

# **Modeling Mergers and Buyouts with DealModeler<sup>®</sup>**

**User's Manual and DealModeler Software**  
(John Wiley & Sons, New York, 2005)

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## DealModeler<sup>®</sup>

DealModeler<sup>®</sup> is an integrated financial modeling software for preparing pro-forma financial statements and performing valuation of mergers, acquisitions and leveraged buyouts, similar to those used by investment bankers and appraisal professionals. It is contained in the separate publication: *Modeling Mergers and Buyouts with DealModeler: User's Manual and DealModeler Software*, John Wiley & Sons, 2005. It

DealModeler<sup>®</sup> permits the analysis of stand-alone acquisitions or a merger involving an acquirer and up to two targets or one target with a division that requires separate treatment. It permits the consolidation of the target with a subsidiary and the complete consolidation of the surviving subsidiary into the holding company by simply specifying the units involved in the transaction. Similarly, it permits modeling a single LBO or roll-up LBOs, with an initial investment (the acquirer) and up to two add-on acquisitions.

DealModeler<sup>®</sup> generates:

- Pro-forma financial statements (balance sheet, income and cash flow statements) for a projection period of up to 10 years.
- Closing balance sheet with the accounting entries made at the closing of the transaction.
- WACC, economic value added and APV valuation of free cash flows for valuing stand-alone targets and/or merged companies.
- LBO valuation of sponsor, management and mezzanine investors' returns.
- Summary statements of
  - a. Enterprise purchase price
  - b. Transaction sources and uses of funds
  - c. M&A valuation multiples paid and break-even synergies
  - d. DCF valuation
  - e. LBO valuation
  - f. Accretion/dilution analysis
  - g. Coverage ratios and covenant calculation
  - h. Debt capacity calculation