



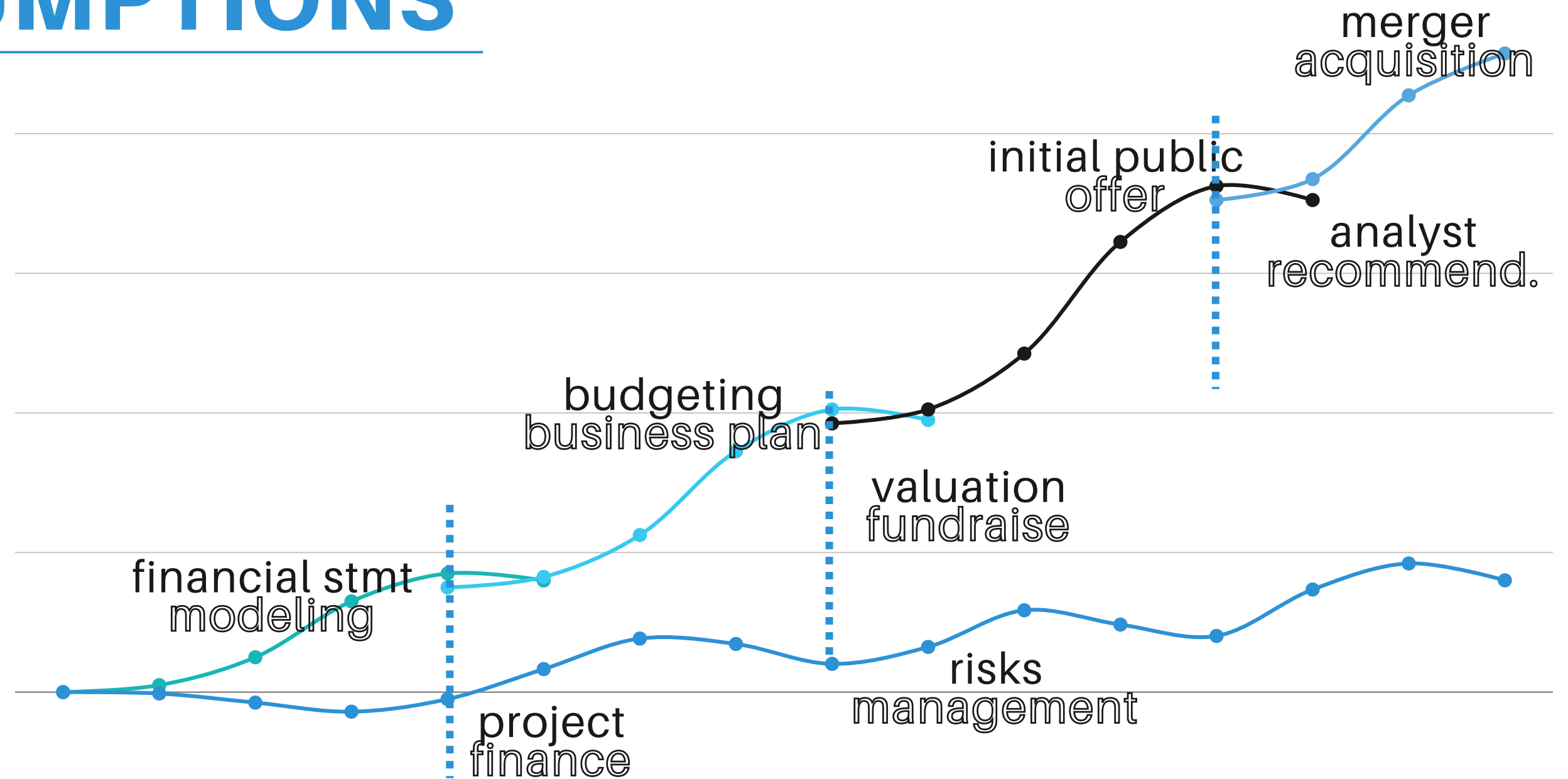
8 BUSINESS CONTEXTS & OBJECTIVES

13 STAKEHOLDERS & CRITERIA

25+ ASSUMPTIONS

Financial models serve several **business contexts**, and their objectives.

