

M&A Simulation - overview

In this dynamic and engaging simulation, participants take on the role of an M&A Advisory Team for their clients. The simulation helps bring to life the intricacies of M&A transactions and the various factors involved in deal making. The simulation can be run as a standalone activity, or incorporated into a half day or full day programme that explores areas such as advisory services, corporate finance, and product roles.



Virtual



In-person

Team performance: Each team present their negotiation strategy and rationale behind their decisions.



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Client allocation: Participants work in teams and are allocated a number of clients from different sectors such as media, pharmaceuticals, real estate, energy, consumer, technology...

Client	Index	Market Cap (USD m)
NETFLIX INC	NASDAQ 100	244,533
WHARF REAL ESTATE INVESTMENT	Hong Kong	6,316
DELTA AIR LINES INC	S&P 500	25,726
META PLATFORMS INC-CLASS A	NASDAQ 100	1,211,369
CHINA OVERSEAS LAND & INVEST	Hong Kong	16,455
HENDERSON LAND DEVELOPMENT	Hong Kong	12,781

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Market analyses: Each team receives information about several potential target companies or acquirers including company background, financial performance, market data (share price history, P/E ratio, market capitalisation), and a valuation based on forecasted financial numbers.



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Valuation: Teams then value their target companies using a financial modelling tool assess the potential risks and opportunities associated with each of the companies under assessment.

	Historical	T1	T2	T3	T4
Revenue Growth	20 %	20 %	20 %	20 %	20 %
Operating Income Margin	34.8 %	34.8 %	34.8 %	34.8 %	34.8 %
Margin	17.9 %	17.9 %	17.9 %	17.9 %	17.9 %
Discount Rate	8.2 %	8.2 %	8.2 %	8.2 %	8.2 %
Cost of Equity	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %
WACC	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %
WACC	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %
WACC	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %
WACC	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %

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Negotiation and closing the deal: Based on the assessment, the M&A Advisor decides on a potential deal value. Teams then engage in simulated negotiations, representing their assigned clients (buyer or seller). The goal is to reach a mutually agreeable deal value that considers both companies current market capitalisation alongside other key financial metrics, and potential synergies created by the merger or acquisition.

