

# Global Private Equity Fact Book

## Q4 2020

## Globally, private equity (PE) deal sizes increased while exits doubled in Q4 2020



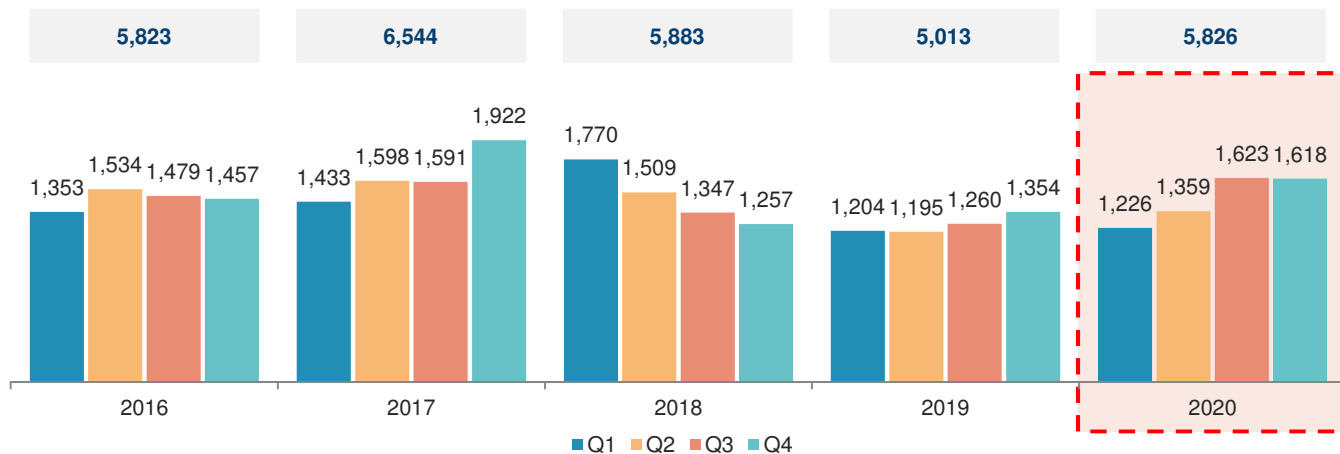
\$983 Mn	Median Fund Size	\$860 Mn
11.2%	Internal Rate of Return	9.8%
\$32 Mn	Median Dry Powder	\$41 Mn
0.9x	DPI Multiple	0.5x
1.4x	TVPI Multiple	1.3x
0.5x	RVPI Multiple	0.8x

Source: Pitchbook, Aranca Analysis

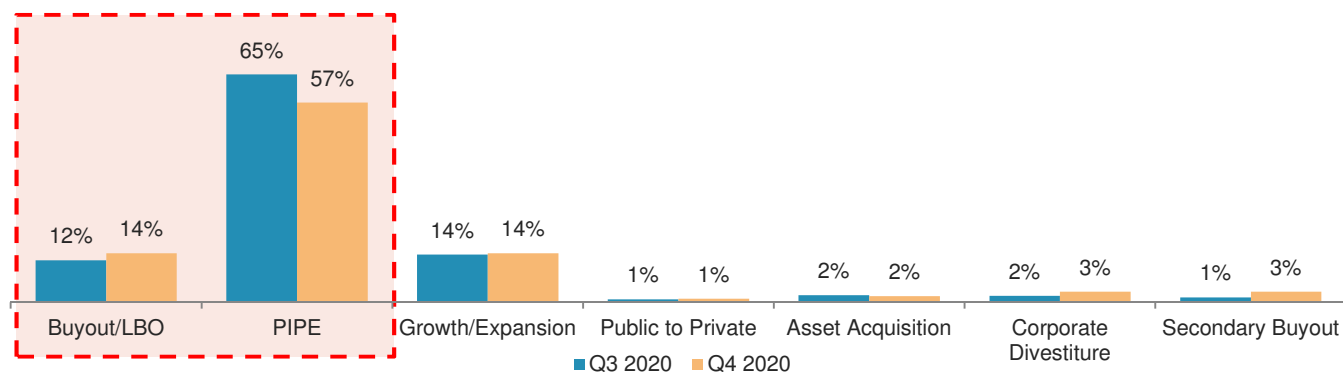
Note: Quarters are representatives of the calendar year.

