

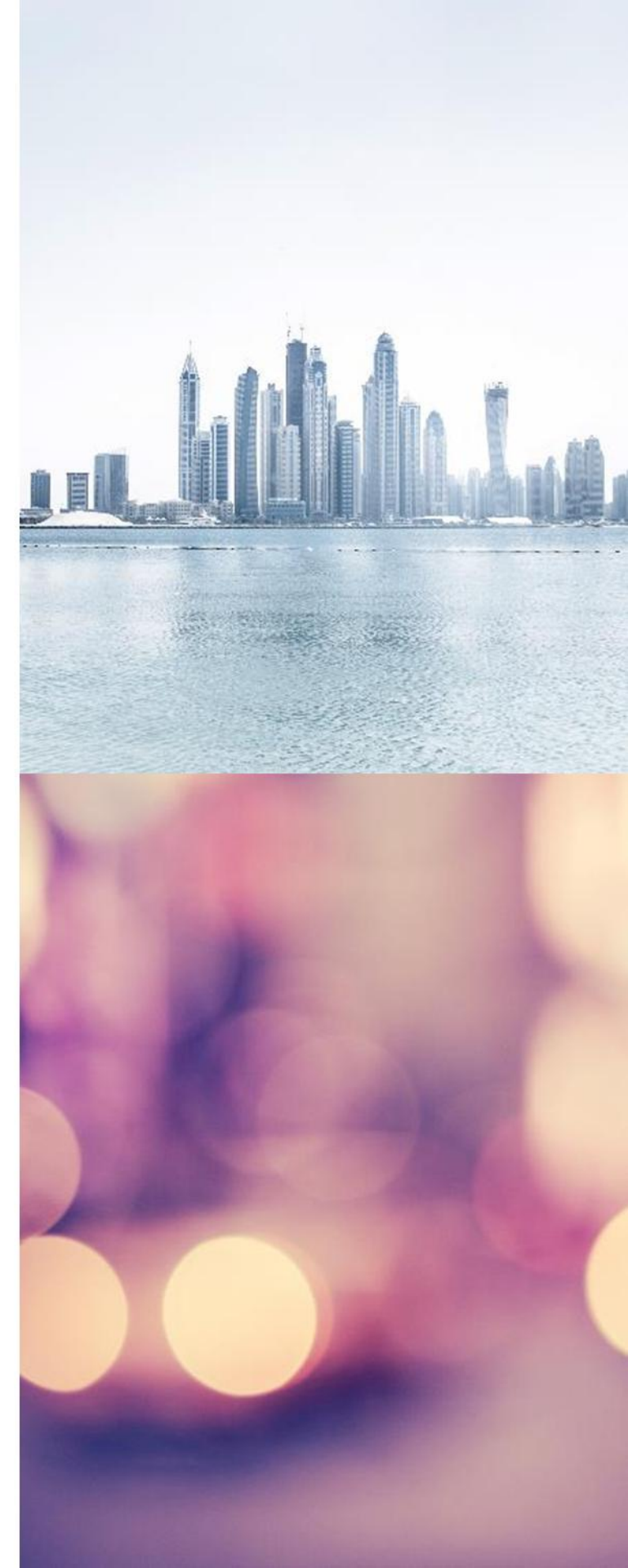


Financial Statement Analysis Course

From 10-K Reading to Ratio Analysis,
Excel Modeling, and AI Prompting

Section

- Section I. How Investment Analysts Read Financial Statements [9 modules]
- Section II. Decoding the Income Statement Like an Analyst [15 modules]
- Section III. What the Balance Sheet Reveals About a Business [11 modules]
- Section IV. Cash Flow Analysis and FCF Construction [10 modules]
- Section V. Applied Financial Analysis with Excel and AI [20 modules]
- Section VI. The Tools That Set Analysts Apart [2 modules]



What This Course Covers — Sections 1 Through 3

What This Course Covers

- Welcome to the Financial Statement Analysis Course with AI and Excel.
- This course teaches you to read financial statements the way working analysts do.
- Equity analysts, credit analysts, M&A, and PE investors use the same 3 statements for different purposes.

Sections 1–3: Reading Statements Like an Analyst

- The course spans 69 modules across 23 lessons in 7 sections.
- After every lesson, complete a quiz built around a real analyst situation.
- Section 1: learn how different analyst roles read the same statements with different priorities.
- Connect "financial statement analysis" to valuation multiples, DCF inputs, and credit risk filters.
- Use AI to decode 10-K reports faster: risk factors and footnotes extracted in minutes.
- Section 2: decode the income statement from revenue through gross profit, EBITDA, to net income.
- Assess revenue quality, cost structure, operating leverage, and normalized earnings for valuation.
- Section 3: interpret the balance sheet as a business analyst, not an accountant.
- Separate operating assets from non-operating assets; identify debt-like and cash-like items.
- Assess liquidity, working capital, net debt, and capital structure → connect to EV and M&A analysis.

