



CANADIAN  
**PRIVATE EQUITY**  
MARKET OVERVIEW

**2021 YEAR IN REVIEW**

**CVCA**

**CVCA**  
intelligence

# ABOUT CVCA

## OUR VISION

A thriving Canadian economy driven by private capital

## OUR MISSION

CVCA's mission is to help our members fuel the economy of the future by growing the businesses of today. We do this by supporting and connecting a vibrant private capital industry with advocacy, research, and education.

CVCA is also the nation's ultimate resource for data on Canadian private capital investments.

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# MESSAGE FROM THE CEO

It was a busy year... a really busy year! The key words for private equity GPs in 2021 was crazy deal activity. While the amount invested in 2021 returned to pre-pandemic levels, that amount was allocated to a record number of deals. Focusing on the mid market segment, 84% of all deals with disclosed values were under CAD \$25M highlighting the direct connection between Canadian PE and Small and Medium-Sized Enterprises (SMEs).

This deal activity can in part be attributed to the transition of baby boomers towards retirement. Almost 60% of Canadian SME owners are at, or heading towards retirement. [In a 2019 study conducted by CVCA and BDC](#), 49% of SME owners had planned to exit their businesses over the following five years and a significant portion intended to sell to non-family members. While ownership of Canada's SMEs transitions across generations, private equity also plays a role in succession planning and enabling the growth of our companies.

We look forward to exploring the trends uncovered in the 2021 data at our upcoming annual event, Invest

Canada '22 in Ottawa, Canada, from May 25-27, 2022. I am so excited to see all in person! Again, this year, our conference will be bringing together the brightest minds and biggest names in the industry, foster business opportunities, and provide an exclusive opportunity to connect and collaborate with industry leaders. For more information, visit [conference.cvca.ca](https://conference.cvca.ca).

For readers new to our reports, CVCA Intelligence is the most comprehensive private capital data for the Canadian market. As the voice of Canadian private capital, the CVCA began collecting industry data in 2013. Our quarterly reporting summarizes the results of quarterly surveys and presents the data in a historical context.

Access to high-quality data, analysis, and tools is central to our members and the industry's ability to operate in the dynamic private capital environment. We invite interested private capital organizations to join us in our efforts. If you would like to have your firm included in future reports, [please contact CVCA's Manager of Research and Product, David Kornacki](#).



**KIM FURLONG**  
CEO  
CANADIAN VENTURE CAPITAL &  
PRIVATE EQUITY ASSOCIATION

# 2021 HIGHLIGHTS

- ▶ **2021 saw \$18B invested across 799 deals as the PE market returns to levels on par with pre-pandemic and the 5-year average (\$19.2B and 607 deals)**

6 mega deals (\$500M+) accounted for \$6.7B, over a third of all dollars invested

- ▶ **The year saw the highest deal count on record, 21% higher than previous record in 2019; 84% of all deals with disclosed values were under \$25M**

Canadian PE continues to make critical investments into small and medium-sized businesses - the engine of job creation in Canada's economy

- ▶ **The record level of PE deal activities may also indicate that the COVID-19 Pandemic has catalyzed the transition of Baby Boomers towards retirement**

- ▶ **The largest disclosed PE deal of the year was Brookfield Business Partners' \$1.6B privatization of Ontario-based Sagen MI Canada**

Other notable deals include New Brunswick-based XplorNet's financing of \$1.2B, and Quebec-based New Look Vision Group's \$783M transaction with FFL Partners & CDPQ

- ▶ **Highest number of exits and IPOs on record with 88 exits overall (6 IPOs), total exit value remained low at \$6.4B, making it the second-lowest year in total exit value**

Notable exits include GFL's acquisition of Terrapure from Birch Hill for \$929M, ABC Technology's \$525 IPO on the TSX, and Affirm's acquisition of Paybright from Canadian Business Growth Fund.

- ▶ **Exits via an M&A transaction returned to pre-pandemic levels with \$2.4B across 64 exits**

The number of exits increased 156% from 2020 and 49% from 2019

- ▶ **Secondary buyouts deals totaled \$2B across 18 buyouts, a 100% increase in the amount of buyouts with almost a quarter less in total dollars raised compared to 2020**

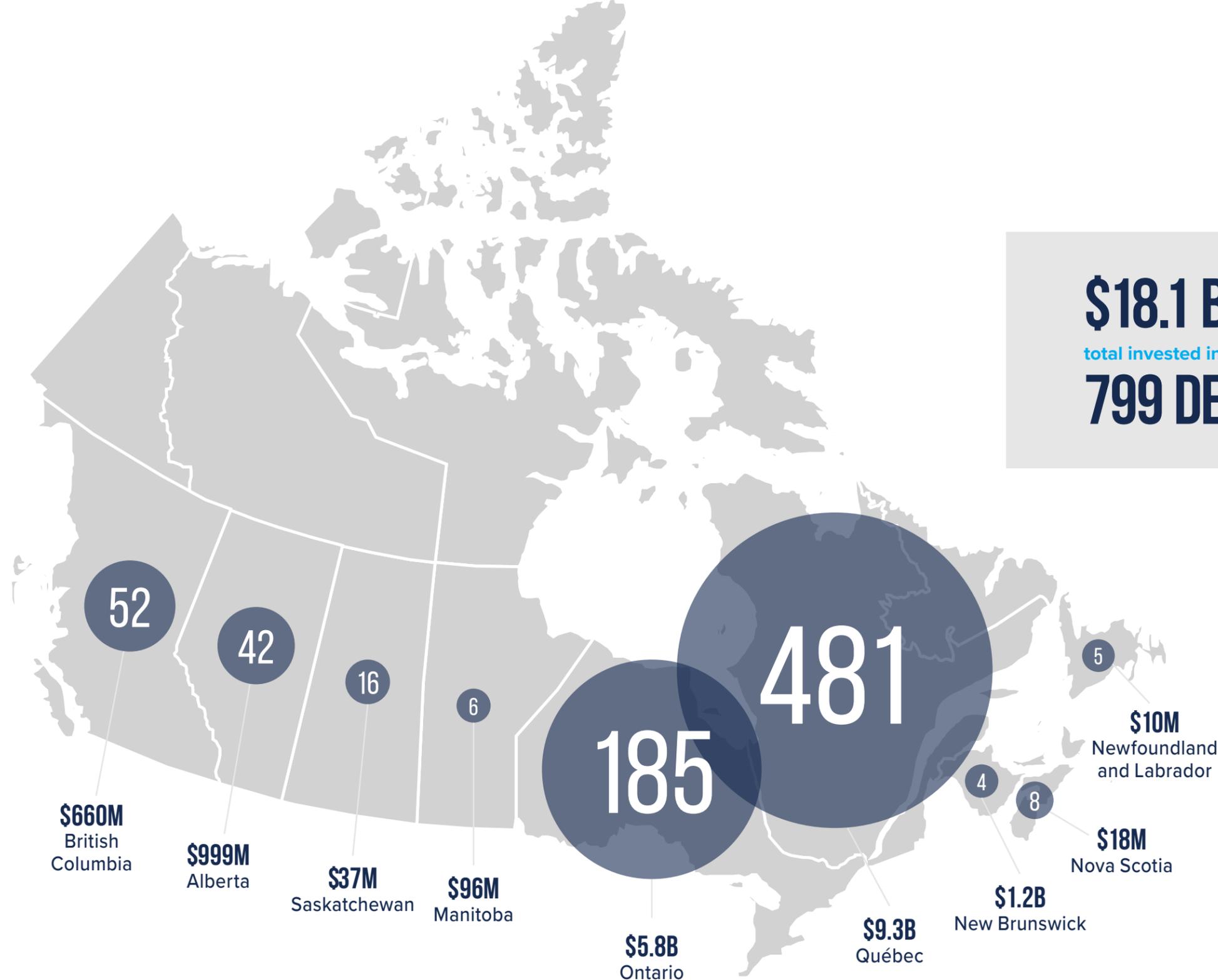
GPs are staying the course with their portfolio companies through the use of continuation vehicles

