

| S1 2019 |

ACTIVITY OF FRENCH PRIVATE EQUITY

31st edition
October 8th 2019



The France Invest study on the activity of the French private equity players has been the benchmark in the French market since 1991. It is undertaken on the basis of information provided by the members of France Invest via a European data collection platform (European Data Cooperative), and audited by Grant Thornton, which ensures the completeness and reliability of the published figures.



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S1 2019

FRENCH PRIVATE EQUITY RECORDS STRONG GROWTH

FUNDS RAISED

€8.0bn

in savings raised,
(+21 % vs. S1 2018)
which will be invested
over
the next five years
predominantly in
French
companies.

INVESTMENTS

€ 7.8bn

invested
(+28% vs. S1 2018)

in nearly

1,200

companies.
(+6% vs. S1 2018)

DIVESTMENTS

Almost

750

companies
(-8% vs. S1 2018)

were partially
or totally divested.

Reminder S1 2018

€6.6bn

€6.1bn in
1,100 companies

814 exits



€8.0bn raised, of which nearly half is from foreign investors

- ✓ Strong increase in funds raised in the first half of 2019, (+21% compared to S1 2018), driven by fundraising amounts of more than one billion euros.
- ✓ Increase in funds raised from nearly all types of subscribers.
- ✓ 49% of capital was raised abroad in S1 2019 vs. 39% on an annual average between 2009 and 2018.

€7.8bn invested in nearly 1,200 start-up, SMEs and intermediate size companies

- ✓ Very high levels of investment in S1 2019 in terms of amounts (+28% vs. S1 2018) and number (+6%).
- ✓ 27% of amounts invested in Europe, excluding France, nearly twice as much as the first half of 2018.
- ✓ Growing weight of investments in venture capital in terms of amounts (+23% vs. au S1 2018) and number (+12%).

Nearly 750 companies have been partially or totally divested

- ✓ The liquidity of unlisted companies remains high.

FUNDS RAISED IN S1 2019

Driven by fundraising of more than €1bn, the raising of capital is rising sharply : **€8.0bn** in S1 2019 (+21% vs S1 2018).

Increase in funds raised from nearly all types of subscribers.

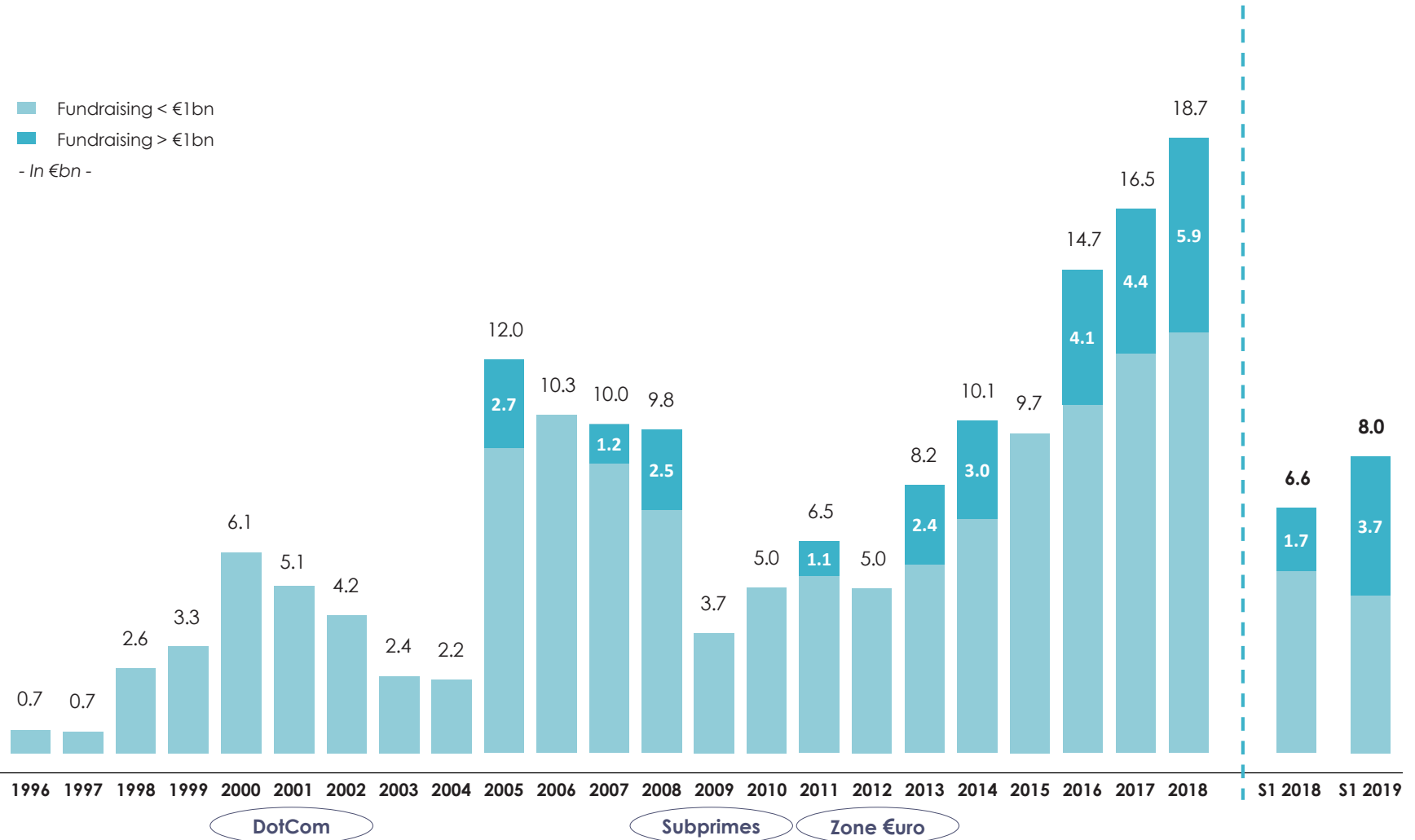
Nearly 50% of the capital was raised internationally.

STRONG INCREASE IN FUNDS RAISED IN S1 2019, (+21% VS. S1 2018), DRIVEN BY FUNDRAISING OF MORE THAN ONE BILLION EUROS

FUNDS RAISED
S1 2019



■ Fundraising < €1bn
■ Fundraising > €1bn
- In €bn -



Source : France Invest / Grant Thornton



Increase in funds raised from nearly all types of subscribers.

TOTAL PRIVATE EQUITY		AMOUNTS RAISED **		CHANGE S1 2019 VS S1 2018
		IN €m - IN %	France Abroad	
FUNDS OF FUNDS		€1,580m - 20%		+ 5%
INSURANCE COMPANIES - MUTUAL INSURERS		€1,491m - 19%		+ 16%
PENSION FUNDS		€1,137m - 14%		+ 8%
PUBLIC SECTOR		€1,057m - 13%		+ 87%
SOVEREIGN FUNDS		€1,051m - 13%		+ 81%
PRIVATE INDIVIDUALS - FAMILY OFFICES ***		€832m - 10%		+ 8%
BANKS		€512m - 6%		- 4%
CORPORATES		€213m - 3%		+ 17%

* Historical data for fundraising by type of subscribers is available in the appendix (p29).
 *** The share of fundraising from FCPI and FIP funds amounted to €82k versus €26m in S1 2018.

