the results
- Continuation, analysis and wrap-up of hands-on, interactive case study
- Conclusion of case study demonstrating, illustrating and highlighting all key discussion points, definitions and examples
- Discussion of deferred tax liabilities and deferred tax assets; permanent vs. temporary differences and effect on effective tax rates
- Review of important financial and accounting ratios
- Compute, compare and contrast performance measures (internal liquidity ratios, asset management and efficiency metrics, profitability measures, external liquidity statistics and debt management)

#### Prerequisites:

- Desire to learn accounting terminology, general business smarts and common sense



## PACKAGE 1: BASIC AND FUNDAMENTAL CONCEPTS

### Accounting & Financial Statement Integration

#### Course Goals & Overview:

This is not an Accounting class, but rather, is a perfect course for those needing a refresher or those desiring a financial statements crash course as it relates to financial analysis. Learn the most important and relevant areas of financial statements for financial modeling.

This program covers the basics of financial accounting including the major financial statements (Income Statement, Balance Sheet and Cash Flow) and the most important components of each as it relates to financial analysis. Concentration is placed on the integration of the financial statements and provides a full integrated grasp of accounting from a finance perspective.

#### Course Sections:

##### Financial Statement Analysis

- Income Statement, Balance Sheet, Cash Flow Statement defined and importance of
- Comprehensive Financial Statement review
- Components of each major financial statement
- IS: Revenue and expense items, EBITDA defined and discussed
- BS: Assets, Liabilities, and Shareholders' Equity
- CF: Cash Flow from Operations, Investing Activities and Financing
- Understand how financial statements are inter-related to each other
- Relationship between the Income Statement and Cash Flow Statement
- Explanation of Accrued Expenses, Receivables and Payables and how they tie together

##### Key Ratios

- Overview and explanation of major financial ratios, including: liquidity, asset management, debt management, profitability, and market value ratios

##### Hands-on Exercise

- Interactive group project break-out to analyze, compare and contrast financial statements of various companies; discussion and recommendation of which companies are more attractive

##### Prerequisites:

- Desire to learn accounting terminology, general business smarts and common sense



## PACKAGE 1: BASIC AND FUNDAMENTAL CONCEPTS

### How to Analyze a 10K

#### Course Goals & Overview:

"How to Analyze a 10K" builds upon basic accounting and financial statements concepts to focus on the major components of a 10K SEC filing, including the Management Discussion & Analysis, Financial Condition and Results and how to analyze the myriad of footnotes.

It's simply not enough to merely analyze the financial statements, but especially critical to plow through and understand the footnotes and the management discussion & analysis, where the most of the qualitative information is contained. The challenge is that there are a myriad of footnotes and figuring out which are the important and relevant ones is no small feat. This course provides the overview and analysis for most major common footnotes and gives you a starting point to plow in deeper when we build our financial models. The irony is that in the process of crunching numbers and building numbers, reading comprehension, particularly on the 10K is probably even more important in terms of getting the right inputs.

#### Course Sections:

##### Overview & Analysis

- What is a 10K and how is it different from an Annual Report?
- Major components of a 10K filing
- Detailed discussion on the MD&A section (Management Discussion & Analysis)
- Detailed discussion of all major footnotes and how to analyze and interpret major categories of footnotes: general footnotes, Balance Sheet footnotes, contingencies footnotes, Income Statement footnotes, Capital Structure footnotes, many other footnotes
- Brief discussion of Proxy statement and its utility
- Brief discussion and introduction to differences between US and International GAAP

##### Hands-on Exercise

- Interactive group project break-out to analyze, compare and contrast 10K's of various companies
- Concentration on: revenue terminology differences, balance sheet analysis, cash flow analysis, analysis and comparison of footnote, MD&A / segment breakdown and discussion

##### Prerequisites:

- Accounting for Financial Statements Integration
- Reading comprehension



## PACKAGE 1: BASIC AND FUNDAMENTAL CONCEPTS

### Finance 101 - Introduction to Finance

#### Course Goals & Overview:

Learn the basic finance concepts that are the backbone of any financial analysis. An understanding of these basic core tools is absolutely critical to mastering any Wall Street analysis. Topics covered include risk / return trade-offs, time value of money, cost of capital, Gordon growth model and basic valuation theories.

Moving beyond the accounting and 10K analysis, this course provides an introduction to the major concepts in finance that many people take for granted. Understanding financial modeling, valuation, and the capital markets in general would be difficult without a full grasp of these fundamental concepts.

#### Course Sections:

- Risk / Return: Calculating returns and measuring risk, benefits of diversification (systematic and unsystematic risk, total risk, market risk and firm-specific risk), security market line, capital asset pricing model, beta
- Time Value of Money: present and future values, net present value, internal rate of return, compounding, discounting, uneven cash flow streams, simple vs. effective rates, periodic rates, CAGR (Compound Annual Growth Rates)
- Basic Valuation Theories: value of any asset, dividend discount model (theory only!), Gordon growth model, growing perpetuity
- Cost of Capital: sources of capital, component costs, weighted average cost of capital

#### Prerequisites:

- Desire to learn finance terminology, general business smarts and common sense



## PACKAGE 1: BASIC AND FUNDAMENTAL CONCEPTS

### Company Profiles

#### Course Goals & Overview:

Company profiles are the most basic overview and descriptions of a company being analyzed. Profiles supply the most basic and fundamental, yet probably the most important aspects of a company. Gain an introduction and explanation of the major components of a profile for a publicly traded company.

#### Course Sections:

- Summary business description and financial summary and trading analysis
- Stock price charts: price / volume graphs, indexed stock price history, moving averages, shares traded at various prices, forward PE history, historical EBITDA multiple valuation trends, beta and volatility, management and Board of Directors biographies, ownership analysis

#### Prerequisites:

- Desire to learn finance terminology, general business smarts and common sense

### Company Overview

#### Course Goals & Overview:

Build very quick financial summary and trading statistics exhibit using historical results, analyst estimates & basic assumptions in Excel. This course will allow you to understand basic structure of building an analysis in Excel and navigating through and becoming efficient in Excel.

#### Course Sections:

##### Financial Summary

- Build a very simple financial overview exhibit by inputting historical results, analyst estimates and basic projections.

##### Trading Statistics

- Build trading statistics exhibit displaying standard market valuation multiples.

#### Prerequisites:

- Accounting & Financial Statements Integration
- Finance 101 – Introduction to Finance
- Corporate Valuation Methodologies
- Prior experience with Excel, decent ability to type and follow instructions



## PACKAGE 2: CORE FUNDAMENTAL CONCEPTS

### Corporate Valuation Methodologies & Corporate Finance Basics

#### Course Goals & Overview:

Learn how corporations are valued and the major analytical tools that are used. Go beyond academic theory to real-world methods as used by professionals; includes a crucial primer to Corporate Finance and its non-theoretical application. Apply learning objectives and goals immediately by analyzing a \$6 billion+ transaction. Topics covered include: (i) how to value a company (trading comps, deal comps, DCF, LBO, break-up and asset valuation); (ii) importance of Enterprise Value, EBITDA, capital structure, leverage and WACC; (iii) analyze valuation multiples and ratios; why are PE ratios sub-optimal as a valuation metric?; (iv) practical, non-theoretical application of introduction to corporate finance

#### Course Sections:

##### Valuation Methodologies

- 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?
- Why do we include minority interest and exclude capital leases?
- 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?
- 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
- Calculating implied value based on multiples analysis
- What is a leveraged buyout and what are the main motives for LBOs?

##### Case Study Discussion

- 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
- Detailed explanation of Discounted Cash Flow (DCF) valuation, its theory and application
- Discussion of why the DCF is arguable one of the most important analyses while simultaneously one of the most academic and least practical of them all
- Review of WACC (weighted average cost of capital), CAPM (Capital Asset Pricing Model)
- How do you approach valuing a company with completely disparate businesses?

##### Prerequisites:

- Accounting & Financial Statements Integration
- How to Analyze a 10K
- Finance 101 – Introduction to Finance



## PACKAGE 2: CORE FUNDAMENTAL CONCEPTS

### Basic Financial Modeling + DCF Modeling

#### Course Goals & Overview:

This course builds upon, and implements in Excel, the fundamental financial analysis and valuation topics. Create a top-down, five year income statement projection model and then construct a basic discounted cash flow analysis on top of your projection model.

\*\* Don't get thrown off by the word "basic" – this Basic Financial Modeling serves as the fundamental basis for all of our additional Excel-based courses. Before you "graduate" onto our advanced modeling courses, we HIGHLY recommend you take this course for the full background on working efficiently in Excel the way we want you to, otherwise you may have a much steeper learning curve in our other classes. \*\*

#### Course Sections:

##### Income Statement Projection

- 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
- Learn the correct way to calculate diluted shares outstanding

##### Discounted Cash Flow Analysis

- How is a discounted cash flow analysis actually constructed?
- What is the difference between the terminal value and perpetuity growth approaches and what are the implications on value?
- Learn subtle nuances including the proper figure for "cash flow" in perpetuity growth models

#### Prerequisites:

- Accounting & Financial Statements Integration
- Finance 101 – Introduction to Finance
- Corporate Valuation Methodologies
- Company Overview

### Basic Valuation Techniques

#### Course Goals & Overview:

Build upon Corporate Valuation Methodologies with a short, hands-on exercise to hone in the core concepts in practice before diving into the more advanced valuation modeling topics. Translate the valuation concepts into real-life case study that demonstrates and shows the valuation principles.

#### Course Sections:

- Calculate current trading and valuation statistics of industry competitors
- Project value of a company and stock based on estimated industry average valuation multiples
- Construct a sample DDM and DCF valuation analysis
- Estimate WACC, component costs of capital and CAPM and incorporate into valuation analysis

#### Prerequisites:

- Accounting & Financial Statements Integration
- Finance 101 – Introduction to Finance
- Corporate Valuation Methodologies



## PACKAGE 3: ADVANCED FINANCIAL MODELING

### Advanced Financial Modeling - Core Model

#### Course Goals & Overview:

Build fully integrated 5-yr financial statement projection model by projecting the Income Statement, Balance Sheet, Cash Flow Statement, the Debt Sweep to balance model and Interest Schedule to fully integrate model. This course will allow you to have a complete financial model projecting run-rate profitability which you can easily layer on valuation and merger models.

#### Course Sections:

##### 5-Year Financial Statement Projection Model

- How do you project a company's Income Statement 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?