# 2021 PRIVATE EQUITY HEAT MAP

## ALL PE DEALS

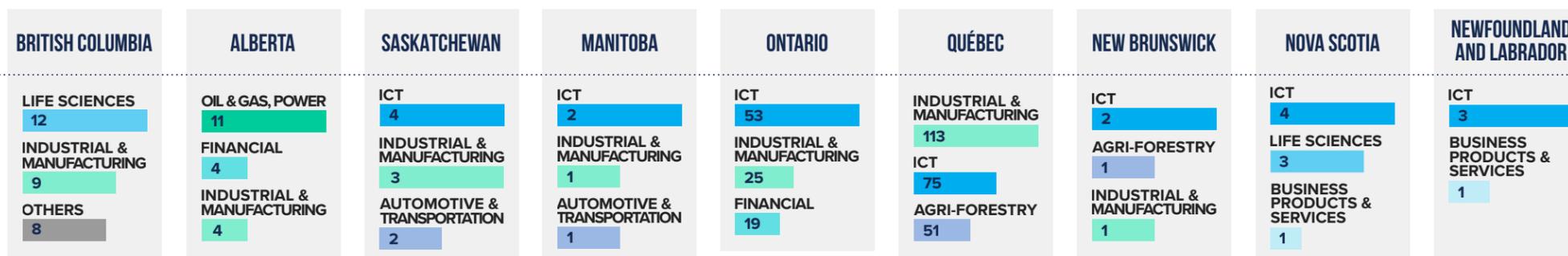
2021 saw \$18.1B invested across 799 deals, with Quebec accounting for 60% of the total deal flow and over half of total dollars invested, including \$4.9B and 110 deals in Montreal. Ontario had the second highest amount of dollars invested by Province, including the largest disclosed PE deal of the year - Brookfield Business Partners' \$1.6B privatization of Sagen MI Canada.

