

A Simple Model

MANUAL

NOTES TO ACCOMPANY VIDEOS

These notes are intended to supplement the videos on ASimpleModel.com. They are not to be used as stand-alone study aids, and are not written as comprehensive overviews of the topic detailed. The purpose of these notes is to provide a tangible collection of the visuals used in the videos with comments highlighting the more important aspects covered.

Internet Browsers

ASimpleModel.com is compatible with most browsers, however, we believe the platform is optimized for Google Chrome.

We do at times experience technical difficulty with **Safari**. If Safari is your browser of choice please follow the steps pasted below for better interoperability. *Note: these steps are only necessary if you intend to subscribe to the quizzing platform.*

ASM w/ Safari Browser:

Safari on Desktop / Laptop

Step 1: Go to Safari settings and click on "Preferences..."

Step 2: Under Privacy tag >> Block cookies, you can see three options "From third party and advertisers", "Always" and "Never". Make sure Block cookies is set to "Never".

Safari on iPad / iPhone

Step 1: Open iPad settings and select Safari. Do the same for iPhones.

Step 2: In Privacy >> Accept Cookies, you can see three options "From visited", "Always" and Never? Make sure Accept Cookies is set to "Always".

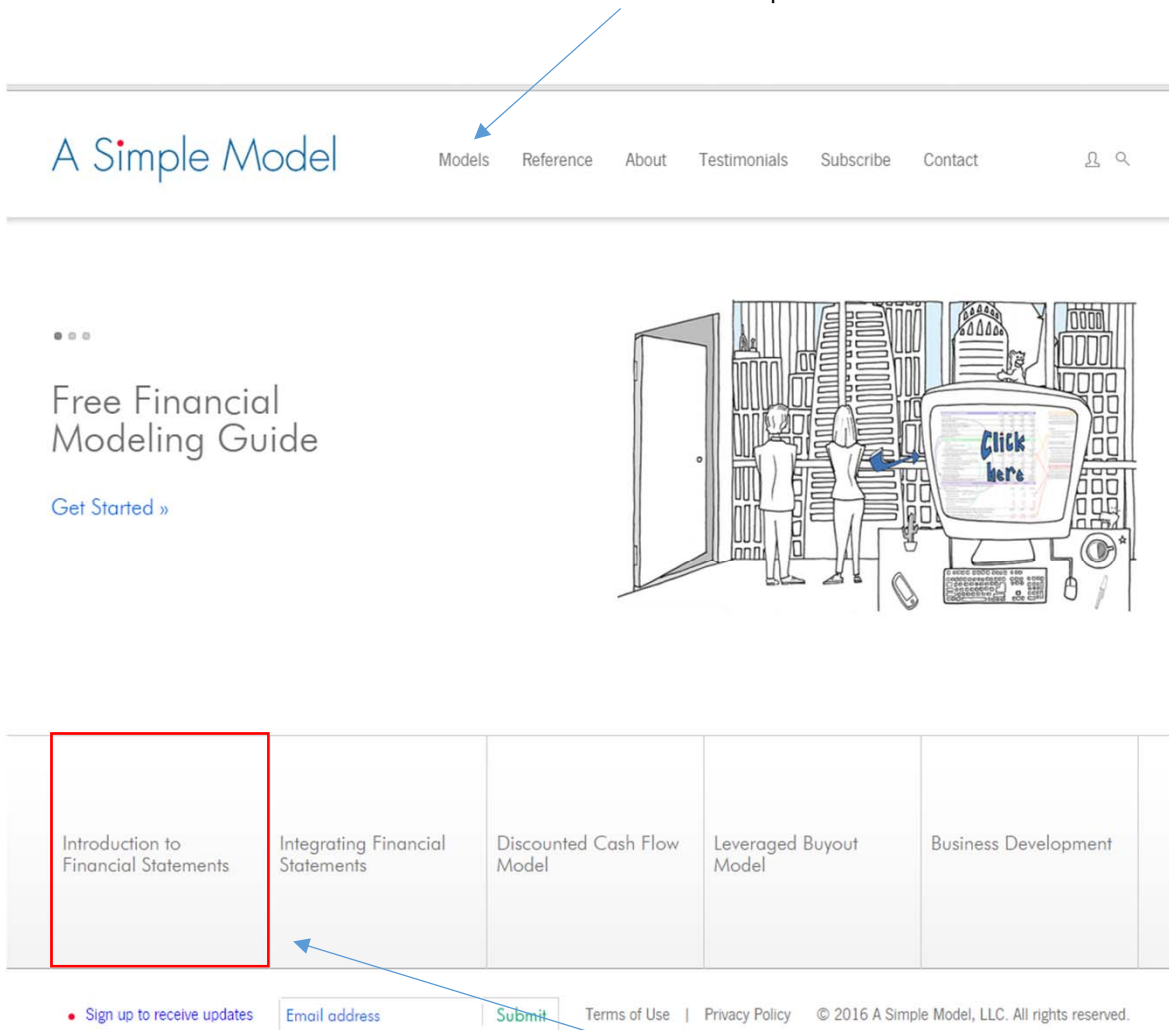
Microsoft Excel

Microsoft Excel, which is mentioned frequently on ASM, is proprietary software developed by Microsoft (naturally). We understand that not everyone can afford this software, and want to present a couple free alternatives available for download.

1. LibreOffice Calc <https://www.libreoffice.org/>
 - Per the website: "Calc is the spreadsheet program you've always needed. Newcomers find it intuitive and easy to learn. Professional data miners and number crunchers will appreciate the comprehensive range of advanced functions. Wizards can guide you through choosing and using a comprehensive range of advanced spreadsheet functions. Or you can download templates from the LibreOffice template repository, for ready-made spreadsheet solutions."
2. OpenOffice Calc <https://www.openoffice.org/>
