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Today’s Class

• Recap of Week 1
• Put Theory into Practice with SEC Filings
• Porters Five Forces
  • Case Studies
• Why Cash Is King
• EV/EBITDA Multiple
Week 1 Recap

1.) Investing Tips:
   • Know what you own
   • Take a long-term view
   • Don’t get too attached

2.) Think like a business owner

3.) SEC Filings: 10K, 10Q, Form 4, 13E, 13D
Where To Find SEC Filings And How To Use Them

- 10K, 10Q, 8K, Form 4 - Yahoo Finance

- 13F, 13D – Whale Wisdom

- Joel Greenblatt Magic Formula -
  [https://www.magicformulainvesting.com/](https://www.magicformulainvesting.com/)
Porter’s 5 Forces

- Threat of New Entrants
- Bargaining Power of Suppliers
- Rivalry Among Existing Competitors
- Bargaining Power of Buyers
- Threat of Substitute Products or Services
Threat Of New Entrants
Bargaining Power OF Buyers
Threat Of Substitutes
Bargaining Power Of Suppliers
Rivalry Among Existing Competitors

• Fragmented VS. Consolidated Industry
• Commodity VS. Specialized Product
• Fierce Competition VS. Friendly-ish Competition
Cash Is King

• Why Is The Income Statement Sometimes Misleading
• How Do You Follow The Cash
• Cash Conversion Cycle
• Compounders and Melting Ice Cubes
Debt And Leverage

- D/E Ratio
- Current Assets Minus Current Liabilities
- Cost of Debt Increases With Business Risk
- Net Nets
- Enterprise Value
EBIT and EBITDA

• Depreciation
• Amortization
• Capital Expenditures
• Free Cash Flow

• EV/EBITDA, FCF/EV Multiples
Next Class

- Dividend Paying Investments
- Avoiding Taxes
- Holding Cash

- Ask The Class?
Q&A