

**YALE
SOM**
Finance Club

Finance Club Meeting 09.25

Process check-point, NYC trips, macroeconomic trends & deals

September 25 2019



Yale SCHOOL OF MANAGEMENT
Student Organizations

Agenda

- Where should I be?
- Feedback
- Process check point
- Campus visits to NYC trips
- Macroeconomic trends and deal
- Next steps
- Where should I be by next week?



Where should I be?

- Booking **first informational interviews** in New York (post-Campus Presentations)
- Signed up for:
 - All **Corporate Presentations** on CMS
 - **Training the Street's *Corporate Valuation*** session
- Comfortable telling **your story** and discussing “**Why Investment Banking?**”
- Able to answer significant portion of “**Basic**” sections of **400 Questions** guide
- Meeting regularly with a **group of peers to practice**
- Reading **the news** and following **industry trends**
- Re-reading the **weekly Finance Club deck** after each session



Sep

Oct

Nov

Dec

Jan



Any questions on Campus Visits?



Feedback

Campus visits

- Arrive on **time**
- Limit **phone** usage
- Bring your **Yale SOM name tag**
- Keep **questions** appropriate
- **Dress** appropriately (try to wear black shoes)
- Only **thank Bankers that attended campus visits**
- Ask considerate questions (do not dive into specific **macro / industry questions** and do not ask bankers to **explain fundamental concepts** that you should know)
- Minimize / avoid **body contact; shake hands** but please no other physical contact

Informational interviews

- **Meet with more Second Years** (different banks, international students, diversity candidates, etc.)
- Send **thank you notes between 2 and 24 hours** after your informational (do not send them straight away)

Other

- Send **emails between 9.00am and 6.00pm**
- Re-read **Finance Club decks** after sessions
- Attend **Wednesday Finance Club sessions** (unless scheduling informationals in NYC)

Try to remember that informationals are a valuable experience (not just a drawn out test!); they are an opportunity to –

- 1. Build a broad network and to learn about different banks***
- 2. Showcase your commitment to the career***
- 3. Contribute to the small but strong SOM Wall St Community***



September 2019

Emerging

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2 Labor Day	3	4 Kick-Off Meeting 12:00PM Evans Hall 2400	5	6	7
8	9 Club Meeting 6:30PM 4430	10	11 Technical Session 6:30PM 2410	12 Finance Club Closing Bell	13	14
15 Technical Session 5:00PM Evans Hall 4420	16	17 Intl. Students 11:45 AM Evans Hall 2410	18 Club Meeting 11:45 AM Evans Hall 4400	19 Prob. Exam	20	21
22 Technical Session 5:00PM Evans Hall 4420	23 Citi	24 Greenhill Morgan Stanley	25 Club Meeting 11:45 AM Evans Hall 4420 Barclays	26 Houlihan Lokey	27	28
29 Training	30	1	2	3	4	5



October 2019

Emerging

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
29 Training	30 Div. Students Evans Hall 2410	1 Mock Mock Madness	2 Club Meeting Goldman Sachs	3 Mock Mock Madness	4 DoWS	5 Small Group Dinners
6 Small Group Dinners Technical Session Evans Hall 4420	7 UBS Moelis	8 Mock Mock Madness	9 Club Meeting 11:45 AM Evans Hall 4420	10 Mock Mock Madness	11 Fall 1 Exams	12 Mock Mock Madness
13 Mock Mock Madness	14 Fall 1 Exams	15 Fall Break	16 Fall Break	17 DoWS	18 DoWS	19 Mock Mock Madness
20 Mock Mock Madness	21 Fall 2 Starts	22 Mock Mock Madness	23 Club Meeting 11:45 AM Evans Hall 4420 Greentech	24 Mock Mock Madness	25 Mock Mock Madness	26 Mock Mock Madness
27 Technical Session 5:00PM Evans Hall 4200	28 Mock Mock Madness	29 Mock Mock Madness	30 Club Meeting 11:45 AM Evans Hall 4420	31 Mock Mock Madness	1 Mock Mock Madness	2 Training