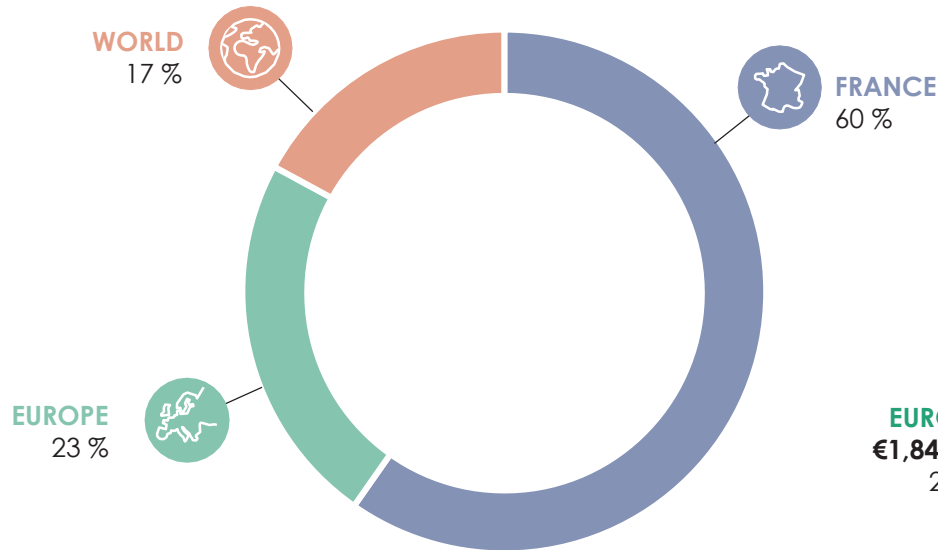
** Are not represented here the category "Others" (€109m).



49% of capital was raised abroad in S1 2019 (versus 40% between 2009 and 2018).

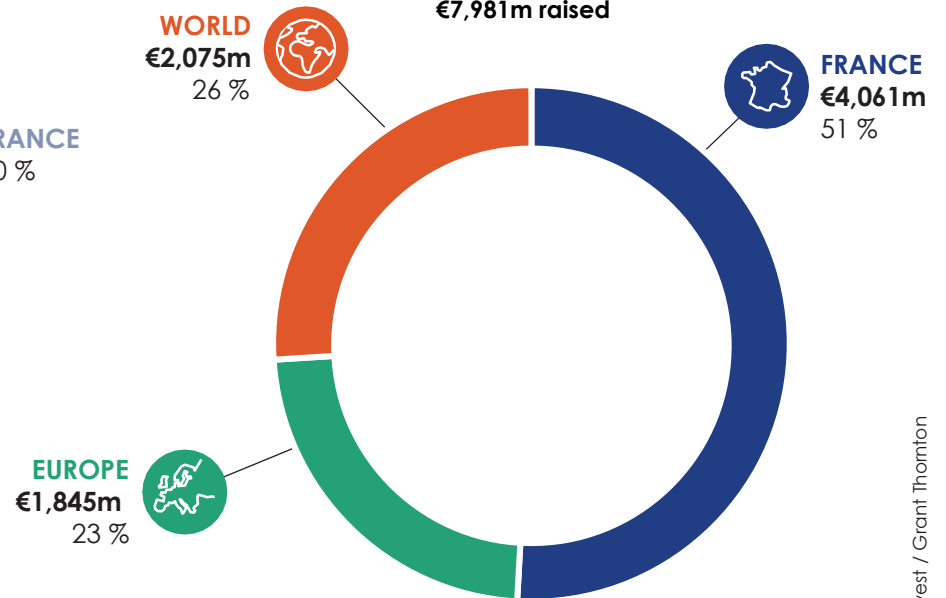
Average annual weight over 10 years*

€98,082m raised in the period



1^{er} semestre 2019

€7,981m raised



Rappel S1 2018

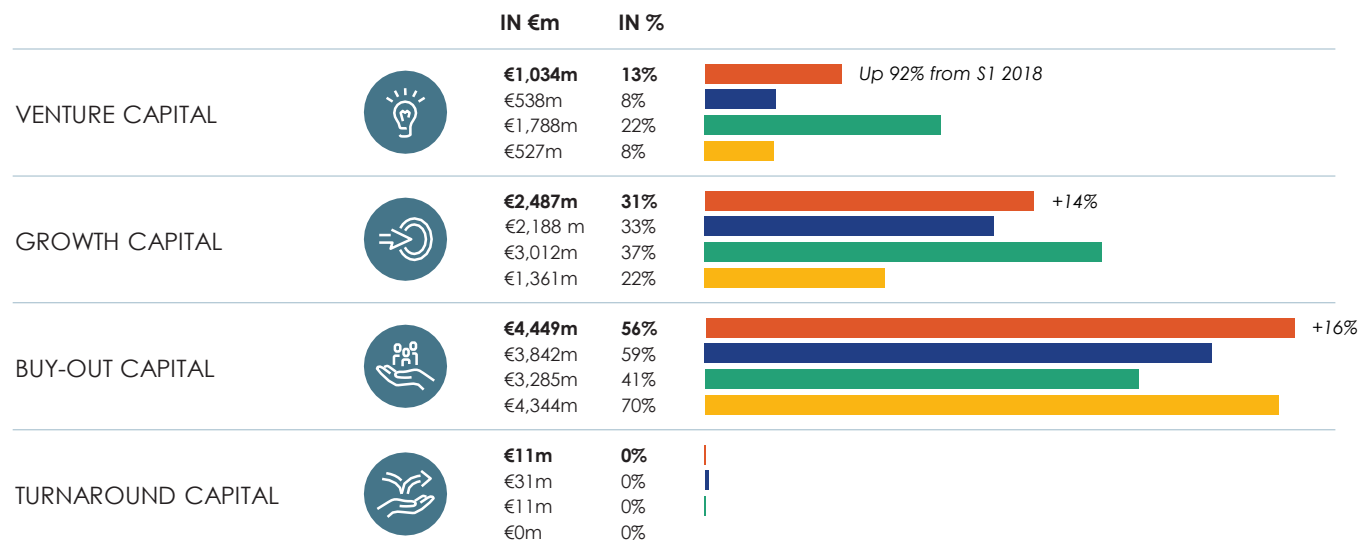
France : €3,260m - Europe : €1,376m - Monde : €1,936m
50% 21% 29%

* PERIOD 2009 -2018



Intentions to invest in venture capital are doubled.

FORECASTS ALLOCATION OF FUNDS RAISED



■ S1 2019 ■ S1 2017
■ S1 2018 ■ S1 2016

INVESTMENTS IN S1 2019

€7.8bn in almost **1,200** companies, high levels for a first semester.

27% of amounts invested in Europe (excluding France).

