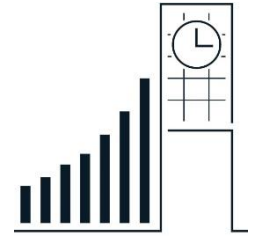


MERGERS & ACQUISITIONS CASE COMPETITION

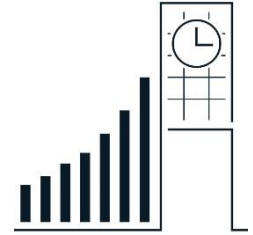
FALL 2023

AGENDA



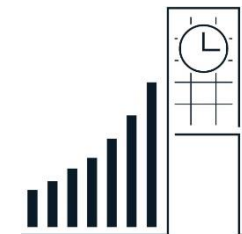
- ▶ Overview
- ▶ Prerequisites
- ▶ Important dates
- ▶ Forming teams
- ▶ Case description
- ▶ Workshops
- ▶ Resources

OVERVIEW



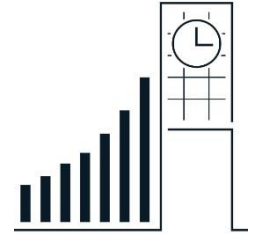
- ▶ Comprehensive case competition focusing on a real life acquisition
- ▶ Helps you learn fundamental finance concepts for future finance classes and interviews
- ▶ Essential resume experience – especially for younger students
- ▶ Develop leadership and teamwork skills
- ▶ Impress professionals in front-office finance

WHY DO M&A?



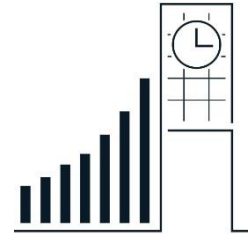
- ▶ Obtain the technical skills to perform well in front-office finance interviews
- ▶ Add technical finance experience on your resume that serves as a proxy for investment banking experience
 - As an underclassmen, this is essential to getting a job later on
 - If you don't have many finance-related experiences on your resume, this is the perfect way to build some
- ▶ Get exposure to upperclassmen and alumni who will help you get a job/internship

PREREQUISITES



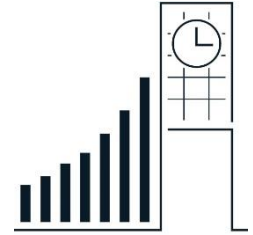
- ▶ Positive attitude
- ▶ Interest in finance (or any comparable career path)
- ▶ Willingness to ask questions
- ▶ Desire to learn more about:
 - Analyzing a business
 - Accounting and financial statements
 - Valuing a company (or anything)
 - Presenting and defending your recommendation in front of the executive board, faculty, and finance professionals
- ▶ **You don't need any prior finance experience to do well—we will teach you everything you need to know**

