DataPartner Oy

What's new in Invest for Excel 3.6

Microsoft Excel versions supported

Invest for Excel 3.6 is supported for Microsoft Excel versions 2002, 2003, 2007 and 2010 (32-bit) for Windows XP, Vista and 7.
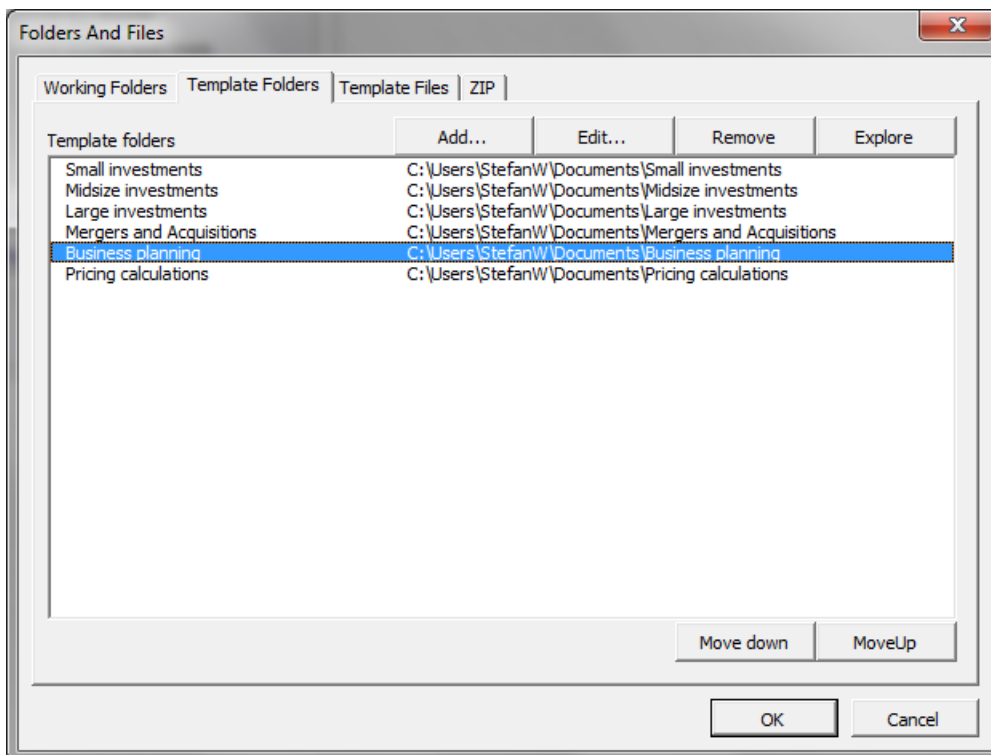
Russian user manual

Russian user manual is included with Invest for Excel.

Digitally signed program code

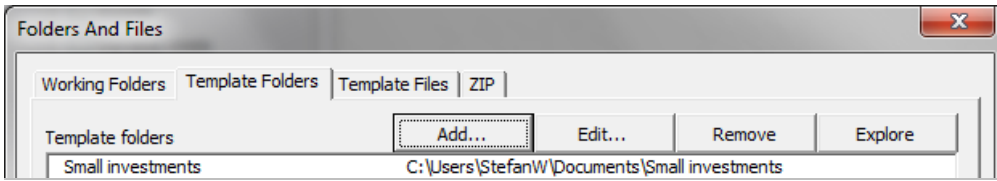Program code is signed with a digital signature which is valid until Aug 11, 2012.

Template folders

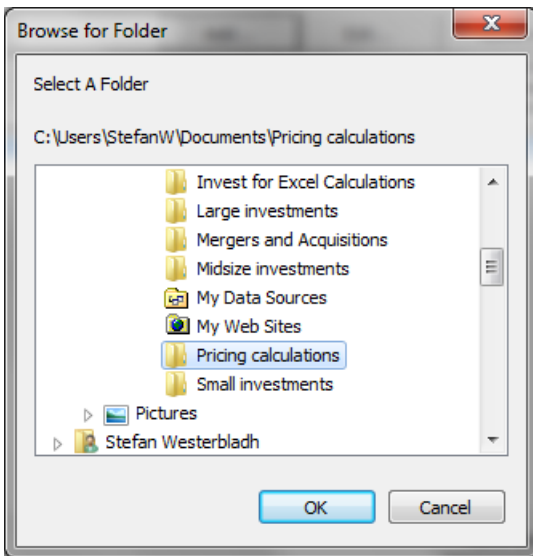Template folders can easily be defined for templates for different types of calculations.
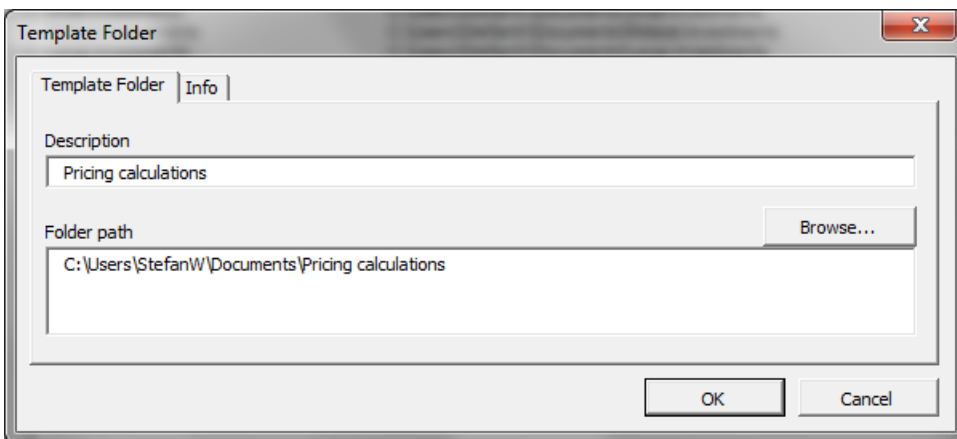
Adding a template folder

