FIN 294
WSFM Investment Banking Internship Prep & NYFM Alumni Speaker Series

Professor:
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TAs:
WSFM 2nd Year Students Acting as VPs

INVESTMENT BANKING INTERNSHIP PREP
& ALUMNI SEMINAR SERIES

Course Objectives
This course is intended to prepare Wall Street for McCombs (WSFM) students for their summer internships in investment banking. The course is split into three sections: (1) a formal classroom-type practicum instruction on key topic of corporate valuation, (2) the creation, as part of a team of BBAs and MBAs, an investment banking pitch book valuing GAP Corporation (“GAP”) from soup-to-nuts and presenting a strategic alternative (either an acquisition or divestiture/sale) to a group of McCombs finance faculty and (3) a speaker series where McCombs alumni in the financial services and alternative asset management industries discuss their fields of expertise and career trajectories.

The objective of the finance component of the class is to do a full valuation and strategic analysis of GAP including business overview, market positioning, comparable company analysis, discounted cash flow analysis, leveraged buyout analysis and M&A analysis including precedent transactions and EPS accretion/(dilution) work. The final deliverables will be a PowerPoint deck that will be presented to McCombs finance faculty on April 17, 2020. Teams may choose to analyze which company should acquire GAP or which companies GAP should itself acquire. In either case, the valuation work will only be solely on GAP. The only difference between an acquisition or divestiture scenario will be in the M&A analysis. This is meant to simplify the work and not penalize teams that think GAP should be acquiring companies rather than sell itself.
Course Requirements and Grading

Final grades for ANALYSTS will be determined as follows:

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<th>Weight</th>
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<tr>
<td>- Individual Student Presentation @ End</td>
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<td>- Associate Review</td>
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<td>- Analyst Peer Reviews</td>
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<td>- Practicum (4) Attendance</td>
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<td>- Speaker Attendance &amp; Thank yous</td>
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Final grades for ASSOCIATES will be determined as follows:

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<th>Weight</th>
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<td>- Team PowerPoint Decks (4 @ 5% Each)</td>
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<tr>
<td>- Individual Student Presentation @ End</td>
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<td>- VP Review</td>
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<td>- Analyst Reviews</td>
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Practicums

The four practicums (Comps, DCF, LBO & M&A) are a critical part of the course and without which the learning would be impaired. Attendance is required for all. **Note: in order to get full credit, you must attend the session in full and have webcams on at all times.**

Seminar Speaker Series

There will be about a dozen NYFM alumni guest speakers coming to campus for luncheons or via Zoom, all on Fridays. Students are expected to be wearing business casual attire and attend all events unless there is a bona fide conflict that is cleared with instructor beforehand. Those alumni are making time out of their busy schedules to be speakers so a strong WSFM student showing is critical. It is expected that students will study up on each speaker’s background and business prior to attendance. **Note: in order to get full credit, you must attend the speaker session in full and have webcams on at all times.** In addition, as part of your full credit, you also will need to draft a thoughtful but short thank you email to the alumni speaker. That message should be sent directly to the speaker, with a bcc to their team VP, within 24 hours of the event.
GAP Corporation

Associates and Analysts are expected to learn about GAP’s business including detailed financials encompassing a full read-out of the Public Information Book (PIB) provided but also including other sources of information, as needed.

Team PowerPoint Decks

PowerPoint presentation sections will need to be completed after each practicum session (timing of deliverables shown on calendar). The WSFM VPs will provide guidance as content but it is expected the Associate will lead most of the work. Expectations is for 6-9 pages per section plus supporting appendix analysis but overall quality, depth and creativity of content will be critical. Scrubbing of all financial numbers is also key, both for GAP as well as for comps and acquirer/target analyses. Associates/analysts on the teams will upload each section into Canvas as the due date and the review and grading of each section will be done by the VP for each team subject to instructor’s discretion on adjustment for final grades. The presentation should be in professional client-ready format and layout with logical sequence of analyses.

Weekly Team Meetings

Each team’s VP, Associate and Analysts should plan to meet (face-to-face or via Zoom) once a week to discuss the project and relevant analyses and deliverables. It is understood that people have multiple conflicts but effort must be made to go around them even if it means meeting on the weekends. Regular team interaction is critical to a successful course learning experience. VPs will report to instructor an update on weekly meetings and level of engagement/participation of each student.

Team Presentation

On April 16th and 23rd, each team will present to the VPs and Faculty Director their work. Attire for that session should be formal business attire. It is expected that the Associate and both/all Analysts on each team will have a speaking part. Presentation time will be 15 minutes with 5 minutes for Q&A.

Absences

As mentioned earlier, attendance to all FERC and speaker series are mandatory. Any bona fide absences need to be pre-cleared with the instructor. Associates are excused from
attending the speaker series on Friday, Feb. 7th and Friday, March 13th but expected to be present for all other events.

Key Dates for Deliverables

All PowerPoint presentations need to be uploaded into Canvas for VP review, grading and comments by the below dates:

02/8/2021 @ 11:59PM  GAP company overview, strategy and public comps
02/21/2021 @ 11:59PM  Above PP deck including DCF analysis of GAP
03/03/2021 @ 11:59PM  Above PP including GAP LBO analysis
04/14/2021 @ 11:59PM  Final deck including above and M&A analysis (of either EPS impact to GAP acquiring a target or acquirer EPS impact of buying GAP). NOTE: Your M&A analysis may either have consideration be all stock, all cash or mixed stock/cash consideration
Final Presentation Sample Outline

The outline of each team’s final presentation should, at a minimum, include the following pages/analyses. Note that this is just a minimum recommendation. Teams will be graded based on creativity and expansiveness beyond the suggested outline below:

Executive Summary (1 page)

Company/Strategy Overview
- Summary company overview
- Business strategy overview
- Summary overview of historical and projected financial performance
- Overview of business segments
- Historical stock graph chart
- Indexed stock graph chart
- Equity research analyst commentary
- SWOT analysis

Comparable Company & Precedent Transactions Analysis
- Summary of strategic/business comparison of comps
- Summary trading multiples of comps
- Summary operating statistics of comps
- Summary of precedent transactions

Discounted Cash Flow Analysis
- Beta Analysis
- WACC analysis
- Summary of DCF analysis
- Sensitivity analyses

Leveraged Buyout Analysis
- Key assumptions
- Summary IRR analysis
- Sensitivity analyses

Football Field

M&A Analysis
- Potential targets overview
- Strategic rationale for recommended transaction
- Summary overview of target
- Financial overview of target
- Valuation matrix
- Contribution (aka Has/Gets) analysis
- Transaction pricing & financing
- EPS accretion/(dilution) analysis

Appendix
- Detailed DCF analysis
- Detailed LBO analysis
- Detailed M&A analysis
- Detailed comps analysis
- Detailed precedent transactions analysis

CLASS CALENDAR SENT SEPARATELY AS IT IS A FLUID DOCUMENT DUE TO CHANGING SPEAKER SCHEDULES.

NOTE: PLEASE UPDATE YOUR CALENDARS FOR EVERY EVENT/CLASS AND UPDATE IT AS SOON AS NEW VERSION IS SENT AS CLASSROOMS, SPEAKERS AND TIMES MAY CHANGE. IT IS YOUR RESPONSIBILITY TO BE AT ALL EVENTS/CLASSES.