# PEG

This is an acronym for Private Equity Group.

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# Net Worth

This is often based on the value of assets and liabilities at their true (market) value, not necessarily as expressed on the balance sheet, and may include the value of intangibles and goodwill not shown on the balance sheet.

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# Net Cash Flow

This is a form of cash flow. When the term is used, it should be supplemented by a qualifier and a definition of exactly what it means in the given context.

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# Mezzanine Capital

This is subordinated to senior debt, it is like a second mortgage, with higher interest rates and often with common stock purchase warrants.

# Market Cap

This is an abbreviation of “market capitalization” that applies to a public company’s worth in the stock market by multiplying the total number of shares outstanding by the current stock price.

# Market Approach

This is a way of determining a value indication of a business using one or more methods that compare relevant characteristics of the subject firm to similar businesses that have sold.

# Leveraged Buyout

This is a transaction in which a company’s capital stock or its assets are purchased with borrowed money, causing the company’s new capital structure to be primarily debt.

# Lehman Formula

This is an industry standard commission rate, which is a sliding scale percent on successive million dollar purchase price brackets.

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# Investment Banker

This is a business intermediary for Middle-Market companies who sometimes provides additional services such as bridge loans or underwritings.

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# Going Concern Value

This is the value of a business enterprise that is expected to continue operating in the future.