Press "Add…"

Folders And Files

| Working Folders | Template Folders | Template Files | ZIP |

Template folders   Add...   Edit...   Remove   Explore

Small investments   C:\Users\StefanW\Documents\Small investments

Select a folder

Browse for Folder

Select A Folder

C:\Users\StefanW\Documents\Pricing calculations

- Invest for Excel Calculations
- Large investments
- Mergers and Acquisitions
- Midsize investments
- My Data Sources
- My Web Sites
- Pricing calculations
- Small investments
  - ▷ Pictures
  - ▷ Stefan Westerbladh

OK   Cancel

Enter a description for the folder

Template Folder

| Template Folder | Info |

Description

Pricing calculations

Folder path   Browse...

C:\Users\StefanW\Documents\Pricing calculations
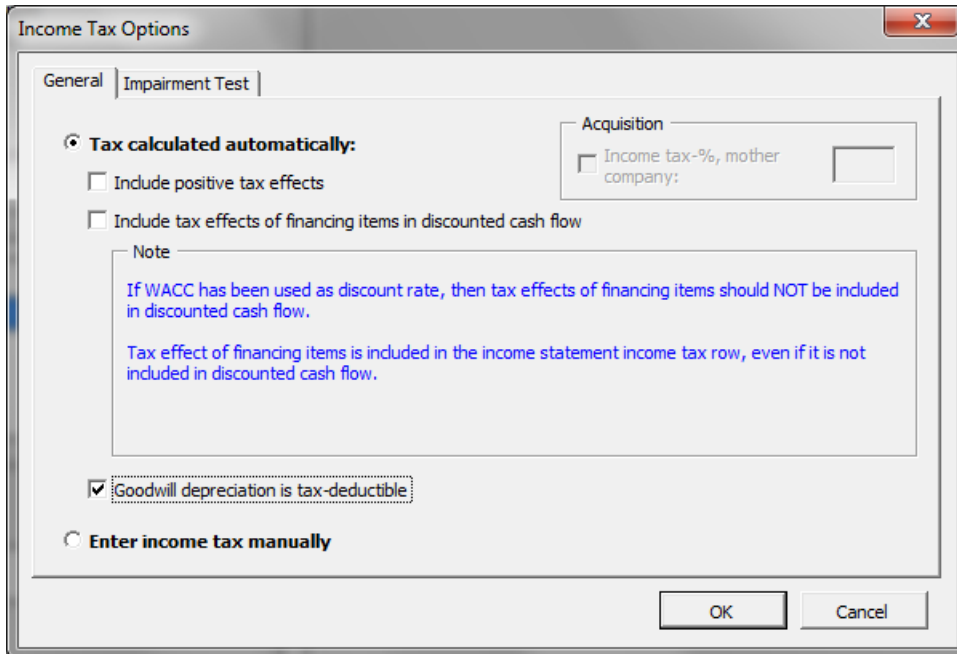
OK   Cancel

Goodwill depreciation tax-deductibility option

An option has been added to allow Goodwill depreciation to be deducted from income before tax.

Internal Rate of Return before tax

Internal rate of return before tax can be found in the Profitability analysis table.

Internal Rate of Return (IRR)	33,04 %	>= 12 %	->	profitable
Internal Rate of Return before tax	41,81 %			
Modified Internal Rate of Return (MIRR)	23,77 %	>= 12 %	->	profitable

In some type of calculations, like real estate valuations, IRR before tax is of interest.

IRR before tax is calculated the same way as IRR, but with taxes added back to the cash flow.

When free cash flow is separated for firm and equity, IRR to Equity before tax is also available.

