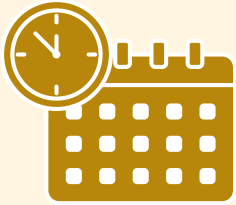


Training the next generation of financial analysts



6-week program Boot Camp style

The Valuation Master Class Boot Camp is a 6-week guided online course that trains attendees to become company valuation experts. Graduates can confidently value any company and possess the in-demand industry skills needed to succeed as investment bankers, asset managers, equity analysts, or value investors. The course is the brainchild of #1-rated financial analyst Dr. Andrew Stotz, CFA, who has valued companies for thirty years.

What you experience in the Valuation Master Class

- ✓ Gain practical experience in company valuation
- ✓ Learn real-world finance skills step-by-step
- ✓ Absorb a lifetime of knowledge from a #1-voted analyst
- ✓ Make lifelong connections and get access to finance jobs.
- ✓ Begin to transform to a world-class financial analyst.

What makes the Valuation Master Class stand out



Comprehensive – The content and assignments cover topics needed to become a company valuation expert and takes about 80 hours over 6 weeks to complete.

Practical – Dr. Stotz designed the content based on his finance learning journey from beginner to being voted a #1 financial analyst. Attendees get real-world experience using his advanced financial model to value 2 companies.

Engaging – Dr. Stotz teaches the video content and the practical valuation assignments in an easy-to-understand and engaging style.

Progressive – The course starts with basic finance principles. Each company valuation assignment gets more challenging, driving attendees toward mastery.

Rigorous – All company valuations must pass an intense peer-review process before a final review by Dr. Stotz.

We designed the Boot Camp to be tough



Average passing rate 70%

The Boot Camp is meant to be a challenging course. We give attendees considerable content, and their company valuation assignments take time. In addition to this, they attend regular live lectures and team meetings. And they focus on writing a complete company report for the final two weeks. Because the course is so intense, about 30% of attendees do not pass. But the ones who do can be proud of their accomplishment.

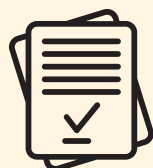
Overview of the course



Consume 30 hours of content



Join 4 live sessions per week



Value 2 companies



Write and present a complete equity research report



Improve your LinkedIn to attract recruiters



Get support, encouragement, and feedback

Consume 30 hours of lecture content



Part 1: Finance foundation (first 10 days)

Dr. Andrew Stotz, CFA, combines his years of teaching and financial analyst experience to make finance accessible to everyone. Dr. Stotz helps you reinforce what you learned by applying it to each of the ten major economic sectors. This method makes the content practical and valuable even for experienced finance professionals.

The course starts with a fun, interactive activity that reinforces accounting foundations and demonstrates the connection between corporate strategy and finance. Then, you will learn to read profit and loss statements of the ten major sectors. He then teaches a simplified way of looking at a profit and loss statement that focuses on only two significant costs and three profit margins that matter.

Next, you will learn about the balance sheet. You will then begin to understand how companies acquire capital, and you will be able to measure how much “free money” a company can raise.

Finally, Dr. Stotz brings the financial statements together through ratio analysis. You will learn the critical financial ratios. Most importantly, by calculating them across ten sectors, you will forever understand how to use these financial ratios in the real world.

Consume 30 hours of lecture content



Part 2: Forecasting and valuation (rest of the course)

In this module, Dr. Stotz will demonstrate how to use the ValueModel to forecast and value one company. The lesson starts with an introduction to strategies for the income statement. Next, you learn how to predict the most critical items in the balance sheet, with a particular focus on “free money.” The subject matter will begin to come to life as Dr. Stotz reveals the story of the subject company you are valuing. You will learn about the discounted cash flow method, which is the foundation of valuation. The course wraps up with the topic of relative valuation by applying Dr. Stotz’s unique sensitivity analysis tool.

