The Battle for Cortefiel Interactive case study

The Battle for Cortefiel is an interactive case study that presents a LBO operation (leveraged acquisition) that the private equity group CVC made for the Cortefiel Group in 2005. This operation was especially interesting because of the entrance of other capital risk funds also interested in buying the major Spanish textile group. Under this new scenario, CVC had to evaluate whether or not to increase the initial price offered.

This interactive case study includes the following sections:

- The Group
- The IPO of Cortefiel
- The decision

A paper based case study (in .pdf format) accompanies this documentation.
In the section, Cortefiel corporative information is presented: market trends, internationalization, share price, the brands that make up the group and a corporative video.

In the IPO section, the business plan carried out by CVC is summarized. As well as this there are also two short interviews with private equity sector experts that also participated in the operation.

To complement this, students can read how the press reported the operation.
At the end of the case, students can observe the effects of changing some variables of the initial CVC business plan projecting profitability. This allows them to analyze a wider range of scenarios.

In the last section called “the decision”, students have to make the calculations according to the business plan carried out by CVC, in order to calculate the profitability of the operation (IRR). Subsequently, students have to decide whether or not to increase the share price initially offered as a result of the entrance of other private equity funds.