

# FINANCIAL STATEMENT ANALYSIS WORKSHOP

## COURSE OVERVIEW

This course aims to provide a robust skill set for effective financial analysis of companies. It covers eight core building blocks that allow for deep-diving into financial statements, critical for informed investment decisions. Designed for practical application, the course involves hands-on training and real-world exercises, teaching you how to analyze publicly traded companies as part of a team. Collaborative work fosters improved analytical skills and understanding of financial performance drivers across industries. The course culminates in a group presentation, offering a platform to sharpen your presentation skills and receive feedback from seasoned professionals. Suitable for both beginners and experienced analysts, this course is an invaluable asset for anyone looking to elevate their financial analysis capabilities.

## TARGET COMPETENCIES

- Financial Analysis
- Audited financials and the annual report
- International Financial Reporting Standards (IFRS)
- Common Balance Sheet Analysis
- Trend and Horizontal Analysis
- Liquidity Analysis
- Operating Ratios
- Gearing and Solvency Analysis
- Business and Profitability Analysis

## COURSE OBJECTIVES

By completely attending this course, participants will be able to:

- Provide delegates with a comprehensive understanding of financial statement analysis and valuation techniques.
- Enable delegates to analyze companies across different industries and identify key financial metrics and trends.
- Develop delegates' skills in conducting fundamental analysis and identifying key trends and drivers of financial performance.
- Foster teamwork and collaboration by providing delegates with the opportunity to work in teams and present their findings and recommendations to the group.
- Presenting findings and recommendations to the group.
- Enhance delegates' critical thinking and problem-solving skills by presenting them with complex financial analysis problems.
- Using different tools and techniques to compile and analyze data.

## TARGET AUDIENCE

This course is designed for anyone who wants to enhance their financial analysis skills and gain a deeper understanding of how to evaluate companies. The course is particularly suited for professionals in the finance, accounting, and investment industries, as well as individuals who are interested in building a career in these fields.

Overall, this course is suitable for anyone who wants to gain practical skills in financial analysis and develop a deeper understanding of how to evaluate companies across different industries.

## NOTE

This course requires the use of laptops with Excel 2019/365. Delegates must bring their own laptops with Windows-based Excel fully installed.

# **COURSE METHODOLOGY**

This course demonstrates core principles in fundamental financial analysis and utilizes Excel in performing modern and creative techniques of financial analysis. Real-life case studies, individual workshops, and team presentations by participants.

## **COURSE OUTLINE**

### **COMPONENTS OF FINANCIAL STATEMENT ANALYSIS**

- Role of financial reporting and analysis
- Core financial statements and the importance of the annual report
- The important role of notes and supplementary information
- Objectives of financial statements audit
- Types of audits
- Financial statement analysis framework
- The accounting cycle
- Financial reporting mechanics
- Relationship, elements and classification of financial statements

### **FINANCIAL ACCOUNTING & REPORTING STANDARDS**

- Importance of reporting standards in equity analysis and valuation
- International Financial Reporting Standards (IFRS) versus Generally Accepted Accounting Principles (GAAP)
- Rules comparisons affecting analysis

### **APPLICATIONS & PRESENTATIONS OF FINANCIAL STATEMENT ANALYSIS**

- Evaluating a company's past performance
- Comprehensive real life analysis of publicly traded companies
- Comparing and contrasting different industries

### **FINANCIAL MARKETS**

- Gross margin vs. operating profit vs. net income
- Revenues are earned and expenses are incurred
- Balance sheet elements
- The main six (6) parts of the balance sheet
- Definitions and examples
- Statement of changes in owners' equity
- Cash flow statement:
  - Operating, investing, and financing activities
  - Two (2) methods of preparing cash flow statement
  - Reading and interpreting cash flow
  - The cash rich standard

### **FINANCIAL ANALYSIS TECHNIQUES**

- Strategic analysis is vertical analysis: balance sheet and income statement approaches
- Growth analysis is horizontal and trend analysis
- Importance of Liquidity analysis
- Current, quick, and cash ratios, defensive interval and cash conversion cycle
- Why perform asset management and activity ratios?
- Total and fixed assets turnover
- Gearing and Solvency analysis
- Debt, equity, and times interest earned ratios
- Business and Profitability analysis
- Profit margin, gross margin, return on assets, return on equity
- How good are Market ratios?
- Price earnings and earnings-per-share ratios
- DuPont analysis: the three-step and five-step models
- Limitation of ratio analysis