

## Private Equity Buyout Deals in Europe Falter in Q3 2016

**Aggregate deal value in the region falls by 43% from the total seen in Q2, amid wider decline in deal activity**

Preqin's update on private equity-backed buyout deals in Q3 2016 finds that 919 deals were recorded in the quarter, worth an aggregate \$90bn – this figure is expected to rise by a further 5-10% as more information becomes available. This aggregate deal value is on par with the \$89bn in deals seen through Q2 2016, but the number of deals worldwide has declined 13% from the previous quarter. Activity in Europe fell sharply: the region recorded 303 buyout deals worth a combined \$15bn, down from 371 deals worth \$27bn that were seen in Q2. Across the first three quarters of the year, there have been 981 deals in Europe, the highest Q1-3 total since 2007 (1048), but aggregate deal value has only reached \$53bn, the lowest Q1-3 figure seen since 2012 (\$49bn).

In North America, by contrast, the aggregate value of deals recorded during the quarter has reached \$60bn, surpassing the \$55bn seen in Q2 to represent the best quarter of 2016 so far, although it remains some way off the \$100bn in deals recorded in Q4 2015. Despite this, the number of deals seen through the quarter fell to 500, down from 560 in Q2, although it remains comparable with previous quarters. Asia, meanwhile, saw both the number of deals and aggregate deal value contract for the fourth consecutive quarter, as 53 private equity buyout deals reached an aggregate \$4bn.

### Other Key Buyout Deals and Exits Facts:

- **Investment Type:** Leveraged buyouts accounted for 41% of the global number of deals, and 59% of aggregate deal value, the largest proportion of either. Add-on deals represented 35% of deals, down slightly from 37% in Q2, but just 9% of aggregate deal value, compared to 17% the previous quarter.
- **Deals by Industry:** Information technology deals once again accounted for the largest proportion of total deal value, 32%, up from 24% in Q2. Despite representing the same proportion of the overall number of deals, consumer-related deal value fell sharply, from 19% in Q2 to 10% in Q3.
- **Deals by Value Band:** There were 27 private equity-backed buyout deals worth \$1bn or more in Q3 2016, which accounted for a combined \$59bn, 65% of global aggregate deal value. Deals worth less than \$100mn accounted for 52% of the number of deals, and 4% of aggregate deal value.
- **Buyout-Backed Exits:** Q3 saw 408 exits from buyout-backed companies worth \$81bn. This represents a decline of 11% in the number of exits and 12% in aggregate exit value compared to the previous quarter. While this level of activity does not compare with Q3 2015, it still represents significant improvement from Q1.
- **Exits by Region:** North America saw 207 buyout-backed exits in Q3 worth a combined \$46bn, down slightly from the \$52bn recorded by 214 exits the previous quarter. In Europe, the number of exits fell from 216 to 146 in the same period, while the total value of exits fell from \$35bn to \$26bn.
- **Largest Deal and Exit:** The largest private equity-backed buyout deal of the quarter was the \$4.4bn buyout of Israeli gaming company Playtika Ltd. The largest buyout-backed exit, meanwhile, was the trade sale of Spanish hospital provider Quirónsalud for €5.8bn.

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

### Comment:

“After the opening quarter of the year, which represented some of the lowest levels of private equity buyout deal activity seen in recent years, Q2 2016 represented something of a bounce-back towards the record levels seen in the latter part of 2015. It seems as though this momentum has broadly carried into Q3, with global deal numbers falling slightly, and aggregate deal value remaining on par with Q2. Although overall activity in the first three quarters of 2016 has not compared to the high figures seen in 2015, it remains comparable with activity seen in 2012 and 2013.

The situation in Europe is much less positive, with distinct falls in both the number of deals and the aggregate deal value compared to Q2. However, so far in 2016 there has been a lot of activity, despite the lower overall values recorded. This could be an indication that some fund managers are using the volatility caused by the Brexit referendum and uncertain political atmosphere across the continent in order to acquire attractive investment prospects at lower prices.”

