

# The CFA Research Challenge Benelux 2022-2023 has a winner!

The organizers and the participants of the CFA Research Challenge Benelux were thrilled to hold the finals, once again, at the beautiful historic Euronext building. We are thankful to our gracious hosts at Euronext for giving students a glimpse of what life is like on a trading floor.

## PostNL

This year's "target" company was PostNL, a ubiquitous Dutch shipment company. One of the main beneficiaries of the pandemic, PostNL's fortunes post the 2021 peak have turned drastically. The stock lost all of its pandemic gains and struggled operationally. Analysts on The Street have not been positive on the story and the questions regarding long-term future, growth and profitability of this business have intensified. We were curious how the teams would handle this challenging

company and decide which of the firm's market-ascribed valuations was more appropriate – 2021 or now?

Interestingly enough, all 3 finalists – ICHEC-Louvain School of Management, HEC Liège and the Erasmus School of Economics – came out with a rather sanguine outlook on the competitive positioning and growth opportunities of PostNL relative to the market, which led to all 3 issuing Buy recommendations on the stock. Quite a contrarian and brave approach!

## The Thrilling Finals

Out with the old, in with the new does not seemingly apply to the CFA Research Challenge Benelux finalists. ICHEC-LSM and HEC Liege are consistently placing a team into the finals, which is a testament to the commitment of the Universities and faculty. We'd like to give a particular shout out to the Associate Professor Mathilde Fox, PhD of ICHEC and Professor Marie Lambert at HEC Liege for putting time and effort in recruiting and guiding students throughout the process, which leads to continuous



success. We also want to congratulate ESE and its Associate Professor Esad Smajlbegovic for their first appearance in the local finals. ESE is a relative newcomer to the competition, so congratulations ESE!

At the local finals student teams are asked to present their findings to a three-person jury, comprised of industry professionals, some closely familiar with the company being analysed. Each team has 10 minutes to present their case, followed by 10 minutes of Q&A from members of the jury. This year's jury was comprised of Marc Zwartsenburg (ING), Ioannis Pontikis (Morningstar) and Pieter van Diepen (GSAM).

All the guests and jury were treated to three rounds of impressive presentations. The jury members asked very challenging questions, but the teams were well-prepared and defended their analysis very well during the Q&A. Notably, the final score, which determines the overall winner, is a combination of a presentation and a written company report score. The ESE team had the biggest gap to overcome as their written report score was more than 10 points below the 2<sup>nd</sup> place report, which they almost, remarkably did, finishing in the 2<sup>nd</sup> place overall but scoring the highest with their presentation. Well done!

But even that herculean effort wasn't enough to best team HEC Liege, which will be making a repeat appearance in the regionals. HEC Liege delivered solid performance overall and their win is well deserved. Congratulations to Arthur Fossion, Antoine Duysinx and Corentin Werenne, of team HEC Liege and their industry mentor Damien Petit, CFA!

And, of course, congratulations to all the participating Universities. The main objective of the Research Challenge is to prepare students for their future careers whether in research or elsewhere in the field of finance. Hopefully all the students are able to take the invaluable experience and lessons gained from participating in this process and apply it toward their future



careers. Trust us, "CFA Research Challenge" listed on the CVs of candidates for equity research roles is a very important distinction that could help you garner an interview and possibly a job.

#### Opportunity to volunteer

Organizing the research challenge is an enormous yet rewarding task that requires the contribution of a large number of volunteers ranging from the organising team, to student-team mentors and research report graders. Given the ongoing success of the competition, we need more volunteers! If you would be interested in joining this team please make your interest known, either to myself or to the staffed office so that we can continue to organize this exciting and career-launching learning experience for students!

The CFA Institute Research Challenge is an annual global competition that provides university students with hands-on mentoring and intensive training in financial analysis and professional ethics. To learn more, visit the CFA Institute website [www.cfainstitute.org](http://www.cfainstitute.org) or the Students pages of <https://cfasociety.nl/en/cfaresearchchallenge>. We encourage you to join the team!

The CFA Institute Research Challenge gathers students, investment industry professionals, publicly traded companies, and corporate sponsors together locally, regionally, and globally for an annual competition. In order to promote best practices in equity research and company analysis, students research, analyze, and report on a company as if they are practicing analysts. Local CFA member societies and other affiliated groups host local level competitions of the Research Challenge in conjunction with the participating universities. The universities assemble teams of three to five business and finance students who work directly with a company in researching and preparing a company analysis. The team's final presentations are locally evaluated by high-profile panels of heads of research, portfolio managers, and chief investment officers from the world's top firms. The local champions advance to regional competitions in the Americas, Asia Pacific, and Europe, Middle East, and Africa (EMEA) and then to the Global Final. Additional information on the Research Challenge is available on the CFA Institute website.

*By Alex Morozov*