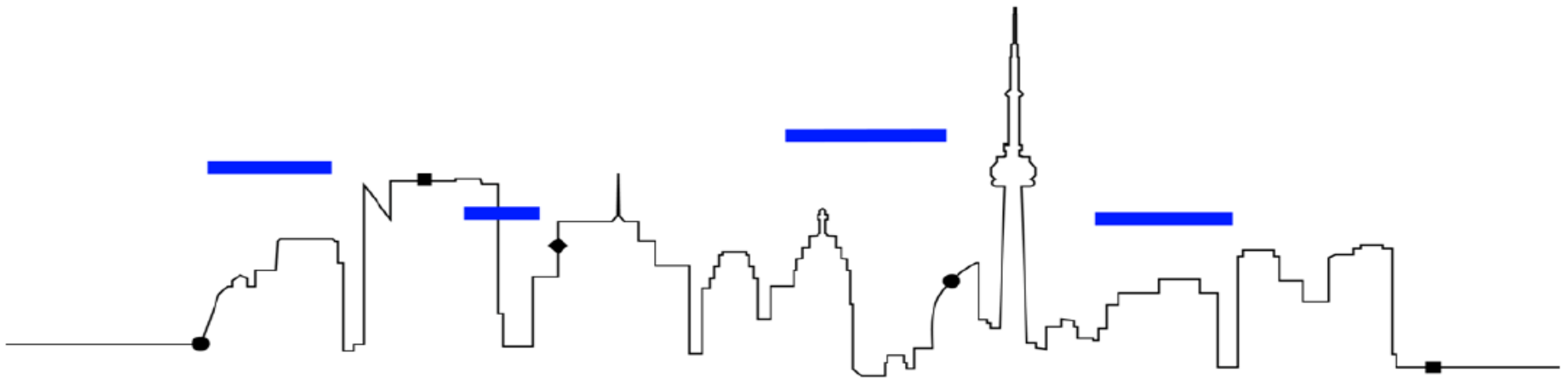


Canada Private Equity Buyout Review

FULL YEAR 2019



Canada Private Equity Buyouts

Full Year 2019 | Canada Private Equity Buyout Review

Canada Private Equity Buyout Deals Intelligence

CANADA BUYOUT AND RELATED DEAL VALUES TOTAL CA\$46.0 BILLION

Canadian buyout and related investments ended the year strong, with CA\$27.4 billion of deal values recorded across 138 rounds either announced or completed between October and December. This brought the overall total for the year to CA\$46.0 billion over 514 rounds, marking the third consecutive year of growth and an increase in year-over-year volumes of 25% and values of 22%.

TOP TEN ROUNDS ACCOUNT FOR 66% OF ALL DISCLOSED DEAL VALUES

Five rounds with values of CA\$1 billion or more were announced in the fourth quarter of the year with combined deal values of CA\$7.4 billion. This included the agreement to take Canadian retailer Hudson's Bay private by a group of investors including Rhone Capital, WeWork Property Advisors, Hanover Investments, Abrams Capital, and executive chairman Richard Baker. The deal valued the business at approximately CA\$2 billion and is still awaiting shareholder approval with a vote scheduled for early 2020. Calgary-based natural gas and renewable power business AltaGas also agreed to a CA\$1.7 billion takeover by PSP Investments and Alberta Teachers' Retirement Fund Board in October, with an expected completion date in the first half of 2020.

NUMBER OF BUYOUT-RELATED DEALS CLIMB TO 23% OF ALL CANADIAN M&A ACTIVITY

While the number of Canadian buyout deals were up 25% year-over-year, the overall number of Canadian M&A transactions declined by 9% in the same period, resulting in the share of PE-backed deals increasing to 25% of total Canada dealmaking, up from 17% just one year ago.

BUYOUT FUNDRAISING REACHES CA\$21.1 BILLION

A total of 30 Canadian buyout and related funds recorded closes in 2019, raising CA\$21.1 billion, an increase in values of 22% and 57% from 2018 and 2017 figures, respectively. Fundraising was led by Altas Partners' sophomore fund, which was oversubscribed and closed at its hard cap of CA\$4.0 billion, and Brookfield Capital Partners V which was also oversubscribed and raised CA\$2.8 during the year bringing its total commitments to CA\$11.8 billion.