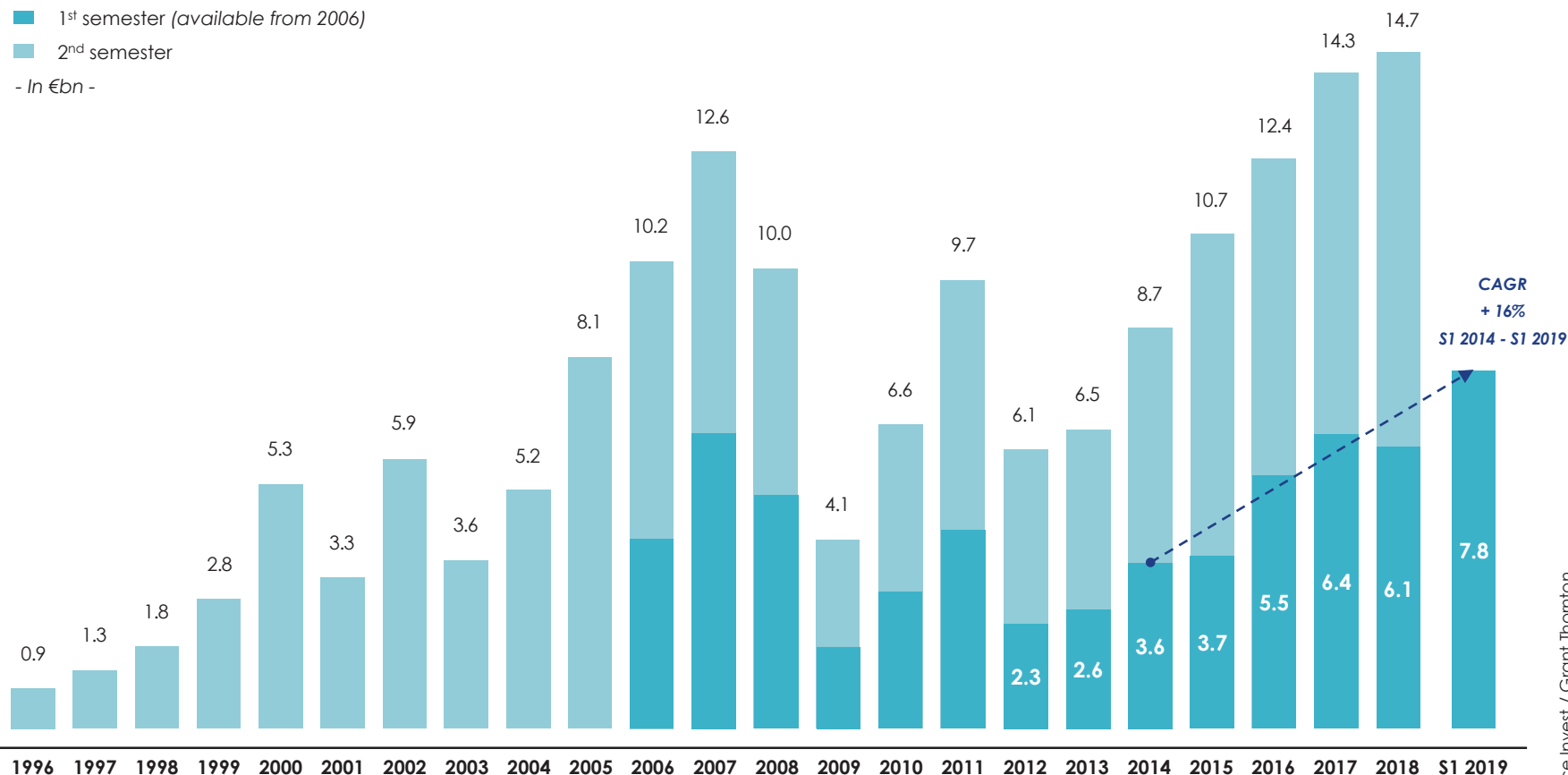
Growth in number of investments across all segments (+28% vs. S1 2018).

AMOUNTS INVESTED INCREASE STRONGLY (CAGR* OF +16% BETWEEN S1 2014 AND S1 2019)

INVESTMENTS
S1 2019



■ 1st semester (available from 2006)
■ 2nd semester
- In €bn -



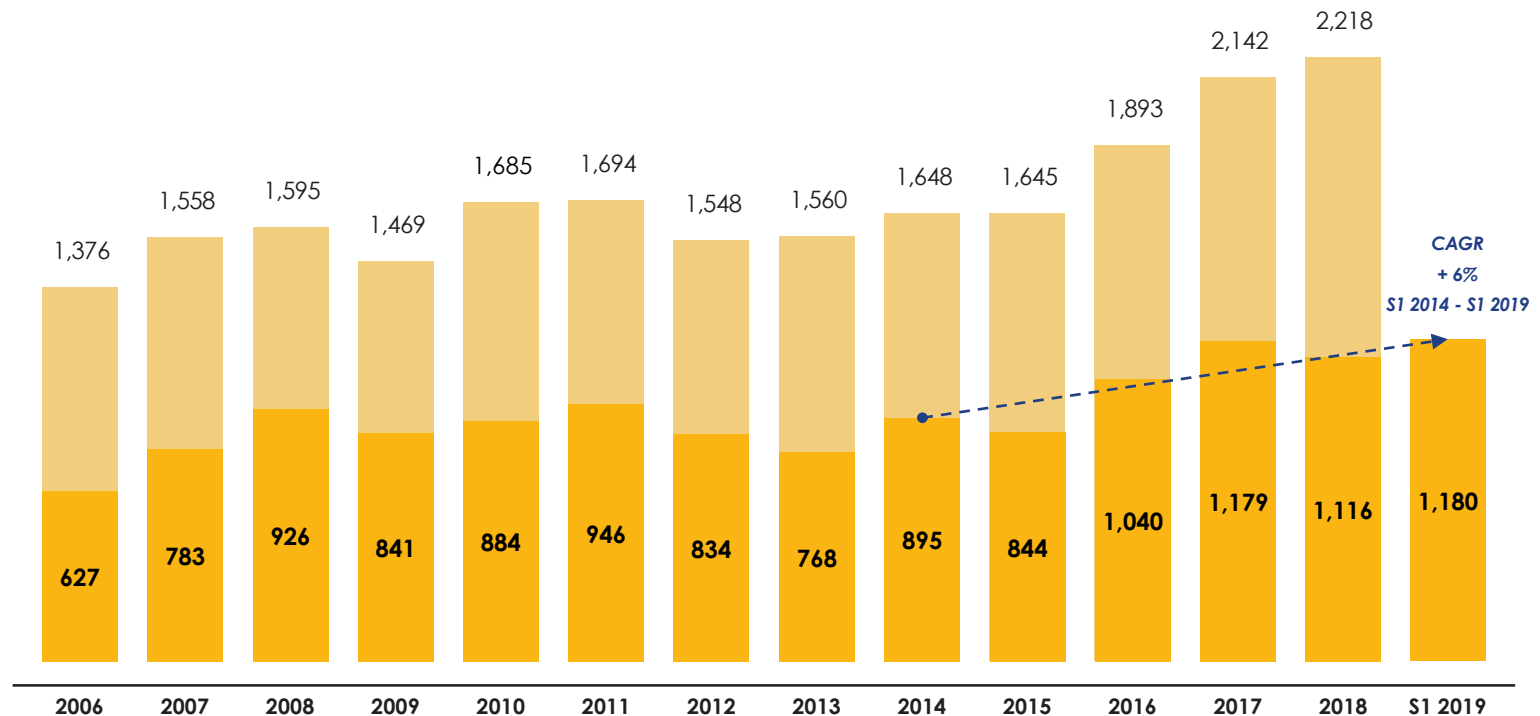
* CAGR: compound annual growth rate.

