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Canadian Private Equity Market Overview

2024

2024 Highlights

2024 saw a significant surge in private equity investment, with $27.5B deployed across 658 deals

Total deal value in 2024 surpassed all annual investment levels since 2018, reaching figures comparable to those last seen in 2017

Ontario, Québec and New Brunswick accounted for 81% of total deal flow and 95% of total PE dollars invested in Canada in 2024

Québec alone represented 59% of all deals and 69% of total deal value

There have been 8 Mega Deals ($500M+) in 2024 totalling a whopping $19B

While 2024 saw more mega deals than 2022 and 2023 combined (5), deals under $25M remain the primary focus of Canadian PE activity, accounting for 84% of all deals with disclosed values

Following the record low investment values the last two years 2023, PE investment activity returned in 2024

Deal values in 2024 surpassed the combined total deal values of 2022 and 2023 ($24.5B), with the closing of investments with significant amounts

There were 86 exits totaling $6.7B in 2024

Exits via M&A transactions accounted for the majority of exit activity (74%), while secondary buyouts contributed the largest share of exit value (71%) in the first nine months of 2024

Investments in the ICT sector amassed the most dollars invested in 2024 with $15.3B across 117 deals

Investments made into the Consumer & Retail sector followed with $4.1B invested across 59 deals

Privatizations in 2024 accounted for a significant portion of total dollars invested, with 14 companies going private this year

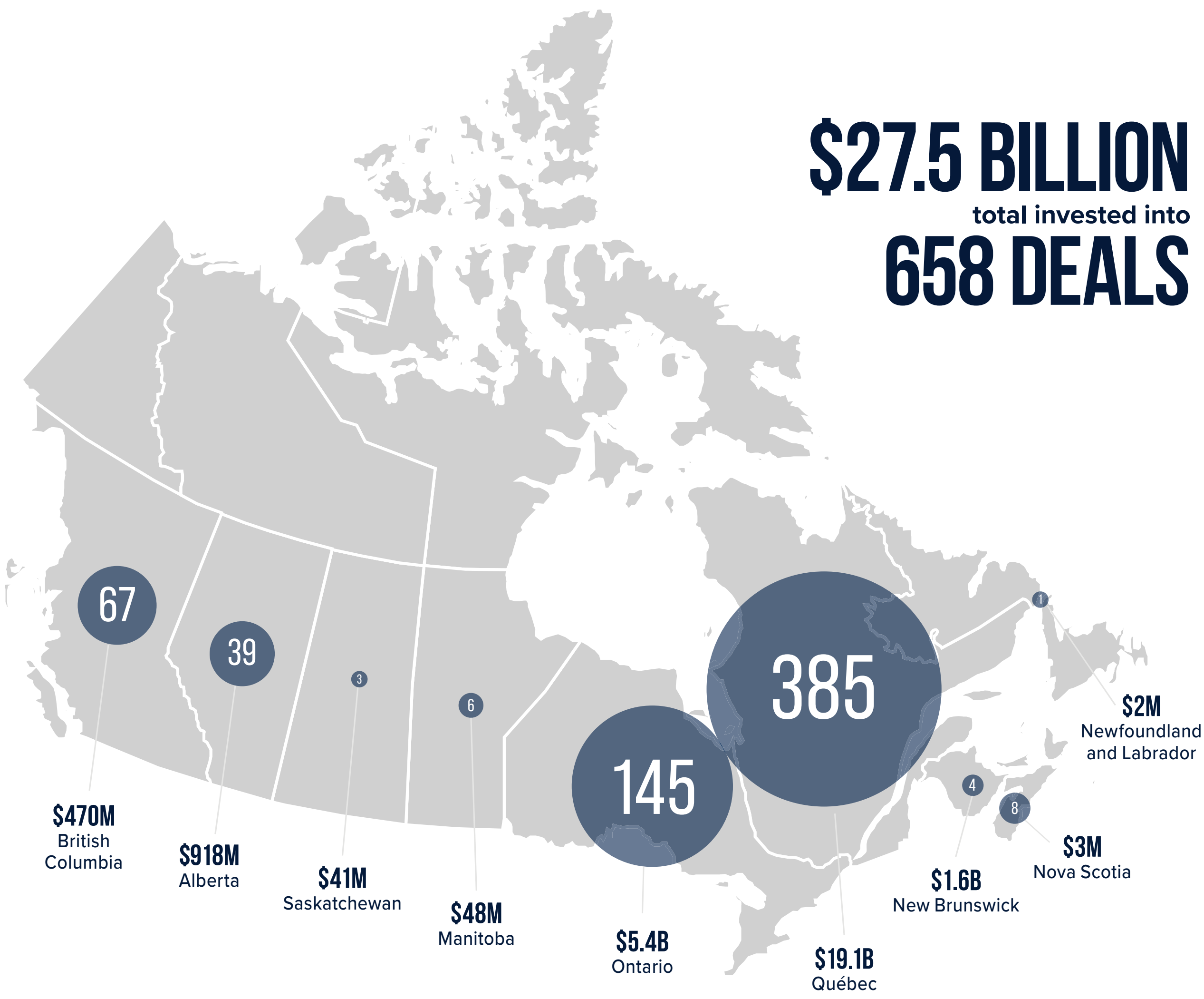
Investors deployed $15.4B taking Canadian companies private in 2024, representing 56% of total PE dollars invested—the highest value on record for privatizations in Canada