The IRR before tax row is hidden by default and must be unhidden manually.

IRR before tax is only available in calculation files of version 3.6 or newer.

Tornado analysis chart

A Tornado analysis chart type is available as an option to the traditional Spider analysis chart. The Tornado chart shows how a selected result factor is affected when selected calculation rows are changed by selected minus and plus percentages.
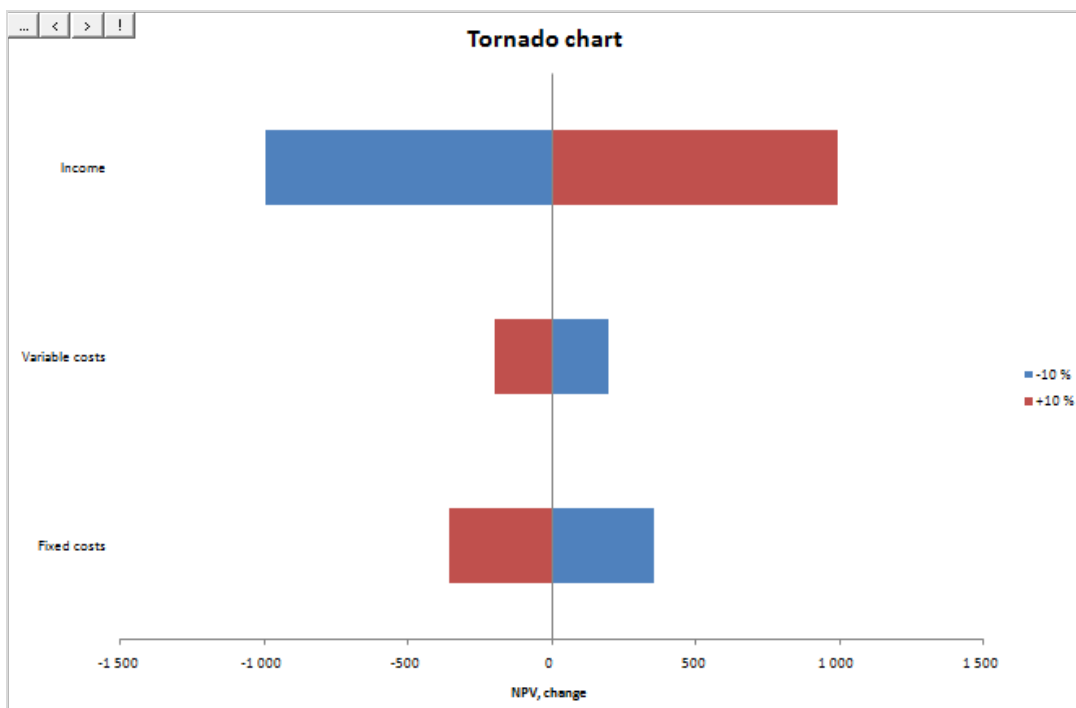
If the factor value is selected as Center value, the chart will show the actual value of the changed result factor.
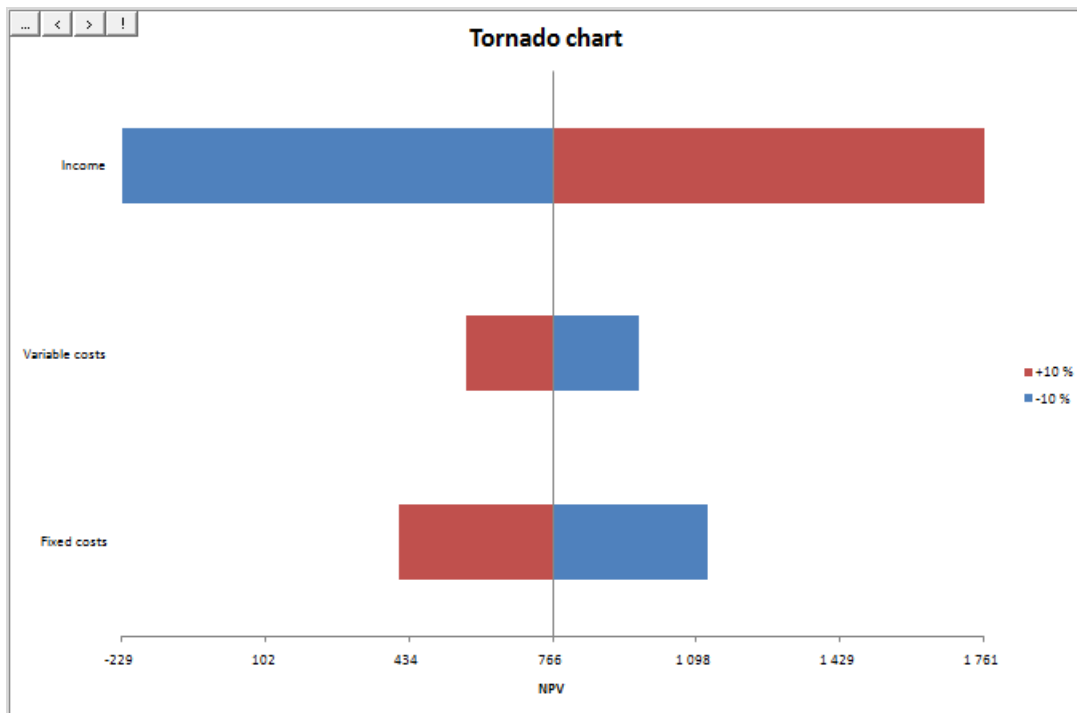
Debt residual correction