**\$18.1 BILLION**  
total invested into  
**799 DEALS**



## TOP SECTORS PER PROVINCE

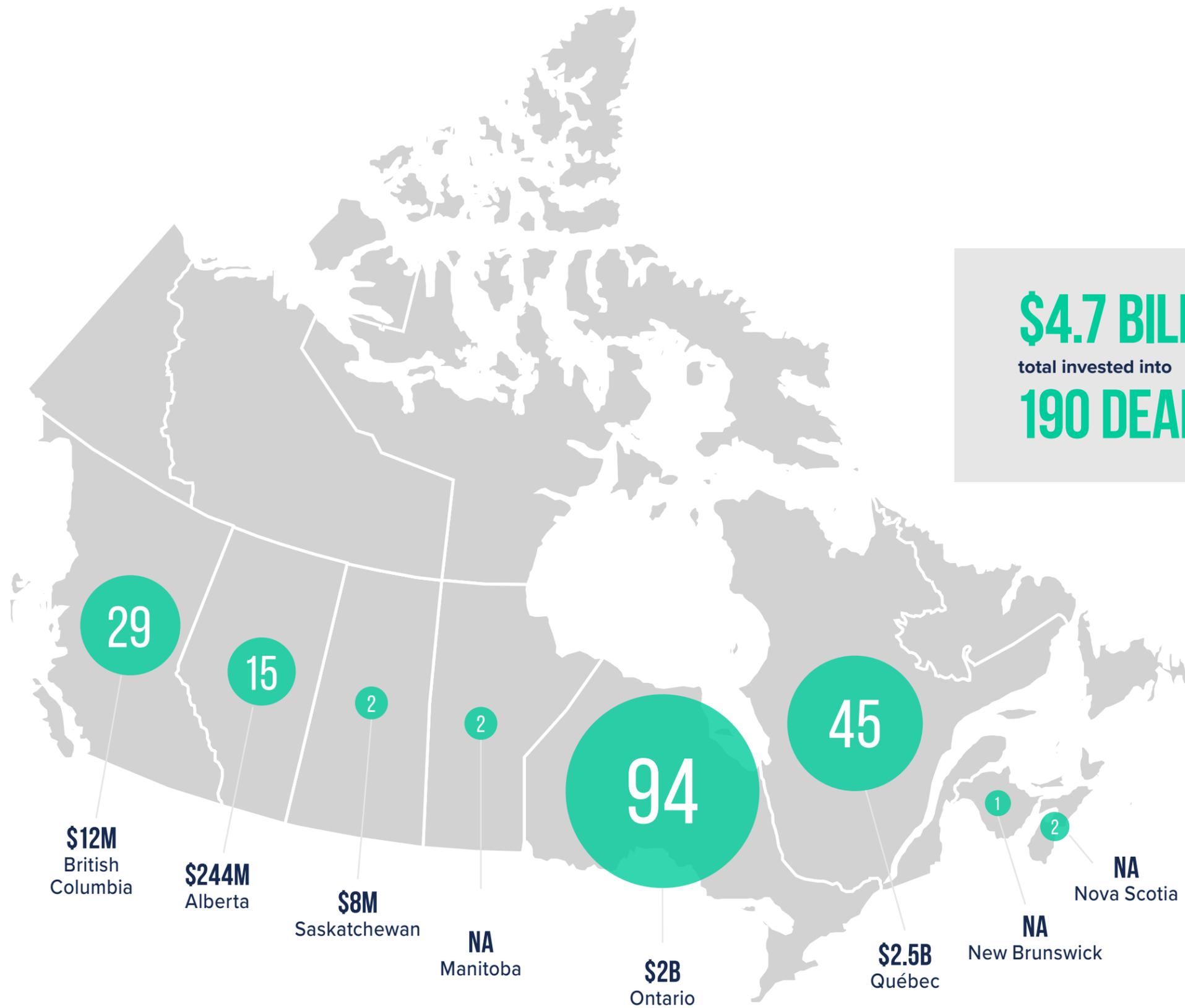
### BY NUMBER OF DEALS



# 2021 PRIVATE EQUITY HEAT MAP

## BUYOUT & ADD-ON DEALS

Buyout and add-on investments totalled \$4.7B across 190 deals, comprising 24% of total PE deal volume in 2021, exceeding the pre-pandemic levels in terms of deal count (\$7.9B, 136 deals in 2019). Average deal size for buyout & add-on deals was \$24.94M compared to the 5 year average of \$76M.

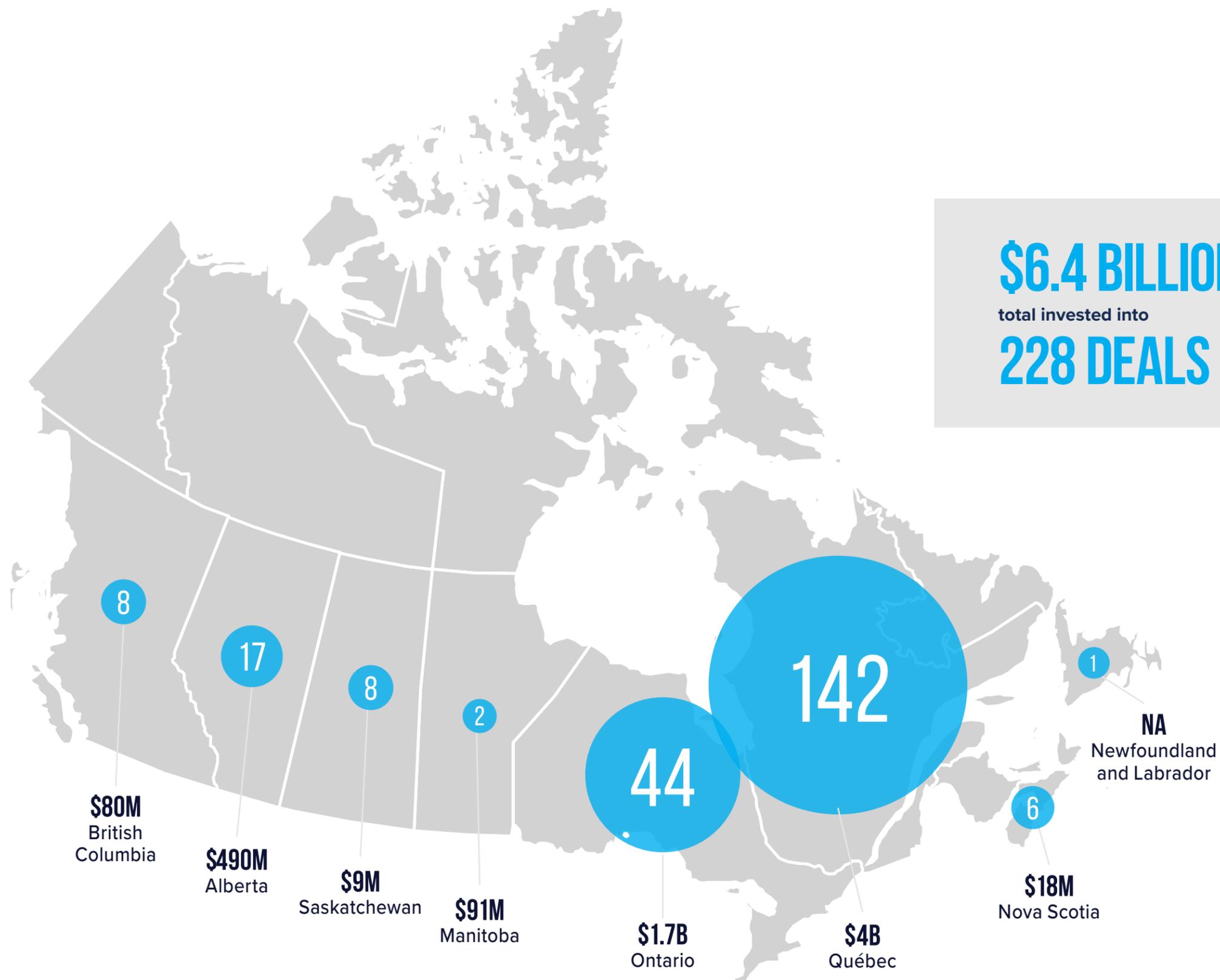


**\$4.7 BILLION**  
total invested into  
**190 DEALS**

# 2021 PRIVATE EQUITY HEAT MAP

## PE GROWTH DEALS

PE minority investments (including growth and follow-on deals) accounted for 35% of all PE dollars invested in 2021 and over a quarter of total activity, with \$6.4B across 228 deals, representing a 14% increase from 2020 in dollars invested and a 11% increase in deal count (\$5.6B across 217 deals).

