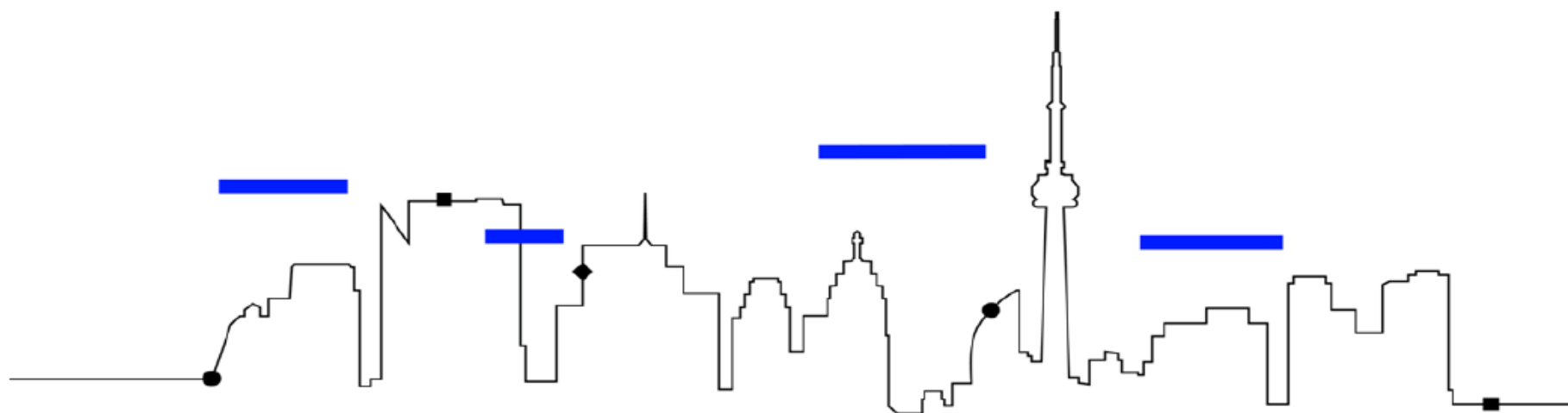


# Canada Private Equity Buyout Review

FIRST HALF 2021



# Canada Private Equity Buyouts

First Half 2021 | Canada Private Equity Buyout Review

## Canada Private Equity Buyout Deals Intelligence

### CANADA BUYOUT AND RELATED DEAL VALUES TOTAL CA\$17.8 BILLION

Canadian buyout and related investment totaled CA\$17.8 billion of deal values recorded across 341 transactions either announced or completed throughout the first six months of the year. This resulted in a year-over-year increase in values of 41% and in volumes of 59% from 1H 2020 levels. The average size of disclosed transactions was CA\$103.1 million, down 2% from the CA\$105.6 million in the first half of 2020.

### TOP TEN ROUNDS ACCOUNT FOR 78% OF ALL DISCLOSED DEAL VALUES

The top ten transactions for the first half brought in CA\$14.0 billion of deal values, 78% of the total for the period. Topping the list was the CA\$3.9 billion acquisition of K+S AG's Americas salt business by Ontario-based Kissner Group Holdings, which was acquired by Stone Canyon Industries the previous year. Enwave, a multinational energy company based in Ontario, saw its Canadian energy business get acquired by Ontario Teachers' Pension Plan and IFM Investors from Brookfield Infrastructure Partners for CA\$2.8 billion. Rounding out the top three was the purchase of the remaining shares of Ontario-based residential mortgage insurer Sagen (formerly Genworth Canada) for CA\$1.6 billion by Brookfield Business Partners, completed in April.

### BUYOUT-RELATED DEALS MAKE UP 21% OF ALL CANADIAN M&A VOLUME

While the number of Canadian buyout deals increased 59% year-over-year, the overall number of Canadian M&A transactions increased just 37% to 1,612 during the same period. This resulted in the share of PE-backed deals increasing to 21% of overall Canada dealmaking, up from 18% in the first half of 2020.