### Christopher Elvin – Head of Private Equity Products, Preqin

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**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:**

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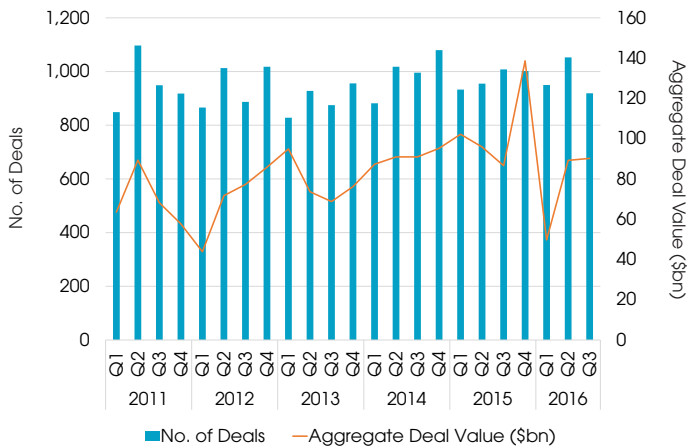
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# Q3 2016 Private Equity-Backed Buyout Deals and Exits



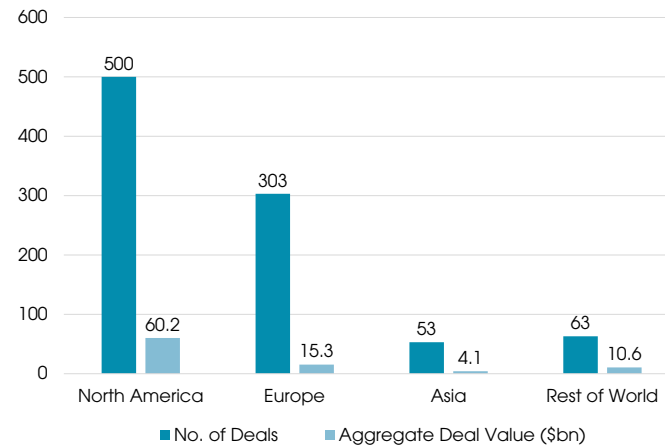
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**Fig. 1:** Global Quarterly Private Equity-Backed Buyout Deals, Q1 2011 - Q3 2016



