

The title of the report, "Global Private Equity Fact Book Q3 2020", displayed in a white, bold, sans-serif font against a dark blue background with a grid and candlestick chart overlay.

**Global Private Equity Fact Book
Q3 2020**

Cash-rich investors seeking attractive investment opportunities drove global Private Equity (PE) investment activity in Q3 2020



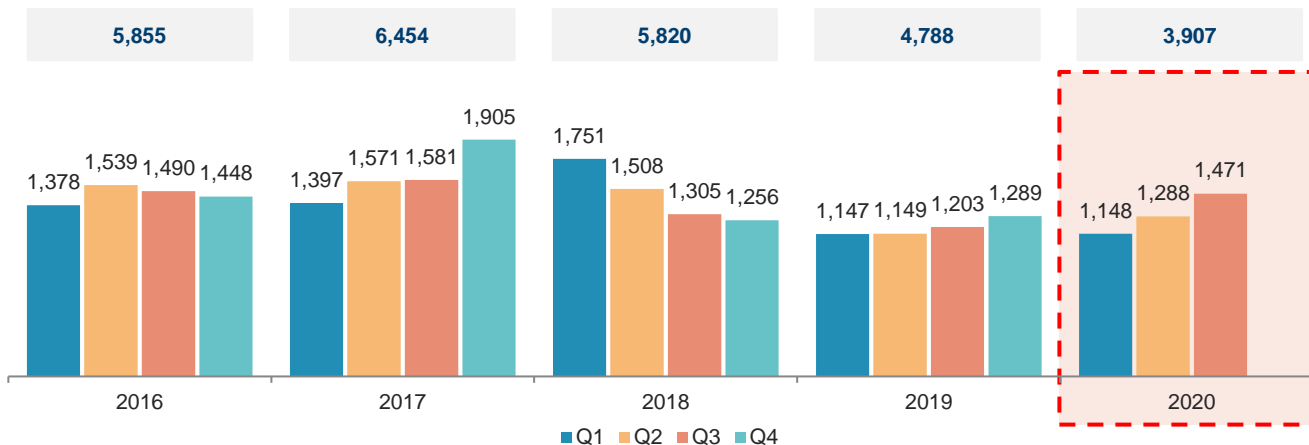
\$1,400 Mn	Median Fund Size	\$1,200 Mn
11.0%	Internal Rate of Return	10.3%
\$30.9 Mn	Median Dry Powder	\$34.9 Mn
0.9x	DPI Multiple	0.9x
1.4x	TVPI Multiple	1.4x
0.5x	RVPI Multiple	0.6x

Source: Pitchbook, Aranca Analysis

Note: Quarters are representatives of the calendar year.

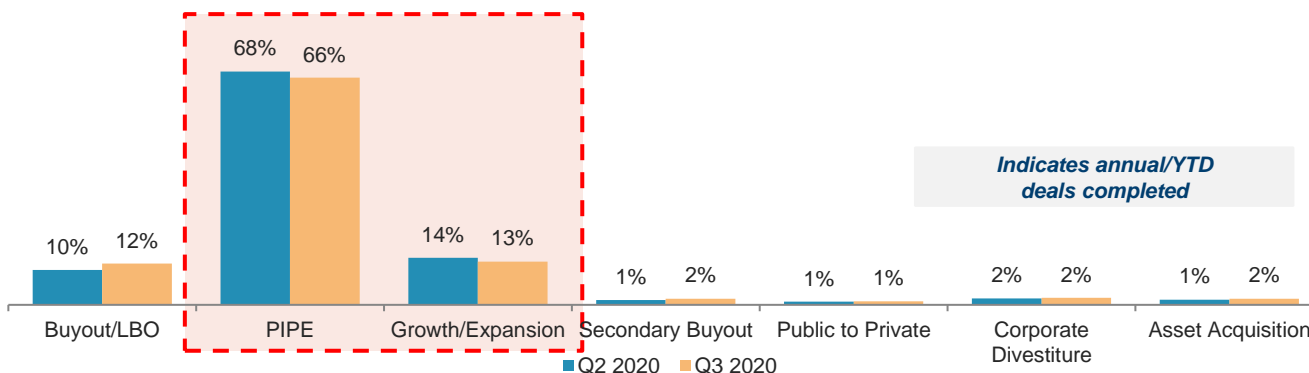
PIPE transactions led the 14% growth in number of deals over previous quarter

Number of Deals (Units)



“We are beginning to see enquiries from private equity clients pursuing opportunistic acquisitions at perceived favorable pricing terms with a view to increasing market share for existing portfolios, bolting on complementary product lines or simply creating economies of scale.”

