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| 5 credits | 30.0 h | Q1 |
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| Teacher(s)          | Funhoff Axel ;Grégoire Philippe ;   |
| Language :          | English   |
| Place of the course | Louvain-la-Neuve  |
| Main themes         | <p><b>Topic 1</b></p> <ul style="list-style-type: none"> <li>• From business idea to business model</li> <li>• Attributes of good business models from the perspective of professional investors</li> <li>• Ways to think about developing good business models</li> </ul> <p><b>Topic 2</b></p> <ul style="list-style-type: none"> <li>• A brief introduction to business financing, aiming at maximizing a business' long-term value: equity, debt, mezzanine: pros/cons., implications, etc.</li> </ul> <p><b>Topic 3</b></p> <ul style="list-style-type: none"> <li>• Valuing businesses: which method is right for which sort of business type?</li> <li>• Brief explanation of the workings of financial reporting (what do key financial metrics mean, where are they reported, and what is the underlying logic of financial reporting)</li> <li>• Valuation discussion: from mature businesses to start-ups. What is the most appropriate valuation method and how do they reconcile?</li> <li>• Key focus will be on EV/EBITDA, P/E, DCF</li> </ul> <p><b>Topic 4</b></p> <ul style="list-style-type: none"> <li>• Introduction to the workings of professional investors, especially Venture Capitalists and Private Equity investors (funds, family offices, business angels, private investors, holding companies, etc.)</li> <li>• How investors make money in the different phases of investing: Seed, Growth, LBO/MBO, IPO, etc.</li> </ul> <p><b>Topic 5</b></p> <ul style="list-style-type: none"> <li>• Deal-making in practice: investment process, pre/post-money valuation, dilution, typical clauses in Shareholder Agreements</li> </ul> <p><b>Topic 6</b></p> <ul style="list-style-type: none"> <li>• Practical examples: how does the valuation of famous Unicorns reconcile with traditional valuation methods?</li> </ul> <p>1. Is Uber overvalued?<br/>2. Did Facebook overpay for WhatsApp?<br/>3. (Cases may be adjusted, according to actual newsflow)</p> |
| Aims                | <p><b>Having regard to the LO of the programme X, this activity contributes to the development and acquisition of the following LO:</b></p> <p>1</p> <ul style="list-style-type: none"> <li>• 1. Corporate citizenship 1.1. 'Demonstrate independent reasoning, look critically ' 1.2. Decide and act by incorporating ethical and humanistic values , ' 1.3. Decide and act responsibly ' 2. Knowledge and reasoning 2.1. Master the core knowledge of each area of management. 2.2. Master highly specific knowledge ' 2.3. Articulate the acquired knowledge from different areas 2.4. Activate and apply the acquired knowledge ' 3. A scientific and systematif approach 3.1. Conduct a clear, structured, analytical reasoning ' 3.4. Perceptively synthesize 'demonstrating a certain conceptual distance ' 3.5. Produce, through analysis and diagnosis, implementable solutions' 4. Innovation and entrepreneurship 4.2. Initiate, develop and implement ideas around a new product, service, process ' 5. Work effectively in an international and multicultural environment 5.1. Understand the inner workings of an organization ' 5.2. Position ... the functioning of an organization, in its ...socio-economic dimensions' 5.3. Understand and establish their own role and scope for action ' 8. Communication and interpersonal skills 8.1. Express a clear and structured message'</li> </ul> <p>-----</p> <p><i>The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".</i></p>  |

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| Evaluation methods          | <p><b>Continuous evaluation</b></p> <ul style="list-style-type: none"> <li>• Date: No</li> <li>• Type of evaluation: No</li> <li>• Comments: No</li> </ul> <p><b>Evaluation week</b></p> <ul style="list-style-type: none"> <li>• Oral: No</li> <li>• Written: No</li> <li>• Unavailability or comments: No</li> </ul> <p><b>Examination session</b></p> <ul style="list-style-type: none"> <li>• Oral: No</li> <li>• Written: QCM calculations and logical reasoning.</li> <li>• Unavailability or comments: 15 points QCM + 5 points questions</li> </ul>  |
| Teaching methods            | Classical lesson (free speech, supported by presentation) with a maximum of possible interaction with the students. There will be regular exercises, which also helps to involve students.   |
| Content                     | <p><b>Topic 1</b></p> <ul style="list-style-type: none"> <li>• From business idea to business model</li> <li>• Attributes of good business models from the perspective of professional investors</li> <li>• Ways to think about developing good business models</li> </ul> <p><b>Topic 2</b></p> <ul style="list-style-type: none"> <li>• A brief introduction to business financing, aiming at maximizing a business' long-term value: equity, debt, mezzanine: pros/cons., implications, etc.</li> </ul> <p><b>Topic 3</b></p> <ul style="list-style-type: none"> <li>• Valuing businesses: which method is right for which sort of business type?</li> <li>• Brief explanation of the workings of financial reporting (what do key financial metrics mean, where are they reported, and what is the underlying logic of financial reporting)</li> <li>• Valuation discussion: from mature businesses to start-ups. What is the most appropriate valuation method and how do they reconcile?</li> <li>• Key focus will be on EV/EBITDA, P/E, DCF</li> </ul> <p><b>Topic 4</b></p> <ul style="list-style-type: none"> <li>• Introduction to the workings of professional investors, especially Venture Capitalists and Private Equity investors (funds, family offices, business angels, private investors, holding companies, etc.)</li> <li>• How investors make money in the different phases of investing: Seed, Growth, LBO/MBO, IPO, etc.</li> </ul> <p><b>Topic 5</b></p> <ul style="list-style-type: none"> <li>• Deal-making in practice: investment process, pre/post-money valuation, dilution, typical clauses in Shareholder Agreements</li> </ul> <p><b>Topic 6</b></p> <ul style="list-style-type: none"> <li>• Practical examples: how does the valuation of famous Unicorns reconcile with traditional valuation methods?</li> </ul> <ol style="list-style-type: none"> <li>1. Is Uber overvalued?</li> <li>2. Did Facebook overpay for WhatsApp?</li> <li>3. (Cases may be adjusted, according to actual newsflow)</li> </ol> |
| Bibliography                | Bibliography:<br>'Axel Funhoff, 'A practical guide to interpreting financial statement and valuing companies', published by Elyson Capital, March 2017, <a href="https://drive.google.com/file/d/0B-P4PIFrB17WUmpGTTdqi14dk0/view">https://drive.google.com/file/d/0B-P4PIFrB17WUmpGTTdqi14dk0/view</a><br>'Tim Koller, Marc Goedhart, David Wessels, 'Valuation: Measuring and Managing the Value of Companies', (Wiley Finance) 6th Edition, 2015, ISBN-13: 978-1118873700   |
| Faculty or entity in charge | CLSM   |

| <b>Programmes containing this learning unit (UE)</b> |                        |         |              |   |
|--|------------------------|---------|--------------|---|
| Program title  | Acronym                | Credits | Prerequisite | Aims  |
| Master [120] in Management                           | <a href="#">GESM2M</a> | 5       |              |  |
| Master [120] in Business Engineering                 | <a href="#">INGE2M</a> | 5       |              |  |
| Master [120] in Management                           | <a href="#">GEST2M</a> | 5       |              |  |
| Master [120] in Public Administration                | <a href="#">ADPU2M</a> | 5       |              |  |
| Master [120] in Business Engineering                 | <a href="#">INGM2M</a> | 5       |              |  |