

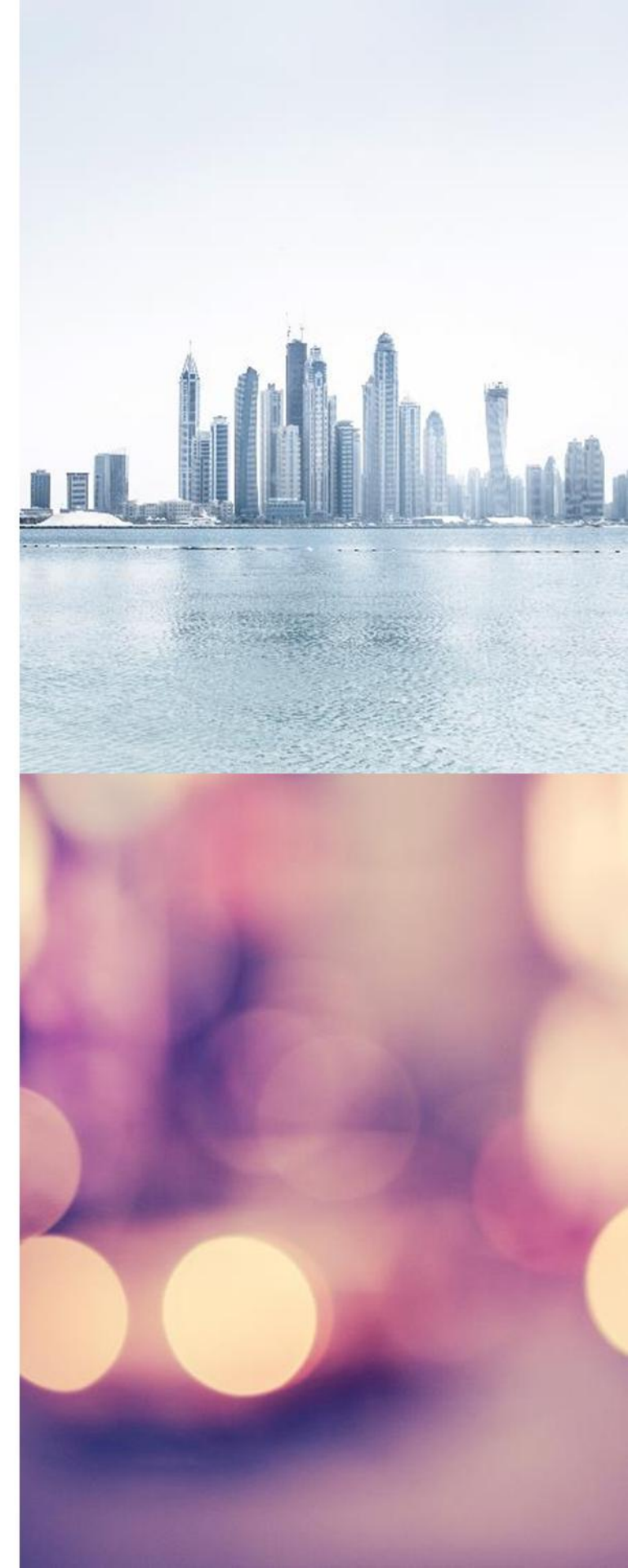


3-Statement Financial Modeling Course

From Company Analysis to 3 Statement Forecasts, and AI-Assisted Modeling

Section

- Section 1. What Analysts Build Before They Open a Spreadsheet [7 modules]
- Section 2. The Blueprint Top Analysts Uses Before Building a Model [8 modules]
- Section 3. Understanding the Business Before Forecasting Revenue and Cost [12 modules]
- Section 4. How to Build the Core Schedules That Make the Model Work [14 modules]
- Section 5. Complete the Three Statements from Your Schedules [10 modules]
- Section 6. How to Verify Calibrate and Stress-Test Your Completed Model [6 modules]



What This Course Covers — Sections 1 Through 3

What This Course Covers

- Welcome to the "3-Statement Financial Modeling Course" with AI.
- This course teaches you to turn business research into a forecast model.
- Output: EPS, EBITDA, and FCF — all driven by business logic, not just formulas.

