

PE Funds Raised Six Hundred Billion Dollars Again in 2019

Strong fundraising, robust deal markets and positive investor sentiment means the industry finishes the decade with another banner year

Private equity funds closed in 2019 raised almost \$600bn. This is the fourth year in a row to surpass half a trillion dollars, and the \$595bn secured is the third-highest total on record, surpassed only by 2017 and 2018. Dealmaking was also strong, despite declining slightly from the previous year. 2019 saw \$393bn in buyout deals and \$224bn in venture capital deals announced, compared to \$493bn and \$271bn respectively in 2018. This was boosted in part by sky-high valuations, which saw the average buyout deal size hit a 10-year high of \$490mn.

The impact of high valuations on future performance has weighed heavily on fund managers, and many have been slowing the pace of their dealmaking as they make sure not to overpay for acquisitions. As a result, dry powder has continued to climb, and hit a new high of \$1.43tn as of the end of 2019. Competition is unlikely to abate in 2020 – at the start of the year there are over 3,500 funds in market, collectively seeking \$926bn. The investor outlook for private equity is positive, so capital will continue to flow into these funds in the months ahead.

For more information, see the full *2019 Private Equity Update Factsheet* here:

<http://docs.preqin.com/reports/2019-Private-Equity-Venture-Capital-Fundraising-Deals-Update.pdf>

The forthcoming *2020 Preqin Global Private Equity & Venture Capital Report* is the most comprehensive breakdown of the industry. To pre-order your complimentary media copy, please email us at press@preqin.com.

Christopher Elvin, Head of Private Equity:

“2019 marked another excellent year for the private equity industry – fundraising and dealmaking activity both remained strong, and investor sentiment is positive, with many institutions looking to increase their private capital investments in the face of a potential downturn. But it is not without its challenges: intense competition for deals has pushed the average buyout investment to a size not seen since the Global Financial Crisis, and future returns may suffer as a result. But overall, private equity remains sought-after by investors, and we are likely to see capital continue to flow into the asset class in 2020.”

Key 2019 Private Equity Facts:

- In 2019, **1,316 private equity funds closed, securing \$595bn**. This is slightly down from 2018, when total fundraising reached a record \$628bn.
- **Dry powder reached \$1.43tn as of December 2019**, another record high. Private equity dry powder has almost doubled since the end of 2015, when it stood at \$750bn – a symptom of how much the industry has expanded in recent years.
- **In 2019 there were 5,103 private equity-backed buyout deals announced, with an aggregate value of \$393bn**. This is down from 6,481 deals that were announced in 2018 with a total value of \$493bn.
- **There were 14,599 venture capital deals announced through the year, worth a combined \$224bn**. This does not match the record year seen in 2018, when 17,431 deals were announced with a value of \$271bn.
- As of January 2020, **there are 3,524 funds in market, seeking a total of \$926bn**. This is almost two years’ supply at 2019 fundraising levels, suggesting some funds may struggle to complete their fundraising processes.

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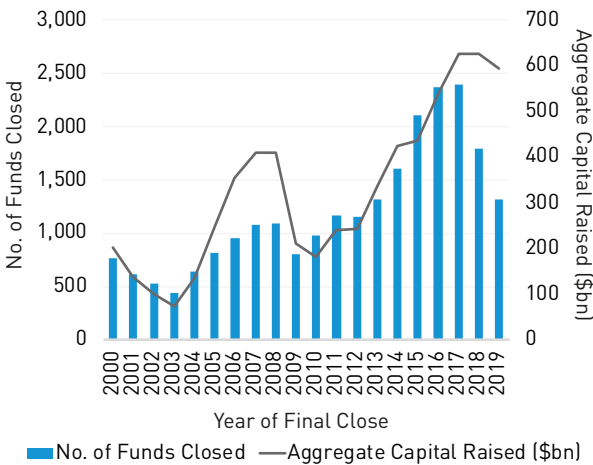
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2019 Private Equity & Venture Capital Fundraising & Deals Update

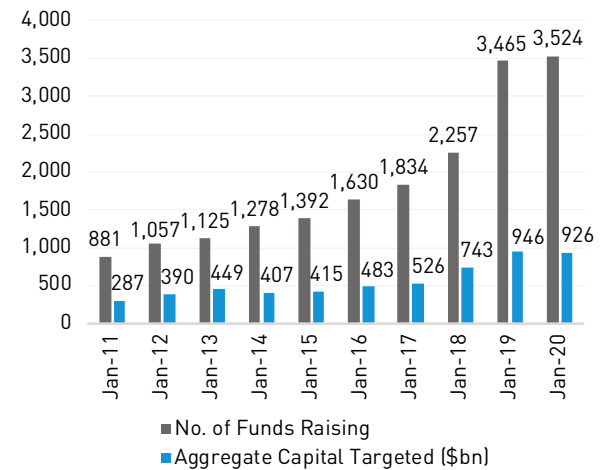
Activity slowed sharply in 2019 as fundraising and deal-making declined, but new fund launches crowd the marketplace

Fig. 1: Global Private Equity Fundraising, 2000 - 2019



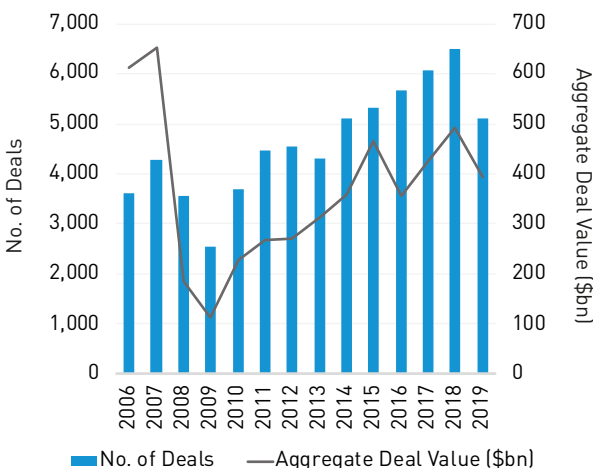
Source: Preqin Pro

Fig. 2: Private Equity Funds in Market, 2011 - 2020



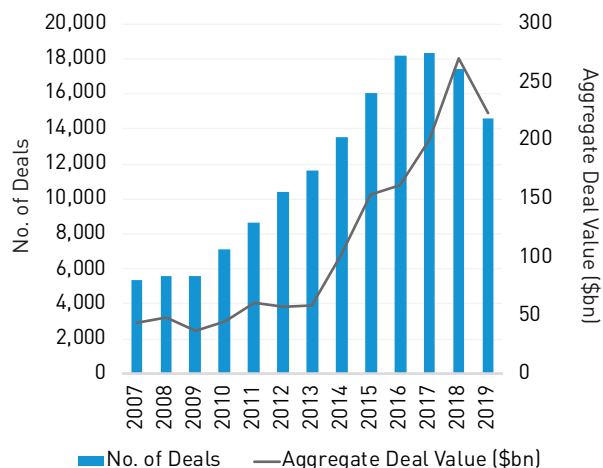
Source: Preqin Pro

Fig. 3: Global Private Equity-Backed Buyout Deals, 2006 - 2019



Source: Preqin Pro

Fig. 4: Global Venture Capital-Backed Deals, 2007 - 2019



Source: Preqin Pro