WORKBOOK

Financial model for a feasibility study

Investment, financing, operations, cash flow, profitability and sensitivity over five years

A feasibility study only convinces a funder if every figure in the model is linked to an identified assumption and if the effect of a deviation in uncertain variables is measured. The workbook links the assumptions to the forecast accounts, calculates the net present value, internal rate of return and payback period, and tests three variables.

Free and open access: the workbook and this note can be downloaded directly, without registration or order; by way of exception to the distribution of open-access tools in PDF format, the workbook is supplied as an editable Excel file, which its use requires.

Sheet 1 – Guide

- 1. Complete the parameters, then the register of assumptions with their source and reliability.
- 2. Enter the investment items, the financing plan and the operating data year by year.
- 3. Read the cash flow, profitability and sensitivity sheets: no calculated cell is modified.

Sheet 2 – Parameters

- Discount rate
- Tax rate used for modelling
- Working capital requirement (% of turnover)
- Year operations start
- Model currency
- Source
- Justification and reference

Sheet 3 – Assumptions

- Assumption
- Value
- Unit
- Source
- Reliability
- Comment

Sheet 4 – Investment

- Investment item
- Amount excl. tax
- Depreciation period (years)
- Year incurred (0 to 5)
- Source
- Comment
- Investment outflows
- Depreciation charges

General information document; it constitutes neither legal advice nor an opinion on a particular situation. References to legal texts should be checked against the version in force on the date of use.

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Sheet 5 – Financing

- Equity contributions
- Loan amount
- Loan interest rate
- Loan term (years)
- Interest
- Principal repayment
- Annual instalment

Sheet 6 – Operations

- Volume sold
- Unit price excl. tax
- Turnover
- Unit variable cost
- Variable costs
- Contribution margin
- External fixed costs
- Salaries and social charges
- Gross operating surplus (EBITDA)
- Depreciation charges
- Operating result
- Loan interest
- Result before tax
- Tax (modelling assumption)
- Net result
- Cash flow from operations (self-financing capacity)
- Working capital requirement
- Change in working capital requirement

Sheet 7 – Cash flow

- Equity contributions
- Loan drawn down
- Cash flow from operations
- Total resources
- Investments
- Change in working capital requirement
- Loan repayment
- Total uses
- Net cash flow
- Cumulative cash

Sheet 8 – Profitability

- Project free cash flow

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- Cumulative flow
- Net present value
- Internal rate of return
- Payback period (years)
- Break-even turnover in the first year of operation

Sheet 9 – Sensitivity

- Selling price
- Volume sold
- Unit variable cost
- Deviation from the central scenario

Notes for use

- Only cells with a light background are to be completed; the others are calculated and protected, as is the structure of the workbook.
- Each assumption carries its source and reliability, chosen from the list “Observed” (document), “Estimated” (method) or “Assumed”; the reference document or method is stated in the comment.
- The workbook is prefilled with a standard structure: usual investment items, usual depreciation periods and indicative values marked “Assumed”, to be replaced by the project data.
- Parameters proposed with their source: corporate income tax rate from the current schedule, discount rate and working capital requirement; the tax rate is confirmed by the accountant; the model is neither a promise of profitability nor investment advice.
- Five-year horizon, without residual value; an extension beyond that requires an adapted version of the workbook.
- Version of 11-11-2026.

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