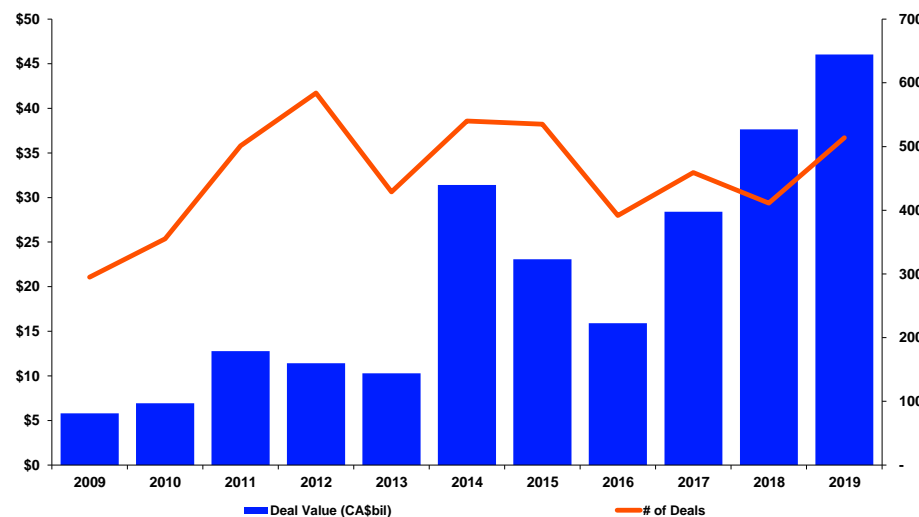
CANADA EXIT VALUES TOTAL CA\$13.6 BILLION

Canadian companies completed 70 PE-backed exits over the course of 2019 valued at CA\$13.6 billion, resulting in a 25% decrease in values and a 10% decrease in volumes when compared to 2018. The largest exit of the year was announced in the fourth quarter, with the merger between online gambling giants The Stars Group and Flutter Entertainment having a purchase price of CA\$8.1 billion.

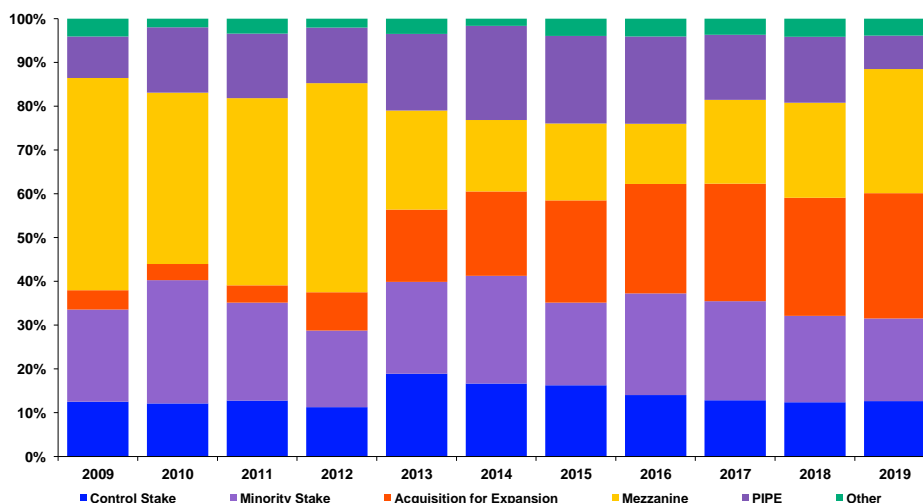
CANADA BUYOUT FUND PERFORMANCE SEES DROP DURING 2019

Canadian private independent funds continued to show under-performance compared to the public market as of Q3 2019. Published data provided by Cambridge Associates shows Canadian buyout, private equity energy, and subordinated capital funds with vintage years of 2000 or greater returning an IRR of 4.3% at the end of Q3, down from 5.7% in Q3 2018 and well below the 12.9% shown by similar funds within the United States.

Private Equity Buyout Investment Activity in Canadian Companies



Private Equity Buyout Deal Volumes (#) by Transaction Type



Investments

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Top Canadian PE Buyout Deals by Deal Value

Company Name	Ann. Date	Deal Value (CA\$mil)	Sector	Status	Location
Dream Global REIT	09/15/19	\$6,200.0	Financial Services	Completed	ON
GardaWorld	07/23/19	\$5,200.0	Electronics, Other	Completed	QC
WestJet	05/13/19	\$5,000.0	Transportation	Completed	AB
407 International	08/15/19	\$3,250.0	Transportation	Completed	QC
Genworth	08/13/19	\$2,400.0	Financial Services	Pending	ON
Hudson's Bay	10/21/19	\$2,000.0	Retailing Related	Pending	ON
AltaGas	10/21/19	\$1,700.0	Oil & Gas Exploration	Pending	AB
SemCAMS Midstream	01/10/19	\$1,700.0	Oil & Gas Exploration	Pending	AB
Gateway Casinos	12/27/19	\$1,438.4	Entertainment and Leisure	Pending	BC
BGIS	03/11/19	\$1,338.9	Turnkey Integrated Systems and Solutions	Pending	ON
TELUS International	12/04/19	\$1,300.0	Comm. Other	Pending	BC
Noverco	03/27/19	\$1,200.0	Utilities	Pending	QC

