



Manual 5-day Training

# Business Valuation & Deal Structuring

Trainer: J.J.P. (Joris) Kersten MSc BSc RAB

4<sup>th</sup> until 8<sup>th</sup> November 2024 @ Amsterdam



## Introduction

This is a 100% practical 5-day training in "Business Valuation & Deal Structuring" (Investment Banking M&A) and the main topics are:

- Discounted cash flow valuation (DCF), EBITDA multiples, leveraged buyouts (LBO's), mergers & acquisitions (M&A's), adjusted net debt (cash & debt free) and financial modelling in Excel with keyboard shortcuts.

The training mainly focusses on giving the participant hands on tools to build financial models in Excel to determine the value of a company on 1) a stand-alone basis, 2) in a LBO situation and 3) in a buy-side M&A scenario.

In the training we will look at different valuation techniques to calculate "enterprise value" like: 1) Comparable companies analysis (EBITDA multiples I), 2) Precedent transaction analysis (EBITDA multiples II), 3) Discounted cash flow analysis (DCF), 4) LBO analysis and 5) Buy-side M&A analysis.

And we will look at different techniques to get from "enterprise value" to the "value of the shares" taking (adjusted) net debt into account. Taking adjusted net debt into account means in practice that you perform the deal "cash & debt free".

The training is very practical in a sense that the trainer will explain the concepts first and will then apply them in class to real life companies with the participants. With all the calculations "Microsoft excel" is used to build the needed financial models. And here financial modelling with "keyboard shortcuts" is used.

This training is meant for analysts and associates from international investment banks. Moreover, the training is meant for analysts and consultants in: M&A, private equity, venture capital and strategy. In addition, the training is meant for accountants, tax lawyers, bankers in credit analysis, financial managers, CFO's etc.

During the training will be focussed on international companies listed on the stock exchange. But the valuation techniques are also very applicable to (non-listed) private firms.



## Trainer & Consultant

J.J.P. (Joris) Kersten, MSc BSc RAB

M&A advisory/ Valuations: [www.kerstencf.nl](http://www.kerstencf.nl)

Valuation training: [www.joriskersten.nl](http://www.joriskersten.nl)

- 130 recommendations on his training can be found on: <https://www.joriskersten.nl/nl/reviews>
- Many articles & blogs of Joris on "Business Valuation" & the "Cost of Capital" can be found on: [www.joriskersten.nl](http://www.joriskersten.nl)

J.J.P. (Joris) Kersten MSc BSc RAB (1980) is owner of "Kersten Corporate Finance" in The Netherlands, under which he works as an independent consultant in Mergers & Acquisitions (M&A's) of medium sized companies.

He performs deals with an enterprise value of in between 5 million and 100 million euros enterprise value (minimum EBITDA of 1 million euros).



Joris performs business valuations, prepares pitch books, searches and selects candidate buyers and/ or sellers, organises financing for takeovers and negotiates M&A transactions in a LOI and later in a share purchase agreement (in cooperation with (tax) lawyers).

Moreover, Joris is associated to 'AMT Training London' for which he provides training in Corporate Finance & Financial Modelling at leading ("bulge bracket")



investment banks in New York, London and Hong Kong (e.g. Morgan Stanley New York, Morgan Stanley London, Nomura London, Barclays London, UBS London).

And Joris is associated to the 'Leoron Institute Dubai' for which he provides finance training at leading investment banks and institutions in the Arab States of the Gulf. This for example at Al Jazira Capital in Saudi Arabia and TAQA in Saudi Arabia.

In addition, Joris provides lecturing in Corporate Finance & Accounting at leading Universities like: Nyenrode University Breukelen, TIAS Business School Utrecht, the Maastricht School of Management (MSM) and the Luxembourg School of Business.

Moreover, he provides lecturing at partner Universities of MSM over the globe in: Peru, Surinam, Mongolia and Kuwait.

Joris graduated in MSc Strategic Management and BSc Business Studies, both from Tilburg University. In addition, he is (cum laude) graduated as "Registered Advisor Business Acquisitions" (RAB), a 1-year study in the legal and tax aspects of M&A's. And Joris obtained a degree in "didactic skills" (Basic Qualification Education) in order to lecture at Universities.

Currently Joris is following the "Executive Master of Business Valuation" to obtain his title as "Registered Valuator" (RV) given out by the "Netherlands Institute for Registered Valuators" (NIRV). This title will enable Joris to give out business valuation judgements in for example court cases.