2. What the 3 Financial Statements Actually Tell You

Three Documents, One Business

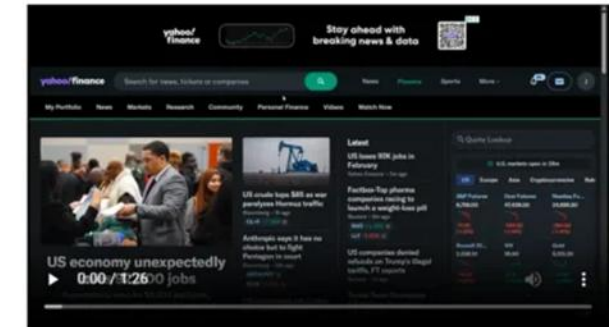
- Every company publishes 3 core statements at the end of each reporting period.
- Each statement answers a different question about the same business.
- Income statement: did this company make money during this period?
- Balance sheet: what does this company own and owe right now?
- Cash flow statement: 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.



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What This Course Covers — Sections 4 Through 7



Sections 4–7: From Cash Flow to Applied Analysis

- Section 4: reconcile net income → operating cash flow → $FCF = OCF - CapEx$.
- Read CFO, CFI, and CFF patterns: assess growth, maturity, or financial stress.
- Section 5: build "financial analysis" in Excel across growth, margins, liquidity, efficiency, and FCF.
- Use AI to clean Yahoo Finance data into model-ready tables.
- Compare Microsoft and Apple using AI-assisted ratio and trend analysis.
- Section 6: apply industry-specific frameworks across 8 sectors: Tech, SaaS, Banking, Pharma, and more.
- Work through a structured AI prompt library: extraction, normalization, red flags, and commentary.
- Section 7: build a NVIDIA financial statement ratio model using Excel and verified SEC filing inputs.
- Enter the "Financial Statement Deal Analysis Lab" and defend judgment across 10 acquisition scenarios.



Quizzes and Applied Tasks

- After every lesson: quizzes test whether you can apply concepts, not just recall them.
- Applied tasks using 10-K filings, Yahoo Finance, Excel, and AI → analyst-grade output each section.

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: $(\$282B / \$198B)^{(1/3)} - 1 = \sim 12.5\%/\text{year}$.
 - 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	198.0	220.0	245.0	282.0	15.0%
EBIT	109.0	115.0	129.0	145.0	17.0%
EBITDA	125.0	135.0	150.0	165.0	18.0%
Net Income	65.0	75.0	85.0	95.0	15.0%

Rate
Year-over-year
growth rate,

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The AI Simulations — Where Knowledge Becomes Field Capability

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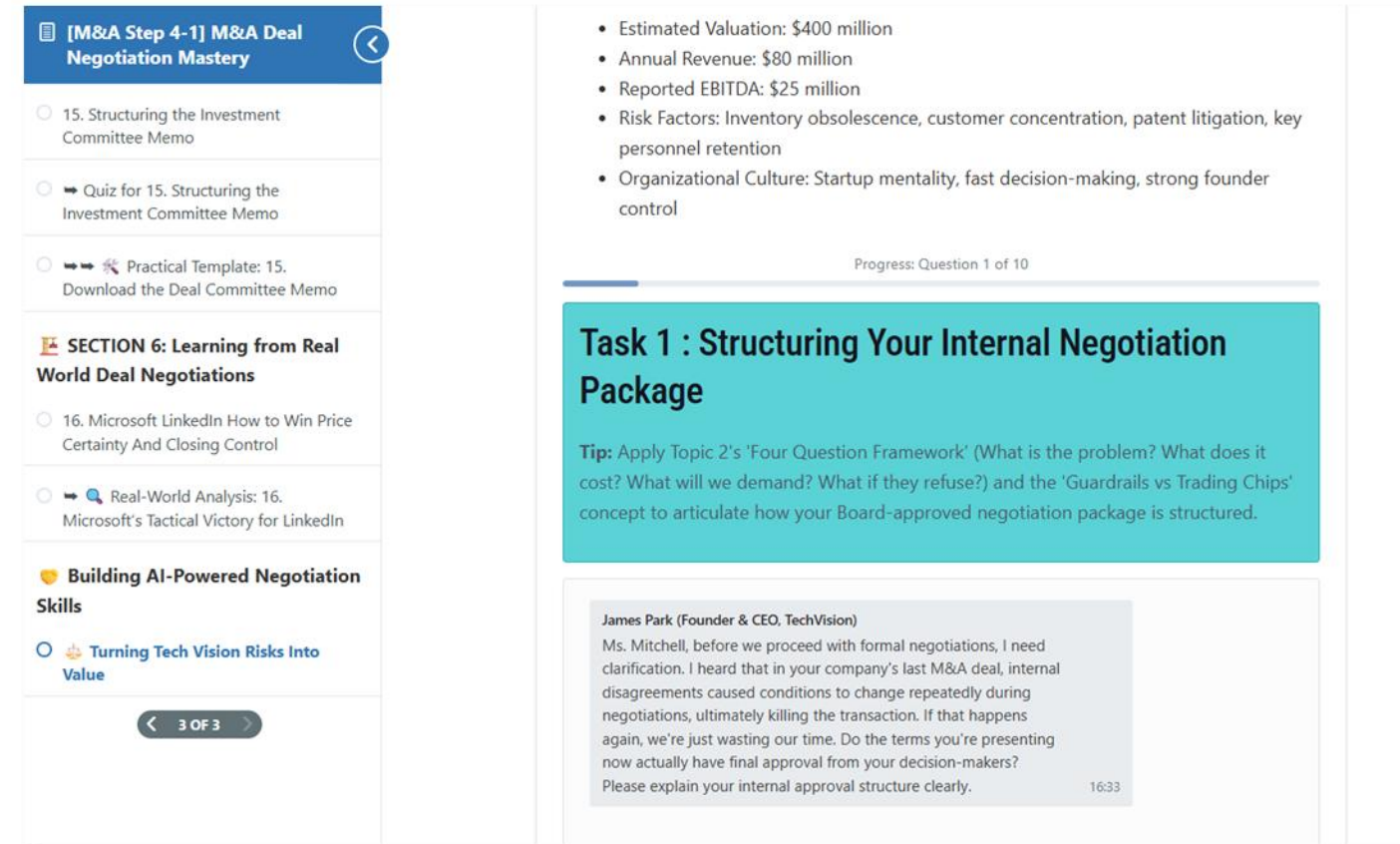
- After all 7 sections, enter 2 practice modules testing real professional judgment.

