

Financial Modelling in MS Excel

(Course Outline for 40 hours Workshop)

About the Workshop

Financial modelling is a powerful tool which can be utilized for projecting the future financial performance of any company or a project. This workshop is designed to equip finance professionals and analysts with the skills to build robust and dynamic financial models. Through interactive sessions and case studies, participants will learn advanced Excel techniques, financial modelling best practices, and business valuation concepts. By the end of the workshop, participants will be able to create complex financial models and perform business valuations with confidence.

Learning Outcomes

- Develop advanced Excel skills and appreciate but highly powerful functionalities of MS Excel to get the most out of spreadsheets using the ‘principles of well-designed spreadsheets’
- Learn to build robust and dynamic financial models, including forecasting revenue and cost drivers, and financing structures
- Master the art of creating integrated financial statements, including income statements, balance sheets, and cash flow statements
- Understand DCF valuation concept, including free cash flows and role of cost of capital
- Analyze and interpret financial models, including identifying key drivers and running sensitivities
- Apply best practices in financial modelling, including model design, layout, and error checking

Target Audience

This workshop is designed for finance professionals, analysts, managers or professionals working in equity research houses who want to enhance their financial modelling skills and stay ahead in their careers. This includes:

- Finance managers and controllers
- Financial analysts and planners
- Investment bankers and equity researchers
- Management consultants and strategy professionals
- CPA, CFA, MBA and other professionals looking to transition into finance roles

Participants are expected to have basic knowledge of finance concepts and MS Excel. No prior experience in financial modelling is required.

Course Outline

MS Excel Essentials for Financial Modelling

- Referencing vs Spilled array concept
- Logical and Conditional functions
- Conventional vs. New-age Lookup
- Data analysis and visualization using Pivot Table
- What-If Analysis
- Key Charts for Dashboarding

Pre-Operations Modelling

- Modelling the project set-up cost elements
- Incorporating financing including modelling debt and interest during construction (IDC)
- Breaking circular reference in the model using Excel's in-built functionality and VBA Macros

Financial Modelling Comprehensive Case for Operations

- Setting up a robust financial model from start to end
- Understanding forecasting, setting up revenue and cost drivers, capital expenditures, depreciation, financing structures, tax and dividend related inputs, calculations and outputs
- Setting up integrated financial statements and analyzing them

Business Valuation

- Understanding valuation concepts, including key factors to consider
- Computing free cash flows
- Estimating cost of equity using CAPM model
- Understanding tax shield to arrive at cost of debt
- Computing weighted average cost of capital
- Evaluating Gordon Growth Model for Terminal value computation
- Running sensitivities by changing key variables used in valuation

Project Finance Modelling

- Set up a financial model: Timelines, flags and counters
- Understanding date related excel functions to create financial year end and quarter end dates
- Understand forecasting: Setting up revenue and cost drivers, capital expenditures, depreciation, financing structures, tax and dividend related inputs, calculations and outputs and in-built checks
- Set up integrated financial statements and analyzing them
- Compute Project IRR and Equity IRR
- Run Sensitivity Analysis to evaluate changes in key input variables on IRR

Mergers & Acquisitions Analysis and Modelling

- Types of Mergers
- M&A Analysis: Key Drivers and Inputs
- Target Ownership: Treasury Stock Method
- Modelling financing plan and evaluating merger costs
- Accretion/Dilution Analysis