

**Course Objective – Business Valuation–Training, Consulting, Implementation (Advanced Series)**

**The objective of the Course:** Knowing what an Asset is worth and how to determine its valuation is a pre-requisite for all Corporates, Banks, Financial Institutions, Hedge Funds, Proprietary Traders. This course would be teaching you about Business Valuation whereby we would be covering Measuring Cash Flows, Forecasting Cash Flows, Valuation Multiples, Enterprise Multiples, and respective.

❖ **Targetted Audience :**

- ❑ Chief Executive Officers (CEO)
- ❑ Chief Financial Officers (CFO)
- ❑ Corporate Treasurers, Corporate Controllers
- ❑ Accounting Heads
- ❑ Treasury Teams, Bankers, Front Desk Traders
- ❑ Business Analysts
- ❑ Proprietary Traders
- ❑ Chartered Accountants (CA)
- ❑ Cost Accountants
- ❑ Master of Business Administration (MBA)

**Course Topics:**

- ❑ **Session I:** Introduction to Valuation
- ❑ **Session II:** Discounted Cash Flow (DCF) Valuation
- ❑ **Session III:** Measuring Cash Flows
- ❑ **Session IV:** Forecasting Cash Flows
- ❑ **Session V:** Equity Discounted Cash Flow Models
- ❑ **Session VI:** Enterprise Valuation Models
- ❑ **Session VII:** Relative Valuation (Equity Valuation)
- ❑ **Session VIII:** Relative Valuation (Value Multiples)

**Course Content – Business Valuation–Training, Consulting, Implementation (Advanced Series)**

❖ **Session I: Business Valuation – Introduction to Valuation**

- ❑ Introduction to Valuation
- ❑ Approaches to Valuation
  - ❑ Discounted Cash Flow (DCF) valuation
  - ❑ Relative Valuation
  - ❑ Contingent Valuation
- ❑ Role of Valuation
  - ❑ Fundamental Analysts
  - ❑ Activist Investors
  - ❑ Chartists
  - ❑ Information Traders
  - ❑ Market Timers

❖ **Session II: Business Valuation – Discounted Cash Flow (DCF) Valuation**

- ❑ Introduction to Discounted Cash Flow (DCF) Valuation
- ❑ Cost of Equity

## **Business Valuation – Training, Consulting & Implementation (Advanced Series)**

- Estimation Approaches
- Risk & Return Models
  
- Capital Asset Pricing Model (CAPM)
  - Arbitrage Pricing Model (APM)
  - Risk-Free Rate vs Market Rate
  - Historical Volatility vs Implied Volatility
  - Industry Beta vs Market Beta
  
- CAPM Risk-Free Rate
  - Static Swap Spread
  - Option Adjusted Spread (OAS)
  - Z Spread
  - Historical Equity Premiums
  - Implied Equity Premiums
  - Historical Industry vs Market Beta
  - Implied Industry vs Market Beta
  - Accounting Beta
  - Bottom Up Beta
  - Top Up Beta
  
- Regression or Proxy Models
  - Implied Models
  
- Cost of Capital Models
  - Unleveraged Cost of Equity
  - Implied Cost of Capital
  - Weighted Average Cost Approach
  - Cost of Preferred Stock
  - Market Value of Equity
  - Cost of Preferred Equity

### **❖ Session III: Business Valuation – Measuring Cash Flows**

- Cash Flows
  - Free Cash Flow to Firm (FCFF)
  - Free Cash Flow to Equity (FCFE)
  - Free Cash Flow to Debt (FCFD)
  
- Accounting Earnings vs True Earnings
  - Planning Ahead
  - Revenue Recognition
  - Books Revenue Early
  - Capitalize Operating Expenses
  - Write-Offs
  
- Effective vs Marginal Tax Rate
  - Effective Tax Rate for Local Entities
  - Effective Tax Rate for MNC
  - Marginal Tax Rate for Local Entities
  - Marginal Tax Rate for MNC
  
- Net Operating Leases
- DCF @ Tax Books
- DCF @ Reporting Books
- Capital Expenditure
  - Capital Expenditure Treatment as Operating Expenses

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- Working Capital – Positive
- Working Capital - Negative
- Non-Cash Working Capital
  - Non-Cash Current Assets
  - Non-Cash Current Liabilities
- Valuation of Equity Cash Flows
  - Valuation of Potential Dividends
  - Valuation of Dividend Payout Ratio
  - Valuation of Dividend Yield

### **❖ Session IV: Business Valuation – Forecasting Cash Flows**

- Valuation of Steady Cash Flows
- Valuation of Non-Steady Cash Flows
  - Growth in Equity Earnings
  - Growth in Earnings Per Share (EPS) @ Basic EPS
  - Growth in Earnings Per Share (EPS) @ Diluted EPS
  - Growth in Earnings Per Share (EPS) @ Adjusted EPS
  - Determinants of Return to Equity
  - Retention Ratio
  - Reinvestment Rate
- Theory of Terminal Valuation
  - Terminal Valuation @ Single Period Liquidation
  - Terminal Valuation @ Multi-Period Liquidation
  - Terminal Valuation @ Stable Growth Period
  - Terminal Valuation @ Non-Stable Growth Period
  - Terminal Valuation @ WACC
- Estimation Approaches
  - Expected Value
  - Scenario Analysis
  - Simulations

