

Advanced Private Equity

2 Days

COURSE OVERVIEW

This course is directed at private equity practitioners. Through a series of buyout, management buyout and other private equity case studies, many of which have historical results databases attached, participants will be able to grasp best practice in: the identification of targets and investment process itself, the vital element of valuation, how investments are structured in terms of shares and the legal aspects, the increasing importance of monitoring investments, the role of other participants such as bankers, accountants and lawyers, and the significance of the exit.

Throughout the course there will be exercises based on real companies that have attracted private equity investment as well as opportunities to put into practice in deal structuring many of the underlying principles.

LEVEL

Intermediate – Advanced

WHAT WILL I GET OUT OF IT?

- Understand how private equity market participants, banks, corporations and markets work together.
- Develop a detailed financial evaluation of business plans from the standpoint of the private equity provider
- Gain detailed knowledge of the investment process from initial approach to deal finalization.
- Comprehend the significance, process and changes to structures for Management Buyouts in Europe
- Analyze and model how leveraged buyouts create value for investors
- Analyze the logic behind strategic equity stakes, platform building and divestment strategies
- Practice valuing companies.
- Study the involvement of structured finance in the performance of private equity funds
- Obtaining up to date assessments of current business exit options for private equity in Asia

WHO'S IT FOR?

- Private equity practitioners
- Venture capitalists
- Government departments
- Regulators
- Fund Managers/Wealth Managers
- Accountants

- Lawyers
- Investment Bankers
- Retail Bankers
- Private Bankers
- Company Directors

COURSE CONTENT

Day 1

Introduction: Market Review

- Examples of recent deals in Asia
- Comparison with US, Asia and the Middle East

Case Study: Recent developments in private equity in China and India

Identifying Targets

- Characteristics of buyout targets
- M&A investments
- Strategic Equity Stakes
- Scope for private equity
- Capital for business expansion
- Opportunities for Management Buyouts
- Private Equity Firms - best practice
- Structures, Returns And Yield Requirements

Case Studies: Analyzing/modelling potential strategic equity stake targets

Valuation: Art or Science?

- Theoretical Valuation Tools
- Specifics of Private Equity Investment Valuation
- Technology Company Issues
- Recent Trends In Valuation

Case Studies: Valuation on a private equity investment using a range of methods to compare with an historical database of previous results.

Financial Structures for Buyouts

- Capital Structure and Leverage - the optimum financial structure
- Security and Subordination
- Hybrid Bonds
- Alternative financing instruments
- Structuring the 'Equity' Element
- Management's Stake
- The PE House Stake
- Ratchets (Rationale, Structures and Limitations)
- The Envy Ratio and Its Use
- Typical Buy-Out Structures
- Asset-Based financing, high-yield bonds and other funding options
- Tactics and Strategies for Maximizing Value

Case Studies: structuring buyouts and management buyouts

Exercise: Delegates will use a range of financial instruments to maximize equity return in an acquisition by a private equity company

Day 2

Modelling the transaction

- How to analyze models
- LBO, growth, valuation and project analysis models compared
- Sequence, structure, and recommendations
- Scenario and sensitivity analysis

Case Studies: A range of actual models to examine and modify in order to develop their critical and analytical skills

Due Diligence

- Types and expertise in due diligence (Human, Commercial, Financial, Environmental, Legal)
- Recent developments and case law
- Resource allocation and procedures
- Differences between Europe, the US and Asia

Case Studies: Examples of Due Diligence on private equity investments

Private Equity funds

- Analyzing fund performance – risk and reward
- Fund of funds
- Role of the SWFs – Singapore, Norway and other examples

Case Study: Application of structured finance to private equity investments

Exit Routes

- Importance and Significance
- Methods and Application
- Build and Buy/Platforms
- Trade Sales
- Flotations - national and international markets

Case Studies: Examples of successful exit routes for private equity in Asia