

# € TRAINING

Financial Analysis, Modelling & Forecasting



27 - 31 October 2024  
Sharm El-Sheikh (Egypt)  
Sheraton Sharm Hotel,  
Resort,

# Financial Analysis, Modelling & Forecasting

REF: F158 DATE: 27 - 31 October 2024 Venue: Sharm El-Sheikh (Egypt) - Sheraton Sharm Hotel, Resort, Fee: 3520 Euro

## Introduction:

A thorough hold of the principles of financial analysis is a key competency needed for the effective management of a business. This program goes far beyond the typical financial analysis program. It uses both the principles of analysis and the power of Excel to identify the strategic drivers that can dramatically enhance the shareholder value of your organization.

## Course Objectives:

At the end of this course the participants will be able to:

- Develop the basics of strategic financial planning
- Apply the latest financial analysis techniques
- Use the tools of finance, such as the time value of money
- Determine key performance indicators to manage the drivers of business success
- Create tools to use within their own business
- Identify the key steps in developing a financial model
- Analyze a company's annual report identifying key performance indicators to understand what the numbers are saying and make projections of future performance
- Understand the theory of interest and the time value of money and their applications
- Develop an Economic Value-Added model to see the organization from the shareholders' perspective
- Extend the benefit of Capital Investment
- Learn how to use Excel® tools such as Solver, Goal Seeker, and Scenario
- The impact upon shareholder value
- Develop greater confidence in discussing financial strategy

## Targeted Audience:

- Financial Accounting Team Members
- Cost and Management Accounting Staff
- Finance Managers
- Planning Managers
- Commercial Managers
- Capital Investment and Project Team Members

## Course Outlines:

### Unit 1: Overview of Financial Modelling and the International Business Environment:

- Define the Terms Model and Financial Model
- Learn the 10 steps to create good Financial Models
- Use Flowcharting Techniques to improve your model
- Overview of the strategic and operational aspects of a global business entity
- The Organizational Planning Model
- The Product/Decision/Information Cycle
- The Objectives of Financial Analysis

- Creating wealth by adding value
- Basic metrics of wealth creation and financial performance

## Unit 2: Analysing the Annual Report and Creating Shareholder Value:

- Ratio Analysis - The heart of Financial Analysis
- Use Excel templates to calculate and interpret liquidity, leverage and profitability ratios
- Interpret the results of ratio analysis from an accrual accounting perspective
- The inter-relationship between the DuPont Formula and EVA®
- How to use the Altman Z-Score
- Use various investment surveys to benchmark the results of financial analysis
- What constitutes "Shareholder Value?"
- Finding the cost of equity
- Determine the Cost of Debt, Preferred Equity and Common Equity
- Calculate Weighted Average Cost of Capital WACC
- Develop the EVA® Model
- Impact of Acquisitions on WACC

## Unit 3: The Time Value of Money and the Steps in Building Financial Models:

- The impact time has on the value of money
- Understand the various interest calculations
- Using WACC and ROIC as benchmarks
- Use Excel®, to determine Present Value, Future Value, Net Present Value, Internal Rate of Return, Modified Internal Rate of Return
- Using IRR as a basis for capital project evaluation
- Situations that require models
- Models and Shareholder Value EVA®
- Identification of Forecast Validation Criterion
- Determination of Model and Forecast Horizons
- The recognition of risk in forecasts
- The Role of Assumptions in Financial Forecasting

## Unit 4: Evaluating Capital Project Proposals and Effective Management of Historical Data Using Excel:

- Identify the various types of capital projects
- Discuss the capital project evaluation process
- Determining the initial and subsequent capital project cash flows
- Development of the "Hurdle Rate" for capital projects
- Discuss the use of "Terminal Value" in evaluating capital projects
- Use Excel® to evaluate capital projects by applying NPV, IRR, and Discounted Payback models
- Understanding the Approaches Used to Build Financial Forecasting Models
- Recognizing the Basic Patterns Inherent in Historical Data
- Using the Exploratory Data Analysis Tools Available in Excel®
- Key Factors in Determining the Proper Time Horizon to Choose for Your Model
- Determining Degrees of Reliability in Model Projections
- Selecting the Degree of Robustness and Sensitivity of the Model
- Understanding and Applying Selected Modelling Techniques

## Unit 5: Use of Time Series Analysis and Evaluating Investment Portfolio:

- Development of Time Series Models using histograms, moving averages, exponential smoothing, and regression analysis
- Mastering the use of Exponential Smoothing as a Data Analysis tool
- Validation of Time Series Analysis
- Appreciate the Meaning and Importance of Sensitivity Analysis
- Developing "What-if" Scenarios in Your Financial or Operational Models
- Using the Excel tools "Scenario and Goal Seek"
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- Principles of risk measurement in individual shares
- Graphing expected return and risk using variance analysis
- Modern portfolio theory using the capital asset pricing model
- Managing a balanced portfolio
- Use Excel to determine the beta of listed share on a securities market