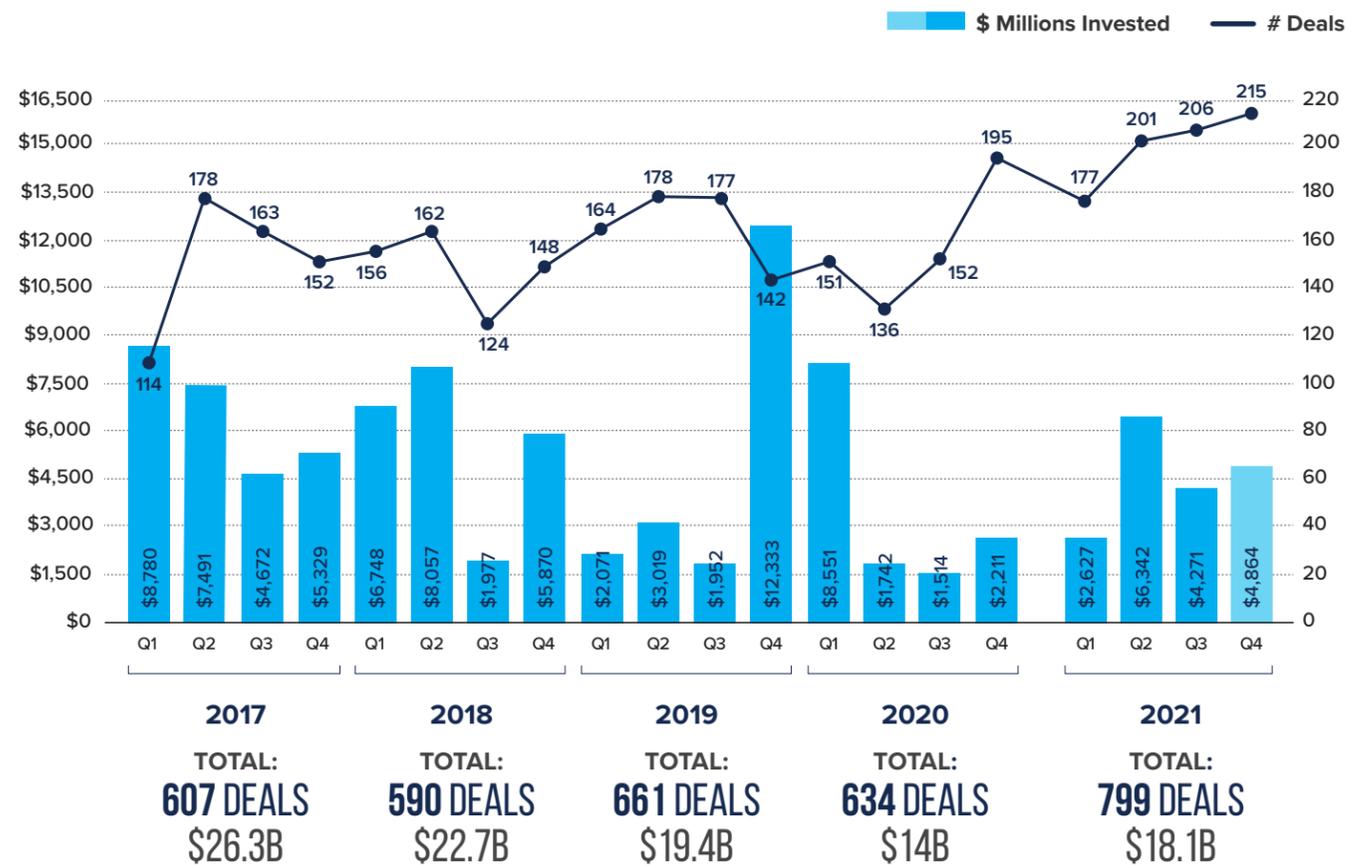


**\$6.4 BILLION**  
total invested into  
**228 DEALS**

# PRIVATE EQUITY INVESTMENT ACTIVITY

## ACTIVITY QUARTER-OVER-QUARTER

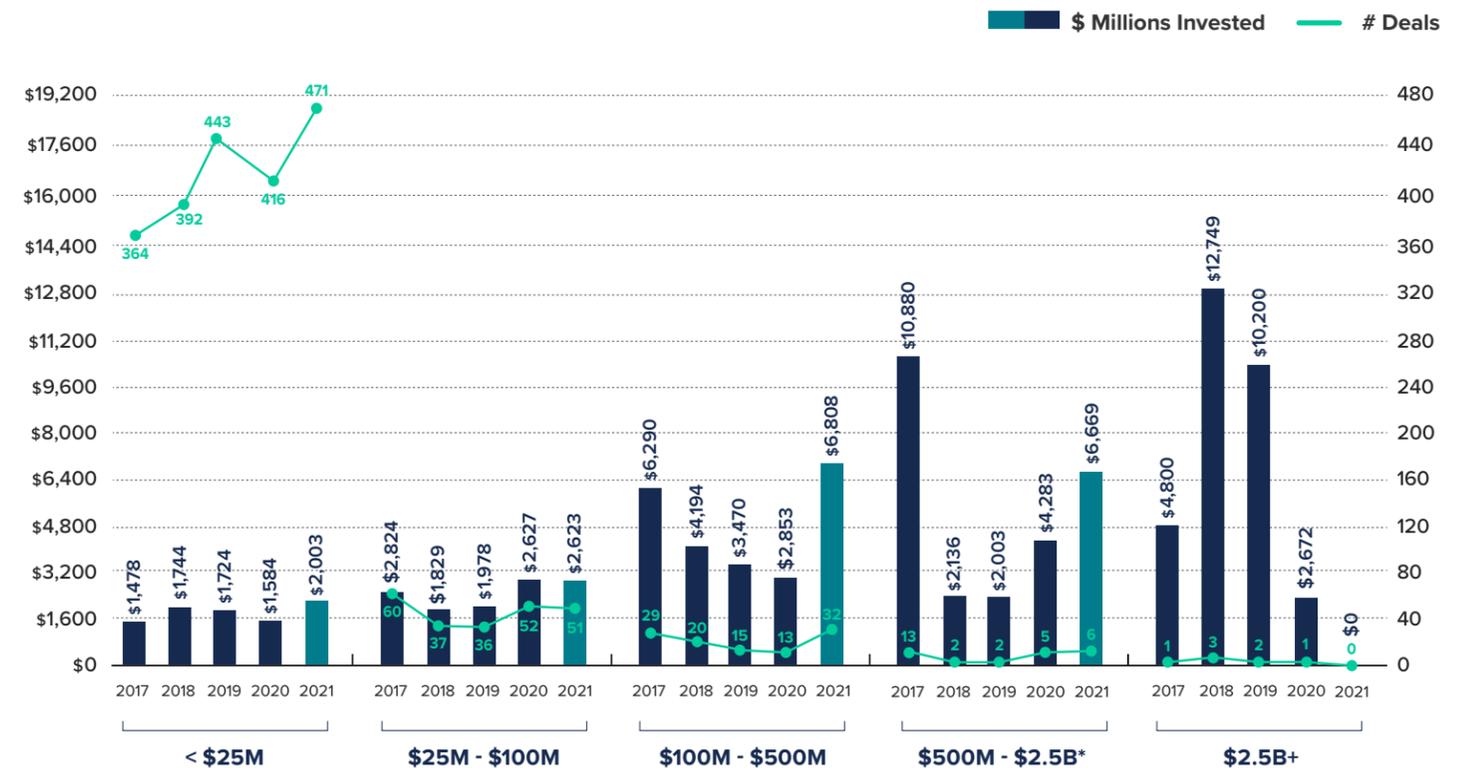
2021 had the highest level of annual PE deal count on record, but the second-lowest level of annual PE investment in the past 5 years, with \$18.1B invested across 799 deals.



