

Press release

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THE MARKET FOR PRIVATE DEBT FUNDS IN FRANCE IN 2019

- **€4.2 billion raised by French member funds of France Invest (up 18% on 2018)**
- **€7.7 billion invested (up 8% on 2018) in 178 deals (up 16% on 2018)**
- **France, second largest European market for corporate financing with private debt**

France Invest (Association of Investors for Growth) and Deloitte are pleased to present the third edition of their report on debt funds active in France in 2019.

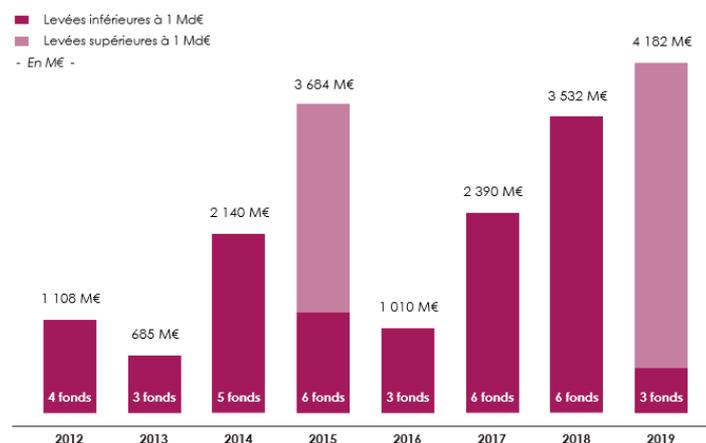
These funds are the members of the France Invest Private Debt Commission and international establishments with a team specialising in private debt or a representative office in France. 86% of the 37 establishments surveyed responded to the study.

The increase recorded in 2019 confirms the growing share of private debt in the financing methods offered to companies and equity investors. Private debt is an alternative and supplemental financing solution to bank debt.

Cécile Mayer-Levi, Chairwoman of the France Invest Private Debt Committee: *“The market for private debt funds active in France continued to grow in 2019, both in terms of the amounts raised and the amounts invested and the number of deals completed. That makes France once again the second largest private debt market in Europe. The Covid-19 crisis triggered a significant and urgent need for companies to preserve their cash flow. Private debt funds helped the companies they finance by urgently responding to their requests for assistance, which involved deferring coupon payments or revising certain terms, particularly ones relating to their commitments. Private debt funds have shown their agility and flexibility, underpinning their key role in corporate financing.”*

€4.2 billion raised to finance companies through private debt

In 2019, €4.2 billion was raised by three French funds, marking an 18% increase on 2018. This will be used to finance companies through private debt.



Source : France Invest / Deloitte

€7.7 billion in private debt financing with 178 transactions

In 2019, €7.7 billion worth of private debt was used to finance 178 deals carried out by French and foreign funds active in France. This represents an increase of 8% in the amounts invested and 16% in the number of transactions compared with 2018.

Like in 2017 and 2018, France is in second place in the European private debt market, accounting for 37% of the deals completed in 2019, well ahead of Germany and behind the United Kingdom¹.

43% of the amounts invested and 40% of the transactions financed company buyouts.

The private debt included in this report spans a wide variety of types of financing, including senior debt provided by debt funds, unitranche financing, mezzanine and other subordinated debt.

72% of the deals accompanied a transaction carried out by an equity investor. 28% of the deals were carried out without the presence of a fund acting as an equity investor (compared to 31% on average in 2017 and 2018), which confirms that private debt is a source of financing in its own right.

80% of the deals completed in France were carried out by French funds (i.e. 49% of the amounts invested). French debt funds carry out 27% of their transactions abroad. French funds are therefore mainly active in France, but also have a European dimension.

Guillaume Leredde, Assistant Director of Deloitte Debt Advisory: *“After another record year in 2019, 2020 will be the first real test for private debt funds. The economic fall-out from the Covid-19 crisis will be significant for portfolios and fund performance alike. However, the flexibility of their capital and their responsiveness will be essential tools to support companies in difficulty over the next 18 months.”*

All statistics on the activity of France Invest's private debt funds in 2019 are available at www.franceinvest.eu, in the publications section.

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About France Invest

France Invest comprises almost all the private equity teams operating in France. It has 330 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 of the association by 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: www.franceinvest.eu

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