JUPITER PRIME

Consulting • Training • Advisory

جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

Advanced Investment Appraisal and Capital Budgeting Training Course

22 February – 5 March 2027
New York

jupiterprime.uk

info@jupiterprime.uk

Registered in the United Kingdom and Saudi Arabia

Advanced Investment Appraisal and Capital Budgeting Training Course

Ref: 573_21172 **Date:** 22 February – 5 March 2027 **Location:** New York **Fees:** 14000 GBP

Investment Appraisal and Capital Budgeting is a 2-week advanced training course for finance managers, project and capital budgeting analysts and investment committee members, who build a capital investment appraisal case during the course. Higher financing costs, uncertain demand and pressure to fund energy transition and digital projects mean every capital request now competes harder for scarce funds. Jupiter Prime Training designed this course around those funding choices.

Why Investment Appraisal and Capital Budgeting Matter Now

Three forces press on capital allocation today. Boards and lenders demand evidence that each project earns more than a rising cost of capital. Operating units bring more proposals than budgets allow, many with optimistic volumes and understated costs. Technology, sustainability and supply chain shifts add uncertainty that single-point forecasts cannot capture. An organisation that appraises rigorously funds the projects that create value and stops weak ones early; one that relies on gut feel or payback alone locks capital into assets that never recover their cost. The course rests on discounted cash flow theory, the weighted average cost of capital, probabilistic risk analysis and real option valuation methods.

Who Gains Most from Investment Appraisal and Capital Budgeting

- Finance managers who consolidate capital requests and recommend the annual capital budget
- Project and capital budgeting analysts who build cash flow models and appraisal packs
- Investment committee members who approve, reject or reshape capital proposals
- Business unit and engineering leads who sponsor projects and own their benefit cases
- Treasury and corporate planning staff who align funding, hurdle rates and long-range plans

Organisations gain most when a finance manager, an appraisal analyst and a project sponsor attend together, because sound capital decisions need the numbers, the method and the operational assumptions tested by the same people.

Investment Appraisal and Capital Budgeting Capabilities

Participants leave able to turn a project idea into a defensible appraisal that shows value, risk and flexibility, and to challenge proposals brought to them.

- Calculate NPV, IRR, modified IRR, discounted payback and profitability index — project acceptance and ranking
- Build incremental free cash flow forecasts with tax, working capital and terminal value — appraisal model integrity
- Specify project-specific discount rates from the weighted average cost of capital — hurdle rate setting
- Test appraisals with sensitivity, scenario and Monte Carlo analysis — investment committee risk appetite
- Weigh real options to expand, defer or abandon projects — staged funding decisions
- Communicate post-investment review findings to sponsors and boards — future capital allocation discipline

Key Investment Appraisal and Capital Budgeting Terms

- Net present value — the sum of a project's discounted future cash flows minus its initial investment, showing value created.
- Internal rate of return — the discount rate at which a project's net present value equals zero.
- Weighted average cost of capital — the blended required return of debt and equity providers, used as a base discount rate.
- Monte Carlo simulation — a technique that runs thousands of random input combinations to show the probability distribution of outcomes.
- Real option — the right, but not obligation, to expand, delay, switch or abandon a project as information emerges.
- Post-investment review — a structured comparison of a project's actual results with its approved appraisal to improve future decisions.

Investment Appraisal and Capital Budgeting Day by Day

Day 1: Capital Allocation Strategy and Governance

- Capital Allocation Frameworks Linked to Corporate Strategy — Portfolio Priorities
- Capital Expenditure Approval Thresholds and Gateways — Decision Rights
- Strategic, Mandatory and Discretionary Project Classes — Funding Rules
- Optimism Bias and Strategic Misrepresentation — Proposal Challenge
- Investment Committee Charters and Papers — Decision Quality

Day 2: Cash Flow Forecasting for Projects

- Incremental and Relevant Cash Flow Identification — Excluding Sunk Costs
- Revenue, Volume and Price Driver Modelling — Demand Assumptions
- Capital, Operating and Maintenance Cost Estimates — Lifecycle Costing
- Working Capital and Tax Effects — Timing of Cash Flows
- Terminal Value and Residual Asset Treatment — End-of-Horizon Value

Day 3: Discounted Cash Flow Decision Measures

- Net Present Value Calculation and Interpretation — Value Creation Test
- Internal Rate of Return and Modified IRR — Reinvestment Assumptions
- Discounted Payback and Profitability Index — Liquidity and Efficiency Views
- Mutually Exclusive Projects and Scale Differences — Ranking Conflicts
- Capital Rationing and Portfolio Selection — Optimal Project Mix