 - Per the website: "Calc a powerful spreadsheet with all the tools you need to calculate, analyze, and present your data in numerical reports or sizzling graphics."

Welcome to ASimpleModel.com, a website dedicated to making the skill set required to build financial models more accessible. Our goal is to create simple material and facilitate the learning process with instructional video.

If you are new to Excel, we suggest getting started with our video series titled *Excel For Models*. To access this series click on the “Models” drop down menu.




Otherwise we suggest starting with the series titled *Introduction to Financial Statements*. This series introduces the financial statements in the context of building a financial model. From there you will be equipped to start working through the remaining topics from left to right.

By selecting one of the model categories, either through the drop down menu, or by selecting one of the large tiles at the bottom of the home page (see previous screen capture), you will navigate to a page detailing the content in that series.

Below you have an image of the *Leveraged Buyout Model* series. You will note that every series starts with the same introductory video, and then follows with the relevant content.

A Simple Model [Models](#) [Reference](#) [About](#) [Testimonials](#) [Subscribe](#) [Contact](#) [🔍](#)

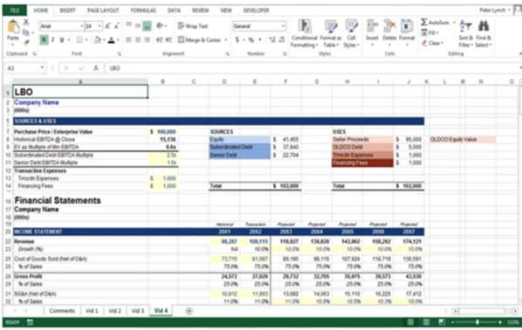
Models > Leveraged Buyout Model



• — 001
Jan 03, 2014
[How to Use This Website](#)

Each topic starts with the same introduction: a short instructional video providing direction for how best to use this website. The work sheet download, however, changes for each introductory video and provides notes relevant to each of the videos that follow in the series.

[Get Started »](#)



• — 002
Dec 23, 2013
[Simple LBO](#)

This video introduces the LBO model. It starts with an integrated financial statement model and adds the components required for LBO analysis.

[Download Notes: Simple LBO Model](#)
[Download Model: Simple LBO \(Step by Step\)](#)

[Get Started »](#)

Videos that have Notes or Excel Files will display links to the right of the image. Clicking on the image, or any of the hyperlinked text will take you to the video player.