Source : France Invest / Grant Thornton

THE NUMBER OF COMPANIES BACKED REMAINS AT A VERY HIGH LEVEL IN S1 2019



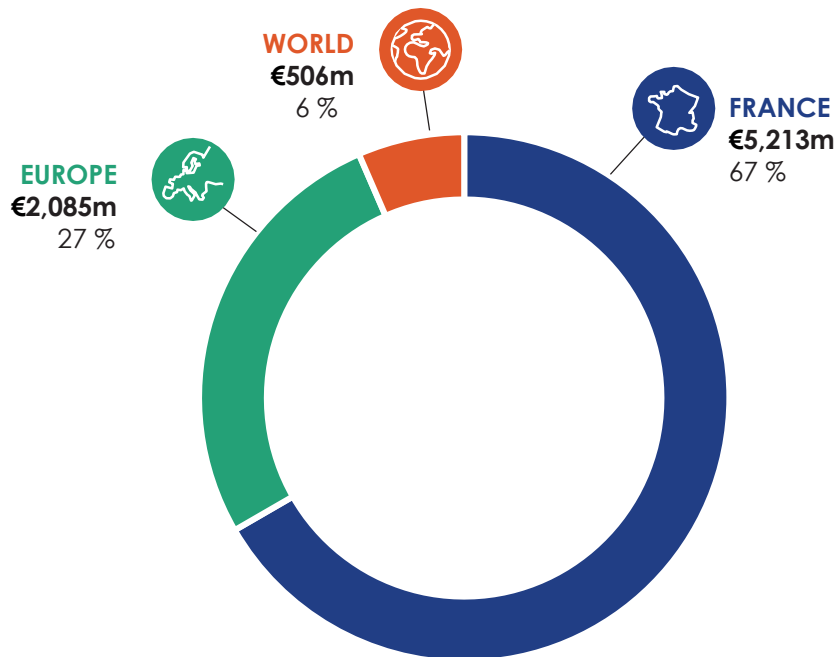
- 1st semester (available from 2006)
 - 2nd semester
- In number of companies backed -



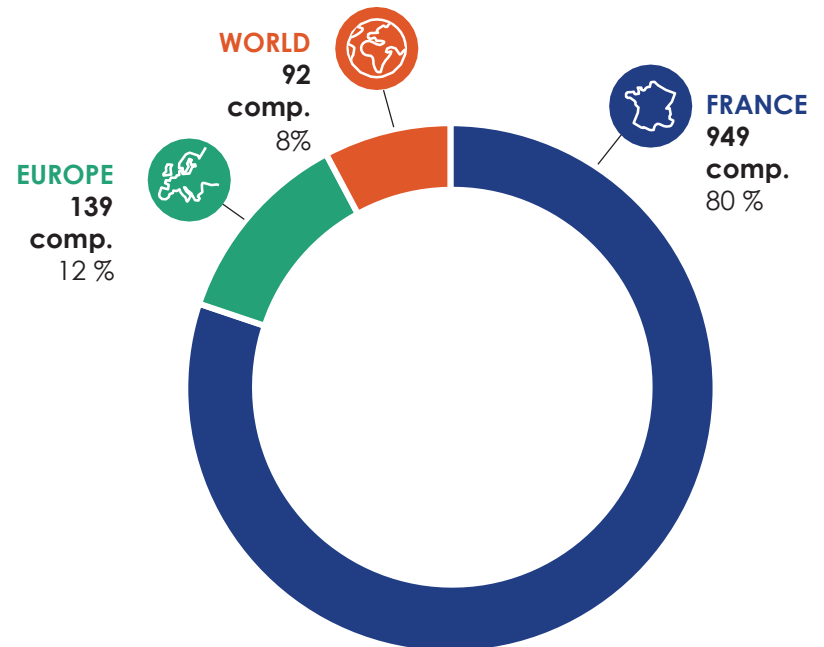


In S1 2019, 27% of amounts have been invested in Europe (excluding France), nearly twice as much as the first half of 2018.

€7,804m invested in S1 2019...