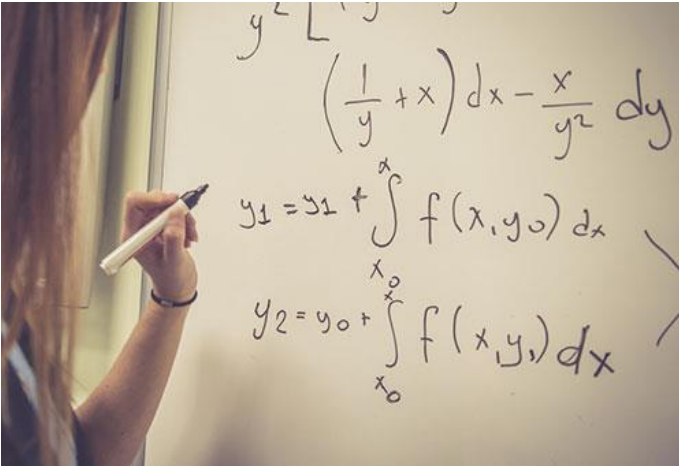


“Mock” Mock Madness

- **Purpose:** prepare you for upcoming technical and behavioral interviews
- **When:** next week
- **Why:** technical questions may begin as early as the following week
- **How to register:** sign up link to be distributed tonight



Sample questions



Technical questions

- Talk me through the 3 financial statements? How do they link?
- Walk me through the statements when Depreciation increases by \$10?
- What is Enterprise Value?
- What are the 3 valuation methodologies?
- Walk me through a DCF?
- Why acquire a firm?

*Additional CampusGroups resources
posted in the appendix*



Behavioral / qualitative questions

- Why Investment Banking?
- What does an Associate Do?
- Why would you make a good Associate?
- What is your biggest fear about being an Associate?

Days on Wall Street

- **9:30am - 5:30pm on October 4th, 17th & 18th in NYC**
- **Participation / attendance is mandatory** for anyone continuing on in the recruiting process
 - If there are extenuating circumstances that will require you to miss one or more days these need to be communicated to finance club leadership in advance
- Students attending this event must provide **a \$250 deposit** in the form of a bank check to Jon Ormaechea
 - Students will be required to attend every session throughout the day and sign in at each venue
 - Deposits will be refunded in full after confirmation of the student's attendance
 - If a student chooses to attend more than one day of Days on Wall Street, still only one deposit is necessary
 - Students are responsible for their own travel to and from New York City and between sessions throughout the day
- Registration now **available on Campus Groups and CMS**



Days on Wall Street – Oct 4th Schedule

Schedule

No CDO / Finance Club organized partner visit in the AM.

Partner: Guggenheim

- Time: 11:30 AM - 1:00 PM
- Address: 330 Madison Avenue, 32nd Fl Boardroom
- Authorization: US Work Auth Required
- Meal: Coffee / Water provided

Partner: Lazard

- Time: 2:00 PM - 3:00 PM
- Address: 30 Rockefeller Plaza
- Authorization: TBC
- Meal: Light refreshments provided

Partner: JPMC

- Time: 4:30 PM - 5:30 PM
- Address: TBD
- Authorization: TBC
- Meal: Reception



Campus visits to NYC trips

- Sending thank you notes and initiating coffee chats
- Navigating NYC
- Discussing background / interests in informational interviews