## Learning goals

1. Understanding Value Creation (ROIC vs. WACC);
2. Being able to determine the value of a company using "comparable companies analyses" (EBITDA multiples 1);
3. Being able to determine the value of a company using "precedent transaction analysis" (EBITDA multiples 2);
4. Being able to determine the value of a company using "discounted cash flow analysis" (DCF);
5. Getting acquainted with "leveraged buyouts" (LBO's);
6. Being able to determine the value of a company using "LBO analysis" (checking credit statistics vs. IRR/ internal rate of return of a deal);
7. Getting acquainted with the process of "sell-side M&A";
8. Being able to determine the value of a company using "Merger consequence analysis" (buy-side M&A analysis = checking credit statistics vs. accretion/ dilution of a deal);
9. Understanding "adjusted net debt", so M&A deals "cash & debt free";
10. In addition, you will learn all the "excel shortcuts" to become an excellent financial modeller by using your keyboard instead of the mouse (financial modelling in excel: DCF model, LBO model, M&A model).

## Audience / participants / foreknowledge

This training is meant for analysts and associates from international investment banks. Moreover, the training is meant for analysts and consultants in: M&A, private equity, venture capital and strategy. In addition, the training is meant for accountants, tax lawyers, bankers in credit analysis, financial managers, CFO's etc.

During the training will be focussed on international companies listed on the stock exchange. But the valuation techniques are also very applicable to (non-listed) private firms.

The participants need to have a basic knowledge of the 1) balance sheet, 2) profit & loss statement and 3) cash flow statement. In addition, participants need to have a basic understanding of Microsoft excel.

Language training: English. Language study materials: English.



## Teaching method

The training is very practical in a sense that the trainer will explain the concepts first and will then apply them in class to real life companies with the participants. With all the calculations "Microsoft excel" is used to build the financial models.

During the training will be focussed on companies listed on the stock exchange. But the valuation techniques are also very applicable to (non-listed) private firms.

## Planning

1. Monday November 4<sup>th</sup> 2024: 9 AM – 5 PM;
2. Tuesday November 5<sup>th</sup> 2024: 9 AM – 5 PM;
3. Wednesday November 6<sup>th</sup> 2024: 9 AM – 5 PM;
4. Thursday November 7<sup>th</sup> 2024: 9 AM – 5 PM;
5. Friday November 8<sup>th</sup> 2024: 9 AM – 5 PM.



## Subjects

- Day 1 - Morning: Value creation (ROIC/ WACC) + the value driver formula;
- Day 1 - Afternoon: Basics of financial modelling in Excel (keyboard shortcuts) + Comparable companies analysis (EBITDA multiples 1).
  
- Day 2 - Morning: Comparable companies analysis/ "comps" model in Excel;
- Day 2 – Afternoon: Precedent transaction analysis/ model in Excel (EBITDA multiples 2).
  
- Day 3 - Morning: Discounted cash flow analysis;
- Day 3 - Afternoon: Discounted cash flow analysis (DCF model in Excel).
  
- Day 4 - Morning: Leveraged buyouts (LBO's);
- Day 4 - Afternoon: Leveraged buyouts analysis (LBO model in Excel for internal rate of return and credit statistics).
  
- Day 5 - Morning: Adjusted net debt (cash & debt free) + Sell-side M&A;
- Day 5 - Afternoon: Buy side M&A (M&A model in Excel for accretion/ dilution and credit statistics).

## Laptop & Microsoft Excel

Participants need to bring their own laptop to the training with microsoft excel on it. In the financial sector one works with windows instead of "apple/ IOS".

All the "shortcuts in excel" that will be discussed in class are based on windows, therefore it is highly recommended to work on a windows laptop/ computer in class and not on "apple/ IOS".

But a list with keyboard shortcuts for Apple will be supplied.



## Literature

- Full book: Valuation and M&A by Kersten CF, 2023;
- Corporate Finance Bundle: Return on invested capital + cost of capital, by Kersten CF 2023.

This book (a hardcopy version) is included in the price for this training and will be sent to you after you have registered.

## Preparation

Read the chapters of the book\* (you will receive the book after you have registered) below before the training days:

- Day 1 (Monday): Read chapters on Return on invested capital (ROIC) + value creation + practical valuation before class;
- Day 2 (Tuesday): Read chapters on comparable companies analysis (comps) and precedent transaction analysis before class;
- Day 3 (Wednesday): Read chapter on discounted cash flow valuation before class (optional: read also chapter on WACC, cost of capital & discount rates);
- Day 4 (Thursday): Read chapters on Leveraged buyout analysis + cash & debt free + net debt before class;
- Day 5 (Friday): Read chapter on the M&A model for accretion/ dilution before class;

\* Full book: Valuation and M&A by Kersten CF, 2023

+ Corporate Finance Bundel: Return on invested capital + cost of capital, by Kersten CF 2023





## Location training

The address of the training location is:

### **Crowne Plaza Hotel – Amsterdam South**

George Gershwinlaan 101

1082 MT Amsterdam

The hotel is located in Amsterdam South (financial district), right across train station "Amsterdam South" and about 15 minutes from "Schiphol Airport".