##### Supporting Schedules

- Incorporate calculation and payment of dividends into your integrated financial model
- Emulate announced share repurchase program by estimating implied price and shares repurchased

##### 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 balance sheet and financial statements balance by itself 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

##### Prerequisites:

- Accounting & Financial Statements Integration
- Company Overview
- Basic Financial Modeling
- Efficiency in Excel



## PACKAGE 3: ADVANCED FINANCIAL MODELING

### Enhancements to the Core Model – Part 1

#### Course Goals & Overview:

Build upon completed core model and layer on valuation analysis. Construct DCF valuation model, detailed revenue segment build-up, project more precise depreciation schedule, calculate credit & leverage statistics and ratios, construct a reference range and football field summary valuation. This Enhancements course will allow you to have a much more detailed stand-alone financial model and valuation model!

#### Course Sections:

##### Enhancements to Core Integrated Financial Model

- Build a stand-alone depreciation schedule to better estimate working capital changes and free cash flow by depreciating existing PPE as well as new capital expenditures
- Credit and leverage statistics ratio analysis with automated comparisons vs. S&P rating statistics

##### Detailed Business Segment Build-Up

- Model out historical change in key drivers of growth and project future detailed growth
- Analyze and break down growth based on publicly available data and inputs from 10K filing
- Incorporate and remove effect of growth from non-core items such as foreign exchange rate fluctuations
- Project future detailed growth assumptions that roll up into larger projection model

##### Valuation Modeling

- Construct a discounted cash flow analysis, estimate unlevered free cash flow (free cash flow to firm) and terminal value using multiples approach and perpetuity growth approach
- Build reference range and football field to summarize valuation

##### Prerequisites:

- Accounting & Financial Statements Integration
- Finance 101 – Introduction to Finance
- Corporate Valuation Methodologies
- Company Overview
- Basic Financial Modeling
- Advanced Financial Modeling – Core Model
- Extreme efficiency in Excel



## PACKAGE 3: ADVANCED FINANCIAL MODELING

### Enhancements to the Core Model – Part 2

#### Course Goals & Overview:

Further enhance core integrated financial model by building a detailed tax schedule incorporating NOLs (Net Operating Losses), Section 382 limitations on NOL usage and differences between book and tax depreciation. Dive deep into re-calculating depreciation for tax purposes based on accelerated depreciation – MACRS (Modified Accelerated Cost Recovery System) in the US. Incorporate and flow the accelerated tax depreciation into the larger tax schedule to account for differences in GAAP Pre-Tax Income and Taxable Income. Finish up with a quick Residual Income analysis and EVA (Economic Value Added) analysis, which complements our Enhancements Part I course.

#### Course Sections:

##### Construct flexible Tax Depreciation Schedule

- GAPP depreciation schedule is off simplistic straight-line assumption while tax write-offs allow for accelerated depreciation schedule
- Incorporate real-world MACRS schedule (US IRS tax code) to depreciate assets based on various property classes and recovery year
- Integrate with new capital expenditures assumptions by asset class
- Compare and contrast with GAAP depreciation
- Gain better precision into cash flow modeling and working capital line items

##### Construct and reconcile extremely detailed Book vs. Tax Income Tax Schedule

- Combine GAAP and tax depreciation schedule into tax schedule for model's deferred tax liability
- Further enhance detailed tax schedule incorporating NOLs (Net Operating Losses)
- Incorporate limitations on NOL usage based on change of control provisions
- Construct detailed accelerated tax depreciation schedules based on MACRS
- Properly build-up detailed deferred tax assets and liabilities Balance Sheet accounts

##### Perform and analyze Residual Value and EVA analysis

- Understand differences among traditional DCF analysis vs Residual Income and EVA analysis
- Calculate equity capital charge total capital charge
- Use correct discount rate for each analysis
- Compare and contrast pros and cons and the purpose of each analysis

#### Prerequisites:

- Basic Financial Modeling
- Advanced Financial Modeling – Core Model
- Enhancements to the Core Model – Part 1

**PACKAGE 3: ADVANCED FINANCIAL MODELING****Advanced Segment Build-up Sensitivity Modeling****Course Goals & Overview:**

Learn how to build detailed revenue and segment build-ups into your larger financial model. 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, from both an "account-by-account" and "business segment" basis (very detailed build-up vs. division by division). The results of build-up analysis roll-up into a consolidating income statement that feeds into the Income Statement revenue items.

**Course Sections:****Detailed Business Segment Build-Up:**

- Model out historical change in key drivers of growth and project future detailed growth
- Analyze and break down growth based on publicly available data and inputs from 10K filing
- Incorporate and remove effect of growth from non-core items such as foreign exchange rate fluctuations
- Project future detailed growth assumptions that roll up into larger projection model
- Instead of just calculating 10% growth rate in revenue, dig into deeper layers of growth drivers
- For instance, for a retailer, calculate Sales / Sq Foot / Type of Store, which captures: (i) number of stores (store count growth); (ii) size of each store (expansion and size creep); (iii) profitability of each sq foot and same store comps sales (YoY sales growth)

**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 New Business Build-Up:**

- Bridge the gap and quantify future, as-yet-unachieved growth initiatives based on concrete assumptions
- Analysis would roll into core "organic growth" model and sensitized
- Model out effects of hiring new sales representatives and the associated increased revenue
- Triangulate new revenue and tiered commission expenses due to renewal business
- Calculate incremental salary and bonus cost of new sales representatives
- Calculate additional cost of sales and other expenses related to new business

**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
- Account for inter-company eliminations in historical pro forma model and projections

**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

**Prerequisites:**

- Basic Financial Modeling
- Advanced Financial Modeling – Core Model



## PACKAGE 4: VALUATION MODELING TOPICS

### Corporate Valuation Methodologies & Corporate Finance Basics

#### Course Goals & Overview:

Learn how corporations are valued and the major analytical tools that are used. Go beyond academic theory to real-world methods as used by professionals; includes a crucial primer to Corporate Finance and its non-theoretical application. Apply learning objectives and goals immediately by analyzing a \$6 billion+ transaction. Topics covered include: (i) how to value a company (trading comps, deal comps, DCF, LBO, break-up and asset valuation); (ii) importance of Enterprise Value, EBITDA, capital structure, leverage and WACC; (iii) analyze valuation multiples and ratios; why are PE ratios sub-optimal as a valuation metric?; (iv) practical, non-theoretical application of introduction to corporate finance

#### Course Sections:

##### Valuation Methodologies

- 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?
- Why do we include minority interest and exclude capital leases?
- 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?
- 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
- Calculating implied value based on multiples analysis
- What is a leveraged buyout and what are the main motives for LBOs?

##### Case Study Discussion

- 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
- Detailed explanation of Discounted Cash Flow (DCF) valuation, its theory and application
- Discussion of why the DCF is arguable one of the most important analyses while simultaneously one of the most academic and least practical of them all
- Review of WACC (weighted average cost of capital), CAPM (Capital Asset Pricing Model)
- How do you approach valuing a company with completely disparate businesses?

##### Prerequisites:

- Accounting & Financial Statements Integration
- How to Analyze a 10K
- Finance 101 – Introduction to Finance



## PACKAGE 4: VALUATION MODELING TOPICS

### Quick & Dirty Trading Comps Analysis

#### Course Goals & Overview:

Build a basic, quick and dirty, back-of-the-envelope trading comps analysis (analysis of selected publicly traded companies). This course will allow you to quickly construct a relative valuation analysis and serves as a critical basis for our Complex Trading Comps Analysis course.

#### Course Sections:

- Input historical results and analyst projections for comparable companies (public traded competitors)
- Calculate current standalone market valuation multiples

#### Prerequisites:

- Accounting & Financial Statements Integration
- Corporate Valuation Methodologies
- Company Overview
- Basic Financial Modeling

### Relative Valuation – Football Field

#### Course Goals & Overview:

Relative Valuation Basics is an extracted section from Advanced Financial & Valuation Modeling - Enhancements course module. In particular, we construct the reference range and football to complete the valuation picture. We recommend taking the following courses in order to gain the holistic relative valuation view:

- Corporate Valuation Methodologies & Corporate Finance
- Quick & Dirty Trading Comps Analysis
- Relative Valuation Basics

#### Course Sections:

- Build reference range that quantifies fundamental and valuation methodologies
- Summarize valuation modeling techniques including: quick & dirty trading comps, reference range analysis
- Crystallize and appreciate the capital structure and the relationship between total enterprise value, 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
- Step-by-step 25 page graphic instruction on how to create football field from scratch

#### Prerequisites:

- Accounting & Financial Statements Integration
- Company Overview
- Corporate Valuation Methodologies
- Basic Financial Modeling



## PACKAGE 4: VALUATION MODELING TOPICS

### Complex Trading Comps Analysis

#### Course Goals & Overview:

Build a detailed, thorough trading comps analysis (analysis of selected publicly traded companies) and learn how to properly construct a relative valuation analysis the correct way as well as how to normalize financials for extraordinary items, non-recurring and restructuring charges. This course itself isn't terribly complex or difficult, but is very tedious, time consuming and at times frustrating as it requires a great deal of patience, attention to detail and reading comprehension. Hence, the first four letters of the title "analyst" ring true – perfection is required to get the right numbers.

#### Course Sections:

##### Trading Comps Overview and Instruction

- Learn the steps required to construct a trading comps analyses and how to filter straight through to the relevant information
- Best practices on inputting and checking data, "Do's and Don'ts" tips, specific Income Statement and Balance Sheet reminders
- Calculate LTM (last twelve months) and handling projections for comparability
- Weighted average cost of capital analysis

##### Complex Comps Adjustments

Our comps module covers just about 98% of ALL adjustments one would possibly encounter!! Learn:

- When and when not to adjust for asset impairments and write-downs
- How to adjust for zero-coupon convertible securities that are simultaneously in-the-money and out-of-the-money
- The effects of a LIFO / FIFO change in accounting recognition
- How to adjust for changes in accounting principle and discontinued operations
- The difference between below-the-line and above-the-line adjustments and evaluate when an item affects both, one or the other or neither
- How to properly account for difference fiscal year ends
- Proper treatment of capital leases
- When to use reported GAAP Income Statement figures and when to use Pro Forma figures

#### Prerequisites:

- Accounting & Financial Statements Integration
- Finance 101 – Introduction to Finance
- Company Profiles
- Corporate Valuation Methodologies
- Company Overview
- Basic Financial Modeling
- Quick & Dirty Trading Comps Analysis
- Efficiency in Excel



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## PACKAGE 4: VALUATION MODELING TOPICS

### Deal Comps Analysis (Precedent Transactions)

#### Course Goals & Overview:

Build a deal comps analysis (analysis of selected acquisitions), similar to trading comps analysis, but from an acquisition context using historical transaction data instead of current market valuation data. This course will allow you to properly construct a deal comps analysis the correct way, uncovering some of the nuances related to calculating transaction value and purchase price. This course is not a complex course and in fact, is a relative breeze compared with our Complex Trading Comps course, but builds upon the concepts in the latter course.