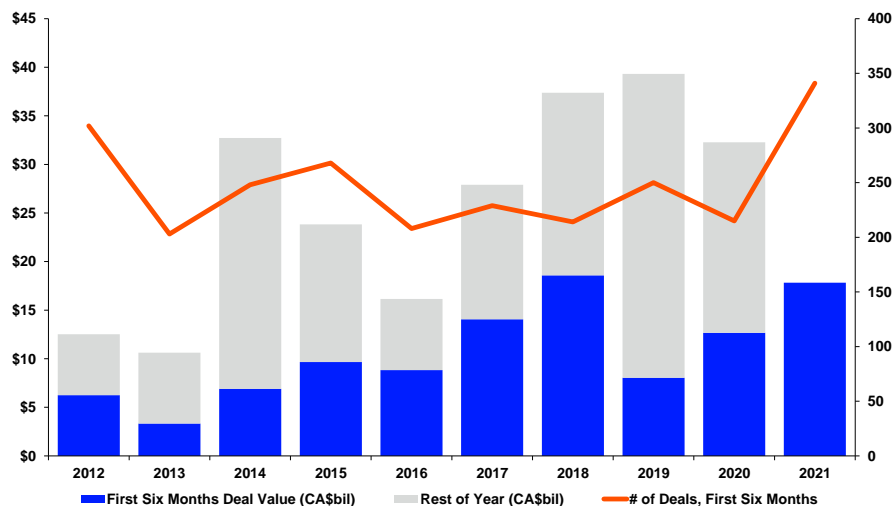
### BUYOUT FUNDRAISING REACHES CA\$11.8 BILLION

A total of ten Canadian buyout and related funds recorded closes in the first half of 2021 with total commitments of CA\$11.8 billion. This was down 61% from the record-breaking first half of 2020, but still remained the third strongest first six month period ever recorded following the CA\$30.1 billion in 2020 and the CA\$24.2 billion in 2016. The top three fundraisings for the period were the CA\$5.0 billion close of Whitehorse Liquidity Partners' oversubscribed Fund IV, the CA\$2.9 billion first close of Brookfield's Special Investments Fund bringing it halfway to its CA\$6.2 billion target, and the CA\$2.4 billion close of Novacap's oversubscribed TMT VI fund.

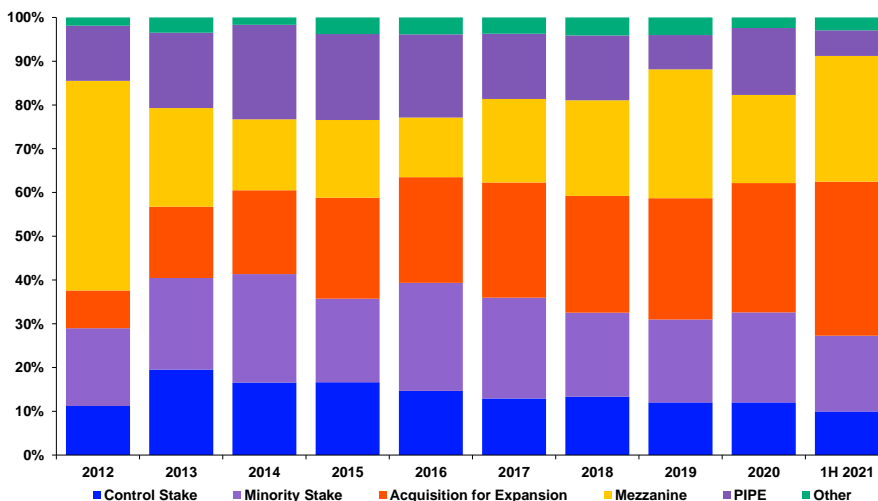
### COMPLETED EXIT VALUES TOTAL CA\$24.0 BILLION