Sending thank you notes and initiating coffee chats

Re-cap from last week

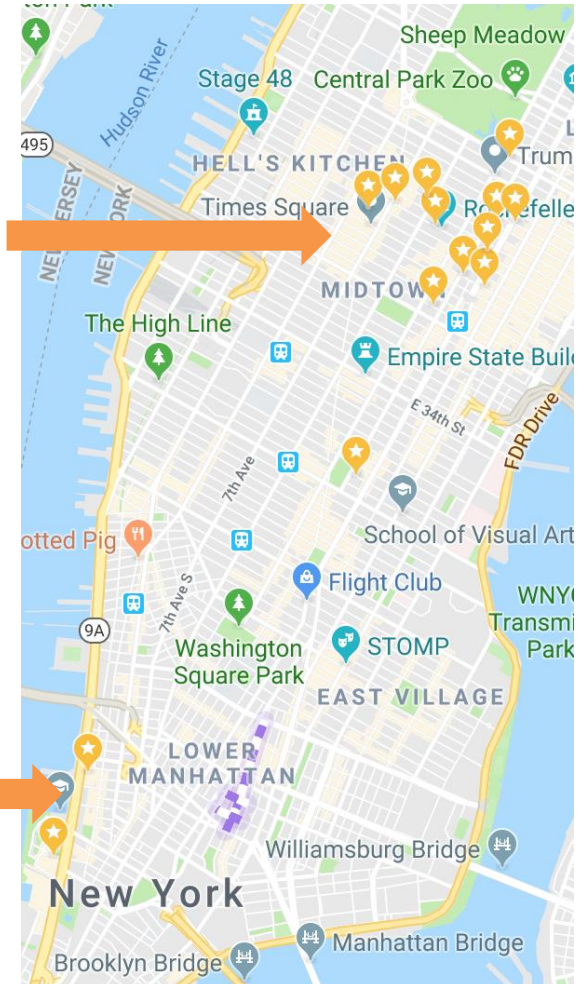
- Always **follow protocol for reaching out** as outlined in each bank's presentation
- Remember to **send thank you notes** after campus presentations
- The normal / most common process is to reach out to **Junior Bankers** (First Year Associates) after meeting them at corporate presentations
 - Thank them for coming to campus and suggest three possible time slots *no further out than one week* from the time you contact them
 - Build in buffer time between meetings (factor in travel time)
- Send a **calendar invite** with your **resume attached** with the **correct bank address** listed as the location
- **Avoid rescheduling**
- **Do not be late**



Navigating NYC

- Schedule strategically based on **bank location** (some banks are 30min away from each other)
- Leave a **buffer** between meetings
- Take the **subway during rush hour**
- Bring your **ID and multiple copies of your resume**
- Do **not bring luggage**, etc. to the bank

Pro tip: become a member of the Yale Club



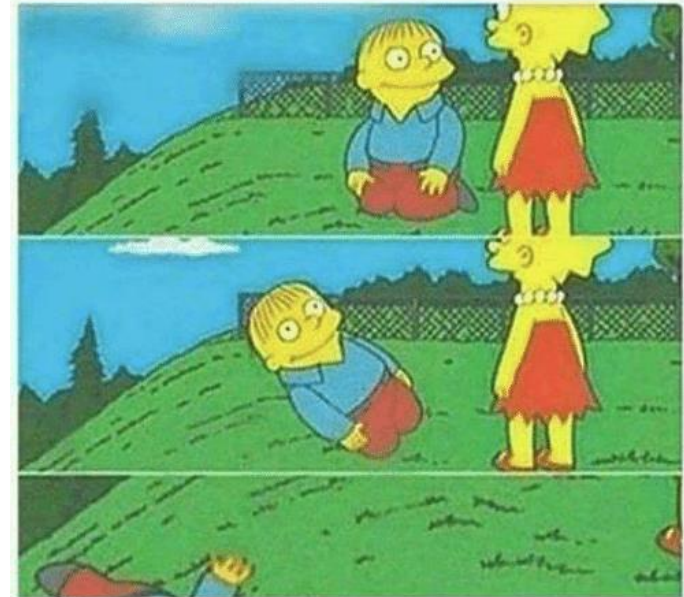
Helpful applications to navigate NYC



Discussing background / interests in informational interviews

- Gives you the opportunity to **build a connection with bankers**
- Lead with a **concise and clear story** that demonstrates your interest in Investment Banking
- Have a **plan for the conversation**
 - What do you want to convey?
 - Ask thoughtful and specific questions
 - Avoid awkward silence
- Make sure to **read the room and course correct** if necessary
 - Are they engaged?
 - What topics interest them?
 - Do they have back-to-back coffee chats lined up?