Day 4: Cost of Capital and Hurdle Rates

- Cost of Equity Using the Capital Asset Pricing Model — Shareholder Return
- Cost of Debt and Capital Structure Weights — Blended Rates
- Weighted Average Cost of Capital Estimation — Base Discount Rate
- Divisional and Project-Specific Risk Adjustments — Avoiding Cross-Subsidy
- Country and Currency Risk in Discount Rates — Cross-Border Projects

Day 5: Inflation, Financing and Special Situations

- Real Versus Nominal Cash Flows and Rates — Consistent Inflation Treatment
- Lease Versus Buy Analysis — Asset Financing Choice
- Replacement and Asset Life Decisions — Equivalent Annual Cost
- Adjusted Present Value for Financing Side Effects — Subsidised Funding
- Public-Private Partnership and Concession Appraisal — Long-Term Contracts

Day 6: Risk Analysis Methods

- Sensitivity Analysis and Tornado Charts — Critical Variable Identification
- Scenario Analysis With Linked Assumptions — Downside Planning
- Break-Even and Margin of Safety Measures — Viability Thresholds
- Decision Trees for Sequential Choices — Expected Value Paths
- Risk Registers Linked to Appraisal Models — Mitigation Costing

Day 7: Monte Carlo Simulation

- Probability Distribution Selection for Inputs — Realistic Uncertainty
- Correlation Between Variables — Avoiding Understated Risk
- Simulation Output Interpretation — Probability of Negative NPV
- Value at Risk for Capital Projects — Downside Exposure Limits
- Communicating Probabilistic Results to Committees — Clear Risk Messages

Day 8: Real Options and Strategic Flexibility

- Options to Expand, Defer and Abandon — Flexibility Value
- Binomial Lattice Valuation of Real Options — Quantifying Choice
- Staged and Modular Investment Design — Phased Funding
- Strategic Value Beyond Static NPV — Platform Investments
- Real Options in Energy and Technology Projects — Sector Examples

Day 9: Non-Financial Factors and Post-Investment Review

- Multi-Criteria Decision Analysis — Weighing Non-Financial Benefits
- Sustainability and Carbon Cost in Appraisal — Long-Term Resilience
- Benefits Realisation Plans and Owners — Accountability After Approval
- Post-Investment Review Methods — Learning From Variances
- Feedback Loops Into Forecasting Practice — Improving Future Appraisals

Day 10: Practising the Capital Investment Appraisal Case

- Cash Flow Model for a Case Project — Applying Days 2 and 5
- Hurdle Rate and Decision Measures — Applying Days 3 and 4
- Risk and Simulation Results — Applying Days 6 and 7
- Option Value and Review Plan — Applying Days 8 and 9
- Capital Investment Appraisal Case — Presentation to an Investment Committee

Applying Investment Appraisal and Capital Budgeting After the Course

- Re-appraise one approved project with a project-specific discount rate and a Monte Carlo run, and report how its risk profile differs from the original paper.
- Run a post-investment review of a completed project, compare actual cash flows with the appraisal and record lessons for the next capital round.

Investment Appraisal and Capital Budgeting Questions FAQ

What is Investment Appraisal and Capital Budgeting and why does it matter now?

Investment appraisal and capital budgeting is the process of evaluating, ranking and funding long-term projects using cash flow, cost of capital and risk analysis. It matters now because higher financing costs and uncertainty make poor capital choices more expensive and harder to reverse.

Which roles gain most from Investment Appraisal and Capital Budgeting training?

Finance managers, project and capital budgeting analysts and investment committee members gain most. Examples come from both utility and energy infrastructure projects and manufacturing or technology expansions, so participants apply the methods across asset-heavy and digital investments.

How does Investment Appraisal and Capital Budgeting training differ from a corporate valuation course?

It differs by valuing individual projects rather than whole companies. A corporate valuation course prices businesses for deals, while this one forecasts project cash flows, sets hurdle rates, simulates risk, values flexibility and reviews results after approval.

What will you bring back from Investment Appraisal and Capital Budgeting training?

You bring back a capital investment appraisal case for a real or case project. It contains the cash flow model, decision measures, risk simulation, option value and a review plan ready for committee scrutiny.

Investment Appraisal and Capital Budgeting: The Way Forward

The capital investment appraisal case first informs whether an investment committee approves, defers or reshapes a project. Finance managers, sponsors and committee members use it to compare proposals on consistent value and risk measures. After its first use, the cost of capital and key cash flow drivers deserve a fresh look, since rates, demand and costs shift during a project's life.