



**QUINTEGE**

Your Edge in Finance Careers

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# Financial Modeling

Masterclass: 5 Model Types Step-by-Step

**2026 EDITION**

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# What's Inside This Guide

Financial Modeling Masterclass | 2026 Edition | QuintEdge

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This guide is designed to be actionable. Each section includes specific data, templates, and step-by-step advice you can apply immediately. Bookmark the sections most relevant to your current stage.

✓ This is a free resource from QuintEdge. Share it with friends and colleagues who might benefit.

# Financial Modeling Masterclass

Master the 5 essential financial models used in investment banking, private equity, and corporate finance.

## 5 Model Types Explained

Model	Purpose	Used By	Difficulty
3-Statement Model	Foundation of all models	Entry-level analyst	★★★
DCF Model	Intrinsic valuation	Research, IB, PE	★★★★
LBO Model	Leveraged buyout analysis	PE, leveraged finance	★★★★★
M&A; Model	Merger/accretion dilution	IB M&A; advisory	★★★★★
Comps Model	Relative valuation	Research, IB, all roles	★★★

## Step-by-Step: 3-Statement Model Build

The 3-statement model links Income Statement, Balance Sheet, and Cash Flow Statement:

### Phase 1: Historical Data (1-2 hours)

- ✓ Input 3-5 years of historical financial data from annual reports
- ✓ Calculate historical margins, growth rates, and key ratios
- ✓ Identify trends and normalize for one-time items

### Phase 2: Revenue Forecast (1-2 hours)

- ✓ Build revenue drivers (volume x price, segment-wise, or top-down)
- ✓ Create a separate assumptions sheet for key drivers
- ✓ Build bull/base/bear scenarios

### Phase 3: Income Statement (2-3 hours)

- ✓ Project COGS based on historical margin or cost drivers
- ✓ Forecast operating expenses (SG&A;, R&D;) as % of revenue
- ✓ Calculate EBITDA, depreciation (from fixed asset schedule), and EBIT
- ✓ Model interest expense (from debt schedule) and taxes

### Phase 4: Balance Sheet (2-3 hours)

- ✓ Working capital: Forecast receivables, inventory, payables using days ratios
- ✓ Fixed assets: Capex schedule, depreciation, net PP&E;
- ✓ Debt schedule: Existing debt + new issuance/repayment
- ✓ Equity: Retained earnings + share issuance/buyback

### Phase 5: Cash Flow Statement (1-2 hours)

- ✓ Operating CF: Net income + non-cash items + working capital changes
- ✓ Investing CF: Capex + acquisitions/divestitures
- ✓ Financing CF: Debt issuance/repayment + dividends + share activity
- ✓ Ending cash = Beginning cash + Total CF (must tie to balance sheet)

### Phase 6: Balancing & Error Checking (1 hour)

- ✓ Balance sheet must balance: Assets = Liabilities + Equity
- ✓ Build a balance check row (should always show 0 or TRUE)
- ✓ Use circular reference for interest expense (optional: use iteration)
- ✓ Sensitivity tables on key assumptions

## Excel Shortcuts for Financial Modeling

Shortcut	Function
Ctrl + 1	Format cells dialog
Ctrl + Shift + 1	Number format with commas
Ctrl + `	Toggle formula view
Alt + =	AutoSum selected range
Ctrl + Shift + L	Toggle filters
Ctrl + D	Fill down
F2	Edit cell (enter edit mode)
Ctrl + [	Trace precedents (go to source)
F4	Toggle absolute/relative reference
Alt + E + S + V	Paste values
Ctrl + Page Up/Down	Switch between sheets
Ctrl + Shift + End	Select to last used cell

## Formatting Conventions

- ✓ Blue font: Hardcoded inputs and assumptions
- ✓ Black font: Formulas and calculations
- ✓ Green font: Links to other sheets
- ✓ Red font: Errors or items needing attention
- ✓ Use consistent number formatting: thousands with 1 decimal (■1,234.5)
- ✓ Negative numbers in parentheses: (1,234.5)
- ✓ Use yellow/light blue cell shading for input cells

## Common Modeling Errors

- ✓ Circular references: Interest expense ↔ debt balance ↔ cash flow
- ✓ Hardcoded numbers hidden in formulas (use assumptions sheet instead)
- ✓ Not checking that balance sheet balances after every change
- ✓ Inconsistent sign conventions (mixing positive/negative for cash outflows)
- ✓ Forgetting to annualize partial-year data

## Career Paths Using Modeling Skills

- ✓ Investment Banking Analyst/Associate (■10-30L)
- ✓ Private Equity Associate (■15-40L)
- ✓ Equity Research Analyst (■8-20L)
- ✓ Corporate Finance / FP&A; (■8-18L)
- ✓ Venture Capital Analyst (■10-25L)
- ✓ Management Consulting (■12-25L)

# Advanced Modeling Concepts

## DCF Model: Key Components

- ✓ Revenue projections: Top-down (market size x share) or bottom-up (units x price)
- ✓ Free Cash Flow:  $EBIT \times (1 - \text{Tax}) + D\&A; - \text{Capex} - \text{Change in Working Capital}$
- ✓ Discount rate:  $WACC = E/(D+E) \times Re + D/(D+E) \times Rd \times (1 - T)$
- ✓ Terminal value: Gordon Growth ( $FCF \times (1+g) / (WACC-g)$ ) or Exit Multiple ( $EBITDA \times \text{Multiple}$ )
- ✓ Enterprise Value = Sum of discounted FCFs + Discounted Terminal Value
- ✓ Equity Value = Enterprise Value - Net Debt + Non-operating Assets