PE Buyout Investments by Province & State

State	01/01/2019 - 12/31/2019 Value (CA\$mil)	# of Deals	01/01/2018 - 12/31/2018 Value (CA\$mil)	# of Deals	YoY % Chg. (\$)	YoY % Chg. (#)
Texas	\$49,460.5	478	\$30,606.6	393	62%	▲ 22%
California	\$48,977.9	623	\$33,199.2	552	48%	▲ 13%
Florida	\$26,466.8	168	\$6,212.4	158	326%	▲ 6%
New Jersey	\$26,174.1	114	\$11,674.1	105	124%	▲ 9%
New York	\$24,800.4	324	\$27,958.0	280	-11%	▲ 16%
Massachusetts	\$21,881.8	200	\$15,413.8	162	42%	▲ 23%
Wisconsin	\$21,038.3	62	\$4,479.3	47	370%	▲ 32%
Connecticut	\$19,544.7	84	\$1,603.8	95	1119%	▲ -12%
Ontario	\$16,052.9	148	\$19,608.2	130	-18%	▲ 14%
Colorado	\$15,179.3	124	\$3,753.1	129	304%	▲ -4%
Quebec	\$14,288.7	254	\$4,699.1	176	204%	▲ 44%
Ohio	\$12,490.1	124	\$19,867.6	132	-37%	▲ -6%
Utah	\$11,287.7	47	\$472.5	33	2289%	▲ 42%
Alberta	\$10,200.0	36	\$7,142.4	44	43%	▲ -18%
Illinois	\$10,119.0	214	\$26,326.1	182	-62%	▲ 18%
Pennsylvania	\$9,277.7	209	\$10,963.0	162	-15%	▲ 29%
North Carolina	\$8,188.2	119	\$7,755.4	96	6%	▲ 24%
Virginia	\$7,388.7	121	\$4,027.1	85	83%	▲ 42%
Oklahoma	\$6,410.7	23	\$6,573.3	25	-2%	▲ -8%
Washington	\$6,214.8	73	\$3,162.8	71	96%	▲ 3%
Minnesota	\$5,597.7	79	\$665.4	77	741%	▲ 3%
British Columbia	\$5,149.8	59	\$5,657.7	48	-9%	▲ 23%
Kansas	\$5,122.6	26	\$790.3	32	548%	▲ -19%
Kentucky	\$4,059.5	25	\$5,405.6	22	-25%	▲ 14%
Maryland	\$2,781.8	72	\$3,443.7	61	-19%	▲ 18%

*Indicates a Tie

Top Investors in Canadian PE Buyout Deals

Firm Name	Rank	# of Deals	Aggregate Deal Value (CA\$mil)
Desjardins Capital	1	58	\$568.3
Business Development Bank of Canada (BDC)	2	35	\$280.7
Fondaction	3	24	\$588.5
CDP Capital Private Equity	4	21	\$3,007.6
Investissement Québec	5	14	\$210.7
Fonds de solidarité FTQ	6	12	\$1,639.9
Wind Point Partners	7	8	\$0.0
Novacap	8	7	\$1,531.0
Birch Hill	9*	6	\$290.0
Westcap	9*	6	\$5.3
Ontario Teachers Pension Plan Board	9*	6	\$0.0
Canada Pension Plan Investment Board	12*	5	\$3,761.0
KKR	12*	5	\$2,300.0
Catalyst Capital Group	12*	5	\$1,718.1
Caisse de dépôt et placement du Québec	12*	5	\$707.0
Pala Investments	12*	5	\$673.8
Thoma Bravo	12*	5	\$0.0
Cornell Capital	18*	4	\$74.4
HarbourVest	18*	4	\$74.4
Export Development Canada	18*	4	\$39.9
Antares Capital	18*	4	\$0.0
Oaktree Capital Management	18*	4	\$0.0

