

Valuation Modelling in Excel for Private Capital

Course Agenda



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Agenda

08:45	Registration and Breakfast
09:00	Session 1 – Overview, Business Strategy and Value Drivers <ul style="list-style-type: none">• Price versus value• Enterprise value (EV) versus equity value bridge• The most important valuation drivers• Key value drivers• Risks in valuation – incorrect assumptions and undervaluation• Forecasting, subjectivity and estimating• Time horizon• Industry specifics• Review of different valuation methods• Dilutive securities and impact on valuation• Case Study: how strategy affects value
10:00	Session 2 - Company Valuation: Trading Comparables and Transaction Comparables <ul style="list-style-type: none">• Difference between trading and transaction comparables• How to choose a comparable company• Applying different multiples to valuation• Normalizing the income statement results (EBITDA and Net Profit)• The most useful multiples• Interpret and understand multiples of similar companies, trading at different multiples• Case Study: Review comparable outputs from several public companies in the consumer goods sector
11:15	Break
11:30	Session 3 - Discounted Cash Flow Valuation (DCF) <ul style="list-style-type: none">• Free cash flow analysis – check cash and interest cover headroom• Weighted average cost of capital components• DCF Valuation• Applying the half year convention and stub years

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	<ul style="list-style-type: none"> • Terminal value calculation back testing the terminal value • Valuation outputs – using DCF as a ‘sanity’ check for the multiple valuation • approach results • Sensitivity tables • Case Study: Construct a DCF valuation model to value a company
13:00	Lunch
14:00	<p>Session 4 - How a Venture Capitalist Values a Company</p> <ul style="list-style-type: none"> • Valuation using earnings, EBIT and EBITDA multiples • Comparable deal analysis • Discounted cash flow valuation • But it’s all about Exit and IRR • Case Study: valuation of start-up business with no revenue
15:00	<p>Session 5 - Additional Metrics</p> <ul style="list-style-type: none"> • Limitations of conventional valuation methodologies • Should we value forecast earnings, EBIT or EBITDA • Enterprise Value / Sales • Price per pop, per eyeball, per ‘click-through’, per subscriber • Customer acquisition costs • The importance of strategy and management • Key drivers for a SAAS company <ul style="list-style-type: none"> ○ Annual recurring revenue (ARR) ○ New subscribers’ growth ○ Churn ○ Price (Average revenue per user – ARPU) • Valuing an AI company – key issues to consider and impact on value • Case Study: how AI will impact the value
15:45	Break
16:00	<p>Session 6 - Application of Valuation Methods in Cyclical Companies</p> <ul style="list-style-type: none"> • Choice of valuation method for different industries and cycles

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	<ul style="list-style-type: none">• Valuing divisions and subsidiaries• Foreign subsidiaries and emerging markets• Valuation of private companies
16:30	Session 7 - Private Companies <ul style="list-style-type: none">• Estimating the cost of capital for private companies• Charging for higher risk: haircut from valuation or increasing the cost of capital• Estimating the size of illiquidity discount• Estimating the value of control premium• The key person discount• Modelling valuation of a private company
17:30	Drinks Reception