...in 1,180 companies



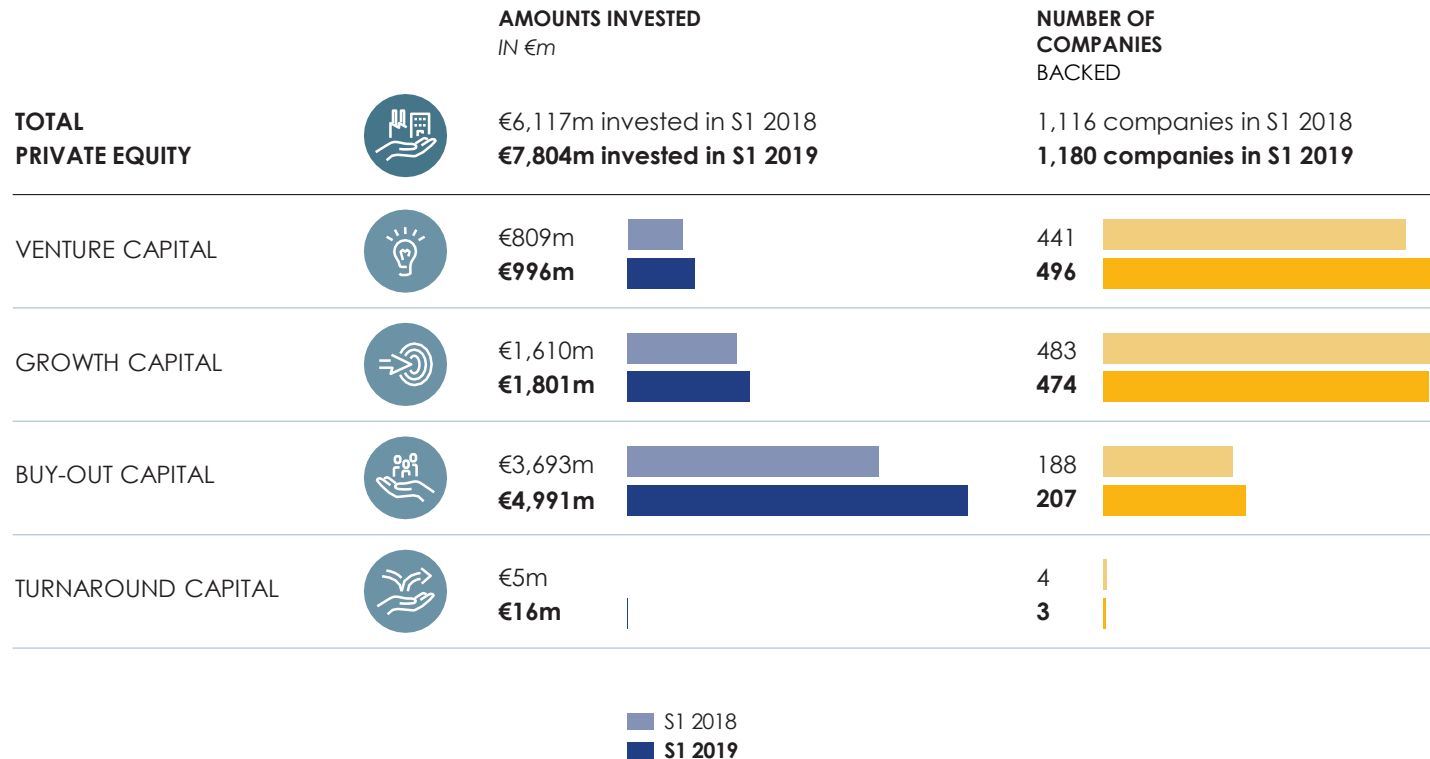
Reminder S1 2018

France : €4,721m - 77%
 Europe : €1,169m - 19%
 Monde : €227m - 4%



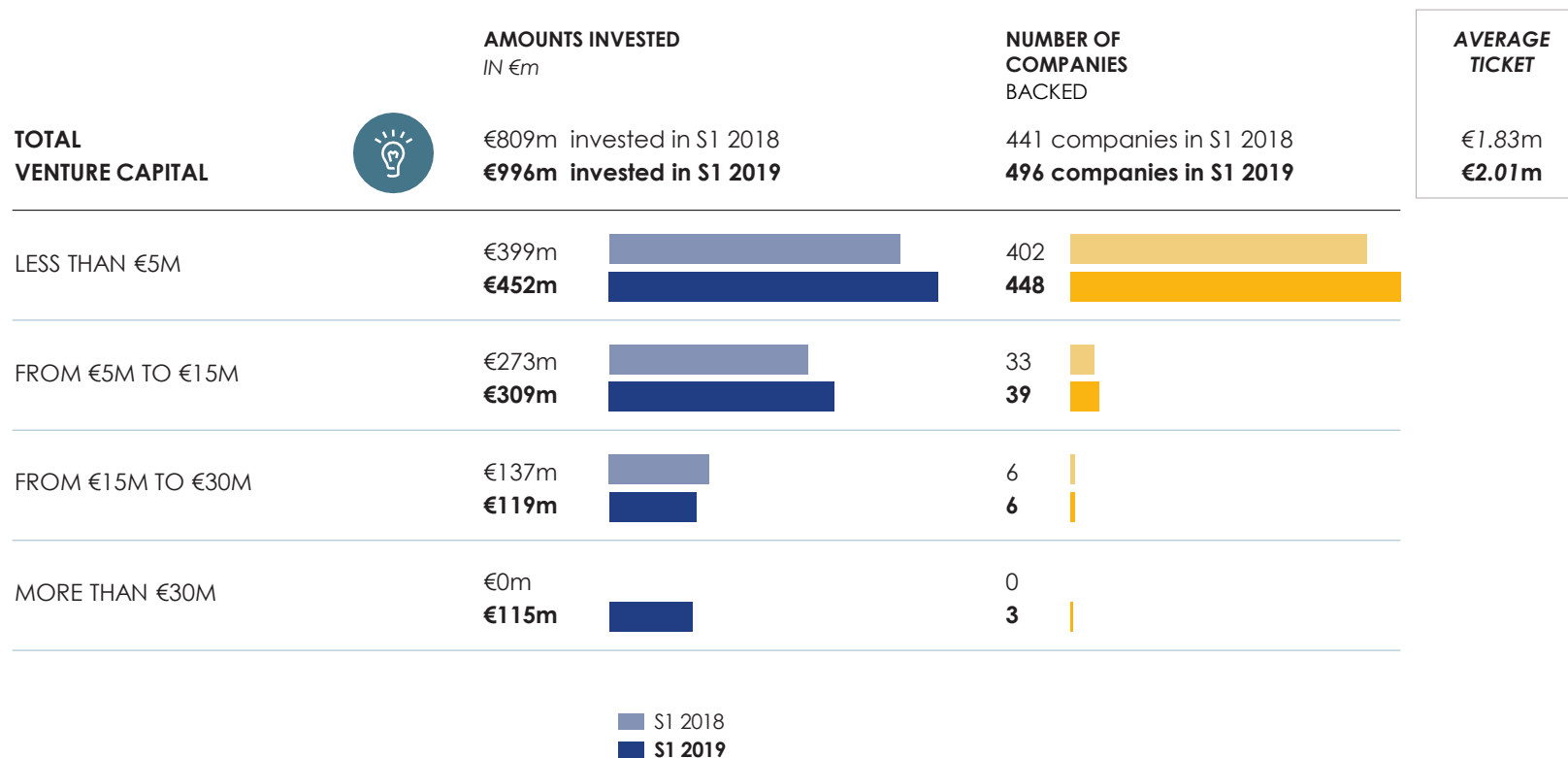
Amounts invested increase in all segments in S1 2019.

Growing weight of investments in venture capital in terms of amounts (+23% vs. au S1 2018) and number (+12%).





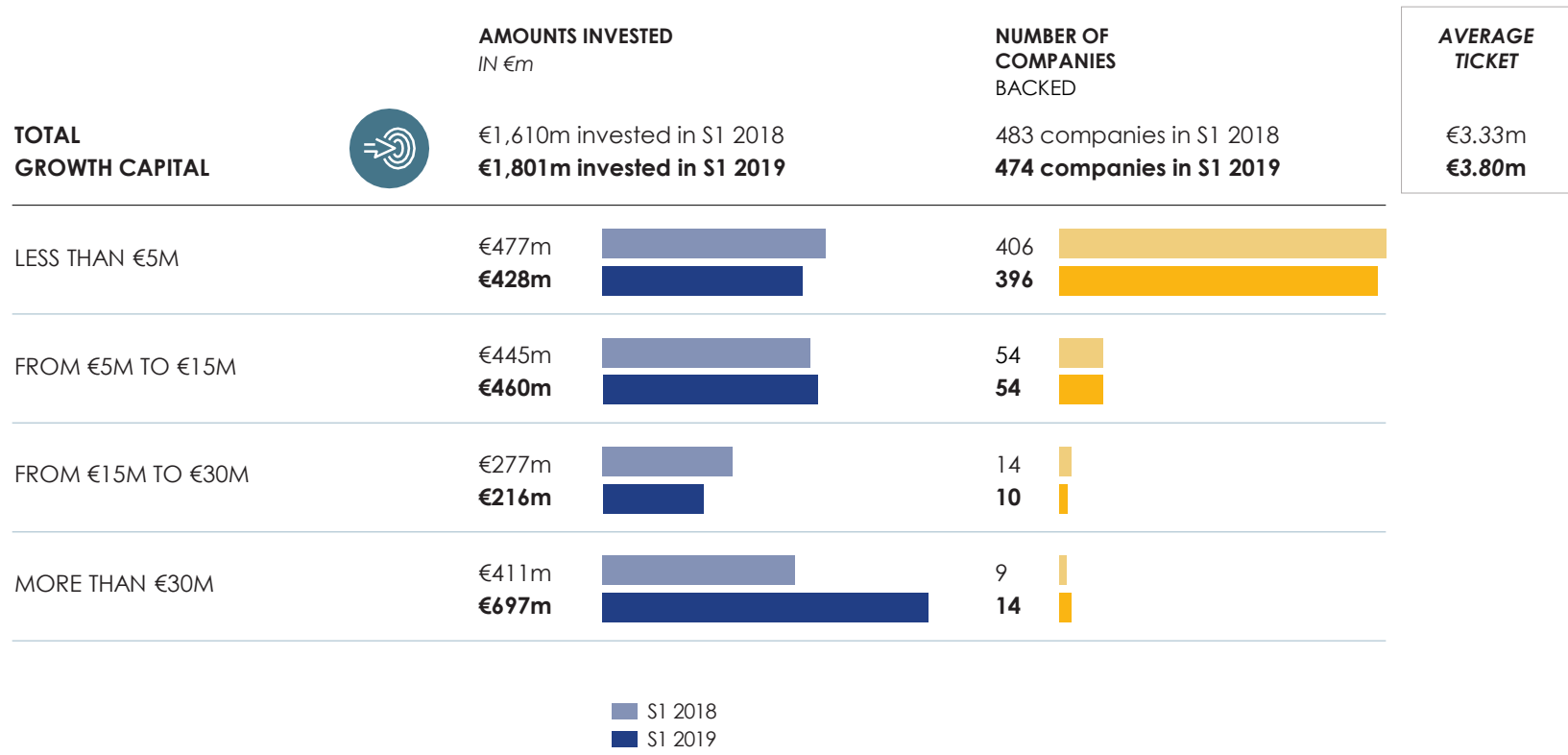
The average ticket grows by 7% in S1 2019 and nearly reaches 2 million euros.



