Why EY when it comes to financial modeling?

- One of the largest dedicated modeling teams globally as well as in Switzerland with in-depth modeling experience coupled with industry breadth and extensive project experience
- Access to EY’s full range of services (including its Audit and Tax compliance model review services)
- Pre-programmed financial model modules (e.g. fixed asset roll forward, dividend module, tax loss carried forward etc.)
- Expert model build and review software for effective and efficient modeling work
- Independent model opinions
- Ability to deliver customized client solutions through close client collaboration
- Flexible pricing focused on reducing costs and adding value
- Training, guidance and assistance to meet model use requirements
When developing financial models, we strictly apply the 10 best practice principles that have proven to be crucial to the development of state-of-the-art financial models. They ensure that your models will be transparent, precise and flexible. This minimizes errors and makes it easier for you to update models and gain a good overview of the results.

The better the method, the better the business model.

We ensure that all our models have:

- Agreed upon fit-for-purpose structures
- Simple and straightforward formulas
- Integrated controls and key output error checks
- No hard coding
- Sufficient independent quality assurance
- Catchy presentation format

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1. Keep inputs, calculations and outputs in separate worksheets
2. Logically structure your calculations
3. Be consistent in use of columns
4. Use consistent formulae
5. Do not use hard-code numbers in formulae
6. Avoid circular references in the model
7. Avoid hiding columns or rows
8. Limit use of area and range names
9. Keep it simple
10. Always consider the user
How we support our clients – our service offering

“With our robust and flexible financial models, we assist our clients in making better and more informed decisions that ultimately support our clients in being more profitable and delivering higher values to their customers.”

Hannes Schobinger, Head Business Modeling Switzerland.

Over the last couple of years, we have observed an increase in the number and complexity of financial models used in the day-to-day business. Excel models have become increasingly complex and are often being used to underpin business decisions with considerable financial impact.

Furthermore, our business models will enable you to make the right decisions based on sound financial forecasts. Whether raising new capital, acquiring or winding-up a subsidiary, or determining product prices, our financial models will maximize financial transparency.

EY therefore built up a dedicated business modeling practice dealing with complex financial models that are mostly build in Excel or Access. With our financial modeling solutions team we develop tailored business models that effectively translate your strategic options and scenarios in quantitative financial information.

Our solutions not only support and augment strategic planning and decision making, but also mitigate the risks in the use of and reliance on financial models.
Over the last couple of years, we developed financial models in the following areas:
Our understanding of “business modeling for corporate finance”:

Broadly said, we define financial modeling as the process of forecasting financial data of a company or a project using cause-and-effect relationships among operational, investment and financial variables.

Financial models are usually created in Excel or Access and are generally based on non-financial information (i.e. value and cost drivers as well as exogenous factors), which is then processed to deliver prospective financial information such as integrated financial statements (balance sheets, income statements, cash flow statements), key performance indicators (KPIs) or yes/no/maybe-decisions as outputs to support managerial decision-making in case of uncertainty.
Inputs are processed to deliver financial information

Prospective integrated financial statements and KPIs for FY14–FYXX

Output

<table>
<thead>
<tr>
<th>Cash flow statement</th>
<th>Balance sheet statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14 FY15 ... FYXX</td>
<td>FY14 FY15 ... FYXX</td>
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<tr>
<td>Operating</td>
<td>Assets</td>
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<tr>
<td>Operating</td>
<td>Assets</td>
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<tr>
<td>Investing</td>
<td>Debt</td>
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<td>Debt</td>
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<tr>
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<table>
<thead>
<tr>
<th>Income statement</th>
<th>Key performance indicators (KPI)</th>
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<tbody>
<tr>
<td>FY14 FY15 ... FYXX</td>
<td>FY14 FY15 ... FYXX</td>
</tr>
<tr>
<td>Revenue</td>
<td>Margin</td>
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<tr>
<td>Revenue</td>
<td>Margin</td>
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<td>Costs</td>
<td>ROE</td>
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<td>Profit</td>
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</tbody>
</table>

In addition to building and reviewing financial models, EY also provides specific business modeling trainings.

Please visit our homepage under http://www2.eycom.ch/events/de.aspx for our public seminars or ask for individual trainings.
Credentials

We have worked with major Swiss and international enterprises in a broad range of industries.

Business modeling – Model build
Business modeling — Model review

2012–2013

**EY** provided financial model review and business plan review services for

**Julius Bär**

EY provided financial model review and business plan review services for the acquisition model of the wealth management activities of Bank of America

2012

**BKW**

EY provided business model review services in the context of a reorganisation

2012

**Ringier**

EY provided financial model review and business plan review services

2012

**Swiss CleanTech**

EY provided financial model review services for SCT’s forecast model of Switzerland’s energy production and consumption

2012–2013

**OMV**

EY provided financial model review services for an option pricing tool
Our organization

Valuation
- Business valuations (companies and projects)
- Fairness and second opinions
- Purchase price allocations
- Valuation of intangible assets
- Impairment tests
- Share-based payment valuation
- Valuation expert support, e.g. in arbitration proceedings or WACC calculations

Business Modeling
- Model build: customized financial models
- Model review: model review opinions
- Training and seminars

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About the global EY organization
The global EY organization is a leader in assurance, tax, transaction and advisory services. We leverage our experience, knowledge and services to help build trust and confidence in the capital markets and in economies all over the world. We are ideally equipped for this task – with well trained employees, strong teams, excellent services and outstanding client relations. Our global purpose is to drive progress and make a difference by building a better working world – for our people, for our clients and for our communities.

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BKL 0713-062
ED None

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