# PRIVATE EQUITY INVESTMENT ACTIVITY

## ACTIVITY BY DEAL SIZE

Out of the 799 deals that closed in 2021, 84% of the deals with disclosed values were under \$25M (471), underscoring the continued critical investments Canadian PE makes into small and medium-sized businesses. There were 6 mega-deals (\$500M+) accounting for \$6.7B or 36% of total PE dollars invested.



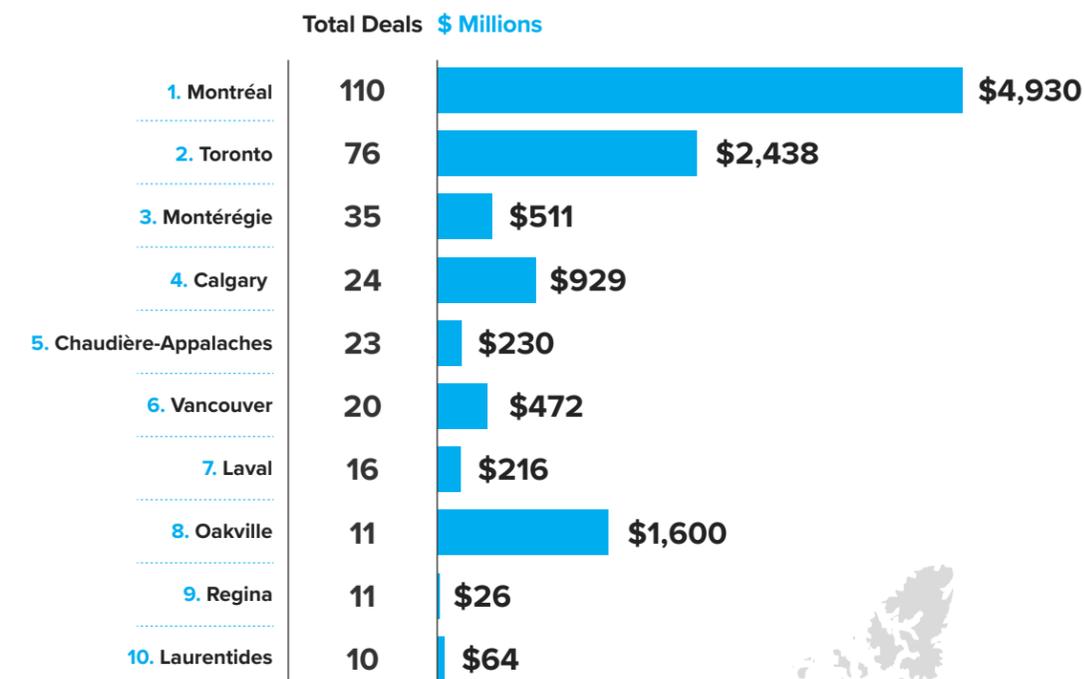
\*The \$500M - \$1B and \$1B - \$2.5B sections were merged in this report to protect the confidentiality of an investment made in Q3.

# TOP DISCLOSED CANADIAN PE DEALS

COMPANY	PROVINCE	FIRMS INVOLVED IN TRANSACTION	SECTOR	\$ MIL
SAGEN MI CANADA	ONTARIO	BROOKFIELD BUSINESS PARTNERS LP	FINANCIAL	\$1,600
XPLORNET COMMUNICATIONS	NEW BRUNSWICK	BARCLAYS, BMO CAPITAL MARKETS, CREDIT SUISSE, NATIXIS CANADA, MORGAN STANLEY	ICT	\$1,195
NEW LOOK VISION GROUP	QUÉBEC	FRIEDMAN FLEISCHER & LOWE, LLC (FFL), CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ)	CONSUMER & RETAIL	\$783
SUPERIOR PLUS SPECIALTY CHEMICALS	ONTARIO	BIRCH HILL EQUITY PARTNERS MANAGEMENT INC.	INDUSTRIAL & MANUFACTURING	\$725
CAE	QUÉBEC	CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC	INDUSTRIAL & MANUFACTURING	\$475
AMP SOLAR GROUP	ONTARIO	CARLYLE GROUP	CLEANTECH	\$374
BENZINGA	ONTARIO	BERINGER CAPITAL	FINANCIAL	\$371
AUVIK NETWORKS INC.	ONTARIO	GREAT HILL PARTNERS	ICT	\$314
FULLSCRIPT	ONTARIO	SNAPDRAGON, HGGC, LLC	LIFE SCIENCES	\$299
BENEVITY	ALBERTA	CANADA PENSION PLAN INVESTMENT BOARD, TPG CAPITAL, GENERATION INVESTMENT MANAGEMENT, ALBERTA INVESTMENT MANAGEMENT CORP., VESTCOR INC., HG CAPITAL	ICT	\$252
VETCARE CANADA INC.	BRITISH COLUMBIA	NORTHLEAF CAPITAL PARTNERS	LIFE SCIENCES	\$175
CONFEDERATION FREEZERS REAL ESTATE	ONTARIO	TRICOR PROPERTY PARTNERS, PREMIUM BRANDS	REAL ESTATE	\$171
PRODIGY EDUCATION	ONTARIO	CANADIAN BUSINESS GROWTH FUND, TPG GROWTH	ICT	\$159

\*There were 16 undisclosed deals totalling \$4.3B excluded from this table.

