

# Western Capital Markets



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# I. Current Events



# US Labor Force Increase

## US Adds Jobs Despite Higher Unemployment

- The US added 156,000 jobs in September however the Unemployment Rate still went up
- USA Current Unemployment Rate: 5%
- Feds are likely to hold onto interest rates as the lack of nothing extremely “positive” or “negative” came about this report
- The labor-force jump shows there is a hidden pool of discouraged workers who still need to be pulled into the labor force through low interest rates
- The labor-force increase shows that businesses have run out of easily available workers to hire and now are having to pull on discouraged workers to reenter the job market to find employees.



## Key Concepts

- Unemployment Rate: Nation’s working force aged 15-64 that are not employed but willing to work
- Labor Force: Nation’s working force aged 15-64
- 4 Types of Unemployment: Seasonal, Structural, Cyclical, Frictional



# Thomson Reuters to Launch Tech Center

## Thomson Reuters to Launch New Technology Center and Relocate Executive Team to Toronto

- Thomson Reuters Corp (NYSE: TRI) said it plans to create a new technology center in Toronto by hiring 400 people over the next two years.
- It's chief executive officer and chief financial officer will move to the Canadian city in 2017.
- CEO James Smith and CFO Stephane Bello currently work out of the company's office in Stamford, Connecticut.
- Additional management roles will be relocated and recruited locally in Toronto over the next few years, Thomson Reuters said in a statement on Friday.
- Smith said in a memo to employees that the Toronto expansion is in part an opportunity to "take a technology leadership position in the region."
- The news and data provider currently possesses 1200 employees in Canada.



# Planned Snapchat IPO

## Snapchat IPO Could Value Company at US \$25bn



### General Details:

- Snap Inc. has begun work on an initial public offering that could value the company at US \$25bn
- The sale could occur as early as late March 2017
- Used to diversify company from main app

### Valuation:

- Represents a US 7.2bn premium from its previous valuation in May 2016
- The valuation is underpinned by Snap's dramatic revenue growth since the inclusion of advertisements in 2014
- Revenue is projected to be between 250-350mln for fiscal 2016 and as much as 1bn for 2017
- Snap has yet to earn a profit
- Cash from the IPO could be used for future acquisitions and development of other products
- i.e. Snap Spectacles (sunglasses equipped with wireless video camera)



# Bass Pro Shops to Buy Cabela's for \$5.5B

Outdoor gear giant Bass Pro is snapping up rival Cabela's in a \$5.5B US Cash deal announced Monday

## Bass Pro Shops

- Incorporated in 1971 and headquartered in Bridgeport, Connecticut
- Leading outdoor retailer with stores across America and Canada, offering fishing and boating equipment as well as hunting, camping, and outdoor cooking gear



## Cabela's Inc.

- Founded in 1961 and headquartered in Sidney, Nebraska
- Operates as a specialty retailer and direct marketer of hunting, fishing, camping, and related outdoor merchandise



## Deal Logic

- Cabela's has struggled with declining sales of apparel and footwear; reported same-store sales growth in only one quarter in more than three years
- Has been under pressure from activist hedge fund Elliott Associates L.P, which disclosed an 11.1% stake in Oct. 2015, to pursue strategic alternatives

- Bass Pro Shops has 99 stores and Tracker Marine Centers
- Primarily located in the eastern part of the U.S. and Canada



- Cabela's has 85 outlets
- Mainly in the West U.S. and Canada
- Known for their museum quality and taxidermy services



- Combines Cabela's 19,000 Empl. with Bass Pro Shops' 20,000
- *Bass Pro also operates the White River Marine Group, a maker of fishing boats*

- Bass Pro Shops secured \$1.8B in financing from MBD of Goldman and \$600 mm from the PE shop Pamplona Capital

- Mkt Cap: \$4.3 billion
- EV: \$8.4 billion
- LTM Revenue: \$4.1 billion
- LTM EBITDA: \$486.4 million

**Offered:** \$65.50/share = 19% premium



Western Capital Markets

## II. Careers in Finance



# Careers in Finance

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## Sell Side

- Provide capital markets advisory services to industry clients
- Investment Banking, Sales & Trading, Equity Research

## Buy Side

- Find and/or evaluate investment ideas with an owner's perspective
- Asset Management, Private Equity, Hedge Funds

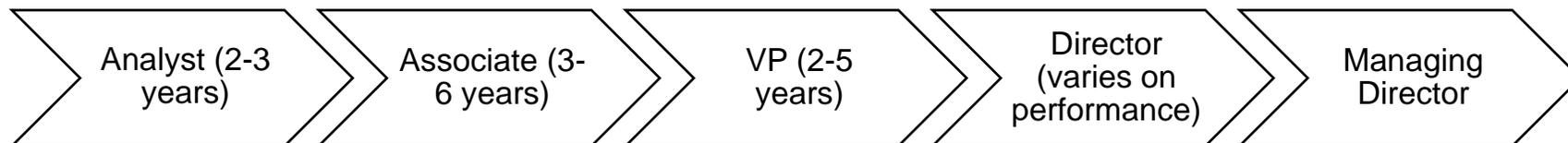
## Industry

- Assist in assessing financing decisions as an internal company agent
- Corporate Finance, Corporate Development



