



**PENHALLOW ASSOCIATES LIMITED**  
**A Financial Knowledge Company**

## **Discounted Cash Flow Modelling**

**Virtual Learning: Duration 1 Hour, Price: £95**

### **Introduction**

Discounted Cash Flow modelling is probably the most heavily used tool in Corporate Finance & Equity Research teams worldwide. While powerful, they are subject to that old axiom 'garbage in, garbage out'. Small changes in the inputs can result in large swings in the outputs - a prospective future value of a Company's Equity. Nevertheless, with heightened investor concerns about the quality of declared Corporate Earnings numbers & the reliability of over-used valuation metrics like the P/E ratio, more Investors are turning to Cash Flow numbers.

- Rationale for & characteristics of DCF modelling. What is Free Cash Flow exactly?
- Deriving the Cost of Equity
- The Equity Risk Premium - the past as a guide for the future?
- Deriving the Cost of Debt
- Risk Free Rates - looking where exactly?
- Calculating the Weighted Average Cost of Capital
- Terminal Value derivation methods

### **Learning Outcomes**

This course offers an insight into how DCF models are constructed & the pitfalls one encounters along the way.

### **Trainer Profile: Paul Meadows**



Paul has fifteen years Investment experience through various Front Office roles on the Buy side of the Markets in the UK - Trader, Global Equities Research Head & Portfolio Manager. He has knowledge of working in both Institutional and High Net Worth Private Client environments with the likes of Royal Insurance & Lloyds Private Bank.

He has been designing & delivering both Public & in-house Financial Markets Training programmes worldwide since 2000, initially with the in-house tailored training arm of Euromoney, DC Gardner & has been the Managing Director of Chadley House Training since 2004. Clients range from Investment Banks (Citi, Deutsche Bank), Private Banks (Hoare & Co), Fund Managers (Blackrock, Axa IM), Sovereign Wealth Funds (Kuwait Investment Authority), Regulators (from London, Mongolia, Angola & Tanzania), Exchanges (London, Nigeria), Hedge Funds (Brevan Howard, Man Group).

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