



# The French Private Equity Industry

## An overview of its Activity, Performance & Economic Impact

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## Section 1 :

Global overview of the French Private Equity & Venture Capital Industry

- Activity
- Economic Impact
- Performance

## Section 2 :

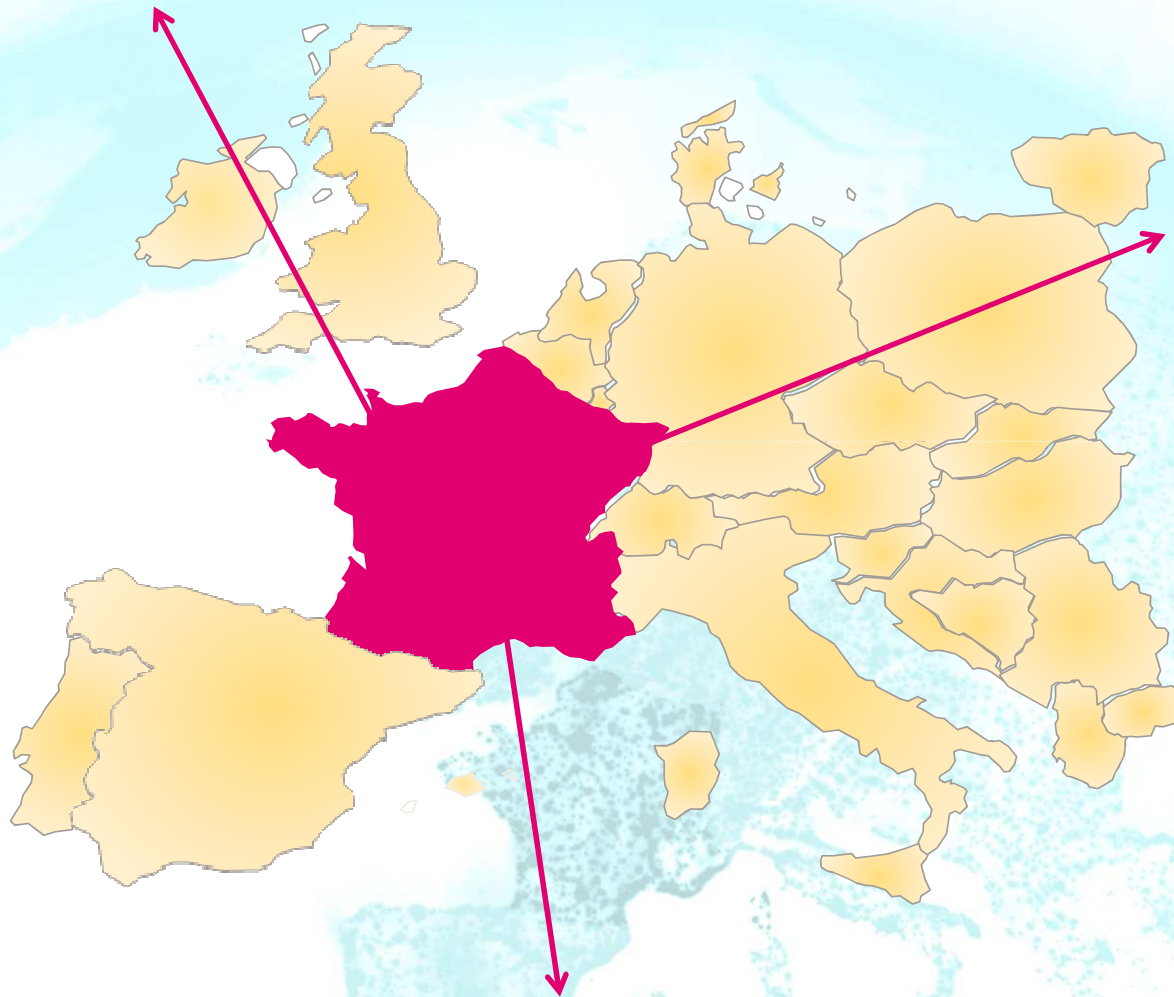
Lessons from the 2009 activity report

- Fundraising, investments... in 2009
- 2010 : A challenging year

# The French Private Equity Market : Facts & Figures



Leading Country for Private Equity in Continental Europe



70 billion € invested over the last 10 years ( 50% in the last three)