Source : France Invest / Grant Thornton

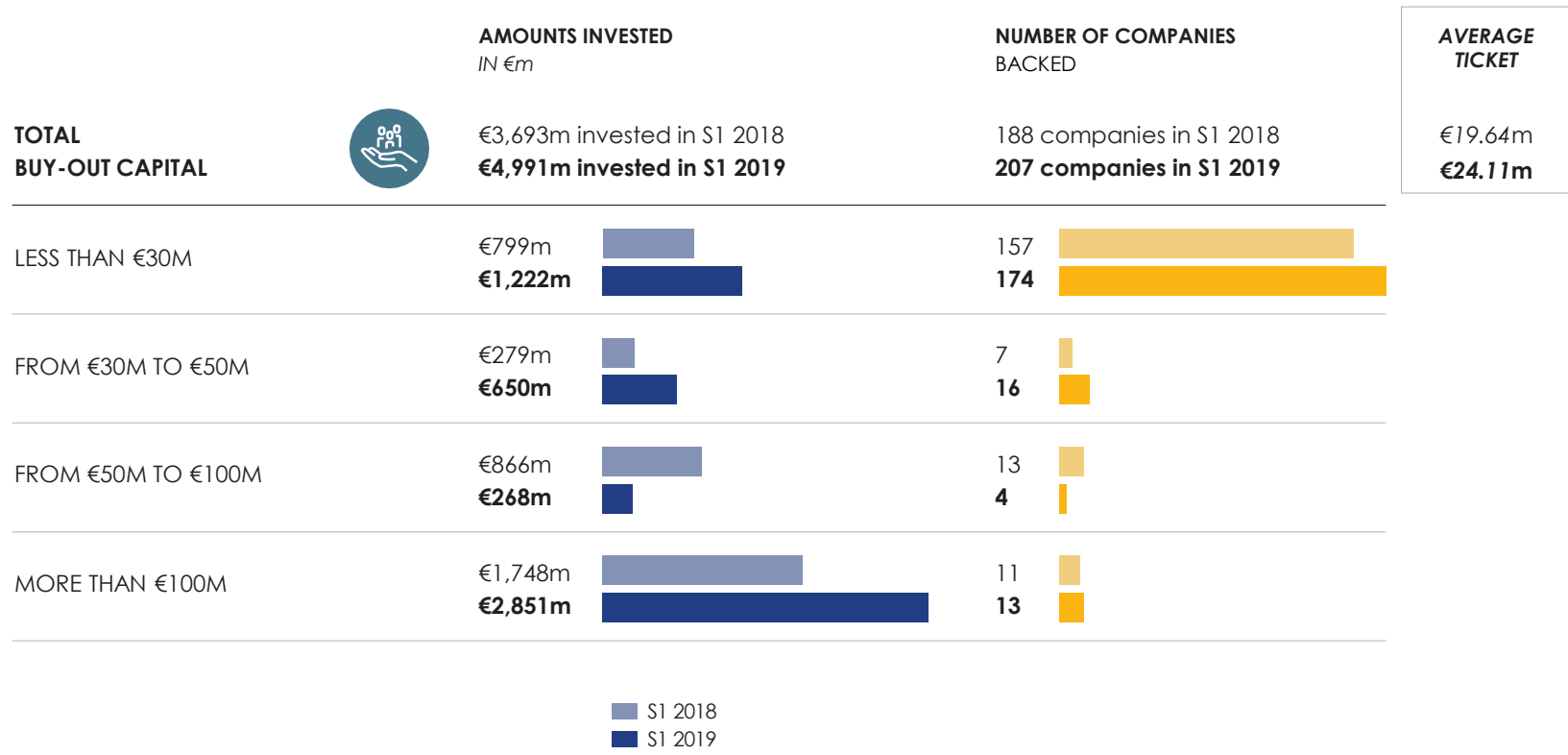


Increasing investments in growth capital can be explained by the rise in the number of tickets of more than €30 million.





The growth of investments in buyout capital is driven in particular by tickets of more than €100 million.





DIVESTMENTS IN S1 2019

Nearly 750 companies have been partially or totally divested.

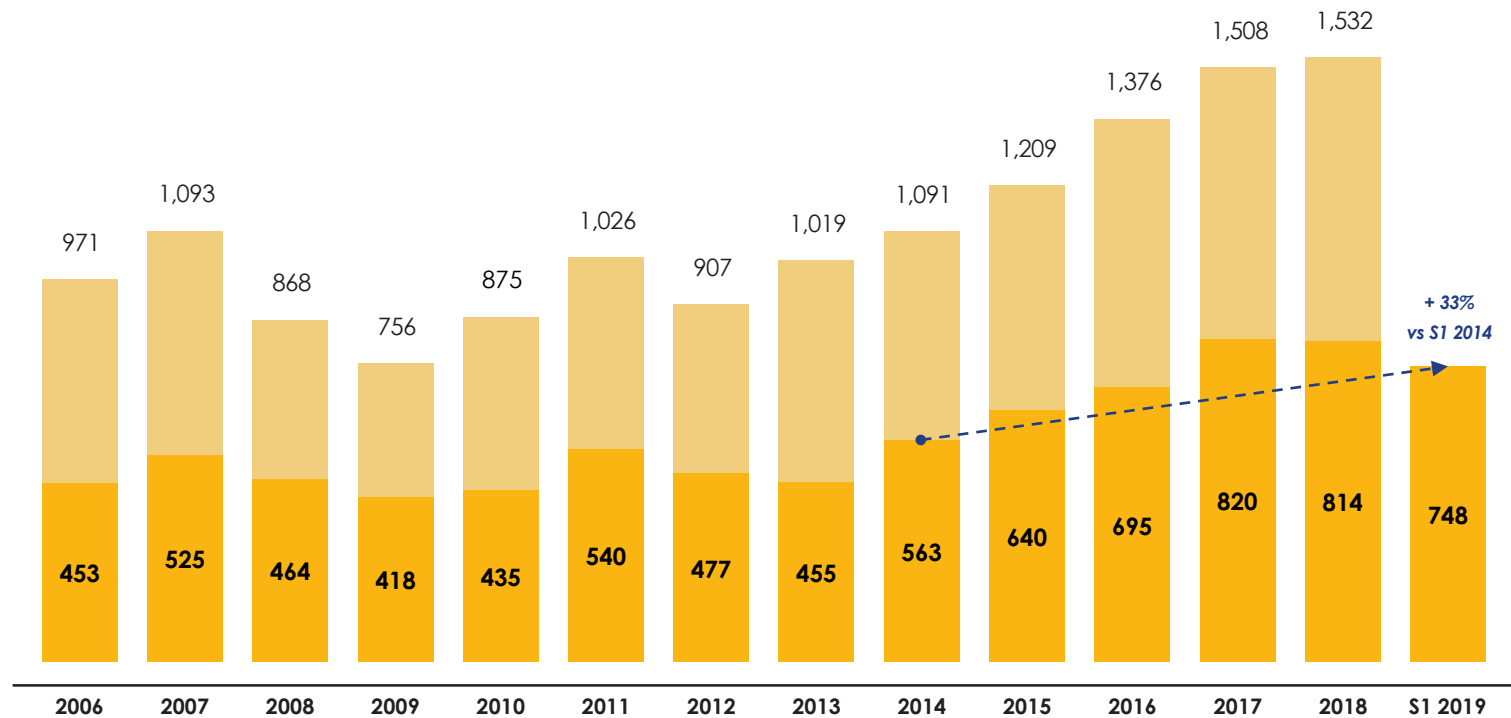
The liquidity of unlisted companies remains high.

