

Forecast Financial Statement Projection in Excel

General Objectives:

This Course aims to equip participants with the knowledge and skills to enable them to make financial statement projections in Excel.

Specific Objectives:

At the end of this Course participants will know how to:

- Use the Argos Forecast financial projections spreadsheet to prepare financial statement projections;
- Calculate the value of the analyzed company by the discounted cash flow method using the Argos Forecast spreadsheet;
- Elaborate alternative scenarios and do sensitivity analyses, using the advanced features of Excel applied to Argos Forecast;
- Correctly use Excel features to elaborate electronic spreadsheets;
- Audit the models and track conceptual and formula errors.

Recipients:

It is assumed that participants have knowledge of Excel.

Duration:

12 Hours

Content Program:

Module I – Introduction

- The importance of a good financial projection;
- How to define a projection horizon;
- How to define the periodicity;
- Applications of the projection:
 - Determining the value of the company;
 - Analysis of investment projects;

- Negotiating equity stakes.

Module II - Defining the projection assumptions

- How to project the main income statement accounts:
 - Operating Revenues;
 - Taxes;
 - Cost of Goods Sold;
 - Fixed Expenses;
 - Variable expenses;
 - Financial revenue
 - Financial Expenses;
 - Non-operating revenues;
 - Taxes on profit;
 - EBITDA;
- How to project the balance sheet accounts:
 - Financial investments;
 - Accounts receivable
 - Stocks
 - Permanent Assets;
 - Accounts receivable
 - Short term financing
 - Long term financing;
 - Other asset and liability accounts;
 - Shareholders' equity;
 - Projecting cash flow;
 - Operational inflows
 - Change in working capital requirement
 - Investments
 - Operational outputs;
 - Operational cash flow
 - Borrowings and loan repayments;

- Shareholder cash flow;
- Calculating some indicators.

Module III - Identification of the company's critical assumptions

- How to identify the main assumptions that influence the formation of the company's cash flow and profit;
- Presentation of a chart to identify the company's drivers and their cause-and-effect relationships;
- Using Excel resources to identify and quantify the cause-and-effect relationships;
- How to do a sensitivity analysis (touching 1 variable at a time);
- Using drivers and doing what-if simulations;
- Introducing Excel features for what-if simulations;
- How to create scenarios (touching 2 or more variables simultaneously);
- The importance of scenario simulation;
- Introducing advanced features of Excel;
- Performing Stress Simulations;
- Calculating the "limit" of the company: how far it can go;
- What numbers to use;
- Where to get historical data;
- Combining retrospective analysis with prospective analysis;
- The importance of retrospective analysis for a projection;
- How to easily relate retrospective analysis with prospective analysis.

Module IV - Practical Exercises

Participants will be given the sheet for integrated projection of financial statements, with which they will be able to project, in an integrated way and for an undetermined period of time, and in any periodicity, the projection of Balance Sheet, Income Statement, Cash Flow, and Indicators Panel.