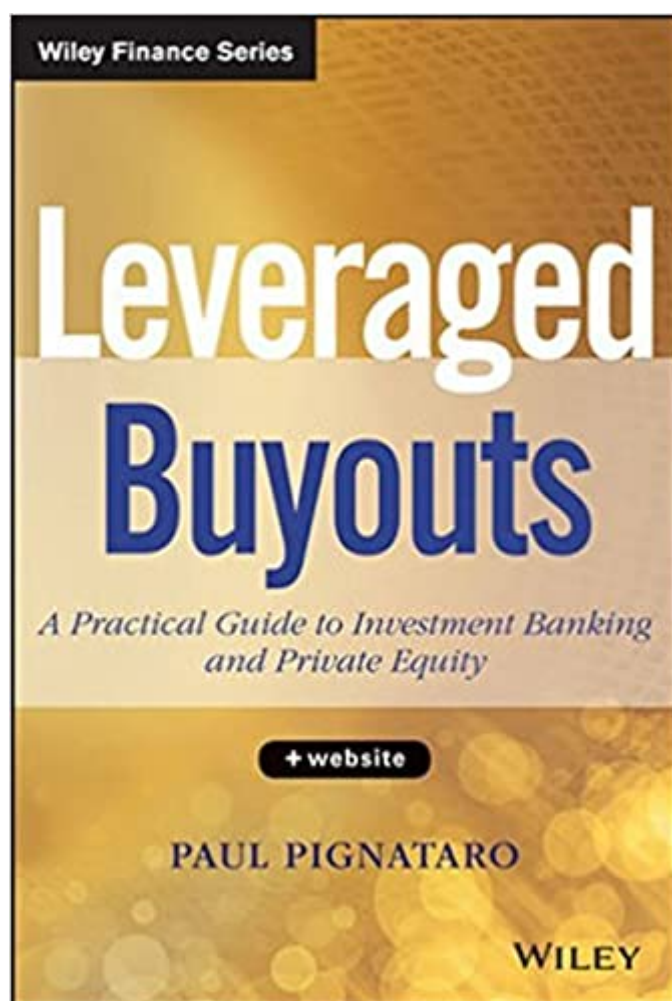


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# Leveraged Buyouts, + Website: A Practical Guide To Investment Banking And Private Equity



## Synopsis

A comprehensive look at the world of leveraged buyouts. The private equity industry has grown dramatically over the past twenty years. Such investing requires a strong technical know-how in order to turn private investments into successful enterprises. That is why Paul Pignataro has created *Leveraged Buyouts + Website: A Practical Guide to Investment Banking and Private Equity*. Engaging and informative, this book skillfully shows how to identify a private company, takes you through the analysis behind bringing such an investment to profitability--and further create high returns for the private equity funds. It includes an informative leveraged buyout overview, touching on everything from LBO modeling, accounting, and value creation theory to leveraged buyout concepts and mechanics. Step-by-step financial modeling - taught using downloadable Wall Street models, you will construct the model step by step as you page through the book. Model built complete with Assumptions, Returns to Investors, Debt Covenants, Income Statement, Cash Flow Statement, Balance Sheet, Balance Sheet Adjustments, Depreciation Schedule, Working Capital Schedule, Debt Schedule. Illustrative concepts on leveraged buyout mechanics aid in conceptual understanding. Hot keys and explicit Excel instructions aid even the novice excel modeler. Concepts are reiterated and honed, perfect for a novice yet detailed enough for a professional. Understanding of various sources of funds (bank debt, high-yield debt, mezzanine, PIK, and equity), uses of funds, and assumption drivers are honed. Model built direct from Heinz public filings, searching through notes, performing research, and illustrating techniques to formulate projections. • • Includes in-depth coverage of leveraged buyout techniques commonly used by Wall Street professionals including: Paid-in kind securities (PIK) Preferred dividends (with payout or deferred switch) Debt covenants Capitalization and amortization of debt fees Returns to investors Step-by-step we will come up with the expected return (IRR) of the Heinz investment to 3G and Berkshire Hathaway • • Chapter end questions, practice models, additional case studies and common interview questions (found in the companion website) help solidify the techniques honed in the book; ideal for universities or business students looking to break into the investment banking or private equity field. If you're looking for the best way to hone your skills in this field, look no further than this book.