... in more than 10 000 portfolio companies

AFIC : 270 active members and more than 3 000 professionals

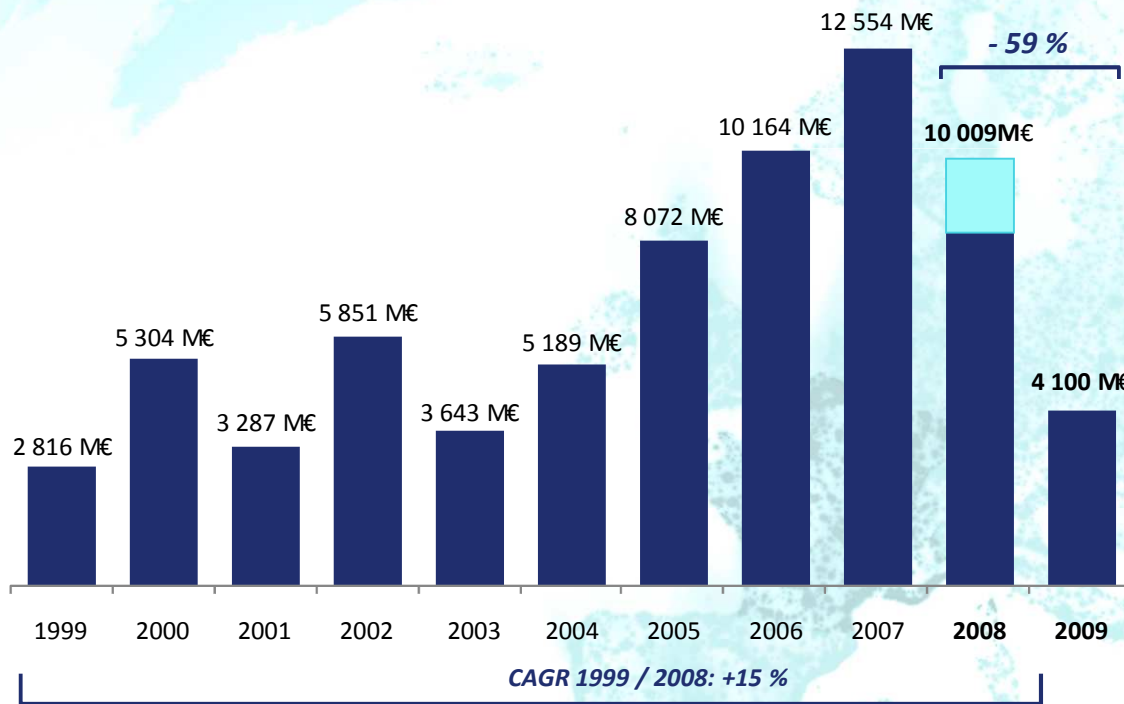
# The French Private Equity Industry: Investment figures



