

## **Overview of Business Valuation**

### **Course Outline – Half-day**

**Date:** 18 April 2007 Hong Kong

**Duration:** Half-day (0900-1200)

**Level:** Foundation

**Pre-Requisites:** No pre-course requirements

**Fee:** USD 400 + taxes if applicable

**Learning in Teams:** For every 4 delegates you enroll onto this course, the 5<sup>th</sup> person attends **FREE**

**Enrolment Deadline:** Friday March 23<sup>rd</sup> 2007

#### **Course Description:**

This course, designed for operations personnel, focuses on the fundamentals of business valuation. In Overview of Business Valuation, participants will learn how businesses are valued and apply those concepts to actual business valuations in the marketplace using case studies. The program will cover relative valuation techniques (comps) as well as discounted cash flow techniques. It will include a comprehensive discussion of cost of capital and cash flow forecasting. The course is interactive and is comprised of a lecture, a case study, and articles about recent developments in business valuation techniques.

#### **Course Objectives:**

- Define and describe mechanics of business valuation
- Describe shareholder value creation
- Create a framework for choosing the appropriate valuation techniques
- Compare and contrast advantages and disadvantages of different valuation techniques
- Calculate the cost of debt and WACC

# **Overview of Business Valuation**

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### **Session 1: Introduction to Business Valuation**

- What determines how a business is valued
- How the use of different methodologies affect results
- The role of the public markets in business valuation
- Common valuation methodologies

### **Session 2: DCF Valuation**

- Cash flow vs. free cash flow
- Determining free cash flow: direct and indirect methods
- Reconciling free cash flow with the consolidated statement of cash flow
- Value Drivers
- Projections

*Article*

### **Session 3: Determining the Weighted Average Cost of Capital (WACC)**

- Introducing the WACC equation
- Calculating the after-tax expected cost of debt

### **Session 4: Determining the Terminal Value**

- Defining terminal value and its impact on the DCF valuation
- Methods for determining terminal value

### **Session 5: Case Study DCF Approach**

- Measuring shareholder value creation
- Discounting to find the value of operations
- Enterprise Value
- Market Value

*Case Study*

### **Summary Conclusion and Question and Answer Session**