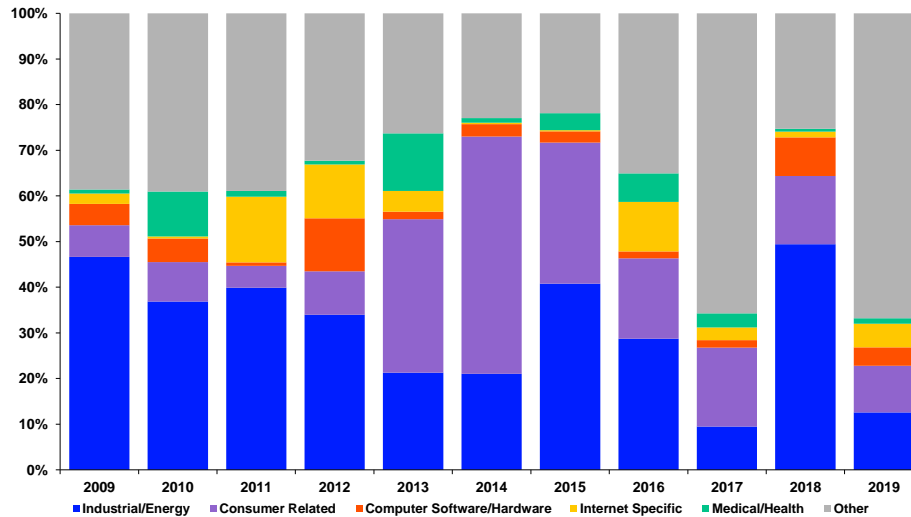
Top Announced PE Deals by Canadian Firms Investing Abroad

Company Name	Ann. Date	Deal Value (CA\$mil)	Sector	Status	Location
Ultimate Software	04/02/19	\$14,762.0	Computer Software	Completed	United States
Nestle Skin Health	05/16/19	\$13,632.4	Pharmaceutical	Completed	Switzerland
TAG	04/05/19	\$11,458.6	Utilities	Completed	Brazil
Genesee & Wyoming	07/01/19	\$11,032.6	Transportation	Pending	United States
Merlin Entertainments	06/28/19	\$9,861.8	Entertainment and Leisure	Completed	United Kingdom
Pattern Energy	11/03/19	\$8,011.7	Energy, Alternative	Pending	United States
Oaktree Capital	03/13/19	\$6,357.1	Financial Services	Completed	United States
LogMeIn	12/17/19	\$5,730.2	Wireless Communications	Pending	United States
Williams Cos - Marcellus and Utica Shale Unit	03/18/19	\$5,066.9	Oil & Gas Exploration	Pending	United States
Reliance Jio Towers	07/19/19	\$4,782.9	Comm. Other	Pending	India
Inmarsat	03/19/19	\$4,487.7	Satellite Comm	Completed	United Kingdom
Shutterstock	09/25/19	\$3,581.8	Internet Ecommerce	Completed	United States

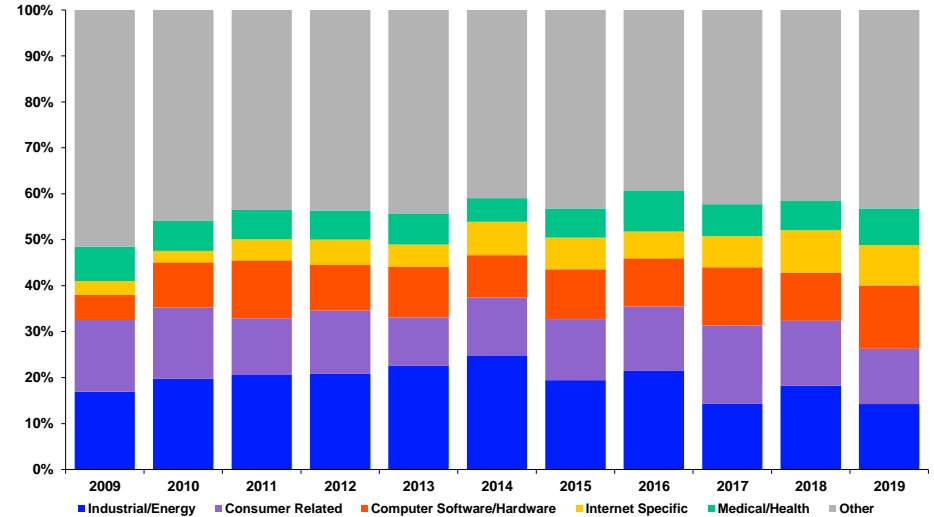
Investments

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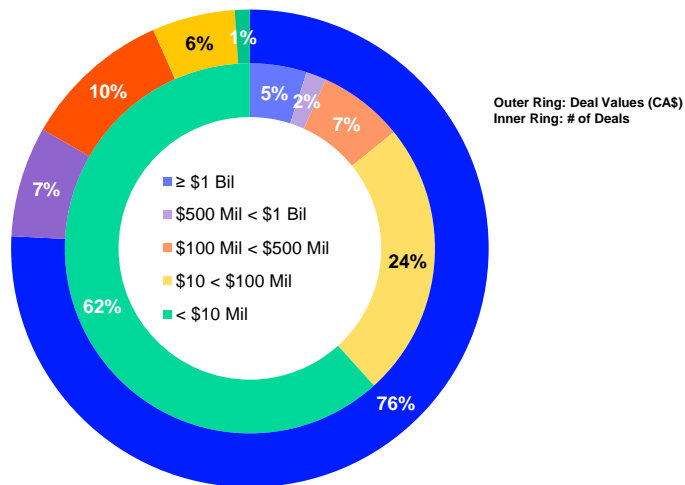
Investments by Sector, Deal Value (CA\$mil)



