



PROJECT FINANCE & INFRASTRUCTURE MODELING COURSE

DURATION: 3 DAYS

PIVOTAL180
WWW.PIVOTAL180.COM

BUILD A PROJECT FINANCE MODEL FROM SCRATCH USING AN INFRASTRUCTURE PROJECT CASE STUDY

COURSE CONTENT

- Develop a best-practice financial model and optimize it for both debt and equity investors for an infrastructure project finance deal.
- Participants in the class will learn the concepts to develop a financial model related to Public Private Partnerships (PPPs / P3s) for both social and economic infrastructure. Whilst the course touches on infrastructure sub-sectors, the main case study is that of a PPP hospital project. A toll road model is also provided with a description of the revenue and cost drivers.
- Learn from industry leaders and ivy league professors either in-person at a public session, on-site at your offices or campus, online, or our new live streaming courses.

WHATS INCLUDED

- 12 months access to our online material, including concept videos with transcriptions, lecture slides, downloadable spreadsheet examples.
- A complete step-by-step model walk-through, and access to discussion forums for ongoing questions.
- Subscription can be extended annually post the first 12 months for \$100 per annum.
- Lunch, tea & coffee at the venue (public session participants only).
- Membership to the Pivotal180 alumni network.
- Course completion certificate.

WHO SHOULD ATTEND

- Due to the large volume of content available, the course is suitable for all-levels – there is something for everyone.
- Analysts, associates & vice presidents at banks, funds, investors, developers, and operating entities looking to standardize approaches to modeling or solve new problems
- More senior participants changing careers or looking to up their skill-set
- Students wishing to enter the project finance sector or about to start new roles – get ahead of your competition now
- The course covers a broad enough set of topics such that it is also suitable for those in other project finance sectors such as power or mining

PRE-REQUISITES

- Basic knowledge of Excel only

COURSE OUTCOME

- Best practice project finance modeling
- Project finance concepts and operations
- Optimizing a model to satisfy investors – do a deal!
- Professional presentation of outputs and 3-way statements

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The course, and in particular, Dan and Haydn's knowledge and experience exceeded our expectations. We look forward to taking another course!

DELIVERY ONLINE, PUBLIC, LIVE STREAMING OR IN-HOUSE



ONLINE OFFERINGS

In addition to in-person training, we offer interactive live-streamed courses and self-paced online learning programs with video lessons and downloadable demonstration files. Our online platform allows participants to review materials or dive deeper whenever they chose to do so. Videos can also be available for license to host on your choice of Learning Management System.



WORLD-CLASS TRAINING

Our courses are not limited to financial modeling and best practices in Microsoft Excel. We are committed to explaining how the numbers align with underlying financial and engineering concepts, transaction structures, legal documentation, market conditions and risk management approaches. We don't just teach how to build models. We teach how to do deals.



CUSTOMIZED CONTENT

Our training programs are the most custom tailored in the market. As one size rarely fits all, we encourage clients to select training topics from an extensive menu of offerings as diverse as corporate governance, compliance and international tax. If we don't have something ready to go, we are happy to develop new content or company-specific case studies upon request.



We design our programs to make hard things feel easy. Dry material becomes interesting and fun.

PRE-COURSE MATERIAL

- Course requirements and overview
- Excel functions required
- Shortcuts, named ranges, and data validation
- Best practice principles
- Best practice – flags and accounts
- Impact of leverage on a project finance deal

PROJECT FINANCE INTRODUCTION

- Introduction to project finance
- Typical investment structures
- Tax and legal implications
- Overall timeline and cashflow relationships
- Major contracts and risk vs reward
- Roles of different parties in the deal

PROJECT FINANCE TERM LOANS

- Impact of leverage on a deal
- Types of lenders and their mindset
- Appropriate discount rates and interest repayments
- Principal repayment options
- Debt service cover ratio (DSCR)
- Sculpting and sizing debt
- Cash sweeps
- Loan life cover ratio (LLCR)
- Other debt ratios used for going-concerns
- Understanding a Facility Agreement