SCHEDULE

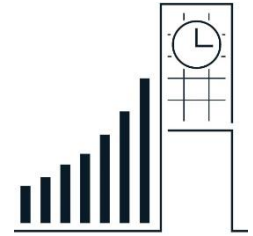


Finance Society Master Schedule			
Date	Time	Event	Comments
Monday, September 4	6:30 PM	NO MEETING - LABOR DAY	
Tuesday, September 5	6:30 PM	GIM 1	
Thursday, September 7	6:30 PM	GIM 2	
Monday, September 11	6:30 PM	Careers in Finance, Front Office Finance Panel	Help people understand what is available, and the benefits of each, Convince people that front office is great, while making it known what it takes to get there
Thursday, September 14	6:30 PM	M&A Kickoff, Qualitative Business Analysis	Cover the basics that allow people to analyze a business and an industry
Monday, September 18	6:30 PM	M&A Workshop, Excel Presentation	Cover the qualitative aspects of M&A (Why M&A, vertical, horizontal, synergies), Formatting, basic formulas and functions, best practices
Thursday, September 21	6:30 PM	Accounting Workshop 1	Clearly define BS, IS, CF statement and key terms associated with it
Sunday, September 24	11:59 PM	Deliverable 1 Due	
Monday, September 25	6:30 PM	NO MEETING - YOM KIPUR	
Thursday, September 28	6:30 PM	Accounting Workshop 2	Go over accounting concepts and show how financial statements connect
Sunday, October 1	11:59 PM	Deliverable 2 Due	
Monday, October 2	6:30 PM	Revenue Build Workshop, Help Session / Basic Finance Workshop	Show how revenue is built out / Time value of money, valuation, enterprise value vs. equity value
Thursday, October 5	6:30 PM	DCF Workshop and Demo	Calculate FCFF, WACC, EV to Equity, shares outstanding
Sunday, October 8	11:59 PM	Deliverable 3 Due	
Monday, October 9	6:30 PM	DCF Help Session	Individual team help for DCF modeling
Thursday, October 12	6:30 PM	Transaction, Trading Comps Workshop / Capital Markets Presentation, Help Session	How to find good comps, what they demonstrate, how to make calculations / Explain Capital Markets meaning, how it impacts decisions, how to calculate
Sunday, October 15	11:59 PM	Deliverable 4 Due	
Monday, October 16	6:30 PM	Presentation Workshop	Show how M&A case should be presented
Thursday, October 19	6:30 PM	NO MEETING - FALL BREAK	
Sunday, October 22	11:59 PM	Deliverable 5 Due	
Monday, October 23	6:30 PM	General Help	
Thursday, October 26	6:30 PM	General Help	
Monday, October 30	6:30 PM	General Help	
Friday, November 3		First Round M&A Presentations	Presentations are due Thursday at 11:59 PM
Monday, November 6	TBD	Accretion/Dilution Analysis, DCF with Synergies	How companies raise capital, different types
Friday, November 10		Second Round M&A Presentations	
Monday, November 13	TBD	Mock Presentations	Discuss logistics and next steps
Friday, November 17		Final Round M&A Presentations	

CASE OVERVIEW



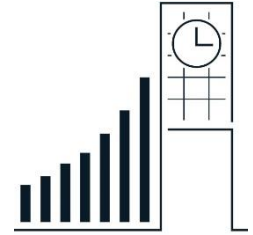
- ▶ Intuit bid for PayPal
 - Provide buy-side M&A advisory to Intuit management on the company's bid for PayPal
 - You will be doing the work of the Intuit bankers and making a recommendation on how they should approach their bid for PayPal
- ▶ We will provide you with the framework and knowledge to perform this analysis through weekly workshops
- ▶ Refer to bingfinance.org for the case prompt and case



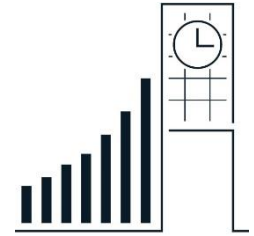
FORMING TEAMS

- ▶ Teams of three to four students only
- ▶ Must be filled out by Monday, September 18th at 11:59 PM
- ▶ If you already have a complete team (3-4 members):
 - Fill out this [Google Form](#)
- ▶ If you are a team searching for additional teammates (2 members or 3 looking for a fourth):
 - Fill out this [Google Form](#)
- ▶ If you do not have teammates and want to participate in the competition (free agent):
 - Fill out this [Google Form](#)

RESOURCES

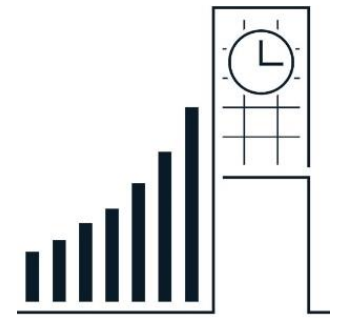


- ▶ Help from the Executive Board
 - E-mail bingfinancesociety@gmail.com with questions
 - Ask any questions you have in meetings
 - Someone likely has the same question you do
 - Team mentors
- ▶ Online references
 - S&P Net Advantage
 - Investopedia
 - Khan Academy
 - *Vault Guide to Finance Interviews*
 - *Investment Banking* by Joshua Pearl and Joshua Rosenbaum