In the lectures, Dr. Stotz applies lessons on forecasting and valuation to the same ten economic sectors and companies you learned previously to help you more deeply internalize the material. You will get access to downloadable checklists to help you apply the principles after the course. You also get access to the ValueModel, the company valuation tool that Dr. Stotz developed over three decades. This model includes up-to-date company share price data and valuation and interest rate data for regions, countries, and sectors. The lectures also contain Dr. Stotz’s original research on the cost of equity, return on invested capital, and beta. Finally, you will apply the unique sensitivity tool that allows you to consider various outcomes.

Join 4 live sessions per week

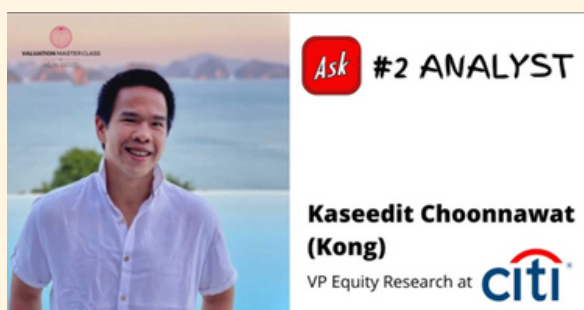


Regular live sessions

Dr. Stotz and his team will regularly do live lectures to foster your finance understanding. The topics will vary depending on what happens in the current world. Some lectures also aim to give you feedback on your assignments and insights into institutional research and investing tools Dr. Stotz has developed over the past years.

Career talk with leading finance professionals

One objective of the course is to identify the right career in finance for you. Therefore, in most Boot Camps, we invite finance professionals from different finance areas who are leaders in their profession. You have the chance to ask them about their daily routine, responsibilities, and, more importantly, what you need to get your dream job. Below you find some previous guests.



Value 2 companies



During the Boot camp, you will value 2 selected companies from different industries. After you are done with your company research and forecast, you will submit your valuation and recommendation. Dr. Stotz and his team will carefully assess your forecast and uncover common mistakes. Subsequently, you review your assumptions and submit a new draft until the result is satisfying.

P&L (YE: Jan, USD m)	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,072	1,182	1,201	1,267	1,372	1,501	1,662	1,882
Cost of goods & services	(980)	(1,081)	(1,117)	(1,178)	(1,270)	(1,381)	(1,529)	(1,711)
Gross profit	86	88	84	89	102	120	133	149
Sales, general & administrative expenses (SG&A)	(44)	(47)	(44)	(48)	(51)	(56)	(60)	(67)
Other operating (expense)/income	0	0	3	6	6	6	6	6
Earnings before interest & taxes (EBIT)	42	41	43	47	57	70	79	88
Interest expenses	(3)	(4)	(5)	(5)	(6)	(6)	(6)	(6)
Interest income	0	0	0	0	0	0	0	0
Other non-operating (income)/expense	3	0	(2)	-	-	-	-	-
Earnings before taxes (EBT)	42	37	38	42	51	64	73	82
Income tax	(10)	(7)	(7)	(11)	(14)	(17)	(19)	(21)
Earnings after taxes (EAT)	32	30	31	31	37	47	54	61
Equity income from associates	-	-	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-	-	-
Earnings from continuing operations	32	30	31	31	37	47	54	61
What type of company is this?								

