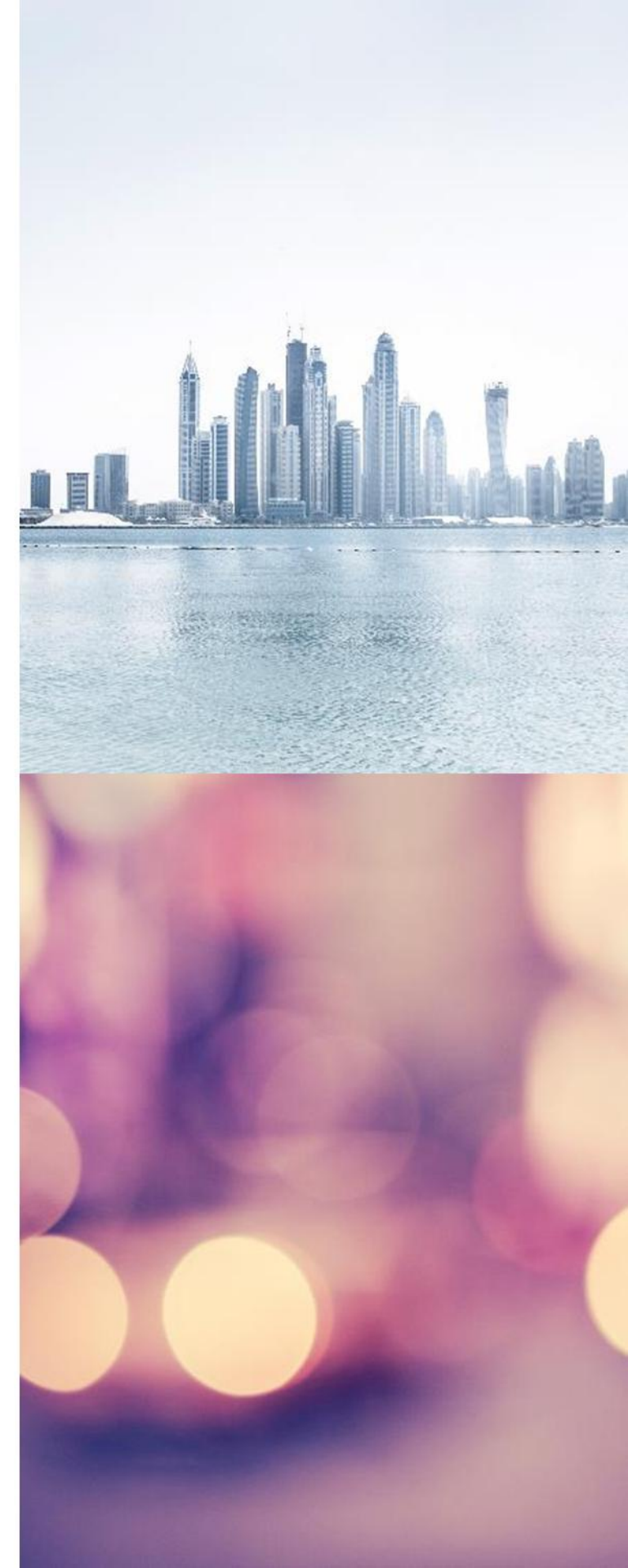




Financial Modeling & Valuation Course with AI and Excel

Section

- Course I. Valuation Fundamentals + AI & Excel Functions
- Course II. Financial Statement Analysis
- Course III. 3-Statement Financial Modeling
- Course IV. Calculate WACC and Make Smarter Investment Decisions
- Course V. DCF Analysis
- Course VI. Comparable Company Analysis
- Course VII. Turn Valuation Work into a Professional Report



What This Course Covers — Topics 1 Through 3

What This Course Covers

- Welcome to the Financial Modeling and Valuation Course with AI and Excel.
- This program takes you from reading a filing to defending a "valuation conclusion" before an Investment Committee.
- Every concept flows into the next: 1 integrated analyst workflow across 7 topics.

Topic 1: Valuation Fundamentals

- Topic 1 covers why value comes before price, EV vs. equity value, and method selection.
- Build your 1st DCF model step by step in Excel.
- Master Excel skills and develop an AI prompt library for all topics ahead.

Topic 2: Financial Statement Analysis

- Topic 2: read income statements, balance sheets, and cash flows like equity, credit, and M&A analysts.
- Analyze revenue quality, net debt, FCF, ROIC, and DuPont decomposition: real NVIDIA and Microsoft data.
- AI accelerates filing review, ratio analysis, and red flag detection throughout.

Topic 3: 3-Statement Financial Modeling

- Topic 3: translate business research into a forecast model producing EPS, EBITDA, and FCF.
- Build CapEx, depreciation, working capital, debt, interest, and share count schedules across all 3 statements.
- Verify using 6 cross-statement checks, calibrate against guidance, and build Bull/Base/Bear scenarios.