When ur stuck in an awkward small talk
not sure how to get out of it



Components of informational interviews

Component	Finance Club	Status
Your story	Covered	Complete
Why SOM?	Covered	Complete
Why Investment Banking?	Covered	Complete
Why Bank X?	To be discussed next week	Conduct research during campus visits
What coverage group?	To be discussed next week	Conduct research during informational interviews
Technical questions	Technical sessions	In progress
Behavioural questions	To be discussed next week	Unlikely to be asked in the next two weeks but do not get complacent
Macroeconomic questions	Today	To be discussed
Deal questions	Today	To be discussed



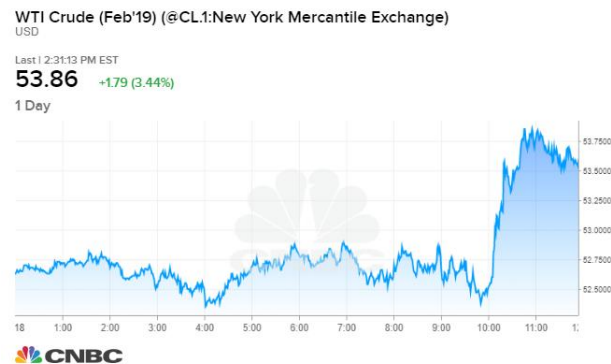
Discussing macroeconomic trends

- Gives you the opportunity to **demonstrate your interest in the industry, communication skills, and preparation for the meeting**
- **Begin with a generalization and support your answer with detail**
 - General trend
 - Impact on M&A
 - Impact on financing
- Attempt to **quantify when possible** (ballpark is ok)
- Maintain a **humble disposition** and do not appear overly certain or conclusive



Preparing for trend questions

- Understand **broad market trends** and **major market events**
 - Draw from industry experts and publications
- Know **major spot rates / prices** and where they sit as compared to **historical averages** (S&P 500, DJIA, NASDAQ, Oil, Gold, 10-Year Treasury Yield)
- Know **industry-specific indicators** (CPI, unemployment rate, etc.) and major deals within your industry
- Have a **politically neutral answer** prepared for questions on the current administration (especially tax reform, trade wars, Fed Rates) as it relates to the market



Discussing a deal

- Gives you the opportunity to **demonstrate that you are able to synthesize information, communicate effectively, and think strategically about a transaction**
- Shows that you **understand key concepts and prioritize information** that is important to bankers:
 - Multiples
 - Consideration mix
 - Accretion / Dilution



Choosing a deal

- **Check Google, Email Distribution Lists, CapIQ, Bloomberg or Pillars of Wall Street's "Deal of the Week"**
 - Don't choose the same deal as everyone else!
- **Announced transactions within the last 12 months**
 - Even more recent for a "lively" industry (i.e., with frequent or headliner deal activity)
 - Public companies (at least one, if not both)
 - Covered by equity analysts
- **Related to your industry of choice and emblematic of broader trends**
- **Something you are genuinely interested in**



Presenting a deal

- **Brief background on the buyer and seller**
 - High level description of the acquirer and target
 - Key financial metrics (revenue, EBITDA)
- **Deal rationale**
- **Premium paid, multiples, structure, and financing**
- **Whether it will be accretive or dilutive**
 - Avoid “good / bad” judgement
- **Connection to broader industry trends**

Example shown in the appendix



Next steps

1. Attend **all Investment Banking campus presentations**
2. Sign up for **Days on Wall Street** and **“Mock” Mock Madness**
3. Prepare for **informational interviews**
 - Think of **thoughtful questions** to ask Bankers
 - Attend **Sunday Sessions**
 - Practice with **peers**
4. Continue **coffee chats** with Second Years – focus on banks you have not met with
 - Refine **“Why Bank X?”** with the Second Years and first round of informationals
5. Select a **deal** and prepare a **macroeconomic summary**
6. Continue following **industry news and trends**
7. Attend next **Finance Club meeting** (Wednesday 10/02 4420 at 11.45am)
8. Schedule a **meeting with your Mentor**



Where should I be by next week?