### **❖ Session V: Business Valuation – Equity Discounted Cash Flow Models**

- Dividend Discount Model
  - Gordon Growth Model
  - Single Stage Dividend Discount Model
  - Two-Stage Dividend Discount Model
  - Three Stage Dividend Discount Model
  - H Model
    - Applicability of the Dividend Discount Model
    - Limitations of the Model
    - Extensions of the Dividend Discount Model
    - Expanding the Dividend Discount Model
- Assets & Liabilities (ALM) Management Systems
- Assets & Liabilities (ALM) Organization
  - Structure & Responsibilities
  - ALM Committee
    - ALM Risk Parameters
    - ALM Risk Identification

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- ALM Risk Management
- ALM Risk Management
- ALM Risk Tolerance Limits
  
- Gap Management
  - GAP Analysis – Prudential Limits
  - Risk Sensitive Assets (RSA)
  - Risk Sensitive Liabilities (RSL)
  - GAP = RSA – RSL
    - GAP Ratio – RSA/RSL
    - GAP > 0, GAP Ratio > 1 , +ve GAP
    - GAP < 0, GAP Ratio < 1 , -ve GAP
    - GAP = 0, GAP Ratio = 1 , Matched GAP
  
- Maturity & Position (MAP)
  - Maturity & Position (MAP) > 1
  - Maturity & Position (MAP) < 1
  - Maturity & Position (MAP) = 0
  
- FCFE Discount Models
  - Constant Growth FCFE Models
  - Two-Stage FCFE Growth Models
  - Three Stage FCFE Growth Models
  - M Model
    - Applicability of FCFE Models
    - Limitations of the FCFE Models
    - Extensions of FCFE Models
    - Expanding FCFE Models

### **❖ Session VI: Business Valuation – Enterprise Valuation**

- Cost of Capital Approach
  - Stable Growth Model
  - Advantages of Cost of Capital Approach
  - Adjusted Present Value Approach (APV)
  - Value of Leveraged Firm
  - Value of Unleveraged Firm
  - Cost of Capital vs APV Valuation
  
- Economic Value Added (EVA)
  - Computation of Economic Value added (EVA)
  - EVA vs NPV vs DCF
  - Cost of Capital vs EVA
  - Capital Structure vs Firm Value
  
- Evaluating Capital Structure
  - Cost of Capital and Financial Leverage
  - APV and Financial Leverage

### **❖ Session VII: Business Valuation – Relative Valuation (Techniques) – Equity Valuation**

- Earnings Multiples

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- Book Value Multiples
- Relative Value Multiples
- Revenue Multiples
- Sector Specific Multiples
  
- Tests to perform Relative Valuation
  - Definitional Tests
  - Consistency Tests
  - Uniformity Tests
  - Descriptive Tests
  - Distributional Characteristics
  - Home bias in Estimating
  
- Equity Multiples
  - Cum Cash Equity Models
  - Ex Cash Equity Models
  - P/FCFE Equity Models
  
- Price to Earnings Ratio (P/E) Ratio
  - P/E Ratio
  - P/E Ratio, Trailing
  - P/E Ratio, Forward
  - Price to Book Ratio
  - Price to Sales Ratio
  - PEG Ratio
  - CAPE Ratio
  
- Regression Analytics on Equity Multiples
- Regression Analytics on P/E Multiples

### ❖ Session VIII: Business Valuation – Relative Valuation (Techniques) – Value Multiples

- Scaling Variables
- Earnings Multiples
- Value/Operating Earnings Multiples
- Value/Book Capital
- Enterprise Value/Revenue
  - Computation of Enterprise Value
  - Growth Effect @ Enterprise Valuation
  - Tax Impact @ Enterprise Valuation
  - EV/Sales Multiples, Trailings
  - EV/ Sales Multiples, Forward
  - EV/Operating Income Multiples
  - EV/Capital Ratios, Trailings
  - EV/Capital Ratios. Forward

- ❖ **Course Coverage:** Course to get covered using Webinars, Skype Conference Calls, Audio, Video Calls. Sessions are highly interactive and participants are most welcome to ask any questions during the Course.
  
- ❖ **Course Duration:** Course duration is 30 Hrs + 2 Hrs of Complimentary Skype Call which to be taken within 3 months of completion of the Course.

## **Business Valuation – Training, Consulting & Implementation (Advanced Series)**

❖ **Course Pricing:** Rs 45,000 (Forty-five Thousand)

❖ **Course Material**

- ❑ Course Presentations – 100% interactive, Screenshots, Examples
- ❑ International Bank Research Reports
- ❑ Live Corporate Case Studies
- ❑ Excel Solvers

**The course is 100% Practical, Software Oriented in nature. We would be doing the Course using Course Presentation, International Bank Research Reports, Live Corporate Case Studies, Excel Solvers, Live Financial Terminals – Thomson Reuters, Bloomberg TV, MT4 (Meta Trader 4)**

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**Treasury Consulting Group (TCG) – A Singaporean Multinational HQ Group (Touching \$ 1 Bn Valuation by Dec'21)  
An Asia Pacific Trainings, Consulting, Publication, Software, Analytics, FI, Technology Implementation Group**

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**## YouTube Channel (Foreign Exchange Maverick Thinkers) -**  
<https://www.youtube.com/user/rahulmagan8>

**## YouTube Channel (Treasury X) -**  
<https://www.youtube.com/channel/UChS6wQzyZdO2bHd5w3SOrOg>

**## YouTube Channel (Impetus X) -**  
<https://www.youtube.com/channel/UC3bPXxADBssdFMwlkphLFFQ/featured>

**## Vimeo Video Channel -** <https://vimeo.com/rahulmagan>