Course Scale

- The course spans 271 learning modules across 105 lessons.
- After every lesson: complete a quiz built around a real analyst situation.

2. What the 3 Financial Statements Actually Tell You

Three Documents, One Business

- Every company publishes 3 core statements at the end of each reporting period.
- Each statement answers a different question about the same business.
- Income statement: did this company make money during this period?
- Balance sheet: what does this company own and owe right now?
- Cash flow statement: where did actual cash go during this period?
- Reading all 3 together gives a complete picture of financial condition.

The Income Statement

- The income statement covers a specific period: a fiscal year or quarter.
- It starts with revenue at the top, subtracts costs step by step, and ends with net income.
- Items in between reveal delivery costs, operating expense efficiency, and what remains after interest and taxes.
- In FY2025, Microsoft reported total revenue of \$282B and net income of \$102B.
- That gap between the 2 numbers shows all costs incurred to generate revenue.

The Balance Sheet

- The balance sheet captures a single point in time: the last day of the fiscal year.
- **Assets = Liabilities + Equity**
- Assets = everything the company owns with economic value: cash, receivables, property, and intangibles.
- Liabilities = future obligations: loans and accounts payable.
- Equity = what remains for shareholders after all liabilities are subtracted from total assets.
- As of June 30, 2025, Microsoft held total assets of \$619B, liabilities of \$276B, and equity of \$343B.



What the 3 Financial

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What This Course Covers — Topics 4 Through 7

Topic 4: WACC

- Topic 4: build the "discount rate" that drives every serious DCF model.
- Set capital structure weights using market value, then calculate after-tax cost of debt.
- Derive cost of equity using CAPM: real NVIDIA data across a 6-tab Excel model.
- Apply WACC as a capital allocation test: does this investment create or destroy value?

Topic 5: DCF Analysis

- Topic 5: build the "intrinsic valuation" method used in equity research, M&A, and PE.
- Calculate FCFF, build a full projection schedule, and estimate terminal value.
- Use Gordon Growth and exit multiple methods, then stress-test using sensitivity tables.

Topic 6: Comparable Company Analysis

- Topic 6: master market-based valuation using peer company pricing.
- Select peers with analyst judgment; apply P/E, EV/EBITDA, EV/Revenue, and FCF multiples.
- Convert peer multiples into an implied share price range: cross-check against DCF.

Topic 7: Professional Valuation Report

- Topic 7: convert your analysis into a defensible "valuation conclusion."
- Define purpose, scope, and standard of value before selecting evidence for the report.
- Weight the methodologies, reach a concluded value, and write a trusted executive summary.

Applied Tasks After Each Topic

- After each topic: complete tasks using real filings, AI prompts, and Excel models.
- Each task produces analyst-grade output, building your capability step by step.

17. Reading Financial Trends and Growth in a Microsoft Model (2)

Year-over-Year Growth Rate

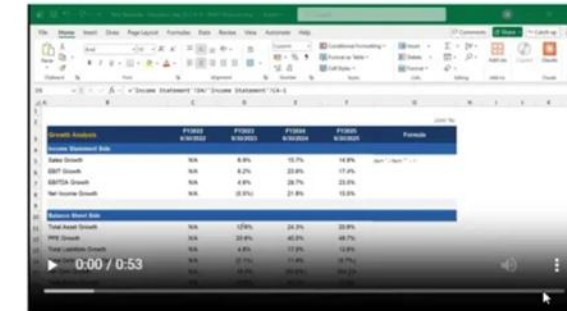
- YoY growth measures how much a line item changed from 1 fiscal year to the next.

$$\text{YoY Growth} = \text{Current Year Value} / \text{Prior Year Value} - 1$$

- Divide the current year figure by the prior year figure, then subtract 1 to express as a percentage.
- Microsoft revenue grew from \$245B in FY2024 to \$282B in FY2025, a YoY growth rate of ~15%.
- Operating income grew from \$109B to \$129B over the same period, a YoY rate of ~17%.
- When operating income grows faster than revenue, the company is expanding its margin, not just its top line.

Compound Annual Growth Rate

- CAGR = the smoothed annualized growth rate over a multi-year period.
- $$\text{CAGR} = (\text{Value in Final Year} / \text{Value in Base Year})^{1/n} - 1$$
- For Microsoft revenue from FY2022 to FY2025: $(\$282\text{B} / \$198\text{B})^{1/3} - 1 = \sim 12.5\%$ /year.
 - CAGR removes distortion from 1 unusually good or bad year, making it more useful than any single YoY rate.
 - Build both "YoY and CAGR" rows in your Growth Analysis sheet to read short-term momentum and long-term trend side by side.



