

## Starboard Value Wharton Activist Stock Pitch Competition 2019

### Details

- **Eligibility:** 1<sup>st</sup> Year MBA students and Undergraduate Sophomores or Juniors. Teams of up to 2 may be formed.
- **Deliverables:** Participants should create a PowerPoint presentation with fewer than 20 slides outlining an actionable investment idea that meets Starboard Value's investment criteria below. PDF presentations should be submitted to Bilge Yilmaz at [yilmaz@wharton.upenn.edu](mailto:yilmaz@wharton.upenn.edu) and Susan Sandoval at [ssandoval@starboardvalue.com](mailto:ssandoval@starboardvalue.com) **between October 24<sup>th</sup> and November 4<sup>th</sup>.**
- **Pitches:** Finalists will have the opportunity to present their idea to Starboard Value investment professionals, **including Starboard's CEO Jeff Smith**, and to receive substantive feedback on their pitch.

### Winning Idea

- The winning pitch will be chosen at the sole discretion of Starboard Value based on, but not limited to, the fit with our investment criteria and the attractiveness of the potential investment.
- The winner of the competition will be eligible for a **summer 2020 internship with Starboard Value**. Should Starboard Value elect to invest in the winning idea at any time in the six months following the competition, **10% of the profits on a hypothetical \$10 million investment in the stock will be donated to The Wharton School.**
- The winning submission will receive a cash price of **\$2,000 per team.**

### Investment Criteria

- An actionable idea consists of an **activist** investment in a **publicly traded U.S. company in any industry** with a **market capitalization between \$1 billion and \$15 billion.**
- Opportunities must meet Starboard Value's **Value, Plan, Path** criteria:
  - **Value:** Underperforming companies with good core assets that are being mismanaged, trading at a deep discount to intrinsic value due to transitory, rather than structural, factors. Typical indicators of mismanagement include compressed margins relative to peers, depressed cash flows, failed growth initiatives, misguided acquisitions, poor capital allocation decisions, non-core assets, locked value relative to the sum of the parts, etc.
  - **Plan:** Clear and actionable strategy to create value for all shareholders by improving earnings and cash flows, with a focus on operational enhancements, governance improvements, returning capital to shareholders, monetizing non-core assets, unlocking hidden sum of the parts value, etc.
  - **Path:** Solid path for Starboard Value to influence change in situations with shareholder bases that are ready for our involvement or, if necessary, to mount an election contest with the goal of re-constituting the Board of Directors and ensuring that an improved Plan is implemented.

### Reference

- The following materials are examples of the types of opportunities Starboard Value seeks to identify and invest in:
  - Advance Auto Parts: <https://bit.ly/2LrHmNX>
  - Darden Restaurants: <https://bit.ly/2zMrZhM>
  - Tessera Technologies: <https://bit.ly/2vWiiDE>

## **About Starboard Value LP**

Starboard Value is a New York-based investment adviser with a focused fundamental approach to investing, primarily in publicly traded U.S. companies. We invest in deeply undervalued companies and actively engage with management teams and Boards of Directors to identify and execute on opportunities to unlock value for the benefit of all shareholders.

Starboard Value seeks to be the catalyst for value creation, with a heavy focus on operational change. Our investment philosophy focuses on seeking value investment ideas, creating a plan to unlock value, and identifying a clear path to influencing change. Our Value, Plan, and Path investment philosophy has allowed us to achieve a 15-year track record of significant alpha generation.