Simulation 1: Financial Statement Deal Analysis Lab

- Act as Corporate Development Lead evaluating SignalWorks Analytics as an acquisition target.
- SignalWorks claims 35% revenue CAGR, but cash conversion doesn't support the story.
- Test whether revenue is real, recurring, and cash-backed.
- Separate SaaS, hardware, and services revenue quality across each stream.
- Normalize EBITDA instead of accepting seller's adjusted figures.
- Classify fixed and variable costs to assess the operating leverage story.
- Evaluate OCF, CapEx, FCF, net debt, ROIC, and valuation multiples.
- Final judgment: does this deal deserve a premium, renegotiation, or "walk-away"?
- At each of the 10 scenario steps: submit response → receive instant AI scoring.
- Scoring covers theoretical accuracy, deal relevance, and decision quality.

Task 2: NVIDIA FS Ratio Modeling Task

- Act as a junior analyst building a 1-sheet model using NVIDIA's actual annual filing.
- Calculate growth rates, margins, EBITDA, liquidity, leverage, efficiency, and FCF.
- Verify every figure against the source filing.
- Write short analyst commentary: do NVIDIA's financials support its current valuation?
- This is the exact workflow analysts run before presenting to a PM or deal team.



The screenshot displays the 'M&A Step 4-1] M&A Deal Negotiation Mastery' simulation interface. On the left, a sidebar lists various modules including '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 a list of key 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). Below this, a progress bar indicates 'Question 1 of 10'. The task title 'Task 1 : Structuring Your Internal Negotiation Package' is highlighted in a teal box, followed by 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.' A text box from James Park (Founder & CEO, TechVision) asks for clarification on internal disagreements and approval structure. The interface includes navigation arrows and a '3 OF 3' indicator.

What You Will Walk Away With



What You Will Walk Away With

- Complete this course → analyze public/private company's "financial statements" immediately.
- Read 10-K filings faster: know which sections matter for equity research, credit, M&A, or strategy.
- Run ratio analysis, DuPont decomposition, and valuation multiple benchmarking on real data.
- Test revenue quality, identify earnings red flags, and normalize EBITDA.
- Assess whether reported profit reflects real economic performance.
- Use AI as an analytical accelerator with a 21-prompt library, while keeping all judgment with you.



3 Professional Templates

- MSFT Financial Analysis Excel Model: 9 analytical sheets across growth, safety, activity, profitability, and valuation.
- Industry-Specific FS Analysis Framework: covers 8 sectors.
- AI Prompt Playbook: 21 verified prompts for "financial statement analysis" work.



Proven Through Practice

- 2 AI simulations tested your judgment under realistic acquisition pressure.
- 100 quizzes confirmed your understanding is deep enough to apply in the field.
- 9 applied tasks produced real outputs from real filings.



The Goal

- This course changes how you read a financial statement for the rest of your career.
- By the end, you can analyze any filing, identify what matters, and explain your conclusions.
- You will think and act with the discipline of a working analyst.