	FY2022	FY2023	FY2024	FY2025	Percent
Revenue	198	245	282	315	15.0%
Operating Income	109	129	145	165	17.0%
Net Income	75	95	115	135	16.0%

Rate
Year-over-year
growth rate,

mnainstitute.com

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The AI Simulations — Theory Becomes Judgment Under Pressure

The AI Simulations: Theory Becomes Judgment Under Pressure

- After all 7 topics, you enter 3 AI-powered "role-play simulations."
- These are not multiple-choice tests: you act as a working analyst.
- You make real valuation decisions and defend them against a senior reviewer.

Simulation 1: SignalWorks Analytics

- Evaluate SignalWorks Analytics as an acquisition target.
- Test whether its revenue growth is real and cash-backed.
- Normalize EBITDA, assess FCF conversion: premium, renegotiation, or walk-away?

Simulation 2: ArcLight Semiconductor IC Pressure Test

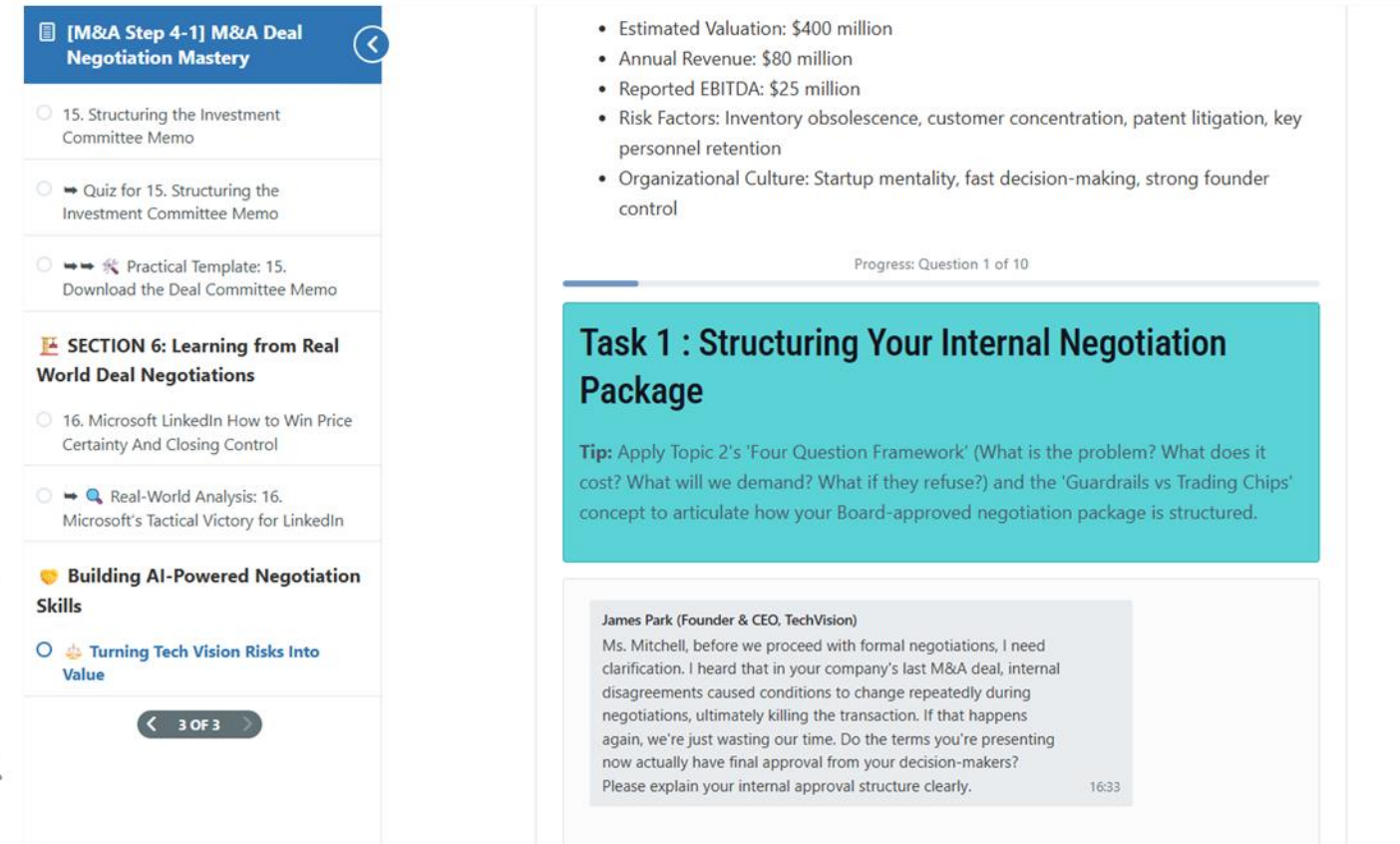
- Defend a 3-statement forecast model for ArcLight Semiconductor under IC review.
- Justify every assumption from business drivers under schedule stress.
- Defend EPS, FCF, and scenario ranges against senior scrutiny.

