

## Press release

Tuesday 9 April 2019

### Private debt fund activity in France Strong growth in 2018

- **€3.5bn raised by French member funds of France Invest (up 48% from 2017)**
- **€7bn invested (up 16% from 2017) in 147 transactions (up 20% from 2017)**
- **France, second largest European market for corporate financing with private debt**

**France Invest (Association of Investors for Growth) and Deloitte now present the second edition of the activity of active debt funds in France in 2018.**

These funds are the members of the France Invest Private Debt Commission and international firms with a team specialising in private debt or a representative office in France. 84% of the 37 firms surveyed responded to the study.

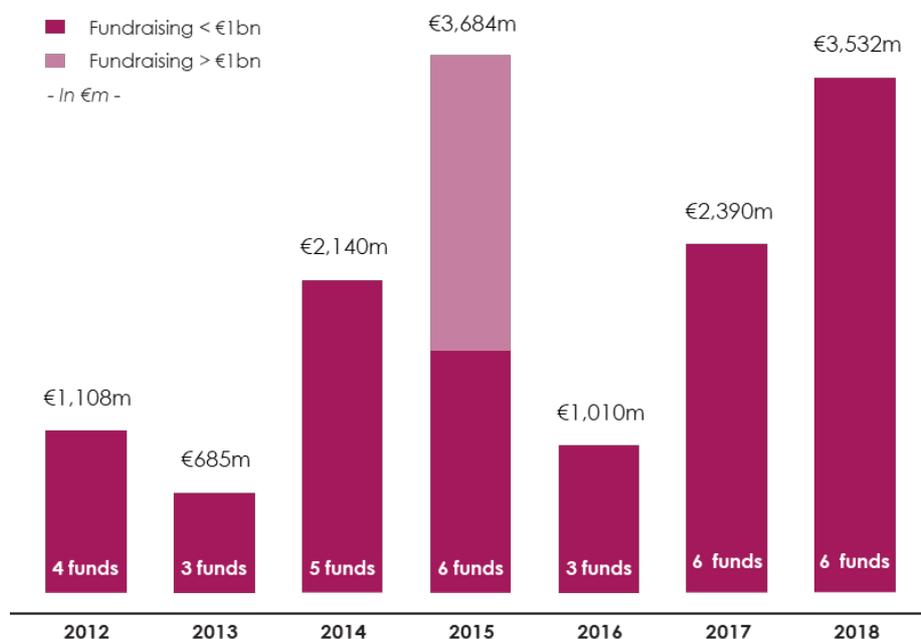
The sharp increase recorded in 2018 confirms the growing importance of private debt in financing methods, offering companies and equity investors an alternative and complementary financing solution to bank debt.

**Cécile Mayer-Levi, Chairwoman of the France Invest Private Debt Committee**, says: *"The activity of private debt funds active in France accelerated sharply in 2018 at two levels: in terms of amounts raised by the funds from mainly institutional investors, who recognised a source of diversification of their investments, as well as in terms of amounts invested and the number of transactions. France retains its position as the second largest private debt market in Europe, attracting both French and international funds."*

**Dominique Gaillard, Chairman of France Invest**, adds: *"In this strongly developing private debt market, France Invest is taking determined action to encourage funds active in France and not yet members of the association to join it. It is by bringing these professionals together that we will be able to make this type of investment, which is useful for companies, even better known."*

- **€3.5bn in capital raised to finance companies with private debt**

In 2018, €3.5bn was raised by six French funds - i.e. a 48% increase compared with 2017 - which will finance companies with private debt.



Source: France Invest / Deloitte

➤ **€7bn in private debt financing in 147 transactions**

In 2018, €7bn in private debt financed 147 transactions carried out by French and foreign funds active in France. This represents an increase of 16% in amounts invested and 20% in transactions compared with 2017.

As last year, France has retained its second place in the European private debt market with 35% of the transactions carried out in 2018, far ahead of Germany<sup>1</sup>.

60% of the amounts invested and 50% of the transactions financed company buy-outs.

The private debt identified in this study covers a wide variety of types of financing, including senior debt provided by debt funds, unitranche financing as well as mezzanine and other subordinated debt.

With 29% of total transactions, the consumer goods and services sector is the largest sector financed by private debt.

65% of the transactions accompanied a transaction carried out by an equity investor. 35% of the transactions are carried out without the involvement of an equity investor fund, which highlights, at the same time, that private debt is becoming a source of financing in its own right.

With regard to French debt funds, 76% of their transactions were in France and 24% outside France, which represents a high level for these funds who were historically focus on France.

**Guillaume Leredde, Assistant Director of Deloitte Debt Advisory** emphasises: "Private debt funds continued to grow strongly in 2018 and we also saw the arrival of new foreign inflows, confirming France's attractiveness in this market. The transaction data show that the French market is still concentrated over the 2017-18 period, with 45% of the amounts invested provided by five funds, including two UK-based funds. The arrival of new entrants will lead to a greater diversity of financing offers for companies, as we have seen in the UK in recent years."

<sup>1</sup> Deloitte Alternative Lender Deal Tracker Spring 2019 (<https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/corporate-finance/deloitte-uk-aldt-spring-19.pdf?nc=1>)



All statistics on the 2018 activity of France Invest's private debt funds are available at [www.franceinvest.eu](http://www.franceinvest.eu), Publications section.

\*\*\*

#### **Press contacts**

**France Invest** - Antoinette Darpy - +33 (0)6 72 95 07 92 - [a.darpy@franceinvest.eu](mailto:a.darpy@franceinvest.eu)

**Deloitte** - Nadia Dussol - +33 (0)1 55 61 54 34 - [kdussol@deloitte.fr](mailto:kdussol@deloitte.fr)

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

#### **About Deloitte**

Deloitte refers to one or more member firms of Deloitte Touche Tohmatsu Limited (DTTL), a UK private company limited by guarantee, and its network of member firms established in independent and legally separate entities. DTTL (or "Deloitte Global") does not provide services to clients. To find out more about our global network of member firms, [www.deloitte.com/about](http://www.deloitte.com/about). In France, Deloitte SAS is a member firm of Deloitte Touche Tohmatsu Limited and professional services are provided by its subsidiaries and affiliates. [www.deloitte.fr](http://www.deloitte.fr)