

Press release

2 April 2019

French private equity activity in 2018

- Record fundraising of €18.7 billion, nearly 50% of which came from foreign investors
- Steady increase in amounts invested to €14.7 billion in more than 2,200 companies
- More than 1,500 companies were divested, in whole or in part

France Invest (Association of Investors for Growth) and Grant Thornton are today presenting the 30th edition of the activity report on French private equity companies for 2018.

With 94% of respondents out of the 275 members of France Invest surveyed, this study is the benchmark for monitoring over a long period the trends in French private equity, a contributor to the growth of start-ups, SMEs and mid-caps.

Dominique Gaillard, Chairman of France Invest, emphasises. *“With ever-increasing indicators, we are on the right path to bring France to the level of economies that have made equity investment a powerful lever to create new global champions. Our industry has diversified: from capital to private debt, from corporate financing to infrastructure. Overall, with all its segments, French private equity totalled €36 billion raised in 2018, largely from foreign investors who irrigate the French economy.”*

➤ A record €18.7bn was raised, nearly 50% from foreign investors

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





In 2018, the amount of capital raised was €18.7 billion. This is a new record, up 13% on the previous record in 2017.

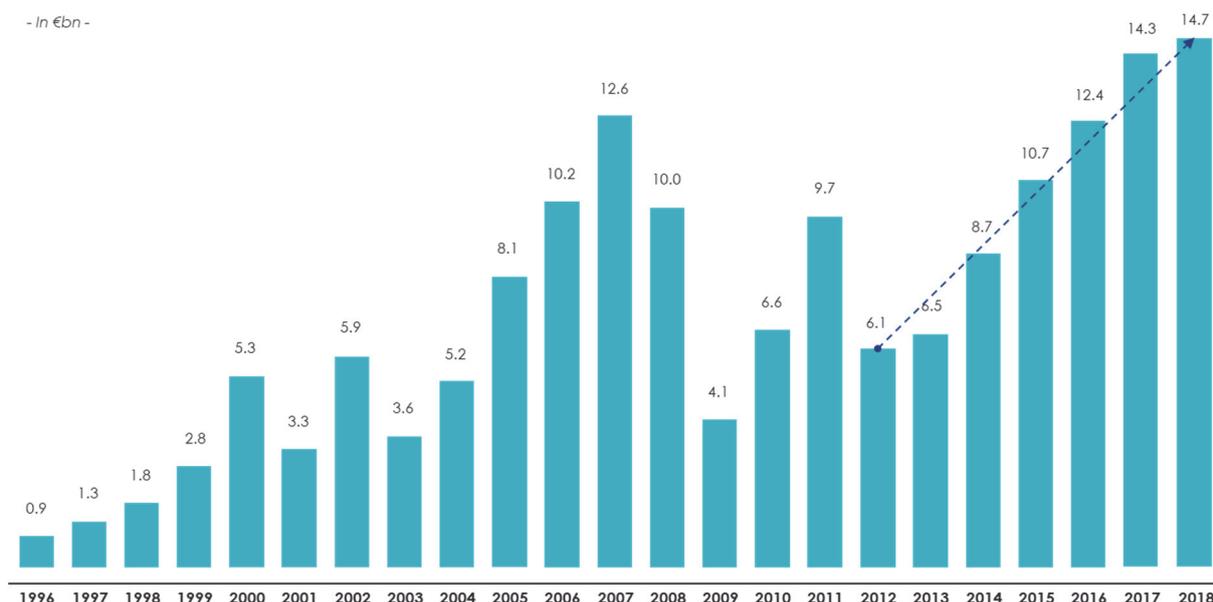
61% of these inflows came from institutional investors (mainly funds of funds, insurers/mutual insurers and pension funds). Private individuals and family offices continue to account for a significant share of fundraising with 15% of the total, up 22% from 2017, despite the abolition of the wealth tax deductions for investments in SMEs (ISF PME). The public sector accounted for 12% of the fundraising, sovereign funds 7%, and industrial companies only 4%, down 31% from 2017.

Foreign investors accounted for 48% of the amounts raised, a sign of the strong international attractiveness of French private equity, and an increase compared to the last 10 years (39%).

Allocation intentions remain high for young innovative companies (venture capital) and increased in the other segments of SMEs and mid-caps that have growth or buyout plans (growth capital, buyout capital).

➤ **€14.7 billion invested in more than 2,200 start-ups, SMEs and mid-caps**

- In €bn -



In 2018, investments continued to increase (average annual growth rate of 16% between 2012 and 2018) to €14.7 billion.

They were allocated to 2,218 companies, a figure that has been constantly increasing for three years (+34% compared to the annual average for 2006-2017). 63% of these companies are SMEs, 20% are mid-caps, and 84% are French.

As in previous years, the leading investment sectors are industry (31%), and in number of companies financed, IT and digital (25%).

Nearly 80% of companies receive unit investment tickets of less than €5 million, or 14% of the amounts invested.

➤ **More than 1,500 companies were divested, in whole or in part**

The liquidity of unlisted shares is confirmed and remains at a high level. In 2018, 1,532 companies were divested, in part or in full.

Thierry Dartus, Partner, Director of the Transaction Advisory Service Department at Grant Thornton specifies: "With €18.7 billion in inflows and more than €14.7 billion in investments, French private equity continues to play a key role in the development and financing of business growth. When comparing with the major European



markets, exacerbated by the increasingly uncertain Brexit deadline, it is particularly interesting to note the attractiveness of France for foreign investors, who account for nearly half of the amounts raised. The reforms undertaken last year, as well as the upcoming measures of the Pact Law aimed at promoting access to unlisted shares should further accelerate this trend in the coming months.”

All statistics on the activity of French private equity players in 2018 are available on www.franceinvest.eu, Studies and Statistics section.

Press Contacts

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

Grant Thornton - Agnès de Ribet and Loïc Djaffardjee - +33 (0)1 41 25 85 65 - loic.djaffardjee@fr.gt.com

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.

About Grant Thornton France

Grant Thornton, a leading Audit and Advisory firm, has 1,800 employees in France, including 108 partners in 23 offices, and is positioned in five business lines: Audit, Appraisal Advisory, Financial Advisory, Operational & Outsourcing Advisory, and Legal and Tax Advisory.

Grant Thornton supports dynamic companies (listed companies, public- and private-sector companies), enabling them to free up their growth potential through the efforts of partners who are available and actively engaged, backed by teams delivering high-value-added expertise. The members of Grant Thornton International Ltd make up one of the leading Audit and Advisory firms in the world. Each member of the network is independent from a financial, legal and managerial standpoint.

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