

2018 Proves a Bumper Year for Private Equity Buyout Deals

5,106 deals were announced through 2018 – the second consecutive record-breaking year

2018 has continued the strong deal making seen in 2017, and has even surpassed it to become the most active year the industry has ever recorded. A total of 5,106 private equity-backed buyout deals were announced through the year, an all-time record, building from the previous record of 4,829 seen in 2017. The total value of these deals also rose to reach \$456bn – this is close to the \$460bn seen in 2015, and may surpass it given that Preqin expects these figures to rise by up to 5% as more information becomes available. Nonetheless, 2018 remains some way off the all-time record deal values seen immediately prior to the Global Financial Crisis: 2007 recorded \$700bn in deal making from 3,877 deals.

For more information, see the full *Preqin 2018 Private Equity-Backed Buyout Deals and Exits* factsheet here:

<http://docs.preqin.com/reports/Preqin-Buyout-Deals-and-Exits-Q4-2018.pdf>

Christopher Elvin, Head of Private Equity:

“If 2017 was a year marked by record levels of fundraising, then 2018 was a year marked by record levels of deal making. With dry powder breaking the \$1tn barrier in 2017, some feared that there was too much available capital that might overheat the market and deter deal making. In fact, we have seen the opposite occur, but some doubt remains: dry powder has kept climbing to \$1.2tn, and fund managers and investors both still say that asset pricing is a concern. However, strong activity in 2018 may dampen these concerns, and 2019 seems poised to see deal activity climb further rather than slackening.”

Key Private Equity-Backed Buyout Deals and Exits Facts:

- There were **5,106 private equity-backed buyout deals announced in 2018**, an all-time high. This surpasses the previous record of 4,829 deals seen in 2017.
- Deals announced in 2018 had a **combined deal value of \$456bn**, the second-highest total since the Global Financial Crisis. It remains some way off the \$700bn in deals recorded in 2007, though.
- **North America saw 2,787 deals announced worth a total of \$264bn**, while Europe saw 1,779 deals worth an aggregate \$137bn.
- **Add-ons accounted for 42% of the number of deals in 2018**, as firms acquired additions to their existing assets. The 54 public-to-private deals announced in the year accounted for 17% of deal value, despite representing just 1% of deals.
- Deal activity was diversified: industrials and information technology accounted for 14% and 15% of deal value respectively, while healthcare (13%), telecoms (12%) and business services (12%) all represented substantial portions of deal value.
- Buyout-backed exit activity was also strong, remaining broadly on par with 2017. **2018 saw 1,958 exits announced worth a combined \$326bn**, compared to 1,977 exits worth \$297bn the previous year.
- Trade sales accounted for 58% of the number of exits and of exit value. Sales to GPs, also known as **secondary buyouts, accounted for almost a third (31%) of the number of exits**.
- The **largest deal of the year was the \$21bn formation of Keurig Dr Pepper, Inc.** in January. The largest exit was the \$8.3bn sale of BMC Software, Inc. to KKR, which was also the sixth largest acquisition of 2018.

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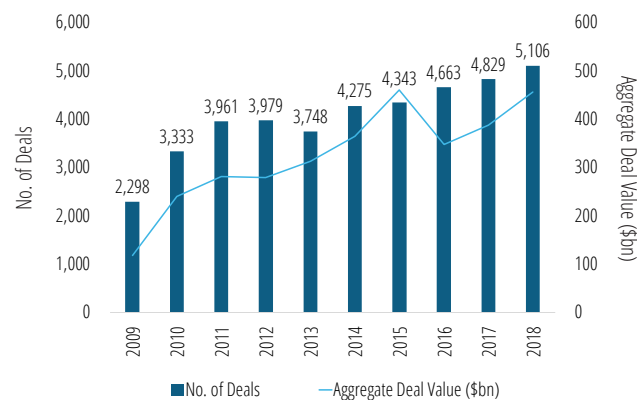
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2018 BUYOUT DEALS AND EXITS

