BLACKBIRD FOR TRAINING

Financial Due Diligence, Valuation & Deal Analysis

3 – 7 May 2027
Barcelona (Spain)



Financial Due Diligence, Valuation & Deal Analysis

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Introduction

Mergers and acquisitions require rigorous financial analysis to identify value, assess risks, validate assumptions, and support informed transaction decisions. Financial due diligence provides the foundation for understanding the quality of earnings, cash flows, working capital, debt, and other financial drivers of a target company, while valuation and deal analysis help determine whether a transaction creates sustainable value.

This intensive one-week course is designed to provide finance, investment, corporate development, and M&A professionals with practical tools and techniques for conducting financial due diligence, building transaction-focused financial models, valuing acquisition targets, and evaluating the financial attractiveness of M&A transactions.

Participants will develop a structured understanding of the complete financial analysis process, from reviewing historical financial performance and identifying key diligence issues to building valuation models, assessing transaction structures, analysing deal returns, and supporting investment decisions.

Course Objectives

By the end of this course, participants will be able to:

- Understand the role and objectives of financial due diligence in M&A transactions.
- Analyse historical financial statements and identify key financial trends and risks.
- Assess Quality of Earnings QoE and identify recurring and non-recurring items.
- Analyse revenue, EBITDA, working capital, cash flow, debt, and net debt.
- Identify financial red flags and potential deal risks during due diligence.
- Build transaction-focused financial models for M&A analysis.
- Apply DCF, Comparable Companies and Precedent Transactions valuation methodologies.
- Determine enterprise value, equity value, and key transaction adjustments.
- Analyse purchase price mechanisms, including locked-box and completion accounts.
- Evaluate deal structures, financing assumptions, and transaction costs.
- Perform accretion/dilution analysis and assess the impact of a transaction on the acquirer's financial performance.
- Conduct sensitivity and scenario analysis on transaction assumptions.
- Assess potential synergies and their impact on transaction value.
- Evaluate deal returns, including IRR, MOIC, and investment returns.
- Prepare an integrated financial analysis to support an M&A investment decision.
- Present financial due diligence findings and valuation conclusions to senior management and investment committees.



Course Outlines

Day 1: Financial Due Diligence in M&A

- Introduction to Mergers & Acquisitions and the transaction lifecycle.
- The role of financial due diligence in the M&A process.
- Financial due diligence vs. commercial, tax, and operational due diligence.
- Understanding the target company's business model and financial drivers.
- Review of historical financial statements.
- Analysing revenue and profitability trends.
- EBITDA analysis and normalization adjustments.
- Identifying recurring vs. non-recurring items.
- Quality of Earnings QoE analysis.
- Identifying financial red flags and potential transaction risks.
- Practical Case Study: Initial financial due diligence of an acquisition target.

Day 2: Quality of Earnings, Working Capital & Net Debt Analysis

- Detailed Quality of Earnings assessment.
- Normalized EBITDA and adjusted EBITDA.
- Revenue recognition and revenue sustainability.
- Customer concentration and revenue dependency.
- Cost structure and operating leverage.
- Working capital analysis and normalization.
- Working capital seasonality and transaction adjustments.
- Net debt analysis.
- Debt-like items and off-balance-sheet exposures.
- Cash flow conversion and free cash flow analysis.
- Identifying hidden liabilities and financial exposures.
- Workshop: Building a Financial Due Diligence adjustment schedule.

Day 3: M&A Valuation & Financial Modelling

- Building an M&A financial model.
- Transaction assumptions and model structure.
- Enterprise Value vs. Equity Value.
- Discounted Cash Flow DCF valuation.
- Forecasting revenue, EBITDA, CapEx, and free cash flow.
- Weighted Average Cost of Capital WACC.
- Terminal value and sensitivity analysis.
- Comparable Companies Analysis.
- Precedent Transactions Analysis.
- Selecting appropriate valuation multiples.
- Valuation triangulation.
- Purchase price and valuation bridge.
- Practical Workshop: Building an acquisition valuation model.



Day 4: Deal Structuring, Accretion/Dilution & Transaction Analysis

- Understanding M&A deal structures.
- Share purchase vs. asset purchase.
- Cash, debt, and equity-funded acquisitions.
- Transaction financing considerations.
- Purchase price mechanisms.
- Locked-box and completion accounts.
- Earn-outs and contingent consideration.
- Transaction fees and acquisition costs.
- Synergy analysis and synergy valuation.
- Accretion and dilution analysis.
- Pro forma financial statements.
- Impact of acquisition on EPS, EBITDA, and leverage.
- Debt capacity and financing considerations.
- Scenario and sensitivity analysis.
- Case Study: Evaluating alternative transaction structures.

Day 5: Deal Returns, Investment Decision & M&A Financial Analysis

- Measuring M&A transaction performance.
- Internal Rate of Return IRR.
- Multiple on Invested Capital MOIC.
- Return on investment analysis.
- Assessing value creation vs. value destruction.
- Integrated deal model review.
- Base case, upside case, and downside case analysis.
- Stress testing key transaction assumptions.
- Identifying deal-breakers and critical financial risks.
- Preparing Financial Due Diligence findings.
- Presenting valuation conclusions to senior management and investment committees.
- Developing an M&A investment recommendation.
- Final Practical Exercise: Complete financial due diligence, valuation, and deal analysis for a simulated acquisition.



Why Attend this Course

- Develop practical expertise in Financial Due Diligence for M&A.
- Identify financial risks before completing an acquisition.
- Master key financial valuation techniques used in M&A transactions.
- Build transaction-specific financial models.
- Understand how Quality of Earnings, working capital, and net debt affect purchase price.
- Evaluate acquisition structures and financing alternatives.
- Perform accretion/dilution and synergy analysis.
- Assess transaction returns and value creation.
- Strengthen the ability to communicate financial findings to senior decision-makers.
- Apply concepts through M&A case studies, modelling exercises, and transaction simulations.

Frequently Asked Questions

1. Who should attend this course?

This course is designed for finance professionals, investment professionals, M&A teams, corporate development professionals, financial analysts, investment bankers, private equity professionals, CFOs, and managers involved in acquisitions and strategic transactions.

2. Does the course cover Financial Due Diligence in M&A?

Yes. The course provides a practical approach to financial due diligence, including quality of earnings, EBITDA normalization, working capital, net debt, cash flow analysis, financial risks, and identifying potential deal issues.

3. Will the course cover company valuation and financial modelling?

Yes. Participants will work with key valuation approaches, including Discounted Cash Flow DCF, comparable companies, precedent transactions, enterprise value, equity value, and financial modelling techniques used in M&A analysis.

4. Will the course cover deal structuring and transaction analysis?

Yes. The course covers acquisition structures, transaction financing, purchase price considerations, earn-outs, locked-box and completion accounts concepts, synergies, and the financial implications of different deal structures.

5. Is the course suitable for participants who already have financial experience?

Yes. The course is designed for professionals with a finance or business background who want to strengthen their ability to evaluate acquisition targets, assess financial risks, perform valuation analysis, and support M&A investment decisions.



6. Will the course include practical exercises and M&A case studies?

Yes. The course incorporates practical exercises, financial analysis scenarios, valuation examples, and M&A case studies to help participants apply due diligence, valuation, and deal analysis concepts to realistic transaction situations.

Conclusion

The Financial Due Diligence, Valuation & Deal Analysis course equips participants with a practical framework to assess acquisition opportunities, identify financial risks, evaluate company value, and make informed M&A investment decisions.

