Financial Statement Analysis

Objectives

- *To provide participants with an understanding of the structure, interpretation and analysis of the key financial statements, the general accounting policies, principles and their applications (How to read financial statements?).*
- *Analyzing, interpreting and comparing company (including group) financial information, considering performance and prospects and evaluating company securities in the light of such analysis.*
- *Demonstrating an understanding of accounting concepts, including an awareness of current accounting issues and problems and their implications for investors.*
- *How a business obtains and uses its funds to achieve maximum operating efficiency and profitability? "Balancing between liquidity and profitability".*
- *Learn concrete techniques that enable management to make truly informed decisions. " Financial Statement Analysis for Decision Making"*
- *Help financial statement users to read and interpret financial information.*
- *To help participants master the complex language and activity of investing and get started on the road to financial freedom and success. We start with the most basic concepts of investing, return and financial planning and then, on a gradient, get you more involved in advanced concepts.*
- *To understand the basics of investments, valuation and selection of various investment instruments*

Overview and basics of Financial Statements

- The Balance Sheet and the Income Statement.
- Statement of Owners Equity.
- Cash Flow Statements.
- Understanding the relationship between the four main financial statements.
- Notes to the Basic Financial Statements
- Management's Discussion and Analysis
- Ratio Analysis.
- Users of Financial Statements
- Liquidity Analysis, The operating Cycle
- Liquidity Ratios - Case Study.
- Daily operating decisions based on financial reports.
- Comparisons of accounting figures.
- Matters currently under discussion.

Debt and Leverage Analysis

- Income statement and balance sheet considerations.
- Cost Structure and Operating Leverage.
- Measuring the company's Debt paying ability.
- How to optimize your Financing Decisions?
- Changes in capital structure.

Profitability Analysis

- Measures of profitability
- Analysis of the income statement
- Profitability vs. liquidity

Asset Management Efficiency Analysis

- Receivables analysis
- Inventory Analysis
- Fixed Assets analysis
- Case Study

Cash Flow Analysis

- Understanding Cash Flow
- Cash vs. Accounting Profit
- Components of cash flow statement. Comprehensive Cases.
- Examining and analyzing cash flows.

Using Financial Ratios, Concluding Remarks

- Summary Of financial ratios
- Limitations of financial ratios
- The need for qualitative information

Performance Evaluation

- Measuring Performance.

Financial Statements and Decision Making

- Short-term Decisions & Long-Term Decisions.
- How to read and interpret financial statements from future investors' point of view?
- How to read and interpret financial statements from management point of view?
- How to read and interpret financial statements from employees' point of view?
- How to read and interpret financial statements from customers' point of view?
- How to read and interpret financial statements from stockholders' point of view?
- How to read and interpret financial statements from bankers (creditors) and financial analysts' point of view?

Alternative Valuation Techniques from Financial Statements

- Book Value and Earnings.
- Comparable Transactions.
- Reproduction Cost.
- Risk Neutral Valuation.
- Discounted Cash Flow.

Valuation and Free Cash Flow

- Computation of Projected Free Cash Flow.
- Adjustments to Free Cash Flow.
- Residual Value.
- Enterprise Value and Equity Value.

Basics of Investments

- Risk and Return
- Market value
- Market value vs. book value
- Dividends policies
  - Cash dividends
  - Stock dividends
- Stock splits
- Stock options
- Stock Issuance
  - Premium vs. discount
- Principles of buying and selling stocks.
- Stocks neutralization.
- Valuation and Financial Statements.
- Value Drivers.
- Case Discussion.
- Valuation Using Discounted Cash Flow.

METHODS:

Lecture-discussions, exercises, Real case studies and test evaluation

LANGUAGE:

The Program will be conducted in English

DURATION

15 training hours, March 11 to March 13, 2019.

Presenter:

Dr. Ayman Hadadd