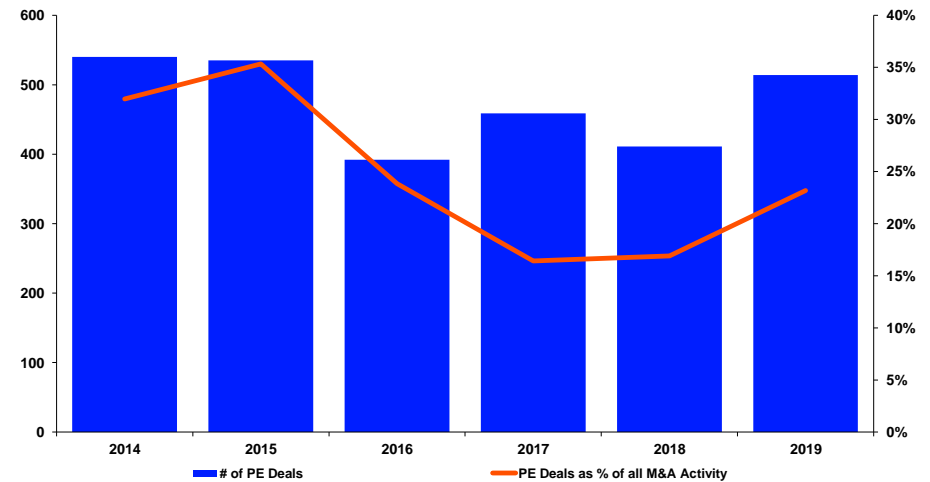
Investments by Sector, Number of Deals



Deal Size Composition of Investments



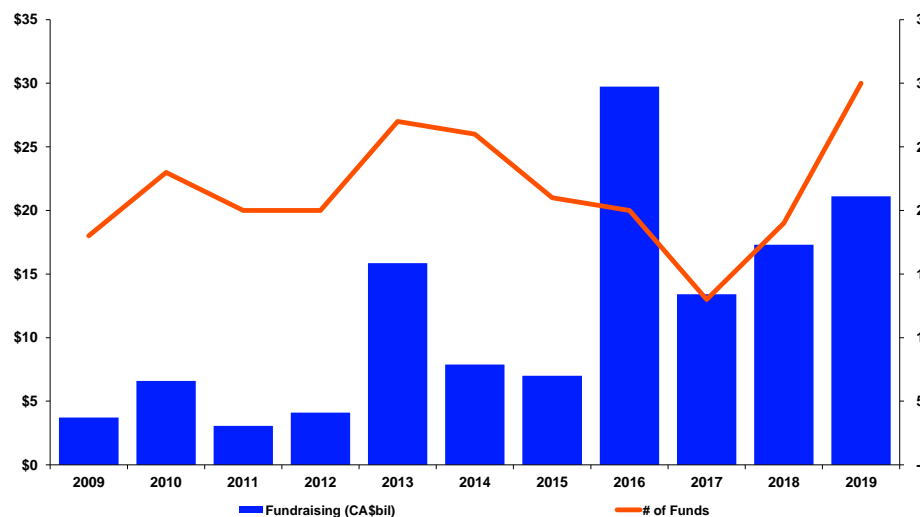
PE Buyout Dealmaking as a Percent of All Canadian M&A



