



# FAQ

## WHAT ARE PRIVATE EQUITY GROUPS?

Private equity groups (PEGs) play a significant role in the Mergers and Acquisitions (M&A) market as financial buyers. Their main goal is to acquire companies with the aim of generating substantial financial returns for their investors, typically over a period of three to seven years.

The role of a private equity group in M&A includes identifying attractive acquisition targets, conducting thorough due diligence on potential targets, negotiating and structuring transactions, and providing operational and strategic support to portfolio companies post-acquisition.

To identify potential acquisition targets, private equity groups use a variety of sources, including proprietary deal flow, investment banks, and industry contacts. They then conduct extensive due diligence on potential targets to evaluate their financial performance, market position, and growth potential. This includes reviewing financial statements, management presentations, and industry research.

Once a potential target has been identified, private equity groups work with investment banks and other advisors to negotiate and structure the transaction, including determining the purchase price, financing options, and deal terms. They may use a variety of financing methods, including equity, debt, and mezzanine financing, to finance the acquisition.

After the acquisition, private equity groups work closely with portfolio companies to help them improve their operations, optimize their capital structure, and develop and execute strategic plans to drive growth and enhance value. This can include implementing cost-cutting measures, pursuing new revenue opportunities, and making strategic acquisitions.

Overall, private equity groups play a critical role in the M&A market, as they provide capital, expertise, and operational support to help companies grow and create value, while also generating attractive financial returns for their investors.

## WHAT WE DO?

### BUSINESS VALUATION

What's my business worth today is a must have for every business owner. Check out our **Free** Valuation Tool that gives you an estimated value of your business.

### BUSINESS BROKERAGE/M&A

Selling a business is a complex task. Magnus Business Group will guide you through the entire process until it is sold for the best price possible.

### EXIT PLANNING AND PREPARATION

Planning the sale or other transfer of a business shall be planned carefully with the right goal in mind. We guide and coach business owners to achieve their goals.



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