– Senior Associate, Global Private Equity Advisor



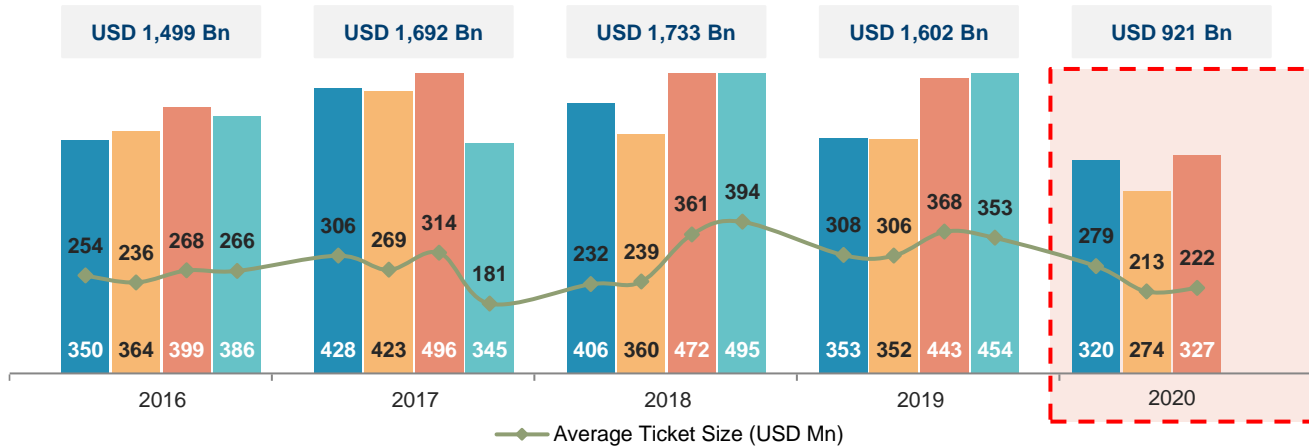
“Private equity is going to continue to prosper. A lot of trends that were just beginning to emerge prior to the 2020 global shutdown are accelerating going into this next cycle and consumers are re-evaluating business models. We will continue to see more economic growth and innovation happening in the private sector going forward.”

– Private Equity Director, Global Consulting Firm

*PIPE: Private Investments in Public Equity
 Source: Pitchbook, Aranca Analysis

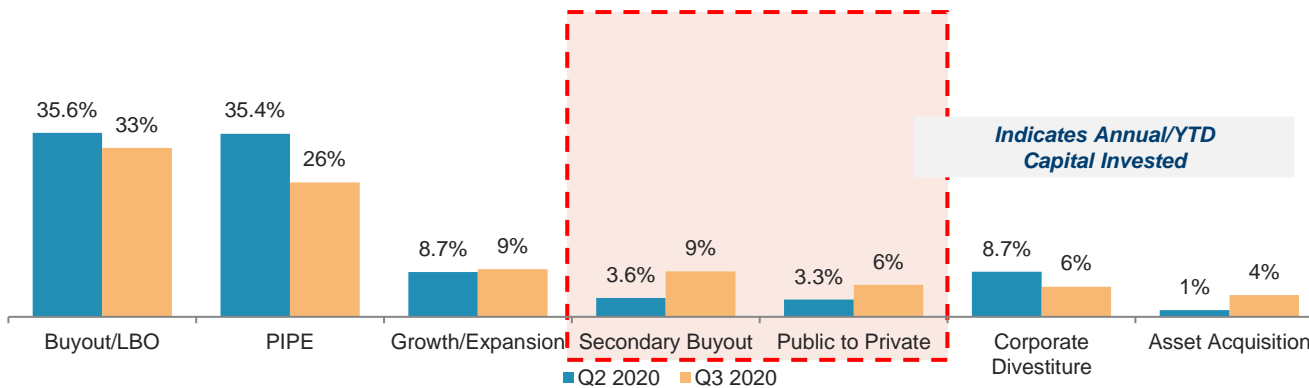
Capital invested also surged due to increased deployment of dry powder in distressed assets through secondary buyouts, public-to-private transactions

Capital Invested (USD Bn)



“As an investor evaluates different opportunities in this environment, a black swan event like 2020 creates buying opportunities into companies that have strong business models and management teams that are positioning themselves to capture market share. I am currently seeing these types of opportunities in sectors that are defensive, sectors that are capitalizing on accelerating tailwinds, and sectors that have evergreen demand”