PORTFOLIO ROTATION MAINTAINS A SUSTAINED PACE IN S1 2019

DIVESTMENTS
S1 2019



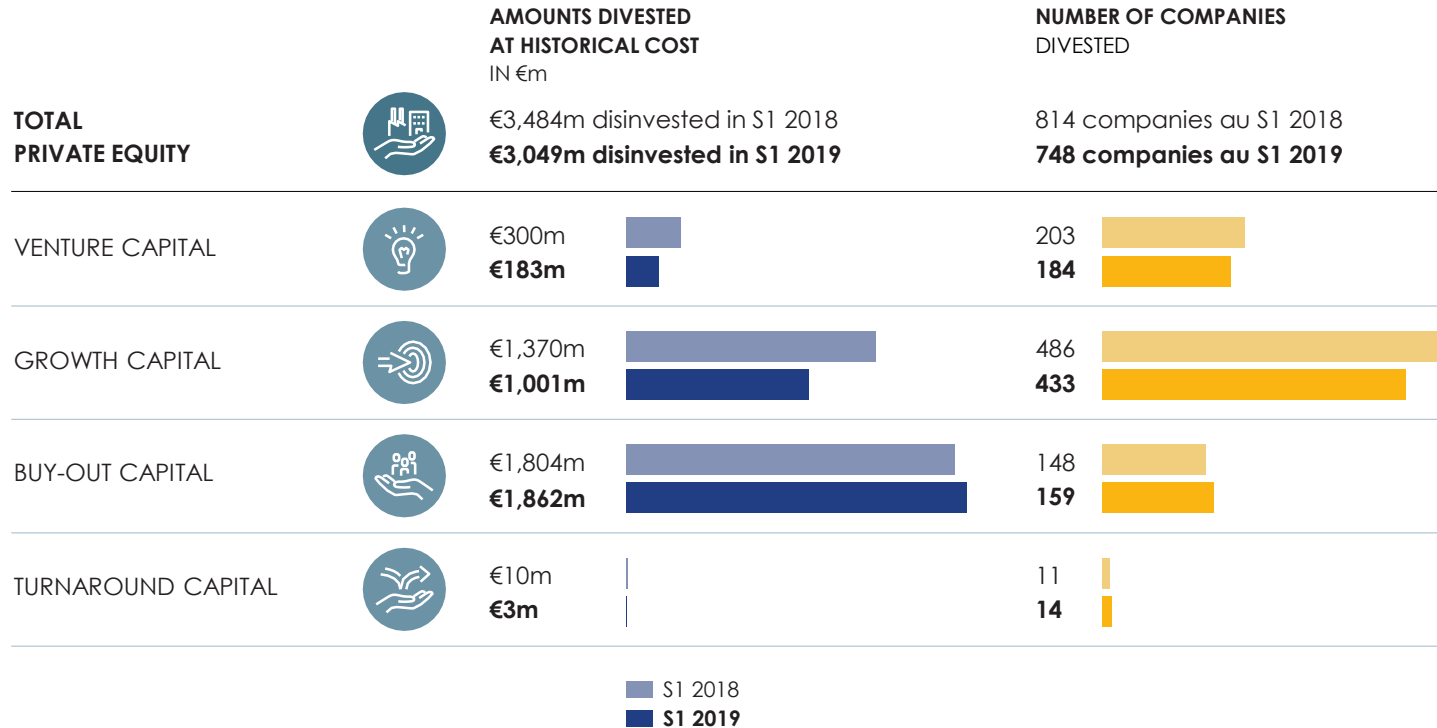
- 1st semester (available from 2006)
 - 2nd semester
- In number of companies divested -



Source : France Invest / Grant Thornton



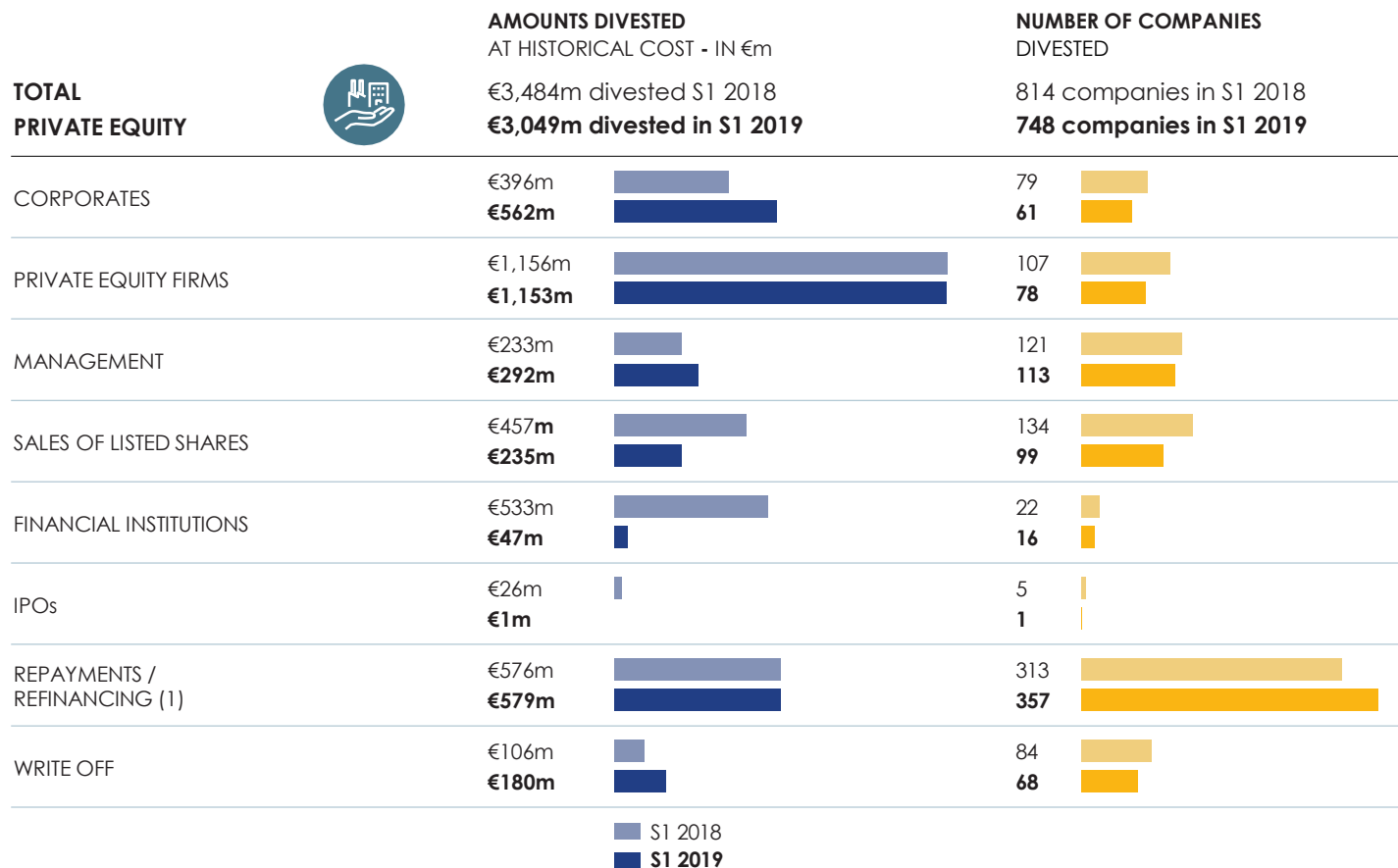
Decrease in the number of companies divested initially backed in venture and growth capital.



* Stage of development at the time of the GP's first investment in a company.
A company disinvested by two different GP may therefore appear in two historically different market segments.