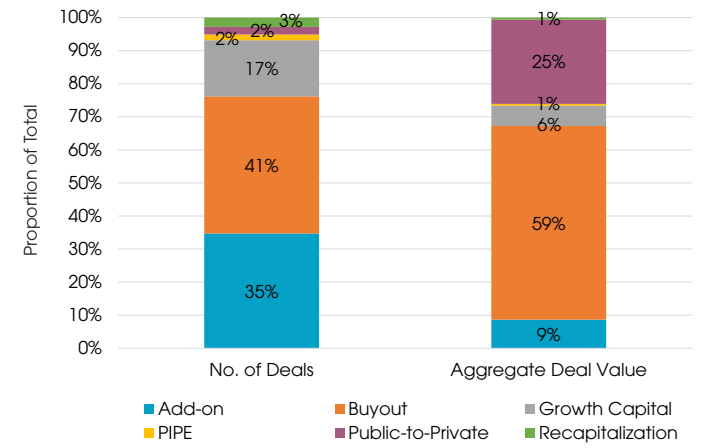
Source: Preqin Private Equity Online

**Fig. 2:** Private Equity-Backed Buyout Deals in Q3 2016 by Region



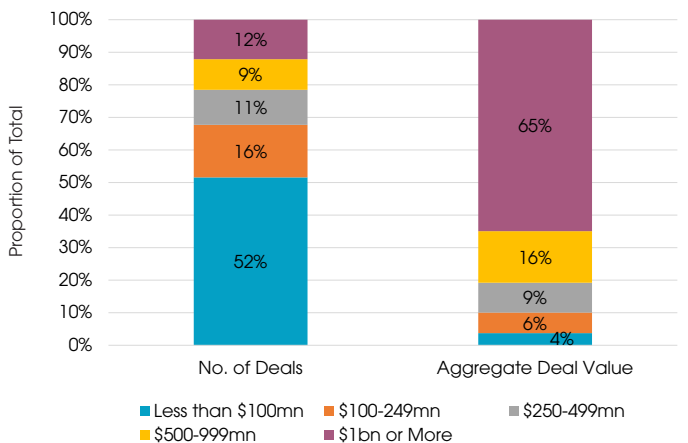
Source: Preqin Private Equity Online

**Fig. 3:** Private Equity-Backed Buyout Deals in Q3 2016 by Deal Type



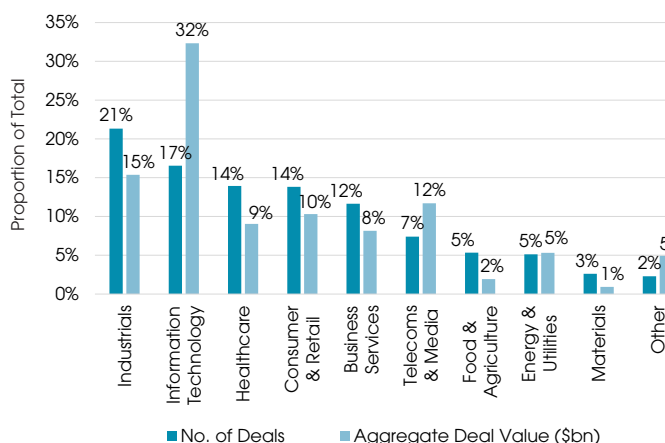
Source: Preqin Private Equity Online

**Fig. 4:** Private Equity-Backed Buyout Deals in Q3 2016 by Value Band



Source: Preqin Private Equity Online

**Fig. 5:** Private Equity-Backed Buyout Deals in Q3 2016 by Industry



Source: Preqin Private Equity Online

### Key Facts



**\$90bn**

Aggregate value of private equity-backed buyout deals in Q3, up from \$89bn in Q2.



**\$81bn**

Aggregate value of private equity-backed buyout exits in Q3, down from \$92bn in Q2.



**51%**

Proportion of private equity-backed buyout exits that were trade sales, the largest proportion.

# Q3 2016 Private Equity-Backed Buyout Deals and Exits

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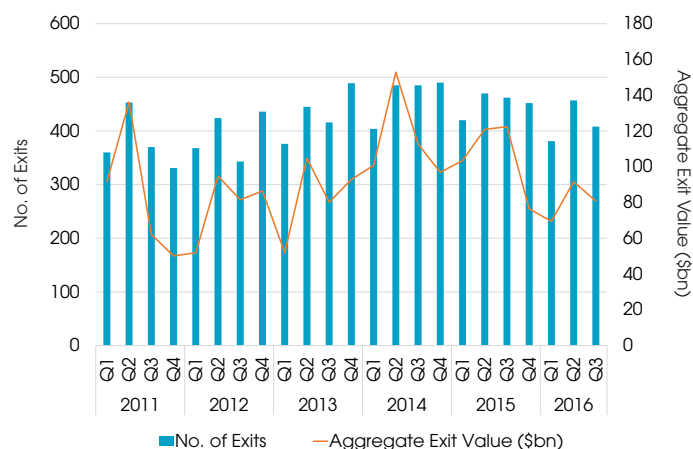


**Fig. 6:** 10 Largest Private Equity-Backed Buyout Deals Announced Globally in Q3 2016

Portfolio Company	Investment Type	Deal Date	Deal Size (mn)	Deal Status	Investor(s)	Bought from/Exiting Company	Location	Primary Industry
Playtika Ltd	Buyout	Jul-16	4,400 USD	Announced	CDH Investments, China Oceanwide Holdings Group, Giant Interactive Group, Hony Capital, YF Capital	Caesars Entertainment Corporation	Israel	Gaming
Rackspace	Public-to-Private	Aug-16	4,300 USD	Announced	Apollo Global Management, Searchlight Capital Partners	-	US	IT
Emerson Network Power	Buyout	Aug-16	4,000 USD	Announced	Platinum Equity	Emerson	US	IT Infrastructure
Ultimate Fighting Championship	Buyout	Jul-16	4,000 USD	Announced	KKR, MSD Capital, Silver Lake, William Morris Endeavor Entertainment, LLC	-	US	Media
Thomson Reuters Intellectual Property & Science Business	Buyout	Jul-16	3,550 USD	Announced	Baring Private Equity Asia, Onex Corporation	Thomson Reuters Corporation	US	Intellectual Property
Epicor Software	Buyout	Jul-16	3,300 USD	Completed	KKR	Apax Partners	US	Software
McAfee	Buyout	Sep-16	3,100 USD	Announced	TPG	Intel Corporation	US	IT Security
Nortek	Public-to-Private	Jul-16	2,810 USD	Announced	Melrose	-	US	Industrial
EverBank	Public-to-Private	Aug-16	2,500 USD	Announced	TIAA Asset Management	-	US	Financial Services
Press Ganey Associates, Inc.	Public-to-Private	Aug-16	2,350 USD	Announced	EQT	-	US	Healthcare