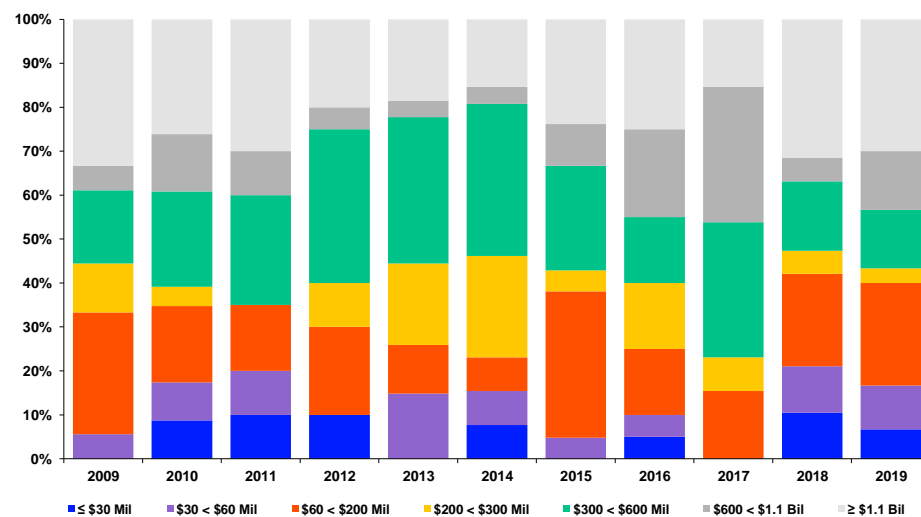
Fundraising

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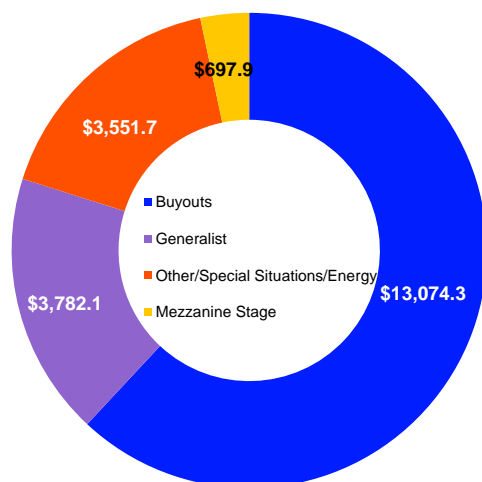
Canadian Private Equity Buyout Fundraising Activity



Private Equity Buyout Fundraising, Fund Size Category, by Number of Funds



PE Buyout Fundraising, by Investment Stage (CA\$mil)



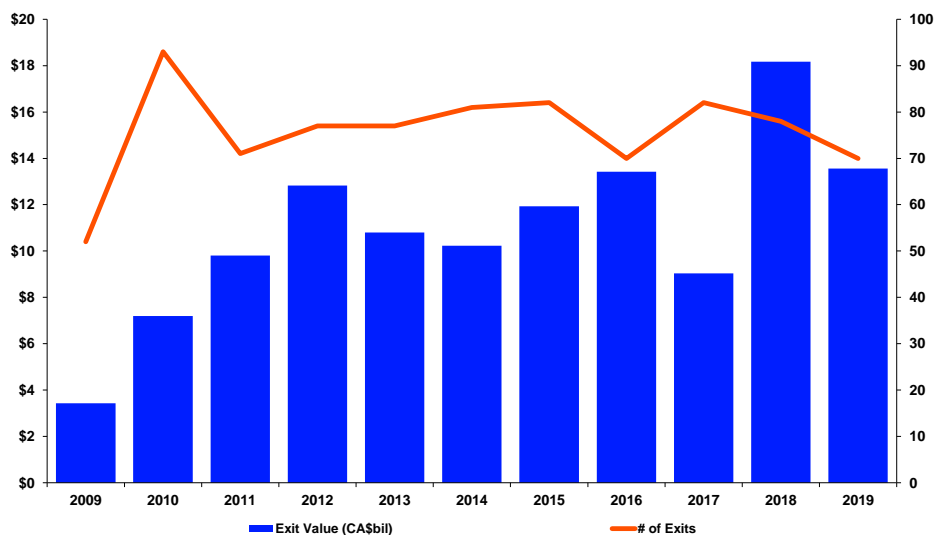
Largest PE Buyout Funds Raised in Canada

Fund Name, Firm Name	Latest Closing Date	Amount Raised (CA\$mil)	Total Fund Size (CA\$mil)	Fund Stage
Altas Partners Fund II	11/04/19	\$4,004.6	\$4,004.6	Buyouts
Brookfield Capital Partners V	11/04/19	\$2,779.6	\$11,834.1	Buyouts
Whitehorse Liquidity Partners III	10/15/19	\$2,637.1	\$2,639.4	Generalist
Manulife Private Equity Partners	07/15/19	\$2,135.6	\$2,135.6	Buyouts
Brookfield Super-Core Infrastructure Partners	08/07/19	\$2,130.3	\$2,130.3	Other PE/Special Situations
Brookfield Infrastructure Fund IV	08/29/19	\$1,172.2	\$1,172.2	Other PE/Special Situations
Clairvest Equity Partners VI	04/24/19	\$1,146.6	\$1,146.6	Buyouts
Novacap Industries V	11/21/19	\$918.0	\$918.0	Buyouts
DW Healthcare Partners V	07/23/19	\$801.8	\$801.8	Buyouts
Northleaf Senior Private Credit	04/11/19	\$669.2	\$669.2	Mezzanine Stage
Imperial Capital Acquisition Fund VII	05/31/19	\$650.0	\$653.9	Buyouts
CDPQ-AI Fund	03/18/19	\$333.4	\$333.4	Generalist