- Booking / having **first informational interviews** in New York (post-Campus Presentations)
- Signed up for:
 - All **Corporate Presentations** on CMS
 - **Days on Wall Street** (incl. submitted check)
- Participating in “**Mock**” **Mock Madness**
- Preparing for **technical and behavioral questions** that may come up in coffee chats
 - Able to answer all “**Basic**” questions in **400 Questions** guide
- Selected a **deal** and prepared a **macroeconomic summary**
- Meeting regularly with a **group of peers to practice**
- Reading **the news** and following **industry trends**
- Met / about to meet **your Mentor**



Questions?



Appendix

- Full recruiting calendar
- Refining your story
- Resources
- Example deal



September 2019

Emerging

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2 Labor Day	3	4 Kick-Off Meeting 12:00PM Evans Hall 2400	5	6	7
8	9 Club Meeting 6:30PM 4430	10	11 Technical Session 6:30PM 2410	12 Finance Club Closing Bell	13	14
15 Technical Session 5:00PM Evans Hall 4420	16	17 Intl. Students 11:45 AM Evans Hall 2410	18 Club Meeting 11:45 AM Evans Hall 4400	19 Prob. Exam	20	21
22 Technical Session 5:00PM Evans Hall 4420	23 Citi	24 Greenhill Morgan Stanley	25 Club Meeting 11:45 AM Evans Hall 4420 Barclays	26 Houlihan Lokey	27	28
29 Training	30	1	2	3	4	5



October 2019

Emerging

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
29 Training	30 Div. Students Evans Hall 2410	1	2 Club Meeting Goldman Sachs	3	4 DoWS	5 Small Group Dinners
	Mock Mock Madness					
6 Small Group Dinners Technical Session Evans Hall 4420	7 UBS Moelis	8	9 Club Meeting 11:45 AM Evans Hall 4420	10	11 Fall 1 Exams	12
13	14	15	16	17	18	19
	Fall Break					
	Fall 1 Exams			DoWS		
20	21 Fall 2 Starts	22	23 Club Meeting 11:45 AM Evans Hall 4420 Greentech	24	25	26
27 Technical Session 5:00PM Evans Hall 4200	28	29	30 Club Meeting 11:45 AM Evans Hall 4420	31	1	2 Training



November 2019

Emerging

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
27	28	29	30	31	1 Citi (Coffee Chats) Citi Trivia	2 Training
3 Technical Session 5:00PM Evans Hall 4200	4	5	6 Club Meeting 11:45 AM Evans Hall 4420	7 Diversity Event (Date TBC)	8 Mock Madness	9
10 Technical Session 5:00PM Evans Hall 4200	11	12	13 Club Meeting 11:45 AM Evans Hall 4420	14	15 Drop Deadline	16
17	18	19	20 Club Meeting 11:45 AM Evans Hall 4420	21	22	23
24	25	26	27	28	29	30
November Recess						
London & Hong Kong international job treks						

Refer to CMS for full listing



December 2019

Emerging

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
24	25	26	27	28	29	30
1	2	3	4 Club Meeting 11:45 AM Evans Hall 4420	5	6	7
8	9	10	11	12 Fall 2 Exams	13	14
15	16 Fall 2 Exams	17	18	19 Winter Break	20	21
22	23 Winter Break	24	25	26	27	28



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
29	30	31	1	2	3	4
	Winter Break					
5	6	7	8	9	10	11
	Winter Break					
	Super Week					
12	13	14	15	16	17	18
	Global Virtual Teams and Intro to Negotiation					
19	20	21	22	23	24	25
	MLK Day	Spring 1 Starts				
29	30	31	1	2	3	4



Refining your story (1 of 2)

- Your story should be *driving* towards answering the question of “**Why Banking**” and *demonstrating* “**How you make a good banker**” along the way
- Tell a **clear, concise narrative** that *tells a story* (i.e. themes, transitions) rather than summarizes your background
- Its ok to include personal details, but **don’t get caught up in the weeds**
 - You can explain details about your previous job and why SOM in follow up questions
- **Show and tell** why you’re a good banker through *body language* (confidence, poise, enthusiasm etc.) + *organized thinking* + *relevant information*