Canadian companies completed 47 PE-backed exits with aggregate disclosed exit values of CA\$24.0 billion in the half, resulting in volumes increasing by 27% and values by 94%. The top completed exit remained the CA\$10.9 billion sale of Bombardier Transportation to French transportation company Alstom, with Bombardier and Caisse de dépôt et placement du Québec exiting from the business. The top announced exit remained the CA\$2.8 billion secondary sale of Enwave's Canadian business by Brookfield Infrastructure Partners to Ontario Teachers' Pension Plan Board and IFM Investors. The top exit newly added in the second quarter was the CA\$1.2 billion sale of Alberta-based Black Swan Energy by rival business Tourmaline Oil, announced in June.

## Private Equity Buyout Investment Activity in Canadian Companies



## Private Equity Buyout Deal Volumes, Transaction Type



# Investments

First Half 2021 | Canada Private Equity Buyout Review

## Top Canadian PE Buyout Deals by Deal Value

Company Name	Ann/Eff Date	Deal Value (CA\$mil)	Sector	Status	Location
Kissner Milling Company	04/30/21	\$3,932.5	Chemicals and Materials	Completed	ON
Enwave	06/07/21	\$2,800.0	Pollution and Recycling	Completed	ON
Sagen	04/01/21	\$1,600.0	Financial Services	Completed	ON
Noverco	06/07/21	\$1,140.0	Utilities	Pending	QC
Benevity	01/31/21	\$1,100.0	Computer Software	Completed	AB
New Look Vision Group	05/26/21	\$800.0	Med/Health Products	Completed	QC
Li-Cycle	02/15/21	\$777.2	Pollution and Recycling	Pending	ON
ERCO Worldwide	04/09/21	\$725.0	Chemicals and Materials	Completed	ON
eStruxture	05/03/21	\$600.0	Computer Services	Completed	QC
eOne Music	04/26/21	\$477.2	Entertainment and Leisure	Pending	ON
Amp Energy	01/06/21	\$374.0	Energy, Alternative	Pending	ON
WSP	04/08/21	\$310.0	Business Services	Completed	QC

## Most Active Investors in Canadian PE Buyout Deals

Firm Name	Rank	# of Deals	Location
Desjardins Capital	1	107	Quebec
Novacap	2	10	Quebec
CDP Capital Private Equity	3	13	Quebec
Fondaction	4*	8	Quebec
CIBC Innovation Banking	4*	8	Ontario
Investissement Québec	4*	8	Quebec
Champlain Financial Canada	7*	7	Quebec
Business Development Bank of Canada (BDC)	7*	7	Quebec
Fonds de solidarité FTQ	7*	7	Quebec
Oaktree Capital Management	10*	5	California
Salesforce Ventures	10*	5	California
Madison Dearborn Partners	10*	5	Illinois
Serent Capital	10*	5	California
Delta-v Capital	14*	4	Colorado
The Riverside Company	14*	4	New York
Walter Capital Partners	14*	4	Quebec
Stone Canyon Industries	17*	3	California
Fengate	17*	3	Ontario
Vista Equity Partners	17*	3	Texas
Export Development Canada	17*	3	Ontario
Arsenal Capital Partners	17*	3	New York
Gryphon Investors	17*	3	California
H.I.G. Capital	17*	3	Florida
Thoma Bravo	17*	3	Illinois