IMPORTANT DATES

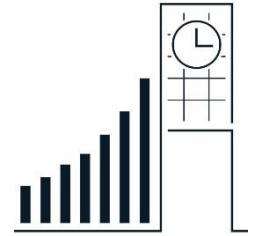
- ▶ Preliminary round
 - Friday, November 3rd
- ▶ Semifinal round
 - Friday, November 10th
- ▶ Final round
 - Friday, November 17th



QUALITATIVE BUSINESS ANALYSIS

FALL 2023

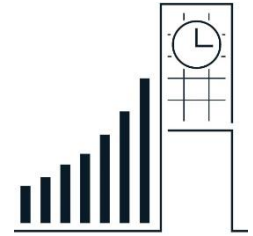
AGENDA



- ▶ Analysis that goes into M&A transactions
- ▶ Importance of qualitative analysis
- ▶ General environment
- ▶ Industry environment
- ▶ Competitive environment
- ▶ Porter's five forces
- ▶ SWOT analysis
- ▶ Synergies analysis
- ▶ Deliverable
- ▶ Questions

Have you addressed each of these factors in the qualitative write-up?

WHAT ANALYSIS GOES INTO M&A TRANSACTIONS



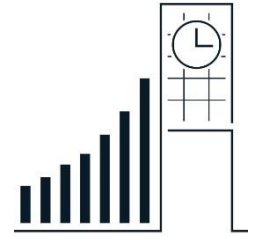
- ▶ Before evaluating terms for a deal we need to evaluate whether or not a merger or acquisition is practical
- ▶ Analyze the potential motivations for a deal between the companies involved
- ▶ Perform in-depth analysis on the industry and company
 - What is the company's strategy?
 - Does this deal fit within its overall strategy?
 - Where is the company in its business life cycle?
- ▶ Does this deal make sense?

THE IMPORTANCE OF QUALITATIVE ANALYSIS



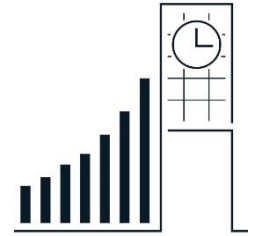
- ▶ A company is more than just its financials and performance
- ▶ “Soft” metrics are often underestimated
- ▶ Other factors to understand
 - The company’s business model—is it viable?
 - How does the company earn revenue?
 - Who does the company sell to?
 - How is that revenue translated into profits?
- ▶ What matters but cannot be measured on a financial statement?
 - Stakeholder satisfaction
 - Management leadership

GENERAL ENVIRONMENT

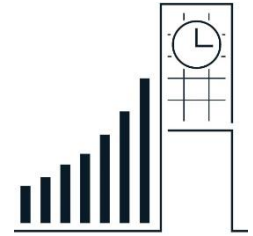


- ▶ Demographic
 - Population size, ethnic mix, income distribution
- ▶ Economic
 - Inflation rates, GDP, interest rates, personal savings rates
- ▶ Sociocultural
 - Women in the workforce, concerns about the environment
- ▶ Global
 - Important political events, geopolitical risks, industrializing countries

GENERAL ENVIRONMENT



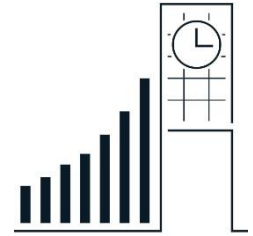
- ▶ Technological
 - Product innovations, new communication technologies, focus of private and government-supported R&D expenditures
- ▶ Political/Legal
 - **Antitrust laws**, labor laws, educational philosophies and policies



