FPF Stock Analysis Competition

Official Rules & Guidelines

1. Competition Overview

The **FPF Stock Analysis Competition** challenges students to analyze a single publicly traded company as professional equity research analysts. Participants will select one eligible stock and develop a comprehensive investment analysis evaluating the company's financial performance, valuation, competitive position, industry, growth prospects, risks, and overall investment case.

The goal is not simply to predict whether a stock will rise or fall. Participants must demonstrate the ability to **research a company, interpret financial information, evaluate its intrinsic value, identify risks and opportunities, and develop a well-supported investment thesis.**

Each team or individual will submit a comprehensive stock analysis with a maximum length of **20 pages, excluding the appendix**.

2. Purpose of the Competition

The Stock Analysis Competition is designed to develop practical skills used by equity research analysts, investors, and financial professionals.

Participants will develop experience in:

- Fundamental stock analysis
- Financial statement analysis
- Company and industry research
- Business model analysis
- Valuation
- Competitive analysis
- Growth analysis
- Risk assessment
- Technical analysis
- Investment thesis development
- Financial forecasting

- Research and source evaluation
- Professional financial communication

The competition emphasizes the ability to connect **financial data, business fundamentals, valuation, industry conditions, and future expectations** into a coherent investment thesis.

3. Competition Scenario

Participants will act as an **equity research analyst** evaluating a single publicly traded company.

The analysis should answer a central question:

> **Based on the company's fundamentals, valuation, industry position, growth prospects, risks, and market conditions, what is the investment case for this stock?**

Participants may reach different conclusions. A successful submission is not determined solely by whether the stock ultimately increases or decreases in price.

Judges will primarily evaluate the **quality of the research, reasoning, analysis, evidence, and investment thesis.**

4. Eligible Securities

The selected company must meet the following requirements:

4.1 Publicly Traded Company

The company must be publicly traded on a recognized U.S. stock exchange.

Eligible exchanges include:

- NYSE
- NASDAQ

4.2 Stock Type

The analysis must focus on a company's **common stock**.

The following are not eligible as the primary security:

- Preferred stock
- Warrants
- Rights
- Options
- Futures
- Other derivatives

4.3 Company Size

The company must have a minimum market capitalization of **$250 million** at the time of selection.

4.4 Share Price

The stock must have a share price of at least **$5.00** at the time of selection.

Penny stocks and OTC securities are not eligible.

4.5 Single Company Requirement

The submission must analyze **one company only**.

Teams may discuss competitors, suppliers, customers, industry peers, and other companies when relevant to the analysis, but the primary investment analysis must focus on a single stock.

5. Originality and Academic Integrity

All submissions must represent the original work of the participating student or team.

Participants may use outside sources, financial databases, analyst research, company filings, news sources, industry reports, and other publicly available information.

However:

- All outside information must be properly cited.
- Plagiarism is prohibited.
- Fabricated data or sources are prohibited.
- AI-generated analysis must not be presented as independently researched work without appropriate verification and adherence to competition rules.
- Participants are responsible for the accuracy of information included in their submission.

- Arguments and conclusions should be supported by evidence.

Judges may verify information and sources included in submissions.

6. Team Participation

Participants may compete individually or as a team.

Each participant may participate on **one team only**.

Teams may divide research and writing responsibilities internally, but the final submission should represent a unified analysis.

Collaboration between separate teams is prohibited.

7. Required Analysis

Every submission must contain the following sections.

The sections should appear in approximately the order provided below.

7.1 Executive Summary

The executive summary should provide a concise overview of the entire analysis.

It should include:

- Company name and ticker
- Industry
- Current stock price at the time of analysis
- Market capitalization
- Investment thesis
- Key growth drivers
- Major risks
- Valuation conclusion
- Overall investment view

The executive summary should allow a reader to understand the team's overall argument without reading the entire report.

8. Company Overview

Participants should provide an overview of the selected company.

This section should address:

- Company history
- Primary products or services
- Business segments
- Revenue sources
- Geographic exposure
- Target customers
- Business model
- Major sources of competitive advantage
- Recent developments

The purpose of this section is to establish a clear understanding of **what the company does and how it makes money.**

9. Industry and Market Analysis

Participants must analyze the industry in which the company operates.

Relevant factors may include:

- Industry size
- Industry growth
- Major trends
- Industry structure
- Competitive intensity
- Barriers to entry
- Regulation
- Technological changes
- Consumer behavior
- Macroeconomic factors

- Cyclicality
- Major industry risks

Participants should explain how industry conditions affect the company's future performance.

10. Competitive Analysis

Participants must evaluate the company's competitive position.

This section may include:

- Major competitors
- Market share
- Competitive advantages
- Pricing power
- Brand strength
- Switching costs
- Network effects
- Economies of scale
- Intellectual property
- Distribution advantages
- Cost advantages
- Barriers to entry

Participants should explain whether the company's competitive advantages appear sustainable and how competitors could affect future growth and profitability.