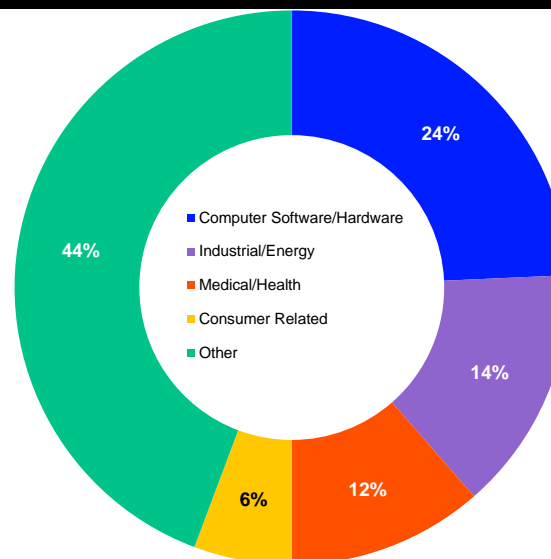
Exits

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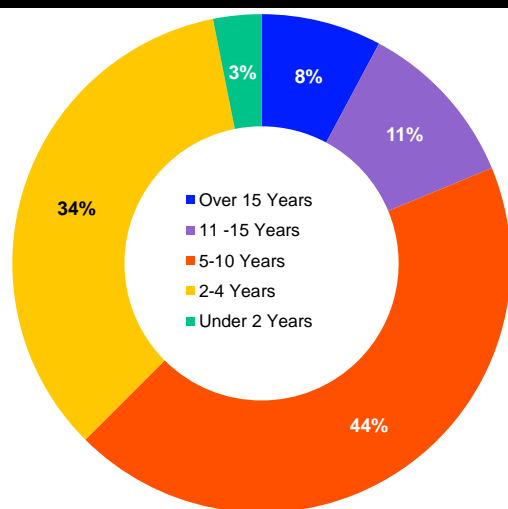
Completed Canada Private Equity Buyout Exit Activity



Exits by Sector, by Number of Deals



Number of Years from Investment to Exit, by Number of Deals



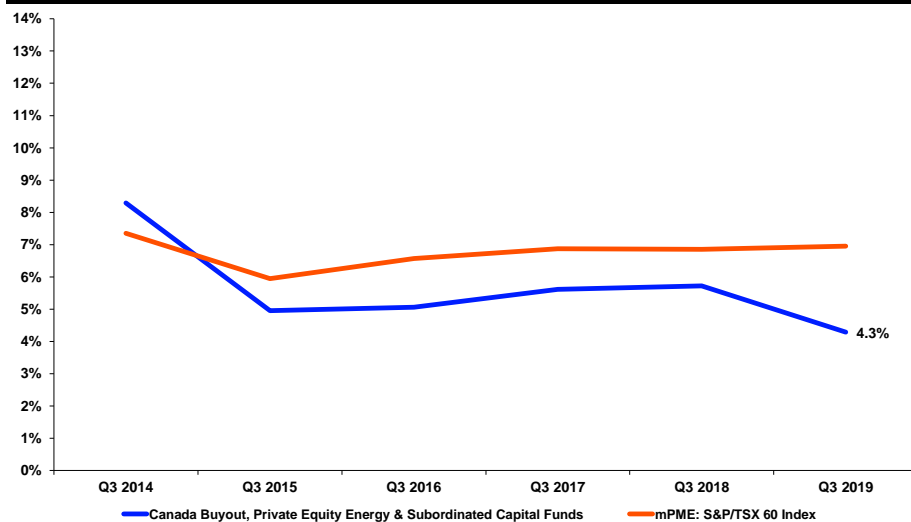
Top Canadian PE-Backed Exits

Company Name	Ann. Date	Deal Value	Sector	Exit Type
The Stars Group	10/02/19	\$8,116.0	Computer Software	Trade Sale
GardaWorld	07/23/19	\$5,205.5	Electronics, Other	Secondary Sale
Entertainment One	08/22/19	\$4,498.7	Entertainment and Leisure	Trade Sale
BGIS	03/11/19	\$1,338.9	Turnkey Integrated Systems and Solutions	Secondary Sale
Clementia Pharmaceuticals	02/25/19	\$1,155.7	Pharmaceutical	Trade Sale
North American Palladium	10/07/19	\$1,146.9	Chemicals and Materials	Trade Sale
Valener	03/27/19	\$1,123.3	Utilities	Trade Sale
DBRS	05/29/19	\$904.4	Financial Services	Trade Sale
Air Transat	05/16/19	\$704.5	Transportation	Trade Sale
Intelix	06/06/19	\$567.8	Computer Software	Trade Sale