CASHFLOW DRIVERS

- Availability payments
- Lifecycle costs
- Revenue forecasting for patronage risk projects
- Typical costs for infrastructure projects
- Inflation calculations
- Discussion of risk profiles of infrastructure assets, including:
 - Airports
 - Ports
 - Rail
 - Roads
- Social infrastructure
- Major maintenance reserve accounts
- Understanding:
 - Project Agreements
 - Concession Agreements
 - O&M Agreements

WATERFALL AND CASHFLOW SUMMARY

- Typical waterfall structure vs cashflow statement
- Accounting vs cash issues
- Global differences in calculating the waterfall
- Accounts required and the role of the administrative agent
- Develop separate cashflow forecasts for debt and equity analysis
- Develop upside and downside scenarios and sensitivities with data tables

DEBT SERVICE RESERVE ACCOUNT (DSRA)

- Requirement of (and implementation of) a DSRA
- Impact of the DSRA on debt ratios
- The debt service facility as an alternative
- Develop model checks to ensure compliance with loan documents
- Leading advisors and other service providers

CONSTRUCTION PHASE

- EPC contract overview
- Completion testing required and holdback payments
- Value added tax challenges and solutions
- Sources and uses
- Model construction costs and understand funding challenge
- Calculate total funding required
- Discuss alternative drawdown orders

DEPRECIATION AND TAX

- Straight line, reducing balance, and MACRS depreciation
- Model from EBITDA to EBT
- Thin capitalization constraints on tax deductibility
- Tax losses carried forward
- State and local taxes
- What happens when tax is ahead of CADs
- International tax considerations (i.e. WHT, tax treaties)
- Complete post tax valuations

RETURNS

- Comparison of accounting and tax depreciation
 - Developing an income statement and balance sheet
 - Converting quarterly calculations to annual outputs
 - Calculating working capital
 - Add deferred taxes to your model
 - Outputs required for an investment decision
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CORE OUTPUTS

- Comparison of accounting and tax depreciation
- Developing an income statement and balance sheet
- Converting quarterly calculations to annual outputs
- Calculating working capital
- Add deferred taxes to your model
- Outputs required for an investment decision

MODELING QUALITY CHECKS

- Adding model checks
- How to review a model

OPTIMIZING A DEAL MODEL

- Solve the price required to achieve a hurdle rate
 - Size the debt required in operations and construction
 - Introduction to VBA for project finance
 - Running scenarios with VBA
 - Simplifying alternatives to avoid VBA
 - Summary of core risks with analysis
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THE PIVOTAL180 DIFFERENCE

Pivotal180 does not just advise on transactions and walk away, we build institutional capacity, transferring critical skills and knowledge to our clients in the fields of infrastructure, energy, transportation, mining, agriculture, manufacturing and services. Every engagement is structured to include significant coaching and mentorship. We don't conduct analysis, develop policy or close deals for you. We do it with you. We insist that our clients are actively engaged as a part of the team, taking ownership of analysis and decision making.

We provide full transparency, exposure and explanation of the underlying concepts, documentation, tools and best practices. Our greatest goal is empowering government ministries to break the cycle of dependency upon transaction advisors and foreign consultants. We don't want our clients to rely on us in the future. We want them to stand strong on their own.

Our team has decades of experience leading transactions as principal investors and advisors. We can advise and coach you on transactions and market structures, government policy and incentives, and asset management practices because we have done deals in the private sector. We are intimately familiar with the transaction execution process as well as how to view a transaction from the perspective of various parties to a transaction, including the developer, equity investor, lender, or government ministry.



DANIEL GROSS
PRINCIPAL

Lecturer, Yale University
Adjunct Professor, Columbia University

Qualifications:

Masters in Environmental Management, M.B.A. and
B.A. (Phi Beta Kappa)
Yale University (USA), Fulbright Scholar



HAYDN PALLISER
PRINCIPAL

Lecturer, Yale University
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Bachelor of Engineering (Hons)
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Master of Applied Finance
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