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# CFA RESEARCH CHALLENGE



CFA Society  
Austria

# INTRODUCTION

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**CFA Society  
Austria**

- CFA Institute
  - Was founded in 1947
  - Is the **largest association of investment professionals** in the world
  - Challenges thousands of investment professionals and students to hold themselves to a higher standard of excellence and **ethical standards**
  - Has more than **186,000 members in 159 countries**
  - 70+ countries now have local member societies
  - 400+ universities around the world have incorporated the CFA Program curriculum into their own academic programs
  - 109,000 CFA Program candidates registered to take the CFA exams in 2021
- CFA Austria
  - Founded in 2001 as 101<sup>st</sup> member society of CFA Institute
  - Currently has about **440 members** (portfolio managers, research analysts, commercial bankers, investment bankers, consultants, risk managers...)

# RESEARCH CHALLENGE – GENERAL INFORMATION



**CFA Society  
Austria**

- CFA research challenge is a (CFA-sponsored) **competition between student teams** that
  - Research a publicly traded company (public information, management meeting)
  - Prepare a written report („initiation-of-coverage sell-side equity research report“)
  - Present their findings to a panel of judges
- CFA research challenge has **four competition levels**
  - Local level (Austria, Vienna) => winning team will participate in
  - Sub-regional level final (online) = > winning team will participate in
  - Regional level semifinals (online) => winning team will participate in
  - Regional final and Global final (New York)

**5,000 students from 900+ universities participated in 2020/2021  
Last year winning team came from BI Norwegian Business School**

# RESEARCH CHALLENGE – ROLES



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- Team members: 3-5 students of one university (strive for diversity!)
  - Criteria: currently enrolled university students, are/were not employed in a role within the core investment management profession (exception: intern)
- Faculty advisor: Employed faculty member (not necessarily professor) of that university => maximum time 13 hours
- Industry mentor for each group: CFA Austria charterholder => maximum time 8 hours
- Graders (evaluate written reports) and Judges (evaluate presentations): Further 3 CFA Austria charterholders
- Subject company: OMV Aktiengesellschaft, [Investors | OMV.com](https://www.investors.omv.com), Bloomberg: OMV:AV
  - OMV produces and markets oil and gas, as well as chemical products and solutions in a responsible way and develops innovative solutions for a circular economy
  - Financials 2020: Revenues €16.6 bn, EBIT €1.1 bn, Net profit €1.5 bn

# REPORT – STEPS, READINGS, RULES

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- Official rules (incl rules for the report): <https://www.cfainstitute.org/-/media/documents/support/research-challenge/challenge/research-challenge-official-rules.ashx>
  - Business description, industry overview and competitive positioning, investment summary, valuation, financial analysis, investment risks, environmental/social/governance
- Steps to be conducted
  1. Financial Modeling (P&L, Balance Sheet, Cashflow-Statement, Ratios)
  2. Valuation (DCF, Multiples)
  3. Subject company management meeting, follow-up Q&As per email
  4. Writing report
  5. Preparing presentation
- Recommended readings
  - Educational resources provided by CFA institute: [www.cfainstitute.org/societies/challenge/student-preparation](http://www.cfainstitute.org/societies/challenge/student-preparation)

# BENEFITS FOR STUDENTS

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**CFA Society  
Austria**

- Winning Austrian team to participate in European final
- Winning global team to be presented on CNN, Bloomberg TV (see youtube...)
- Contact to top management of large Austrian company
- Contact to CFA Austria charterholders
- Access to CFA Institute library
- Resume builder
- Discount for Level I CFA Program exam
- Gifts and refund of travelling costs

**However, about 50 hours per student are typically spent  
See deliverables of past champions to get a feeling of the workload**

<https://cfainstitute.org/en/societies/challenge/past-champions>

# NEXT STEPS, TIMELINE



## CFA Society Austria

What?	Who?	When (indicative)?
Nomination of teams / universities	Professors, CFA Austria	October 14, 2021
Kick-off meeting (online)	Students, CFA Austria	November 4, 2021, 5:30 (online)
Introduction of mentors to students' teams	Mentors individually	November 2021
Subject company meeting	Students, (mentors)	December 16, 2021, 10-12 (online)
File written report	Students	February 3, 2022
Local Level Final (presentations, ceremony)	All	February 25, 2022 (FH bfi Vienna)
Sub-regional Final	Winning group	March 2022 (online)
Regional semifinals	Winning group sub-regional	April 4, 2022 (online)
Regional final, Global final	Winning group regional semi	May 17, 2022 (New York)

# CONTACT DATA

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