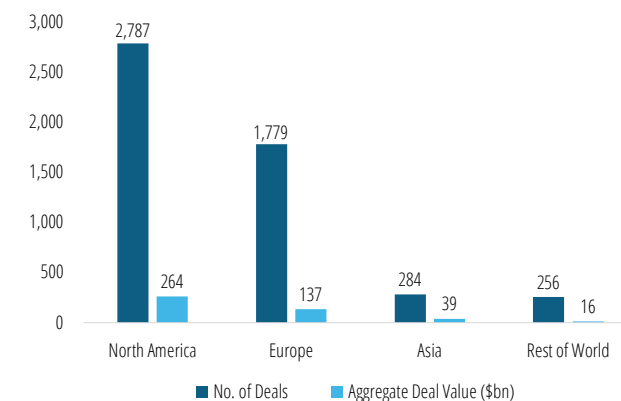
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Fig. 1: Annual Global Private Equity-Backed Buyout Deals, 2009 - 2018



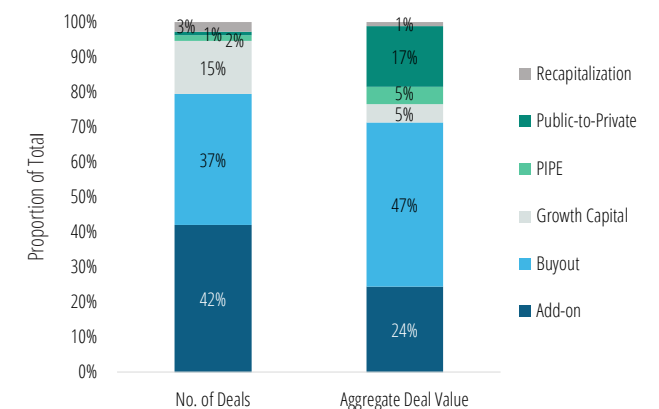
Source: Preqin Pro

Fig. 2: Private Equity-Backed Buyout Deals in 2018 by Region



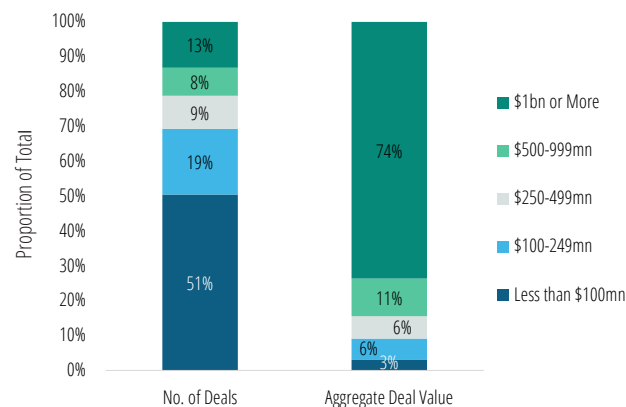
Source: Preqin Pro

Fig. 3: Private Equity-Backed Buyout Deals in 2018 by Type



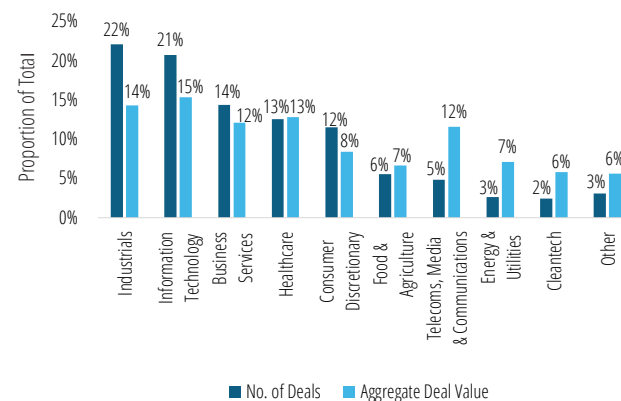
Source: Preqin Pro

Fig. 4: Private Equity-Backed Buyout Deals in 2018 by Value Band



Source: Preqin Pro

Fig. 5: Proportion of Number of Private Equity-Backed Buyout Deals in 2018 by Industry



Source: Preqin Pro

KEY FACTS



5,106

private equity-backed buyout deals were announced in 2018, the highest number ever recorded.