INDUSTRY ENVIRONMENT

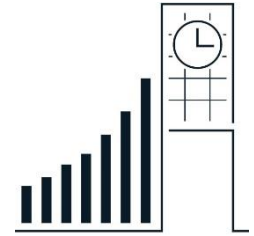
- ▶ Industry fragmentation
- ▶ Where is the firm in the industry?
 - Is the firm a first/second/third mover?
 - Does the firm have a significant market share?
 - Why or why not?
- ▶ Competitiveness of suppliers
 - Providing a differentiated product = \uparrow supplier power
 - Labor unions = \downarrow supplier power
- ▶ The capacity of the industry
 - Find trends that will impact demand for an industry's products

COMPETITIVE ENVIRONMENT

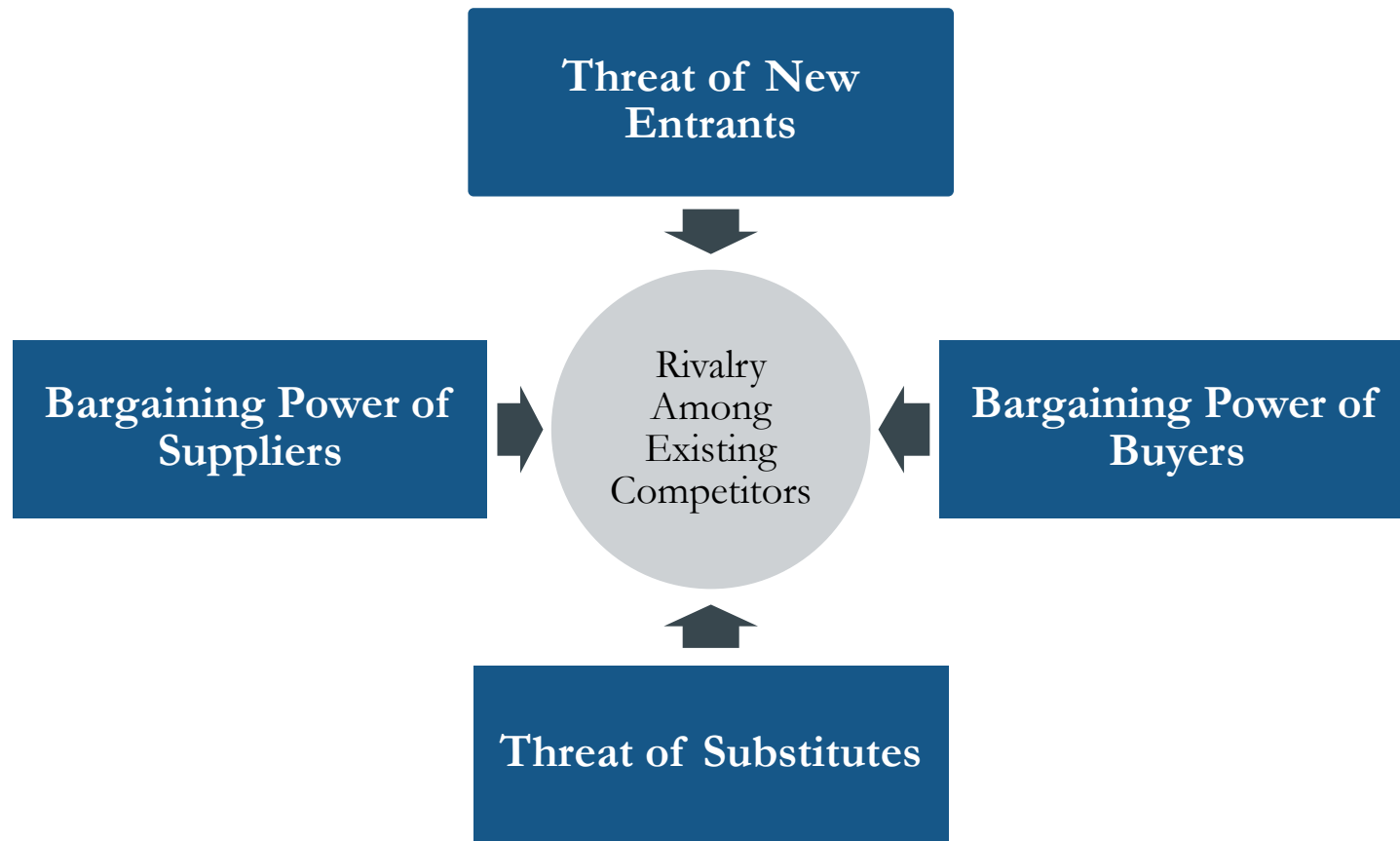


- ▶ Product differentiation and production costs impact value
- ▶ Trends in consumer demand
 - Price elasticity of demand
- ▶ Are there substitute products?
- ▶ Does the firm have any competitive advantages?
- ▶ How does the company rate on:
 - Customer service
 - Quality of products and services
- ▶ Patent protection for the product

PORTERS FIVE FORCES ANALYSIS

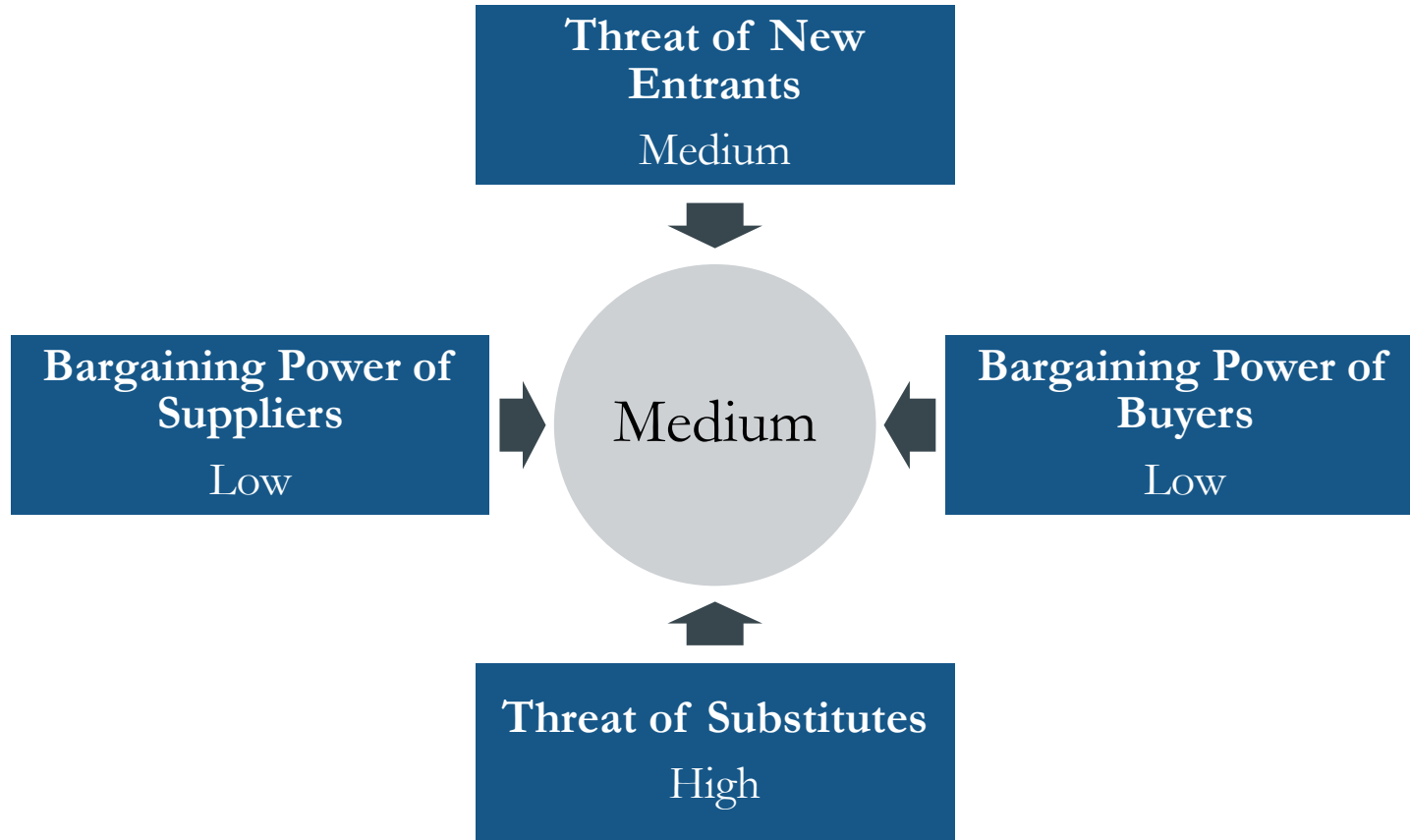
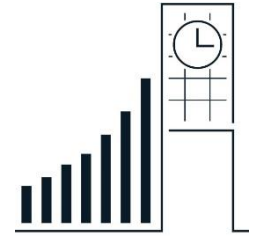