## PE Buyout Investments by Province & State

State	01/01/2021 - 06/30/2021 Value (CA\$mil)	# of Deals	01/01/2020 - 06/30/2020 Value (CA\$mil)	# of Deals	YoY % Chg. (\$)	YoY % Chg. (#)
California	\$103,695.8	442	\$23,163.7	310	348%	▲ 43%
Illinois	\$53,047.9	155	\$6,409.4	82	728%	▲ 89%
Texas	\$40,674.6	265	\$9,742.5	215	317%	▲ 23%
New York	\$24,759.6	220	\$12,008.8	140	106%	▲ 57%
Massachusetts	\$24,287.1	123	\$3,159.7	119	669%	▲ 3%
Ohio	\$16,160.0	108	\$4,539.7	51	256%	▲ 112%
New Jersey	\$16,103.5	76	\$2,301.7	62	600%	▲ 23%
Kansas	\$15,405.2	20	\$8,853.5	12	74%	▲ 67%
Virginia	\$14,472.8	82	\$2,681.9	60	440%	▲ 37%
Ontario	\$11,843.6	109	\$4,964.5	72	139%	▲ 51%
Pennsylvania	\$10,098.8	120	\$1,311.2	90	670%	▲ 33%
North Carolina	\$8,546.3	92	\$1,808.4	55	373%	▲ 67%
Connecticut	\$8,262.4	58	\$1,204.6	63	586%	▲ -8%
Michigan	\$7,061.7	75	\$319.5	48	2111%	▲ 56%
Florida	\$6,092.8	152	\$12,788.0	128	-52%	▼ 19%
Missouri	\$6,053.7	46	\$1,366.5	32	343%	▲ 44%
Colorado	\$5,505.7	105	\$21,418.3	51	-74%	▼ 106%
Utah	\$4,606.5	35	\$9,916.7	26	-54%	▼ 35%
Quebec	\$4,098.9	176	\$3,094.2	94	32%	▲ 87%
Washington	\$3,722.4	54	\$3,369.3	35	10%	▲ 54%
Georgia	\$3,504.0	95	\$4,606.6	78	-24%	▼ 22%
Indiana	\$3,144.0	31	\$762.4	25	312%	▲ 24%
Nevada	\$2,963.4	20	\$0.3	6	987707%	▲ 233%
Maryland	\$2,840.1	53	\$3,238.9	22	-12%	▼ 141%
Alberta	\$1,644.5	21	\$2,533.7	14	-35%	▼ 50%

\*Indicates a Tie

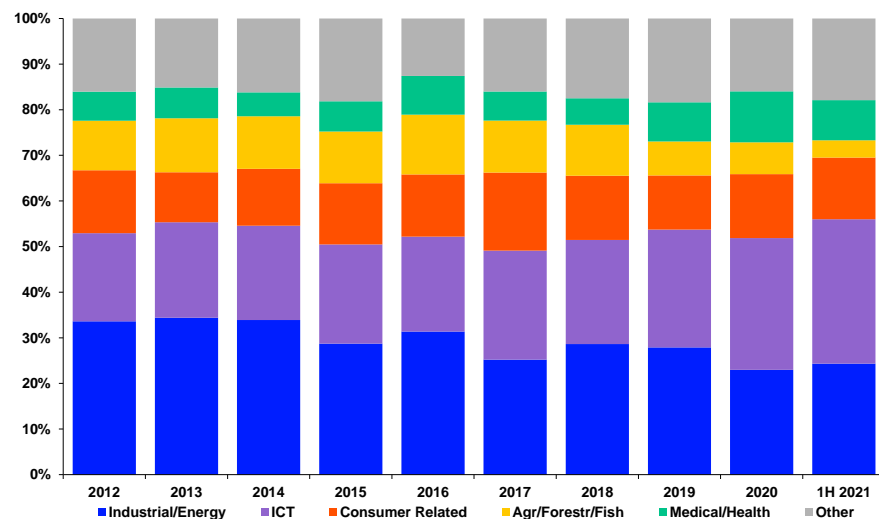
## Top PE Deals by Canadian Firms Investing Abroad

