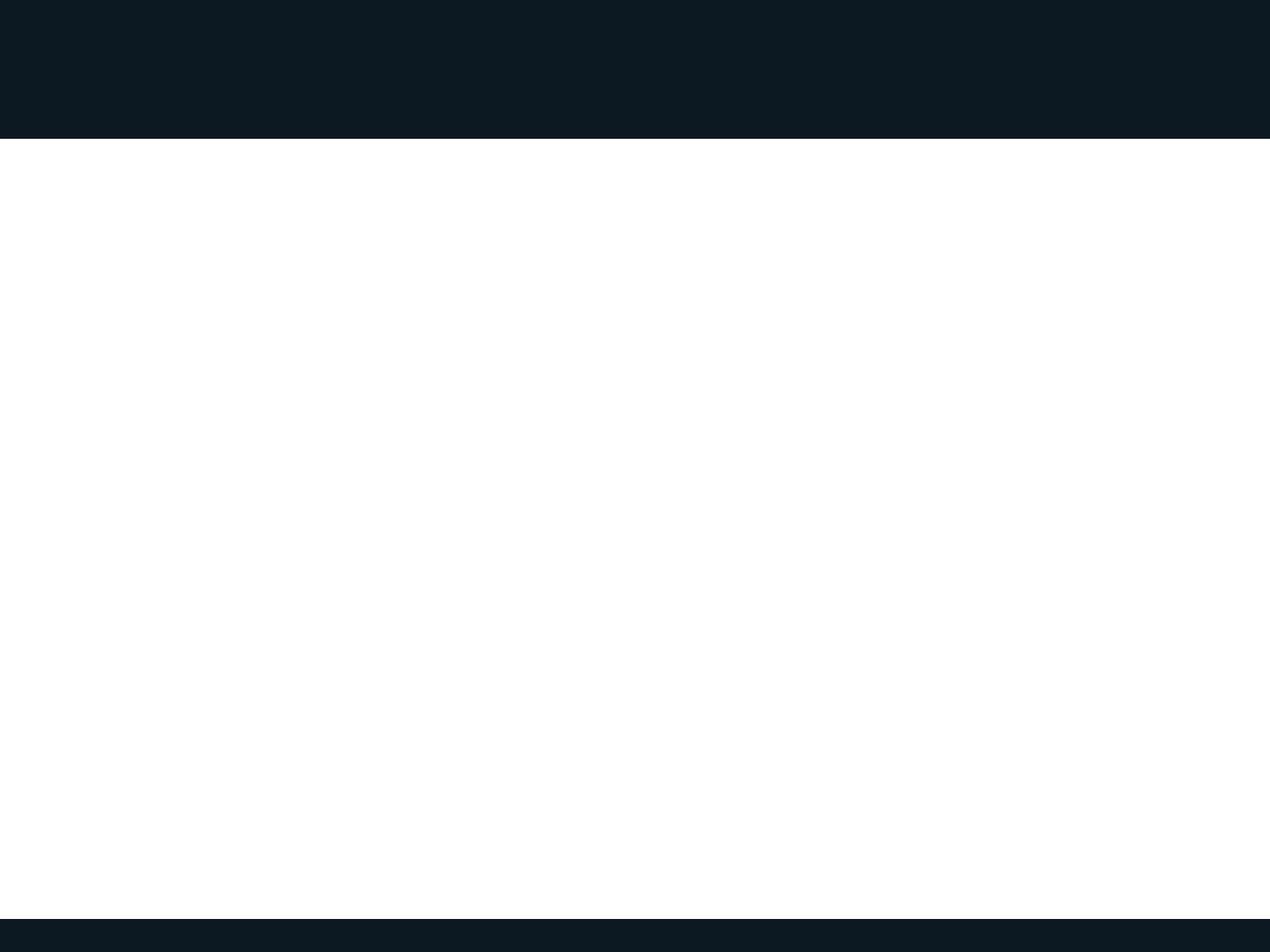


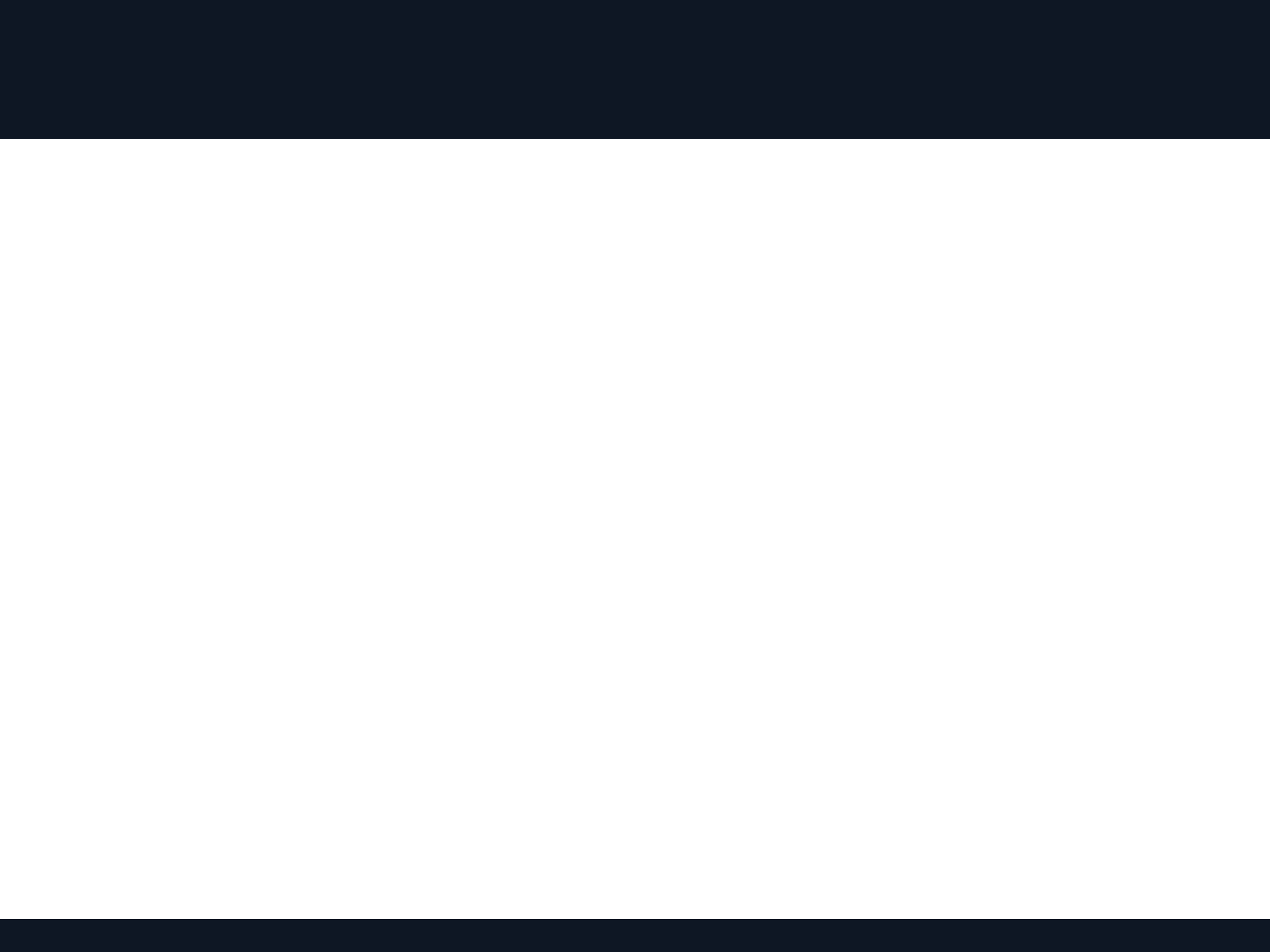


# National Investment Banking Competition & Conference

## NIBC 2015 Competition Overview







# Past Winners

2014 Undergraduate Division		2013 Undergraduate Division		2012 Graduate Division		2011 Graduate Division	
McGill University Desautels Faculty		Richard Ivey School of Business		Rotman School of Management		Richard Ivey School of Business	
Ivan Di	RBC Capital Markets <i>Summer Analyst</i>	Kevin Zhou	GS Investment Partners <i>Analyst</i>	Aman Malik	Credit Suisse <i>Associate</i>	Arik Broadbend	Fasken Martineau <i>Associate</i>
Mark Doric	Goldman Sachs <i>Summer Analyst</i>	Kevin Gryp	Silver Lake Partners <i>Summer Analyst</i>	Gregory Jones	BMO Capital Markets <i>Associate</i>	Jeremy Beadow	BMO Capital Markets <i>Associate</i>
Emily Ren	RBC Capital Markets <i>Summer Analyst</i>	Feroz Qayyum	Evercore Partners <i>Analyst</i>	Shaaj Vijay	RBC Capital Markets <i>Associate</i>	Christopher Chadwick	SAP <i>Principal</i>
Nicholas Bigelow	CIBC World Markets <i>Summer Analyst</i>	Rohit Guntur	Morgan Stanley <i>Analyst</i>	Stephen Ou	RBC Capital Markets <i>Associate</i>	David Loi	Sprott Consulting <i>Associate</i>



NIBC 2014 Undergraduate Winners



NIBC 2013 Undergraduate Winners



NIBC 2012 Graduate Winners



**Case Development Process (NIBC 2014)**

Components	Analysis
