

Global Buyout Deals Set for Record Year in 2016

3,985 buyout-backed deals is on par with all-time high of 4,006 deals recorded in 2014

In 2016, private equity-backed buyout deal activity saw an increase in the number of deals but a decline in the total value of transactions, with 3,985 deals recorded for a total of \$319bn. Preqin expects these figures to rise by up to a further 5% as new information becomes available. This marks an increase from the 3,955 transactions seen in 2015 and is likely to overtake the all-time high of 4,006 buyout deals transacted in 2014, although the year is unlikely to match the combined deal value recorded in the past two years. As expected, North America attracted the majority of buyout investment, seeing 2,137 deals concluded for \$190bn, while the total deal value in Europe fell from \$93bn in 2015 to \$88bn through 2016. Asia and the rest of the world saw aggregate values reach \$24bn and \$18bn respectively.

However, the private equity-backed exit environment cooled slightly in 2016, following a sharp growth period in 2014 and 2015. There were 1,682 exits made through the year, worth a combined \$330bn; this signifies a marked decline from the previous year when 1,859 exits totalled \$431bn, and is well short of the \$465bn recorded by 1,910 exits in 2014, an all-time high for the industry. Nonetheless, exit activity in 2016 remains on a par with 2013 and surpassed all preceding years, as market participants continue to enjoy a favourable exit environment.

Other Key Buyout Deals and Exits Facts:

- **Deals by Value Band:** Despite only accounting for 10% of all transactions, **buyout deals larger than \$1bn represented 62% (\$199bn) of the aggregate global deal value in 2016.** Small-cap deals (less than \$100mn) accounted for the majority (54%) of all transactions but just 5% of the total deal value.
- **Deals by Industry:** **Buyout deals for information technology assets totalled \$97bn in 2016,** nearly a third (30%) of the combined deal value, while healthcare (13%) and consumer & retail (13%) also saw significant investment. The industrials sector saw 858 deals, the highest proportion (22%) of any industry.
- **Largest Deals:** Eight of the 10 largest private equity-backed buyout deals were in the US, **including the \$15bn merger involving ADT Security Services, the largest transaction in 2016.** The \$8.6bn acquisition of Finnish games developer Supercell Oy from SoftBank was the second largest deal globally.
- **Sales to GP:** While trade sales continue to dominate the exit market, sales to GP are an increasingly common exit route. **There were 531 sales to GP made through 2016 worth a combined \$79bn,** accounting for 32% of all exits made and 24% of the total exit value.
- **Exits in US and Europe:** North America saw 798 exits in 2016 worth a combined \$189bn, while in Europe 670 exits were made for an aggregate value of \$113bn. **The US accounts for nine of the top ten exits made in 2016, including the \$4.4bn exit from MultiPlan,** while the other exit was made in Spain.

To access further information and analysis, please see the factsheet below:

Comment:

“The opening quarter of the year represented some of the lowest levels of global deal flow seen in recent years, but since then buyout deal activity has rebounded well and is on track for a record number of transactions. The total number and aggregate value of exits across the industry remain lower than the extremely high levels seen throughout 2014 and 2015, however 2016 still represented another successful year of exit activity.

2017 seems likely to present a continuation of the levels of activity in the buyout and exit markets recorded in the past few years. Record high levels of capital available to fund managers, as well as continued strong fundraising, means that there is a lot of capital ready to be put to work, and activity is likely to be correspondingly strong. Preqin’s most recent surveys also suggest that most GPs expect exit activity to maintain or increase. Investor enthusiasm for the private equity asset class remains as strong as ever, and fund managers will be hopeful that they can navigate a congested deal-side market to find opportunities that offer good value for money.”

Christopher Elvin – Head of Private Equity Products, Preqin

Note to Editors:

- Preqin is spelled without the letter 'U' after the 'Q', the company name being an amalgamation of the former name, Private Equity Intelligence.

About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

Preqin has built a reputation in the alternative assets industry for providing the most comprehensive and extensive information possible. Leading alternative assets professionals from around the world rely on Preqin's services daily, and its data and statistics are regularly quoted by the financial press. For more information, please visit: www.preqin.com

