



Advanced Business Valuation

2010 Training Programme

Learn how to prepare robust business valuations and realistically assess the returns on M&A transactions.

London: February 16th-17th, 2010

London: May 18th-19th, 2010

London: September 1st-2nd, 2010

London: November 29th-30th, 2010

www.successful-acquisitions.com

PURPOSE OF THE COURSE

Calculating the value of a potential acquisition involves far more than plugging numbers into a series of standard calculations. This course teaches delegates to prepare valuations in a commercial context. Emphasis is placed on understanding risks, synergies and the potential returns on a transaction. Case studies are employed to help delegates think through the dynamics of competitive situations and assess a target's fit with the acquirer's strategic objectives.

Taught by an internationally experienced corporate M&A practitioner the course gives delegates a solid grounding in the approaches and techniques used to arrive at sensible valuations and minimize the risk of overpaying.

WHAT WILL DELEGATES LEARN?

The course will teach delegates how to:

- Arrive at valuations that take full account of the commercial context;
- Master the main cash flow, market multiples and asset based approaches to company valuation;
- Extract information from published accounts and seller memorandums for business valuation;
- Arrive at realistic estimates of synergies and use them to calculate potential deal returns;
- Use the due diligence process to refine valuations;
- Understand the valuation approaches of different types of buyers and how that influences the final strike price;
- Avoid overpaying.

Extensive use is made of practical exercises and case studies.

A PRACTICAL APPROACH

At all stages our tutors will be focused on teaching practical strategies that can be taken back to your business and put into immediate effect. Extensive use is made of case study material. You will leave the course with templates and methodologies that can be taken back to your business and used to give an immediate professional edge to business valuation.

ABOUT OUR TUTORS

All our tutors are veterans of numerous acquisitions as both corporate managers and professional advisors.

Lead tutor on the Dynamic Due Diligence is Robert Kemp. After a successful corporate career during which he was involved in acquisitions on virtually every continent for FTSE 100 company Associated British Foods plc, Robert founded a successful consulting practice advising corporate and private companies on all aspects of M&A activity.

*“How much
should we pay?”*

COURSE CONTENTS

Business Valuation Overview

- Main approaches to business valuation;
- Commercial context of valuation;
- Establishing strong valuation disciplines.

Technical Foundations

- The mathematics of discounted cash flow (DCF):
 - Net present value;
 - Internal rate of return;
 - Terminal values;
- Cost of capital;
- Equity and debt;
- Enterprise value.

Extracting Financial Information for Valuation

- Types of information;
- Removing distortions;
- Dealing with creative accounting and aggressive forecasts;
- Forecasting income statements and balance sheets;
- The correct cash flow for each approach.

DCF Methods - The Income Approach

- Structuring the DCF calculation;
- Which cash flows are relevant?
- Approaches to tax and inflation;
- Different approaches to risk analysis;
- Dividend valuation models.

Valuation by Multiples - The Market Approach

- PE based multiples;
- Other multiple methods;
- Listed and unlisted companies;
- The importance of gearing.

Asset Based Valuations

- Constructing an asset based valuation;
- Common problems with asset based valuations.

Strategic Deal Value

- Valuing synergies;
- Strategic value calculations;
- Taking account of integration costs and risks.

Valuation in a Commercial Context

- Weighting valuation calculations for qualitative issues;
- Assessing strategic fit;
- Understanding the financial buyers perspective;
- Who else is in? Valuation in a competitive context;
- The three values - intrinsic, strategic and strike price;
- Valuation at different steps in the acquisition process;
- Recognise the signs of overpaying.

Due Diligence Inputs to Valuation

- Structuring due diligence to collect valuation information;
- Reflecting due diligence findings in valuation models;
- Impact of due diligence findings on projected deal returns;
- Collecting information necessary for assessing integration risks.

Reporting Business Valuation Findings

- A structured business valuation report;
- Putting risks in a commercial context;
- Remaining objective and handling the internal politics.

WHO SHOULD ATTEND?

The course is designed for directors and senior managers involved in mergers and acquisitions and requiring a thorough understanding of the approaches used to value companies:

- Managing Directors;
- Business Development and Commercial Directors and Managers;
- Corporate Development and Strategy Directors and Managers;
- Finance Directors and Financial Controllers.