– Private Equity Director, Global Consulting Firm



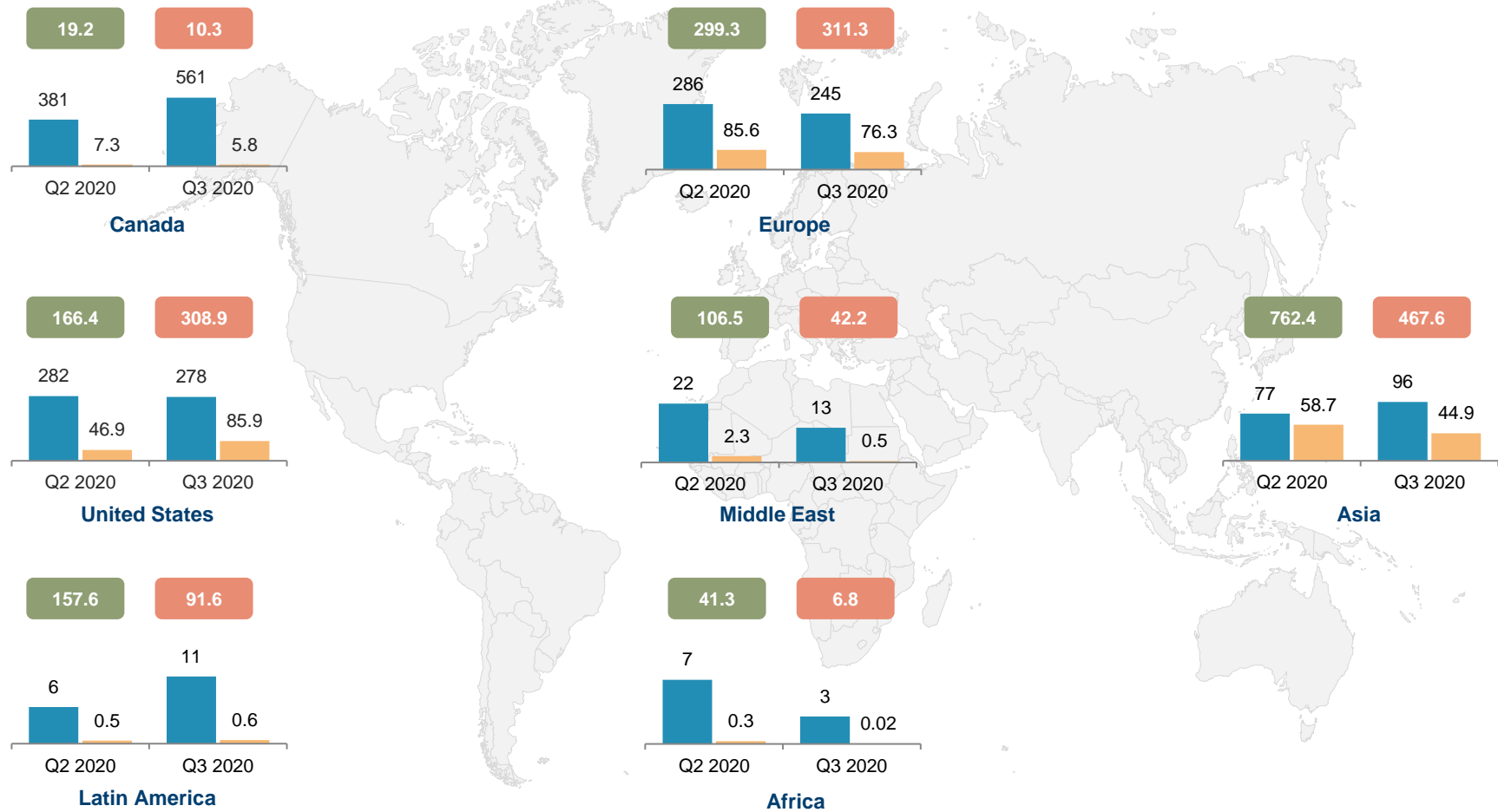
“The level of dry powder in the PE space is significant. And PE firms will be under pressure to deploy it. In the coming weeks and months, with public markets flagging and potential corporate buyers holding onto their cash, overall competition for assets is likely to wane, leaving PE to reap the rewards.”

– Financial Data & Analytics Co.