Company Name	Ann/Eff Date	Deal Value (CA\$mil)	Sector	Status	Location
Modulaire Group	06/28/21	\$6,167.5	Business Services	Pending	United Kingdom
Verizon Media	05/03/21	\$6,138.0	Internet Software	Pending	New Jersey
Alstom	01/29/21	\$4,310.7	Energy, Alternative	Completed	France
Michaels	03/03/21	\$4,175.5	Internet Ecommerce	Pending	Texas
Transurban Chesapeake	04/01/21	\$2,659.5	Transportation	Completed	Virginia
Virtusa	02/11/21	\$2,540.4	Internet Software	Completed	Massachusetts
BAI Communications	06/28/21	\$2,400.0	Comm. Other	Completed	Australia
Lineage Logistics	03/11/21	\$2,379.9	Business Services	Completed	Michigan
ATC Europe	05/05/21	\$2,355.7	Wireless Communications	Pending	Netherlands
Mitratech	05/18/21	\$1,869.9	Computer Software	Pending	Texas
Atlantic Broadband	06/30/21	\$1,383.1	Internet Communications	Pending	Massachusetts
Constellation Insurance Holdings	03/23/21	\$1,258.5	Other	Pending	Virginia

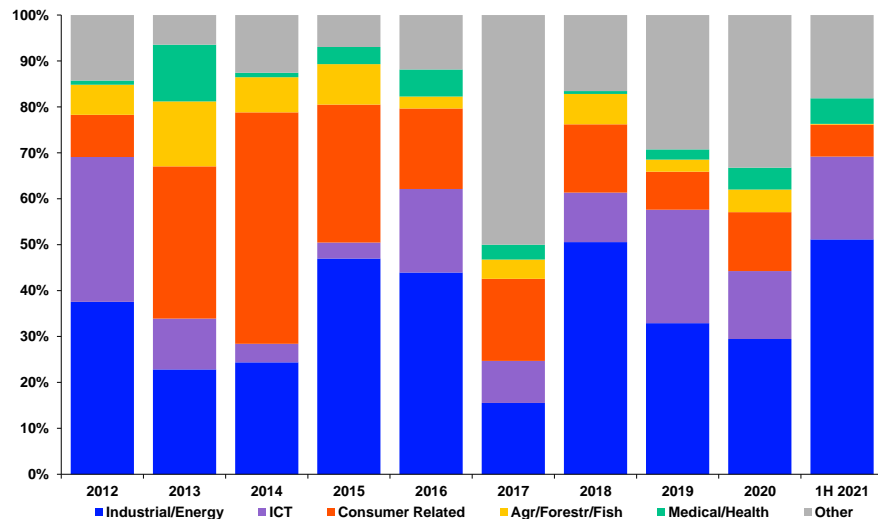
# Investments

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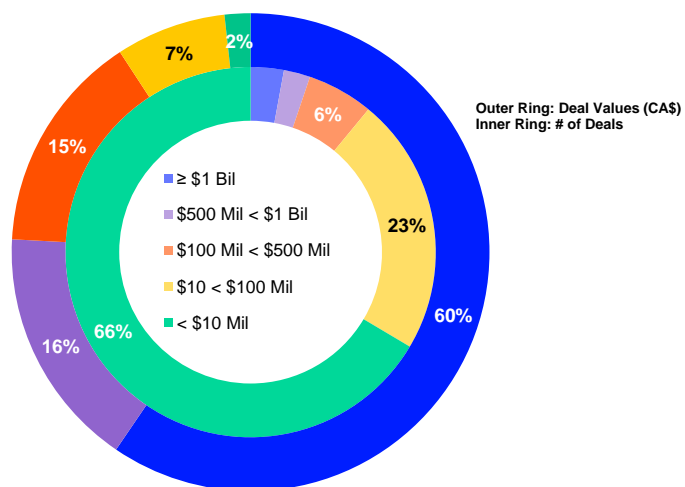
Investments by Sector, Number of Deals



