

## Project Investment Financial Appraisal

CITAC's **interactive workshop** will

- ◆ consider the various stages of an investment project
- ◆ evaluate live examples of potential acquisitions and disposals and use financial models to aid decision making
- ◆ help delegates to develop an understanding of their risk tolerance and how to use techniques such as discount factors and acceptable rates of return to model that tolerance
- ◆ encourage delegates to share their own examples and experiences



### The 3 day workshop will cover:

- ◆ **The project**  
Characteristics, principles of project management, the project team, the role of financial analysis in projects
- ◆ **Building the business case**
- ◆ **Financial modelling foundations**  
A walk-through of a complete model to demonstrate the approach, characteristics of a model which will survive in a live deal environment, and methodology and key steps required to achieve a robust and efficient model
- ◆ **Key characteristics of a good model**  
Easy to use and update, efficient to calculate and capable of rapid sensitivity analysis, robust and dynamic to survive a transaction, and cost-effective to be 'audited' by an independent third party
- ◆ **Building the future cash flows**  
Creating basic assumptions for operating income and costs, assumptions about initial and ongoing capital costs, impact of working capital, inflation, taxation, exchange rates and financing costs on cash flows, time frame to use and the role of residual value, and the changing Return of Capital Employed over time
- ◆ **Quantifying the risks**  
Tangible and intangible risks, risk tolerance, use of discount rates and Internal Rate of Return, pay-back, ROCE hurdle rates to model risk
- ◆ **Choosing between competing investments**  
Systematic decision making tools to choose between different projects and alternative means of financing the same project
- ◆ **Valuing a business as an ongoing concern**  
Building the future cash flows of an enterprise, concept of enterprise value added, and valuing publicly quoted companies
- ◆ **Financing the deal**  
Costs of alternative sources of finance, modelling the debt/equity structure and debt repayment programme, funding through development and implementation phases
- ◆ **Implementation phase**  
Managing the project on a day to day basis, decision gates and milestones, the importance of due diligence in acquisition and standalone versus integration into the business
- ◆ **Handing over to business as usual**  
User acceptance, post investment review, analyses of improvements needed, achievement of objectives, unexpected things occurred and changes for future projects

### Who should attend?

- ◆ Fuel marketers
- ◆ Distribution companies
- ◆ Service station operators
- ◆ Finance institutions involved in trade and project finance
- ◆ Financial analysts
- ◆ Merger, acquisitions and buyout specialists
- ◆ Credit, treasury and risk managers
- ◆ Newcomers to the downstream market
- ◆ Government energy regulators
- ◆ Refiners
- ◆ Importers & exporters of oil products

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