

28E35500: Private Equity Investments

Learning Outcomes

The main objective is to familiarize students to the private equity (buyout, mezzanine and distressed) landscape and different parties involved in the investment process. More specifically, students will be expected to achieve the following objectives:

- Familiarize with the different structures, features, terminologies and valuation models used in private equity.
- Engage with specific due-diligence procedures of institutions and private equity funds in investment process.
- Examine the landscape of private equity, role of gatekeepers and importance of secondary markets.
- Quantitatively and qualitatively evaluate deal-specific information and demonstrate an understanding of material through intuitive solutions to cases.
- Understand how post-deal improvements are operationalized and steps in exiting a private equity investment

Content

The course starts with an introduction to private equity investment, the role of different parties involved in this investment and how the investment flow occurs. Institutions (called limited partners, or LPs) that provide capital play an important role in the process, which leads us to examine their organization and structure, due-diligence process and involvement with private equity funds. We also lay some attention on intermediaries (called gatekeepers) that enable private equity investment, and the significance of secondary market for private equity. However, the main focus of the course is on understanding individual deals, i.e., an investment by a PE fund into a portfolio company, including the valuation of the deal, the structure of the investment, and the various implications and practicalities of the deal for all participants in the deal. We conclude the course by studying how PE funds strategize their exit from portfolio companies.

Course delivery

Course is delivered as a book exam. No lectures or exercises will be organized. Juuso Nissinen can be reached during office hours or by [email](#). Relevant questions will be answered in FAQ on the course webpage.

Material

Talmor, E. and Vasvari, F. **International Private Equity**. 2011. Wiley (ISBN: 9780470971703)

Only Parts 1-3, i.e. the case studies are not part of the exam. Available as e-book on Aalto's learning center.

Exam & Assessment

Closed book exam on Monday February 18th 9:00-12:00 in Töölö campus.

The exam is based on Parts 1-3 in *Talmor, Vasvari*, you are expected to know the learning outcomes defined above. The case studies in Part 4 will not be asked in the exam.

Re-exams will be offered on **Friday April 12th 14.00 - 17.00** and on **Monday May 29th 9.00 - 12.00**. See also and register in WebOodi.

Grade 0-5 will be based on the exam.