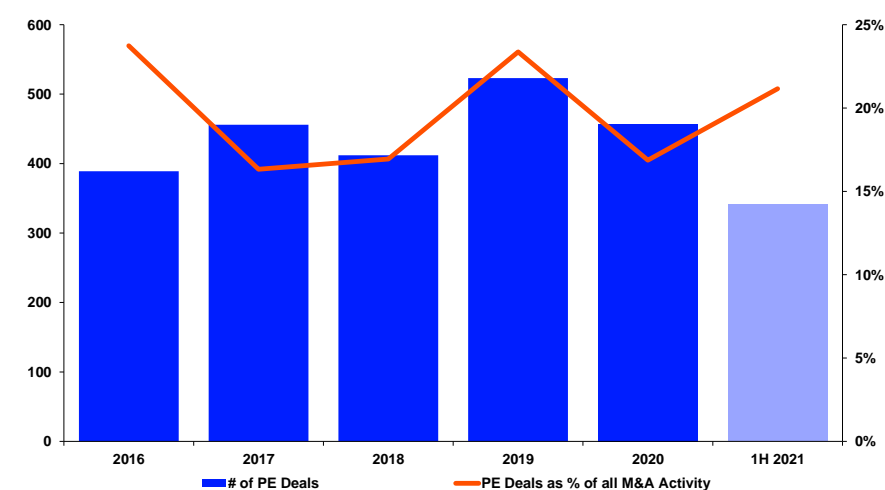
Investments by Sector, Deal Value (CA\$mil)



Deal Size Composition of Investments, Announced and Completed



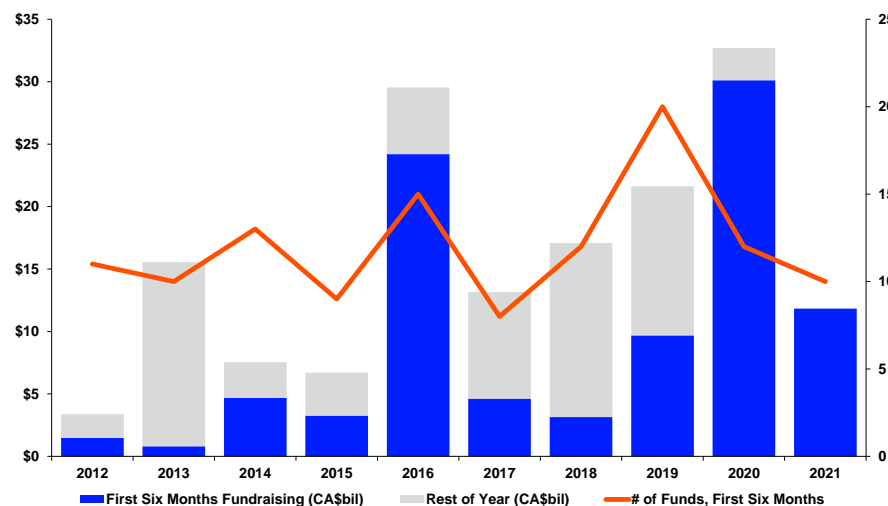
PE Buyout Dealmaking as a Percent of All Canadian M&A