#### Deal Comps Instruction

- Learn the steps required to construct a deal comps analyses and how to filter straight through to the relevant information
- Plow through the myriad of deal information such as 8K filings, 10K filings, press releases and industry databases
- Calculate transaction value (purchase price), premiums and multiples in past deals
- Uncover subtle nuances of determining correct enterprise value and avoid valuation mistakes

#### Prerequisites:

- Accounting & Financial Statements Integration
- Company Profiles
- Corporate Valuation Methodologies
- Company Overview
- Basic Financial Modeling
- Quick & Dirty Trading Comps Analysis
- Complex Trading Comps Analysis
- Efficiency in Excel



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**Wall St. Training**  
+1 (212) 537-6631  
info@wallst-training.com

**Hamilton Lin, CFA**  
President  
www.wallst-training.com  
www.wstselfstudy.com



## PACKAGE 5: MERGER MODELING TOPICS

### M&A Deal Structuring

#### Course Goals & Overview:

The goals of this course include: (i) understand the major steps and timelines of M&A; (ii) learn how to structure an M&A deal; (iii) explore common deal structures and determine optimal deal structures such as cash vs. stock consideration, stock vs. asset deals; and (iv) accretion / dilution and breakeven analysis. This course provides the fundamental knowledge required to understand, analyze and structure mergers & acquisitions. To hone the concepts learned in this module, be sure to follow-up with our hands-on, Excel-based Merger Modeling Basics course.

#### Course Sections:

##### Mergers & Acquisitions Overview

- Motivations for mergers and acquisitions
- M&A sale process and timetable
- Review of strategic planning & preparation of required materials
- Examination of the types of potential buyers
- Description of the due diligence process
- Overview of negotiation & closing processes
- Overview of representations and warranties

##### 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, 338(h)(10) elections)
- Buyer and seller preferences for various deal structures and rationale
- Tax implications of transactions based on deal structure and FASB 142 goodwill amortization
- Brief discussion of upfront vs. deferred payments, employee retention and bonus pools

##### Accretion Dilution Analysis

- Merger consequence analysis including accretion / dilution and financial implications of a deal
- Discussion of key components with financial impact on transactions
- Detailed explanation and analysis of line-by-line construction of accretion / dilution model
- Analysis of breakeven PE for both 100% stock and 100% cash considerations
- Contribution analysis and its relevant in the analytical process

#### Prerequisites:

- Accounting & Financial Statements Integration
- Company Profiles
- Corporate Valuation Methodologies



## PACKAGE 5: MERGER MODELING TOPICS

### Merger Modeling Basics

#### Course Goals & Overview:

This merger modeling course builds on top of our M&A Deal Structuring course in which you will build an accretion / dilution analysis, a generic "ability to pay" analysis, and a simple merger model slapping together two income statements, selected balance sheet items and cash flow sweep for debt payment. This course will allow you to quickly understand basics of merger modeling. To maximize your learning in this module, you need to absolutely understand the concepts in our M&A Deal Structuring course! This course serves as the backdrop to our super-advanced, complex merger modeling course.

#### Course Sections:

##### Accretion Dilution Model

- Build dynamic merger consequence analysis (accretion / 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 and 338 (h)(10) elections
- Tax implications of transactions based on deal structure and FASB 142 goodwill amortization
- Analysis of breakeven PE for both 100% stock and 100% cash considerations
- Calculate pre-tax and after-tax synergies / cushion required to breakeven

##### Ability to Pay Analysis

- Construct an "Ability to Pay" Analysis, a reverse Accretion / Dilution analysis
- Calculate maximum equity value and enterprise value based on cost of debt
- Sensitize analysis based on interest rates and pre-tax synergy assumptions

##### Simple Merger Model

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

##### Prerequisites:

- Accounting & Financial Statements Integration
- Corporate Valuation Methodologies
- Basic Financial Modeling
- M&A Deal Structuring
- Efficiency in Excel



## PACKAGE 5: MERGER MODELING TOPICS

### Intermediate/Advanced Merger Modeling

#### Course Goals & Overview:

Our Intermediate/Advanced Merger Modeling course significantly builds upon our Merger Modeling Basics course. We go beyond the simple concepts of accretion /dilution and build additional precision into estimating the correct, pro forma combined earnings. First, enhance the Sources & Uses of Funds to allow for additional clarity in deal structure. Then, dive right into the fine details of the complex FASB 141/142 and IFRS 3 purchase price allocation rules and fair market value tangible assets step-up intertwined with intangibles asset allocation. We tackle and quantify the resulting nuances in deferred tax liabilities and better quantify our synergies estimates. Participants should have mastered the merger concepts and financial modeling techniques covered in our M&A Deal Structuring and Merger Modeling Basics course.

#### Course Sections:

##### Construct a merger model, simple combination of Income Statement for target and acquiror

- Project simple stand-alone Income Statement for both target and acquiror
- Analyze selected balance sheet figures and ratios and multiples
- Estimate target valuation and deal structure

##### Build an expanded Sources and Uses of Funds analysis that controls the merger model

- Utilize cash from the acquiror to fund the merger, balanced with minimum cash balances
- Dynamically handle different percent cash and stock deal structures
- Incorporate target net debt refinanced / assumed
- Calculate and incorporate proper treatment of debt financing fees and transaction costs

##### Merge target and acquiror income statements and calculate starting balance sheet items

- Calculate selected Pro Forma balance sheet items (full B.S. not projected)
- Combine target and acquiror's Income Statement
- Estimate various types of synergies – revenue, COGS and SG&A synergies

##### Estimate condensed Cash Flow Statement and simplified Debt Sweep

- Calculate cash flow for debt repayments to estimate debt repayments and cash balances
- Compute interest expense and interest income based on paydowns
- Calculate accretion / dilution and credit ratios

##### Calculation of Purchase Price Allocation (FASB 141/142 and IFRS 3)

- Allocate purchase price among tangible book value (existing assets at cost), step-up in basis to FMV, tax deductible and non-tax deductible identifiable intangibles and goodwill
- Proper accounting treatment of transaction costs, tender costs and accrued interest of any refinanced debt and debt transaction financing fees
- Account for differences in GAAP book deductibility and tax deductibility of intangible assets
- Build in the ability to treat acquisitions as an asset sale for tax treatment

#### Prerequisites:

- Basic Financial Modeling
- M&A Deal Structuring
- Merger Modeling Basics
- Efficiency in Excel



## PACKAGE 6: LEVERAGED BUYOUT (LBO) TOPICS

### Leveraged Buyout Overview

#### Course Goals & Overview:

This course provides a basic overview and introduction to leveraged buyouts, including discussion of rationale for 'going private', ideal LBO candidate, drivers of value. The following items are discussed, including description, importance, implications and general thoughts on: valuation, debt capacity, scenario analysis, sources & uses of funds, rollover equity, pro forma capital structure, purchase vs. recap accounting, goodwill treatment and other issues. You will gain some basic & fundamental knowledge required to understand LBO transactions. The purpose of this course is to introduce some of the terminology and concepts required for our Quick & Dirty LBO Modeling and Complex LBO Modeling courses.

#### Course Sections:

Discussion of the following, including description, importance, implications and notes of the following areas:

- Valuation Summary
- Maximum Debt Capacity
- Refinancing Scenarios
- Expenses – Definitions and Accounting Treatment
- Sources and Uses of Funds
- Equity Sources and Rollover Equity
- Interest Rate Scenarios
- Pro Forma Capital Structure
- Purchase Accounting vs. Recapitalization Accounting
- Goodwill Calculation / Treatment and Amortization (FASB 141/142)
- Pro Forma Opening Balance Sheet & Adjustments
- Pro Forma Shareholder's Equity Treatment
- Cash Flow Statement and Debt Sweep Adjustments and Expansion

#### Prerequisites:

- Accounting & Financial Statements Integration
- Finance 101 – Introduction to Finance
- Corporate Valuation Methodologies



## PACKAGE 6: LEVERAGED BUYOUT (LBO) TOPICS

### Quick & Dirty Basic LBO Model

#### Course Goals & Overview:

Leveraged buyouts (LBOs) are risky and complex financial transactions – sometimes, building a full-out, complex LBO model is not necessary or required if one just wants to quickly gauge the feasibility of an LBO. This class builds a short, quick and dirty LBO analysis that incorporates all the major inputs and value drivers of an LBO transaction and provides an excellent condensed overview and introduction to LBO modeling.

#### Course Sections:

- Create a quick and dirty, condensed LBO model from scratch
- Build a summary Sources and Uses of Funds analysis that dictates LBO value
- Construct a Pro Forma, post-LBO Income Statement projection model incorporating LBO changes
- Calculate and flow cash available to firm through debt sweep pay off high debt volumes
- Create condensed IRR (internal rate of return) analysis to evaluate financial sponsor returns
- Analyze basic credit and leverage statistics and equity sources that drive the LBO model

#### Prerequisites:

- Accounting & Financial Statements Integration
- Corporate Valuation Methodologies
- Company Overview
- Basic Financial Modeling
- Advanced Financial Modeling – Core Model
- M&A Deal Structuring
- Merger Modeling Basics
- LBO Overview
- Efficiency in Excel



## PACKAGE 6: LEVERAGED BUYOUT (LBO) TOPICS

### Advanced LBO Modeling

#### Course Goals & Overview:

This course builds upon our Share Repurchase and Quick & Dirty LBO modeling courses which quantifies changes to capital structure and opportunity cost and our Basic, Quick & Dirty LBO modeling course. We start off by diving deeper into the typical LBO deal structure and then expand upon the different components of the Sources & Uses analysis; projecting selected critical Balance Sheet items; constructing more detailed Cash Flow Statement estimates and robust Debt Sweep, as well as triangulating IRRs for dividends to equity sponsor. Learning objectives include: construct and sensitize an advanced leveraged buyout model with many nuances and complications of our full-blown complex LBO model; incorporate fundamental drivers including Sources & Uses, Pro Forma, post-LBO projections, available cash flow, debt sweep, credit ratios and IRR; selected Pro Forma Balance Sheet items, Debt and Shareholder Equity accounts; Debt Sweep: incorporate Term Loan mandatory amortization and integrating and sweeping additional new and existing debt tranches; sensitize core IRR to equity sponsor as well as triangulate IRR