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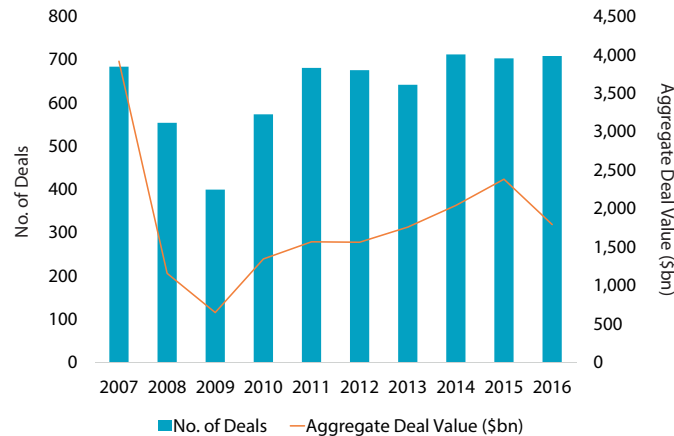
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2016 BUYOUT DEALS AND EXITS

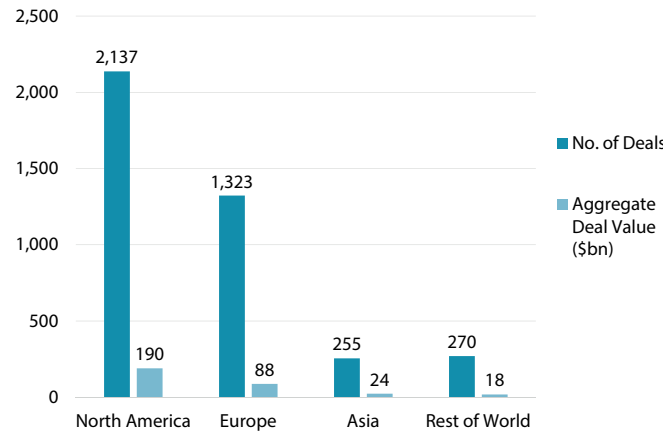
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Fig. 1: Global Annual Private Equity-Backed Buyout Deals, 2007 - 2016



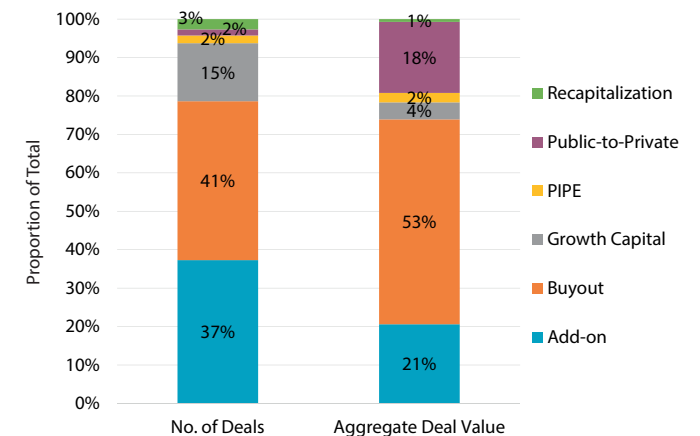
Source: Preqin Private Equity Online

Fig. 2: Private Equity-Backed Buyout Deals in 2016 by Region



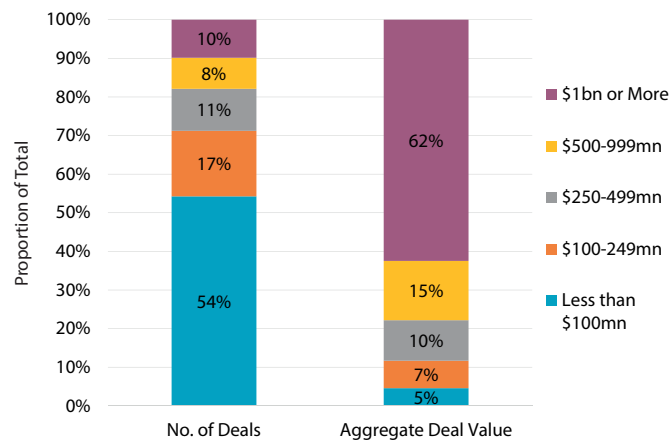
Source: Preqin Private Equity Online

Fig. 3: Private Equity-Backed Buyout Deals in 2016 by Type



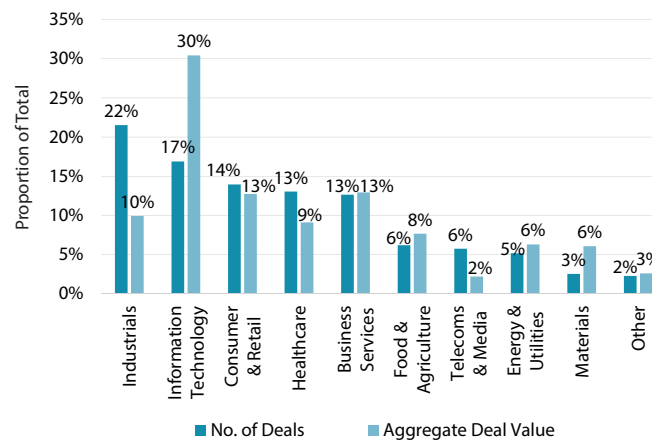
Source: Preqin Private Equity Online

Fig. 4: Private Equity-Backed Buyout Deals in 2016 by Value Band



Source: Preqin Private Equity Online

Fig. 5: Private Equity-Backed Buyout Deals in 2016 by Industry



Source: Preqin Private Equity Online



\$319bn

Total value of private equity-backed buyout deals globally in 2016.