## The French Private Equity industry: structural growth over the past 10 years

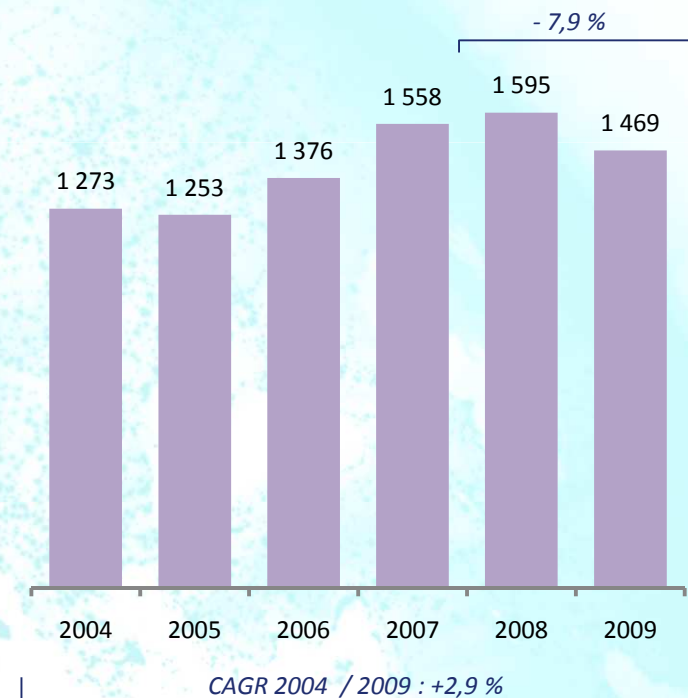
### Investments year by year evolution

Invested amounts



Investments in the CAC 40 listed companies

Number of Invested companies

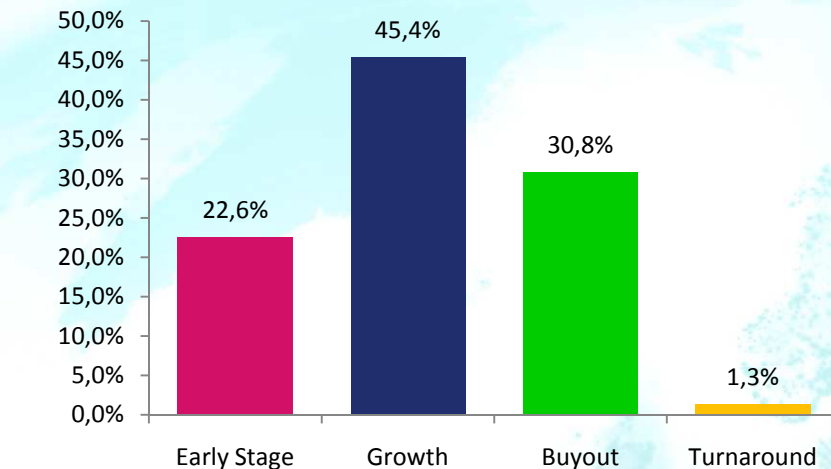


Sources : [www.afic-data.com](http://www.afic-data.com) / Grant Thornton

# The French Private Equity Portfolio



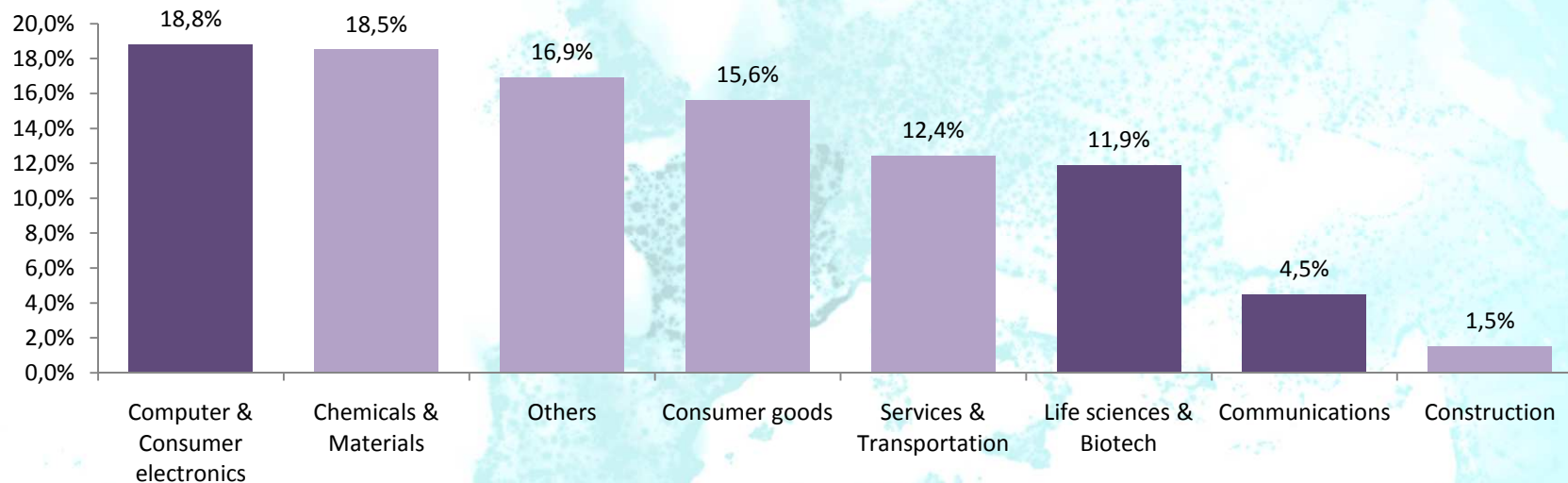
## Split of the french Private Equity Portfolio by stage and Sector at the End of 2008



❖ More than 4500 companies invested by French Private Equity industry

❖ 80% of invested companies are SMEs

❖ Approx. 35% of financed companies are active in innovative business sectors



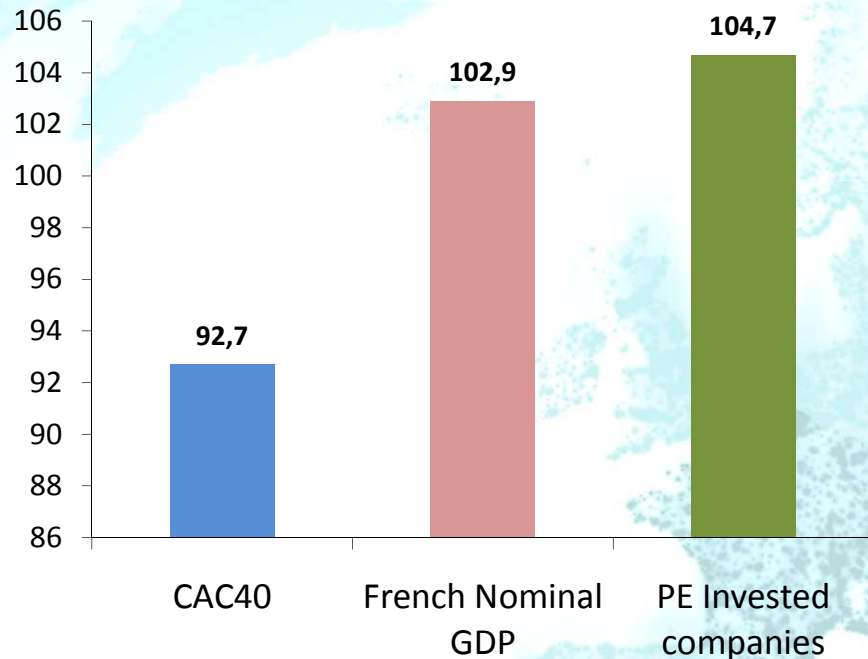
Sources : [www.afic-data.com](http://www.afic-data.com) / Ernst & Young

