



Introduction to Building and Analyzing Financial Models

May 14-25, 2018 | Washington, DC (6.0 CEUs)

Course Description

Without systematic and comprehensive financial planning, review, and analysis, project developers and owners cannot assess the bankability and viability of a project. The Introduction to Building and Analyzing Financial Models course focuses exclusively on the techniques of building, interpreting, and analyzing a financial model using Microsoft Excel® software.

The class structure is unlike any other that the Institute for Public-Private Partnerships, A Tetra Tech Company (IP3), offers, as the focus each day is on learning certain financing and accounting techniques, and practicing those techniques in an ongoing project case study. The IP3 financial modeling instructor will teach the fundamentals of the spreadsheet software. The instructor then will build further elements into the financial model so that, by the end of the course, participants will understand key accounting and financial terms and concepts and will have applied them to a simulated public-private partnership (PPP) model.

Course Offering

Dates: May 14-25, 2018

Location: Washington, DC

Code: 5002-WA

CEUs: 6.0

Tuition: \$6,500

Learning Outcomes

By successfully completing this course, participants will be able to:

- Identify the key accounting and finance terms and concepts used in financial models
- Apply best practices and shortcuts for spreadsheet modeling
- Determine the key input variables to an infrastructure financing spreadsheet
- Integrate and link key financial statements including the profit and loss, balance sheet, and cash flow waterfall into a financial model
- Build a capital expenditure worksheet that details the timing and amounts of capex including interest capitalized during construction
- Develop a funding worksheet that helps determine the debt capacity of a project
- Develop and interpret key output worksheets which summarize the profitability measures (NPV and IRR) and various debt service cover ratios (DCSR)
- Perform key sensitivity and scenario analyses to determine how robust the project is under a range of downside assumptions
- Create a comprehensive financial model and present the financing viability to experts and peers

Become a Specialist

IP3 is an accredited provider of Continuing Education Units (CEUs) as sponsored by the International Association for Continuing Education and Training (IACET).

Successful completion of this course will award 6.0 CEUs.



Who Should Attend

- National, regional, and local government officials responsible for infrastructure financial modeling
- Contract officers and regulatory commissioners
- Financial analysts from PPP or privatization units
- Public servants, utility managers, executives, and financial experts
- Audit or project managers
- Staff of bilateral and multilateral international organizations

Course Tuition Includes

- All training sessions/materials
- Presentations
- New computer for each participant
- Web-based course content/software
- High-speed internet access
- Receptions and tours
- Daily refreshments and lunch voucher
- Enrollment in professional certification program
- Professional certification counseling

Course Contents



Overview of Project Finance and Infrastructure Investment Analysis

- Understanding the overall project finance model in MS Excel®
- Utilization of MS Excel® function keys to improve model usability
- Best practices for modeling in MS Excel®

Identifying and Structuring the Input Variables to a Financial Model

- Determining key assumptions to the model: sources, data, and module structure
- Calculating the key assumptions to the model: capital expenditures, depreciation, revenues, operating expenses, taxes, working capital, debt, and equity
- Estimating demand
- Key drivers for financial reports

Modeling Financial Reports

- Modeling the balance sheet, income statement, and cash flows
- Determining NPV and IRR profitability
- Creating debt service ratio coverage
- Interpreting standard ratio analysis vis-à-vis industry indexes
- Interpreting the difference between economic rate of return and financial rate of return

Generating and Analyzing Forecast Scenarios

- Determining tariff and delivery impacts to the financial model
- Running “what if” scenarios and interpreting results
- Correcting and making changes to the model
- Understanding the overall project structure: debt capacity, cost of capital, and optimal debt utilization

Integrating Special Risk Factors into the Financial Model

- Understanding foreign exchange risk
- Understanding interest rate risks
- Utilizing hedge strategies to minimize risk: forward contracts, swaps, and options

Designing a PPP Project Financial Model

About IP3

IP3 is a leading, global provider of PPP consulting and capacity building services. IP3 provides institutional support to public and private sector entities engaged in PPP projects around the world, helping mobilize private sector expertise and resources to enhance the quality and availability of infrastructure for public services.

IP3 has trained more than 35,000 officials from over 175 countries on PPP programs and opportunities, regulation operations and management initiatives, competitive utility management reform, and public policy and good governance.

Our experts have worked with more than 600 government agencies, ministries, and organizations, including some of the world’s most influential institutions.



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