When free cash flow to equity based profitability indicators are calculated, the return can be too favourable if there is an outstanding long-term debt that has not been corrected for.

As an example, let's look at a company with an expected outstanding interest-bearing long-term debt of 45000 at the end of the calculation term. No corrections have been done to the free cash flow to equity for this debt.

BALANCE SHEET							
EUR		12/2010	12/2011	12/2012	12/2013	12/2014	**Residual**
Long-term liabilities		78 700	69 700	60 700	49 200	49 200	49 200
Interest-bearing long-term debt		72 000	63 000	54 000	45 000	45 000	45 000
Interest-free long-term debt		1 200	1 200	1 200	1 200	1 200	1 200

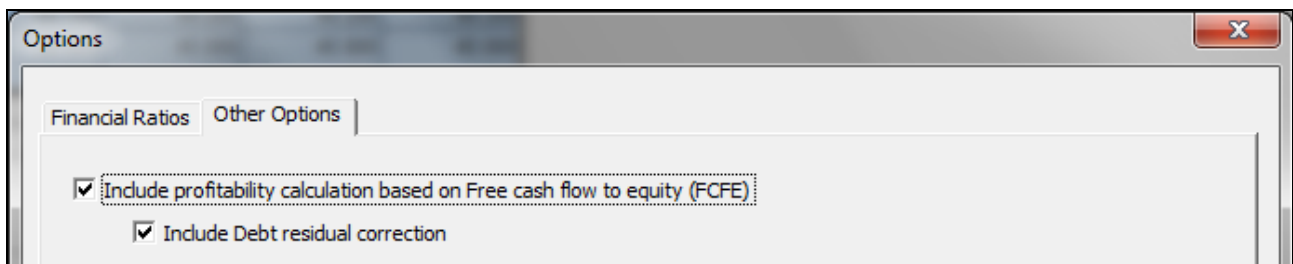If the option "Include Debt residual correction" is checked in the Options dialog box, Invest for Excel will automatically correct for this debt residual. The option is checked by default in new calculation files.

The debt residual correction is shown in the Profitability analysis on the Result sheet discounted to the beginning of the calculation term (or other selected calculation point) by the Cost of Equity (45000 discounted 5 years by 15% = 22373).

To Equity	
Cost of Equity	15,00 %
Discounted FCFE without residual value	100 782
+ PV of residual value to equity	12 429
- Debt residual correction	-22 373
Net Present Value to equity (NPVe)	**90 838**

Note that if you have corrected for the debt residual in the Residual column, you should uncheck the "Include Debt residual correction" option in the Options dialog box.

Debt residual correction is only available for calculation files of version 3.6 or newer.

Discount rate's impact on profitability

You can analyse the discount rate's impact on profitability by entering alternative discount rates. A ±10% and ±20% change in the discount rate is shown as default.

Enter the default values and then click on the [!] button to the left. Note that the analysis requires manual updating by pressing this button.

