



If you get invited to Private Equity interviews, you will almost always encounter Private Equity case studies. PE case studies can be notoriously difficult, and require a great deal of preparation. While every firm will have different types of case studies, this article aims to give you an overview of what you should be expecting.

What is a case study?

Case studies are investment problems that you will be asked to analyse. Based upon your analysis you need to propose a final recommendation: should they invest in this company or sector? At what price?

Why do private equity firms use case studies?

Case studies are great because they enable the interviewer to assess several aspects of a candidate:

The ability to absorb a large quantity of information and focus on what is relevant

The ability to structure your thoughts and analysis

General business acumen

Pure "problem-solving" skills (i.e. intelligence)

Analytical skills (calculations are always involved)

Presentation and communication skills (you will be asked to present a solution)

Excel modelling / PowerPoint

Time management skills

At what stage of the interview process do I get case studies?

Usually after the first round of interviews, but sometimes in the very first round.

How are they given? How much time do I have to work on case studies?

Case studies can take on several forms, but these are the most common:

1. Take-home case studies: The firm will send you a case via email and give you a few days to complete it, then send it back in a Word document with your Excel model.
2. Mini-cases: at the firm, in person, as a live discussion. In this case, there is no Excel model (or you may be asked to do a "back of the envelope" model on paper) and the discussion generally lasts between 45 minutes to an hour.
3. Full-blown cases: At the firm. You are seated in a room with a computer, given the case study, and allowed between one hour to four hours to complete your analysis and Excel model.

Can you give me an example of a Private Equity case study?

The ingredients of a case study are always the same, irrespective of the format:

1. Description of a company and sector. This can be a few summary lines or slides, or in full-blown case studies, they could either give you a company annual report or an Information Memorandum ("IM")
2. Financials. These can be a few key items (i.e. revenue, EBITDA, Capex) or you can get a full annual report or IM.

Based on this information, you should be able to analyse the company, build an LBO model, and answer the following questions:

- Is the company an attractive investment or not?
- How much should we pay for it?

For case study practice please refer to our [private equity case study here](#).

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