# Economic & Social Impact of the French Private Equity industry

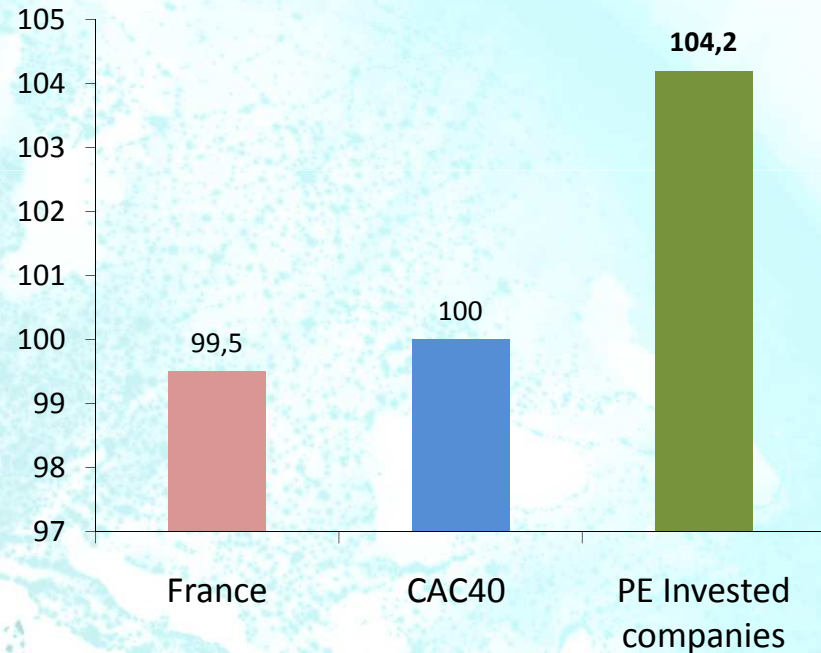


## French Private Equity: at the heart of SME development, growth and employment

2007-2008 evolution of Net Sales  
( Base 100 in 2007)



2007-2008 evolution of employment  
( Base 100 in 2007)



Sources : [www.afic-data.com](http://www.afic-data.com) / Ernst & Young

**AFIC database : 1417 answers** ( Portfolio companies for which Development Stages and Business Sectors have been communicated by AFICs' members both for 2007 & 2008 )

# Performances of French Private Equity since inception (1988)



**French Private Equity industry:  
high long-term performances**

	Number of funds	Capital Called Since Inception (M€)	Net IRR Since Inception 2007	Net IRR Since Inception 2008	Multiples 2008
Early Stage	122	6 422	2,9%	1,3%	1,04
Growth	86	3 363	14,1%	10,8%	1,35
Buyout	97	18 867	20,6%	17,9%	1,49
Generalist	85	4 287	11,8%	9,1%	1,43
<b>Total</b>	<b>390</b>	<b>32 939</b>	<b>14,2%</b>	<b>11,7%</b>	<b>1,39</b>

