

Private equity



**ASSIGN
BUSTER**

Acova Radiateurs Corporation Due Date: Nov 11, 5pm. Please include the names of all group members at the top of the report. For Lead Group: case write-up should be no longer than six pages of text (double space, Font 11, 1 inch margin on all sides). You should also include any additional financial analysis (i. e. tables) that you would like to attach. The lead groups will also help with classroom discussion and answer questions. For Other Groups: the write-ups should be no longer than three pages of text each (double space, Font 11, 1 inch margin on all sides).

You should also include any additional financial analysis (i. e. tables) that you would like to attach. The objective of the case is to introduce students to the world of leverage buyout. Baring Capital is a private equity specializes in buyout, it is now targeting a subsidiary of Acova Radiateurs. The problem at hand is to determine an appropriate price for the company in an international setting. The report should cover, but not limited to, the following aspects of the valuation process: 1) Is Acova a good candidate for leverage buyout?) Use the FCFE method to evaluate Acova and determine what it is worth. Feel free to supplement your analysis with other valuation method. 3) Like many buyout funds, BCI requires a very high hurdle rate, 30% to 35%, from its expected investment project. Is such requirement reasonable in Acova's case? For lead groups, the valuation method for this case is relatively straightforward, so again I look forward to you to present the case. Please prepare a 10-15 minutes presentation to discuss the case. PowerPoint slide is recommended, and feel free to provide Tables/Slides/Graphs to aid your discussion.