



CANADIAN VENTURE CAPITAL
&
PRIVATE EQUITY ASSOCIATION

Canadian private capital continues sustained market activity in first quarter 2015 after strong 2014

Individuals drive vast majority of VC fundraising, PE continues strong run

May 6, 2015 – Toronto, ON – Canadian private capital continues to show investment resiliency in the face of uncertain economic conditions in the first quarter of 2015. According to the Canadian Venture Capital & Private Equity Association’s 2015 first quarter market activity reports, venture capital (VC) activity grew moderately, and while private equity (PE) investments dropped year-over-year, overall this market remains healthy.

There were 121 VC deals (up from 109 in Q1 2014) with \$362 million invested in Q1 2015 – a three per cent increase in investment from the same period last year (\$351 million). Private equity deal activity also grew in Q1 2015 – there were 76 deals, up from 64 in Q1 2014. And while PE investment volume declined 14 per cent to \$5.4 billion from \$6.3 billion; it should be noted that this is in comparison to 2014 – a banner year for private equity.

“Our members have extended investment horizons which makes them less susceptible to market shocks and allows them to be opportunistic,” said Mike Woollatt, CEO, CVCA. “And there are plenty of opportunities in Canada in both venture capital and private equity. Canada remains an attractive country for investment.”

[Data collected from a comprehensive survey of CVCA members](#) in February 2015 showed that the vast majority (77 per cent) believed economic conditions favoured the private capital industry. The Q1 2015 deal and investment volume results support that outlook.

PRIVATE EQUITY:

- [Click to view a heat map](#) of Q1 2015 PE market activity
- [Click to view](#) the CVCA’s full Q1 2015 PE market activity report

Highlights:

Private equity disclosed amounts totaled \$5.4 billion invested over 76 deals in Q1 2015. The energy and power sector continues to lead overall investment by a considerable margin – it accounted for almost half (44%) of all investment volume at \$2.4 billion.

- Next top four sectors (to round out top five): Real Estate accounted for \$1 billion, Metals & Mining for \$805 million, Automotive & Transportation for \$579 million, and Environmental for \$300 million.
- Top three regions: Alberta generated eight deals with \$1.9 billion invested, Quebec had 24 deals with \$1.34 billion invested, and Ontario had 28 deals with 1.3 billion invested.
- Top Canadian Q1 2015 PE exit: TriWest Capital Partners sold Gardewine Group Limited Partnership to Mullen Group for \$172 million.
- Funds raised: Q1 2015 saw eight funds raised for a total of \$841 million. The median fund amount raised was \$45 million.

VENTURE CAPITAL:

- [Click to view a heat map](#) of Q1 2015 VC market activity
- [Click to view](#) the CVCA’s full Q1 2015 VC market activity report

Highlights:

Q1 2015 saw 121 disclosed VC deals with \$362 million invested. ICT remains the sector leader capturing 86 deals and \$240 million invested (71% and 66% respectively).

- Next top three sectors: Life Sciences accounted for 16 deals, capturing \$92 million, followed by Clean Technology at eight deals and \$16 million invested, and then Agribusiness with nine deals and \$11 million invested.
- Top three regions: the majority of VC deal and investment activity took place in Ontario with 55 deals, capturing \$237 million invested. Quebec came in second place with 34 deals and \$51 million invested, followed by BC with 13 deals and \$50 million invested.
- Top exit of Q1 2015: SkyWave Mobile Communications exited by way of M&A for \$204 million. The VC backers included McLean Watson Capital, Desjardins Venture Capital, and GTI Capital.
- Fundraising remains low: nine funds raised \$196 million. The median raised was \$15 million. Of note, individuals drive the vast majority of fund raising accounting for 57 percent of investment dollars at \$111 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.

For further information, or to arrange an interview, please contact:

Kieran Lawler
Director of Communications
Direct: 416-487-0519 x204
Mobile: 416-303-0799
klawler@cvca.ca

Ashley Smith
Communications Associate
416-487-0519 x201
asmith@cvca.ca