Direct comparisons with relevant competitors are encouraged.

11. Fundamental Analysis

Participants must conduct a detailed analysis of the company's financial condition and operating performance.

Relevant metrics may include:

Revenue

- Historical revenue growth
- Revenue by segment
- Revenue by geography
- Recurring versus non-recurring revenue

Profitability

- Gross margin
- Operating margin
- Net margin
- EBITDA
- Earnings growth

Cash Flow

- Operating cash flow
- Free cash flow
- Capital expenditures
- Cash conversion

Balance Sheet

- Cash and equivalents
- Debt
- Net debt
- Current assets and liabilities
- Liquidity
- Financial leverage

Returns

- Return on equity
- Return on invested capital
- Return on assets

Participants should not simply list financial metrics. They should explain **what the metrics indicate about the company's financial health and future prospects.**

12. Financial Trend Analysis

Participants should analyze the company's historical financial performance.

Where appropriate, submissions should examine multiple years of data to identify trends in:

- Revenue
- Earnings
- Margins
- Free cash flow
- Debt
- Capital expenditures
- Share count
- Dividends
- Other relevant financial measures

Participants should distinguish between:

- Temporary changes
- Structural changes
- Cyclical changes
- Long-term trends

Charts and tables may be used to make financial trends easier to understand.

13. Growth Analysis

Participants must identify and evaluate the company's potential sources of future growth.

Potential growth drivers may include:

- New products
- New markets
- Geographic expansion
- Pricing
- Market share gains
- Customer growth
- Increased customer spending
- Acquisitions
- New technology
- Industry expansion
- Operating leverage

For each major growth driver, participants should explain:

1. What the growth opportunity is

2. Why it exists
3. How large it could be
4. What assumptions are required
5. What could prevent the company from achieving it

14. Valuation Analysis

Valuation is a central component of the competition.

Participants must evaluate whether the current market price appears reasonable relative to the company's fundamentals and expected future performance.

Participants may use one or more valuation methods, including:

Discounted Cash Flow (DCF)

Participants may project:

- Revenue
- Operating margins
- Free cash flow
- Growth rates
- Discount rate
- Terminal value

Comparable Company Analysis

Possible multiples include:

- P/E
- EV/EBITDA
- EV/Revenue
- Price/Sales
- Price/Book
- Other industry-appropriate multiples

Historical Valuation

Participants may compare the company's current valuation with its historical valuation ranges.

Other Valuation Methods

Participants may use additional methods when appropriate for the company.

Participants should explain **why the selected valuation methodology is appropriate for the company.**

The report should clearly identify important assumptions and explain how changes in those assumptions could affect the valuation.

15. Investment Thesis

The investment thesis should connect the major findings of the report into one coherent argument.

The thesis should explain:

- Why the company may be undervalued, fairly valued, or overvalued
- What the market may be misunderstanding or correctly pricing
- Major catalysts
- Major risks
- Expected sources of shareholder returns
- Key assumptions
- What would cause the thesis to succeed
- What would cause the thesis to fail

A strong thesis should be **specific, evidence-based, and supported by the analysis throughout the report.**

16. Risk Analysis

Participants must identify and evaluate the major risks facing the company.

Potential risks include:

- Competitive risk
- Financial risk
- Debt and interest-rate risk
- Regulatory risk
- Economic risk
- Industry risk

- Technological disruption
- Supply-chain risk
- Customer concentration
- Geographic risk
- Currency risk
- Management risk
- Execution risk
- Valuation risk

For each major risk, participants should discuss:

1. What the risk is
2. Why it matters
3. Potential impact
4. Probability or likelihood where reasonably supportable
5. Factors that could reduce or increase the risk

Participants should avoid simply listing risks. The analysis should explain their potential significance.

17. Management and Corporate Governance

Participants should evaluate the company's management and corporate governance where relevant.

Potential areas include:

- Management track record
- Capital allocation
- Insider ownership
- Executive incentives
- Shareholder returns
- Acquisitions
- Debt management
- Stock issuance or buybacks
- Dividend policy
- Corporate governance

Participants should distinguish between documented facts and their own interpretation.

18. Technical Analysis

Technical analysis may be incorporated into the report to supplement the fundamental analysis.

Relevant indicators may include:

- Price trends
- Moving averages
- Relative strength
- Trading volume
- Support and resistance
- Momentum
- Volatility
- Other relevant technical indicators

Technical analysis should not replace fundamental analysis.

Participants should explain how technical information contributes to their overall investment thesis.

19. Catalysts and Future Events

Participants should identify potential events or developments that could materially affect the stock.

Examples include:

- Earnings announcements
- Product launches
- Regulatory decisions
- New contracts
- Acquisitions
- Divestitures
- Industry developments
- Interest-rate changes
- New legislation
- Management changes
- Major technological developments

Participants should explain how each catalyst could affect the company's fundamentals or valuation.

20. Scenario Analysis

Participants are encouraged to evaluate multiple potential outcomes.