Forecast variables Profit & loss	2018	2019	2020	2021	2022	2023	2024	2025
Profit & loss								
Revenue growth (%)	15.2	10.2	1.6	5.5	8.4	9.4	10.7	12.1
Gross profit margin (%)	8.0	7.5	7.0	7.0	7.5	8.0	8.0	8.0
Gross profit growth (%)	14.0	2.8	(5.2)	5.7	16.1	16.7	10.7	12.1
SG&A/sales (%)	4.1	3.9	3.7	3.8	3.7	3.7	3.6	3.6
Other operating (expense)/income growth (%)	(100.0)	nm	844.6	100.0	-	-	-	-
EBIT margin (%)	3.9	3.5	3.6	3.7	4.2	4.7	4.7	4.7
Interest rate - Paid (%)	5.7	6.0	3.6	4.0	4.0	4.0	4.0	4.0
Interest rate - Earned (%)	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other non-operating (income)/expense growth (%)	308.1	(86.1)	(673.6)	100.0	-	-	-	-
Earnings before taxes (%)	4.2	3.1	3.0	3.5	3.9	4.4	4.5	4.5
Effective tax rate (%)	23.9	18.3	17.7	25.3	25.3	25.3	25.3	25.3
Earnings after taxes (%)	3.22	2.83						
Equity income from associates (%)	nm	nm						
Minority interest/net profit excluding minority interest (%)	-	-						
Earnings from continuing operations (%)	3.2	2.8						
Foreign exchange gain/(loss) growth	nm	nm						
Exceptional item growth	nm	102.4						
Net margin (%)	1.6	2.3						
Net profit growth (%)	(11.0)	68.4						

Severstal PAD [CHMF,MM: USD24.0] [Student: THITIKORN PHOLCHAI], [Submitted: 24 Jun 2021 2:29:34 PM]

Absolute valuation



Comments: Recommend to sell right now, wait for panic sales, and in for a buy once that happen.

CHMF: Valuation [USD m]	DDM	%	FCFF	%	FCFE	%
PV of cash flow in years 2017-21	2,047	22	3,444	33	3,711	31
PV of free period	3,667	39	5,095	49	4,746	40
PV of terminal value	3,797	40	3,900	37	2,728	23
Present value of future cash flows	9,511	100	12,439	120	11,186	94
Add: Cash & ST investments	na		589	6	589	5
Add: Long-term investments	na		116	1	116	1
Corporate value	9,511	100	13,144	126	11,891	100
Less: Total debt	na		(2,736)	(26)	na	
Shareholder value	9,511	100	10,408	100	11,891	100
Number of shares (m)	838		838		838	
Equity value per share [USD]	11.4		12.4		14.2	
Current stock price	24.0		24.0		24.0	

VALUATION MASTER CLASS

by A. J. J. INVESTMENT RESEARCH

Boot Camp

FGEN: Great power value play to see re-rating

We initiate coverage on FGEN with a BUY recommendation based on a target price of PHP29.50, implying an upside of 81%. We derive our target price from a DCF-based valuation using a WACC of 8.5% and a terminal growth rate of 3%.

Highlights:

- Well-equipped to weather economic uncertainty
- Resolving future gas supply by building an LNG terminal
- Outstanding valuation should lead to re-rating
- A pioneer in renewable energy should be future proof

Risks: Failure to receive fuel supply, unexpected outage of production, continued deterioration of oil as fuel, and high dependency on Malaysia

First Gen Corporation

Recommendation: BUY

Current price: PHP21.50

Target price: PHP29.50

Up/(downside): 37%

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+4989 251 9837

	<h1>FGEN: Ensuring longevity of its gas plants</h1> <p>VALUATION MASTER CLASS</p>
Story	<p>Well-equipped to weather economic uncertainty</p> <p>While the COVID-19 outbreak leads to high uncertainty about the recovery of the general economy, FGEN's business of contract is limited. Around 90% of the total energy generation is covered by long-term contracts secured on a take-or-pay agreements, meaning that the company must fulfil the contracted quantity no, if not, will still pay agreed price. Consequently, we only expect a temporary reduction in spot sales and ancillary services. With the recovery of the general economy, we expect energy demand to continue the past positive trend, so that FGEN should recover back to regular stable margins without material delays.</p> <p>The company has important long-term relationships concerning the agreement with Iberdrola (IBE, MX), the largest private-sector energy distributor in the Americas. The demand from Mexico's newly created gas fed capacity of FGEN's two major gas plants, accounting for more than 50% of total production, Iberdrola, FGEN's pioneering role in wind renewable energies is strengthened through its long-term relationship with state-owned gas to the government. Overall, the long-term agreements provide FGEN a continuous balanced cash flow.</p>
ESG	<p>Resolving future gas supply by building an LNG terminal</p> <p>The company has been able to prepare a plan that minimizes the upcoming gas supply shortage and, meanwhile, creates a plan to improve liquidity and profitability, which supports the highest return on investment. With the projected delivery of the Philippines' only gas field in 2024, the market has raised concerns about whether FGEN can resolve the supply interruption with a price-competitive substitution. FGEN plans to build the country's first liquefied natural gas (LNG) terminal with a capacity of 5.2m metric tons per annum, which can store imported LNG and then feed it back to its gas plants to generate energy. FGEN is the fastest growing company in the Philippines, and the company has been able to successfully replace the upcoming supply shortage. With Tokyo Gas (TG) to provision for a 20% share in the terminal, FGEN has an experienced partner for the terminal's timely development, expected to be in use from 2024 onwards. Therefore, we forecast energy demand from natural gas to continue as the primary revenue driver and lead to stable operations.</p>
Risks	