54%

of private equity-backed buyout deals in 2016 were for assets located in North America.



1,682

Number of exits from private equity-backed companies in 2016.



2016 BUYOUT DEALS AND EXITS

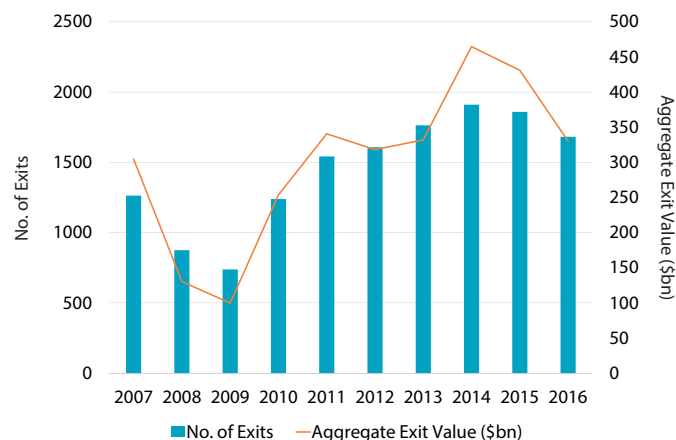
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Fig. 6: 10 Largest Private Equity-Backed Buyout Deals Announced Globally in 2016

Portfolio Company	Investment Type	Deal Date	Deal Size (mn)	Deal Status	Investor(s)	Bought from/Exiting Company	Location	Primary Industry
ADT Security Services, Inc.	Merger	Feb-16	15,000 USD	Completed	Apollo Global Management, Koch Equity Development LLC, Protection 1 / ASG Security	-	US	Electronics
Supercell Oy	Buyout	Jun-16	8,600 USD	Announced	AVIC Capital, CITIC Capital, Pagoda Investment, Shanghai Pudong Development Bank, Sino-Rock Investment Management, Tencent, Zheng Hong Capital	Softbank Capital	Finland	Gaming
MultiPlan, Inc.	Buyout	May-16	7,500 USD	Completed	GIC, Hellman & Friedman, Leonard Green & Partners	Ardian, Partners Group, Starr Investment Holdings	US	Healthcare IT
Team Health Holdings, Inc	Public-to-Private	Oct-16	6,100 USD	Announced	Blackstone Group	-	US	Healthcare
Cabela's Inc	Add-on	Oct-16	5,500 USD	Announced	Bass Pro Shops, Goldman Sachs Merchant Banking Division, Pamplona Capital Management	-	US	Retail
Playtika Ltd	Buyout	Jul-16	4,400 USD	Announced	CDH Investments, China Minsheng Trust, China Oceanwide Holdings Group, Giant Interactive Group, Hony Capital, YF Capital	Caesars Entertainment Corporation	Israel	Gaming
Rackspace Hosting, Inc.	Public-to-Private	Aug-16	4,300 USD	Completed	Apollo Global Management, Searchlight Capital Partners	-	US	IT
Ultimate Fighting Championship Ltd	Buyout	Jul-16	4,000 USD	Announced	KKR, MSD Capital, Silver Lake, William Morris Endeavor Entertainment, LLC	-	US	Media
Vertiv	Buyout	Aug-16	4,000 USD	Completed	Platinum Equity	Emerson	US	IT Infrastructure
Air Products' Performance Materials Operations	Add-on	May-16	3,800 USD	Announced	CVC Capital Partners, Evonik Industries AG	Air Products & Chemicals	US	Chemicals