# Sell Side - Investment Banking

<b>Qualifications</b>	Undergraduate degree (HBA, BA, BBA, BComm, etc.)
<b>Hours</b>	Generally in the range of 80-100+ hours/week
<b>Pay</b>	Generally \$80k plus bonuses (varies from \$20-\$50k)
<b>Job Description / Skills</b>	Placed in either an industry or product group Responsible for helping clients with financial strategy (M&A, capital raising, restructuring, asset sales, etc.) Involves a lot of valuation work, which makes mastery in Excel and Powerpoint important
<b>Pros</b>	Lucrative career, prestige, exposure to smart people, impact, exit opportunities
<b>Cons</b>	Physically and mentally demanding, repetitive work; high stress



# Sell Side – Sales & Trading

<b>Qualifications</b>	Undergraduate degree (HBA, BA, BBA, BComm, etc.)
<b>Hours</b>	Generally market hours; 60 hours/week (7AM-7PM)
<b>Pay</b>	Generally \$60k plus bonuses (varies from \$10-\$40k)
<b>Job Description / Skills</b>	Placed in different trading desks (fixed income, equity sales, currency, repos, interest rate, derivatives) Requires a lot of knowledge about market movements because they are making positions They are also contacted by clients for risk management purposes (currency hedge, commodity hedge)
<b>Pros</b>	Lucrative, prestige, exposure to smart people, lifestyle, responsibility
<b>Cons</b>	Mentally demanding, job safety, high stress, lack of exit opps.



# Sell Side – Equity Research

<b>Qualifications</b>	Undergraduate degree (HBA, BA, BBA, BComm, etc.)
<b>Hours</b>	Generally 60-80 hours/week; depends on earnings season
<b>Pay</b>	Generally \$70k plus bonuses (varies from \$20-\$30k)
<b>Job Description / Skills</b>	Placed in different industry coverage groups (energy, FIG, industrials, TMT, etc.) Research associates have a thorough understanding of the companies that they are responsible for covering Produce research reports for clients to help them make investment decisions
<b>Pros</b>	Lucrative, prestige, deep understanding of companies, lifestyle, significant responsibility, C-suite exposure
<b>Cons</b>	Mentally demanding, job safety, high stress, lack of exit opps



# Buy Side – Asset Management

<b>Qualifications</b>	Undergraduate degree (HBA, BA, BBA, BComm, etc.)
<b>Hours</b>	Generally 40-60 hours/week
<b>Pay</b>	Generally \$60-65k plus minimal bonuses (analyst-level)
<b>Job Description / Skills</b>	Responsible for generating/vetting/evaluating investment ideas and existing portfolio companies The orientation is that of an owner (versus in investment banking, which is like an agent)
<b>Pros</b>	Lucrative, lifestyle, job safety, management exposure
<b>Cons</b>	Must be a self-starter, lack of exit opps., restricted to investment philosophy, regulated



# Buy Side – Private Equity

<b>Qualifications</b>	Undergraduate degree (HBA, BA, BBA, BComm, etc.), and experience 2-3 years of investment banking/finance/consulting position
<b>Hours</b>	Generally 70-90 hours/week
<b>Pay</b>	Generally \$120k plus bonuses (varies on performance)
<b>Job Description/ Skills</b>	Responsible for generating/vetting/evaluating investment ideas and existing portfolio companies The orientation is that of an owner in the private markets
<b>Appeal</b>	Lucrative, job safety, management exposure, impact, exit opps., tremendous learning opportunities, lifestyle



# Buy Side – Hedge Funds

<b>Qualifications</b>	Undergraduate degree (HBA, BA, BBA, BComm, etc.) & 3-5 years of investment banking experience
<b>Hours</b>	Generally 40-60 hours/week (depends on the shop)
<b>Pay</b>	Generally \$200-500k all-in-compensation (depends on performance)
<b>Job Description / Skills</b>	Responsible for generating/vetting/evaluating investment ideas and existing portfolio companies The orientation is that of an owner (versus in investment banking, which is like an agent)
<b>Pros</b>	Lucrative, lifestyle, management exposure
<b>Cons</b>	Must be a self-starter, absolute-return required



THE BAUPOST GROUP



# Industry - Corporate Finance/Development

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## Qualifications

Undergraduate degree (HBA, BA, BBA, BComm, etc.)

## Hours

Generally 40-50 hours/week

## Pay

Generally \$60-80k all-in-compensation

## Job Description / Skills

**Corp. Finance:** help companies make strategic internal investment decisions (e.g. whether developing a plant in Ontario makes financial sense)

**Corp. Development:** acts as the internal M&A team, and are responsible for assisting the firm throughout the capital raising process (IPOs, M&A)



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