The video player, pictured below, has a few helpful features that are worth pointing out. Along the top border of the video player you will see three options:

- View Full Screen
- Take the Quiz
- Next Video

The screenshot shows a video player interface for a video titled "Simple LBO". The video content is a Microsoft Excel spreadsheet. The spreadsheet is divided into several sections:

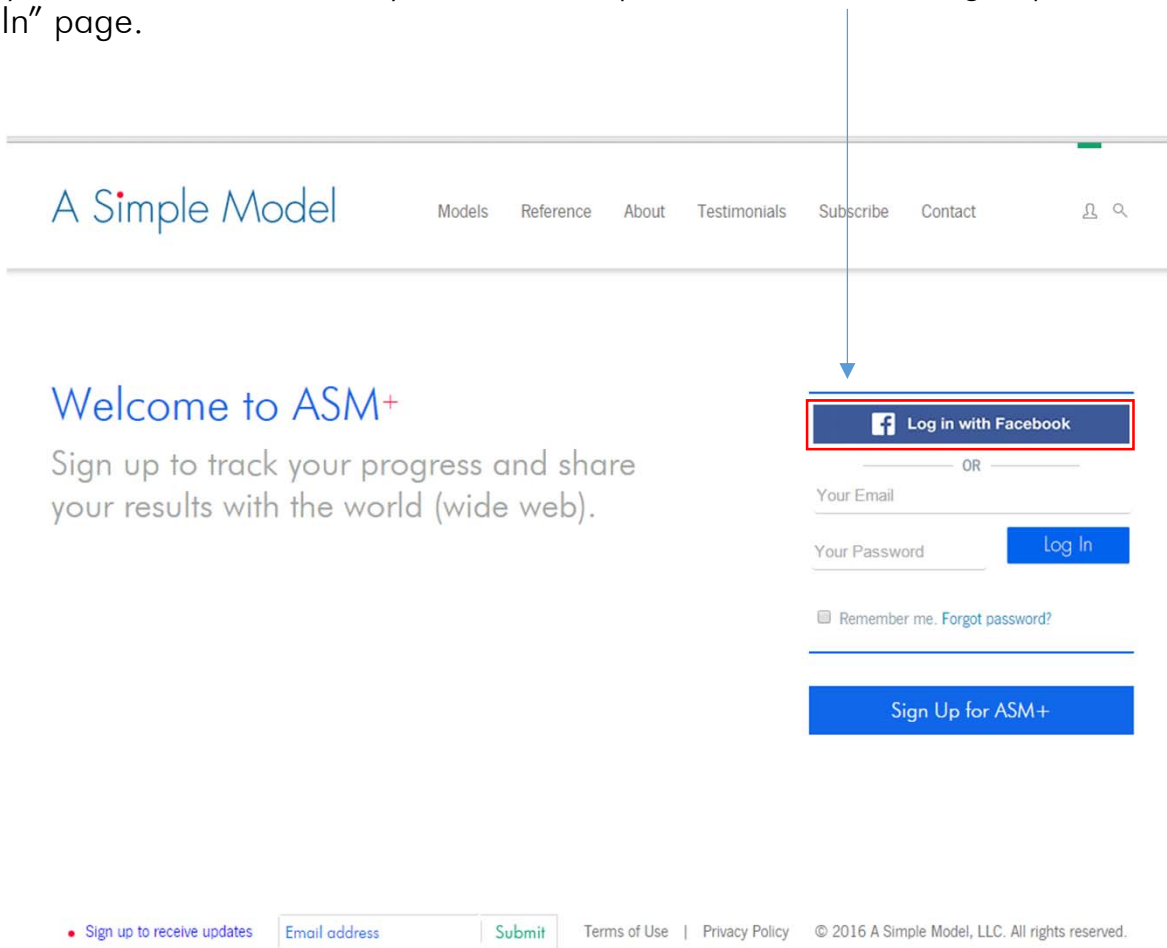
- SOURCES & USES:** This section details the financial structure of the LBO. It lists "Purchase Price / Enterprise Value" at \$100,000, "Historical EBITDA @ Close" at 15,136, and "EV as Multiple of Min EBITDA" at 6.6x. It also lists "Subordinated Debt EBITDA Multiple" at 2.5x and "Senior Debt EBITDA Multiple" at 1.5x. Under "Transaction Expenses", it lists "Trnsctn Expenses" and "Financing Fees" at \$1,000 each. The "SOURCES" section includes "Equity" (41,455), "Subordinated Debt" (7,840), and "Senior Debt" (704). The "USES" section includes "Seller Proceeds" (\$95,000), "OLDCO Debt" (\$5,000), "Trnsctn Expenses" (\$1,000), and "Financing Fees" (\$1,000). A "Total" row shows \$102,000 for both sources and uses.
- Financial Statements:** This section includes a table for the "INCOME STATEMENT" with columns for "Historical" (20X1, 20X2) and "Projected" (20X3, 20X4, 20X5, 20X6, 20X7) data. The rows include "Revenue", "Growth (%)", "Cost of Goods Sold (Net of D&A)", "% of Sales", "Gross Profit", "% of Sales", "SG&A (Net of D&A)", and "% of Sales".

