Investment Decision Support for CFO

Perceptive Analytics
Data Analytics | Spreadsheet Modeling
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The Client

Mr. John is the CFO of a mid-sized company based in Chicago, IL. He was looking for research support to assess the investment opportunity in a mining company listed on NASDAQ.

Sample Analysis Template

- Scanned through the 10Ks, 10Qs and analyst conference calls
- Analyzed historical financials to identify trends in key ratios
- Projected earnings and cash flows for 5 year period
- Performed scenario analysis of pricing, volume and COGS
- Used DCF analysis to ascertain enterprise value
- Conducted Sensitivity analysis of price to EPS, EBITDA and ROIC

Solution

Perceptive helped the CFO by developing an Excel-based model that captured historical financial data and prepared revenue and cash flow projections. The key investment metrics calculated and scenario analysis built in the dashboard provided client with the support needed to analyze and predict stock performance.

Benefits

- Helped client in deciding the timing of investment
- Provided strategic insights into revenue and growth drivers
- Predicted stock performance under multiple scenarios i.e. upside, base case and downside
- Provided client with a holistic view of current business situation
- Performed macro-economic analysis to help client understand possible economic developments and their implications on performance

Sensitivity Analysis

1. For Earnings Per Share (EPS)

<table>
<thead>
<tr>
<th>Increase in Price</th>
<th>EPS - 2014</th>
<th>EPS - 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>$1.73</td>
<td>$2.44</td>
</tr>
<tr>
<td>2%</td>
<td>$2.20</td>
<td>$2.97</td>
</tr>
<tr>
<td>5%</td>
<td>$2.85</td>
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<tr>
<td>15%</td>
<td>$4.98</td>
<td>$6.42</td>
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</table>

<table>
<thead>
<tr>
<th>Increase in Volume</th>
<th>EPS - 2014</th>
<th>EPS - 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>$1.73</td>
<td>$2.44</td>
</tr>
<tr>
<td>2%</td>
<td>$1.85</td>
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<tr>
<td>15%</td>
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<td>$3.05</td>
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</table>
Perceptive Analytics

Perceptive Analytics is a Data Analytics and Financial Modeling services company. We deliver insightful solutions to C-level executives and managers in Fortune 500 companies, Private Equity, Investment Banking and Venture Capital industries and entrepreneurs. Our modeling services are useful for:

- Equity Research
- Enterprise Valuation
- Strategic Planning
- Financial Statements Review and Due Diligence
- Financial Projections and
- Budgeting and Reporting

We serve a diverse range of customers across a wide span of sectors such as Consumer Packaged Goods, Manufacturing, IT, Hotels, BFSI, Retail and Management Consulting. We help organizations of all sizes, from large global companies to start-ups seeking to establish their business.

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