QUEST
Professional Center

PROFESSIONAL TRAINING COURSE

Course No. 1503

# Three-Statement Financial Modelling Training Course

FINANCIAL MODELLING, VALUATION & BUSINESS ANALYSIS
FINANCE, INVESTMENT & BANKING

DURATION
**5 Days**

DELIVERY
**Classroom**

## Course Overview

The Three-Statement Financial Modelling Training Course provides a comprehensive and practical framework for building integrated financial models that connect the income statement, balance sheet, and cash flow statement into a coherent financial planning and analysis system. The course is designed to help finance professionals, analysts, managers, and decision makers understand how operational assumptions flow through the financial statements and influence profitability, liquidity, financial position, and future business performance.

The program develops a structured methodology for constructing three-statement financial models, beginning with historical financial statement analysis and the identification of key business drivers. Participants will learn how to forecast revenue, operating costs, working capital, capital expenditure, depreciation, financing, and other financial variables while maintaining logical relationships between the three core financial statements.

A major focus of the course is the integration and reconciliation of the financial statements. Participants will learn how changes in revenue, costs, working capital, capital expenditure, debt, and equity affect the income statement, balance sheet, and cash flow statement simultaneously. This integrated approach enables professionals to evaluate the broader financial consequences of business decisions rather than analyzing individual financial statements in isolation.

The course also covers financial forecasting, cash flow analysis, scenario planning, sensitivity analysis, debt modelling, financial ratios, and model validation. Through practical exercises and corporate case studies, participants will build, review, and stress-test an integrated three-statement model that can support budgeting, forecasting, investment analysis, strategic planning, liquidity management, and capital allocation.

## Objectives

- Analyze historical income statements, balance sheets, and cash flow statements to identify the key drivers required for integrated financial modelling during the first day of the course.
- Develop a fully integrated three-statement financial model connecting the income statement, balance sheet, and cash flow statement by the end of the program.
- Evaluate revenue, cost, profitability, working capital, capital expenditure, depreciation, financing, and other assumptions affecting projected financial performance.

- Apply appropriate forecasting techniques to develop forward-looking financial statements based on operational and financial drivers.
- Design logical linkages between the three financial statements and ensure that changes in one statement flow correctly through the integrated model.
- Develop cash flow forecasts and assess the impact of operating, investing, and financing activities on liquidity and financial position.
- Evaluate debt, equity, financing costs, and capital structure assumptions within the integrated financial model.
- Apply scenario and sensitivity analysis to assess how changes in business assumptions affect profitability, liquidity, cash flow, and financial position.
- Improve model integrity through validation checks, balance sheet reconciliation, formula testing, and identification of structural errors.
- Prepare and present a complete three-statement financial model that supports management reporting, forecasting, investment analysis, and strategic decision-making during the final workshop.

## Who Should Attend

The Three-Statement Financial Modelling Training Course is designed for finance professionals, financial analysts, management accountants, corporate finance specialists, financial planning and analysis professionals, investment professionals, business analysts, and professionals responsible for financial planning, budgeting, forecasting, reporting, and financial modelling.

The course is particularly relevant to finance managers, financial controllers, planning and budgeting managers, investment managers, corporate development managers, treasury professionals, senior financial analysts, management accountants, and financial modelling specialists. It is also suitable for executives, finance directors, general managers, and senior decision makers in government entities, ministries, public-sector organizations, banks, financial institutions, oil and gas organizations, and large corporations that require integrated financial models to support strategic planning, investment evaluation, liquidity management, capital allocation, and financial performance management.

## Learning Outcomes

- Explain the structure, purpose, and interrelationships of the income statement, balance sheet, and cash flow statement.
- Analyze historical financial statements and identify the operational and financial drivers required for financial modelling.
- Build an integrated three-statement financial model with logical and auditable linkages.
- Forecast revenue, operating costs, profitability, working capital, capital expenditure, depreciation, and other key financial variables.
- Link projected operating assumptions to the income statement, balance sheet, and cash flow statement.
- Develop integrated cash flow forecasts and evaluate the effect of operating, investing, and financing activities on liquidity.
- Model debt, equity, interest expenses, repayments, and other financing assumptions within the financial statements.
- Calculate and interpret key financial ratios and performance indicators using projected financial statements.
- Conduct scenario and sensitivity analysis to evaluate the financial impact of alternative business assumptions.
- Validate, review, and present a complete three-statement financial model with clear assumptions, outputs, risks, and management recommendations.

## Course Outline

DAY 01

### Foundations of Three-Statement Financial Modelling

- Principles, objectives, and applications of three-statement financial modelling
- Structure and purpose of the income statement, balance sheet, and cash flow statement
- Understanding the relationships between the three financial statements
- Historical financial statement analysis
- Identifying revenue, cost, profitability, working capital, and cash flow drivers
- Establishing financial modelling assumptions
- Model architecture, inputs, calculations, outputs, and controls

DAY 01 — CONTINUED

- Principles of transparent and auditable financial model design

> **PRACTICAL APPLICATION**
> Analyzing historical financial statements and establishing the structure of an integrated three-statement model

DAY 02

## Income Statement and Operating Forecast Modelling

- Revenue forecasting and business driver analysis
- Volume, pricing, growth, and market assumptions
- Operating cost and expense modelling
- Gross profit, operating profit, and margin forecasting
- Depreciation and amortization assumptions
- Tax and other income statement considerations
- Building the projected income statement
- Linking operational assumptions to financial performance

> **PRACTICAL APPLICATION**
> Developing a detailed income statement forecast and connecting operational drivers to projected results

DAY 03

## Balance Sheet and Cash Flow Integration

- Balance sheet structure and financial position analysis
- Accounts receivable, inventory, and accounts payable modelling
- Working capital forecasting and cash conversion
- Capital expenditure and fixed asset modelling
- Debt and equity balance modelling
- Developing the projected balance sheet
- Operating, investing, and financing cash flow modelling

DAY 03 — CONTINUED

- Linking the balance sheet and cash flow statement

**PRACTICAL APPLICATION**

Building the balance sheet and cash flow components and integrating them with the income statement

DAY 04

## Integrated Model Validation, Scenarios and Financial Analysis

- Integrating the three financial statements into one financial model
- Balance sheet reconciliation and model integrity
- Formula validation and linkage testing
- Financial ratios and projected performance analysis
- Liquidity, leverage, profitability, and efficiency analysis
- Scenario analysis and alternative business cases
- Sensitivity analysis for revenue, costs, working capital, capital expenditure, and financing
- Stress testing financial performance and liquidity

**PRACTICAL APPLICATION**

Testing the integrated model under multiple scenarios and identifying financial risks and model weaknesses

DAY 05

## Advanced Applications and Strategic Decision-Making

- Reviewing and validating the complete three-statement financial model
- Forecasting financial performance and future liquidity requirements
- Using the model for budgeting and strategic financial planning
- Supporting investment evaluation and capital allocation
- Assessing financing requirements and capital structure alternatives
- Identifying key financial drivers, risks, and opportunities
- Preparing management reports and financial model outputs

DAY 05 — CONTINUED

- Communicating financial assumptions, scenarios, results, and recommendations

> **FINAL WORKSHOP**
> Building and presenting a complete three-statement financial model

- Final review, action planning, and implementation recommendations

## Register or Request More Information

Course page: https://quest-training.com/courses/three-statement-financial-modelling-training-course
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