Sections 1–3: From Business Research to Forecast Logic

- The course spans 59 modules across 22 lessons in 7 sections.
- After every lesson: complete a quiz built around a real modeling scenario.
- Section 1: understand what a financial model is actually built to produce.
- Learn how sell-side, buy-side, M&A, credit, and restructuring analysts use the same model differently.
- Use AI to accelerate filing review while keeping all forecast judgment with you.
- Section 2: download the NVDA modeling template and understand its structure before building.
- Learn why model build order determines whether final EPS and FCF outputs are correct.
- Read historical financials to extract "modeling signals," not just trend lines or growth rates.
- Section 3: apply the revenue formula every serious model starts with.
- Revenue = $\sum P_j \times Q_j$ across each product segment.
- Read product, value chain, and customer signals to determine pricing power and volume drivers.
- Convert that analysis into quantified forecast logic — not generic growth rate assumptions.

11. CapEx and Depreciation Modeling Before You Lock in Costs (2)

Estimating CapEx

- CapEx is the starting point of the schedule.
- Revenue growth drives CapEx need; the most reliable source is the company's own capital expenditure plan.
- When not publicly disclosed, estimate CapEx as % of revenue based on historical patterns.
- NVIDIA's historical CapEx/revenue: 6.8% in FY2022 → 1.8% in FY2024 → 2.5% in FY2025 → 2.8% in FY2026.
- The template sets projection assumption at 3.0% of revenue for FY2027–FY2031.
- At projected FY2027 revenue of ~\$278.6B, that 3.0% assumption produces capex of ~\$8.4B.

CIP: The Lag Between Spending and Asset Use

- CapEx does not become a depreciable asset the moment it is paid.
- It first sits on the balance sheet as "construction in progress" (CIP) until the asset enters service.
- D&A does not begin until that transfer occurs.
- NVIDIA's template assumes 70% of each year's capex transfers into PP&E in the same year.
- The remaining 30% carries forward as CIP and transfers into PP&E the following year.
- This CIP lag is not a fixed industry rule; it is an assumption that should be reviewed against the company's actual asset mix.
- What matters: the assumption is made explicitly, not ignored.

Item	Assumption / Note	2025A	FY2027E
REVENUE (linked from IS sheet)		215,938	278,603
Total Revenue (\$M)	6: IS sheet row 8		
CAPEX ASSUMPTIONS			
CapEx / Revenue % (assumption)	Student input → yellow + key	2.8%	3.0%
Capital Expenditure (\$M)	Revenue x CapEx pct	6,042	8,358
CONSTRUCTION IN PROGRESS (CIP) — D&A does NOT start until PP&E transfer			
% CapEx transferred to PP&E same year (70%)	Assumption: equipment "to go"	70%	70%
CapEx → PP&E same year (70%)		4,229	5,851
CIP Carried → PP&E next year (30%)	Carried as CIP on BS, not D&A	1,813	2,507
CIP Balance on BS (= 30% of current CapEx)		1,813	2,507

year 2025
and 2.8%

mnainstitute.com

4 / 10

What This Course Covers — Sections 4 Through 7

Sections 4–7: From Schedules to a Verified Forecast Model

- Section 4: build the 5 driver schedules that feed every financial statement line.
- Model revenue, CapEx and D&A, working capital, debt and interest, and share count → EPS.
- Each schedule flows into the IS, BS, CFS, EPS, EBITDA, and FCF.
- Section 5: assemble the full "3-statement model" from your schedules.
- Build the IS from revenue → gross profit → EBIT → EBITDA → net income → EPS.
- Complete the BS using schedule-driven assets, liabilities, equity, and retained earnings.
- Build the CFS from net income through OCF, ICF, and FCF.
- Section 6: verify, calibrate, and stress-test the completed model.
- Run the 6 verification checks that confirm the model is actually done.
- Calibrate projections against management guidance, consensus revenue, and consensus EPS.
- Build Bull/Base/Bear cases with sensitivity tables testing EPS and FCF ranges.
- Section 7: defend your full model under IC pressure.
- Build a complete NVIDIA Excel model from source verification to scenario output.

Applied Tasks Throughout

- After every lesson: applied tasks using 10-Ks, Yahoo Finance, AI prompts, and Excel models.
- Each task produces analyst-grade forecast output, section by section.

8. How Industry Forces Shape the Price and Volume You Can Forecast (3)

Demand Moves Quantity

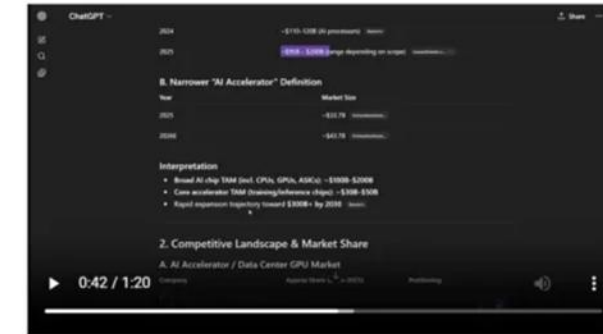
- "Quantity" depends on demand, and demand changes with budgets, adoption, and replacement cycles. That is why industry analysis must study buyer count and buyer behavior.
- A market can expand because more customers enter.
- A market can also expand because existing customers buy more units.
- Those 2 cases create different forecast paths.
- If the customer base broadens, growth may become more durable.
- If a small buyer group spends more, growth may be strong but concentrated.