In case you want to stay over in a hotel (not included in the price) there are plenty hotels around.

## Certificate

After taking this training, attendance of the full 5 days, and active participation in class, you will receive a certificate of successfully taking this 5-day investment banking training of Kersten Corporate Finance in The Netherlands.

## Price & payment

The price for this 5-day training is 5.900 euro excluding vat.

This price is for the 5-day training including study materials (the book, see literature), coffee and tea all day, luxury lunch at lunchtime and a snack in the afternoon.

There is a maximum of 30 participants for the training based on first come first served. This way there is room for interaction in class.

You can register yourself by sending an email to: [joris@kerstencf.nl](mailto:joris@kerstencf.nl) You will then receive a registration form for registration.

The registration form is also available at: [www.joriskersten.nl](http://www.joriskersten.nl)

(and at the end of this training manual)



## Early bird discount

There is an early bird discount for participants who register before October 1<sup>st</sup> 2024 of no less than 400 euro!

So if you register before October 1<sup>st</sup> 2024 (and the 30 participants have not yet been reached) this training will be only 5.500 euro excluding vat.



## Detailed planning

### **Day 1: Morning (9 AM – 12:30 PM):**

Topic: Value creation

- Return on invested capital (ROIC);
- Net operating profit after taxes (NOPAT);
- NOPAT and amortisation;
- Cash tax;
- Invested capital (IC);
- IC operating approach, IC financing approach;
- Investments in growth;
- Link to a DCF model (discounted cash flow valuation);
- ROIC linked to valuation & growth;
- Growth rates higher/ lower than ROIC;
- Intangible assets & ROIC;
- ROIC & Weighted average cost of capital (WACC).

The value driver formula

- Relationship of growth, ROIC and cash flow;
- The value driver formula explained;
- Balancing ROIC and growth to create value;
- Implications for practise;
- The math of value creation;
- Earning multiples and relation to growth & invested capital.

### **Day 1: Afternoon (1 PM – 5 PM):**

Topic: Basics of financial modelling in Excel

- Explanation of Excel keyboard shortcuts.

Topic: Comparable companies analysis

Step 1: Select the universe of comparable companies



- Study the target;
- Identify key characteristics of the target for comparison purposes;
- Screen for comparable companies.

Step 2: Locate the necessary financial information

- SEC filings: 10-K, 10-Q, 8-K, and proxy statements;
- Equity research;
- Press releases and news runs;
- Financial information services;
- Summary of financial data primary resources.

Step 3: Spread key statistics, ratios and trading multiples

- Calculation of key financial statistics and ratios;
- Supplemental financial concepts and calculations;
- Calculation of key trading multiples.

**Day 2: Morning (9 AM – 12:30 PM):**

Topic: Comparable companies analysis

Step 4: Benchmark the comparable companies

- Benchmark the financial statistics and ratios;
- Benchmark the trading multiples.

Step 5: Determine valuation

- Valuation implied by enterprise value (EV)/ EBITDA;
- Valuation implied by Price/ Earning (PE).

Financial Modelling in Excel: Build the “comps” overview with keyboard shortcuts

Key pros and cons of comparable company analysis





## **Day 2: Afternoon (1 PM – 5 PM):**

Topic: Comparable transactions analysis

Step 1: Select the universe of comparable acquisitions

- Screen for comparable acquisitions;
- Examine other considerations.

Step 2: Locate the necessary deal-related and financial information

- Public targets;
- Private targets;
- Summary of primary SEC filings in M&A transactions.

Step 3: Spread key statistics, ratios and transaction multiples

- Calculations of key financial statistics and ratios;
- Calculation of key transaction multiples.

Step 4: Benchmark the comparable acquisitions

Step 5: Determine valuation

Financial Modelling in Excel: Build the “comparable transaction” overview with keyboard shortcuts

Key pros and cons of comparable

## **Day 3: Morning (9 AM – 12:30 PM):**

Topic: Discounted cash flow analysis (DCF)

Step 1: Study the target and determine key performance drivers

- Study the target;
- Determine key performance drivers.



