

# Western Capital Markets



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# I. Intro & Director Positions



# Educations Team

## Co-Heads of Education

**Adam Gzowski, HBA2**  
Houlihan Lokey, Restructuring  
Los Angeles

**Jerry Du, HBA2**  
Evercore, M&A  
New York

## Directors of Education

TBD  
**1<sup>st</sup> Year**

TBD  
**2<sup>nd</sup> Year**

TBD  
**HBA1**



## II. Educational Structure & Topic Overview



# Educational Structure

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**Current  
Events**

**Topic of  
the Week**

**Discussion  
Period**



# Topic Overview

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## Fall Semester Topics

- Introduction to Capital Markets
- Career Paths in Finance
- Getting the Job
- Major Events in Financial History
- Financial Securities Overview

## Spring Semester Topics

- Recruiting in 1<sup>st</sup> and 2<sup>nd</sup> Years
- Intrinsic Valuation
- Relative Valuation
- Operating Model (Excel)
- DCF & Comparables Valuation Model (Excel)





## III. Current Events



## IV. Introduction to Capital Markets

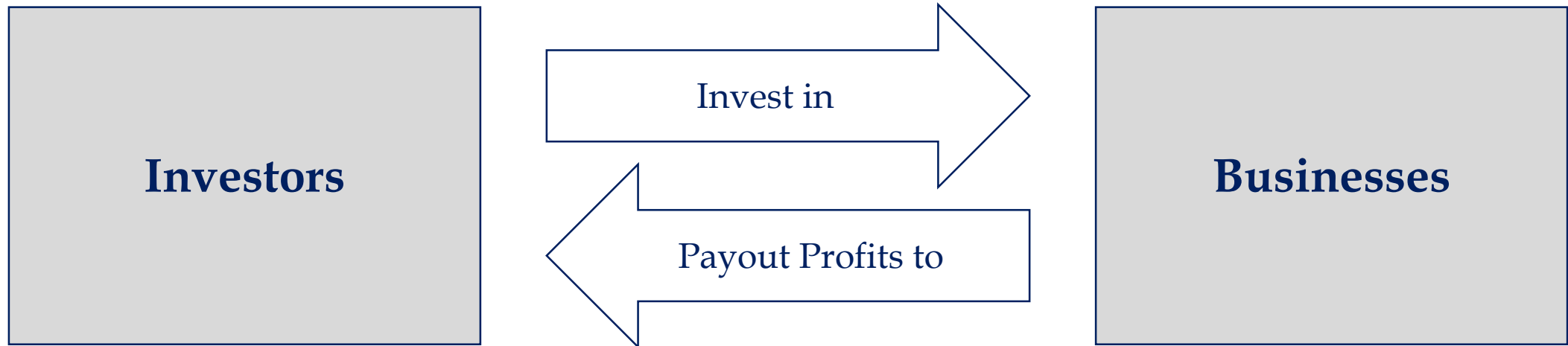


# Introduction to Capital Markets

## What is Capital?

*“Financial capital is any economic resource used by businesses to buy what they need to make their products or to provide their services”*

## Businesses raise Capital from Investors



# Equity and Debt Capital Markets

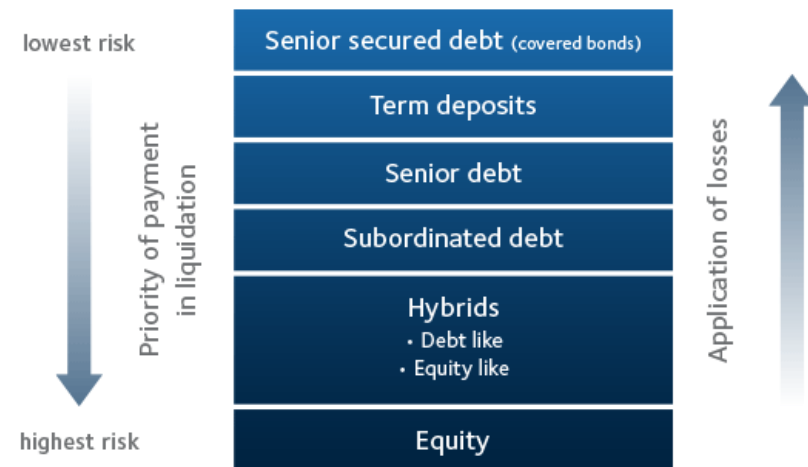
## Equity

- Typically referred to as common stock or common equity
- Receives dividends with no guarantees
- Riskiest part of a company's capital structure, paid back last in the event of a bankruptcy