## Deal volumes remained stable, led by investments in public equity, leveraged buyouts

Number of Deals (Units)



Indicates annual/YTD deals completed



“Transaction volume is up significantly in Q4 2020, led by technology deals. That trend is likely to continue in Q1 2021. Now is the time for companies to ensure they’re ready to execute a transaction. Senior management and board members will want to assess their organization’s transaction capabilities and consider questions such as: Is there a formal transaction process? Are there stated execution protocols? Are roles and responsibilities clearly delineated?”

– **Managing Director, Global M&A Practice Leader**

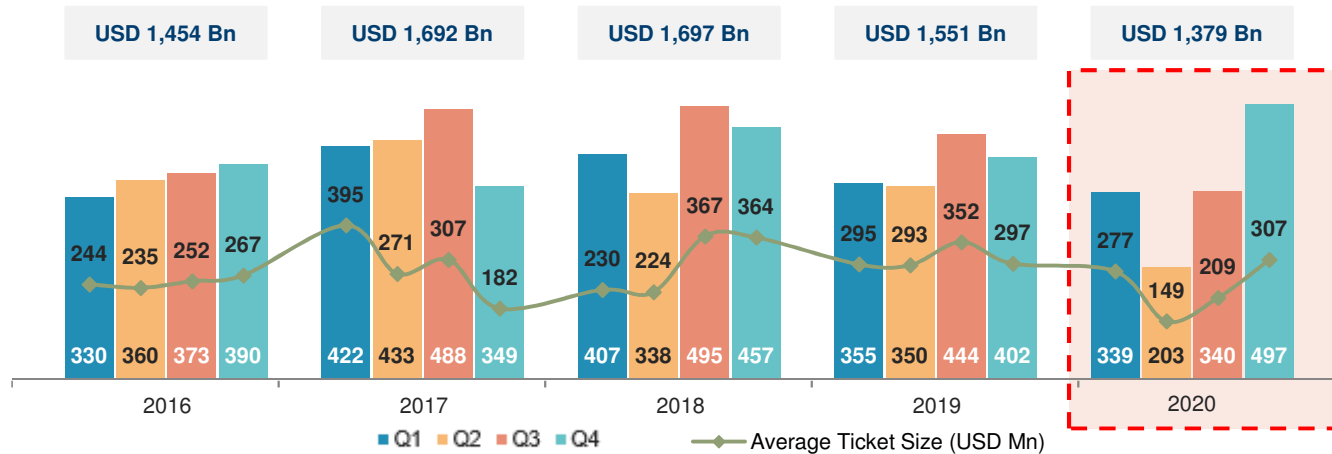
“Volatility is “harder to capture” in the asset class because getting deals over the line takes a longer period of time compared with credit opportunities, for example. But large, traditional buyouts have begun to come back.”

– **CEO, Private Equity Company**

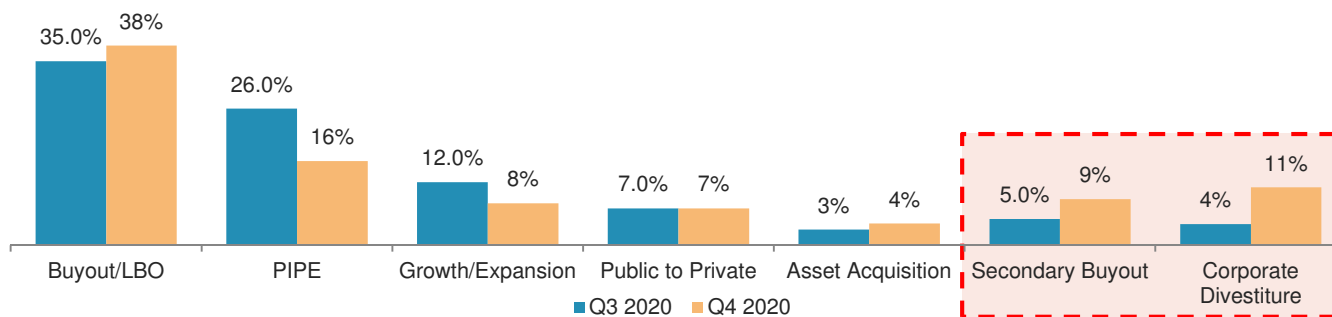
\*PIPE: Private Investments in Public Equity  
Source: Pitchbook, Aranca Analysis