#### Step 2: Project free cash flow

- Considerations for projecting free cash flow;
- Projection of sales, EBITDA and EBIT;
- Projection of free cash flow.

#### Step 3: Calculate weighted average cost of capital (WACC)

- Determine target capital structure;
- Estimate cost of debt;
- Estimate cost of equity (CAPM = capital asset pricing model);
- Calculate WACC.

### **Day 3: Afternoon (1 PM – 5 PM):**

Topic: Discounted cash flow analysis (DCF)

#### Step 4: Determine terminal value

- Exit multiple method;
- Perpetuity growth method.

#### Step 5: Calculate present value and determine valuation

- Calculate present value;
- Determine valuation;
- Perform sensitivity analysis.

**Financial Modelling in Excel: Build a full dynamic DCF model in Excel with keyboard shortcuts**

Key pros and cons of DCF



## **Day 4: Morning (9 AM – 12:30 PM):**

Topic: Leveraged buyouts (LBO's)

Key participants

- Financial sponsors;
- Investment banks;
- Bank and institutional lenders;
- Bond investors;
- Target management.

Characteristics of a strong LBO candidate

- Strong cash flow generation;
- Leading and defensible market positions;
- Growth opportunities;
- Efficiency enhancement opportunities;
- Low capex requirements;
- Strong asset base;
- Proven management team.

Economics of LBO's

- Return analysis: Internal rate of return (IRR);
- Return analysis: Cash return;
- How LBO's generate return;
- How leverage is used to enhance returns.

Primary exit/ monetization strategies

- Sale of business;
- Initial public offering (IPO);
- Dividend recapitalisation;
- Below par debt repurchase.

LBO financing: Structure



#### LBO financing: Primary sources

- Bank debt;
- High yield bonds;
- Mezzanine debt;
- Equity contribution.

#### LBO financing: Selected key terms

- Security;
- Seniority;
- Maturity;
- Coupon;
- Call protection;
- Covenants;
- Term sheets.

#### LBO financing: Determine financing structure

### **Day 4: Afternoon (1 PM – 5 PM):**

Topic: LBO analysis

Step 1: Locate and analyse the necessary information

Step 2: Build the pre-LBO model

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

Step 3: Input transaction structure

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





#### Step 4: complete the post LBO model

- Build debt schedule;
- Complete pro forma income statement from EBIT to net income;
- Complete pro forma balance sheet;
- Complete pro forma cash flow statement.

#### Step 5: Perform LBO analysis

- Analyse financing structure;
- Perform return analysis;
- Determine valuation;
- Create transaction summary page.

Financial Modelling in Excel: Build a full dynamic LBO model in Excel with keyboard shortcuts to calculate the IRR (internal rate of return) and credit statistics of a deal.

#### **Day 5: Morning (9 AM – 12:30 PM):**

##### Topic: Cash & Debt Free (adjusted net debt)

- Introduction to net debt;
- Net debt – cash & debt free;
- Adjusted net debt – cash like items;
- Adjusted net debt – debt like items;
- M&A closing mechanisms – locked box & completion accounts;
- Equity bridge;
- M&A consolidation;
- The “net working capital” adjustments;
- M&A target working capital.

##### Topic: Sell-side M&A

##### Auctions

##### Organisation and preparation First round

##### Second round Negotiations Closing Negotiated sale



## **Day 5: Afternoon (1 PM – 5 PM):**

Topic: Buy-side M&A

### Buyer motivation

- Synergies;
- Cost synergies;
- Revenue synergies.

### Acquisition strategies

- Horizontal integration;
- Vertical integration;
- Conglomeration.

### Form of financing

- Cash on hand;
- Debt financing;
- Equity financing;
- Debt vs. equity financing summary – Acquirer perspective.

### Deal structure

- Stock sale;
- Asset sale.

### Buy-side valuation

- Football field;
- Analysis at various prices;
- Contribution analysis.

### Merger consequences analysis

- Purchase price assumptions;
- Balance sheet effects;



- Accretion/ dilution analysis;
- Acquisition scenario's: 50% stock/ 50% cash, 100% cash, 100% stock

Financial Modelling in Excel: Build a full dynamic M&A model in Excel with keyboard shortcuts to calculate the accretion/ dilution and credit statistics of a deal.

**Topics summarised:**

- Value creation (ROIC/ WACC);
- "Comps" model in Excel;
- Precedent transaction model in Excel;
- DCF model in Excel;
- LBO model in Excel for IRR & credit statistics;
- M&A model in Excel for accretion/ dilution & credit statistics;
- Adjusted net debt (cash & debt free)/ locked box/ completion accounts/ equity bridge.