Discount factor's impact on profitability

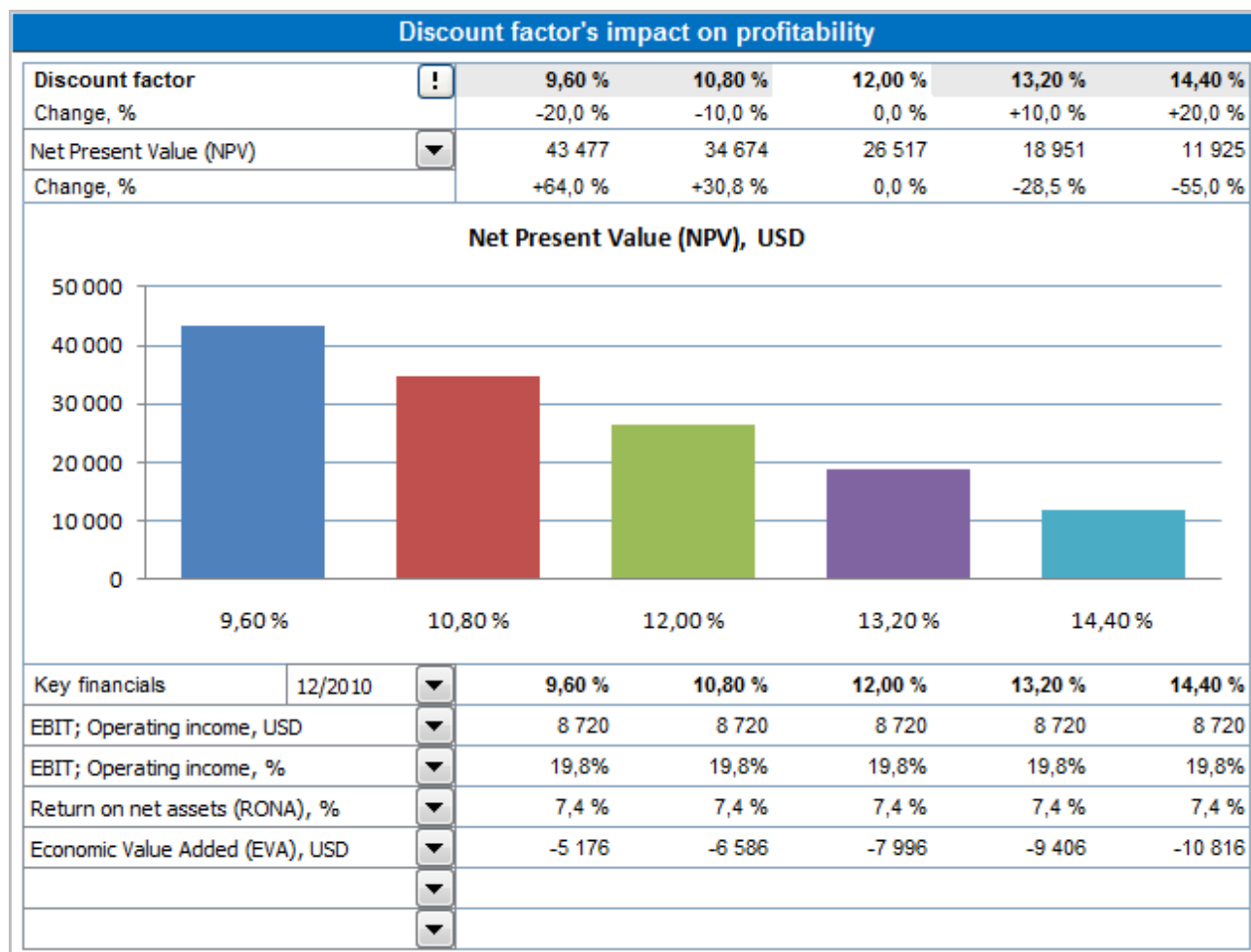| Discount factor	[!]	9,60 %	10,80 %	12,00 %	13,20 %	14,40 %
Change, %		-20,0 %	-10,0 %	0,0 %	+10,0 %	+20,0 %
Net Present Value (NPV)	▼	43 477	34 674	26 517	18 951	11 925
Change, %		+64,0 %	+30,8 %	0,0 %	-28,5 %	-55,0 %

Net Present Value (NPV), USD

Key financials	12/2010	▼	9,60 %	10,80 %	12,00 %	13,20 %	14,40 %
EBIT; Operating income, USD		▼	8 720	8 720	8 720	8 720	8 720
EBIT; Operating income, %		▼	19,8%	19,8%	19,8%	19,8%	19,8%
Return on net assets (RONA), %		▼	7,4 %	7,4 %	7,4 %	7,4 %	7,4 %
Economic Value Added (EVA), USD		▼	-5 176	-6 586	-7 996	-9 406	-10 816
		▼					
		▼					

The analysis can be done for Net Present Value, Discounted Value Added and Payback time, years. Additionally, up to six key financial ratios can be included for a selected period.

When Free cash flow to equity is included in the calculation, Net Present Value to equity and Payback time to equity, years can also be analysed. Change in Cost of equity is used for these profitability ratios.

Discount factor's impact on profitability

		9,60 %	10,80 %	12,00 %	13,20 %	14,40 %
Discount factor	!	9,60 %	10,80 %	12,00 %	13,20 %	14,40 %
Change, %		-20,0 %	-10,0 %	0,0 %	+10,0 %	+20,0 %
Cost of equity		12,00 %	13,50 %	15,00 %	16,50 %	18,00 %
Change, %		-20,0 %	-10,0 %	0,0 %	+10,0 %	+20,0 %
Net Present Value to equity (NPVe)	▼	26 517	17 146	8 600	793	-6 351
Change, %		+208,3 %	+99,4 %	0,0 %	-90,8 %	-173,8 %

Net Present Value to equity (NPVe), USD

Key financials	12/2010	▼	9,60 %	10,80 %	12,00 %	13,20 %	14,40 %
EBIT; Operating income, USD		▼	8 720	8 720	8 720	8 720	8 720
EBIT; Operating income, %		▼	19,8%	19,8%	19,8%	19,8%	19,8%
Return on net assets (RONA), %		▼	7,4 %	7,4 %	7,4 %	7,4 %	7,4 %
Economic Value Added (EVA), USD		▼	-5 176	-6 586	-7 996	-9 406	-10 816
		▼					
		▼					

Provisions

Changes in provisions can be entered in the Income statement before EBITDA. Changes in provisions are non-cash items and will affect Free cash flow only through changes in income tax.