The video player interface includes a top navigation bar with the "A Simple Model" logo and links for "Models", "Reference", "About", "Testimonials", "Subscribe", "Contact", and "Log Out". Below the video player, there are links for "View Full Screen", "Take the Quiz", and "Next Video". At the bottom of the page, there are links for "Download Notes: Simple LBO Model" and "Download Model: Simple LBO (Step by Step)", along with a chapter selection menu showing "I. MODEL OVERVIEW" and "II. BALANCE SHEET".

Below the video player you will again find links for the downloadable files, and a chapter selection feature in the lower right hand corner. For longer videos this feature can be very helpful. Finally, you will also find a Rewind button, which many first time students use frequently.

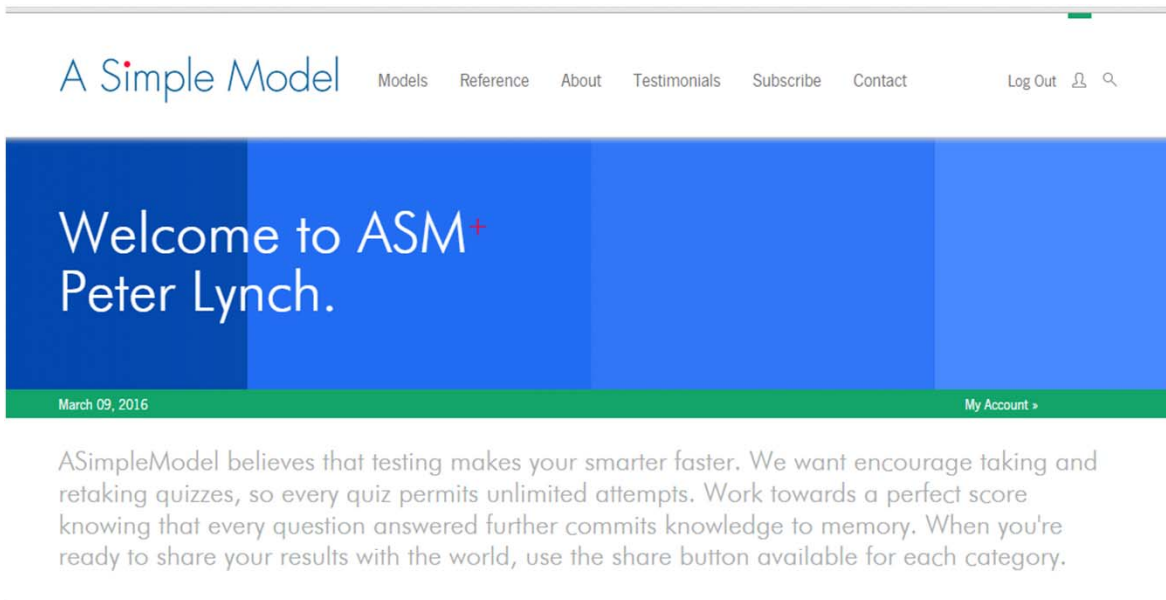
ASimpleModel.com attempts to keep as much content freely available as possible. In that effort we primarily charge for testing. Clicking the “Take the Quiz” link above the video player will prompt you to subscribe (if you have not already).

If you subscribe using the same email address you use to log in to Facebook, then once your account is created, you have the option of a one-click log in process on the “Log In” page.