\$21bn

Value of the largest deal announced in 2018: the acquisition of Keurig Dr Pepper, Inc. in January.



42%

of deals announced in 2018 were add-ons, the largest proportion of any deal type.

2018 BUYOUT DEALS AND EXITS

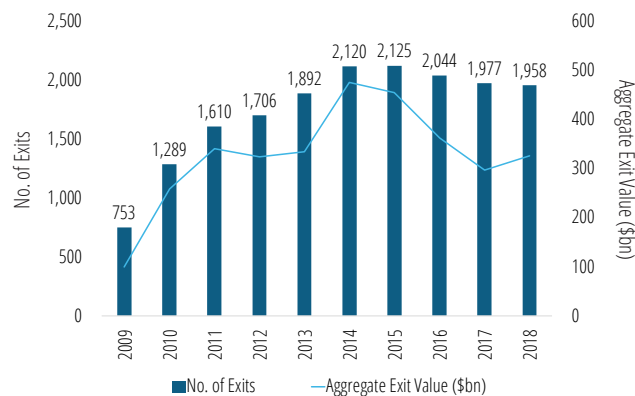
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Fig. 6: Largest Private Equity-Backed Buyout Deals Globally in 2018

Portfolio Company	Investment Type	Deal Date	Deal Size (mn)	Deal Status	Investor(s)	Bought from/Exiting Company	Location	Primary Industry
Keurig Dr Pepper, Inc.	Merger	Jan-18	21,000 USD	Completed	BDT Capital Partners, Dr Pepper/Seven Up Bottling Group*, JAB Holding Company, Keurig Green Mountain, Inc.*, Mondelez International	-	US	Beverages
Refinitiv	Buyout	Jan-18	17,000 USD	Completed	Blackstone Group*, Canson Capital Partners, CPP Investment Board, GIC	Thomson Reuters Corporation	UK	Information Services
Johnson Controls' Power Solutions business	Buyout	Nov-18	13,200 USD	Announced	Brookfield Business Partners*, CDPQ	Johnson Controls, Inc.	US	Cleantech
Akzo Nobel's Specialty Chemicals	Buyout	Mar-18	10,100 EUR	Completed	Carlyle Group, GIC	Akzo Nobel N.V.	Belgium	Chemicals
Envision Healthcare Corporation	Public-to-Private	Jun-18	9,900 USD	Completed	KKR	Clayton Dubilier & Rice	US	Healthcare
BMC Software, Inc.	Buyout	May-18	8,300 USD	Completed	KKR	Bain Capital Ventures, Elliott Management Corporation, GIC, Golden Gate Capital, Insight Venture Partners	US	Software
ARRIS International plc	Add-on	Nov-18	7,400 USD	Announced	Carlyle Group, CommScope, Inc.*	-	US	Telecoms
Magneti Marelli S.p.A.	Add-on	Oct-18	6,200 EUR	Announced	Calsonic Kansei Corporation*, KKR	Fiat Chrysler Automobiles N.V.	Italy	Transportation
Dun & Bradstreet, Inc.	Public-to-Private	Aug-18	6,900 USD	Announced	Black Knight Financial Services, Cannae Holdings*, CC Capital*, Thomas H Lee Partners*	-	US	Information Services
Sedgwick Claims Management Services, Inc.	Buyout	Sep-18	6,700 USD	Announced	Carlyle Group	-	US	Insurance

Source: Preqin Pro

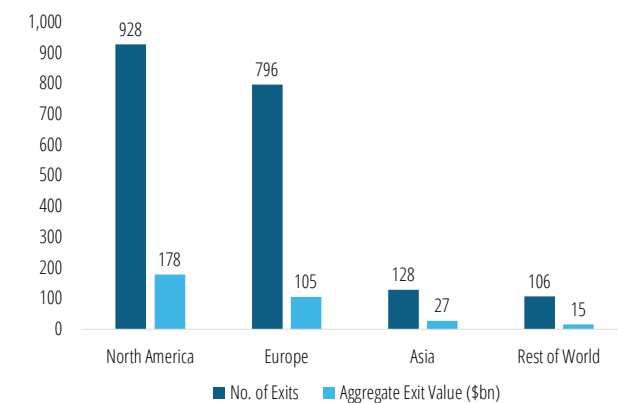
Fig. 7: Global Quarterly Private Equity Buyout-Backed Exits, 2009 - 2018