QUALITATIVE BUSINESS ANALYSIS

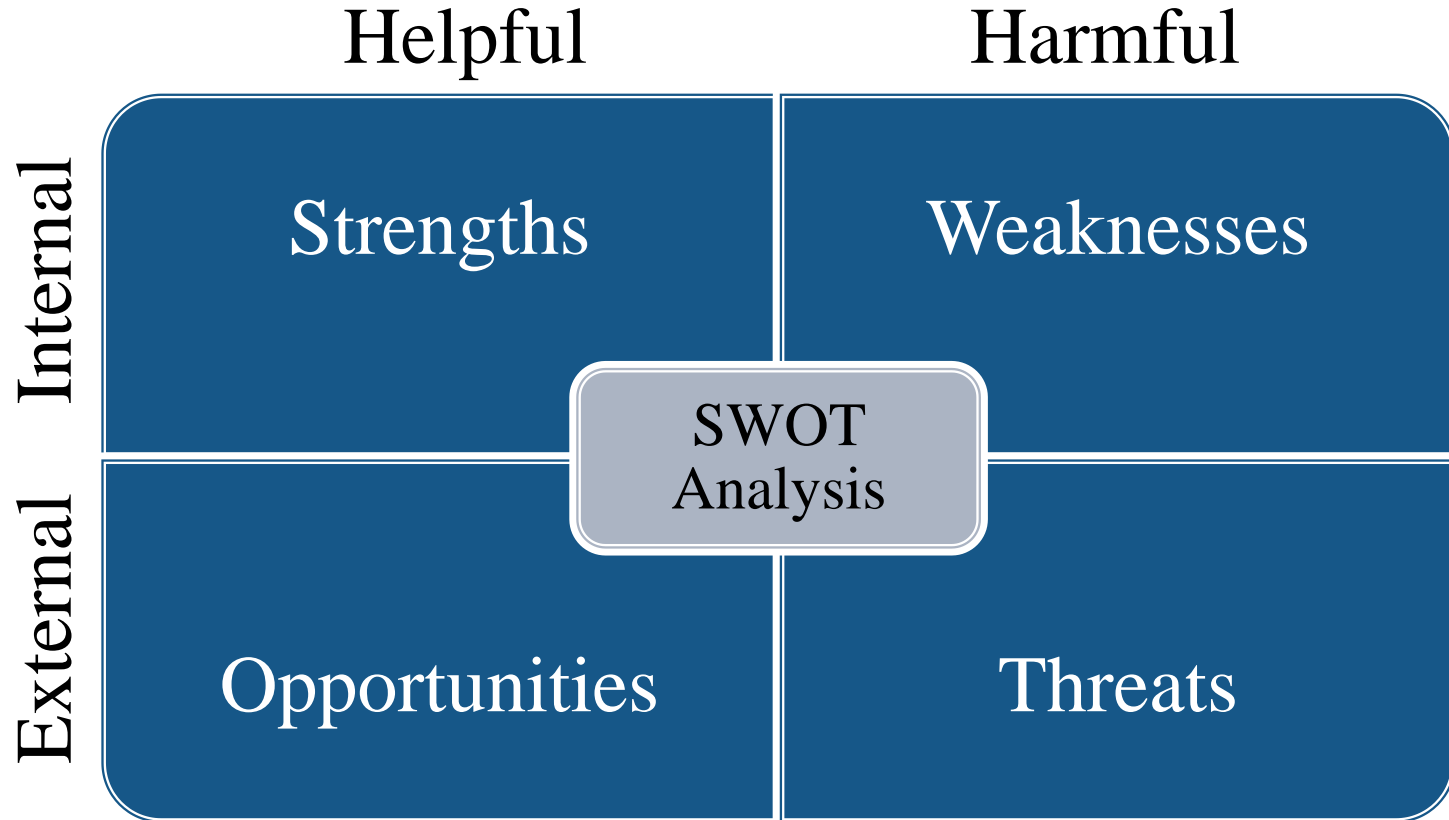
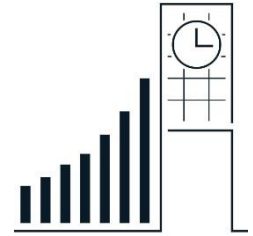