**130 recommendations on his (Joris Kersten) training can be found on:**  
<https://www.joriskersten.nl/nl/reviews>

## Introduction Kersten Corporate Finance

Kersten Corporate Finance is an independent M&A consulting firm in The Netherlands.

Deal segment: Middle sized and SME companies. So companies with an Enterprise Value (EV) of in between 5 million euro and 100 million euro @ The Netherlands and Benelux.

Activities:

1. Selling companies;
2. Buying companies;
3. Business Valuation & Financial Modelling;
4. Financing of acquisitions with bank loans and/ or private equity firms;
5. Buy & Build strategies for strategic buyers and private equity;
6. Searching & selecting acquisition targets;
7. Finding multiples for precedent M&A transactions in a certain field.

Website M&A consulting: [www.kerstencf.nl](http://www.kerstencf.nl)

Website M&A training: [www.joriskersten.nl](http://www.joriskersten.nl)

M&A training:

Business Valuation & Deal Structuring – 5 day training – Every year – Location: Hotel Amsterdam/ The Netherlands.

In addition, Joris provides valuation training all over the globe on (bulge bracket) investment banks and universities in: New York, London, Hong Kong, Singapore, Dubai, Saudi Arabia, Kuwait, Mongolia, Surinam and Peru.

130 references on M&A training: <https://www.joriskersten.nl/nl/reviews>

**You can book 'Joris Kersten' for keynotes, training sessions & presentations on M&A and Valuation all over the globe.**

[joris@kerstencf.nl](mailto:joris@kerstencf.nl) +31 (0)6 8364 0527



**Kersten Corporate Finance**

**Visiting address**  
Gording 67  
5406 CN Uden  
The Netherlands

**Postal address**  
Gording 67  
5406 CN Uden  
The Netherlands

**Contact**  
joris@kerstencf.nl  
+31 68364 0527  
www.kerstencf.nl





**Registration Form**

**Training:** Business Valuation & Deal Structuring (Investment Banking M&A)

**Trainer:** J.J.P. (Joris) Kersten, MSc BSc RAB

**Training described in:** "Training Manual – Bus Val 1.0 (version 4<sup>th</sup> – 8<sup>th</sup> November 2024)"

**Participant:**

.....

**Employer:**

.....

**Client:**

- Participant
- Employer

**Billing address:**

.....

.....

.....

.....

.....

**Corresponding address:** (e.g. for sending training literature) (no need to fill in if address is the same as billing address)

.....

.....

.....

.....

.....

**Price training program:**

Training	€ 5.900,- excl. vat
<u>Discount</u>	<u>€ -/- 400,- (early bird discount/ register before October 1<sup>st</sup> 2024)</u>
Total	€ 5.500,- excl. vat
<u>Vat (21 %)</u>	<u>€ 1.155,-</u>
<b>Total tuition fee</b>	<b>€ 6.655,- including vat (21%)</b>

*\*Included in the price is: The 5-day training at location "Crowne Plaza Hotel – Amsterdam South", training literature, 5 times lunch, coffee/ tea/ refreshments during the 5 days;*

*\*\*Additional charges: Hotel costs and diner costs when you decide to stay over in or around the "Crowne Plaza Hotel – Amsterdam South" (training location). The costs of staying over in a hotel are not included in the tuition fee and need to be covered by yourself;*

*\*\*\*An invoice will be sent in October 2024 to the billing address. The invoice needs to be paid before November 1st 2024. When the invoice is paid, the training literature (in hardcopy) will be sent to the corresponding address.*

**Dates training:**

Monday November 4<sup>th</sup> until Friday November 8<sup>th</sup> 2024, daily from 9 AM until 5 PM (5 days). Please see the “Training Manual – Bus Val 1.0 (version 4<sup>th</sup> – 8<sup>th</sup> November 2024)” for the exact content of this training.

There is a maximum of 30 participants for the training based on first come first served. This way there is room for interaction in class.

After signing this registration form the participant owes the total tuition fee to Kersten Corporate Finance and cancellation is not possible.

**Accord:**

Kersten Corporate Finance



J.J.P. (Joris) Kersten, MSc BSc RAB

Place: Uden/ The Netherlands

Date: January 11<sup>th</sup> 2024

**Participant**

.....

Date:.....

Place:.....

**Employer** (when employer is client, please sign as well)

Legal entity:.....

Legal representative:.....

Date: .....

Place: .....

**Please paraph page 1, 2, 3 and sign page 4 when agreed.  
Then please email signed document back to [joris@kerstencf.nl](mailto:joris@kerstencf.nl)**