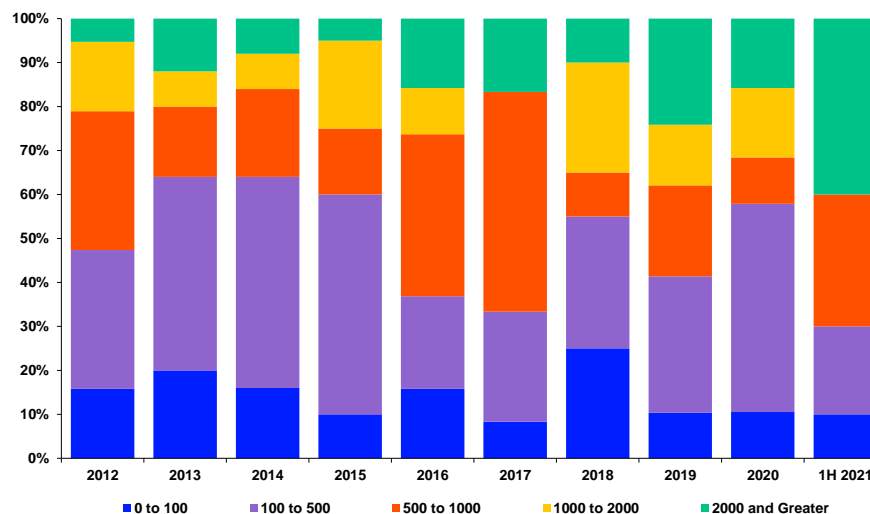
# Fundraising

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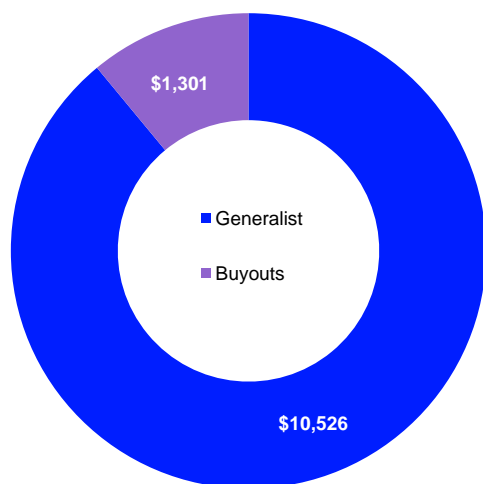
## Canadian Private Equity Buyout Fundraising Activity



## Private Equity Buyout Fundraising Volumes, Fund Size Category



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



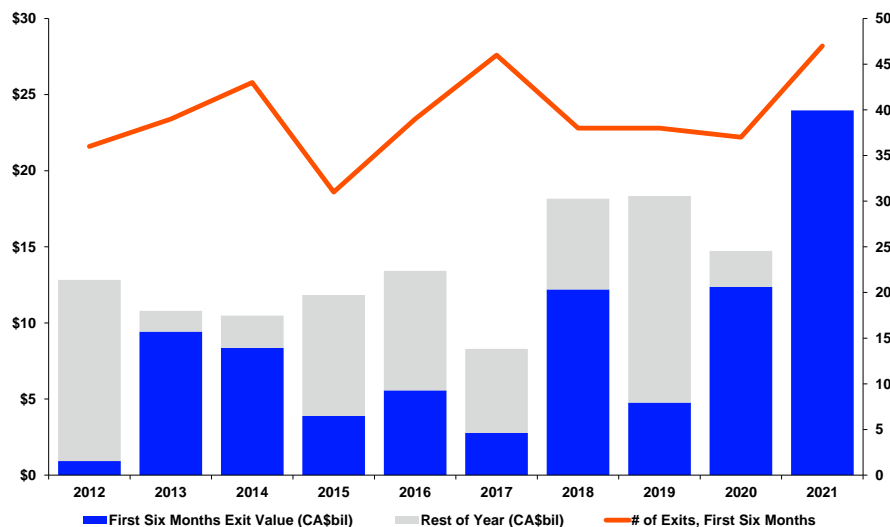
## Largest PE Buyout Funds Raised in Canada

Fund Name	Latest Closing Date	Amount Raised (CA\$mil)	Total Fund Size (CA\$mil)	Fund Stage
Whitehorse Liquidity Partners IV LP	04/19/21	\$5,017.7	\$5,017.7	Generalist
Brookfield Special Investments Fund	05/06/21	\$2,915.5	\$2,915.5	Generalist
Novacap TMT VI	02/17/21	\$2,368.4	\$2,368.4	Generalist
Imperial Capital Acquisition Fund VIII	06/23/21	\$984.4	\$984.4	Buyouts
Sagard Healthcare Royalty Partners LP	02/18/21	\$316.9	\$919.1	Buyouts
TD Minority Equity Fund	06/03/21	\$100.0	\$100.0	Generalist
MKB Partners Fund II LP	02/01/21	\$65.4	\$147.4	Generalist
FondAction	03/31/21	\$63.1	\$2,242.6	Generalist
Fondaction Circular Economy Fund	03/23/21	\$41.5	\$41.5	Generalist
Golden Opportunities Fund Inc	03/31/21	\$17.4	\$536.7	Generalist