## Book Information

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## Customer Reviews

Paul Pignataro's step-by-step approach is ideal for anyone trying to learn or hone the analytical skills necessary to model the basic viability of an LBO, from the point of view of the company as well as the investor. He explains valuation concepts and how to capture them in Excel spreadsheets, the latter described down to the level of individual keystrokes. Leveraged Buyouts is a self-contained course in rudimentary financial modeling (and a crash course in Excel as well). It's a perfect read for anyone wanting to enter the world of investment banking or private equity. • Investing.com

The private equity industry is thriving. To get some idea of just how fast the industry has grown over the past decade, one only need consider that private equity firms invested nearly 90% more capital in 2010 than they did in 2009, for a total of \$225 billion invested in more than 3,000 transactions, compared to \$119 billion the year before. And that trend has continued at a rapid clip in the three years since. But turning private investments into successful enterprises, while pulling down promised, or better than expected, returns for partners takes a particular skill set and technical know-how not readily acquired by those outside the industry; until now. In Leveraged Buyouts, Paul Pignataro, founder and CEO of the world-renowned New York School of Finance, takes a unique approach to educating you in the tools of the private equity trade; by building on a book-length case study of the 2013 Berkshire Hathaway/3G Capital \$28 billion Heinz Co. LBO. How viable is such a buyout? How are Berkshire Hathaway and 3G Capital finding value in such an investment? What are their potential returns? Clearly and concisely, Paul Pignataro explains the analytical approach used by Wall Street analysts to answer such questions, guiding you, step by step, through the process of developing a sophisticated financial model. Assuming the role of a Wall Street analyst, you get an up-close and personal look at how the modeling process works, while

acquiring the tools for developing your own analyses. You'll evaluate the potential leveraged buyout of Heinz, determining its current financial standing, projecting its future performance, and estimating the potential return on investment. And to help further your LBO education, the Leveraged Buyouts companion website supplies you with downloadable models that bring all the methods described in the book to life, while offering you an opportunity to hone your analytical skills by building an original Heinz Co. LBO model from scratch. You'll also find chapter questions and answers to help you test your knowledge of the material presented in the book. Whether you are an investor or fund manager looking to make your own acquisitions, or you aspire to a career in the burgeoning private equity or investment banking industries, Leveraged Buyouts gets you up and running with the tools and techniques you need to perform expert LBO analyses. If you're a private equity or investment banking professional looking for a reliable way to refresh and fine-tune your analytical skills, this book definitely is for you as well.

I purchased the book in hopes of furthering and fine-tuning my knowledge of LBO. The book gives you a very detailed steps in "building" a very basic model for an LBO. To be frank, more than half of the book is wasted on the very detailed steps that are very self-intuitive. Furthermore, many inefficiencies in addition to errors in the debt schedule exist (cap of credit facilities, mandatory/optional repayments, and etc.), the key aspect in an LBO model. I would only recommend this book if the reader has no background in finance and modeling, which I highly doubt to be the target audience for this book.

Very good book to get the fundamentals right and the modeling mechanics. The cash flow approach to balancing is a great technique all analyst should consider. I highly recommend this book to anyone who wants to get started in leveraged finance. This book made it interesting for me to get up early in the mornings to study.

I wouldn't know much about which book for leveraged buy-out would be the best. But when I came across this book as apart of the Wiley Finance Series extending from the Financial modelling and valuation book, I had with ZERO experience in Finance. Following Pauls book i can proudly say that I have gained excellent and proficient knowledge in financial modelling. The book provides excellent information on LBOs along with the advanced practical modelling using the Heinz LBO by 3G and Berkshire Hathway which makes this book by far the best to understand simply by the results that I have achieved. Now I can build sophisticated LBO models with advanced thinking of the

"how-to-approach" ! The book is simple, step-by-step, elegant and I don't think any other investment banker could have simplified it more than what Paul has done. I look forward to your other books in the series. Thank you Paul for the publication.

Hi Paul, Your text, "Leveraged Buyouts" is genius. Really appreciate the supplementary stuff in there, especially all of the accounting. Your explanation of minority interests, implied value of operating assets, and the relationship of the BS with the other two Financial statements is golden. Also, learning to build depreciation schedules and working capital schedules has never been so clear! Great work

Good book, fairly easy to follow and simple to understand. I love how he shows the reader how to input the info. into excel. The book was clearly written for public M&A transactions ( hence Heinz case), but is nevertheless very applicable for privately held transactions.

Excellent

Great read to help you prepare for an IB or PE interview. Much better than all those interview prep guides that are out there. It's an easy read and the practice materials really enforce your understanding. I didn't know the first thing about LBOs before reading this book. The author did a great job of breaking down the concepts so that even beginners or those without a finance background and/or education can learn. I recommend the book for anyone wanting to become an analyst or anyone who wants to brush up or refine their skills.

Good for ibanking interview prep and an introduction to LBOs. Puts it in a way to easily understand. Would recommend

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