#### Course Sections:

- Build an expanded Sources and Uses of Funds analysis that dictates LBO value
- Sources of Funds: inclusion of rollover equity, detailed debt structure & maximizing debt capacity
- Uses of Funds: ability to toggle refinancing of existing debt, excess cash usage, proper treatment of debt financing fees, tender costs and transaction costs
- Construct a Pro Forma, post-LBO Income Statement projection model incorporating LBO changes
- Calculate new, Pro Forma interest expense and amortization of debt financing fees
- Calculate cash flow available to firm through expanded debt sweep pay off high debt volumes
- Constructed simulated Cash Flow Statement, including CFO, CFI and CFF
- Expanded Debt Sweep schedule to flow through various debt items
- Incorporate Term Loan mandatory amortization and dynamic pre-payment
- Integrate and sweep through additional new and existing debt tranches
- Create condensed IRR (internal rate of return) analysis to evaluate financial sponsor returns
- Comparison of IRR to multiple of capital as a return metric and benchmark
- Identify true source of returns, from building of equity to time value of money
- Compare and contrast returns trends based on exit multiple contraction or expansion
- Discussion on why highly levered transactions must exit within 3 to 5 years
- Analyze and partially quantify the trend towards dividends to financial sponsor as opposed to debt paydown
- Triangulate IRR when there are unequal cash flow returns to equity sponsor primarily through dividends
- Analyze basic credit and leverage statistics and equity sources that drive the LBO model

#### Prerequisites:

- Basic Financial Modeling
- Advanced Financial Modeling – Core Model
- M&A Deal Structuring
- Merger Modeling Basics
- LBO Overview
- Quick & Dirty LBO Modeling
- Efficiency in Excel



## PRIVATE COMPANY VALUATION

### Private Company Valuation

#### Course Goals & Overview:

This course builds upon our basic Corporate Valuation course and introduces the complex nuances associated with analyzing and valuing private companies. We dive deep into the details and concepts deeply imbedded with valuation of large publicly traded and listed companies and take it to next level by applying it to companies and regions with very sparse publicly available data. Learn nuances of adjusting for DCF valuation, WACC analysis when no data exists, how to select and adjust peer comparables when no "good comp" exists. While there is certainly no magic bullet to the tough questions and lack of information, there are techniques and best practices to get us as close as possible.

#### Course Sections:

##### Fundamental & DCF Valuation Nuances:

- Detailed explanation of Discounted Cash Flow (DCF) valuation, its theory and application
- Discussion of why the DCF is arguable one of the most important analyses while simultaneously one of the most academic and least practical of them all
- Analysis of EBITDA and growth approaches to Terminal Value estimation and pros and cons of each
- Discussion on the correct Cash Flow starting point for Gordon Growth Rate: long-term relationship between CapEx and depreciation and the theoretical implications on DCF
- Computing reasonable perpetual growth rate and the nuances associated
- Perpetual growth rate method and applications: how to value high growth companies in which the terminal year growth has not yet reached steady state growth for perpetuity

##### WACC and Cost of Component Capital Nuances:

- Application of WACC and matching of cash flows with the riskiness of the cash flows
- Correct Cost of Debt to use: coupon rate, current YTM if available vs. investment banker rate
- Estimating Cost of Debt when there is no outstanding debt or interest rates unavailable
- Cost of Equity and CAPM (Capital Asset Pricing Model): theory, implications and application
- Concept of diversification and risk/reward model and practical approach as discount factor
- Correct risk free rate and market risk premium and the various premiums and adjustments made to MRP
- Concept of beta and sensitivity to the market and adjusting for capital structure differences
- Estimating beta with none present, and un-levering and re-levering betas to adjust for earnings volatility
- Use of beta to manipulate and influence discount rate to affect overall DCF valuation
- Thinking through the logic of a company with a ton of cash on the books and adjustments (if any) to beta
- Determining the correct capital structure (Debt & Equity / Capitalization) – your own or industry ideal?
- Adjusting WACC and DCF for private companies, liquidity, size and country-specific adjustments

##### DCF Revisited:

- Importance of DCF, NPV & IRR analysis for start-ups, growth capital and project finance
- Private company PE ratios and nuances associated with Equity Value / Net Income as a proxy
- Short, brief discussion on industry specific valuation and introduction to basic nuances and differences
- Brief honorable mention of alternative valuation methodologies

##### Enterprise Value Nuances:

- 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?
- Crystallizing Enterprise Value: Proper Allocation of TEV in HoldCo context
- Case study analyzing proper allocation of value of public traded parent and subsidiaries
- Analysis of market valuation attribution to standalone parent and majority owned subsidiary
- Difference in treatment of TEV based on if subsidiary's debt is owed to third party or to parent
- Reconciliation of book value treatment of Minority Interest vs. minority owned percentage of sub



## PRIVATE COMPANY VALUATION

### Advanced Segment Build-up Sensitivity Modeling

#### Course Goals & Overview:

Learn how to build detailed revenue and segment build-ups into your larger financial model. 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, from both an "account-by-account" and "business segment" basis (very detailed build-up vs. division by division). The results of build-up analysis roll-up into a consolidating income statement that feeds into the Income Statement revenue items.

#### Course Sections:

##### Detailed Business Segment Build-Up:

- Model out historical change in key drivers of growth and project future detailed growth
- Analyze and break down growth based on publicly available data and inputs from 10K filing
- Incorporate and remove effect of growth from non-core items such as foreign exchange rate fluctuations
- Project future detailed growth assumptions that roll up into larger projection model
- Instead of just calculating 10% growth rate in revenue, dig into deeper layers of growth drivers
- For instance, for a retailer, calculate Sales / Sq Foot / Type of Store, which captures: (i) number of stores (store count growth); (ii) size of each store (expansion and size creep); (iii) profitability of each sq foot and same store comps sales (YoY sales growth)

##### 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 New Business Build-Up:

- Bridge the gap and quantify future, as-yet-unachieved growth initiatives based on concrete assumptions
- Analysis would roll into core "organic growth" model and sensitized
- Model out effects of hiring new sales representatives and the associated increased revenue
- Triangulate new revenue and tiered commission expenses due to renewal business
- Calculate incremental salary and bonus cost of new sales representatives
- Calculate additional cost of sales and other expenses related to new business

##### 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
- Account for inter-company eliminations in historical pro forma model and projections

##### 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

##### Prerequisites:

- Basic Financial Modeling
- Advanced Financial Modeling – Core Model



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## PRIVATE COMPANY VALUATION

### Private Company Pro Forma Modeling

#### Course Goals & Overview:

Pro Forma financial statements are a tool to recast financial results in a manner that is more representative of future performance and to remove the effects of private ownership. Pro Forma financial statements have one or more assumptions or hypothetical conditions built into the data and are often used to develop core earnings capacity (quality of earnings) when the objective is to value a company for sale to a third party or for internal perpetuation. The goal is to examine a sampling of the most common types of Pro Forma adjustments most often seen when valuing closely-held entities. Similar to analyzing one-time adjustments for public companies, the adjustments can affect both revenues and expenses, increasing or decreasing either one. However, private company pro form adjustments require a much more detailed analysis of each expense line to adjust for the effects of private ownership.

#### Course Sections:

- How to recast financial results to be more representative of future performance and adjust for the effects of private ownership
- Understand the different types of adjustments required, ranging from discretionary to non-recurring to standalone corporate entity
- Comprehend the major types of revenue adjustments to isolate true, organic revenue base
- Learn the right questions to ask regarding new clients, lost clients, profit sharing agreements and more
- Plow through all the expense line items, focusing on SG&A expenses
- Apply industry-wide rules of thumbs on compensation and benefits
- Adjust for the impact of key officers and management's run-rate compensation level
- Dive in deep on operating expenses, from auto expenses/allowances to advertising/marketing, etc
- Adjust for taxes from a private, pass-thru entity to a standalone corporation
- Analyze key Balance Sheet adjustments such as midnight shareholder dividends and officer loans

#### Prerequisites:

- Accounting & Financial Statements Integration
- Company Overview
- Basic Financial Modeling

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Wall St. Training  
+1 (212) 537-6631  
info@wallst-training.com

Hamilton Lin, CFA  
President  
www.wallst-training.com  
www.wstselfstudy.com



## PRIVATE COMPANY VALUATION

### M&A Earnout Modeling

#### Course Goals & Overview:

This Merger Modeling – Earnout Discussion module builds upon our M&A Deal Structuring and Merger Modeling Basics course by reconciling differences that arise in private middle-market transactions in which a buyer wants to be rewarded for future growth and a seller is only willing to pay for growth that has been achieved. But, the seller reckons – “why should I sell when I believe I can achieve greater growth and then sell for an even larger valuation at that future point”. The main tool to bridge this gap is for the seller to put his money where his mouth is – if you say you can achieve \$1 billion of revenue, then prove it – one should be willing to accept deferred, contingent payments for such future growth that has yet to be realized. In this add-on module, we explore different ways to analyze and structure earnouts.

#### Course Sections:

- Construct a sample earnout model based on a base earnout and a “super-earnout”:
- Create a two-tiered earnout structure that is dependent on achieving management projections
- Structure earnout based on both Revenue and EBITDA targets
- Evaluate the “base” target financial goals and calculate corridor earned
- Review best practices in calculating the actual earnout earned
- Repeat analysis for second earnout tier, the “super-earnout”, a much more difficult to achieve set of financial projections
- Evaluate pros and cons of being too optimistic in management projections vs. being too pessimistic

#### Prerequisites:

- Accounting & Financial Statements Integration
- Basic Financial Modeling
- M&A Deal Structuring
- Merger Modeling Basics
- Segment Build-up & Sensitivity Modeling
- Private Company Pro Forma Modeling



## SUPER-COMPLEX M&A LBO MODELING

### Complex, Super-Advanced Merger Modeling

#### Course Goals & Overview:

The goal of this course is quite simple and yet extremely complex in implementation: build an all-out, full combination and merger analysis of target and acquirer company, integrating full projection model for both. This course will allow you to build one of the most dynamic, sophisticated and complex merger models out there, slapping together complete Income Statement, Balance Sheet, Cash Flow Statement, brand new, highly complex Debt Sweep and Interest schedule for the two companies and combined merged entity. Determine deal structure, purchase price allocation and tax deductibility, accretion / dilution and a whole host of issues.

Learning objectives include: (i) calculate Sources & Uses of Funds, post-transaction ownership, accretion / dilution; (ii) combine Target and Acquirer Income Statements and incorporate synergies into pro forma merger model; (iii) calculate pro forma, post-transaction opening Balance Sheet and project future combined Balance Sheet; (iv) derive combined Cash Flow Statement, debt sweep & interest schedule to balance and integrate model.

The core LBO model serves as the beginning model for the target company in this Complex, Super-Advanced Merger Modeling course and as such, you must have completed the Complex LBO Modeling course first to have the model!