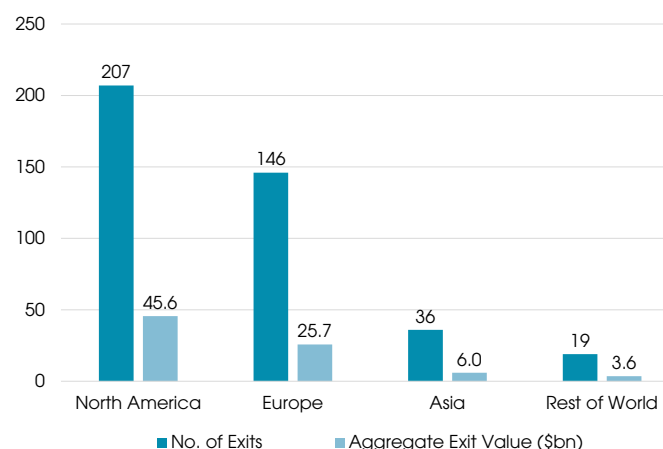
Source: Preqin Private Equity Online

**Fig. 7:** Global Quarterly Private Equity Buyout-Backed Exits, Q1 2011 - Q3 2016



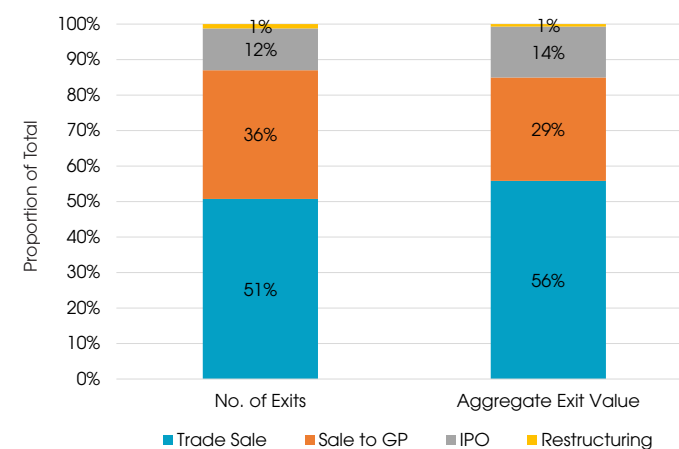
Source: Preqin Private Equity Online

**Fig. 8:** Private Equity Buyout-Backed Exits in Q3 2016 by Region



Source: Preqin Private Equity Online

**Fig. 9:** Private Equity Buyout-Backed Exits in Q3 2016 by Exit Type



Source: Preqin Private Equity Online

# Q3 2016 Private Equity-Backed Buyout Deals and Exits

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Fig. 10: 10 Largest Private Equity Buyout-Backed Exits Announced Globally in Q3 2016

Portfolio Company	Investment Date	Investment Type	Investment Size (mn)	Investors (Entry)	Exit Date	Exit Type	Exit Value (mn)	Acquiror (Exit)	Location	Primary Industry
Quirónsalud	Jan-11	Buyout	900 EUR	CVC Capital Partners	Sep-16	Trade Sale	5,760 EUR	Fresenius Medical Care AG	Spain	Healthcare
Epicor Software	Apr-11	Public To Private	976 USD	Apax Partners	Jul-16	Sale to GP	3,300 USD	KKR	US	Software
BATS Global Markets, Inc.	Aug-13	Buyout	-	Spectrum Equity, TA Associates	Sep-16	Trade Sale	3,200 USD	CBOE Holdings, Inc.	US	Financial Services
Vantage Energy, Inc.	Dec-06	Growth Capital	470 USD	Lime Rock Partners , Quantum Energy Partners, Riverstone Holdings	Sep-16	Trade Sale	2,700 USD	Rice Energy	US	Oil & Gas
EverBank	Jul-08	Growth Capital	100 VND	Sageview Capital	Aug-16	Sale to GP	2,500 USD	TIAA Asset Management	US	Financial Services
Mattress Firm	Jan-07	Buyout	450 USD	J.W. Childs Associates	Aug-16	Trade Sale	2,400 USD	Steinhoff International Holdings	US	Retail
Nets Holding A/S	Mar-14	Buyout	17,000 DKK	Advent International, ATP Lifelong Pension, ATP Private Equity Partners, Bain Capital, Via Venture Partners	Sep-16	IPO	15,750 DKK	-	Denmark	Financial Services
Press Ganey Associates, Inc.	Jan-08	Buyout	650 USD	Vestar Capital Partners	Aug-16	Sale to GP	2,350 USD	EQT	US	Healthcare
Aleris International, Inc	Jun-10	Restructuring	609 USD	Apollo Global Management, Bain Capital Credit, Oaktree Capital Management	Aug-16	Trade Sale	2,330 USD	Zhongwang USA, LLC	US	Materials
Foncia	May-11	Buyout	1,017 EUR	Bridgepoint, Eurazeo, Groupe BPCE	Jul-16	Sale to GP	1,830 EUR	CDPQ, China Investment Corporation, Partners Group	France	Property

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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