

Financial Analysis, Modelling & Forecasting in the Oil & Gas Industry

Course Price

£2750

Course Description

This three-day intensive and interactive course uses the principles of financial analysis and the power of Excel to identify the important variables that can dramatically enhance the value of an organisation in the oil and gas industry. Using Excel and oil and gas based cases and exercises, delegates will learn how to master many of the tools and functions it provides to apply the latest financial analysis techniques, understand what the numbers are revealing and be better able to make strategic and tactical decisions.

The seminar proceeds from fundamental financial analysis to more advanced techniques for determining the cost of capital, methods of projecting the benefit of capital projects. In addition, delegates will learn how to evaluate organisations with which delegates are planning to do business; determine if they are able to provide strategic strength to your company.

Databases of companies and situations in the oil and gas industry have been specially prepared for this course and delegates will have the opportunity to analyse companies from around the globe: both IFRS based companies and US GAAP companies, for example.

Participants will be given Excel templates for use during this session, which will be theirs to keep. The power of Excel enriches the learning experience and enhances the seminar experience found when using only manual learning methods.

Course Objectives

On completion of this course delegates will be able to:

- Analyse a company's annual report identifying key performance indicators in order to understand what the numbers are really saying and make projections of future performance
- Benchmark corporate performance against peer groups and industry statistics.
- Use the powerful tools in Excel such as the Financial and Statistical functions, aspects of the Data Analysis ToolPak and array functions
- Learn how to use Excel tools such as SOLVER, Goal Seek, Scenario Manager
- Analyse time series data and develop relationships using such techniques as exponential smoothing, simple and multiple regression analysis and other techniques
- Understand the time value of money and its application
- Use Excel with more confidence and flexibility, thus saving large amounts of time and enhancing

productivity

Who Should Attend

Anyone requiring a more advanced understanding of financial analysis, modelling & forecasting in the oil & gas industry

- Financial professional seeking to enhance their analytical, modelling and forecasting skills
- Financial Professionals with the need to enhance their spreadsheeting expertise
- Professionals seeking to improve their financial and other communication skills
- Personnel from departments other than finance who have the need to get to grips with financial analysis, modelling and forecasting
- Professionals who would benefit from having an opportunity to undertake consultancy to solve their analysis, modelling and forecasting problems in a spreadsheet or case study setting.

Course Content

Day 1

Analysing the Annual Report

- Review of financial statements using International Financial Reporting Standards (IFRS) and US Generally Accepted Accounting Principles
 - o The picture presented by the financial statements relative to past operations
 - o Financial Ratio Analysis: the heart of Financial Analysis
 - o Use the Notes to the Accounts: vital supplementary information
 - o Use and create Excel templates to calculate and interpret liquidity, leverage and profitability ratios among others
- Use specially prepared Excel databases as well as investment surveys to benchmark the results of financial analysis vis a vis a wide variety of organisation types and draw conclusions from such analysis

Day 2

1. Financial Planning and Forecasting

- The Objectives of Financial Analysis
- The Role of Assumptions in Financial Forecasting
- Determination of Model and Forecast Horizons
- The recognition of risk in forecasts
- Development of Time Series Models using histograms, moving averages, exponential smoothing and regression analysis
- Using Regression to predict and estimate
- Mastering the use of Exponential Smoothing
- Developing What ... if? Scenarios in Your Financial or Operational Models including the use of Excel's Scenario Manager
- Using the Excel tools Goal Seek and SOLVER

2. The Time Value of Money

- The impact time has on the value of money.
- Understand interest rate calculations: simple v compound; annually, half yearly, quarterly, monthly, daily, continuously
- Using WACC and ROIC as benchmarks
- Use Excel financial functions to determine Present Value, Future Value, Net Present Value, Internal Rate of Return, Modified Internal Rate of Return among others

3. Evaluating Capital Project Proposals

- What constitutes “Shareholder Value?”
- Finding the cost of equity
- Determine the Cost of Debt, Preferred (Preference Share) Equity and Common (Ordinary share) Equity
- Calculate the Weighted Average Cost of Capital (WACC)
- Identify the various types of capital projects
- Discuss the capital project evaluation process
- Determining the initial and subsequent capital project cash flows
- Development of the “Hurdle Rate” for capital projects
- Discuss the use of “Terminal Value” in evaluating capital projects

Day 3**Effective Management of Historical Data Using Excel**

- Determining Reliability in Model Projections
- Identifying the Sensitivity of a Model
- Principles of risk measurement in individual shares
- Graphing expected return and risk using variance analysis
- Use Excel to determine the Beta of listed share on a securities market

CPD Unit**Continuing Professional Development****21 HOURS CPD**