Sales to industrial companies and private equity companies are the prevailing forms of exit.



* Some companies may be subject to several forms of divestment.

(1) Includes all other divestment flows.



APPENDIX

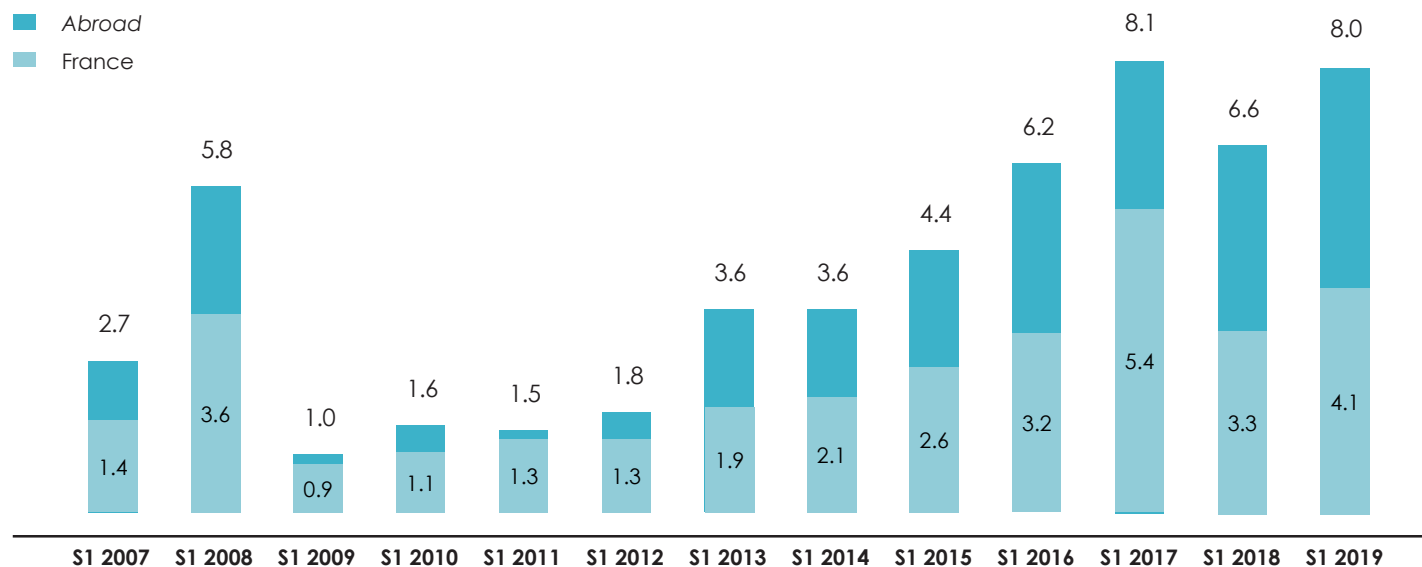
Data tables

EVOLUTION OF MID-YEAR FUNDRAISING SINCE THE FIRST HALF OF 2017



	S1 2007	S1 2008	S1 2009	S1 2010	S1 2011	S1 2012	S1 2013	S1 2014	S1 2015	S1 2016	S1 2017	S1 2018	S1 2019	Var. S1 2018 / 19
Funds raised (in €m)	2,715	5,828	1,041	1,571	1,471	1,794	3,634	3,629	4,401	6,233	8,095	6,598	7,981	21%
Number of funds having raised	54	103	91	98	59	99	69	92	93	108	127	95	91	-4%

Breakdown of mid-year fundraising by geographic origin since S1 2007



EVOLUTION OF MID-YEAR INVESTMENTS SINCE THE FIRST HALF OF 2017

ACTIVITY- APPENDIX
S1 2019



	S1 2007	S1 2008	S1 2009	S1 2010	S1 2011	S1 2012	S1 2013	S1 2014	S1 2015	S1 2016	S1 2017	S1 2018	S1 2019	Var. S1 2018 / 19
Amounts invested (in €m)	6,428	5,081	1,787	2,974	4,317	2,279	2,593	3,605	3,749	5,495	6,395	6,117	7,804	28%
Venture capital	272	281	358	282	316	227	274	378	383	507	571	809	996	23%
Growth capital	574	970	703	817	1,484	895	623	1,036	1,290	1,765	1,617	1,610	1,801	12%
Buy-out capital	5,501	3,734	636	1,780	2,406	1,085	1,625	2,172	2,059	3,221	4,193	3,693	4,991	35%
Turnaround capital	24	79	30	76	77	73	71	19	17	2	13	5	16	207%

	S1 2007	S1 2008	S1 2009	S1 2010	S1 2011	S1 2012	S1 2013	S1 2014	S1 2015	S1 2016	S1 2017	S1 2018	S1 2019	Var. S1 2018 / 19
Number of companies backed	783	926	841	884	946	834	768	895	844	1,040	1,179	1,116	1,180	6%
Venture capital	227	240	237	233	232	207	244	223	284	359	458	441	496	12%
Growth capital	271	423	427	484	518	482	381	528	442	521	552	483	474	-2%
Buy-out capital	227	240	133	131	171	132	133	139	104	158	156	188	207	10%
Turnaround capital	15	21	18	18	7	13	10	5	14	2	13	4	3	-25%

EVOLUTION OF MID-YEAR DIVESTMENTS SINCE THE FIRST HALF OF 2017



	S1 2007	S1 2008	S1 2009	S1 2010	S1 2011	S1 2012	S1 2013	S1 2014	S1 2015	S1 2016	S1 2017	S1 2018	S1 2019	Var. S1 2018 / 19
Amounts divested (in €m)	2,828	1,391	1,309	1,614	3,039	2,048	2,110	3,606	3,048	4,436	4,310	3,484	3,049	-12%
Number of companies divested	525	464	418	435	540	477	455	563	640	695	820	814	748	-8%



APPENDIX

Methodology



Objectives of the partnership

- ✓ Exhaustiveness of the transactions (fundraising, investments, divestments)
- ✓ Likelihood of amounts declared
- ✓ Consistency in the conversion of disaggregated data to aggregates

Work and conclusions

- ✓ Completeness of answers with the Grant Thornton database (press sources)
- ✓ Verification of cut-off rules (no duplicates between the periods S2 2018 and S1 2019)
- ✓ Consistency check of the information collected, verification of the processing carried out and calculation of the aggregates
- ✓ Identification of discrepancies, analyses and comments from France Invest followed by an update of the database if required





Data collection principles

- ✓ Transactions recorded by the members deal by deal via the european-data-cooperative.eu secure website
- ✓ A response rate of 90% for S1 2019 (241 respondents / 269 members surveyed versus 88% in S1 2018)
- ✓ A methodology identical to previous studies, in accordance with the new statistics collection process and the new harmonised definitions between the different European private equity associations

Processing principles

- ✓ Only transactions made by the French offices of France Invest members are taken into account
- ✓ Transactions taken into account at the effective date of cash outflow/inflow (closing date)

About France Invest

France Invest comprises almost all the private equity teams operating in France. It has over 310 active members and almost 200 associate members. Through its compliance, control and best practices development mission, it is one of only two associations recognised by the French financial markets authority (AMF), and membership in the association by asset management companies is one of the conditions for authorisation. It is the only industry association specialising in private equity.

France Invest's priorities include promoting the position and role of private equity, actively participating in its development by serving as a hub for the entire industry and establishing best practices, methods and tools for professional and responsible shareholder conduct. For more information: France Invest's website: www.franceinvest.eu.

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