<b>Industry Analysis</b>	Analysis of Trends and Key Players: LGF, TWX, DIS, VIAB, FOXA, DWA
<b>Industry Presentation</b>	Selection of Company: Lions Gate Entertainment
<b>Company Analysis</b>	LGF: History, Trends, Financials, Valuation, Corporate Finance Activities
<b>Valuation Models</b>	DCF, Trading Comps, Precedents
<b>Transaction Analysis</b>	Financial Sponsor Takeout (LBO) Corporate Finance Activities
<b>Case Package</b>	Guidance, Industry Primer, Comps & Precedent Data
<b>Grading</b>	Feedback from Board, Ranking of Submissions

**NIBC 2011      NIBC 2012      NIBC 2013      NIBC 2014**

FIRST ROUND			
Valuation	Valuation	Valuation	Valuation


# First Round Case Scenario and Framework

## Sample NIBC 2013 Case Topic: Valuation and Strategic Review of Wynn Resorts International

- You are an Analyst at a top-tier investment bank and an important private equity client has asked your Managing Director to prepare a valuation and strategic

### Objectives of First Round Case

Provide students with a useful corporate finance valuation experience

Employ methodologies in investment banking

### Composition of First Round Case

Valuation using Discounted Cash Flows, Trading Comparables, Precedent Transactions, and LBO Methodology

Ranking of company performance drivers and comparison to industry peers

Identification and analysis of potential corporate finance transactions