#### Course Sections:

##### Merger Summary & Sensitivity Options

- Sensitize deal structure options, including stock & cash consideration
- Construct Sources & Uses of Funds including various financing scenarios and ability to refinance any existing debt and utilize existing excess cash to fund acquisition
- Calculate correct transaction value incorporating economic effect of management options
- Calculate post-transaction ownership summary
- Allocate purchase price among tangible book value (existing assets at cost), step-up in basis to FMV, tax deductible identifiable intangibles, non-tax deductible identifiable intangibles and goodwill
- Proper accounting treatment of transaction costs, tender costs and accrued interest of any refinanced debt and debt transaction financing fees
- Account for differences in GAAP book deductibility and tax deductibility of intangible assets
- Build inability to treat acquisitions as an asset sale for tax treatment



## SUPER-COMPLEX M&A LBO MODELING

### Complex, Super-Advanced Merger Modeling (cont)

#### Merger Model (Financial Statement Integration)

- Line-by-line combination of Target & Acquiror Income Statements including revenue and expense synergies and correctly depreciation and amortization of assets from purchase price allocation analysis
- Calculate pro forma, post-transaction EPS, accretion / dilution analyst and pre-tax synergies / cushion required to breakeven
- Project tax levels, incorporating permanent differences in book vs. tax deductibility of intangible assets
- Combine Target & Acquiror Balance Sheets and perform transaction adjustment entries to calculate pro forma opening Balance Sheet
- Calculate projected Balance Sheet and Cash Flow Statement of combined merged company
- Analyze & construct complex debt schedule to sweep through mandatory & discretionary debt payments
- Ability to dynamically pay down tranches of Target & Acquiror's debt and new debt raised
- Calculate pro forma and projected credit & leverage statistics and automatically evaluate debt ratings of merged company

#### Prerequisites:

- Accounting & Financial Statements Integration
- Company Profiles and Corporate Valuation Methodologies
- Company Overview and Basic Financial Modeling
- Advanced Financial Modeling – Core Model & Enhancements
- M&A Deal Structuring and Merger Modeling Basics
- LBO Overview and Quick & Dirty LBO Model
- Complex LBO Model & Enhancements
- Super extreme efficiency in Excel



## SUPER-COMPLEX M&A LBO MODELING

### Complex LBO Modeling & LBO Model Enhancements

#### Course Goals & Overview:

Layer a complex LBO model on top core standalone projection model and build one of the most dynamic, sophisticated and complex LBO models out there. This is a highly complex and a very advanced modeling class and requires an absolute grasp of all basic and advanced accounting and financial concepts. Your finished LBO model will be a highly versatile and functional financial model able to capture and sensitize a great deal of inputs to project a realistic and more precise outcome including the ability to toggle between status quo, standalone model vs. all-out LBO vs. partial recap. The core LBO model serves as the beginning model for the target company in our Complex, Super-Advanced Merger Modeling course.

Significantly enhance the LBO model by incorporating the following: PIKs (Paid-In-Kind), warrants and partial, less than 100% recapitalization. Further modify LBO model for mezzanine debt, non-cash interest, issue warrants and modify equity acquired. Incorporate all enhancements into end-all IRR analysis by significantly scaling out returns calculation via massive triangulation of cash flows.

#### Standalone Projection Model

- Build standalone, fully-integrated projection model that serves as the core model for the LBO model and to check final LBO model against status quo, no transaction scenario.
- Mirrors our Advanced Financial Modeling – Core Model course

#### LBO Summary

- Layer LBO model on top by modifying core standalone projection model
- Build the ever-so-critical “LBO Summary” page that controls all the drivers and inputs of the LBO model: valuation metrics, maximum debt capacity, Sources and Uses of Funds
- Sensitize the LBO with the following options: recapitalization vs. purchase accounting, interest rate scenarios, refinancing scenarios
- Incorporate proper accounting treatment of expenses (debt transaction financing fees, tender costs and transactions costs)
- Calculate equity sources and rollover equity and financial implications
- Create Pro Forma capital structure and opening balance sheet incorporating transaction adjustments
- Calculate goodwill incorporating the FAS 141 and 142 goodwill amortization rules
- Toggle between various LBO scenarios and no transaction for valuation purposes

#### Balance Sheet & Cash Flow Statement Adjustments

- Translate LBO summary and deal structure into Pro Forma Opening Balance Sheet
- Balance Sheet adjustments include: cash changes, goodwill, capitalization of expenses, debt and capital structure modifications
- Properly calculate and incorporate Pro Forma Shareholder’s Equity treatment
- Cash Flow Statement modifications including updating existing share repurchase and dividends model

#### Expanded Debt Sweep and IRR

- Debt Sweep expansion including integrating and sweeping additional debt tranches
- Expand debt sweep to account for new debt issued and discretionary cash flow recapture
- Construct credit & leverage ratios and automate credit ratings
- Create IRR (internal rate of return) analysis to evaluate financial sponsor returns
- Complete complex LBO model with Status Quo, standalone model vs. all-out LBO toggle



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## SUPER-COMPLEX M&A LBO MODELING

### Complex LBO Modeling & LBO Model Enhancements (cont)

#### Enhancements to the Core LBO Model

- Introduce enhancements and complications into your LBO model to account for various transaction structures and more complex securities typically issued in an LBO transaction.
- Incorporate mezzanine securities with PIKs (paid-in-kind)
- Account for dilution due to warrants attached to preferred securities
- Enhance LBO model to dynamically incorporate recapitalizations (vs. full LBOs)
- Properly modify and significantly expand IRR analysis to include effect of enhancements

#### Prerequisites:

- Accounting & Financial Statements Integration
- Company Profiles and Corporate Valuation Methodologies
- Company Overview and Basic Financial Modeling
- Advanced Financial Modeling – Core Model & Enhancements
- M&A Deal Structuring and Merger Modeling Basics
- LBO Overview and Quick & Dirty LBO Model
- Super extreme efficiency in Excel



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**Wall St. Training**  
+1 (212) 537-6631  
info@wallst-training.com

**Hamilton Lin, CFA**  
President  
www.wallst-training.com  
www.wstselfstudy.com

**DISTRESSED MODELING****Distressed Investing Overview****Course Goals & Overview:**

Learn how to analyze and value distressed companies and securities undergoing restructuring or bankruptcy process. First, appreciate and understand the historical perspective and context of the distressed market. Then, explore various opportunities in distressed investing from securities types to investment strategies. Properly identify and isolate the true sources and drivers of returns from supply & demand to operational changes to market rebound to recapitalizations. Quantify and comprehend the dramatic changes to a distressed firm's capital structure and the implications on the valuation process and realignment of economics. Understand the reorganization and bankruptcy process, including DIP (debtor-in-possession) financing, Section 363 sales (stalking horse), Chapter 11 reorganization, and Chapter 7 liquidation. Fully comprehend the key critical covenants required involved in distressed securities as well as the entire turnaround & restructuring process by identifying key parameters for successful business plan implementation.

**Learning Objectives:**

- Understand distressed investing, different investment strategies & valuation and bankruptcy process
- Comprehend capital structure pre- and post-petition, significant of identifying fulcrum security
- Comprehend the complexities and nuances involved with distressed analysis

**Prerequisites:**

- Accounting & Financial Statements Integration
- Corporate Valuation Methodologies
- Basic Financial Modeling

**Distressed Financial Modeling****Course Goals & Overview:**

Learn how to model and value distressed companies and securities undergoing restructuring or bankruptcy process. Build upon our Distressed Investing Overview course by quantifying the dramatic changes to a distressed firm's capital structure and the implications on the valuation process and realignment of economics. Build robust distressed sensitivity financial model. Learning objectives include: model out sample distressed company on a standalone basis, with and without restructuring; incorporate detailed valuation sensitivity to identify key value drivers in a distressed situation; analyze the fulcrum security based on various valuation and leverage scenarios

**Course Sections:****Distressed Financial Modeling**

- Summarize pre-petition capital structure of distressed situation & determine normalized valuation
- Construct standalone Income Statement project of distressed company
- Layer on various restructuring and turnaround scenarios
- Evaluate & analyze decision to restructure and understand financial implications on valuation
- Construct super-dynamic and flexible model to automate new vs. old cash flow capital structure

**Distressed Financial Modeling & Sensitivity Analysis:**

- Construct robust sensitivity analysis to determine ultimate recovery to capital structure classes
- Sensitize distressed model based on leverage, valuation, new pro forma capital structure
- Analyze what constitutes a "bad" deal and its implications for the distressed investor
- Understand and appreciate various financial stakeholders and inherent conflicts of interest
- Quantify and evaluate the importance of determining the right fulcrum security

**Prerequisites:**

- Distressed Investing Overview



## BANK FINANCIAL MODELING

### Bank Industry Primer

#### Course Goals & Overview:

Balance sheet based companies, such as banks, play by different rules and methodologies based on the unique nature of their business. Focus is placed on our Commercial Banks financial statements primer which dives deep into a bank's unique financial statement terminology and drivers. Understand how to analyze a bank and why the standard financial analysis and valuation methodologies that apply to most companies do not apply to industries that "use money to make money". Start with a brief overview of the main banking functions (commercial, investment, asset management) and quickly turn to the quality of book of loans and analysis of net vs gross charge-offs vs provisions, etc. Understand the critical credit ratios and capital adequacy analysis as well as Tier 1 and II definitions and Basel II impact. Crystallize the impact of Interest Rates, importance of term structure and credit spreads and implications on a bank's profitability. Examine best practices in calculating net interest income via average asset and liability balances on the income statement. Dive into an analysis of Balance Sheet assets & liabilities and articulate the drivers of EPS growth. Wrap up by analyzing valuation parameters: key banking valuation multiples (PE, PEG, Book Value, ROE).

#### Course Sections:

##### Banking Industry Overview

- Overview of main banking functions (commercial, investment, asset management)
- Quality of book of loans and analysis of net charge-offs
- Critical credit ratios and capital adequacy analysis; Tier 1 and 2 definitions and Basel II impact
- Impact of Interest Rates, importance of term structure and credit spreads

##### Banking Financial Statement Terminology & Drivers

- Net Interest Income Margin (Interest Expense net against Revenue not COGS)
- Analysis of Balance Sheet Assets & Liabilities
- Drivers of EPS growth
- Valuation Parameters: key banking valuation multiples (PE, PEG, Book Value, ROE)

#### Prerequisites:

- Accounting & Financial Statements Integration
- Corporate Valuation Methodologies
- Basic Financial Modeling



## BANK FINANCIAL MODELING

### Basic Bank Financial Modeling

#### Course Goals & Overview:

Build a basic, streamlined bank financial model that builds upon the bank terminology in our Bank Industry Primer course. Before diving deep into the complex nuances of our Advanced Bank Financial Model, really solidify your understanding of developing the logic in loan losses and provisions and its impact on the rest of the larger bank financial statements. Perform quick back-of-the-envelope calculations for key Balance Sheet items such as Interest Earning Assets and Interest Bearing Liabilities, which yield Net Interest Income. Estimate and calculate capital adequacy ratios to wrap up your summary simplified basic bank model.