Sources : [www.afic-data.com](http://www.afic-data.com) / Ernst & Young



**What's next?**

**Apply what we have learned in 2009...  
... to the challenges we face for 2010**

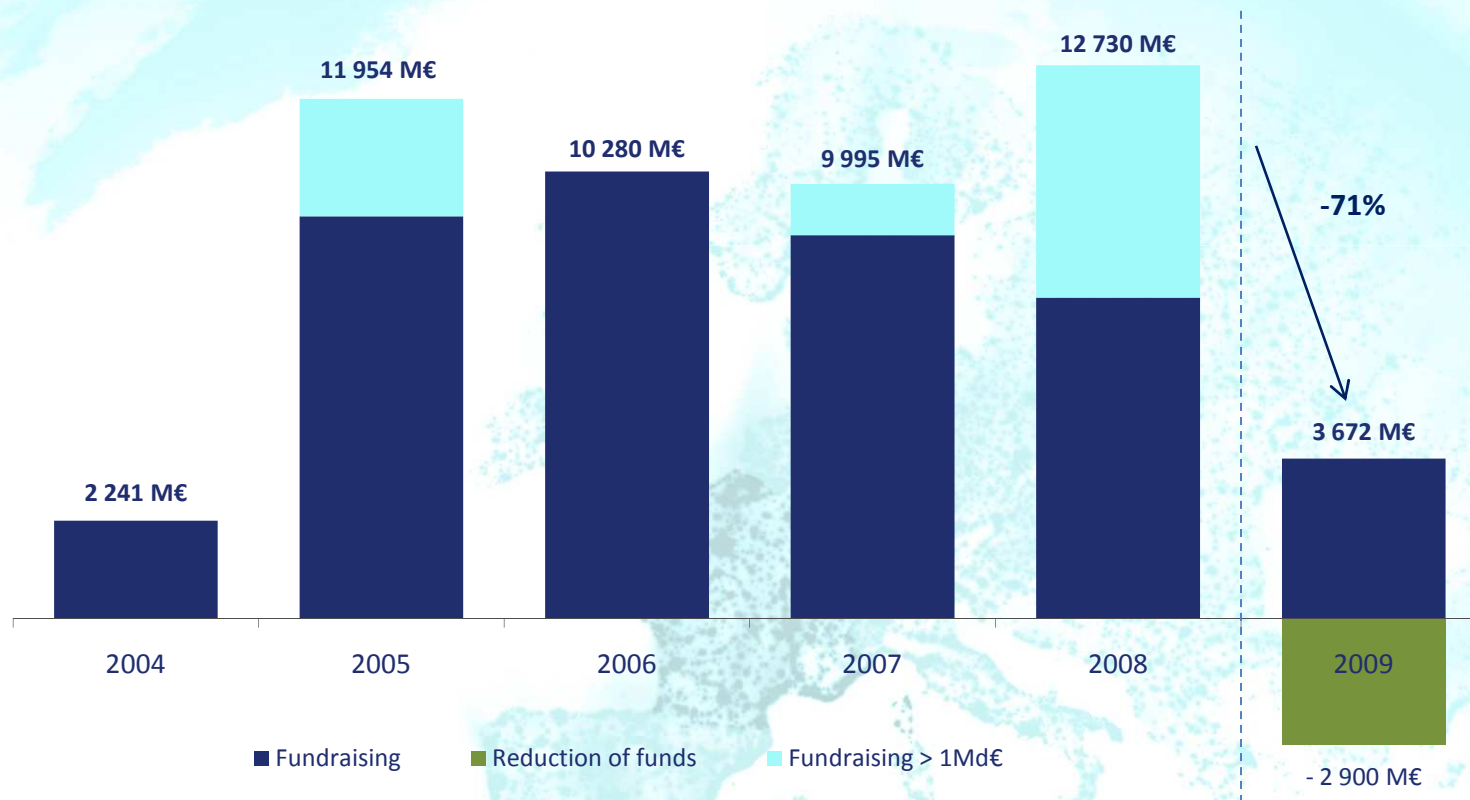
- Fundraising, investments & Divestments in 2009
- 2010 : A challenging year

# Fundraising in 2009 (1/3)



2009 : Lowest amount raised in the last five years!