Deliverables include presentation, memorandum and model

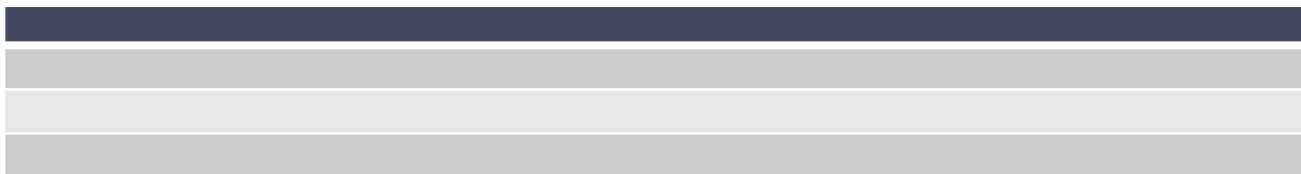
### Selection Criteria

Industry that appeals to competitors and that the Case Committee is familiar with

Moderate complexity in terms of valuation analysis

Operational and financial metrics that students are able to understand

Illustration of financial leverage and other corporate finance concepts



<b>Specific Concepts Assigned to Research Ahead of Time</b>	
Strategic & Financial Rationales for M&A in Media Industry	Stock Versus Cash Consideration
Valuation and Stock Price Impact	Deferred Payment Structures, Contingent Value Rights
Accretion / Dilution, IRR and NPV Metrics	Board and Shareholder Approvals
Synergies and Operational Efficiencies	Management Incentives and Retention
Levered Financing Structures and Debt Metrics	Bid Security and Price Protection Mechanisms

# Professional Involvement

## Case Development

- ence in financial analysis and
 transaction structuring to work with the Organization Team to create sophisticated cases for NIBC
- During the case creation process, the Case Committee screens companies, reviews trading comparables and precedent transactions, and consults with industry experts to identify suitable real-life situations
- The Case Committee works with the Organizing Team to prepare a sophisticated financial model and information package for competi