Technology Changes Direction

- Technology speed shapes both Q and J. A fast product cycle can pull demand forward, shorten replacement timing, and reward on-time launchers. A slow product cycle does the opposite.
- NVIDIA disclosed Rubin as the next major architecture after Blackwell, with production expected in 2nd half of FY2027. Future demand is not only about current product sales.
- It is also about how quickly customers transition to the next platform.

Use Research Carefully

- Most analysts are not full-time industry specialists. Industry work usually combines company filings, earnings calls, reputable news, and 3rd-party research.
- The goal is not to repeat headlines; it is to translate industry information into a directional view on P, Q, and competitor count. Use this AI prompt: **"Based on publicly available information, analyze the AI accelerator and GPU market. Tell me the estimated total market size for the last two years, the main competitors and their approximate market share, the key factors currently driving demand growth, any regulatory developments affecting supply or sales, and whether any new technology is expected to displace current GPU architectures within the next three years."**
- That output gives you the "external framework" to justify P, Q, and J assumptions before entering any model numbers.



**A market
can also**

mnainstitute.com

7 / 10

MAI

MAI

MAI

MAI

MAI

MAI

MAI

MAI

MAI

MAI

MAI

MAI

MAI

MAI

MAI

MAI

The AI Simulations — Where Modeling Judgment Gets Tested

AI Simulations: Where Modeling Judgment Gets Tested

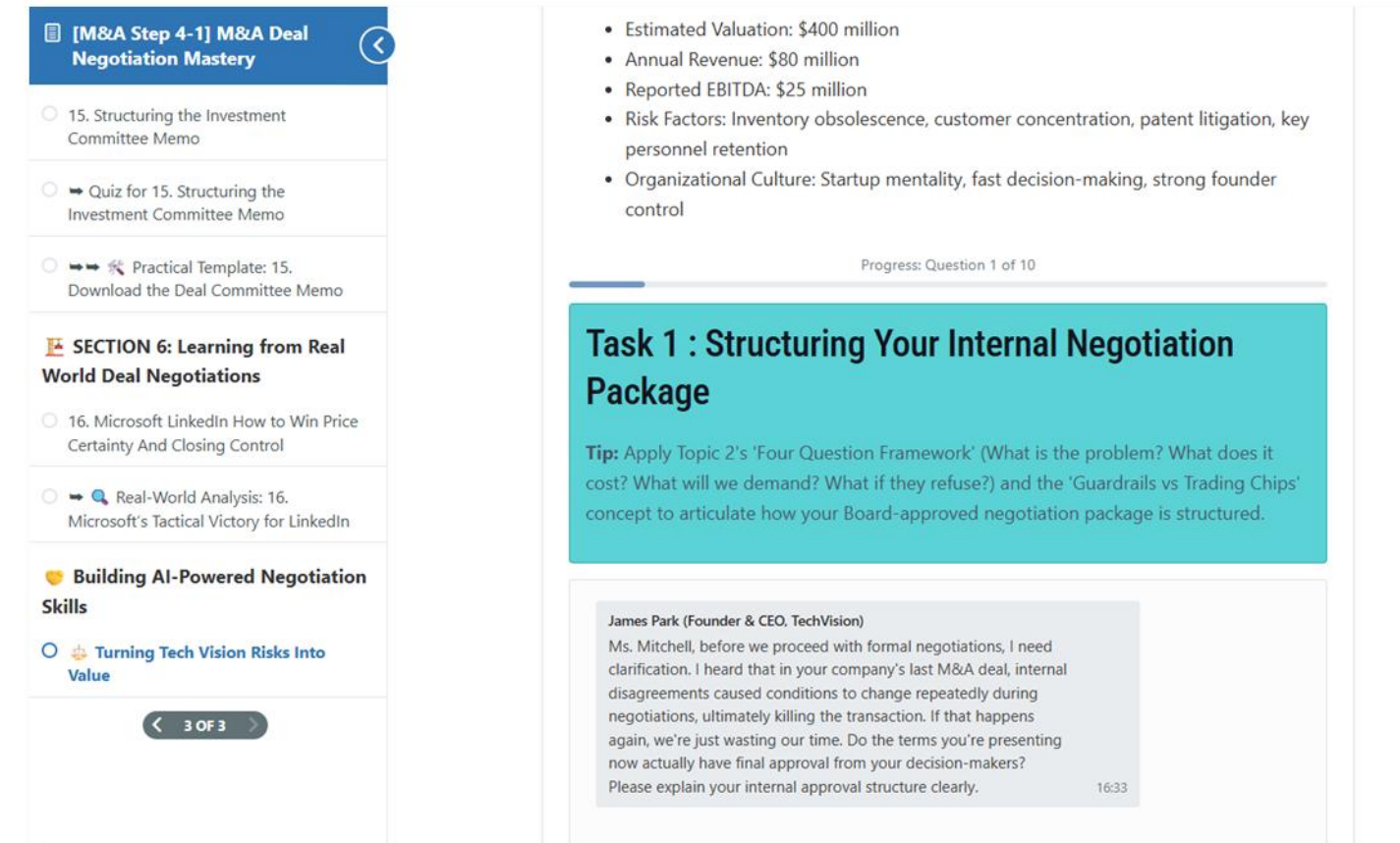
- After all 7 sections, enter 2 practice modules testing real professional judgment.

