

DAY 1

Topic: Comparable companies analysis

1. Study the target;
 2. Identify key characteristics of the target for comparison purposes;
 3. Screen for comparable companies.
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1. SEC filings: 10-K, 10-Q, 8-K, and proxy statements;
 2. Equity research;
 3. Press releases and news runs;
 4. Financial information services;
 5. Summary of financial data primary resources.
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1. Calculation of key financial statistics and ratios;
 2. Supplemental Financial concepts and calculations;
 3. Calculation of key trading multiples.

Topic: Comparable companies analysis

1. Benchmark the financial statistics and ratios;
 2. Benchmark the trading multiples.
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1. Valuation implied by enterprise value (EV)/ EBITDA;
 2. Valuation implied by Price/ Earning (PE).
 3. Key pros and cons of comparable company analysis

DAY 2

Topic: Comparable transactions analysis

1. Screen for comparable acquisitions;
 2. Examine other considerations.
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1. Public targets;
 2. Private targets;
 3. Summary of primary SEC filings in M&A transactions.
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1. Calculations of key financial statistics and ratios;
 2. Calculation of key transaction multiples.
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1. Key pros and cons of comparable

Topic: Discounted cash flow analysis (DCF)

1. Study the target;
 2. Determine key performance drivers.
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1. Considerations for projecting free cash flow;
 2. Projection of sales, EBITDA and EBIT;
 3. Projection of free cash flow.
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1. Determine target capital structure;
 2. Estimate cost of debt;
 3. Estimate cost of equity;
 4. Calculate WACC.

DAY 3

Topic: Discounted cash flow analysis (DCF)

Step 4: Determine terminal value

Step 5: Calculate present value and determine valuation

Topic: Leveraged buyouts (LBO's)

1. Financial sponsors;
 2. Investment banks;
 3. Bank and institutional lenders;
 4. Bond investors;
 5. Target management.
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1. Strong cash flow generation;
 2. Leading and defensible market positions;
 3. Growth opportunities;
 4. Efficiency enhancement opportunities;
 5. Low capex requirements;
 6. Strong asset base;
 7. Proven management team.
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1. Return analysis: Internal rate of return (IRR);
 2. Return analysis: Cash return;
 3. How LBO's generate return;
 4. How leverage is used to enhance returns.
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1. Sale of business;
 2. Initial public offering (IPO);
 3. Dividend recapitalisation;

4. Below par debt repurchase.

1. High yield bonds;
2. Mezzanine debt;
3. Equity contribution.

1. Term sheets.

DAY 4

Topic: LBO analysis

1. Build historical and projected income statement through EBIT;
2. Input opening balance sheet and project balance sheet items;
3. Build cash flow statement through investing activities.

1. Enter purchase price assumptions;
2. Enter financing structure into sources and uses;
3. Link sources and uses to balance sheet adjustments columns.

1. Build debt schedule;
2. Complete pro forma income statement from EBIT to net income;
3. Complete pro forma balance sheet;
4. Complete pro forma cash flow statement.

1. Analyse financing structure;
2. Perform return analysis;
3. Determine valuation;
4. Create transaction summary page.

DAY 5

Topic: Buy-side M&A

1. Synergies;
2. Cost synergies;
3. Revenue synergies.

1. Horizontal integration;
2. Vertical integration;
3. Conglomeration.

1. Cash on hand;
2. Debt financing;

3. Equity financing;
 4. Debt vs. equity financing summary – Acquirer perspective.
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1. Stock sale;
 2. Asset sale.
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1. Football field;
 2. Analysis at various prices;
 3. Contribution analysis.
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1. Purchase price assumptions;
 2. Balance sheet effects;
 3. Accretion/ dilution analysis;
 4. Acquisition scenario's: 50% stock/ 50% cash, 100% cash, 100% stock