## NIBC Board

### Tracey McVicar



**CAI  
Private Equity**  
Managing Partner

Board Member

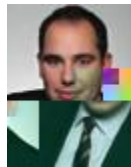
### Kathy Butler



**CIBC  
World Markets**  
Managing Director

Board Member

### Chris Tsoromocos



**Stern Partners**  
Vice-President

Board Member

### Rizvan Dhalla



**Morgan Stanley**  
Managing Director

Board Member

### Scott Powell



**MDA Training**  
President

Board Member

### Justin Cochrane



**Sandstorm  
Resources**  
SVP, Corporate  
Development

Board Member

### Jordan Anderson



**bcIMC**  
Assistant Portfolio  
Manager

Board Member

### Philip Chua



**Macquarie Capital**  
Associate

Case Committee

### Michael Scott



**RBC  
Capital Markets**  
Vice President

Case Committee

### Gint Austrins



**Global Securities**  
Equity Analyst

Case Committee

### Amardeep Chandi



**Morgan Stanley**  
Analyst

Case Committee

### Martin Haakonsen



**TD Securities**  
Analyst

Case Committee

### Jacky So



**Barclays**  
Analyst

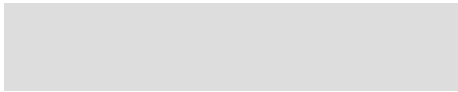
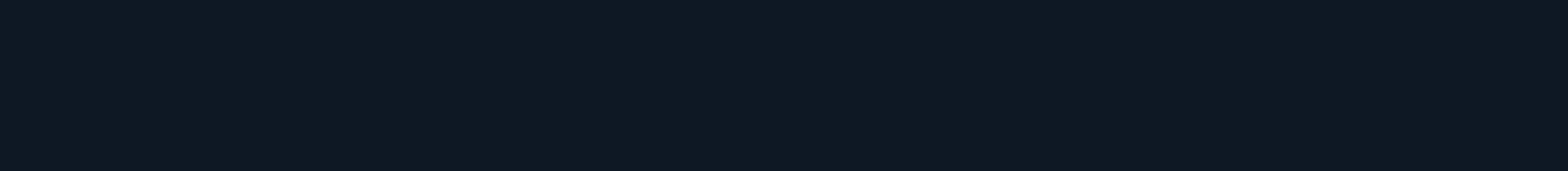
Case Committee