Simulation 1: ArcLight Semiconductor IC Pressure Test

- Act as a junior equity research analyst at Meridian Growth Fund.
- Build an initiation model for ArcLight: fabless chip company, 55% revenue growth, no historical data on new products.
- A Senior PM places you under IC review across 10 progressive scenarios.
- Justify why "business research" must precede every modeling assumption.
- Translate EdgeCore and NeuralEdge segment dynamics into $P_j \times Q_j$ forecast inputs.
- Build CapEx, D&A, working capital, and debt schedules under operating leverage stress.
- Complete all 3 statements with a verified BS check and cash linkage.
- Calibrate against guidance and consensus → construct Bull/Base/Bear IC cases.
- At each step: submit response → receive instant AI scoring on accuracy, relevance, and executability.

Task 2: Alphabet Simplified Modeling Task

- Build a 1-sheet financial model using Alphabet 10-K data and AI-assisted extraction.
- Set segment growth assumptions for Google Advertising, Cloud, and Other using P, Q, J, C logic.
- Construct CapEx and working capital inputs; verify every figure against the source filing.
- Write short commentary: does your forecast produce a Bull, Base, or Bear case?



The screenshot displays a digital interface for an AI simulation titled "[M&A Step 4-1] M&A Deal Negotiation Mastery". The interface is divided into several sections. On the left, a sidebar lists navigation options: "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", and "Building AI-Powered Negotiation Skills". Below these is a button labeled "Turning Tech Vision Risks Into Value". The main content area on the right features 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". A progress bar indicates "Progress: Question 1 of 10". Below this, a teal box highlights "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." At the bottom, a message from "James Park (Founder & CEO, TechVision)" is shown, asking for clarification on internal disagreements and requesting a clear explanation of the internal approval structure. A timestamp "16:33" is visible in the bottom right corner.

What You Will Walk Away With

What You Will Walk Away With

- Complete this course → build a verified, defensible "3-statement financial model".
- Read any 10-K and extract business signals that become EPS, EBITDA, and FCF assumptions.
- Translate pricing dynamics, volume drivers, industry forces, and cost structure into segment-level assumptions.
- Build every driver schedule correctly and understand how each flows into final model.
- Run the 6 verification checks, resolve every error, and calibrate against guidance and consensus.
- Use AI to accelerate extraction, data organization, and commentary while keeping all judgment with you.