## LBO Model: Quick Reference

- ✓ Sources: Senior debt, mezzanine, equity contribution
- ✓ Uses: Purchase price, transaction fees, refinancing
- ✓ Debt schedule: Mandatory amortization + cash sweep + refinancing
- ✓ Returns: IRR (target 20-25%) and MOIC (target 2-3x) over 5-year hold
- ✓ Value creation levers: Revenue growth, margin expansion, debt paydown, multiple expansion

## Where to Practice Financial Modeling

- ✓ Download real company filings (BSE/NSE annual reports, SEC 10-K filings)
- ✓ Macabacus: Free Excel templates and model examples
- ✓ A Simple Model (ASM): Free templates for IB-style models
- ✓ QuintEdge Financial Modeling course: Guided projects with mentor feedback
- ✓ Kaggle: Financial datasets for quantitative modeling practice
- ✓ Build models for companies you follow — real practice beats theoretical exercises

## Building a Modeling Portfolio

- ✓ Create 3-5 complete models for different industries
- ✓ Host on Google Drive or GitHub with a clean README
- ✓ Include: 3-statement model, DCF, and at least one LBO or M&A; model
- ✓ Add a summary slide for each model explaining your assumptions and conclusions
- ✓ Share the portfolio link on your LinkedIn and resume
- ✓ A strong modeling portfolio can substitute for IB experience in interviews

# How QuintEdge Gives You the Edge

QuintEdge is one of India's fastest-growing finance education platforms, trusted by over 50,000 students across Delhi, Mumbai, and online cohorts. Here's what sets our coaching apart.

## 50,000+ Students Trained

Across CFA, FRM, ACCA & Financial Modeling programs

## 88% CFA Pass Rate

Consistently above global average of ~44%

## 100% Practitioner Faculty

Every instructor works in finance — no full-time academics

## 4.8/5 Student Rating

Based on verified Google and course-end surveys

## What You Get with QuintEdge Coaching

- ✓ AI-powered study notes that adapt to your learning pace and weak areas
- ✓ Live + recorded classes with unlimited doubt-clearing sessions
- ✓ Comprehensive mock exams modeled on actual exam patterns
- ✓ Dedicated mentorship from CFA/FRM/ACCA charterholders
- ✓ Placement support with resume reviews, mock interviews, and recruiter connects
- ✓ Flexible batch timings — morning, evening, and weekend options
- ✓ Study groups and peer learning communities on WhatsApp/Telegram

★ Students who complete QuintEdge's full coaching program pass at nearly 2x the global average rate. Our structured approach eliminates guesswork.

# QuintEdge: Programs & Outcomes

## Our Course Offerings

Program	Coverage	Highlight	Learn More
CFA Program Coaching	Level 1, 2 & 3	88% pass rate	<a href="https://quintedge.com/cfa-coaching-classes/">quintedge.com/cfa-coaching-classes/</a>
FRM Program Coaching	Part 1 & 2	82% pass rate	<a href="https://quintedge.com/frm-coaching-classes/">quintedge.com/frm-coaching-classes/</a>
ACCA Program Coaching	All 13 papers	78% pass rate	<a href="https://quintedge.com/acca-coaching-classes/">quintedge.com/acca-coaching-classes/</a>
Financial Modeling	3-Statement, DCF, LBO	Job-ready skills	<a href="https://quintedge.com/financial-modeling-course-certification/">quintedge.com/financial-modeling-course-certification/</a>

## The QuintEdge Learning Experience

### Phase 1: Foundation Building

- ✓ Diagnostic assessment to identify your starting level and knowledge gaps
- ✓ Personalized study plan created by your dedicated mentor
- ✓ Access to AI-powered study notes that highlight your weak areas

### Phase 2: Structured Learning

- ✓ Live classes with industry practitioners (not academic theorists)
- ✓ Recorded sessions for revision — watch at 1.5x or 2x speed
- ✓ Weekly quizzes and topic tests to track progress
- ✓ Doubt-clearing sessions within 24 hours of raising a query

### Phase 3: Exam Readiness

- ✓ Full-length mock exams under exam conditions
- ✓ Detailed score analysis with topic-wise breakdown
- ✓ One-on-one strategy sessions for the final 2 weeks before exam
- ✓ Last-mile revision notes covering high-frequency exam topics

### Phase 4: Career Support

- ✓ Resume and LinkedIn profile review by hiring managers
- ✓ Mock interviews with industry professionals
- ✓ Job referrals through our network of 500+ corporate partners
- ✓ Lifetime access to the QuintEdge alumni network

## Student Outcomes

- ✓ Average salary increase of 40-60% within 12 months of certification
- ✓ Graduates placed at Goldman Sachs, JP Morgan, Deloitte, EY, HDFC, ICICI, Kotak & more
- ✓ Active alumni network of 10,000+ working professionals across 15 countries

✓ 98% of students recommend QuintEdge to peers (NPS 72)

✓ **QuintEdge offers EMI options starting at ₹3,999/month. Scholarships available for meritorious students and those from economically weaker backgrounds.**

# Ready to Start?

Take the next step in your finance career.

## Enroll in Financial Modeling Coaching

[quintedge.com/financial-modeling-course-certification/](https://quintedge.com/financial-modeling-course-certification/)

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### Get in Touch

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[Scan the QR code on our website or call us for a free counseling session](#)

# QuintEdge

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