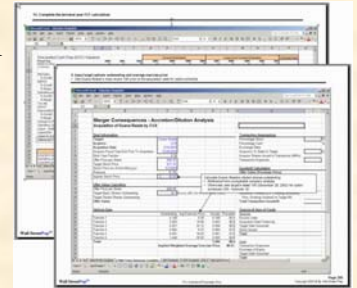


Day I: Financial Statement Modeling in Excel

Seminar Overview

Participants develop a model completely from scratch, inputting historical data and assumptions to project out financial statements using step-by-step instruction on selecting, locating, and developing appropriate projection drivers. At completion, participants will have developed a complete and comprehensive three-statement model using various supporting schedules.



Interactive, Step-by-Step Learning Approach

Participants follow intuitive, step-by-step instruction manuals while building models using Excel model templates and are directed to the appropriate external documents (SEC filings, research reports, etc.) in order to build comprehensive models the way they would on the job.

Key Learning Outcomes

- Building comprehensive financial models from scratch the way it is done at major financial institutions.
- Standard formatting best practices.
- Excel best practices, efficient formula construction, and appropriate driver selections.
- Learn to use data tables to present various sensitivities to projected financial metrics.
- Balancing the balance sheet accounts, including excess cash and revolver.
- Fixing circularity problems, iteration, and other common modeling troubleshooting.
- Balance sheet / cash flow statement cross-checks.

MORNING SESSION (9-11AM)

Introduction to financial modeling

- Overview of financial modeling
- Understanding projections
- Modeling techniques
- Excel best practices foundation and exercises
- Useful Excel shortcuts and functions
- Gathering historical documents/information

MIDDAY SESSION (11AM-3:30PM)

Building the model , step-by-step

- Setting up the core financial statements
- Working capital, Depreciation & amortization (PP&E), and Other balance sheet items.
- Shareholders' equity & Shares Outstanding
- Debt & Interest

AFTERNOON SESSION (3:30-5PM)

Improving the finished product

- Controlling circular references using automated circuit breakers
- Balancing the model
- Scenario analysis
- Creating forms in Excel

Day 2: Valuation and DCF Modeling in Excel

Seminar Overview

Valuation represents the heart of the investment banking and corporate finance skill set. Before building valuation models, participants will learn the conceptual underpinnings of the valuation framework.

- Enterprise valuation vs. market valuation
- Intrinsic valuation vs. relative valuation
- Participants identify and analyze the elements of the financial statement that are key to the value of an enterprise.
- Treatment of options, preferred stock, minority interests, debt, cash and marketable securities
- An overview to market-based and intrinsic valuation, including comparable company analysis and comparable transaction analysis using appropriate equity and enterprise value multiples (PE, EV/EBITDA, etc.), as well as DCF and LBO valuation.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EBITDA	87000	87000	87000	87000	87000	87000	87000	87000	87000	87000	87000
Free Cash Flow	87000	87000	87000	87000	87000	87000	87000	87000	87000	87000	87000
Terminal Value											
Enterprise Value											

Key Learning Outcomes

Participants learn how to build a professional, robust discounted cash flow (DCF) model in Excel from scratch, using real case studies, industry best practices, and sensitivity analyses.

- Project levered & unlevered cash flows in Excel by normalizing operating profits for calculating free cash flows and avoid common mistakes.
- Learn the difference between unlevered and levered free cash flows, and the implication on derived value.
- Project working capital items, deferred taxes, capital expenditures, and long-term accruals.
- Calculate the terminal value using both the exit multiple and the growth in perpetuity approach.
- Discount cash flows using a mid-year convention toggle.
- Correctly calculate the discount rate by deriving the cost of debt, of equity, and of capital using CAPM.
- Understand the role of capital structure in determining beta, the cost of equity, and ultimately WACC.
- Learn how to delever and relever beta.
- Model for and dealing with the circularity inherent in the discount rate calculation.
- Calculate shares outstanding using the treasury stock method.
- Utilize the enterprise value to determine implied share prices.