# Capital invested surged by about 45%, led by increased investment in distressed assets through corporate divestiture and secondary buyouts

Capital Invested (USD Bn)



Indicates annual/YTD deals completed



*"It happens every year. Private equity deals typically see an uptick in the fourth quarter, long before the ball drops in New York's Times Square. Even in a year marked by a global pandemic that's triggered worldwide economic downturns comparable to the Great Depression, Q4 2020 has not disappointed."*

**– Private Equity Vice President,  
Global Consulting Firm**

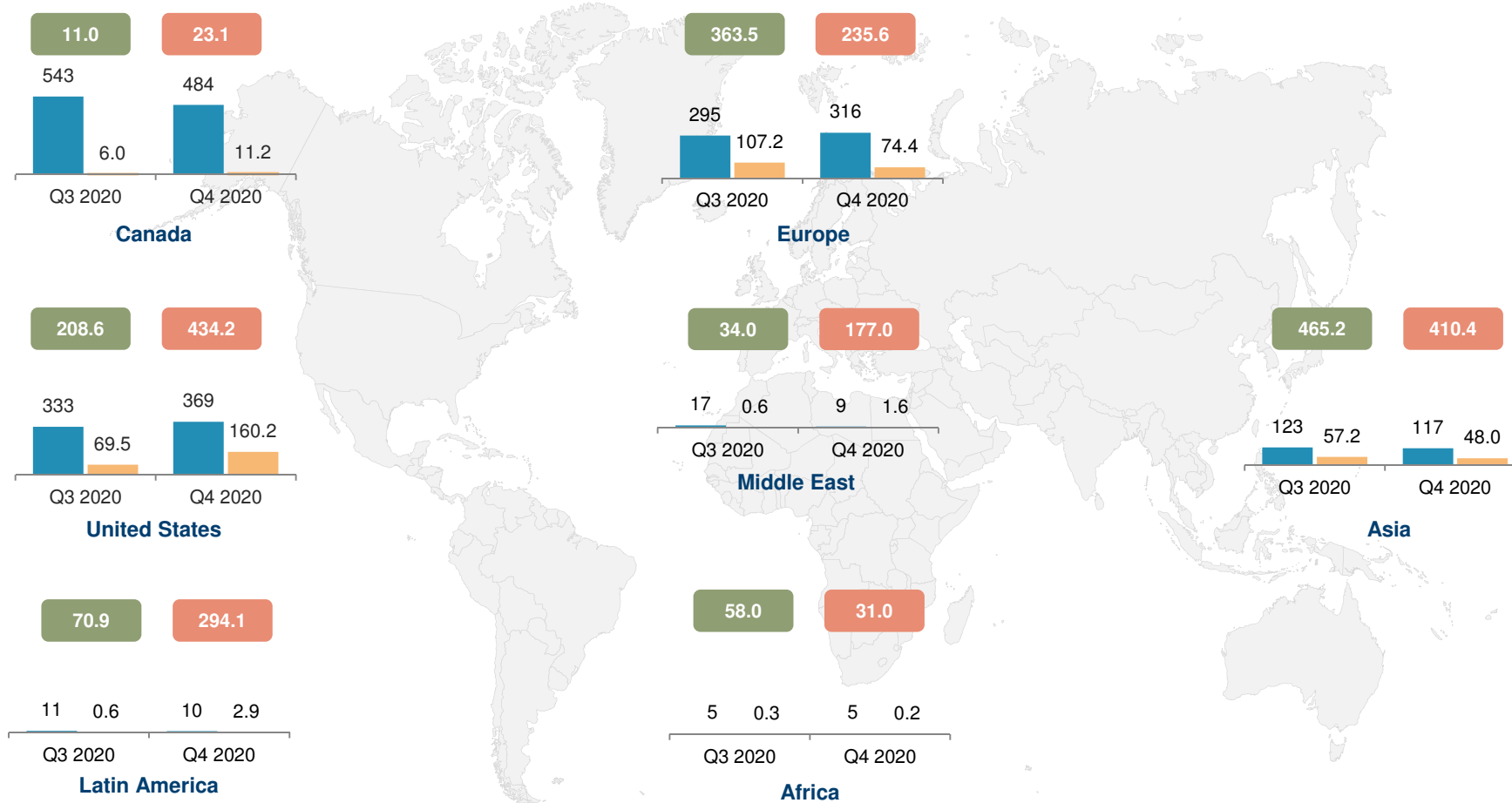
*"Buyout capital calls also reflected an emerging new source of deal flow, as many closely held private companies approached PE shops to see if there might be opportunities to partner. We believe this interest in potentially selling part or all of a company was likely motivated by the expectation of tax changes in the US after the election, and that deal flow has continued into Q3."*