Source: Pitchbook, Aranca Analysis

The US registered highest capital infusion in Q3 2020 despite economic uncertainty, with PE investments almost doubling to USD 86 Bn

Target Geographies

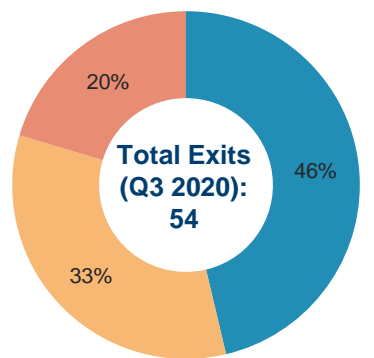
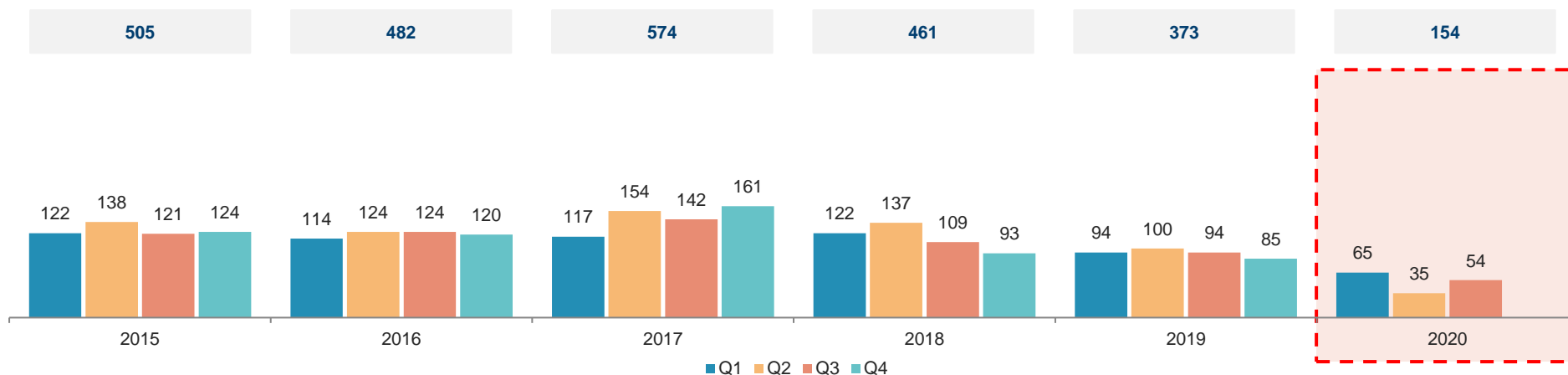


Source: Pitchbook, Aranca Analysis

■ Average Deal Size (USD Mn) (Q2 2020)
 ■ Average Deal Size (USD Mn) (Q3 2020)
 ■ Number of Deals (Units)
 ■ Capital Invested (USD Bn)

Exits picked up, with cash-crunched investors selling off assets to cash-rich PE firms or listing IPOs

Number of Exits (Units)