Simulation 3: HelioGrid Acquisition Valuation Committee

- Evaluate a live acquisition target at a seller-indicated EV of \$850 million.
- Defend WACC, FCFF projections, DCF, CCA, sensitivity, and EV-to-equity bridge.
- Present a "final bid recommendation" to the CFO.

AI Scoring at Every Step

- At each scenario step, you receive instant AI scoring across 3 dimensions.
- Scoring measures: theoretical accuracy, deal relevance, and professional judgment quality.
- This is what separates knowledge from "field capability."



The screenshot displays the 'M&A Step 4-1] M&A Deal Negotiation Mastery' interface. On the left, a navigation pane lists topics: '15. Structuring the Investment Committee Memo', 'Quiz for 15. Structuring the Investment Committee Memo', 'Practical Template: 15. Download the Deal Committee Memo', 'SECTION 6: Learning from Real World Deal Negotiations', '16. Microsoft LinkedIn How to Win Price Certainty And Closing Control', 'Real-World Analysis: 16. Microsoft's Tactical Victory for LinkedIn', 'Building AI-Powered Negotiation Skills', and 'Turning Tech Vision Risks Into Value'. The main content area shows 'Task 1 : Structuring Your Internal Negotiation Package' with a tip: 'Apply Topic 2's 'Four Question Framework' (What is the problem? What does it cost? What will we demand? What if they refuse?) and the 'Guardrails vs Trading Chips' concept to articulate how your Board-approved negotiation package is structured.' Below this is a text box from 'James Park (Founder & CEO, TechVision)' asking for clarification on internal disagreements. The top right corner shows 'Progress: Question 1 of 10' and a list of company metrics: Estimated Valuation: \$400 million, Annual Revenue: \$80 million, Reported EBITDA: \$25 million, Risk Factors: Inventory obsolescence, customer concentration, patent litigation, key personnel retention, and Organizational Culture: Startup mentality, fast decision-making, strong founder control.

What You Will Walk Away With

What You Will Walk Away With

- Complete this course → build capabilities working analysts apply every day.

Core Analyst Skills

- Read any filing and extract signals that drive "valuation judgment."
- Build a verified 3-statement model, calculate WACC, run DCF and CCA.
- Write a professional valuation report with concluded value and sensitivity analysis.
- Use AI as a genuine acceleration tool, knowing when independent judgment is required.

13 Templates

- Leave with 13 professional Excel and Word templates across every topic.
- Each template is ready to apply to any company you analyze next.

Proven Through Practice

- 3 AI simulations tested your judgment under realistic pressure.
- 24 applied tasks produced real outputs from real data.
- 353 quizzes confirmed your understanding is deep enough for the field.

The Goal

- This is not a course that ends when the final lesson is complete.
- It prepares you to walk into your next valuation assignment with confidence.
- By the end, you can execute, explain, and defend "investment valuation."

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M&A Institute | Industry-Specific Financial Statement Analysis Template

Industry-Specific KPIs	
KPI	Definition & Analytical Purpose
Pipeline Coverage Ratio	Estimated peak sales of pipeline products + Patent cliff revenue exposure. >1.5x indicates adequate pipeline to replace at-risk revenue
Gross-to-Net Deduction %	(Gross Revenue – Net Revenue) ÷ Gross Revenue. Tracks rebate and chargeback burden. Rising ratio signals pricing pressure from payers
R&D Productivity (NME per \$B spent)	Number of new molecular entities approved per billion dollars of R&D spend over a 10-year rolling window. Benchmarks productivity of innovation spend
Days Sales Outstanding (DSO, adjusted)	Must account for gross-to-net deductions; raw AR / revenue overstates true receivables efficiency
Patent Expiry Cliff (% revenue at risk)	Revenue from products losing exclusivity in next 3 years ÷ Total revenue. >30% signals high replacement urgency
EV / Pipeline NPV	Enterprise value relative to risk-adjusted net present value of pipeline. Used for early-stage biotech where there is minimal current revenue

Layer 4 | Interpretation & Valuation Linkage

Financial Signal	Valuation Implication
Deep and broad late-stage pipeline	Supports EV/Sales premium as market prices probability-weighted future revenues from drugs not yet approved or launched
Patent cliff >30% of revenue in 3 years	Triggers P/E compression and EV/EBITDA discount vs. peers; market demands pipeline proof before re-rating
High gross-to-net deduction trend	Signal of increasing payer leverage; compresses net revenue growth and sustainable margin — negative for multiple