Source: Preqin Pro

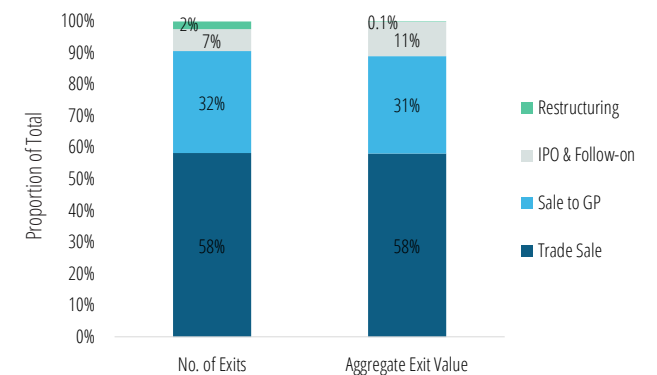
*Denotes lead investor.

Fig. 8: Private Equity Buyout-Backed Exits in 2018 by Region



Source: Preqin Pro

Fig. 9: Private Equity Buyout-Backed Exits in 2018 by Type



Source: Preqin Pro

2018 BUYOUT DEALS AND EXITS

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Fig. 10: Largest Private Equity Buyout-Backed Exits in 2018

Portfolio Company	Investment Date	Investment Type	Investment Size (mn)	Investor(s) (Entry)	Exit Date	Exit Type	Exit Value (mn)	Acquiror (Exit)	Location	Primary Industry
BMC Software, Inc.	May-13	Public-to-Private	6,900 USD	Bain Capital Ventures**, Elliott Management Corporation, GIC, Golden Gate Capital**, Insight Venture Partners	May-18	Sale to GP	8,300 USD	KKR	US	Software
Blue Buffalo Co. Ltd.	Dec-06	Growth Capital	-	Invus Group	Feb-18	Trade Sale	7,927 USD	General Mills	US	Food
Sedgwick Claims Management Services, Inc.*	Jan-14	Buyout	2,400 USD	KKR, Stone Point Capital	Sep-18	Sale to GP	6,700 USD	Carlyle Group	US	Insurance
StandardAero, Inc.	May-15	Buyout	2,100 USD	Veritas Capital	Dec-18	Sale to GP	5,000 USD	Carlyle Group	US	Aerospace
Cotiviti, LLC	Apr-14	Merger	-	Advent International, Connolly**, Goldman Sachs Merchant Banking Division, iHealth Technologies**, Oak Investment Partners	Jun-18	Trade Sale	4,900 USD	Verscend Technologies, Inc.	US	Software
Marketo, Inc.	May-16	Public-to-Private	1,790 USD	Vista Equity Partners	Sep-18	Trade Sale	4,750 USD	Adobe Systems	US	Software
Bonne Terre Limited	Dec-14	Buyout	800 GBP	CVC Capital Partners	Apr-18	Trade Sale	4,700 USD	The Stars Group Inc.	UK	Gambling
Nexperia B.V.	Jun-16	Buyout	2,750 USD	JAC Capital, Wise Road Capital	Oct-18	Trade Sale	3,600 USD	Wingtech Technology Co., Ltd.	Netherlands	Semiconductors
DJO Global Inc.	Jun-06	Public-to-Private	887 USD	Blackstone Group	Nov-18	Trade Sale	3,150 USD	Colfax Corp.	US	Healthcare
SRS Distribution, Inc.*	Feb-13	Buyout	1,930 USD	Berkshire Partners	Apr-18	Sale to GP	3,000 USD	Leonard Green & Partners	US	Distribution

Source: Preqin Pro

*Denotes a partial exit.

**Denotes lead investor.

LOOKING FOR MORE DATA AND ANALYSIS?

Preqin provides information, data and research on the private equity & 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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