#### Prerequisites:

- Bank Industry Primer

### Intermediate Bank Financial Modeling

#### Course Goals & Overview:

Construct a more robust bank financial model by building a bank balance sheet and derived income statement. Project gross loan balance, provisions for credit losses, gross charge-offs, recoveries, net charge-offs, net loan balance based on important key trends and ratios. Predict the critical funding requirements on the liability side of the balance sheet to support the loans and asset side. Learn the techniques and best practices to balancing the bank model. Examine different techniques to estimate the crucial interest-earning assets and interest-bearing liabilities. Estimate asset yield, funding costs and net interest spread to minimize forecasting error. Identify line items that constitute non-interest fee revenue beyond using simple percent growth rates. Incorporate and integrate provision for credit losses. Calculate compensation and overhead expenses and leave with a completed balance sheet and income statement. Make sure you master the concepts in this Intermediate class before diving into our Advanced Bank Financial Modeling course.

#### Prerequisites:

- Bank Industry Primer
- Basic Bank Financial Modeling



## BANK FINANCIAL MODELING

### Advanced Bank Financial Modeling

#### Course Goals & Overview:

The standard financial analysis and valuation methodologies that apply to most companies do not apply to industries that “use money to make money”. Balance Sheet based companies, such as banks, play by different rules and methodologies based on the unique nature of their businesses. First, start off with an interactive primer on commercial banks and their financial statement terminology and drivers. Then, build a fully integrated bank financial model that addresses the key drivers of profitability, cash flow, and valuation. Focus is placed on: projecting the Balance Sheet line items which drive the entire model; estimating interest-earning assets and interest-bearing liabilities which drives profitability; projecting loan portfolio growth, provisions for credit losses, and net charge-offs which determine overall impact on the financial statements. Complete the model by projecting different fee revenue sources and integrating the Cash Flow Statement. Finish the model by calculating and analyzing capital adequacy ratios, financial performance indicators and valuation metrics.

#### Course Sections:

##### Balance Sheet:

- Project gross loan balance, provisions for credit losses, gross charge-offs, recoveries, net charge-offs, net loan balance based on important key trends and ratios
- Analyze detailed components of and balance scope vs depth in projecting mix of loan portfolio
- Project the critical funding requirements on the liability side of the Balance Sheet to support the loans and asset side of the Balance Sheet based on bank modeling best practices
- Dynamically calculate the critical fed funds sold and purchased line items
- Properly incorporate the equity account based on financing activities from Cash Flow Statement
- Calculate crucial interest-earning assets and interest-bearing liabilities from the Balance Sheet
- Estimate asset yield, funding costs and net interest spread to minimize forecasting error

##### Income Statement:

- Calculate future Net Interest Income and margin from IEA and IBL
- Project line items that constitute non-interest fee revenue beyond using simple % growth rates
- Incorporate and dynamically integrate provision for credit losses on IS and BS
- Estimate compensation and overhead expenses to round out the Income Statement
- Correctly incorporate and integrate share buybacks and issuances, treasury options, restricted stock units and stock-based compensation into all three financial statements (IS, BS, CF)

##### Cash Flow Statement:

- Construct automated Cash Flow Statement based on the Income Statement and Balance Sheet
- Differentiate between a bank’s financial statements by properly allocating and including correct components of CFO, CFI and CFF
- Understand and appreciate which line items are impossible to calculate independently and must be lumped and grouped together to arrive at the net impact instead of tediously (and incorrectly) trying to project every single item
- Build more supporting detailed schedules to project dividends and stock repurchases and issuances and have it properly flow through the rest of the financials

##### Financial & Capital Ratios and Valuation Metrics:

- Construct and analyze internal profitability ratios to analyze core performance of the bank
- Calculate profitability ratios and asset utilization ratios for direct comparisons
- Reconstruct and estimate Tier I and Total Capital (Tier I and II), risk weighted assets, adjusted assets and corresponding capital adequacy ratios for regulatory supervision
- Calculate current market multiples and valuation metrics relevant for a bank

##### Prerequisites:

- Bank Industry Primer
- Basic Bank Financial Modeling
- Intermediate Bank Financial Modeling



## INSURANCE FINANCIAL MODELING

### Insurance Industry Primer

#### Course Goals & Overview:

Balance sheet based companies, such as insurance companies, play by different rules and methodologies based on the unique nature of their business. Focus is placed on our Insurance Industry primer which dives deep into an insurance company's unique financial statement terminology and drivers. Distinguish between P&C (Property & Casualty) and L&H (Life & Health) insurance companies. Comprehend all the major players along the insurance spectrum from retail to wholesale brokers, to MGAs and MGUs and captive carriers and much more. Understand the different types of insurance, reinsurance and their financial statement impact. On the Income Statement, differentiate between the different types of premiums (direct, ceded, net, written, earned); comprehend loss triangles and the main differences between statutory vs GAAP accounting. On the Balance Sheet, understand key assets line items (premiums receivable, reinsurance recoverable, prepaid reinsurance premiums) as well as the liabilities (loss & lae reserve, unearned premium reserve). Understand insurance valuation parameters: key insurance multiples (PE, book value, premium/surplus).

#### Course Sections:

##### Insurance Industry Overview

- Types of Insurance: Property & Casualty vs Life & Health
- Insurance industry players and their functions, roles and value-add
- Modern insurance industry structure
- Reinsurance and retrocession: types (quota-share vs. XOL) and their impact on financials

##### Insurance Financial Statement Terminology & Drivers

- IS: Premiums: Direct vs Ceded vs. Net and Written vs. Earned vs. UEPR
- IS: Losses Incurred and LAE Incurred (ALAE vs ULAE) and Commissions vs. DAC
- Statutory vs GAAP Net Income – main differences
- BS Assets: Premiums Receivable, Reinsurance Recoverable, Prepaid Reinsurance Premiums
- BS Liabilities: Loss & LAE Reserve, Unearned Premium Reserve
- Valuation Parameters: key insurance multiples (PE, Book Value, Premium/Surplus)

#### Prerequisites:

- Accounting & Financial Statements Integration
- Corporate Valuation Methodologies
- Basic Financial Modeling



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## INSURANCE FINANCIAL MODELING

### Basic Insurance Company Financial Modeling

#### Course Goals & Overview:

Build a basic, streamlined insurance company financial model that builds upon the insurance financial statements terminology in our Insurance Industry Primer course. Before diving deep into the complex nuances of our Advanced Insurance Company Financial Model, really solidify your understanding of the major items on an insurance company's Income Statement and Balance Sheet. Take the time to further immerse yourself with understanding insurance.

#### Learning Objectives:

- Project written and earned premiums and unearned premium reserve
- Calculate Loss & LAE and reserves based on a simple two-year incurred/paid logic
- Construct basic Income Statement, distinguishing between Underwriting Income and GAAP
- Construct simplified Balance Sheet – does not incorporate all major GAAP “grossed up” line items
- Utilize short cash flow sweep to balance the mini-model
- Perform quick Statutory Adjustment from GAAP financials

#### Prerequisites:

- Accounting & Financial Statements Integration
- Corporate Valuation Methodologies
- Basic Financial Modeling
- Insurance Industry Primer



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**Wall St. Training**  
+1 (212) 537-6631  
info@wallst-training.com

**Hamilton Lin, CFA**  
President  
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## INSURANCE FINANCIAL MODELING

### Advanced Insurance Company Financial Modeling

#### Course Goals & Overview:

Build a fully integrated, scalable, new insurance company model including detailed build-up by line of business from Gross Written Premiums to Net Premiums down to Underwriting Income. Consolidate the lines of business performance into a GAAP Income Statement with statutory adjustments. Integrate income statement projections with a self-balancing balance sheet, an automated cash flow statement and the balancing cash flow sweep schedule. Learning objectives include: build an integrated set of financials, including LOB, income statement, balance sheet & cash flow; project direct, ceded and net premiums and underwriting income based on assumed loss triangles; consolidate multiple lines of businesses, calculate GAAP and Stat Net Income with Tax Schedule; project self-balancing balance sheet including items such as premiums receivable and recoverables

#### Course Sections:

##### Line of Business Breakdown:

- Project gross written and earned premiums, from direct down to ceded and net
- Incorporate fundamentals drivers of premiums including premiums growth and rate changes
- Calculate unearned premium reserve and flow that back into larger financial model
- Calculate Loss & LAE and reserves – construct critical paid and reserve loss triangles based on payout patterns and different “tail” assumptions
- Estimate ceded quota share and XOL amounts, which results in the “grossed up” Balance Sheet
- Generate net premiums, losses, commission expense and underwriting income
- Consolidate multiple lines of business into Consolidating Income Statement

##### Income Statement:

- Calculate all revenue items including various top-line premiums and investment income
- Calculate total expenses including underwriting expenses and other relevant expenses
- Tax schedule to properly adjust for deferred acquisition costs (DAC) and any NOLs
- Adjust from GAAP Net Income to estimated Statutory Net Income

##### Balance Sheet:

- Project cash & invested assets balances, which is the ultimate balancer for insurance companies
- Project premiums receivable, reinsurance recoverables and other relevant insurance assets
- Derive loss reserves, unearned premium reserves, and other relevant insurance liabilities
- Learn how to cast a proper GAAP Balance Sheet based on these “grossed up” balances
- Project shareholders’ equity account including APIC, retained earnings, etc

##### Cash Flow Statement and Sweep:

- Calculate CFO (including working capital), CFI and CFF
- Build cash flow sweep to capture any shortfalls / build-up in cash to balance the entire model
- Build interest schedule to fully integrate the model
- What are circular references, why should they be avoided and how to get around circular references

##### Internal Rate of Return (IRR):

- Project returns to financial sponsor / investor based on financial model

##### Prerequisites:

- Accounting & Financial Statements Integration
- Corporate Valuation Methodologies
- Basic Financial Modeling
- Insurance Industry Primer
- Basic Insurance Company Financial Modeling



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## REAL ESTATE DEVELOPMENT MODELING

### Real Estate Development – Master Plan

#### Course Goals & Overview:

Evaluate the financial feasibility of a greenfield real estate development project. Determine the valuation of an empty plot of land by developing and building different lots, houses and condos. First, incorporate infrastructure costs required for a master plan development. Then dynamically differentiate among developing empty lots, building single family houses, and constructing & selling condominiums. Account for variability in construction timelines for different types of properties and sensitize the master financial model for various per unit and per square foot costs as the project is in planning, construction and post-construction phases. Learn how to quickly modify assumptions to customize the model to reflect a poor operating environment as the pace of lot sales significantly decline. In addition, learn how to determine optimal funding mix of equity vs. debt based on project cash flows and IRR.