Please note: The Facebook log in feature only works under this condition.

Once you have subscribed you will have access to your dashboard (pictured below). The example dashboard pictured shows my results for the series titled "Introduction to Financial Statements." On the website you would simply scroll down for the remaining topics.



• Introduction to Financial Statements



(Re)Take the Quiz | Progress

The Accounting Equation	✓
Balance Sheet	○
Income Statement	○
Cash Flow Statement	○

Visit Introduction to Financial Statements on ASM »

Each time you take a quiz your dashboard will automatically update. You are permitted as many attempts as you like.

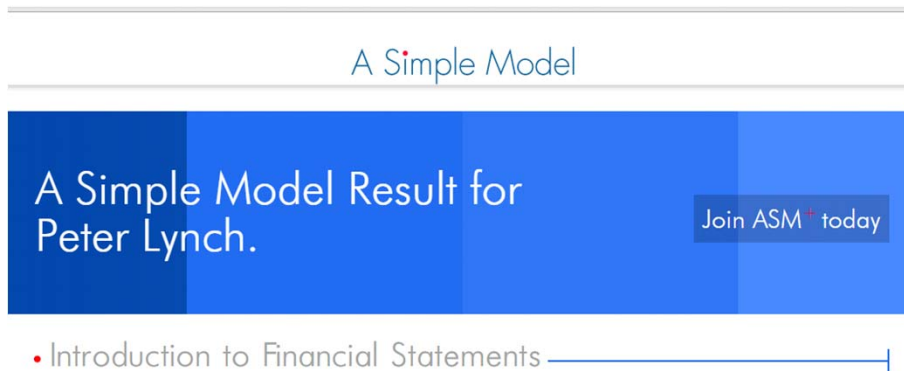
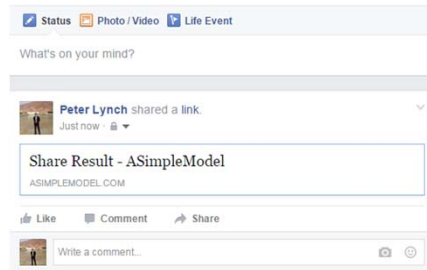
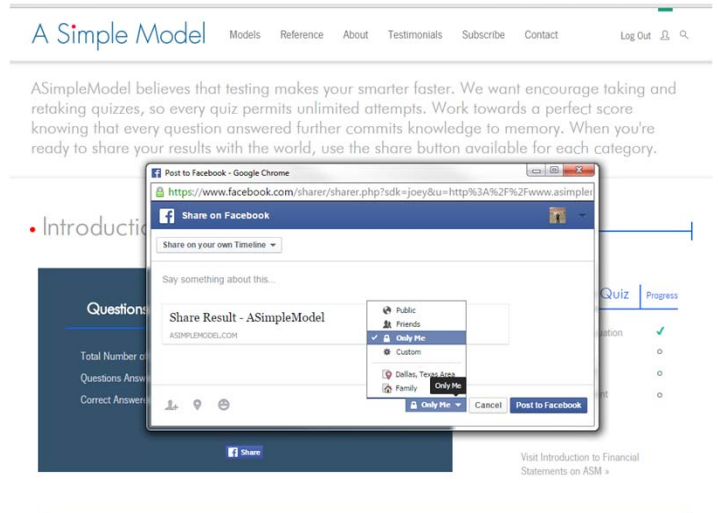
Once you are satisfied with your score you can use the Facebook share button to share your results.

The process of sharing your results is visible to the right. Clicking the “share” button will generate a pop up permitting that you include a message and select a privacy setting.

Below the pop up you will find an image demonstrating how the link appears on my personal Facebook page (I did not include a message).

Anyone who clicks on this link will have the results page (visible below) open in their browser.

Note: Sharing will only display the results for the category you select.



Questions Answered		Accuracy
Total Number of Questions	30	
Questions Answered	4	
Correct Answered	4	

(Re)Take the Quiz	Progress
How to Use This Website	<input type="radio"/>
The Accounting Equation Balance Sheet	<input checked="" type="radio"/>
Income Statement	<input type="radio"/>
Cash Flow Statement	<input type="radio"/>

Visit Introduction to Financial Statements on ASM »