FGEN: Balance sheet - Liabilities and equity									
	USD, m	Actual			Forecast				
		2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
Story	Over/Debt, US\$ m)								
	Equity/debt & short-term loans	303	233	353	303	303	243	293	303
Sales	Assets/equity payable	249	319	309	249	249	249	249	249
	Other current liabilities	154	132	208	130	200	200	240	208
P5F	Total current liabilities	796	679	646	749	659	659	689	659
	Long-term debt	2,332	2,092	1,603	1,707	1,613	1,438	1,793	1,558
Team	Other long-term liabilities	95	125	145	93	107	103	130	176
	Total liabilities	3,687	2,799	2,458	3,643	2,779	2,496	2,862	2,768
WCB	Minority interest	362	438	467	353	407	790	934	1,043
	Preferred capital - Common shares	1,355	1,355	1,342	1,342	1,342	1,342	1,342	1,342
Value	Paid-up capital - Preferred shares	40	40	39	39	39	39	39	39
	Retained earnings	3,089	3,242	3,478	3,406	3,864	3,091	2,297	2,034
ESG	Reserves/Reserves/Other Items	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013
	Total equity	3,482	3,499	3,323	3,301	3,301	3,748	3,199	3,180
Risk	Net debt & shareholder equity	5,301	5,180	4,573	5,488	5,180	6,375	6,719	6,313
	Book value per share adjustments								
	Total liabilities	3,682	2,693	2,325	3,301	2,301	2,719	2,944	2,580
	Less: Preferred shareholder equity	34	34	34	249	249	249	249	249
	Equity	138	138	138	249	249	249	249	249
	Common shareholder equity	1,018	2,069	2,979	2,952	2,752	2,499	1,950	1,629
	BVPS (USD)	0.5	0.5	0.6	0.7	0.4	0.6	0.9	0.9

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Source: A. J. G. Research, company info, Statista

10.04.2022

FGEN: Valuation and target price

Story

FGEN has been a low-beta stock, but, since we assume a beta of 0.75x, we forecast a capital structure with 56% debt and the current level, in line with the average of the WACC and the discount rate of 8.0%. We use a terminal growth rate of 3% and use Free Cash Flow to Firm (FCFF) to value FGEN and assume an exchange rate of PHP=₱ 50.

ESG

Our base case assumes 2.8% sales growth (y-o-y) until 2024, resulting in a value of ₱1,040 per share based on the MCI methodology. A 10% upside compared to the current market price, or in our sensitivity analysis (next page), our optimistic case assumes 5.0% sales growth (y-o-y) until 2024. If FGEN were to achieve 5.0% annual sales growth, the value derived from FCFF would be ₱1,254 or 21% higher than base case.

Value

In our pessimistic case, we look at if FGEN's sales were to grow at 0.2% per year. Then the value would be ₱922 or 15% lower than 20% above our base case.

Risks

We assume a risk-free rate of 0.10% and a market equity risk premium for the Philippine market of 6.00%. The current market price is ₱922.