#### Learning Objectives:

- Build a sample master plan which involves buying raw land, creating community-wide infrastructure (shared utilities and resources that didn't previously exist) and then constructing buildings for sale or rent
- Understand timeline and construction costs associated with common land and unit specific development
- Model out monthly revenues based on assumptions regarding pre-sales volume, deposits, and various phases of planning, construction and post-construction
- Map out draw down of construction costs and final cash flow stream which dictate capital required, influencing IRR and multiple of capital

#### Prerequisites:

- Accounting & Financial Statements Integration
- Corporate Valuation Methodologies
- Basic Financial Modeling

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info@wallst-training.com

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## REAL ESTATE DEVELOPMENT MODELING

### Real Estate Development – Hotel Development

#### Course Goals & Overview:

Evaluate and analyze the acquisition, construction and renovation of a boutique hotel. Quantify hotel-specific construction costs and Sources & Uses of Funds. Perform detailed construction loan analysis that rolls into larger debt funding facility. Funnel into the core projection, estimating REVPAR (Revenue per available room), various revenue streams and operating expenses. Compute management incentives and ultimately roll into Net Cash Flow and IRR.

#### Learning Objectives:

- Build a sample hotel investment analysis which involves buying land, constructing or renovating a new boutique hotel, industry standards in raising debt capital and of course ultimately, P&L and cash flow analysis to determine returns
- Model out detailed construction loan analysis with various drawdown percentages and interest reserves which feeds the amortization schedule of larger debt funding facility
- Construct projection model based on key factors such as room-nights available, occupancy rates, daily room rate, REVPAR and other relevant factors

#### Prerequisites:

- Accounting & Financial Statements Integration
- Corporate Valuation Methodologies
- Basic Financial Modeling



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## REIT MODELING

### REIT Modeling

#### Course Goals & Overview:

Build a fully integrated, scalable, REIT financial model including detailed build-up by internal growth, acquisitions, dispositions, and new development. Consolidate the various business assumptions with Consolidating Income Statement which flows through to the rest of the financial statements. Integrate income statement projections with a self-balancing balance sheet, an automated cash flow statement and the balancing cash flow sweep schedule. Learning objectives include: build detailed, fully integrated, quarterly REIT financial projection model; model various real estate acquisition volume scenarios; incorporate dispositions and relevant adjustments to financials; integrate new development and construction-in-progress assumptions.

#### Course Sections:

##### REITs, REIT Terminology and REIT Market:

- Overview of REITs, terminology and legal structure (ie UPREIT)
- REIT profitability and performance metrics including FFO, AFFO, straight-lining and FAS 141

##### Acquisitions:

- Model out future quarterly projected acquisition volume based on historical trends
- Estimate revenue, expenses, margins and NOI
- Calculate associated estimated depreciation expense

##### Dispositions:

- Model out future quarterly projected dispositions based on historical trends
- Estimate revenue, expenses, margins and NOI
- Estimate gross proceeds, gain/loss, net book and change to accumulated depreciation

##### New Development:

- Model out future quarterly projected development starts and completions
- Estimate revenue, expenses, margins and NOI
- Calculate net change to development properties, construction in process and investments

##### Income Statement:

- Consolidate acquisitions, dispositions & development figures into Consolidating Income Statement
- Calculate revenue and NOI including rental revenue and real estate expenses
- Calculate total expenses down to EBITDA, Net Income, FFO and EPS

##### Balance Sheet, Cash Flow Statement and Sweep:

- Project investments, CIP, land under development and all asset and liability balances
- Calculate CFO (including working capital), CFI and CFF items specific to REITs
- Build cash flow sweep to capture any shortfalls / build-up in cash to balance the entire model
- Build interest schedule to fully integrate the model
- Incorporate capitalized interest expense estimates, convertible notes and share repurchases
- What are circular references, why should they be avoided and how to get around them

##### Prerequisites:

- Accounting & Financial Statements Integration
- Basic Financial Modeling
- Advanced Financial Modeling – Core Model



## BUY-SIDE SERIES

### Mechanics & Applications of Long/Short Hedge Funds

#### Course Goals & Overview:

Participants will be introduced to the psyche of a hedge fund and learn how to think like a buy-side analyst. Through this course, participants will be shown how to expand their analysis beyond theory (valuations, trends, etc.) and apply the same practical techniques that hedge funds do. Specifically, learn what information is valued by funds, how and when hedge funds buy stocks, how single stock ideas are vetted through the construct of an entire portfolio, and how/why short decisions are made. Trade strategies will be detailed so conceptual ideas can be presented as actionable trades. Trading mechanics such as short interest, liquidity analysis, and ownership will also be discussed. Participants will be shown where to gain insights on funds and how to cater ideas/information to the fund's existing book of stocks, market exposure, and stated mandate. If you're a buy-side professional, you must master these fundamentals. If you're a sell-side professional, adoption of these techniques will increase the value of the presenter's ideas and result in increased and stronger buy-side relationships.

#### Course Sections:

##### Thinking like Hedge Funds

- Understanding what information funds value, what they don't and what they pay attention to
- Making stock ideas more practical – moving beyond valuation and theory
- When a fund might short a stock even though fundamental valuation says fair or even undervalued

##### Shorting

- Shorting as a source of funds and viewing short performance relative to the offsetting long position
- Managing return expectations for a short; distinguish between hedges, absolute returns & capital sources

##### Performance

- Understanding how beta impacts returns and managing funds' exposures
- Distinguish between AUM and assets deployed – and the impact on manager performance and risk

##### Liquidity & Trades

- The impact of liquidity on stock selection and profiting from anticipated liquidity changes
- Designing trades with the whole portfolio in mind and pair trades – when & why & how they work
- Understanding the impact of sentiment on anticipated trades

##### Knowing and Using the Information Available to You

- Where to find relevant filings – understanding what they mean
- Following competitors' trades while maintaining discretion in your own book
- Profiting from liquidations
- Calculate net change to development properties, construction in process and investments

#### Prerequisites:

- Accounting & Financial Statements Integration
- Corporate Valuation Methodologies
- Overview of Financial Markets



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## TECHNICAL APPLICATIONS – EXCEL AND MORE

### Excel 2003 => Excel 2007 Transition

#### Course Goals & Overview:

When Excel and Office 2007 first debuted, Excel power-users around the world collectively groaned with a massive headache. While there are certainly key enhancements to Excel 2007 that we like, navigating the new “ribbon” caused some grief as users were forced to re-learn how to use Excel. Thankfully, most of the shortcut accelerator keys are still in place. But change is never easy, so we created this short tutorial on getting you up to speed real quick – the one stop source on mastering Excel 2007. Embrace it, Excel 2007 is here to stay.

#### Learning Objectives:

- Goal: communicate the key differences in Excel 2007 vs. Excel 2003 pertaining to financial professionals
- If you don't want to spend hours figuring out how to navigate the new interface, then you're at the right place
- No need to spend hundreds of dollars on a book that you won't read
- We'll teach you the key things in a fraction of the time

#### Prerequisites:

- Excel Fundamentals for the Finance Professional



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**TECHNICAL APPLICATIONS – EXCEL AND MORE**

**Excel Fundamentals for the Finance Professional**

**Course Goals & Overview:**

This course focuses on how learning the fundamental building blocks of Excel so you can begin to take advantage and leverage all of Excel's true capabilities. In order to efficiently build models and crunch large data dumps in Excel, one must master the basics before the advanced content. Learn relevant financial formulas, proper navigation, formatting of files and worksheets, creating calculations in cells, and linking between worksheets/tabs. Functions and tools covered in this course include: mathematical, financial, logic, date/time formulas; data manipulation; anchoring; data tables; and building a capstone model. Emphasis will be on using shortcut keys, simplifying steps, and manipulating data. You will leave with techniques you can use immediately, allowing you to work faster and with less effort.

**Course Sections:**

**Fundamental Excel Functions**

- Mathematical functions: SUM, MAX, AVERAGE, MEDIAN, MIN
- Financial functions: PV, FV, RATE, NPV, IRR
- Logic Functions: IF, nested IF, CHOOSE, AND, OR
- Date Functions: MONTH, DAY, YEAR, WEEKDAY, EO MONTH
- Time Functions: HOUR, MINUTE, SECOND, TODAY, NOW
- Formatting: fills, copy formulas, paste special

**Intermediate Excel Techniques**

- Data Manipulation: TEXT, CONCATENATE, ROUND
- Anchoring and locking cell references
- Build simple capstone financial model that encompasses efficiencies, shortcuts and sensitivity analysis
- Shortcuts and working with Add-ins

**Prerequisites:**

- Some basic familiarity with Microsoft Excel





## TECHNICAL APPLICATIONS – EXCEL AND MORE

### Advanced Excel for Data Analysis

#### Course Goals & Overview:

This course focuses on how to effectively and efficiently utilize Microsoft Excel for data analysis. A financial analyst will not only use Excel to build financial models, but also to crunch a large data dump. Learn how to minimize as much manual labor as possible, thereby saving time and performing more detailed analysis quickly. Apply commonly-used formulas in new and different ways; uncover often over-looked Excel formulas; streamline number crunching and analysis via functions and tools including pivot tables, sumif, sum+if, transpose, working with arrays, vlook-up, subtotals, and regression analysis; enhance your spreadsheets with drop-down boxes, data validation techniques, automation of alternate row shading; take Excel to the next level with an introduction to building and automating simple macros and more!

#### Course Sections:

- Learn the most useful and overlooked Excel shortcuts to make life easier!
- What are the different ways to make your Excel worksheet into a model instead of just a flat analysis? Learn different “switches alternatives” (if, choose, offset)
- Learn data validation techniques to dummy proof your model!
- Perform basic regression analysis using least squares approach
- How do you perform one-dimension and two-dimensional sensitivity analyses using data tables?
- Utilize the vlookup function to its fullest to streamline tedious lookup jobs
- Pivot Tables: Everybody’s heard of it but who knows how to use it! Learn how to summarize and dissect large amounts of data for analysis!
- Pivot Tables: Even better – add built-in and custom calculated fields to really use pivot tables to the max!
- Utilize the sumif formula and sum+if array functions to simplify complex conditional calculations
- Learn how to use the subtotal formula and function to minimize errors
- Combine subtotal with AutoFilter options to easily crunch all sorts of data!
- Automate alternate row shading in a table of data using complex conditional formatting
- Learn how to use the transpose array function
- Add some spice to your Excel analysis and models using drop-boxes
- Introduction to recording macros, modifying and coding macros and creating macro icons

#### Prerequisites:

- Knowledge of Excel and fundamental concepts in finance and valuation (since data is finance oriented)
- Company Overview and Basic Financial Modeling



## TECHNICAL APPLICATIONS – EXCEL AND MORE

### Excel Charting & Graphing Techniques & PowerPoint Integration

#### Course Goals & Overview:

"A Picture is Worth a Thousand Words" – but what happens when you have the perfect image in your head but you can't get Excel to graph it the way you want? Ever get annoyed at constantly having to go back into "Source Data" whenever you add an item to your data series? Or how about getting the perfect sized bar or line without resorting to using a ruler to literally draw it on! This course builds upon our Advanced Excel for Data Analysis course and focuses advanced charting & graphing techniques and how to properly integrate with PowerPoint. A critical, must-take course especially for professionals that have to create graphs in their presentations, reports and slides. As usual, we emphasize and teach all the best practices and focuses on our core Excel learning goal: automation, automation, automation! Leave nothing to chance, there is always a way to simplify and automate your charting & graphing approach. This jam-packed session includes: waterfall charts, football fields, dynamic ranges, and much much more! Learn the best practices of integrating into PowerPoint, when to embed, link (never) and copy as picture, as well as add to our Excel macros with a couple handy PowerPoint macros.