# TOP CANADIAN CITIES/ ADMINISTRATIVE CENTRES

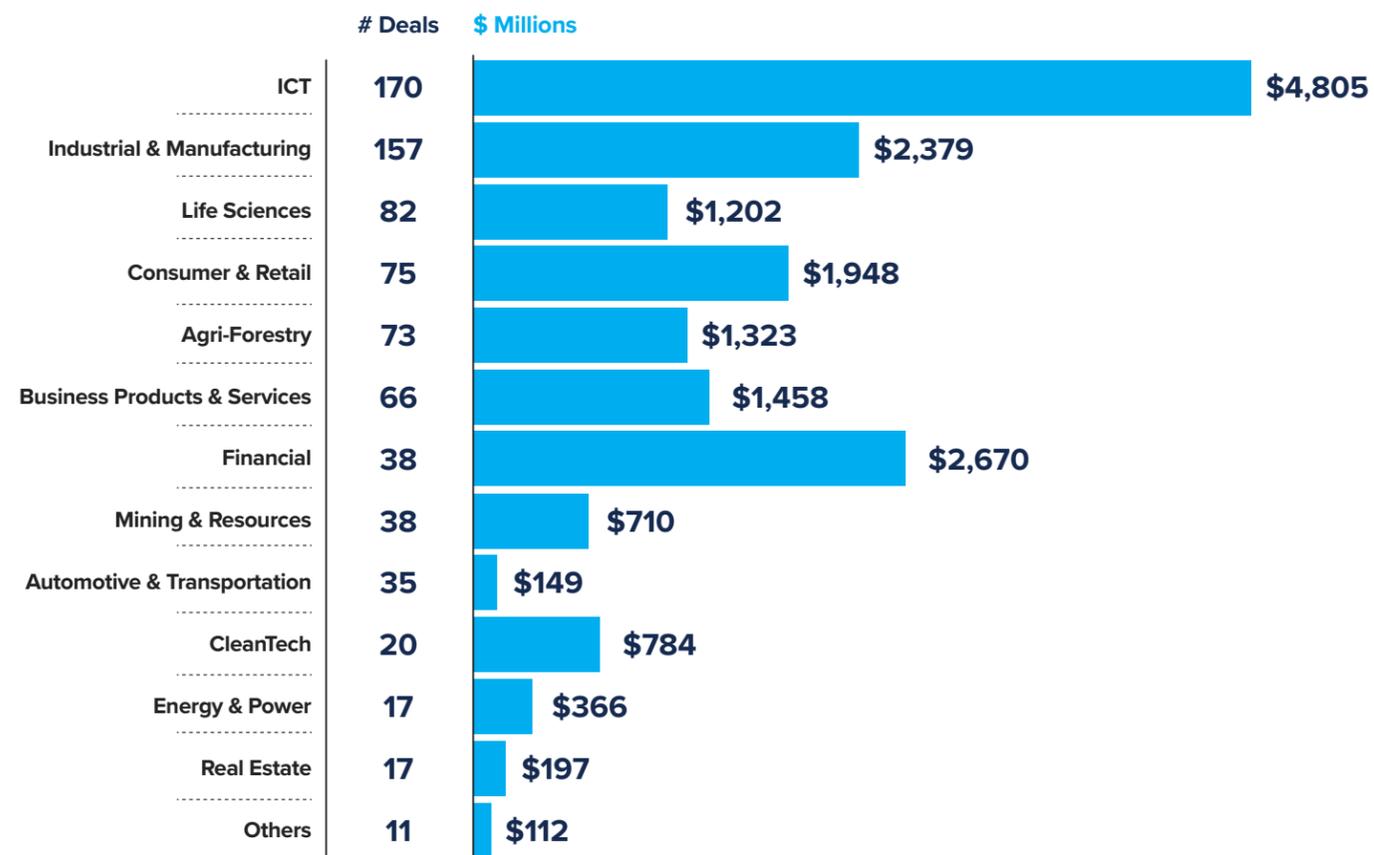


**#1 MONTREAL**  
**\$4.9B**  
**110 DEALS**

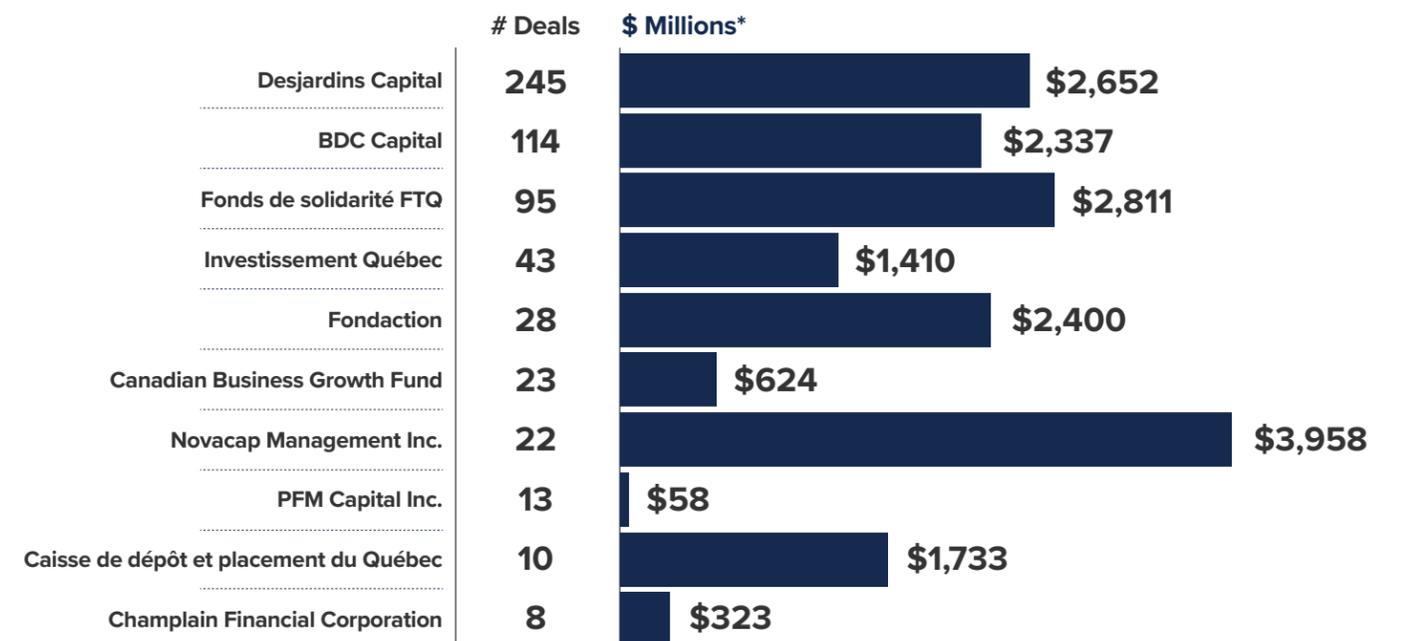


# PE SECTOR BREAKDOWN

The ICT sector led 2021, accounting for 21% of all PE investment activity and 27% of all dollars invested, however this was a 3% decline in dollars invested compared to the previous year (\$4.96B). Energy & Power and Automotive & Transportation sectors also experienced a decrease in dollars invested compared to 2020. Dollars invested in most sectors increased compared to 2020, with the biggest surge across Financial (1412% increase in dollars invested), Business Products & Services (312% increase in dollars invested), and Cleantech (189% increase in dollars invested).