WACC

WACC: 8.0%

Debt: 56%

Equity: 44%

Cost of Debt: 4.8%

Cost of Equity: 10.4%

Weighted Average: 8.0%

VALUATION MASTER CLASS

Category	Value (₱)
Current Price	922
Estimate	1,040

WACC: 8.00%

Source: S&P, Investment Research, Company site, Reuters

25 June 2020

WEEK 1

Accounting basics and industry analysis - Identify value sources, costs, margins, and accounting basics



VALUATION MASTER CLASS
by A State
INVESTMENT
RESEARCH

Monday



LECTURE:

- NO LECTURE



LIVE SESSION:

- KICK OFF



FINAL PROJECT:

- FIND 3RD PARTY RESEARCH

Tuesday



LECTURE:

- BUILD SOLID ACCOUNTING SKILLS



LIVE SESSION:

- TUTORING TUESDAY



FINAL PROJECT:

- START WORKING ON THE INDUSTRY ANALYSIS

Wednesday



LECTURE:

- ANALYZE COMPETITIVE POSITION



LIVE SESSION:

- NO LIVE SESSION



FINAL PROJECT:

- NO NEW ASSIGNMENTS

Thursday



LECTURE:

- UNDERSTAND COSTS AND MARGINS



LIVE SESSION:

- TRIAL RUN THURSDAY



FINAL PROJECT:

- SUBMIT INDUSTRY ANALYSIS PAGE AND PRESENTATION

Friday



LECTURE:

- IDENTIFY TRUE SOURCES OF VALUE



LIVE SESSION:

- INDUSTRY ANALYSIS



FINAL PROJECT:

- REVISE YOUR ASSIGNMENTS

WEEK 2

Revenue forecasting foundations week - Learn revenue forecasting, company ratios, and growth funding

Monday

LECTURE:

- LEARN HOW FIRMS FUND GROWTH

LIVE SESSION:

- GREAT STORIES

FINAL PROJECT:

- YOUR 3-KEY STORIES

Tuesday

LECTURE:

- ASSESS COMPANY RATIOS

LIVE SESSION:

- TUTORING TUESDAY

FINAL PROJECT:

- COMPANY BACKGROUND

Wednesday

LECTURE:

- FORECAST REVENUE – PART 1

LIVE SESSION:

- NO LIVE SESSION

FINAL PROJECT:

- REVISE THE INDUSTRY PAGE

Thursday

LECTURE:

- FORECAST REVENUE – PART 2

LIVE SESSION:

- TRIAL RUN THURSDAY

FINAL PROJECT:

- COMPANY BACKGROUND PRESENTATION

Friday

LECTURE:

- NO LECTURE

LIVE SESSION:

- STORY OUTLINES

FINAL PROJECT:

- REVISE ALL ASSIGNMENTS

WEEK 3

Balance sheet forecasting week - Cover forecasting across P&L, assets, and profits



VALUATION MASTER CLASS
by ASiR
INVESTMENT
RESEARCH

Monday



LECTURE:

- FORECAST GROWTH PROFIT



LIVE SESSION:

- STOCK CATALYSTS



FINAL PROJECT:

- STORY I

Tuesday



LECTURE:

- FORECAST OPERATING PROFIT



LIVE SESSION:

- TUTORING TUESDAY



FINAL PROJECT:

- REVENUE BREAKDOWN

Wednesday



LECTURE:

- VALUEMODEL- P&L FORECAST



LIVE SESSION:

- NO LIVE SESSION



FINAL PROJECT:

- CONSENSUS ESTIMATES

Thursday



LECTURE:

- FORECAST CURRENT ASSETS



LIVE SESSION:

- TRIAL RUN THURSDAY



FINAL PROJECT:

- FORECAST THE P&L OF YOUR COMPANY

Friday



LECTURE:

- FORECAST FIXED ASSETS



LIVE SESSION:

- FIRST STORY



FINAL PROJECT:

- REVISE ALL ASSIGNMENTS


WEEK 4

Cash flow mastery week - Dive into free cash flow, liabilities, and investment frameworks