Global evolution of fundraising



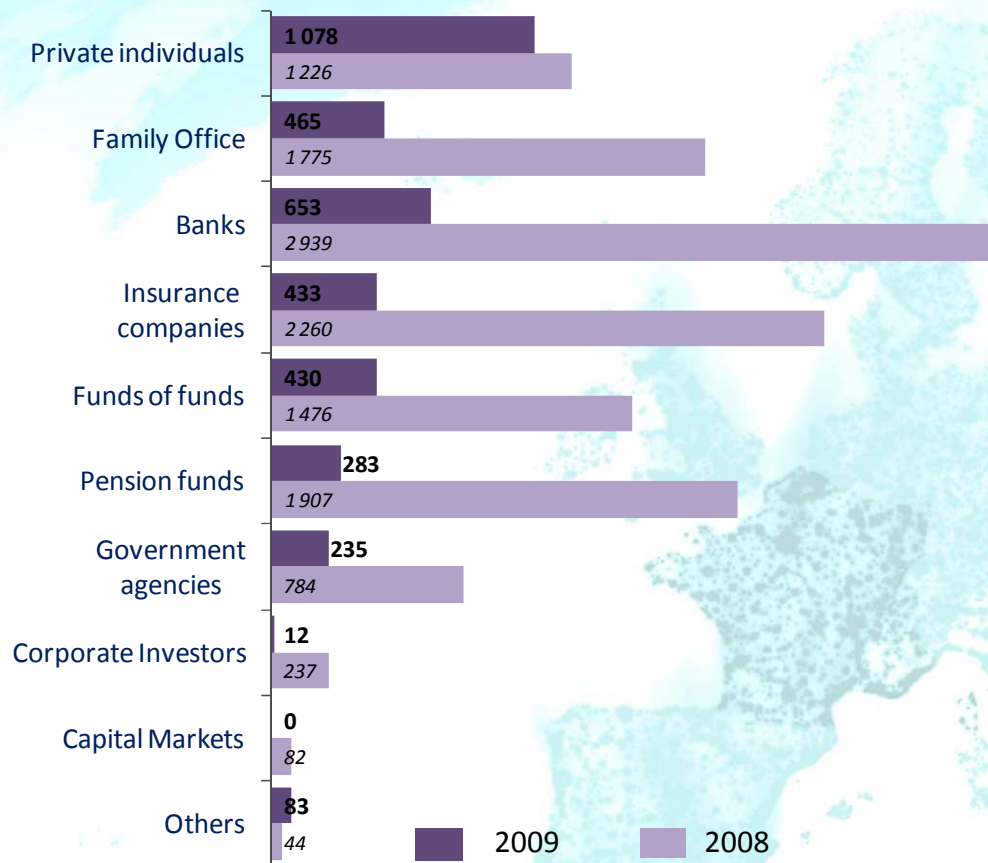
# Fundraising in 2009 (2/3)

Sharp drop in Institutional investors PE allocation...

...Private Individuals are the leading contributors



Evolution of amounts raised by type of investors (M€)



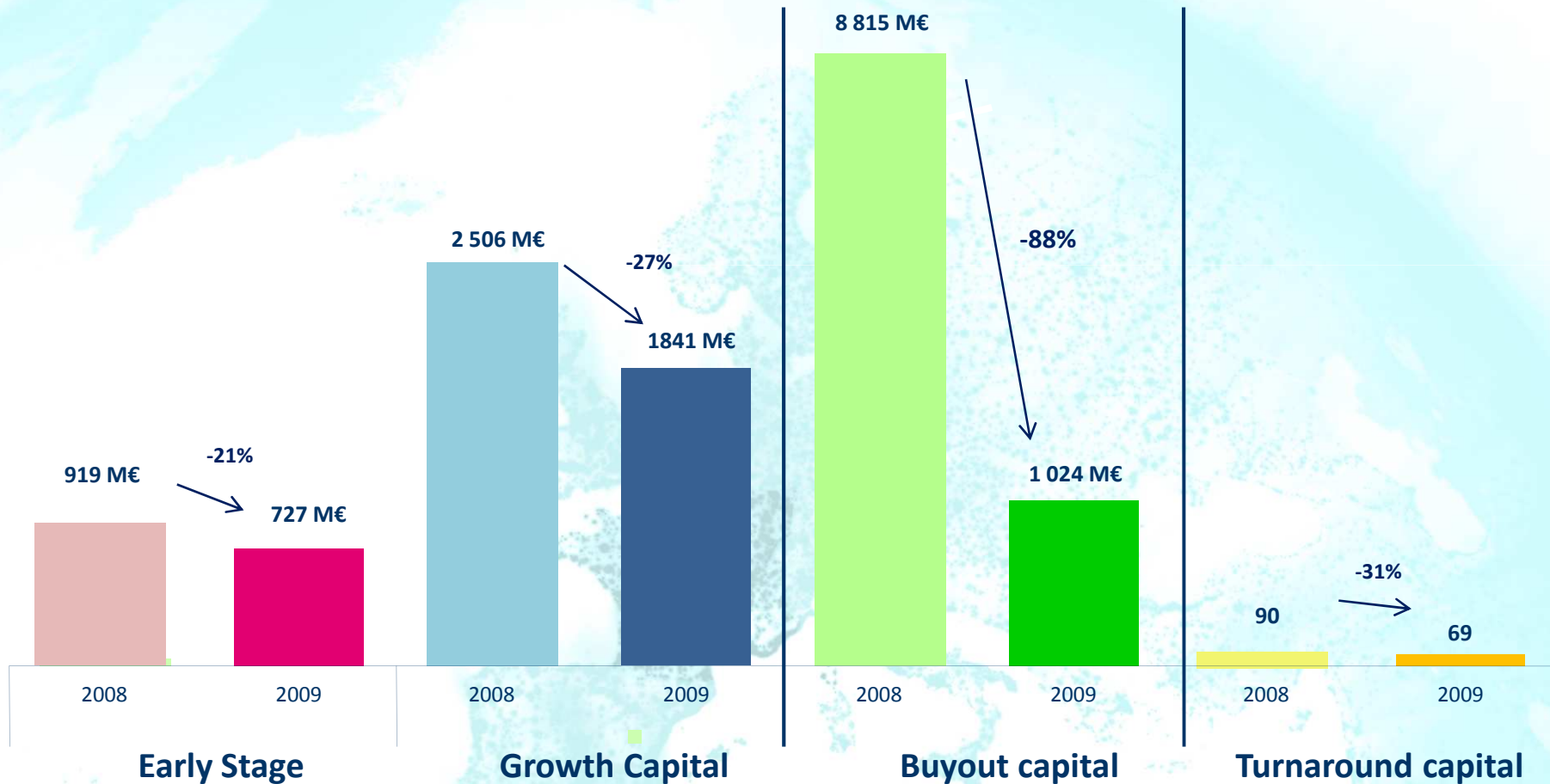
❖ **Private Individuals :\***  
30% of total amount raised in 2009 vs 8% in 2008 !