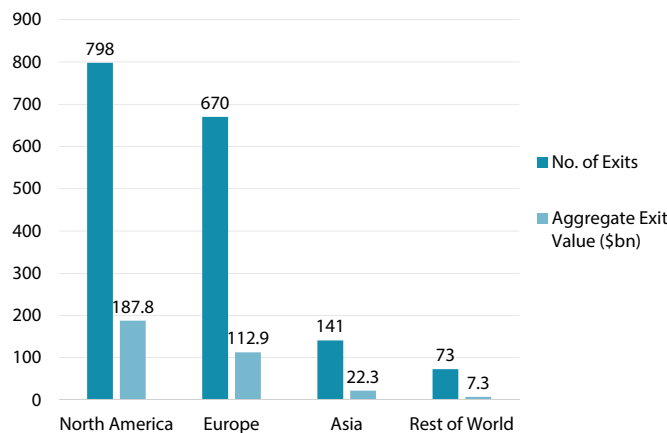
Source: Preqin Private Equity Online

Fig. 7: Global Annual Private Equity Buyout-Backed Exits, 2007 - 2016



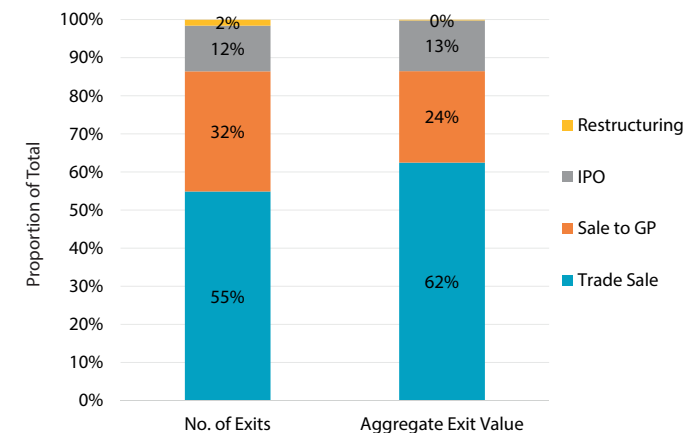
Source: Preqin Private Equity Online

Fig. 8: Private Equity Buyout-Backed Exits in 2016 by Region



Source: Preqin Private Equity Online

Fig. 9: Private Equity Buyout-Backed Exits in 2016 by Type



Source: Preqin Private Equity Online

2016 BUYOUT DEALS AND EXITS

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Fig. 10: 10 Largest Private Equity-Backed Buyout Exits Announced Globally in 2016

Portfolio Company	Investment Date	Investment Type	Investment Size (mn)	Investors (Entry)	Exit Date	Exit Type	Exit Value (mn)	Acquiror (Exit)	Location	Primary Industry
MultiPlan, Inc.*	Feb-14	Buyout	4,400 USD	Ardian, Partners Group, Starr Investment Holdings	May-16	Sale to GP	7,500 USD	GIC, Hellman & Friedman, Leonard Green & Partners	US	Healthcare IT
Hilton Worldwide*	Jul-07	Public-to-Private	26,000 USD	Blackstone Group	Oct-16	Trade Sale	6,500 USD	HNA Group	US	Leisure
Quirónsalud	Jan-11	Buyout	900 EUR	CVC Capital Partners	Sep-16	Trade Sale	5,760 EUR	Fresenius Medical Care AG	Spain	Healthcare
Capsugel	Apr-11	Buyout	2,375 USD	KKR	Dec-16	Trade Sale	5,500 USD	Lonza Group Ltd	US	Pharmaceuticals
Blue Coat Systems, Inc.	Mar-15	Buyout	2,400 USD	Bain Capital	Jun-16	Trade Sale	4,650 USD	Symantec Corp	US	IT Security
The Sun Products Corporation	Jul-08	Buyout	2,600 USD	Vestar Capital Partners	Jun-16	Trade Sale	3,600 USD	Henkel AG	US	Consumer Products
Epicor Software	Apr-11	Public-to-Private	976 USD	Apax Partners	Jul-16	Sale to GP	3,300 USD	KKR	US	Software
Metaldyne Performance Group Inc.	Aug-14	Merger	-	American Securities, Grede Holdings LLC, Hephaestus Holdings Inc., Metaldyne	Nov-16	Trade Sale	3,300 USD	American Axle & Manufacturing	US	Manufacturing
Vogue International	Jan-14	Buyout	-	Carlyle Group	Jun-16	Trade Sale	3,300 USD	Johnson & Johnson	US	Manufacturing
BATS Global Markets, Inc.	Aug-13	Buyout	-	Spectrum Equity, TA Associates	Sep-16	Trade Sale	3,200 USD	CBOE Holdings, Inc.	US	Financial Services

*Denotes a partial exit.

Source: Preqin Private Equity Online

LOOKING FOR MORE DATA AND ANALYSIS?

Preqin provides information, data and research on the private equity and venture capital industry across fund performance, fundraising, fund managers, investors, deals, fund terms and more.

If you have more detailed requests for private equity data or any questions, please contact us:

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