Monday

 **LECTURE:**

- WORLD-CLASS BENCHMARKING

 **LIVE SESSION:**

- VMC PROFESSIONAL


 **FINAL PROJECT:**

- STORY II AND III


Tuesday

 **LECTURE:**

- FVMR FRAMEWORK

 **LIVE SESSION:**

- TUTORING TUESDAY


 **FINAL PROJECT:**

- WCB AND FVMR


Wednesday

 **LECTURE:**

- CURRENT AND LT LIABILITIES

 **LIVE SESSION:**

- NO LIVE SESSION


 **FINAL PROJECT:**

- WCB AND FVMR PRESENTATION


Thursday

 **LECTURE:**

- EQUITY AND PLUG ITEMS

 **LIVE SESSION:**

- TRIAL RUN THURSDAY


 **FINAL PROJECT:**

- START WORKING ON THE BALANCE SHEET

Friday

 **LECTURE:**

- FREE CASH FLOW

 **LIVE SESSION:**

- REMAINING STORIES

 **FINAL PROJECT:**

- REVISE ALL ASSIGNMENTS


WEEK 5

Valuation week - Focus on valuation mistakes, relative valuation, and forecasting into perpetuity

Monday

 **LECTURE:**

- FORECASTING TO INFINITY

 **LIVE SESSION:**

- MODELING MONDAY


 **FINAL PROJECT:**

- VALUATION

Tuesday

 **LECTURE:**

- LEARN RELATIVE VALUATION

 **LIVE SESSION:**

- TUTORING TUESDAY


 **FINAL PROJECT:**

- VALUATION SLIDES

Wednesday

 **LECTURE:**

- SEE 9 VALUATION MISTAKES

 **LIVE SESSION:**

- NO LIVE SESSION


 **FINAL PROJECT:**

- EXECUTIVE SUMMARY AND RISKS

Thursday

 **LECTURE:**

- FOLLOW THE 6 VALUEMODEL VIDEOS

 **LIVE SESSION:**

- TRIAL RUN THURSDAY


 **FINAL PROJECT:**

- SUBMIT DRAFT REPORT BY SUNDAY


Friday

 **LECTURE:**

- NO LECTURE

 **LIVE SESSION:**

- PRACTICE PITCHING

 **FINAL PROJECT:**

- REVISE YOUR REPORT

WEEK 6

Presentation week - Time to finish writing your research report and prepare to present



VALUATION MASTER CLASS
by A State
INVESTMENT
RESEARCH

Monday

LECTURE:
• NO LECTURE



LIVE SESSION:
• PRESENTING
ADVICE



FINAL PROJECT:
• REVISE YOUR
REPORT



Tuesday

LECTURE:
• NO LECTURE



LIVE SESSION:
• LIVE
PRESENTATION



FINAL PROJECT:
• PRACTICE
PRESENTING



Wednesday

LECTURE:
• NO LECTURE



LIVE SESSION:
• LIVE
PRESENTATION



FINAL PROJECT:
• FINAL REPORT
AND VIDEO
PRESENTATION



Thursday

LECTURE:
• NO LECTURE



LIVE SESSION:
• NO LIVE
SESSION



FINAL PROJECT:
• NONE



Friday

LECTURE:
• NO LECTURE



LIVE SESSION:
• GRADUATION
CEREMONY



FINAL PROJECT:
• NONE



After completing the program, you...



Have developed all necessary industry skills to jumpstart your career as a financial analyst, investment banker, or fund manager

Gained experience that would take years to get on the job

Found a way to differentiate yourself

Learned the importance of frameworks and being highly efficient



Continue your journey with us

Boot Camp graduates are eligible for Valuation Master Class Professional. In that, students are going to build a real competitive advantage in company valuation by valuing 9 more companies and learning about advanced forecasting concepts.



ARE YOU UP FOR THE CHALLENGE?

LEARN MORE AND SIGN UP AT

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