



CANADIAN VENTURE CAPITAL
&
PRIVATE EQUITY ASSOCIATION

Canadian private capital market has strong investment year, industry optimistic about 2015

M&A activity expected to increase, IPO activity expected to drop

February 4, 2015 – Toronto, ON – Venture capital and private equity activity posted strong results in 2014. According to the Canadian Venture Capital & Private Equity Association’s (CVCA) 2014 VC and PE Market Activity report, **there was a total of 379 venture capital deals with \$1.9 billion invested, and 296 private equity deals with \$41.2 billion invested last year.**

“Venture capital and private equity investment remains robust and the feeling amongst our industry is that won’t change in 2015,” said Mike Woollatt, CEO, CVCA. “Despite the economic uncertainty in Canada, there are opportunities.”

The strong results are expected to continue in 2015. [Data collected from a comprehensive survey of CVCA members](#) shows that the vast majority (**77 per cent**) **believe current economic conditions favour the private capital industry. Notably, almost two-thirds (61 per cent) of private equity members believe that depressed oil prices improve their business outlook for this year.**

CVCA member survey results also provide a window into how exits for 2015 are expected to develop. **Eighty per cent believe IPO activity will remain the same or decrease** (44 per cent and 36 per cent respectively), while **86 per cent believe M&A activity will remain the same or increase** (evenly split).

This marks the first time the CVCA has used its own database, entitled InfoBase, to produce a snapshot of the Canadian market. InfoBase is a comprehensive database on Canadian private capital investments, exit, and fundraising activities. Much of the data is submitted and verified by the CVCA’s members.

PRIVATE EQUITY:

- [Click to view](#) a 2014 private equity market activity infographic
- [Click to view](#) the CVCA’s full 2014 private equity market activity report

Highlights:

Private equity disclosed amounts totaled \$41.2 billion invested in 2014. The energy and power sector remains the key driver of overall activity in terms of deals and dollars invested (27 per cent of completed deals).

- Top three sectors: the energy and power sector accounted for \$13 billion invested, hospitality \$12 billion, and healthcare/life sciences \$4.3 billion.
- Top three regions: Quebec had 86 deals and \$5.7 billion invested, Ontario had 77 deals and \$20.4 billion invested, and Alberta had 71 deals and \$12.4 billion invested.
- Top three Canadian 2014 PE exits: TPG Capital, Investor Group, Investissement Québec sold Aptalis Pharma to Forest Laboratories for \$3.3 billion, CPPIB, ARC Financial and Kern Partners’s Seven Generations Energy Ltd IPO generated \$932 million, and OMERS Private Equity sold Maxxam Analytics to Bureau Veritas Group for \$650 million.

- Funds raised: 2014 saw 33 funds raised for a total of \$12 billion. The median fund amount raised was \$110 million.

VENTURE CAPITAL:

- [Click to view](#) a 2014 venture capital market activity infographic
- [Click to view](#) the CVCA's full 2014 venture capital market activity report

Highlights:

Venture capital disclosed amounts totaled \$1.9 billion invested in 2014. ICT continues to drive the majority of venture capital investment (63 per cent of completed deals).

- Top three sectors: ICT accounted for \$1.3 billion invested, life sciences accounted for \$423 million invested, and clean technology accounted for \$133 million invested.
- Top three regions: Ontario had 154 deals and \$932 million invested, Quebec had 87 deals and \$295 million invested, and British Columbia had 72 deals and \$554 million invested.
- Top three Canadian 2014 VC exits: TechnoCap and HarbourVest's Kinaxis IPO generated \$100.6 million, W2 Group and Fonds de Solidarité FTQ investissements croissance's Lumenpulse Inc. IPO generated \$100 million, and Avrio Capital's Wolf Trax Inc. M&A generated \$95 million.
- Funds raised: 2014 saw 33 funds raised for a total of \$1.2 billion. The median fund amount raised was \$17 million.

About the CVCA

The CVCA is the voice of Canada's venture capital and private equity industry. We are focused on improving the private capital ecosystem by broadening industry awareness and providing market research, networking, and professional development opportunities. We also advocate on behalf of the industry to ensure sound public policy that encourages a favourable investment environment. The CVCA works alongside its members, who represent the vast majority of private capital firms in Canada, to improve the industry and drive innovation and growth.

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