Align **stakeholders**, and their criteria by staying on top of **key assumptions** for business success.





FINANCIAL MODELS

Contexts | Objectives | Stakeholders

CONTEXTS	BUSINESS PLANNING	PROJECT FINANCE	RISKS MANAGEMENT	MGMT CONSULTING
OBJECTIVES STAKEHOLDERS	Plan growth & stability, allocate resources efficiently	Fund projects with a predictable cash flow	Protect assets and ensure stability	Improve performance, efficiency, competitiveness
 MANAGEMENT	✓	✓ Project Sponsor = Company		✓
 FINANCIAL CONTROLLER	✓	✓	✓	
 SHAREHOLDERS	✓ For Capital allocation	✓	✓	✓
 NEW INVESTORS		✓	✓	
 LENDERS		✓	✓	
 DEPARTMENT HEADS	✓			✓
 CONTRACTORS		✓		
 CONSULTANTS				✓
 INSURANCE UNDERWRITER			✓	



FINANCIAL MODELS

Contexts | Criteria | Key Assumptions

CONTEXTS	BUSINESS PLANNING	PROJECT FINANCE	RISKS MANAGEMENT	MGMT CONSULTING
CRITERIA ASSUMPTIONS	Market, competition, efficient ops, sufficient cash flow	Feasibility, potential returns, politics, ESG, completion risk	Credit/ market/ liquidity/ operational/ compliance risk	Feasibility, Organizational impact, Market response
CASHFLOW FORECAST	✓	✓	✓	✓
FINANCING TERMS		✓	✓	
MACRO ECO/ IND OUTLOOK	✓		✓	✓
SALES FORECAST	✓	✓		
OP EX/ TECH BUDGETS	✓	✓		
CAP EX PLANS	✓	✓		
PROJECT TIMELINES		✓		
VOLATILITY		✓	✓	
MARKET Potential, OPS Eff.				✓
Credit scores, Collaterals			✓	



FINANCIAL MODELS

Contexts | Objectives | Stakeholders

CONTEXTS	VALUATION	INITIAL PUBLIC OFFER	MERGER/ ACQUISITION	STOCK RECOMMEND.
OBJECTIVES	Determine fair value for transaction purpose	Get listed to raise capital, grow credibility, or give exits	Diversify or get competitive edge for shareholder value	Provide investment advice to optimize risk-rewards
STAKEHOLDERS				
 MANAGEMENT	✓	✓	✓	
 FIN CONTROLLER/ ANALYST	✓	✓		✓ Analyst only
 SHAREHOLDERS	✓	✓	✓	
 NEW INVESTORS	✓	✓		
 LENDERS			✓	
 INVESTMENT BANKS		✓	✓	
 LEGAL			✓	
 REGULATORS		✓	✓	✓
 Institutional/ Retail Investors				✓



FINANCIAL MODELS

Contexts | Criteria | Key Assumptions

CONTEXTS	VALUATION	INITIAL PUBLIC OFFER	MERGER/ ACQUISITION	STOCK RECOMMEND.
CRITERIA ASSUMPTIONS	Potential returns, Macro eco, Market position, Industry risk	Market conditions, Valuation accuracy, Regulatory ok	Regulatory ok, real synergies, financial & cultural stability	Sector trends, Company performance, macro eco
CASHFLOW FORECAST	✓	✓		✓
FINANCING TERMS		✓	✓	
MACRO ECO/ IND OUTLOOK	✓			✓
GROWTH RATES	✓	✓	✓	✓
Terminal Value, Disc. Rates	✓			
MARKET Multiple, Condition	✓	✓		✓
PRICING STRATEGY		✓	✓	
UNDERWRITING FEES		✓		
COMPARABLE COMPANIES	✓	✓		
Synergies, Integration Costs			✓	



COLLECTIVE GOAL Management | Fin. Controller | Shareholder

Management, Financial Controller & Shareholders navigate the contexts together



Business's growth, cashflows, financing terms, macro economic & industry outlook are scrutinized most