# MOST ACTIVE PRIVATE EQUITY INVESTORS



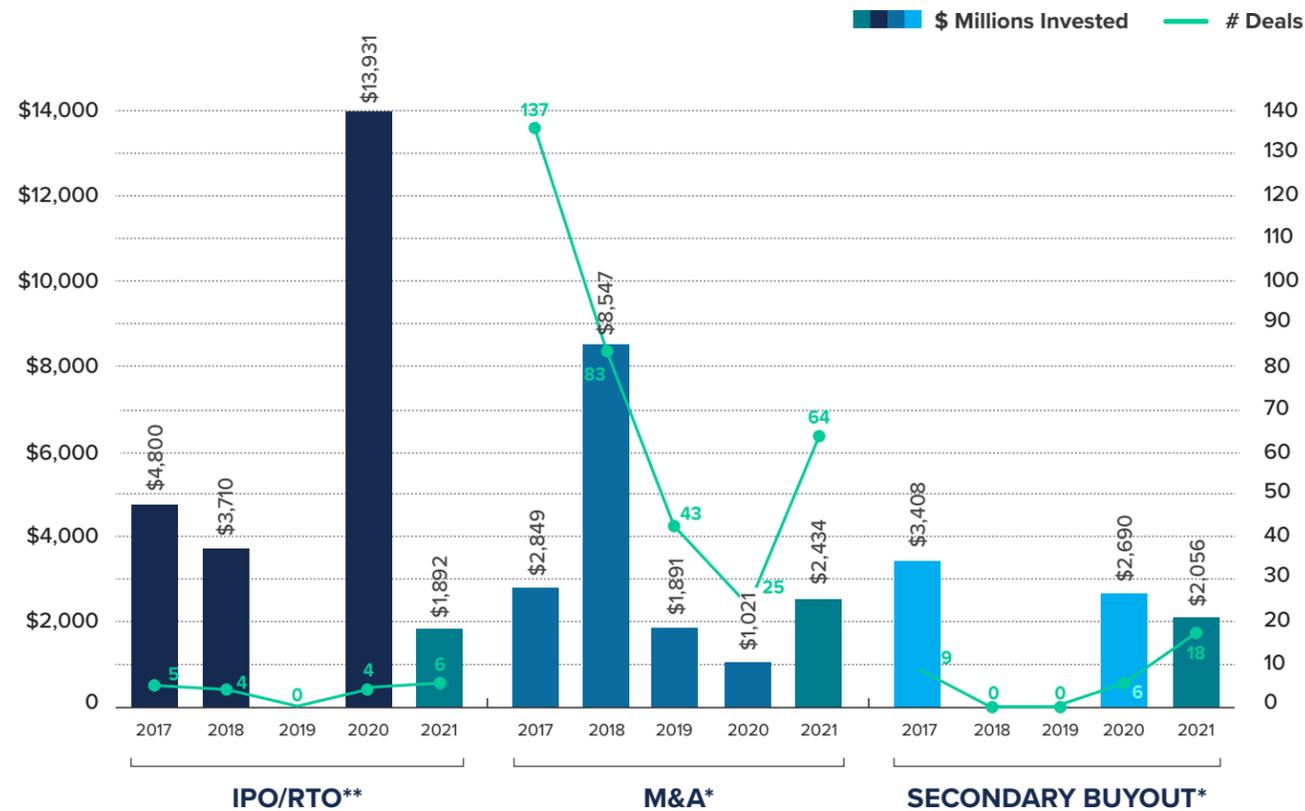
**MOST ACTIVE:**  
**DESJARDINS CAPITAL: 245 DEALS, \$2.7 BILLION**

\*Total deal values - includes all participating investors

# PE EXITS

2021 saw the highest number of exits on record with 88 exits totaling \$6.4B. While the activity is high the overall value is lower than historical values. We may see this trend continue in 2022 as public market continue to display volatility.

This trend was also found across secondary buyout deals (\$2B across 18 buyouts), demonstrating a 200% increase in the amount of secondary buyouts with almost 24% less value in dollars raised compared to 2020. This could be attributed to the rise of continuation vehicles that allow GPs to stay the course longer with their portfolio companies, at a time when funds are looking for ways to offer LPs liquidity due to the impact of the pandemic. Recent Canadian examples include funds from Novacap and TorQuest Partners. On the other hand, M&A exits returned to pre-pandemic levels in terms of the value raised with \$2.4B, with 64 exits, 2.5x more M&A exits from 2020 and 49% increase from 2019.



\* includes transactions with undisclosed values \*\* IPO valuation

# TOP DISCLOSED PE EXITS\*

SELLER	COMPANY	ACQUIRER	\$ MIL
BIRCH HILL EQUITY PARTNERS	TERRAPURE	GFL ENVIRONMENTAL	\$928
CERBERUS CAPITAL MANAGEMENT, L.P.	ABC TECHNOLOGIES	IPO ON TSX	\$525
CANADIAN BUSINESS GROWTH FUND	PAYBRIGHT	AFFIRM	\$340
PENDER GROWTH FUND INC.	TANTALUS SYSTEMS	IPO ON TSX-V	\$87

\* There were 5 additional undisclosed exits totalling \$1.96B excluded from this table.

# PARTICIPATING DATA CONTRIBUTORS

CVCA thanks the following firms who participated in its Q4 2021 survey.