### Brenden Lee



**Evercore Partners**  
Analyst

Case Committee





# Prospective Corporate Sponsors & Partners

## Participating Investment Banks & Asset Management Firms

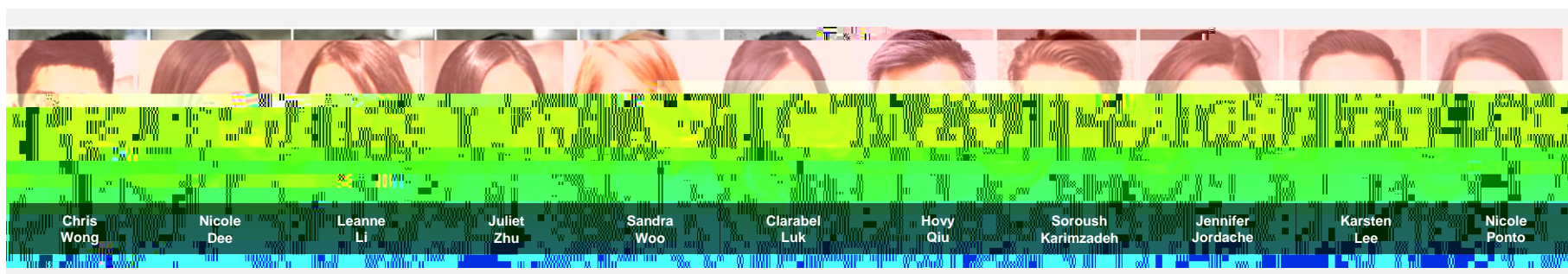


## Other Participating Firms





# NIBC Organizing Team 2015



Name	Position	Year	Experience
Chris Wong	Director, Competition	4	<b>BMO Capital Markets</b> (Summer Analyst, Toronto)
Nicole Dee	Director, Case	4	<b>Goldman Sachs</b> (Summer Analyst, New York)
Leanne Li	Director, Conference	3	<b>Bank of China</b> (Summer Intern, Beijing)
Juliet Zhu	Director, Marketing	4	<b>Silicon Valley Bank</b> (Summer Intern, Shanghai)
Sandra Woo	Director, Media	2	<b>Global Securities</b> (Summer Intern, Vancouver)
Clarabel Luk	Director, Internal	4	<b>PricewaterhouseCoopers</b> (Summer Intern, Vancouver)
Hovy Qiu	Associate, Competition	2	<b>TeamMax Financial</b> (Vancouver)
Soroush Karimzadeh	Associate, Case	MBA	<b>Autopro Automation</b> (Vancouver)
Jennifer Jordache	Associate, Case	4	<b>Bank of America Merrill Lynch</b> (Summer Analyst, Toronto)
Karsten Lee	Associate, Marketing	4	<b>HSBC Bank Canada</b> (Summer Intern, Vancouver)
Nicole Ponto	Associate, Marketing	2	<b>Alpha Kappa Psi Business Fraternity</b> (Vancouver)



## Appendix Case Examples

*The following slides serve as examples of the case work competitors will perform*

# Appendix Case Examples

## Company Overview (Lions Gate NIBC 2014)

**Company Highlights**

- History: Founded in 1997 in Vancouver and grown through acquisitions to become one of few publicly traded pure-play studios; free cashflows limited but began dividends in 2013

**Valuation & Share Performance**

**Key Valuation Statistics (\$mm)**

Studio (mm)	2013 Box Office	Revenue Mix	%	Gross (mm)	Share Price	Current: \$31.64	High
1. Warner Bros.	\$1,161	Movies	0.0%	\$2,029	\$40		
2. Buena Vista (Disney)	\$1,111	TV	14.0%	\$387	\$25		
3. Sony/Columbia	\$1,145	Blockbusters	100%	(\$1,400)	\$25		
4. Lions Gate	\$1,070	Twilight (5)	100%	(\$1,069)	\$20		
5. 20th Century Fox	\$1,021	Blockbusters (4)	100%	(\$115)	\$20		
6. Paramount	\$917	Blockbusters (2)	100%	(\$181)	\$20		
7. Weinstein Company	\$912	Blockbusters (1)	100%	(\$148)	\$20		

	2012A	2013A	2014E	2015E	2016E	2017E	2018E	2019E	2011A
Revenue	1,589	2,770	2,878	2,969	3,007	3,226	3,381	3,599	1,589
EBITDA	625	625	625	625	625	625	625	625	625
EBITDA Margin	39%	22%	21%	21%	21%	19%	18%	17%	39%
Revenue Growth Rate	4.2%	75%	4%	3%	1%	7%	5%	6%	4.2%

1 Certain non-producing assets in the range of ~\$500mm are excluded from the EV calculation and treated like cash

## DCF (Lions Gate NIBC 2014)

**DCF Cashflow Summary**

	2012A	2013A	2014E	2015E	2016E	2017E	2018E	2019E	2020E
<b>Telefilm &amp; other revenues</b>	15	15	15	15	15	15	15	15	15
<b>Revenue Growth</b>	8%	4.7%	4.7%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
<b>Amortization of film and television programs</b>	(75)	(947,760)	(978,435)	(1,024,342)	(1,052,322)				
<b>Participations and residuals</b>	68)	(479,225)	(497,064)	(511,381)	(524,362)				
<b>Depreciation and amortization</b>	68)	(492,314)	(494,288)	(495,316)	(497,031)				
<b>EBITDA</b>	68)	(1,009,014)	(1,080,782)	(1,118,400)	(1,163,715)				
<b>EBITDA Margin</b>	4.3%	36%	37%	39%	38%				
<b>EBITDA Interest Expense</b>	1.2%	0.3%	0.3%	0.3%	0.3%				
<b>Net Cash Flows</b>	67)	(1,010,014)	(1,081,082)	(1,119,780)	(1,167,015)				
<b>Beginning Cash Balance</b>	138,475	69,242	86,419	64,298	62,363				
<b>Ending Cash Balance</b>	138,475	69,242	86,419	64,298	62,363				





# Appendix Case Examples

## Transaction Analysis (Cosmo MGM Acquisition)

Your firm has in-depth knowledge of political M&A synergies and debt markets based on previous deal experience. Cosmo is using its corporate balance sheet under a straight sale. Your task is to analyse what MGM could pay for the benefits of a standalone hold, straight sale and project finance contract.

