EPIX ANALYTICS
Sound answers for complex decisions
1643 Spruce Street, Boulder, CO, 80302, USA
Phone: 1 303 440 8524, Fax: 1 303 440 032

Course program*: Corporate Finance Risk Analysis

EpiX Analytics, Boulder, CO

Participants are encouraged to prepare for the class by reviewing this document. However, this is not a pre-requisite for attendance.

The course runs from 09:00 to 17:00 each day, but **registrations on the first day begin at 8:30am**. Morning and afternoon coffee and lunch are provided. A social event will be provided at the beginning of the course. The course will be delivered in English.

Day 1	**Risk modeling basics and software** **Welcome and general introduction** **Introduction to risk analysis applications in corporate finance** ○ The use of qualitative and quantitative approaches ○ Applications and real-file examples **Why and how to do risk analysis** ○ Fundamentals of Monte Carlo simulation and probability theory ○ Example/exercise: Evaluating the financial risks around a Phase II drug **Getting started with @RISK/Crystal Ball/Monte Carlo software** ○ Monte Carlo simulation, Excel-add-ons (@Risk@ and Crystal Ball) ○ Example/exercise **Probability and distribution basics:** ○ Mean, mode, standard deviation, percentiles, etc. ○ Calculation vs. Monte Carlo simulation ○ eNPV, single-point estimates and stochastic NPV ○ Relative vs. cumulative, discreet vs. continuous distribution ○ Graphical representations of risk events **Example/exercise: Quantifying the financial risks around a business development (BD) deal**
Day 2	**The use of expert opinion and historical data:** ○ Expert opinion distributions ○ Expert opinion eliciting ○ Best practices, types of biases, and how to prevent them ○ The use of P10's and P90's ○ The use of historical data in risk analysis ○ Example/exercise: Sales forecast and budget forecasting moce3l ○ Extra example/exercise: The value of information of a clinical tri**al** **Using Central Limit Theorem** ○ An insurance problem

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	Portfolio decision making: ○ The use of stochastic optimization in decision making ○ Example/exercise: Selecting an optional R&D portfolio, given a finite budget and workforce **Applications and case-studies: example models and exercises**
Day 3	**Modeling correlations and is importance** **Good practices and the most common modeling errors** **Time series modeling and forecasting** **Interpreting and presenting results:** ○ Typical risk analysis results, their presentation and correct interpretation ○ The use of NPV's and IRRT's in stochastic modeling ○ Good modeling practices and common mistakes ○ Comparing options using risk analysis ○ Critiquing a risk analysis ○ Examples/exercise: Interpreting and presenting around a business development (BD) deal **Discussion of participants' modeling problems**

*The program might be slightly modified based on relevance to audience.