## VENTURE CAPITAL FIRMS

2150 Ventures	Clanton Capital	Highline Beta	Relay Ventures
7 Gate Ventures	Conexus Venture Capital	Information Venture Partners	Renewal Funds
Accelerate Fund	CTI Life Sciences	Innovacorp	Rhino Ventures
Active Impact Investments	Cycle Capital Management	inovia Capital	Roadmap Capital
Alate Partners Inc.	Emerald Technology Ventures	KJSM Ventures Canada	Round 13 Capital
AmorChem Fund	Energia Ventures	Klass Capital	Sand Hill North
Amplify Capital	Espresso Capital Ltd.	Luge Capital	ScaleUP Ventures
Amplitude Ventures	Evok Innovations	Lumira Ventures	StandUp Ventures
Anges Quebec	FACIT	MaRS IAF	Tactico Inc.
AQC Capital	Fastbreak Ventures	McRock Capital	Tandem Expansion
ArcTern Ventures	Ferst Capital	Metiquity	TandemLaunch
Azure Capital Partners	FINTOP Capital	N49P	TELUS Pollinator Fund
BCF Ventures	First Ascent Ventures	NAventures	TELUS Ventures
BDC Cleantech Practice	Fonds Innovexport	OMERS Ventures	The51
BDC Intellectual Property-Backed Financing	Framework Ventures	Panache Ventures	Top Renergy
Boreal Ventures	Freycinet Ventures	Pangaea Ventures	Uncork Capital
Brightspark Ventures	Golden Ventures	Pender Ventures	Venbridge Ltd.
Builders VC	Good News Ventures	Plank Ventures	Version One Ventures
CEMEX Ventures	Grand Ventures	Quark Venture	Voyager Capital
CIBC Innovation Banking	GreenSky Capital Inc.	Raiven Capital	Wesley Clover International
CIC Capital Ventures	Greensoil PropTech Ventures	Real Ventures	White Star Capital
			Yaletown Partners

## PRIVATE EQUITY & LSPEC FIRMS

AIP Private Capital	Clairvest Group Inc.	Maverix Private Equity	Searchlight Capital Partners
ARC Financial	Clearspring Capital Partners	Mink Capital	Tricor Pacific Capital Ltd.
Ardenton Capital Corporation	Fengate Real Asset Investments	Mosaic Capital Corporation	Upper Stage Ventures
ATB Private Equity	Fulcrum Capital Partners	Novacap Management Inc.	VERTU Capital
BDC Growth & Transition Capital (BDC GTC)	Highland West Capital	Peloton Capital Management	Westcap Mgt. Ltd
BDC Growth Equity	Instar Asset Management Inc.	Persistence Capital Partners	Western Investment Company of Canada Limited
BMO Capital Partners	Ironbridge Equity Partners	PFM Capital Inc	White Wolf Capital LLC
CAI Capital Partners	Kayne Capital	PRIVEQ Capital Funds	XPND Capital
Canadian Business Growth Fund	Killick Capital Inc.	Regimen Equity Partners	
CIC Capital Canada	m2s Capital	Seafort Capital	

## LIMITED PARTNERS

Alberta Enterprise Corporation	Fonds de solidarite FTQ	Ontario Capital Growth Corporation
BDC Venture Capital	Fonds de solidarite FTQ (Regional)	Ontario Teachers' Pension Plan (OTPP)
Bluesky Equities Ltd.	Investissement Quebec	Teralys Capital
Desjardins Capital	Kensington Capital Partners Ltd.	
Fondaction	Northleaf Capital Partners	

If you would like to have your firm included in future reports, please [click here](#).

# CVCA METHODOLOGY: PRIVATE EQUITY

## PRIVATE EQUITY DATA:

Dataset includes only completed private equity deals (announced but yet to be completed deals are not included).

PE DEAL TYPE	
<b>BUYOUT</b>	INVESTMENT FOR THE CONTROL OF A PORTFOLIO COMPANY, INCLUDING PLATFORM CREATION, SECONDARY BUYOUT
<b>GROWTH</b>	SIGNIFICANT MINORITY INVESTMENT INTO A PORTFOLIO COMPANY, THROUGH NEW CAPITAL INFUSION AND RECAPITALIZATION
<b>ADD-ON</b>	CORPORATE ACQUISITIONS BY MAJORITY CONTROLLED PE BACKED PORTFOLIO COMPANIES
<b>DEBT</b>	DEBT INVESTMENT INTO PORTFOLIO COMPANIES
<b>INFRASTRUCTURE</b>	INVESTMENTS INTO DEVELOPMENT AND MANAGEMENT OF INFRASTRUCTURE ASSETS BUT PE DOES NOT OWN THE UNDERLYING ASSETS

PE SECTORS	
<b>AGRI-FORESTRY</b>	AGRICULTURE, FOODS AND FORESTRY
<b>AUTOMOTIVE &amp; TRANSPORTATION</b>	TRANSPORTATION, LOGISTICS AND RELATED SERVICES
<b>BUSINESS PRODUCTS &amp; SERVICES</b>	BUSINESS PRODUCTS AND SERVICES
<b>CLEANTECH</b>	ENERGY AND FUEL TECHNOLOGIES, EFFICIENCY AND CONSERVATION, RENEWAL ENERGY, ENVIRONMENTAL TECHNOLOGIES AND OTHER ENERGY AND ENVIRONMENTAL PRODUCTS AND SERVICES
<b>CONSUMER &amp; RETAIL</b>	CONSUMER PRODUCTS AND SERVICES, BRICK AND MORTAR RETAIL
<b>FINANCIAL</b>	FINANCIAL SERVICES
<b>ICT</b>	COMPUTER HARDWARE/SOFTWARE & SERVICES, INTERNET SOFTWARE & SERVICES, ECOMMERCE, ELECTRONIC & SEMICONDUCTOR, MOBILE & TELECOM AND SERVICES
<b>INDUSTRIAL &amp; MANUFACTURING</b>	EQUIPMENT AND MATERIAL MANUFACTURING
<b>LIFE SCIENCES</b>	BIOTECH, MEDICAL DEVICES, PHARMACEUTICALS, EHEALTH, HEALTHCARE PRODUCTS AND SERVICES, AND OTHER MEDICAL RELATED PRODUCTS AND SERVICES
<b>MINING &amp; RESOURCES</b>	NON OIL AND GAS NATURAL RESOURCES
<b>OIL &amp; GAS, POWER</b>	OIL & GAS, POWER AND UTILITIES
<b>REAL ESTATE</b>	PROPERTY DEVELOPMENT AND MANAGEMENT

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