Deutsche has also requested you structure a finance team to outline a project finance structure with Deutsche retaining a preferred equity stake. You are expected to provide an analysis of the merits of a standalone hold, straight sale and project finance contract.

**Bank** Standalone Hold Valuation (forecast provided by Deutsche)

**Deutsche**

**MGM Resorts International**

- Access to MGM's Player's Club database and VIP gaming
- Revitalization of MGM's Vegas core asset base at South of Strip
- Integration into adjacent CityCenter to round out high-end product offering
- Improved ability to compete with Caesars, Wynn and Las Vegas Sands properties should Cosmo ramp up
- Pre-empt market share loss at MGM

**Project Finance Structure (provided by Structured Finance Team)**

- Sufficient financial capacity
- Expected revenues
- Deutsche realizes MGM value add and minimizes working capital
- \$6.2bn market capitalization

Note: the market capitalization for MGM Resort International is updated as of January 4, 2013.

National Investment Banking Competition & Conference 2015 - Appendix

## Financing Structure (Cosmo MGM NIBC 2013)

**Project Finance Structure (results provided by Structured Finance Team)**

Assumptions	Description and Benefits	Complexities
200,000		
20,000		
10.5%		
6.0%		
1,000,000		
2.0%		
20%		
20.1%		
8.00%		
7%		
15.5%		

Year ended December 31st	2012	2013	2014	Forecast
Cashflows to MGM				
Cosmo EBITDA - MGM Value Add		81,805	85,855	111,000
Interest Expense (at 7.5% and 6.0%)		(37,500)	(37,500)	(37,500)
Cashflows after Senior Debt Service		24,305	48,355	73,500
EBITDA / Interest Coverage		1.65x	2.29x	3.00x
Preferred Dividend to Deutsche (at 3.0%)			(33,671)	(40,000)
Gain Sharing with Deutsche (20% of residual cashflow)			(3,671)	(10,000)

**EBITDA Forecast**

Year	2015	2016	2017	2018
EBITDA	158,100	152,307	184,401	204,566
EBITDA	200,100	201,807	246,901	267,066
EBITDA	(416)	(46,961)	(53,380)	(416)
EBITDA	(416)	(16,961)	(23,380)	(416)

**MGM Funding**

- IRR above 20% given higher leverage a
- Project leverage

**Preferred Equity**

- 7.5% interest rate since non-recourse
- Sized to preserve MGM equity IRR

**NPV to Deutsche (at 7.0% Lending Hurdle Rate)**

NPV to Deutsche: 1,449,274

NPV to Deuts

# Appendix Case Examples

Operating Performance

& EBITDA Margin Comparison					Gaming Revenue & EBITDA Comparison (highest growth area)					Total Revenue			
	Rev. (\$000)	EBITDA	2011A (\$000)		Casino	Rate (%)	EBITDA	2011A (\$000)					
Actual	110,000	1,069	13%	117,506	15,822	Cosmopolitan (Actual)	2,966	84%	231	5%	684,214	32,349	Cosmopolitan (Ad
	110,000	1,069	13%	117,506	15,822	MGM (Act)	4,034	4%	223	20%	1,894,200	196,699	MGM (Act)
Peer Group Average	3,605	222	23%			Peer Group Average	129,875	0	1,800	40%			Peer Group Ave

Note: Cosmopolitan (Actual) is 2012E also more conservative of previous performance.

Revenue and EBITDA Margin Benchmark by Segment

EBITDA Margin and Forecast				Revenue Drivers and Forecast			
EBITDA Margin	EBITDA	Revenue	Forecast	Revenue	Forecast	Revenue	Forecast
13%	1,069	110,000	13%	117,506	15,822	110,000	15,822

<sup>1</sup> Expect where noted rates from comparable operators refer to Las Vegas segments only  
<sup>2</sup> ADR refers to Adjusted Daily Rate which assumes 90% steady-state occupancy for Cosmo  
<sup>3</sup> All revenue and EBITDA margins based on combined MGM parent company (~60% revenues from LV)  
<sup>4</sup> All EBITDA margins based on LVS parent company

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