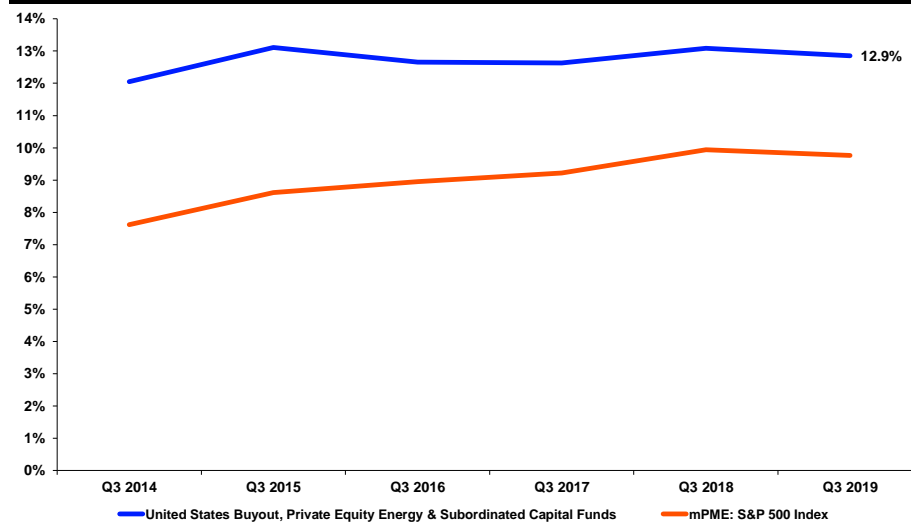
Cambridge Associates: Buyout Fund Performance

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Canada Buyout Funds Performance, First Nine Months 2019



U.S. Buyout Funds Performance, First Nine Months 2019



Canada Private Equity Buyout Criteria

Full Year 2019

If you would like to participate in the submission process, receive quarterly press releases, or have questions about our full league table criteria please contact:

CANADA

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Data collected and analyzed by Refinitiv for this statistical report were drawn from a variety of sources including regulatory filings, press releases, Refinitiv PE and M&A databases, and contributed submissions from buyout firms, generalist firms, and law firms.

Key statistical indicators (e.g., total disbursements, per quarter or per annum) are influenced by the fact that a substantial fraction of buyout and other PE deals are not fully disclosed. For instance, "dollars invested" in a given period pertain only to those deals with values that have been published or confidentially disclosed to Refinitiv.

The data also highlights the deal-making of Canadian funds in non-Canadian companies. "Dollars invested" pertain to the total value of disclosed deals in which Canadian funds have participated and not the specific Canadian financial contributions to these deals. Deals are first tracked as of announcement date, then tracked as of completion date upon closing.

Statistical data reflect eligible PE backed add-on acquisitions, leveraged buyouts, management buyouts, management buy-ins, secondary buyouts, recapitalization and turnaround financing, mezzanine, secondary purchase, open market purchase, PIPE, and bridge loans.

Methodology Change: this report includes all instances of mezzanine and bridge loan rounds whereas previous versions of this report limited mezzanine and bridge loan rounds to those with deal values of \$3 million and greater.

Fund performance data and public market equivalents are produced via the Cambridge Associates Benchmark Calculator, available through Refinitiv Eikon. Returns are for Canadian and U.S. buyout, private equity energy and subordinated capital funds with vintage years of 2000 or greater, on a first cash flow basis, in Canadian dollars, from inception to the end of the indicated quarter, under published data mode Q3 2019. Pooled internal rates of return are net of fees, expenses and carried interest. CA Modified Public Market Equivalent (mPME) replicates private investment performance under public market conditions. The public index's shares are purchased and sold according to the private fund cash flow schedule, with distributions calculated in the same proportion as the private fund, and mPME NAV is a function of mPME cash flows and public index returns.

League tables, commentary, and charts include both announced and completed transactions.

League Table rankings of top PE investors include only publicly-disclosed investment activity made in Canadian portfolio companies. Estimated investment activity is based on the actual syndicate breakdown, where available, and is split equally among disclosed investors where actual breakdowns are not available. Announced league tables include announced and completed deals that were announced between January 1st, 2019 and December 31st, 2019 and of which Refinitiv was made aware.

All current and previous years data is as of Wednesday, January 29, 2020. Data is continuously updated and is therefore subject to change. All figures are in Canadian dollars unless otherwise noted.

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