Refining your story (2 of 2)

Example

- Hi, my name is Frankie, I'm from Boston and studied Political Science at Reed College <<< keep your personal background short and sweet
- Before banking, I was a consultant in the non-profit sector, focused on educational reform <<<don't just list off all the places you work, *synthesize your role and industry*
- In that role, I really enjoyed managing small teams and helping clients solve analytical challenges through ... <<<demonstrate you understand Associate role and hint at why you make a good fit
- But felt like I wanted to work on a bigger scale and have more of an execution focus <<< transition to *why banking* and keep it positive, i.e. don't say "I didn't have/wanted to learn financial skills"
- Which is why I came to SOM to pursue Banking, as way to combine my interest in analytical problem solving and working with people at a bigger scale << tie it all together, don't get too caught in the weeds of the transition "I talked to so-and-so, came back to school to learn finance, etc."



CampusGroups resources

- There are now additional resources available in CampusGroups to support your ongoing behavior and technical preparations
- There are also resources for deal preparation and other miscellaneous materials
- Order of preparation priorities (top priorities in **bold**):
 - **Story**
 - **Why Banking?**
 - **Why Yale SOM?**
 - **Why Bank X?**
 - **Basics Section of 400 Questions**
 - Behavioral question practice (STAR method, sample questions in CampusGroups)
 - Advanced Section of 400 Questions
 - Additional advanced technical questions (sample questions in CampusGroups)
- **Please make sure your story and key questions are polished before moving onto advanced topics**



Laundry list of distribution list resources

- NY Times Deal Book
- Finimize
- Bloomberg 5 things to Start Your Day
- Robinhood Snacks
- WSJ CFO Journal
- FT Daily Briefing (set up in myFT)
- FT Due Diligence (set up in myFT)
- McKinsey & Company Publishing
- PitchBook News
- FT Free Trade (set up in myFT)
- FirstFT (set up in myFT)
- #techFT (set up in myFT)
- WSJ CIO Journal
- The Economist



Laundry list of podcast resources

- Snacks daily podcast
- FT News Briefing
- Acquired (if interested in pursuing Tech)
- WSJ Your Money Briefing
- FT Behind the Money (if interested in weekly topic)



Gray Television / Raycom (1 of 2)

Example

- Gray Television and Raycom Media, Inc. ("Raycom") are regional broadcasters with ~**165 television stations**, covering over 60 television markets
- Raycom Media, an employee-owned company, is one of the nation's largest privately-owned local media companies with additional media assets of newspapers, ad platforms and post production management
 - **142 full-power television stations** serving 92 markets, the third largest portfolio of stations and markets in the country.
- Through this acquisition they will become the largest owner of top-rated local television stations and digital assets in the country,
- **Gray will acquire Raycom for \$3.6 billion** . The consideration mix is **\$2.9 billion cash (\$2.5 billion debt) and \$0.7 billion from a blend** of preferred and common stock.
- Gray expects that the Raycom transaction will be **substantially accretive on a free cash flow** per share basis.
- The **price is ~7.6x EBITDA**. As a comparison peer comparables are trading between 6.3x and 8.6x EBITDA
 - Townsquare Media 6.3x
 - Nextstar Media 8.6x



- Translating this deal into the market, we have seen
 - **Increasing competition and convergence of players in the industry** as TV broadcasters, streaming services, social networks and even retailers are now competing over conventional content rights
 - **During this period, content continues to remain king** as media companies are working on producing and/or acquiring exclusive rights to new content
 - **Chord cutting** from cable to OTT/D2C models
- Given these trends, the **strategic rationale to consolidate** the broadcasters in the regional space to
 - **Combine complementary assets across local and regional markets**
 - **Enhance operating leverage to finance future growth and grow adsales**
- In summary, the Gray-Raycom deal highlights one of the many strategic M&As underway in the media industry as companies look for long term growth under an increasingly competitive market