**– Private Markets Investment  
Managing Co.**

Source: Pitchbook, Aranca Analysis

# Capital infusion in North America more than doubled with big-ticket investments in Q4 2020

## Target Geographies

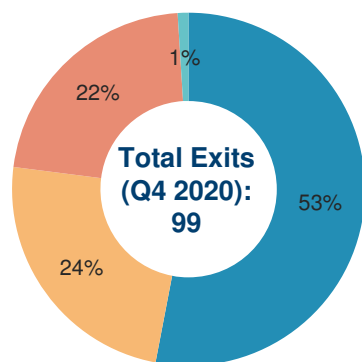
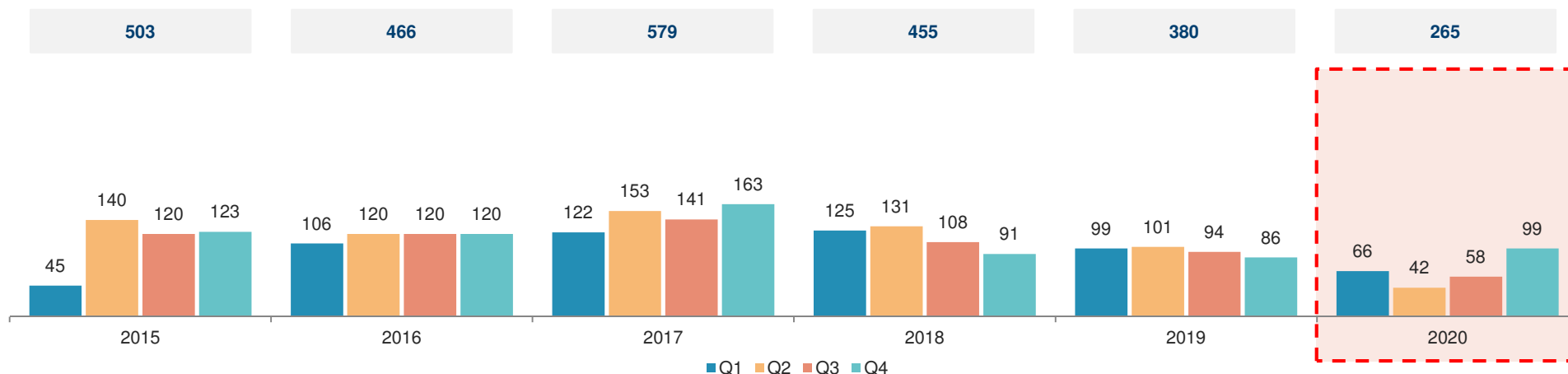


Source: Pitchbook, Aranca Analysis

■ Average Deal Size (USD Mn) (Q3 2020) 
 ■ Average Deal Size (USD Mn) (Q4 2020) 
 ■ Number of Deals (Units) 
 ■ Capital Invested (USD Bn)

## Exits increased as investors targeted secondary buyouts of distressed assets

Number of Exits (Units)



■ Secondary Buyout ■ IPO ■ Buyout ■ Investor Buyout by Mgt.