INCOME STATEMENT

1000 €	12/2010	12/2011	12/2012	12/2013	12/2014
Months per interval	12	12	12	12	12
Income specified:					
Sales	4 900	4 974	5 048	5 124	5 201
Income	**4 900**	**4 974**	**5 048**	**5 124**	**5 201**
Other operating income					
Variable costs	-588	-597	-606	-615	-624
Raw materials and consumables	-588	-597	-606	-615	-624
External charges					
Staff costs					
Other variable costs					
Gross margin	**4 312**	**4 377**	**4 442**	**4 509**	**4 577**
Fixed costs	-1 750	-1 768	-1 785	-1 803	-1 821
Staff costs					
Rents					
Other fixed costs	-1 750	-1 768	-1 785	-1 803	-1 821
Provisions, increase (-) / decrease (+)	-300	-200			500
EBITDA; Operating income before depreciation	**2 262**	**2 409**	**2 657**	**2 706**	**3 256**

Accumulated provisions are shown in the Balance sheet on the liabilities side.

	12/2010	12/2011	12/2012	12/2013	12/2014
Appropriations	0	0	0	0	0
Provisions	300	500	500	500	0
Liabilities					
Long-term liabilities	0	0	0	0	0
Short-term liabilities	0	0	0	0	0
Total liabilities	0	0	0	0	0
SHAREHOLDERS' EQUITY AND LIABILITIES	**1 883**	**3 770**	**5 630**	**7 524**	**9 303**

Deferred taxes

Deferred taxes can be entered in the Income statement after ordinary Income taxes. Deferred taxes do not affect Free cash flow.

INCOME STATEMENT					
1000 €	12/2010	12/2011	12/2012	12/2013	12/2014
Months per interval	12	12	12	12	12
Income specified:					
Sales	4 900	4 974	5 048	5 124	5 201
Income	**4 900**	**4 974**	**5 048**	**5 124**	**5 201**
Other operating income					
Variable costs	-588	-597	-606	-615	-624
Raw materials and consumables	-588	-597	-606	-615	-624
Gross margin	**4 312**	**4 377**	**4 442**	**4 509**	**4 577**
Fixed costs	-1 750	-1 768	-1 785	-1 803	-1 821
Other fixed costs	-1 750	-1 768	-1 785	-1 803	-1 821
Provisions, increase (-) / decrease (+)	-300	-200			500
EBITDA; Operating income before depreciation	**2 262**	**2 409**	**2 657**	**2 706**	**3 256**
Depreciation	0	0	0	0	0
EBIT; Operating income	**2 262**	**2 409**	**2 657**	**2 706**	**3 256**
Financing income and expenses					
EBT; Income after financing items	**2 262**	**2 409**	**2 657**	**2 706**	**3 256**
Extraordinary income and charges					
Income before appropriations and taxes	**2 262**	**2 409**	**2 657**	**2 706**	**3 256**
Change in appropriations					
Appropriations, increase (-) / decrease (+)					
Income tax	-679	-723	-797	-812	-977
Deferred tax	-200			200	
Net income for the period	**1 383**	**1 686**	**1 860**	**2 094**	**2 279**

Accumulated Deferred taxes are shown under Long-term debt in the Balance sheet.

| Liabilities					
Long-term liabilities	200	200	200	0	0
Interest-bearing long-term debt	0	0	0	0	0
Interest-free long-term debt	0	0	0	0	0
Deferred tax liabilities	200	200	200	0	0
Short-term liabilities	0	0	0	0	0
Total liabilities	200	200	200	0	0
SHAREHOLDERS' EQUITY AND LIABILITIES	**1 883**	**3 770**	**5 630**	**7 524**	**9 303**