❖ **Institutionals**  
2008-2009 evolution = -71% !  
55% of total amount raised in 2009 vs 67% in 2008.



## The decrease is concentrated on Buyout operations

Forecasting allocation of funds raised\*



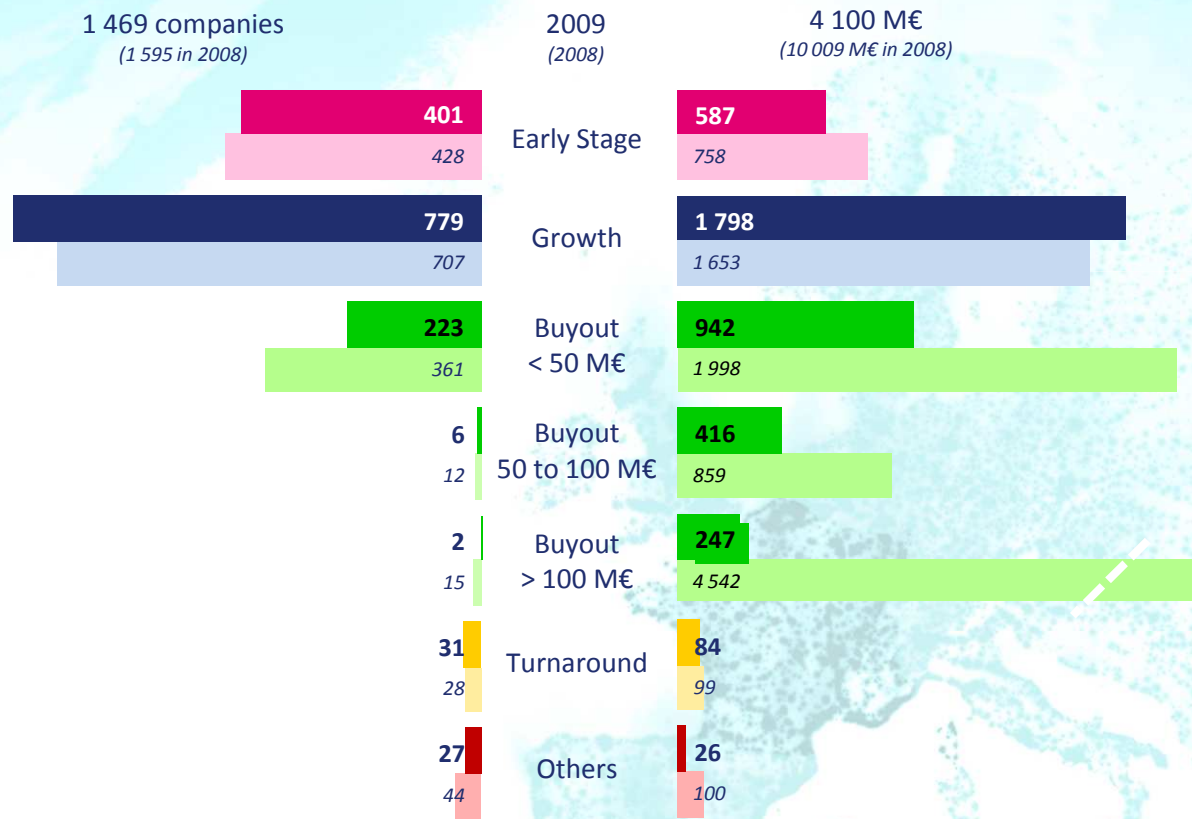
\* Except non communicated forecasting (3% in 2008, 0.2% in 2009)

# Investments



Expansion capital continues to grow in 2009...  
 ...whereas Buyout investments decrease sharply.