What is the product environment, and how does it affect the company?

SODA INDUSTRY PORTERS FIVE FORCES ANALYSIS

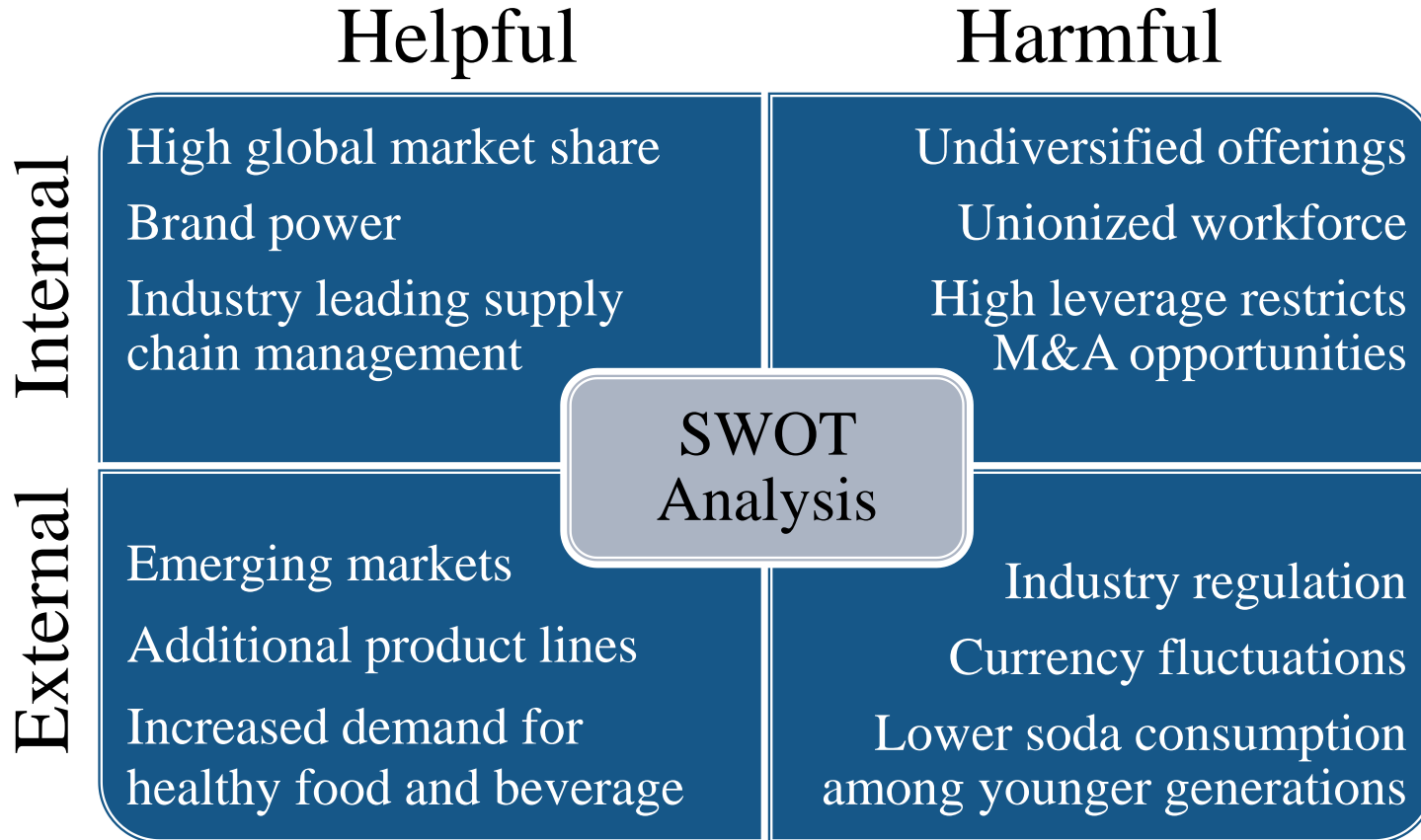
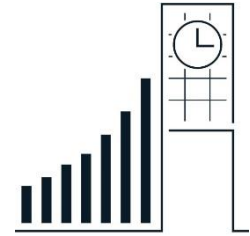