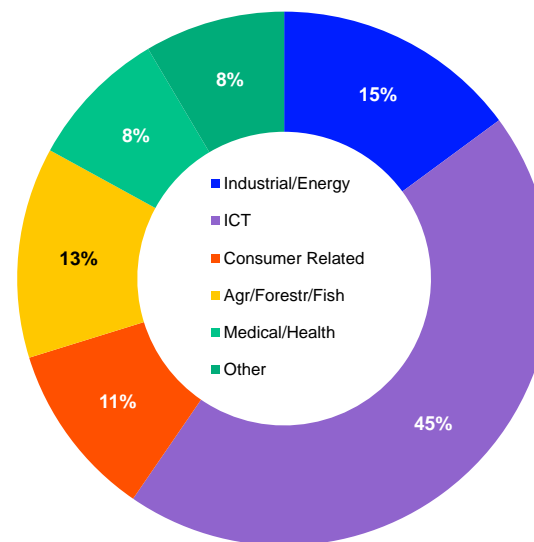
# Exits

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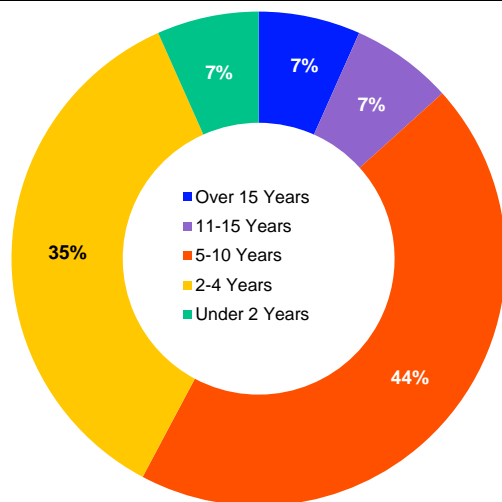
## Completed Canada Private Equity Buyout Exit Activity



## Exits Volumes by Sector



## Number of Years from Investment to Exit



## Top Announced Canadian PE-Backed Exits

Company Name	Ann. Date	Deal Value (CA\$mil)	Sector	Exit Type
Enwave	02/02/21	\$2,785.0	Industrial/Energy	Secondary Sale
TELUS International	01/08/21	\$1,359.5	Communications	IPO
Li-Cycle	02/16/21	\$1,243.2	Industrial/Energy	Reverse Takeover
Black Swan Energy	06/11/21	\$1,154.0	Industrial/Energy	Trade Sale
Noverco	06/07/21	\$1,140.0	Utilities	Secondary Sale
Roxgold	04/26/21	\$1,016.7	Agr/Forestr/Fish	Trade Sale
New Look Vision Group	03/18/21	\$788.3	Medical/Health	Secondary Sale
dentalcorp	04/30/21	\$718.6	Medical/Health	IPO
Anegada Oil Corp.	04/12/21	\$519.0	Industrial/Energy	Trade Sale
MDA	03/22/21	\$460.0	Transportation	IPO
Softchoice	05/12/21	\$402.5	Internet Specific	IPO
Liberty Tax	02/22/21	\$322.0	Financial Services	Trade Sale

# Canada Private Equity Buyout Criteria

First Half 2021

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:

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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.

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

The 'ICT' sector classification represents all companies within the Information and Communications Technology space.

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. Investment league tables include deals that were either announced and completed between January 1st, 2021 and June 30th, 2021 and of which Refinitiv was made aware.

All current and previous years data is as of Monday, July 26th, 2021. Data is continuously updated and is therefore subject to change. All figures are in Canadian dollars unless otherwise noted.

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