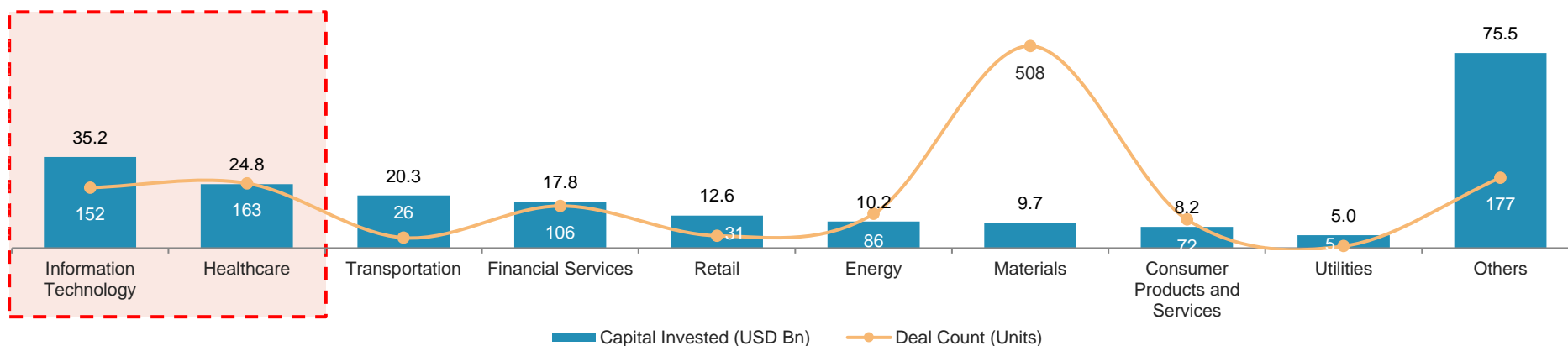
■ Secondary Buyout ■ Buyout ■ IPO

Exit Multiple*	IPO		Buyout		Secondary Buyout		Investor Buyout by Management	
	Q3 2020	Q2 2020	Q3 2020	Q2 2020	Q3 2020	Q2 2020	Q3 2020	Q2 2020
Enterprise Value (USD Mn)	-	-	163.8	730.0	500.0	392.3	-	-
EV/EBITDA	-	-	18.4	9.8	11.9	5.7	-	-
EV/Revenue	-	-	3.4	4.6	2.0	1.6	-	-

Source: Pitchbook, Aranca Analysis

*Note: All multiples indicate median value

IT and healthcare sectors attracted ~50% of total PE investments in Q3 2020



Primary Industry	Company Name	Deal Date	Deal Size (USD Mn)	% Acquired	Deal Type	Investors	Deal Size/ EBITDA	Deal Size/ Revenue	EV/ EBITDA	EV/ Revenue
Business Products & Services	IRKUT	Aug-20	19,800	-	PIPE	-	-	23.2x	-	-
	Tech Data	Jul-20	6,000	100%	Buyout	Apollo Global Management	8.5x	0.2x	8.5x	0.2x
	Viridor Waste Management	Jul-20	5,243	99.5%	Buyout	Hermes GPE, Kohlberg Kravis Roberts	-	-	-	-
	Reliance Jio Infocomm (Tower & Fiber Assets)	Aug-20	3,400	100%	Buyout	Brookfield Asset Management, Government of Singapore Investment Corporation	-	-	-	-
Consumer Products & Services	Ancestry	Aug-20	4,700	75%	Buyout	The Blackstone Group	-	-	-	-
Information Technology	Epicor Software	Aug-20	4,700	100%	Buyout	Clayton, Dubilier & Rice	-	-	-	-
	LogMeln	Aug-20	4,300	100%	Buyout	Evergreen Coast Capital, Francisco Partners	13.5x	3.3x	12.7x	3.1x
	Jio	Jul-20	3,970	6.1%	Growth/ Expansion	7 Global Capital, General Atlantic, L Catterton, Saudi Arabia's Public Investment Fund, Silver Lake Management	2.9x	1.5x	-	-
Energy	PG&E	Jul-20	4,543	-	PIPE	Appaloosa, Fidelity, Third Point, Zimmer Partners, Others	-1.1x	0.3x	-	-
Materials	Master Builders Solutions	Jul-20	3,567	100%	Buyout	Lone Star Funds	-	-	-	-
Median							5.7x	1.5x	10.6x	1.6x

Source: Pitchbook, Aranca Analysis

Deals include both completed and announced

Markets rallied post Covid-19-led lows; PE firms continued to outperform equity market



Index	Index Returns	
	Q2 2020	Q3 2020
Thomson Reuters Private Equity Index	65%	93%
S&P 500 Index	51%	63%

Source: Reuters Eikon, Aranca Analysis

Way Forward

*“With the road to recovery shrouded in uncertainty, deal makers are grappling with an unfamiliar landscape, Deal flow will remain comparatively muted for the balance of 2020, but, in line with industry expectations, we believe M&A will pick up as the economy turns around in 2021.” – **Leader, Advisory Firm (North America)***

*“The theme of more cautious investing while refocusing on internal growth, combined with fewer “traditional” sales processes and more bespoke or niche opportunities, indicate a broader shift towards a buyer’s market, or at least a market where bilateral or proprietary transactions become more prevalent.” – **Co-founder and chief investment officer, Private Equity Fund (Asia Pacific)***

*“The priority for many fund managers in Q3 of 2020 and as we move into Q4 will be to quantify the pandemic’s impact on asset valuations and stabilize the liquidity position across existing portfolios before embarking on further acquisitions.” – **Senior Associate, Global Private Equity Advisor***

*“While other investors prefer to stay on the sidelines during this economic upheaval, private equity firms are buying at valuations representing deep discounts from 2019 levels. Investment in distressed companies is likely to surge.” – **Chairman, Private Equity Fund (Europe)***

Source: Aranca Analysis

PE Industry Outlook



Investment activity to rise in upcoming quarters



Focus on mergers & acquisitions and distressed asset deals



Focus on portfolio companies and improvement of financial performance



Market expected to consolidate; smaller funds to perish in low-return environment



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