

## Press release

Paris, 27 June 2019

### Performance of French private equity at end-2018

**Return of 9.9% net per year since 1987 (over 31 years)  
Higher than all other asset classes over 15 years**

**France Invest (Association of investors for growth) and EY are today presenting the 25<sup>th</sup> edition of their annual study on the net returns of French private equity for end-2018.**

"Year after year, French private equity stands out as a top performer, outdistancing all other long-term asset classes. This is all down to the initiative taken by equity investors day after day to strengthen the companies that they back and help them grow, notably through acquisitions, R&D investment, exports, digitisation, etc. The value created by professional shareholders helps drive up companies' revenues and earnings and enhances their strategic value. Playing a part in the emergence of more mid-caps in France, while producing high returns on savings - this is the ultimate aim of private equity investment.", says **Dominique Gaillard**, Chairman of **France Invest**.

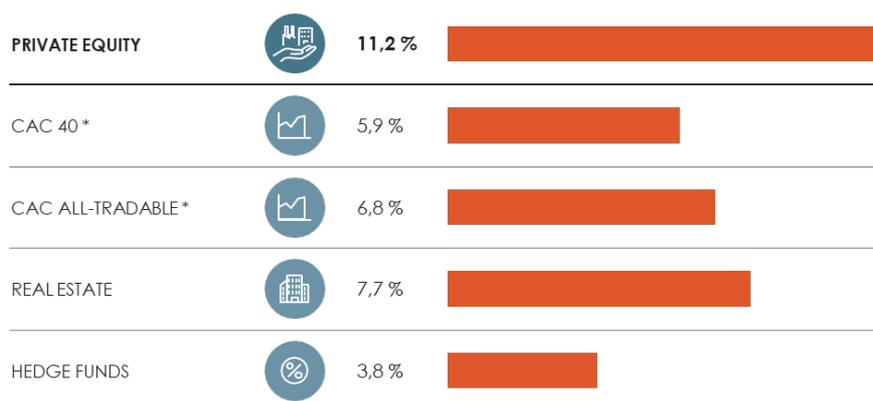
"Private equity has shown a stable performance, both over a 15-year horizon (11.2%) and a long period (around 10%), demonstrating real strength in the context of a stock market that, it should be recalled, was bearish in 2018. As expected, the 10-year performance of private equity is improving significantly in all segments. A trend that is expected to continue in the following year. This solid performance was again this year, driven by buy-outs.", says **Hervé Jauffret**, EY partner.

#### **Steady excellent performance over the long term and outperformance**

Long-term data measured over a period of 31 years <sup>(1)</sup> points to a stable overall return on French private equity investment since 2014, averaging roughly 10% a year, net of charges and carried interest. At the end of 2018, it stood at 9.9% over this period of 31 years and 11.2% over a 15-year horizon.

Investment in unlisted companies backed by French private equity has continued to produce a very good return, outperforming the other major asset classes as at end-2018 and over the long term.

**ANNUAL PERFORMANCE OVER 15 YEARS**  
AT END-2018, AVERAGES OVER THE PERIOD 2004-2018



\* 15-year performance of CAC indices with reinvested dividends [PME method], Credit Suisse Hedge Funds Index, EDHEC IEIF Immobilier d'entreprise France.

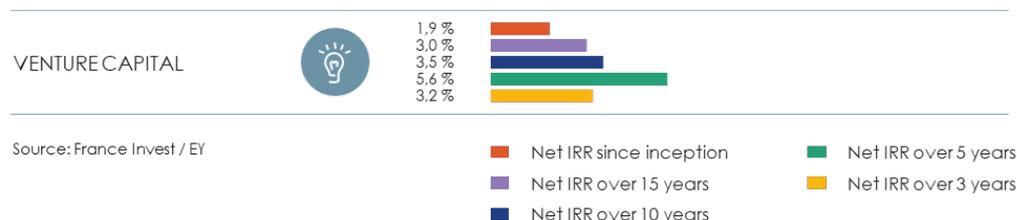
Source: France Invest / EY



## Performance by segment

The returns produced by French private equity vary across the different segments and, on average, have increased in tandem with the level of maturity of the companies backed.

The returns offered by **venture capital**-backed start-ups and young companies, mainly focused on innovation, have continued to rise across all time horizons compared to the data published in our 2017 study. **As of end-2018, the performance has been 1.9% per year since inception, and as high as 5.6% per year over a five-year period.**



Source: France Invest / EY

Returns in the **growth capital and buy-out segments** remain highly satisfactory. At end-2018, they stood at **7.3% and 13.9% respectively** since inception.

(1) France Invest has access to data since 1987, i.e. over a period of 31 years at end-2018, to analyse fund performance.

The study "Performance of French private equity at end-2018" is available on [www.franceinvest.eu](http://www.franceinvest.eu), under the heading Press Releases.

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### 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](http://www.franceinvest.eu).

### About EY

EY | Audit | Advisory | Tax & Legal | Transactions

EY is a leading global audit, advisory, tax and legal and transaction firm. Throughout the world, our expertise and the quality of our services help to create the conditions for confidence in the economy and financial markets. We develop talent so that our staff can work together with the companies toward long-term growth. In this way we play an active role in building a better world that is fairer and more balanced for our staff, our clients and society in general.

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