Edit links

Links to external documents can be edited from Invest for Excel's menus.
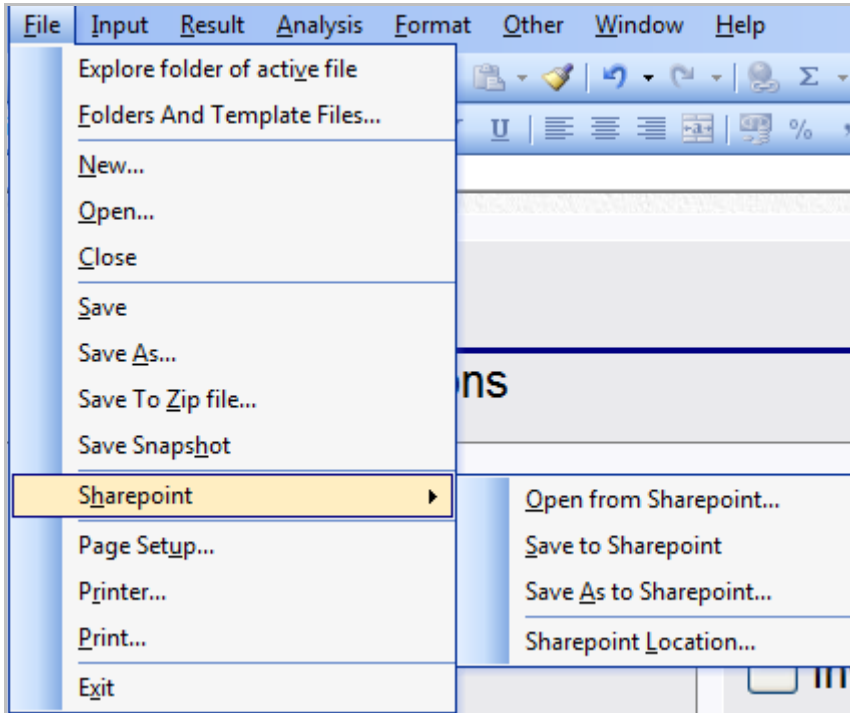
Excel 2003:
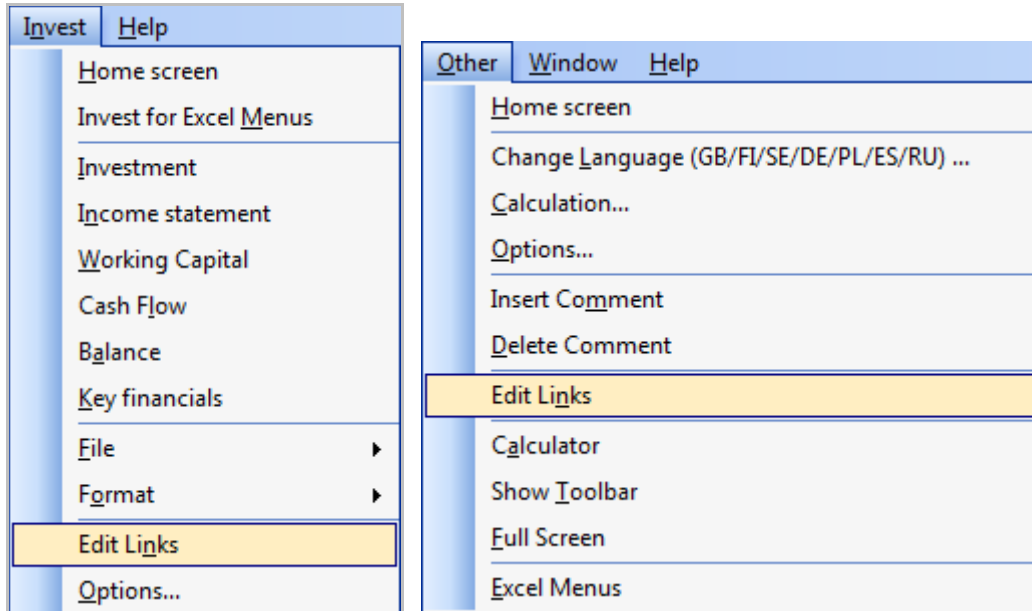
Excel 2007:
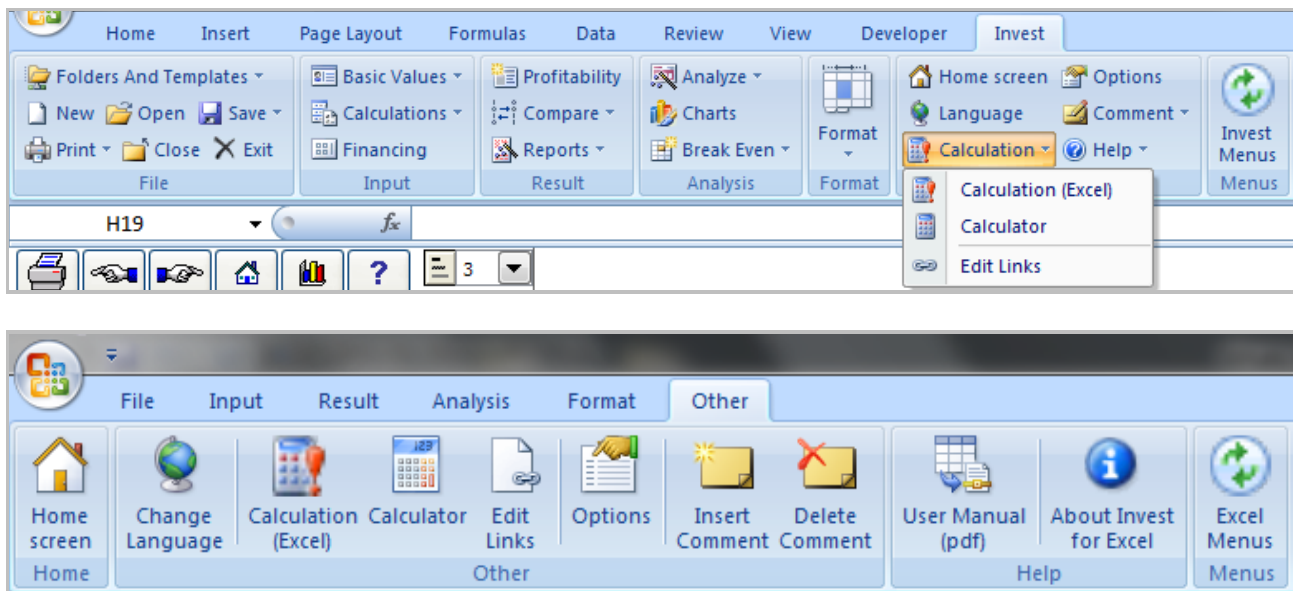
Note that editing links from Excels menus will not work with an Invest for Excel calculation file.
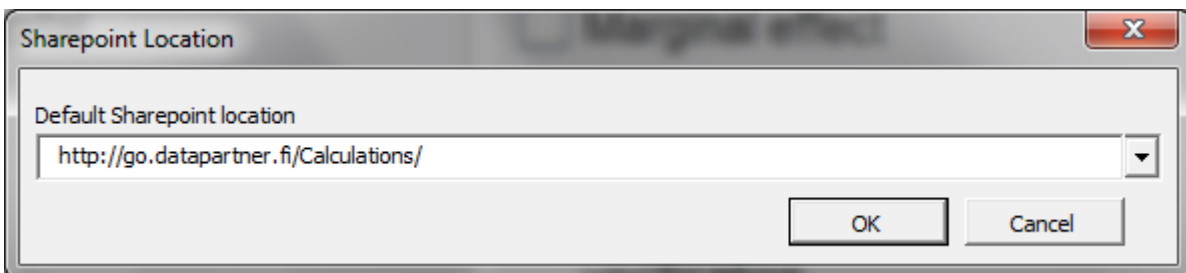
SharePoint file menu