MORNING SESSION (9-11AM)

Overview of valuation modeling

- Enterprise value vs. Equity value
- Relative vs. Intrinsic value
- Calculating and interpreting multiples (PE ratios, EBITDA multiples, etc.)
- The "football field"

AFTERNOON SESSION (11AM-5PM)

Participants build a complete working DCF model. Training encompasses the following:

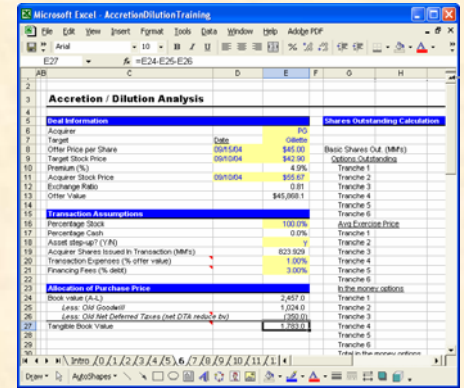
- From accounting profit to levered and unlevered free cash flows—proper methodology and best practices for projections in Excel.
- Estimating the weighted average cost of capital (WACC) and common pitfalls to avoid.
- Applying the two major approaches to calculating terminal value
- Using data tables to analyze a broad range of scenarios given different assumptions

Day 3: M&A (Accretion/Dilution) Modeling

Seminar overview

Participants build a merger model in Excel to reflect the pro forma impact of various acquisition scenarios.

- Purchase Accounting and the step-by-step allocation of purchase price
- Common pitfalls and status of changing accounting treatments
- Typical adjustments required for arriving at pro forma financial projections
- Quick test of accretion-dilution in all-stock deals.
- Pricing structures (exchange ratios/collars/"walk-away" rights)



Accretion / Dilution Analysis			
Deal Information		Shares Outstanding Calculation	
Acquirer	Q10		
Target	Q10		
Offer Price per Share	\$45.00	Basic Shares Out (MMs)	
Target Stock Price	\$45.00	Options Outstanding	
Premium (%)	4.0%	Tranche 1	
Acquirer Stock Price	\$50.00	Tranche 2	
Exchange Ratio	0.91	Tranche 3	
Offer Value	\$45,000.0	Tranche 4	
		Tranche 5	
		Tranche 6	
Transaction Assumptions		All-Share Deal	
Percentage Cash	0.0%		
Asset Step-up (Y/N)			
Acquirer Shares Issued in Transaction (MMs)	823.509	Tranche 1	
Transaction Expenses (% offer value)	1.00%	Tranche 4	
Financing Fees (% debt)	3.00%	Tranche 5	
Adjusted Offer Value Price		To Be Money Option	
Book Value (A.1)	2,427.0		
Less: Old Goodwill	5,024.0	Tranche 2	
Less: Old Net Deferred Taxes (net of 27% liability tax)	720.0	Tranche 3	
Tangible Book Value	6,233.0	Tranche 4	
		Tranche 5	
		Tranche 6	

Building a robust merger model:

- Setting up a control area for assumptions
- Inputting deal assumptions (% cash vs. stock considerations, purchase premium, asset write-ups, advisory fees, financing fees, and severance fees.
- Calculating shares outstanding using the treasury stock method
- Appropriate treatment of convertible securities
- Allocating purchase price and calculating goodwill
- Preparing the pushed-down balance sheet
- Making pro forma balance sheet adjustments
- Calculating Sources & Uses of funds
- Inputting operating & synergy projections
- Calculating the stub year period
- Building a pro forma income statement and making appropriate deal-related adjustments to arrive at accretion/dilution per share.
- Error-checking a merger model and inserting circuit breaker switches where appropriate.
- Sensitivity analysis: EPS accretion/dilution in stock vs. cash deal; interest rate assumptions, premium paid.
- Pre-tax synergies required to break-even, and break-even PE analysis
- Revenue, EBITDA, and Net Income contribution analysis

MORNING SESSION (9-11AM)

- M&A modeling overview
- Purchase accounting
- Accretion/dilution overview and exercise
- Common pricing structures

AFTERNOON SESSION (11AM-5PM)

- Building the accretion/dilution model
- Sensitivity analysis using data tables
- Breakeven and contribution analysis

Advanced merger accounting:

- Taxation issues, including deferred taxes created by the step-up of asset values
- Legal considerations in acquisitions, including divestitures, merger vs. consolidation, antitrust issues, minority freez-outs, hostile takeovers.