#### Course Sections:

- Creating Price Volume chart with call-out box annotations with perfect alignment
- Calculate and create dynamic moving average charts
- Construct Indexed Stock Price History graph with automated information box
- Build historical industry graph summarizing average, high low bars detailing valuation spreads
- Construct combination charts and graphs including precise annotations and secondary axis formatting
- Properly structure beta and volatility analysis and regression on multiple axis
- Construct historical and projected linear regression graph with automated best fit lines
- Assemble and understand logic behind "step charts" with X and Y Error bars to connect the dots
- Create dynamic charts and graphics that automatically update as additional source data is added
- Build Shares Traded at Various Prices graph with absolute perfectly sized and aligned graphs
- Create simple column and cumulative column (or bar) chart (multiple stacked chart)
- Learn how to create complex, combination charts such as double stacked charts
- Go all out by building a "football field" valuation range chart that combines triple stacked charts with XY scatter plot to automate current stock price line
- Construct waterfall chart that graphically summarizes sum-of-parts valuation
- Learn best practices of bringing Excel charts and exhibits into PowerPoint
- Avoid the forbidden linking between files and learn when to embed vs copy/paste as picture
- Learn the fastest and best ways to work in PowerPoint without the mouse
- Facilitate chart and graph placement in PowerPoint with our custom PPT macros

#### Prerequisites:

- Excel 2003 => Excel 2007 Transition
- Excel Fundamentals for the Finance Professional
- Advanced Excel for Data Analysis



## TOPICAL SUBJECTS

### Pension & OPEB Accounting, Analysis & Financial Implications

#### Course Goals & Overview:

Pension and Other Post-Employment Benefits has had an increasing spotlight on a company's reported results and financial statements, especially given the dramatic impact on the airline and car manufacturing industries. Understand how different employer paid benefit programs, such as defined benefit pensions, manifest in and impact the firm's financial statements. Learn how and where to find benefit plan liabilities, their implications on valuation and profitability and how to analyze the information provided. This program begins with a primer on accounting and financial statements, the 10K SEC filing, a thorough review of pension accounting and terminology, the associated footnotes in a 10K filing and how to synthesize the information into a coherent analysis. Incorporate new Pension Protection Act of 2006 and SFAS 158: Accounting for Defined Benefit Plans.

#### Learning Objectives:

- Accounting & Financial Statement Overview: IS/BS/CF, relationships and ratios
- Analyze a 10K: MD&A Overview, selected relevant benefit plan footnotes
- Pension Accounting Review: Overview from financial analysis perspective and implications
- Hands-On Exercise: Accounting ratios/implications & Pension footnote analysis

#### Accounting & Financial Statement Overview:

- Comprehensive financial statement review of Income Statement, Balance Sheet & Cash Flow Statement
- Understand how financial statements are inter-related to each other and the intricate relationships
- Overview and explanation of major financial ratios, including: liquidity, asset management, debt management, profitability, and market value ratios

#### 10K SEC Filing and Benefit Footnotes:

- Brief discussion of 10K SEC filing and the importance of benefits footnotes disclosed
- Understand MD&A and risk factors and how they are tied to profitability and benefits expenditures
- Detailed analysis of various Pension and Other Postretirement Benefit footnotes & their implications

#### Pension Terminology & Accounting:

- Learn pension-specific accounting terminology in the context of financial analysis
- Thorough review of pension expense factors and assumptions as well as impact to profitability
- Assess projected benefit obligation, change in retirement plan assets, funded status of plan
- Brief overview, discussion and implications of SFAS 158: Accounting for Defined Benefit Plans
- Brief overview, discussion and implications of Pension Protection Act of 2006
- Summary impact of pension disclosures on valuation and total enterprise value

#### Hands-On Exercise / Case Study:

- Interactive, hands-on group project break-out to analyze financial statements selected company
- Analyze and interpret actual 10K SEC filing footnotes on pensions and OPEB. incorporate into financials of selected company and compare and contrast financial implications



## TOPICAL SUBJECTS

### Overview of the Financial Markets

#### Part I: Sell-Side (Investment Banking, Research)

- **Overview of the Sell-Side Process:** Investment banking (including financial sponsors), equity research, commercial banking, sales & trading (prime brokerage, proprietary trading), role of law firms and other related areas
- **Investment Banking:** Description, revenue sources, products / services, deal process, role of professional, industry trends, buzzwords, bulge bracket vs. boutique middle market, debt capital markets, distressed / restructuring players
- **Equity Research:** Description, revenue sources, products / services, deal process, role of professional, industry trends, buzzwords

#### Part II: Buy-Side (Asset Management, Private Equity, Hedge Funds)

- **Overview of the Buy-Side Process:** Asset management, hedge funds, hedge fund of funds, private equity, private equity fund of funds, real estate
- **Asset Management:** Description, revenue sources, products / services, role of professional, industry trends, buzzwords, private client services, private wealth management, portfolio management
- **Private Equity:** Description, revenue sources, products / services, deal process, role of professional, industry trends, buzzwords, leveraged buyouts (LBOs), private equity securities, return targets
- **Hedge Funds:** Description, revenue sources, products / services, deal process, role of professional, industry trends, buzzwords, hedge fund strategies

#### Part III: Capital Markets (Role of Institutional Players)

- **Overview of the Capital Markets:** Entities / institutions in the capital markets, overview of markets and exchanges, efficient market hypothesis, technical analysis
- **Role of Institutional Players:** Depository institutions, securities firms, government sponsored enterprises, investment companies, insurance companies, institutional investors, financial advisors
- **Markets and Orders:** Securities markets and exchanges, types of trade orders (market, limit, stop, stop limit, etc), buying on margin
- **Efficient Market Hypothesis:** Weak form, semi-strong form, strong form
- **Technical Analysis:** Difference between fundamental analysis and technical trading strategies, which players use which and why

#### Part IV: Securities Market and Finance 101

- **Overview of Securities Markets:** Types of securities, and basic approaches to valuation (Finance 101)
- **Types of Securities:** Cash, stock, bonds, mutual funds, exchange traded funds (ETFs), REITs, ADRs, securitizations, derivatives, stock market indexes
- **Finance 101:** Time value of money, compound annual growth rate (CAGR), risk & return, diversification, basic valuation (value of any asset and company valuation: using multiples) and cost of capital



## TOPICAL SUBJECTS

### Introduction to Economics (Macro, Micro and Global)

Learn basic economic theory from macroeconomics, microeconomics and international economics. Economics packed into short condensed modules that mirror the CFA curriculum.

#### Learning Objectives:

- Macro: demand and supply, GDP analysis, unemployment, inflation, fiscal policy
- Micro: elasticity, economic profits, cost curves, marginal returns, market structures
- Global: international trade and comparative advantage, balance of payments, foreign exchange

#### MACRO ECON

- GDP vs. GNP and the expenditures approach and income approach
- Nominal vs. real and deflators
- Aggregate demand and supply curves
- Business cycles, unemployment, inflation
- Fiscal Policy (Keynesian, New Classical, Supply Side Models: compare and contrast)

#### MICRO ECON

- Forces of supply and demand; elasticity of supply and demand
- Price ceilings and floors
- Accounting vs. economic profits, opportunity costs
- Cost curves (fixed costs, variable costs, marginal costs, total costs, avg costs)
- Diminishing marginal returns
- Market Structures (price takers, price searchers, monopolies, oligopolies, etc) and profit maximization
- Supply and Demand for Productive Resources
- Marginal Revenue product
- Supply and demand for capital

#### GLOBAL ECON

- International trade and theory of comparative advantage
- Restrictive trade policies
- Balance of Payments and Exchange Rate Systems
- Fiscal Policy and Monetary Policy
- Foreign Exchange Market (spot vs. forward)
- Currency conversion and triangular exchange and cross rates
- Bid/Ask quotations and spreads
- Foreign Exchange Parity Relationships
- Forward premiums and discounts
- Interest rate parity and arbitrage
- Covered interest arbitrage
- Purchasing power parity



## OVERVIEW OF FINANCIAL MARKETS + EXHIBITS

### Overview of Financial Markets

#### Course Goals & Overview:

Introduction to the major jargon and finance terminology in finance. What exactly is the sell-side and the buy-side and do they affect the capital markets and why do they have a symbiotic relationship? What exactly is investment banking, sales & trading and research? How is it that asset management is the flip opposite and yet very similar at the same time? Put those questions to rest with this Overview of Financial Markets overview.

#### Course Sections:

- Overview of the Sell-Side Process: Investment banking (products / services, deal process, role of professional, industry trends, buzzwords, bulge bracket vs. boutique middle market), equity research, commercial banking, sales & trading (prime brokerage, proprietary trading)
- Overview of the Buy-Side Process: Asset management (products / services, role of professional, industry trends, buzzwords, private client services, private wealth management, portfolio management), alternatives (hedge funds, private equity, fund of funds)

#### Prerequisites:

- Desire to learn finance terminology, general business smarts and common sense

### Supplementary Video Exhibits

#### Treasury Options:

- Explanation of how to account for diluted shares outstanding using the treasury method of adjustment

#### D&A and Working Capital:

- Full tutorial on the concepts of depreciation vs. capital expenditures in the long run
- Full explanation on the concepts working capital and importance of

#### Share Repurchase:

- Step-by-step walk-through of whether or not share repurchases add value

#### Circular Reference:

- Explanation of how and why circular references are created in a financial model
- Our various financial modeling courses explain how to avoid circular references

#### Excel Iterations:

- Detailed explanation of how Excel's iterations function works when you cannot avoid circular reference

#### Gray Background:

- Tutorial of how to change your background to gray when using white cells and white shading

#### WST Excel Add-in Instructions:

- How to properly install Wall St. Training's Excel add-in macros and toolbars

#### Increase / Decrease Decimal Instructions:

- How to automate increase & decrease decimals without the mouse & really customize Excel to next level