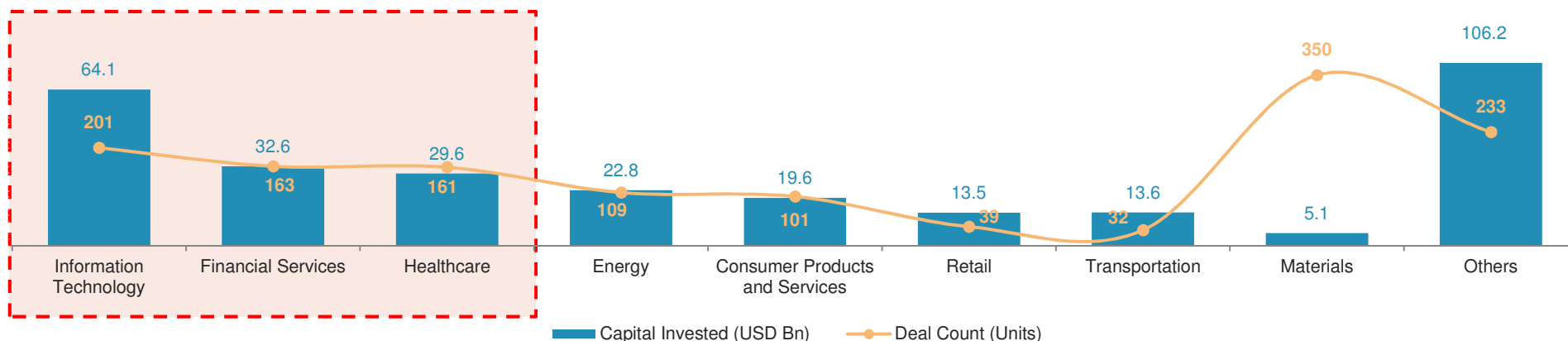
Exit Multiple*	IPO		Buyout		Secondary Buyout		Investor Buyout by Management	
	Q4 2020	Q3 2020	Q4 2020	Q3 2020	Q4 2020	Q3 2020	Q4 2020	Q3 2020
Enterprise Value (USD Mn)	-	-	473.4	140.0	525.0	428.4	-	205.0
EV/EBITDA	-	-	3.8	14.0	7.5	15.2	-	15.2
EV/Revenue	-	-	1.7	2.5	1.0	2.0	-	2.4

Source: Pitchbook, Aranca Analysis

\*Note: All multiples indicate median value



## IT, financial services, healthcare sectors attracted about 40% of all PE investment in Q4 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 and Services	Apollo Tyres	Dec-20	10,800	9.9%	PIPE	-	41.8x	5.3x	-	-
	Ingram Micro	Dec-20	7,200	100%	Buyout	Platinum Equity(Tom Gores)	-	-	-	-
Financial Services	Metro Bank (Portfolio of Prime United Kingdom Mortgages)	Dec-20	4,141	100%	Buyout	NatWest Group (Alison Rose-Slade)	-	-	-	-
Consumer Products & Services	Ancestry	Dec-20	4,700	75%	Buyout	The Blackstone Group	-	-	-	-
	Unibail-Rodamco-Westfield	Oct-20	4,111	-	PIPE	-	-1.08x	1.2x	-	-
Information Technology	RealPage	Dec-20	10,200	100%	Buyout	Thoma Bravo (Orlando Bravo)	41.7x	9.2x	-	-
	Wave	Nov-20	8,100	100%	Buyout	Stonepeak Infrastructure Partners (Brian McMullen)	-	-	-	-
	Epicore Software	Oct-20	4,700	100%	Buyout	Clayton, Dubilier & Rice(Jeffrey Hawn)	-	-	-	-
Healthcare	Gainwell Technologies	Oct-20	5,000	100%	Buyout	Veritas Capital	-	-	-	-
	China Biologic Products Holdings	Nov-20	4,760	100%	Buyout	Centurium Capital(David Li), CITIC Capital, Hillhouse Capital Group, Temasek Holdings, V-Sciences Investments	22.0x	9.3x	17.0x	7.2x
Median							22.0x	5.3x	14.9x	5.9x

Source: Pitchbook, Aranca Analysis

Deals include both completed and announced; Data at sector level is as reported and does not add up to the total numbers reported by Pitchbook.