Day 4: LBO Modeling

Seminar overview

- Participants learn the intuition and mechanics while building a robust LBO and recapitalization model in Excel. The seminar begins with an introduction to the dynamics of an LBO and a discussion of the qualitative motivations behind such transactions, major players, current financing environment, and industry benchmarks.
- Participants will develop an understanding of leveraged financing, purchase and recapitalization accounting and the step-by-step allocation of purchase price. Typical exit strategies and return requirements are discussed and analyzed.

The screenshot shows an Excel spreadsheet with the following sections:

- LBO Analysis:**
 - Accounted Enterprise value at Exit year: 202,944.2
 - Net Debt at Exit: 43,361.0
 - Equity value at Exit year: 159,579.3
 - Required rate of return: 20.0%
 - EBITDA at exit year: 41,832.0
 - LBO Debt at exit year: 30,071.5
 - Acquisition costs: 17,475.0
 - Net Debt at exit year: 47,546.5
 - Equity value at exit year: 112,032.8
- Sources & Uses of Funds:**
 - Equity value: 112,032.8
 - Debt: 30,071.5
 - Total: 142,104.3
- Summary of Funds:**
 - Equity: 112,032.8
 - Debt: 30,071.5
 - Total: 142,104.3
- Exit Strategy:**
 - Exit year: 2029
 - Exit value: 202,944.2
 - Exit multiple: 10.0x

Constructing a fully integrated LBO model

- Participants will apply typical deal structures of leveraged buyouts, along with current market metrics. They will structure an Excel model for the valuation and analysis of an LBO transaction.
- Plan and build an integrated, dynamic three statement pro forma LBO projection model
- Participants will learn how to model the typical instruments of LBO financing, including cost assumptions and sources and uses of funds:
- Inserting a revolving credit facility and cash sweep
- Industry standard treatment of senior notes, PIK instruments, and preferred equity and equity.
- Identifying the circularities and iteration problems inherent in an LBO model and creating circuit breakers to address them.
- Error-proofing and integrity-checking an LBO model.

MORNING SESSION (9-11AM)

- LBO modeling overview
- Market dynamics & current environment
- Purchase & recapitalization accounting
- Simple LBO exercise

AFTERNOON SESSION (11AM-5PM)

- Constructing the LBO model
- Constructing a revolver & cash sweep
- Circularity and error checking

Exit and sensitivity analysis

- Participants will build the sensitivity tables required for correct analysis of an LBO, including the construction of multiples, and IRR tables using both data tables and various sorting functions in Excel, including VLOOKUPS, OFFSET, CHOOSE, and INDEX.
- Participants will design different scenarios for their LBO model, including: Base/Best/Worst Case

Online Training: Trading & Transaction Comps in Excel

Trading Comps Overview

- Trading comparables or "comps" analysis is the quickest, most widely used valuation methodology, and fundamental part of the core valuation skill set of investment bankers and finance professionals. Participants will learn how to select comparables and build dynamic comps models in Excel from scratch, using real case studies, industry best practices, and sensitivity analyses.
- Participants learn to select appropriate comparable companies by evaluating operational, financial, size, and other similarities
- Set evaluation benchmarks & select comparable companies
- Gather appropriate financial history and projections
- Normalizing operating results and calculating LTM operating results
- Exclude nonrecurring charges, normalize for stock option expense
- Standardize various expense classifications including FIFO to LIFO inventory accounting
- Calculate shares outstanding using the treasury stock method
- Input financial data & calculate and interpret financial and market ratios
- Presenting trading comps by structuring output schedule
- Selecting key valuation multiples using the VLOOKUP function and generating multiple tables

