

## **CFA Research Challenge**

Our experience of the CFA Research Challenge began in October 2016 and lasted all the way through April 2017.

We started off as one of 18 teams in the Benelux area that came together in Rotterdam to hear which company we would be analyzing over the course of the next couple of months. It all started with a short introduction to the subject company and a promotional video of the company, after which we started digging into the company's reports and anything we could get our hands on. What was really amazing during that time was being able to apply everything we had learned at university and during our internships on a real company and discussing our findings with our mentors who, through their years of experience, had a completely different perspective.

The toughest time for me personally was shortly before the Christmas break, when everyone else from our program had already gone home while we were still working on the project after some very intense weeks at university. To be honest, I believe that during that time, all of us thought "what did we get ourselves into" at least once. I remember us finishing our first draft on the 23<sup>rd</sup> of December shortly before midnight, which was an amazing achievement. I am absolutely certain that all of us grew enormously during that time, both individually and as a team.

Then came the fun part! After having re-evaluated our draft with the remarks from our mentors and implementing the last changes, we handed in our finalized report. Even though we had put in a ton of work and a large amount of hours, we thought that we could have done better – that's the thing with analyzing a publicly listed company, you can always do more, dig deeper into certain aspects and add more detail. There will always be a trade-off between aspects to focus on! That is why we were absolutely stunned when we heard that we had made it into the Benelux Finals. We were thrilled to get the chance to present our results to a jury and compete with the best peers from the region.

At that point, it became even clearer than before just how much a sell-side report is about telling a story and conveying an idea convincingly. Without the right rationale and a clear understanding of what moves the business, its industry and the market, the numbers you

come up with don't have a meaning. If you don't convey what it is that the company does, what makes or breaks its business, which opportunities and threats might be in store, nobody cares about the second decimal digit of your WACC, to put it in an extreme way. A challenge at this point was to present in a way that anyone who didn't know the company could follow with ease. All of us enormously enjoyed presenting our findings to the jury and answering the questions in the Q&A round. The tension was high but we were well-prepared and had a good understanding of the company. We were confident that we could convey what the company is doing and where it was heading in a holistic way, ready back up every number with reasonable assumptions and market rationale. In the end, we won the Benelux finals and moved on to the EMEA finals in Prague.

The EMEA finals were held on a weekend in April at a hotel in the Prague city center, for which the best teams of the entire region were flown in and hosted by the CFA Institute. At the finals, the judges from different nationalities from all over the world naturally had little up-front knowledge on our Dutch subject company, which we took into account in our presentation. Unfortunately, in the end, we didn't make it into the final six and ended our journey as part of the top 36 teams in the EMEA region.

After having dropped out of the challenge, it was very interesting to see how the top six teams of the EMEA region and thereafter the global finalists approached the challenge and even more importantly the presentation. It's safe to say that we were all impressed by their performances. All of us highly recommend any team that is going to participate in the CFA Research Challenge to watch the global finalists online to get an impression of how they approached the challenge.

Summarizing, the CFA Research Challenge was an amazing experience for all of us – both personally and professionally – and a highly valuable team effort. From the first introduction to the company, via the meeting with the CFO of our subject company, to the finals in both Amsterdam and in Prague and the great weekend in Prague that came with it, we thoroughly enjoyed partaking in this challenge. There were quite some days that we spent beyond our comfort zones and working incredibly hard next to our tough schedules, as well as some achievements celebrated along the way. I complement all of you on partaking in this year's challenge and wish you a successful and rewarding experience. In case you have any questions, feel free to shoot me an email to schedule a Skype call.