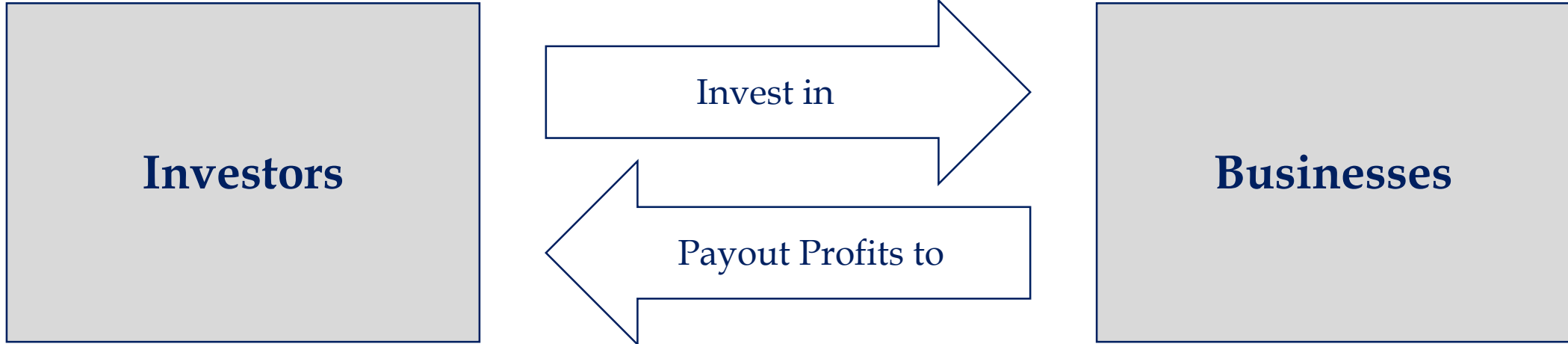
## Debt

- Can come in many forms, such as revolvers, term loans, bonds, mezzanine debt, etc.
- Receives predetermined interest payments
- Relatively safe part of a company's capital structure



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# So where do Investment Bankers come in?



Financial Statements Summary  
Twisted Cereals

Income Statement (\$'000) - 8 Years to June 2019

Year Ending	2012 (H)	2013 (H)	2014 (H)	2015 (F)	2016 (F)	2017 (F)	2018 (F)	2019 (F)	Year Ending	2012 (H)	2013 (H)
Revenue	14,497	15,617	16,956	18,212	19,818	21,416	23,139	24,942	Revenue	14,497	15,617
Cost of Goods Sold	(10,072)	(11,470)	(12,405)	(13,400)	(14,525)	(15,665)	(16,895)	(18,262)	Gross Margin	3,024	4,147
Gross Margin	3,824	4,147	4,551	4,812	5,293	5,750	6,180	6,681	Gross Margin %	27%	27%
Operating Expenses	(2,110)	(2,240)	(2,410)	(2,581)	(2,774)	(2,928)	(3,124)	(3,400)	EBITDA	1,759	1,936
EBITDA	1,759	1,936	2,117	2,311	2,520	2,792	2,956	3,191	EBITDA %	12%	12%
EBIT	1,202	1,229	1,454	1,648	1,795	1,977	2,042	2,171	EBIT	1,202	1,229
Net Interest Expense	(145)	(214)	(250)	(277)	(284)	(270)	(287)	(296)	Net Profit Before Tax	104	1,015
Net Profit Before Tax	104	1,015	1,184	1,369	1,511	1,707	1,755	1,875	Net Profit After Tax	78	753
Net Profit After Tax	78	753	838	976	1,072	1,309	1,329	1,374	Net Profit After Tax %	5%	5%

Balance Sheet (\$'000) - 8 Years to June 2019

Year Ending	2012 (H)	2013 (H)	2014 (H)	2015 (F)	2016 (F)	2017 (F)	2018 (F)	2019 (F)	Year Ending	2012 (H)	2013 (H)
Current Assets	3,318	3,570	3,921	4,200	4,382	4,448	4,746	5,028	Current Assets	3,318	3,570
Non-Current Assets	8,889	8,128	9,479	10,118	10,784	11,961	12,708	13,853	Total Assets	12,187	12,697
Total Assets	12,187	12,697	13,400	14,218	15,056	15,949	16,984	18,031			



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