1 Professional Template

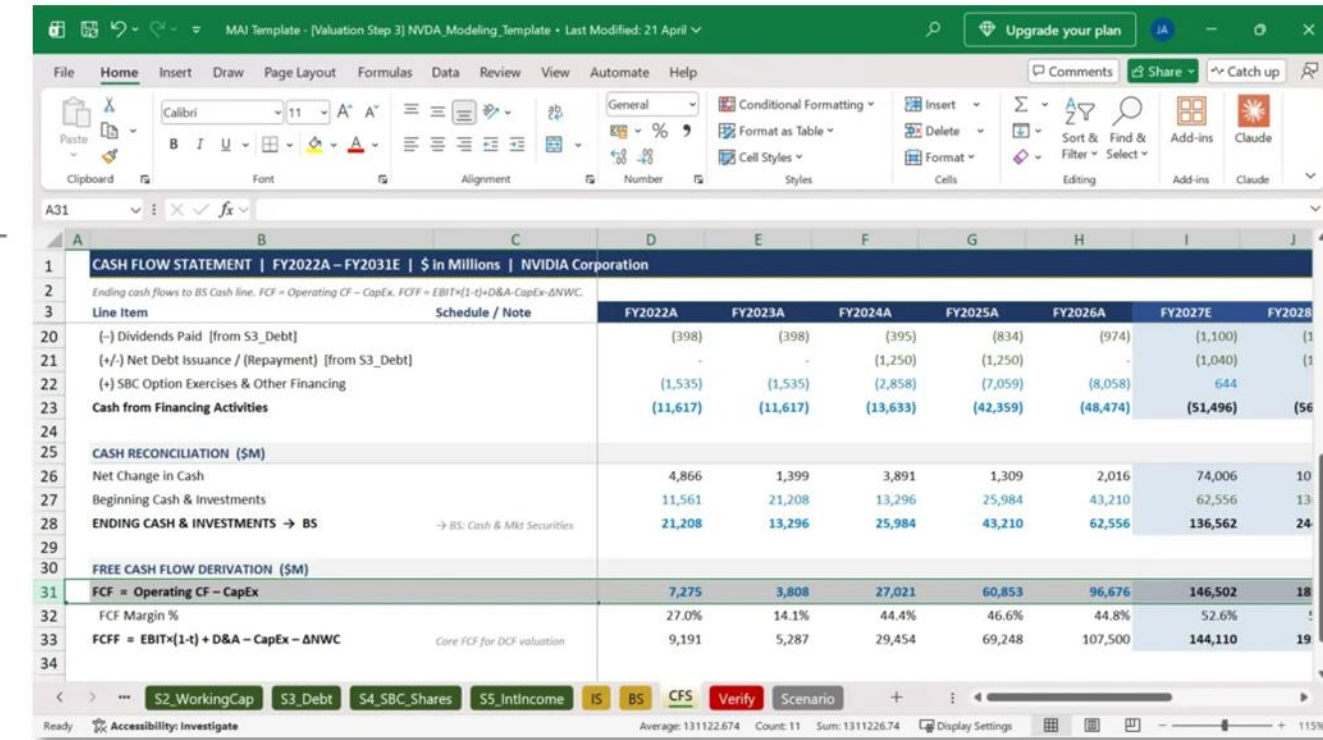
- Leave with the NVDA 3-Statement Modeling Template: historical data, 5 schedules, 3 statements, 6 checks, and scenarios.
- This is not just a template to study — it is a workflow ready to apply to any public company.

Proven Through Practice

- 2 practice modules tested your judgment under realistic IC pressure.
- 87 quizzes confirmed your modeling logic runs deep enough to explain every number.
- 9 applied tasks produced real model outputs from real company filings.

The Goal

- By the end, you will build a 3-statement model, verify it, calibrate it, and stress-test it.
- You will be able to defend "every assumption" in it.



Line Item	Schedule / Note	FY2022A	FY2023A	FY2024A	FY2025A	FY2026A	FY2027E	FY2028E
CASH FLOW STATEMENT FY2022A – FY2031E \$ in Millions NVIDIA Corporation								
Ending cash flows to BS Cash line. FCF = Operating CF – CapEx. FCF = EBIT*(1-t)+D&A-CapEx-ΔNWC.								
(-) Dividends Paid [from S3_Debt]		(398)	(398)	(395)	(834)	(974)	(1,100)	(1,100)
(+/-) Net Debt Issuance / (Repayment) [from S3_Debt]		-	-	(1,250)	(1,250)	-	(1,040)	(1,040)
(+) SBC Option Exercises & Other Financing		(1,535)	(1,535)	(2,858)	(7,059)	(8,058)	644	644
Cash from Financing Activities		(11,617)	(11,617)	(13,633)	(42,359)	(48,474)	(51,496)	(56,496)
CASH RECONCILIATION (\$M)								
Net Change in Cash		4,866	1,399	3,891	1,309	2,016	74,006	10,006
Beginning Cash & Investments		11,561	21,208	13,296	25,984	43,210	62,556	13,556
ENDING CASH & INVESTMENTS → BS	→ BS: Cash & Mkt Securities	21,208	13,296	25,984	43,210	62,556	136,562	24,062
FREE CASH FLOW DERIVATION (\$M)								
FCF = Operating CF – CapEx		7,275	3,808	27,021	60,853	96,676	146,502	18,502
FCF Margin %		27.0%	14.1%	44.4%	46.6%	44.8%	52.6%	52.6%
FCFF = EBIT*(1-t) + D&A – CapEx – ΔNWC	Core FCF for DCF valuation	9,191	5,287	29,454	69,248	107,500	144,110	19,110