

Number of France-based institutions investing in private equity grows 88% since 2018 — Preqin Reports

France-based fund managers are leaders in ESG investing

Preqin, the global leader in alternative assets data, tools, and insights, published its [Private Equity in France 2023: Preqin Territory Guide](#). The report finds that despite solid foundations, last year was slow for both fundraising and investments, while performance held up better than the global averages. With Preqin currently tracking 108 France-based private equity funds in market seeking to raise a total of \$64.0bn, activity is set for a rebound despite the challenging macro environment.

- *There are now 224 France-based institutions that are investing in private equity.*
- *Over the past five years, there has been an average of 327 deals with an average aggregate deal value of €9.6bn.*
- *The best-performing fund manager has been ArchiMed, whose three funds top the table of fund performance.*

Overall, French fund managers are strong and stable. There has been a 88% increase in the number of France-based institutions tracked by Preqin that are investing in private equity, up from 119 in 2018 to 224 as of March 2023. The largest increases are at asset and wealth managers, family offices, corporate investors, government agencies, as well as banks and investment banks. In fundraising terms, France's private equity market has been relatively stable in recent years, with between 30 and 47 funds closing in each of the past five years, and an average of €17.5bn raised.

Performance: delivering double-digit returns

The performance of France-based private equity funds has been in line with the global pool. The five-year horizon internal rate of return (IRR) of 19.2% trails global private equity (20.8%), but the one-year return of 24.8% is some way above the 14.4% for private equity globally. Median net IRRs have been in the mid-to-high teens for funds raised since the Global Financial Crisis. The best-performing French fund manager has been ArchiMed, whose three funds top the table of fund performance.

France leads in ESG investing

France has established itself as a leader in environmental, social, and governance (ESG) investing. The average ESG transparency metric of France-based managers is 20%, ahead of the European average of 14% and considerably higher than North America (9%) and APAC (5%), according to Preqin's ESG Solutions. The country's largest private equity manager, Ardian, is a top performer on Preqin's metrics, with a 78% score for transparency of ESG KPIs.

Deals: an engine of SME growth

On the deals side, France has a particularly active mid-market, a sign of maturity in the private equity ecosystem. Over the past five years, there has been an average of 327 deals with an average aggregate deal value of €9.6bn, giving an average deal size of €29mn. The peak year for transactions was 2021, when 430 deals were completed with a total value of €11.8bn. Activity slowed in 2022, when 223 deals at a value of €5.4bn were completed. The biggest deal last year was CVC's €1.5bn investment in Ligue de Football Professionnel, operator of France's premier football league.

Grant Murgatroyd, Executive Editor and author of the report, says: In the world of private equity, France might not be in the limelight as much as its bigger neighbor Germany. That said, the country's private equity industry is growing and maturing, it has some of the best fund managers in niche markets, and a supportive ecosystem. From a Preqin perspective, the prospects for future growth are strong."

#ENDS#

For more information, and to receive a full copy of the report contact mimiceleste.taylor@preqin.com.

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