Acquirer	Target	Date Announced	Date Effective	Offer Value of Equity (\$)	Transaction Value (\$)	PRE-SYNERGIES			Announced Synergies (\$)	POST-SYNERGIES		
						LTM Sales	LTM EBITDA	Margin		T22	Adjusted EBITDA	
J.Penney	Genesee	11/23/1998	3/1/1999	\$431.9	\$488.7	0.60x	13.7x	4.4%	NA	NA	NA	
CVS	Abur	3/6/1998	3/31/1998	1,470.2	1,442.2	1.41	19.2	7.3%	830	2.9%	13.7x	
J.Penney	Eckerd	11/9/1996	2/27/1997	2,536.6	3,314.6	0.62	11.6	5.3%	100	1.9%	8.6	
						High	1.41x	19.2x	7.3%	\$100	2.9%	13.7x
						Average	0.89	14.8	5.7%	65	2.4%	11.1
						Median	0.62	13.7	5.3%	65	2.4%	11.1
						Low	0.60	11.6	4.4%	30	1.9%	8.6

(A) Calculated as (offer price per share x shares outstanding) - option proceeds.
 (B) Calculated as Offer Value of Equity plus total debt, minority interest and preferred stock, less cash & equivalents.
 (C) JCPENCK Synergies estimated per Oppenheimer 11/4/96 research report.

Transaction Comps Overview

- Participants spread trading comps in Excel and learn how to choose peer companies for the target they are valuing. They also learn how to "scrub" the data, select the value drivers, calculate and use multiples correctly, and calculate implied share price from enterprise value
- Similarly to trading comps, participants set evaluation benchmarks, select precedent transactions, gather appropriate financial details, input financial data, and calculate and interpret financial and market ratios.
- Calculating purchase premiums
- Understanding pricing structures (fixed vs. floating, collars, and walk-away rights).
- Best practices for incorporating synergy assumptions and appropriately calculating unaffected pre-deal share prices.

Transaction Comps Overview

- Overview of transaction comps modeling
- Selecting comps and gathering appropriate documents
- Spreading comps and normalizing operating results for LTM calculations in Excel
- Calculating shares outstanding using the treasury stock method
- Selecting and presenting multiples.

Transaction Comps Overview

- Overview of transaction comps
- Spreading comps and normalizing operating results for LTM calculations in Excel
- Accounting for synergies
- Using data tables to analyze a broad range of scenarios given different assumption

Client Feedback

Corporate Client Feedback



SK Telecom
MOST VALUABLE COMPANY

"Overall, I would rate this training, as well as Matan's ability to transfer knowledge of the subjects, and the quality of the handouts and exercises as excellent... This training was highly relevant to the training needs of my associates."

Sean Oh, Director, Corporate Finance, SK Telecom



"As a former banker, I've been through two of these courses – this was the best!"

Greg Mandel, Thomson, Inc.



"This training seminar was excellent . . . I have worked with other vendors and have organized numerous other training programs, but Wall Street Prep clearly stood out. I was extremely impressed with the format of their program and their ability to take fairly difficult concepts and explain it clearly through case studies and examples."

Mike Joo, Director – Investment Banking, Credit Suisse

Student Feedback

"The entire seminar was very practical – a good change from classroom theory at MIT! It was awesome to walk away with all the handouts and Excel templates."

Adam Miller, MIT

"We don't get a chance to learn this in class, so this is very important. Great instructor, great class!"

Manny Dounias, Kellogg School of Management—Northwestern University

"It exceeded my expectation significantly. It is the best learning exercise I had at Johnson. Finally a good hands on workshop for students!"

Anonymous Johnson School of Management—Cornell University

"This course could be two weeks long, and I'd still want more."

Dean Banks, Harvard Business School

"Very detailed. Goes deeper into models than I have ever experienced in class. A great training- I would definitely take a follow-up course"

Brian Andreusky, McDonough School of Business—Georgetown University