



*Teaching how to remove  
the gamble from key  
financial decisions the  
FAST way*

# **CORPORATE FINANCE AND VALUATION FINANCIAL MODELLING TRAINING**



# OVERVIEW

This financial modelling course is aimed at equipping learners with skills to make forecasts and valuing companies based on historical information. Taught using the FAST Standard of financial modelling, this course will ensure that learners build a robust financial model with skills from the course being easily transferable to different modelling challenges.

Forecasts will cover revenue lines, costs (fixed and variable), fixed assets, financing, equity, working capital, and taxation leading to integration in three core financial statements – Income Statement, Statement of Financial Position, and Statement of Cashflows. The financials are then used to create a valuation of the entity.

During the course, participants also gain an insight into how to tailor the outputs of the model to end users, interpret the results and run sensitivities, as well as perform some degree of testing to reduce the incidence of modelling errors. Discussions are also held on various aspects of valuations and these are incorporated in the financial model.

## **DURATION**

3 days

## **PREREQUISITE**

The key prerequisites are a fair MS Excel knowledge which will ensure a quality learning experience for all participants. This is not intended to be a basic Excel course.



# FORMAT

The course is highly interactive, comprising of a mix of theory, group discussions, instructor-led demonstrations and Excel-based exercises for participants to undertake. Participants are provided with a comprehensive illustrations booklet covering key Excel shortcuts, FAST Macros and course notes.

These will be used during the course and later serve as valuable reference material should participants wish to refresh their skill at a later date.

## KEY OBJECTIVES

At the end of the course the beginners will be able to:

- Have the confidence to design and build a model from scratch
- Understand and apply modelling best practice based on the FAST financial modelling standards
- Understand important Excel functions and use them to build the foundations of a robust, reliable and flexible financial model
- Review and validate all types of financial models.

## TARGET AUDIENCE PREREQUISITES

This course is ideal for those who:

- Are keen on improving their financial modelling skills
- Work as business and investment analysts from commercial banks, investment banks, private equity firms, stock brokers, investment groups, research departments, etc.
- Want to gain an understanding of the leading methodology of financial modelling – the FAST Standard
- Desire to learn the tools and methods used in corporate finance.
- Desire to learn how to use a model confidently as well as audit a model for errors

Some prior knowledge and experience is assumed.

These include:

- Ability to navigate around Excel
- Rudimentary knowledge of financial statements and accounting principles.



# TRAINING MODULES

## INTRODUCTION

- What is FAST (Flexible Appropriate Structured Transparent) Modelling
- Business Analysis Lifecycle
- Excel productivity in financial modelling
- Key rules in FAST
- Six golden rules of modelling
- Formatting conventions: Input, exports, imports, sheets, etc.

## SETTING UP THE MODEL

- Understanding the structure of the model
- Identifying what input, working and output sheets will be needed
- Input sheets - creating underlying assumptions/forecasts
- Escalation factors

## CREATING CALCULATION SHEETS

- Rigorously using pasted links to make different calculations
  - Revenues
  - Operating costs
  - Working capital
  - Fixed assets and CAPEX
  - Depreciation
  - Taxes
  - Equity and Dividends
  - Finance and gearing - Modelling drawdowns, loan fees, debt interest and principal repayments, loan schedules
  - Interest on cash balances
- Tricks and traps
- Improving productivity when working with large, complex models

## CARRYING OUT A VALUATION

- Theoretical background of Discounted Cashflow (DCF) and multiples valuation
- Calculating your Cost of capital
- Choosing your comparable company and the key multiples to apply
- The value of the company

## CREATING OUTPUT SHEETS

- Here the focus is to create dynamic, linked output sheets
  - Income statement
  - Cash flow statement
  - Balance sheet
  - Ratio analysis

## ADDING VALUE TO THE MODEL

- Risk analysis through Scenario and Sensitivity analysis (using macros, and data table function)
- Reviewing a model



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