## PE firms continued to outperform equity market backed by strong deal activity in Q4 2020



Index	Index Returns	
	Q3 2020	Q4 2020
Thomson Reuters Private Equity Index	93%	133%
S&P 500 Index	62%	82%

Source: Reuters Eikon, Aranca Analysis



## Way Forward

*“The M&A recovery that began in the second half of 2020 will accelerate in 2021, as corporate and private investors have access to capital and can pursue deals to build scale and expand scope..” – **Deals Leader, Advisory Firm (US)***

*“Armed with a huge amount of capital, private equity firms are exploring opportunities in the energy and healthcare sectors, and retail businesses also likely will remain targets in 2021. Some PE buyers believe they can optimize operations and improve returns from legacy retail owners as businesses serve customers in new and varied channels.” – **Deals Research and Insights Leader, Advisory Firm (US)***

*“Looking at the private capital space, distressed assets represent significant market opportunities for well-positioned investors. There was an expectation that this would happen early in 2020, driven by weak valuations, but that has not been the case. As such, the stage is set for a very strong market in 2021.” – **Head of Funds Solutions, Corporate Management Services Company (EMEA)***

*“Operational efficiencies and the delivery of customizable data have accelerated up the agenda across 2020, and we see a strong trend for managers to partner with outsourcing specialists that can meet these requirements. This allows them to focus on asset management and realizing market opportunities.” – **Commercial Director, Corporate Management Services Company (US)***

Source: Aranca Analysis

### PE Industry Outlook



**Mergers and acquisitions to lead recovery**



**PE to remain bullish on IT, healthcare sectors**



**PE firms to target distressed assets for growth opportunities**



**Focus on managing assets and realizing market opportunities**





# About Aranca







**500+**

strong team professional team  
across multi-disciplinary domains

**2500+**

global Clients

**120+**

sectors and sub-sectors  
researched by our analysts

**80+**

countries where we have delivered  
projects

Aranca is a trusted research & advisory partner to global companies, from the hottest start-ups to the Fortune 500.

## PRACTICE AREAS



### Business Research & Advisory

CXOs in Strategy, SBUs, Sales, Marketing, CI/MI, Innovation



### Valuation & Financial Advisory

CFOs in Start-ups, PE/VC firms, Corporate M&A teams, mid-market cos.



### Technology | IP Research & Advisory

R&D, Tech Scouting, Open Innovation, IP teams, Product Development



### Investment Research & Analytics

Brokerage, Hedge Funds, IRPs, I-Banks, AMCs, Investor Relations

## Connect with our subject matter experts for further assistance

### Senior Private Equity Team



#### Ashwin Ramakrishnan

VP, Financial Services  
Business Research & Advisory

+91.22.3937 9999 (Extn: 220)  
Ashwin.ramakrishnan@aranca.com



#### Siddharth Jaiswal

Head, Private Equity  
Business Research & Advisory

+91.22.3937 9999 (Extn: 234)  
Siddharth.jaiswal@aranca.com



#### Mohak Marwah

Manager, Financial Services  
Business Research & Advisory

+91.22.3937 9999 (Extn: 382)  
Mohak.marwah@aranca.com

*For additional details, please contact:*



Privateequity.Aranca.com







BUSINESS RESEARCH  
& ADVISORY



TECHNOLOGY INTELLIGENCE &  
IP RESEARCH



VALUATION  
ADVISORY



INVESTMENT RESEARCH  
& ANALYTICS



PROCUREMENT & SUPPLY  
CHAIN INTELLIGENCE

This material is Aranca's exclusive property. No part of this presentation may be used, shared, modified and/or disseminated without permission. All rights are reserved.

## About Aranca

Founded in 2003, Aranca is the preferred and trusted custom research partner to global companies. Aranca offers a range of research and consulting services with expertise in market research, competitor intelligence, market feasibility, buy side/sell side equity research, business valuation, technology research, and procurement research.

## For additional details, please contact:

✉ : [siddharth.jaiswal@aranca.com](mailto:siddharth.jaiswal@aranca.com); [ashwin.ramakrishnan@aranca.com](mailto:ashwin.ramakrishnan@aranca.com)

in : <https://www.linkedin.com/company/aranca>

www : [www.aranca.com](http://www.aranca.com) / [privateequity.Aranca.com](http://privateequity.Aranca.com)