A SharePoint file menu has been added for quick open from and save to a SharePoint location. (Enterprise-version is required.)

To set default Sharepoint location, select SharePoint location in the Invest for Excel SharePoint menu.
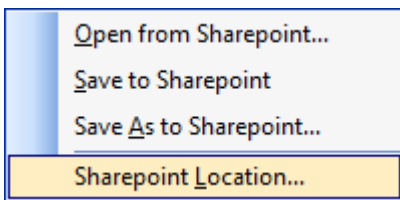
Enter SharePoint location and press OK.

Include equity changes

Equity changes can be included when updating financing file cash flows from the calculation file. This way it's easy to see the financing need after equity for each period.

Implied Exit multiple

When perpetuity/extrapolation is used, an implied exit multiple is automatically calculated in the bottom of the perpetuity calculation table.

The implied Exit multiple is: undiscounted residual value / last years EBITDA.

EV / EBITDA

In a valuation file Profitability analysis an EV / EBITDA-ratio is calculated.

Present value of business cash flows			Notes	
± PV of operative cash flow		152 831		
⊤ PV of residual value	...	87 032		
Perpetuity is based on				
◉ Net cash flow for year	12/2019 ▼	32 437	Extrapolation period	Perpetual ▼
○ Enter annual value (EUR)			Base value (12/2019)	32 437
Type of perpetuity			Discount rate	12,00 %
◉ Standard (no growth)			Value (12/2019)	270 308
○ Growing by annual percent			Present value (1/2010)	87 032
Implied Exit multiple		5,83	< Residual value	270 308
Present value of business cash flows		**239 863**		
- Present value of reinvestments (maintenance etc.)		0		
Total Present Value (PV)		**239 863**		
⊤ Interest-bearing net debt of acquired company	...	0		
Free cash flow-based equity value (EV)		**239 863**		
EV / EBITDA		6,66	Based on EBITDA:	12/2009 ▼

EV is the Free cash flow-based equity value (also referred to as Enterprise value) and EBITDA can be selected from a dropdown list consisting of the periods in the calculation.