

Advanced Valuation

Kevin Kaiser

Objectives

In **Advanced Valuation** participants will be exposed to a conceptually challenging program exploring both the theoretical basis and practical application of all major elements of DCF valuation. A single case study is used throughout the program to build upon the topics covered until participants have completed the valuation.

Key benefits

By attending this program you will:

- Deepen your understanding of the valuation concepts you apply daily
- Re-focus / re-learn the financial theory behind estimating value
- Further understand and enhance your knowledge of valuation theory and potential application
- Question common practices and identify common mistakes and misunderstandings

Who should attend?

This program is designed for experienced professionals who want to expand their knowledge and gain new insights into company valuation.

Dates & Fees

April 10 – 13, 2012

October 23 – 26, 2012

December 17 – 20, 2012

€ 4,500



Faculty

Kevin Kaiser joined the finance faculty at INSEAD in 1992 where he is currently Professor of Management Practice and Director of the Transition to General Management program. Kevin teaches extensively in the executive and MBA programs at INSEAD and has received the MBA award for Best Teacher for Electives eight times.

“The program is very stimulating and provides deep insight into valuation methodologies. It helps change your mindset and open your mind.”

Financial Analyst, Asset Management
Banca d'Italia, Italy

Program Content

Day 1

Value Drivers and Cash Flow Modeling

The Key Building Blocks of Valuation

- Different valuation methods
- P/E multiples and other short-cut valuation techniques
- NPV alternatives

Performing Historical Analysis

- Analyzing financial statements
- Identifying and calculating value drivers

Day 2

Forecasting, Continuing Value, and Valuation in M&A

Evaluating a Company's Strategic Position

- Industry economics
- Competitive advantages
- Business system analysis
- Forecasting Cash Flows and Continuing Value
- Linking cash flow to underlying value drivers
- Projecting inflation
- Comparing projected performance with the past
- Developing continuing value assumptions
- Using scenarios and decision trees
- Ensuring the overall reasonableness of the results

Day 3

Cost of Capital

- Theoretical basis for cost of capital (CAPM, APT)
- Where do we find our inputs to calculate cost of capital?
- How do we account for tax shields from debt?

Valuation in M&A

- Identifying value creation opportunities
- Assessing value creation from corporate restructuring
- Assessing value creation from synergies

Day 4

Valuation in Emerging Markets and Other Complications

Valuation of Foreign Companies

- Estimation of cash flows in an international environment
- Estimation of the cost of capital in international financial markets
- Discussion of political risk

Valuation in Developing Countries

- Valuation concepts in a high inflation environment
- Government interventions

Using the Adjusted Present Value Method

- Handling complicated tax scenarios, leverage situations, etc. using the APV method
- Comparison of APV with traditional WACC method