

GUOSONG XU

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EDUCATION

WHU – Otto Beisheim School of Management , Vallendar, Germany Ph.D. in Finance	Sept. 2014 – Present
New York University Stern School of Business , New York, United States Visiting Scholar in the Finance Department	2016
ESSEC Business School , Paris, France MSc. in Management Finance Track, Grande Ecole Program	2014
University of Chicago Booth School of Business , Chicago IL, United States Visiting program	2013
East China University of Science and Technology , Shanghai, China BA. in Economics	2011

RESEARCH INTERESTS

Corporate finance, M&A, Behavioral Finance

WORKING PAPERS

Are Market Reactions to M&As Biased by Overextrapolation of Salient News?

with Eliezer Fich (Drexel University)

- We study earnings surprises released by firms in a takeover target's 1-digit SIC hours before the M&A public announcement. We find that these surprises correlate with the acquirers M&A announcement return, but not with the returns to 4-digit SIC matched bidder and target peer firms. A week after the M&A announcement, acquirers exhibit a stock price reversal and their response to the earnings surprises disappears. We cannot reconcile these findings with rational Bayesian updating, information transmission, or strategic timing theories. The evidence that salient events affect investors' M&A valuations, supports behavioral theories predicting asset pricing distortions due to cognitive biases.

“She is Mine: Determinants and Value Effects of Early Announcements in Takeovers”

with Nihat Aktas and Burcin Yurtoglu (WHU)

Best AFFI 2017 Conference Paper; Media coverage: [Les Echos](#)

- Some bidders voluntarily announce a merger negotiation before the definitive agreement. We propose an “announce-to-signal” explanation to these early announcements: they allow bidders to signal to target shareholders high synergies so as to overcome negotiation frictions and improve success rates. Consistent with signaling, we show that negotiation frictions predict earlier announcements. Early announced transactions are associated with higher expected synergies, offer premium, completion rates, and public competition. Moreover, bidder announcement returns do not suggest overpayment and the existence of agency issues in these transactions. Taken collectively, our findings rule out alternative explanations such as managerial learning from investors and jump bidding.

“Bribery and Cross-border Acquisitions”

- This paper explores (1) how foreign bribery affects an acquirer's engagement in cross-border takeovers, and (2) how the use of bribes determines acquisition synergy. I explore an exogenous implementation of the OECD Anti-bribery Convention in 41 countries that criminalizes bribe-paying by acquirers in foreign

markets. I document that cross-border deal frequency drops significantly from affected countries after the law enactment, and that more corrupt target countries experience a greater deal number decline. These results suggest a hidden use of bribes in cross-border transactions. Further evidence suggests that deal synergy drops due to the prohibition against foreign bribery: deal premium decreases significantly following the laws, and deal abnormal returns drop as the corruption and governance environment in the target country worsens relative to the acquirer country.

WORK IN PROGRESS

“Irreversible Investment under Uncertainty: Do Firm Boundaries Matter?”

with Johnson Mo (NYU Stern)

· We empirically analyze investment under output price uncertainty when firms face differential asset specificity or irreversibility. We study the oil exploration and production (E&P) industry, where some producers vertically integrate into downstream segments and face higher capital irreversibility. Using exogenous oil price uncertainty shocks, we show that these integrated producers cut capital expenditures significantly more than standalone producers in response to price volatility. This finding is consistent with a real option model of investment, where a higher level of capital irreversibility amplifies the uncertainty effects on real investment. We show that our results cannot be explained by intersegment investment transfer.

“How Do Corporate M&A Teams Work?”

with Nihat Aktas, Audra Boone Alexander Witkowski and Burcin Yurtoglu (WHU and TCU)

EXPERIENCES

WHU – Otto Beisheim School of Management

since Sept. 2014

Research Assistant at the Chair of Corporate Finance, Prof. Burcin Yurtoglu

Teaching Assistant, Managerial Finance (MBA class)

Teaching Assistant, Advanced Corporate Finance (MSc. class)

Teaching Assistant, Sustainable Finance (MSc. class)

ESSEC Business School

Research Assistant, Prof. Jose Miguel Gaspar, 2013

Research Assistant at the Financial Reporting Center, on the publication of “Comptabilite financiere en IFRS” (*French, 3rd edition*), Prof. Wolfgang Dick, 2012

Other professional services:

2017: Reviewer for INFINITI Conference on International Finance; Reviewer for the 22th Spring Meeting of Young Economists

TEACHING

Sessions in Advanced Corporate Finance (MSc. class)

Fall term 2015 and 2017

PRESENTATIONS AND DISCUSSIONS

2017: Paris December Finance Meeting, ESSEC (*Paris*), University of Lille II (*Lille*), International Conference of the French Finance Association (*Valence*)

2016: FMA Doctoral Student Consortium (*Helsinki*), Spring Meeting of Young Economists (*Lisbon*), International Conference of the French Finance Association (*Liege*), Conference on Empirical Legal Studies in Europe (*Amsterdam*), Workshop on Corporate Governance and Investment (*Istanbul*), WHU (*Vallendar*),

NYU Stern (*New York*)

2015: Causal Inference Workshop at Northwestern University (*Chicago*), WHU (*Vallendar*)

AWARDS

Dean's Fund (1,000 euros), WHU – Otto Beisheim School of Management, 2016, 2017

French Finance Association International Conference Best Paper Award, 2017

Research Grant for Visiting Scholar, WHU Chair of Corporate Finance, 2016

PhD Fellowship, WHU Chair of Corporate Finance, 2014–present

ESSEC Excellence Scholarship, 2013

CFA Global Research Challenge French Championship, 2013

Research Paper Award in the ECUST University Student Research Program, 2009

National Scholarship by the Chinese Education Ministry, 2008

NON-ACADEMIC EXPERIENCES

Lazard, Paris France 2013

TMT Mergers & Acquisitions Analyst

Vivendi Group, Paris France 2012

Investors Relations Intern

OTHERS

Languages English, Chinese, French, German

Programs STATA, Matlab, L^AT_EX, Python (basic)