## Distribution of companies and amounts invested by stage of investments



- ❖ 4.1 billion invested in 2009
- ❖ 58% of total amount invested are Early Stage and Growth investments
- ❖ 64% are follow-on investments in 2009 vs 53% in 2008

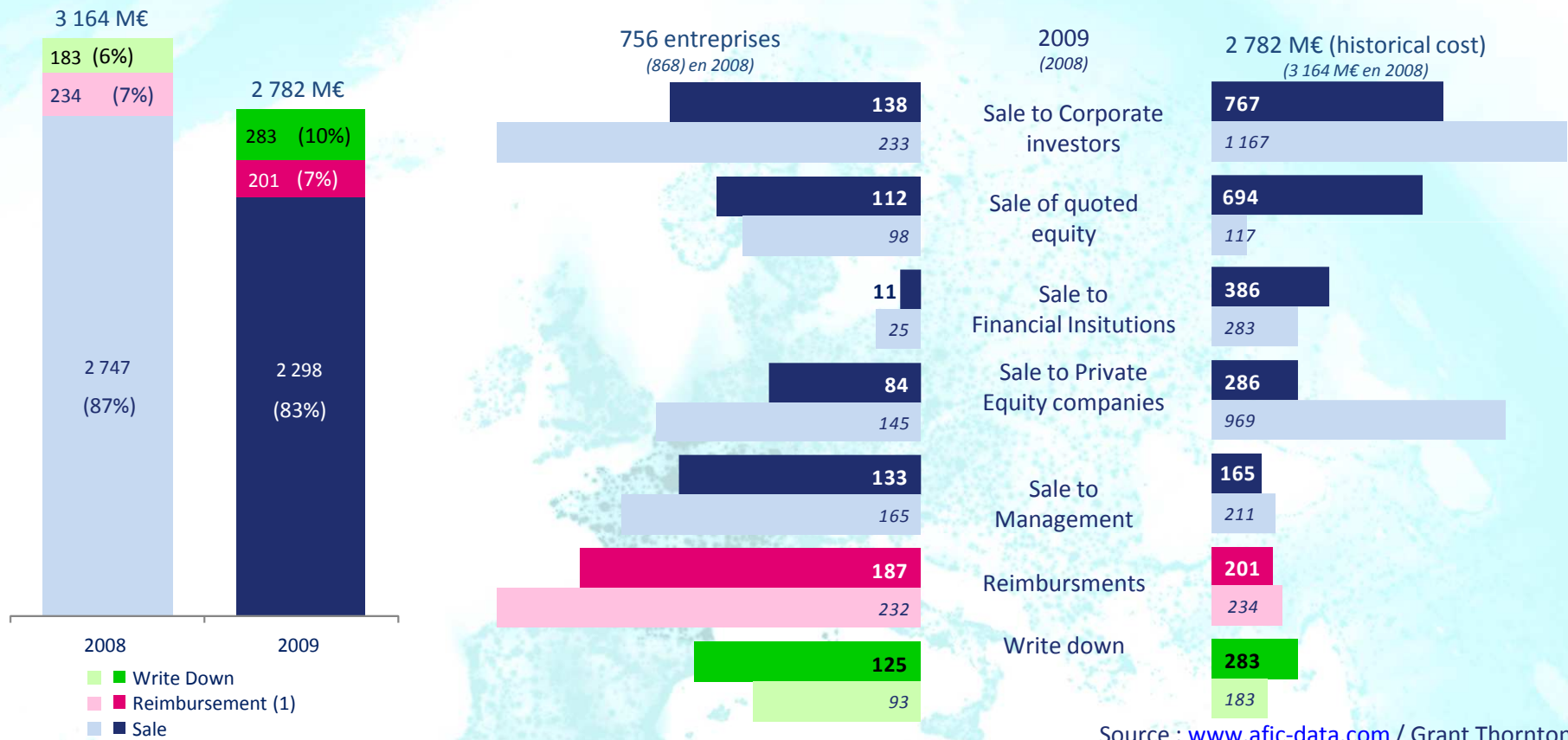
Sources : [www.afic-data.com](http://www.afic-data.com) / Grant Thornton

# Divestments

Corporate investors continue buying Private Equity Participations...  
 ...Increase in quoted equity sales



Distribution of divestments by type of operations and by type of buyers\*



Source : [www.afic-data.com](http://www.afic-data.com) / Grant Thornton

\* Some companies may be part of a divestment under several forms.  
 (1) Including reimbursements of convertible obligations, current accounts, loans, capital reductions and others divestments operations.

# Conclusive Section : What do we learn?



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Thank you for your attention !

Further details on AFIC Economic Research & Statistical Studies :

**[www.afic.asso.fr](http://www.afic.asso.fr)**