A scenario analysis may include:

Bull Case

Conditions under which the company materially exceeds expectations.

Base Case

The team's most reasonable expected outcome based on its assumptions.

Bear Case

Conditions under which the company's performance materially underperforms expectations.

Each scenario should identify important assumptions and potential valuation implications.

Scenario analysis should demonstrate that participants understand both the **upside and downside** of their thesis.

21. Conclusion

The conclusion should summarize the team's overall findings.

It should answer:

- What does the company do well?
- What are its primary weaknesses?
- What are its major opportunities?
- What are its major risks?
- How does the current valuation compare with the team's analysis?
- What are the most important assumptions behind the thesis?
- What would cause the team to change its conclusion?

The conclusion should be consistent with the evidence presented throughout the report.

22. Sources and Citations

All external information must be properly cited.

Sources may include:

- SEC filings
- Company investor-relations materials
- Annual reports
- Quarterly reports
- Earnings presentations
- Earnings calls
- Government data
- Industry reports
- Financial publications
- Academic research
- Reputable financial databases
- Other credible sources

Citations should identify, where applicable:

- Author or organization
- Title
- Publication or website
- Publication date
- URL or retrieval information

In-text citations, footnotes, or endnotes should be used.

A bibliography alone is not sufficient when specific claims, statistics, or data are used throughout the report.

Participants should prioritize **primary sources and credible evidence**.

23. Appendix

The appendix is excluded from the 20-page limit.

Participants may use the appendix for supporting materials such as:

- Detailed financial statements
- Additional valuation calculations
- DCF models
- Financial projections
- Comparable-company tables
- Additional charts
- Technical-analysis charts
- Scenario calculations
- Sensitivity tables
- Supporting research
- Additional data

Important analysis and arguments should remain in the main report rather than being placed exclusively in the appendix.

24. Optional Analysis

Participants may include additional analysis when it meaningfully strengthens their investment thesis.

Examples include:

- Detailed DCF models
- Sensitivity analysis
- Monte Carlo analysis
- Regression analysis
- Factor analysis
- Additional valuation methodologies
- Advanced financial forecasting
- Segment-level valuation
- Sum-of-the-parts analysis
- Alternative scenario models
- Technical indicators
- Historical backtesting
- Additional industry research

Optional analysis does not automatically receive additional credit.

Judges will evaluate whether the analysis is **relevant, accurate, and meaningfully contributes to the investment thesis.**

25. Formatting Requirements

Main Report

- Maximum **20 pages**
- Appendix does not count toward the 20-page limit
- Professional formatting required
- Pages should be numbered
- Tables, charts, and figures should be clearly labeled
- Sources and citations must be included

Recommended Format

The report should be structured in a professional equity-research format.

Participants may use:

- Headings
- Subheadings
- Tables
- Charts
- Graphs
- Financial models
- Figures

Visuals should support the analysis rather than replace written reasoning.

26. Submission Requirements

The final submission must contain:

1. A complete stock analysis report
2. All required sections
3. Proper citations
4. Supporting appendix materials where applicable

The final report must be submitted as either:

- **PDF**
- **DOCX**

The main report may not exceed **20 pages**, excluding the appendix.

27. Competition Rules

Participants must follow all competition requirements.

The following are prohibited:

- Submitting multiple teams
- Collusion between teams
- Plagiarism
- Fabricating financial data
- Fabricating sources
- Misrepresenting company information
- Using an ineligible stock
- Exceeding the 20-page limit for the main report
- Submitting an incomplete analysis
- Intentionally misleading judges

The organizers reserve the right to verify information contained within submissions.

28. Disqualification

A submission may be disqualified for significant violations, including:

- Analyzing an ineligible security
- Analyzing multiple stocks as the primary subject
- Exceeding the 20-page limit
- Plagiarism
- Fabricated sources or information
- Multiple-team participation
- Collusion
- Failure to meet required submission standards
- Materially misleading information
- Other significant violations of competition rules

Depending on the violation, the entire team may be disqualified.

29. Judging Philosophy

The competition evaluates the **quality of the analysis**, not whether the stock ultimately performs well.

Judges will focus on:

- Quality of research
- Financial understanding
- Strength of reasoning
- Quality of valuation
- Understanding of the business
- Industry and competitive analysis
- Risk analysis
- Quality of assumptions
- Evidence supporting conclusions
- Coherence of the investment thesis
- Professionalism and clarity

A stock that performs exceptionally well after submission does not automatically indicate that the original analysis was strong.

Likewise, a stock that performs poorly does not automatically indicate that the analysis was weak.

The objective is to evaluate whether participants can **develop and defend a rigorous investment thesis based on information available at the time of analysis.**

30. Competition Objective

The central objective of the FPF Stock Analysis Competition is:

> **Can you analyze a single publicly traded company like a professional equity research analyst and develop a rigorous, evidence-based investment thesis supported by financial analysis, valuation, industry research, competitive analysis, and risk assessment?**