SWOT ANALYSIS

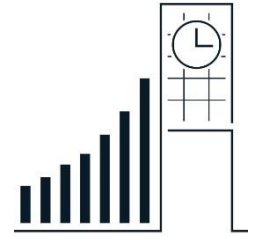


Can you simplify how the company is positioned relative to its competitors?

COCA COLA SWOT



SYNERGIES ANALYSIS



▶ Three types of synergies

◦ Cost synergies

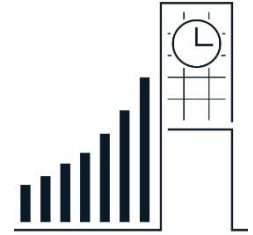
- Economies of scale
- Eliminating redundancies
 - Shared distribution channels, one management team, one support team
- Easiest to achieve

◦ Revenue synergies

- Cross-selling and upselling
- Increase market share
 - Expand geographically, tap into new markets
- Difficult to attain

◦ Financial Engineering

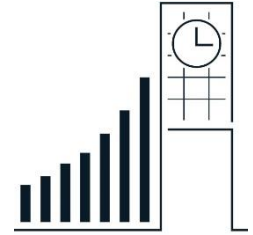
- Tax benefits
- Working capital benefits



DELIVERABLE

- ▶ Due: Sunday, September 24th at 11:59PM via email
- ▶ Put together a write-up addressing:
 - Practical reasoning supporting an acquisition
 - General environment
 - Industry environment
 - Competitive environment
 - Porter's five forces
 - SWOT analysis
 - Potential synergies
- ▶ Double spaced, times new roman, font size – 12

QUESTIONS?



- ▶ Check out our website: bingfinance.org
- ▶ Email us at:
 - bingfinancesociety@gmail.com
- ▶ **President:** Adam Kawalek
 - akawale1@binghamton.edu
- ▶ **Executive Vice President:** Kaily Ishikawa
 - kishika1@binghamton.edu
- ▶ **VP of Alumni Relations:** Yehuda Silverman
 - ysilver2@binghamton.edu
- ▶ **VP of IB Recruiting:** Jack Schaffer
 - jschaff4@binghamton.edu
- ▶ **VP of Markets Recruiting:** Jacy Schneider
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- ▶ **VP of Internal Development:** Caitlin McMahon
 - cmcmaho6@binghamton.edu
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 - emilone1@binghamton.edu