Minority investment activity in 2024 closely mirrored 2023, finishing 1% lower in both deal count and deal value

Total minority investment deal value remained well below levels recorded in 2021 ($7.3B) and 2022 ($5.9B)

2024
PRIVATE EQUITY HEAT MAP

ALL PE DEALS

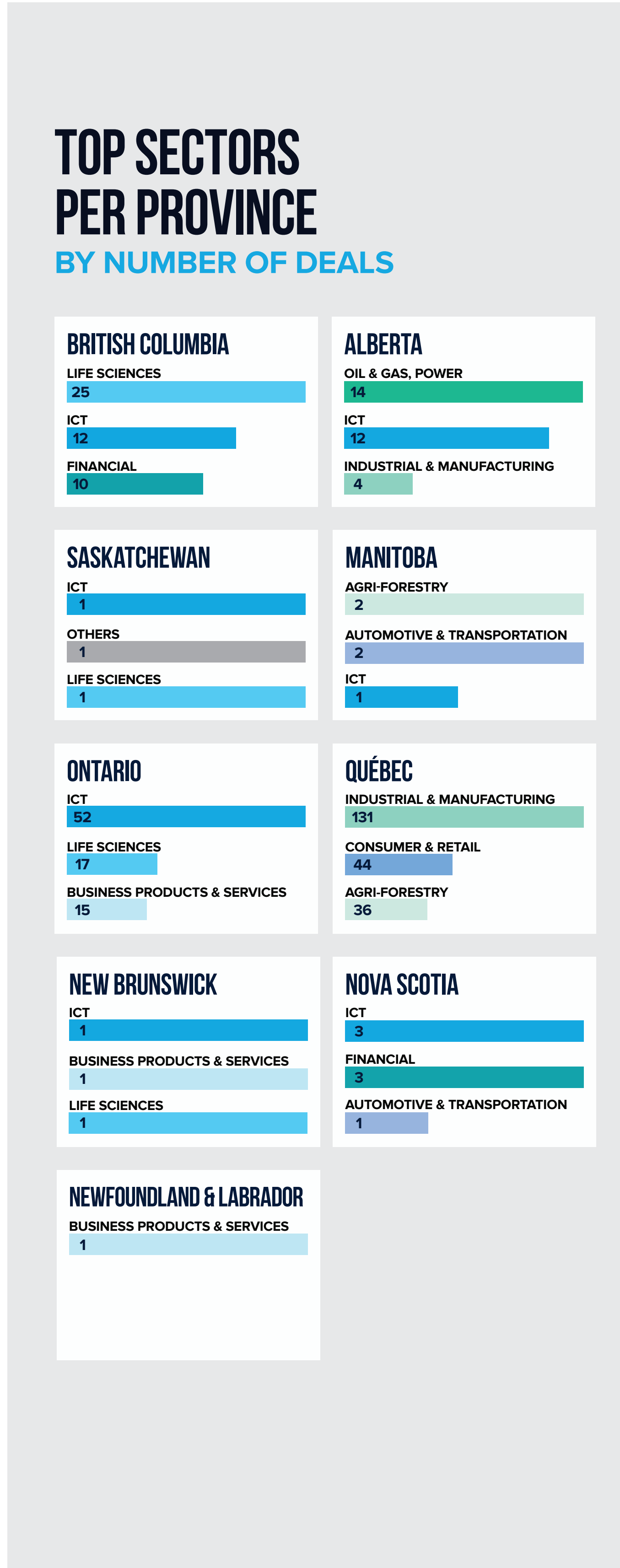


The Canadian Private Equity (PE) market made a strong comeback in 2024, with investments surpassing pre-pandemic levels. Total PE investments reached $27.5B across 658 deals, marking a 72.5% increase compared to the five-year average of $15.9B. The final quarter of the year was the most active, accounting for 56% of total capital invested and 26% of all deals transacted, underscoring a significant acceleration in deal flow.

Québec emerged as the most active province, securing $19.1B across 385 deals, which represented 69% of total dollars invested and 59% of all transactions. This 175% year-over-year increase was largely driven by the privatization of Nuvei, a Québec-based fintech company, with participation from CVCA member Novacap. The sheer scale of this deal contributed significantly to the province's dominance in the national PE landscape.

Ontario followed, attracting $5.4B across 145 deals. While this accounted for 19% of total capital invested—a notable decline from 40% in the previous year—the value of investments remained 47.8% higher than the five-year average, indicating a sustained growth trend despite a lower overall market share.

New Brunswick recorded the third-highest amount of capital invested, with $1.6B across four deals, mostly driven by a single mega-deal ($500M+) in the province. British Columbia, meanwhile, ranked third in terms of deal volume, with 67 transactions totaling $470M, highlighting continued investor interest in the province's diverse industries.

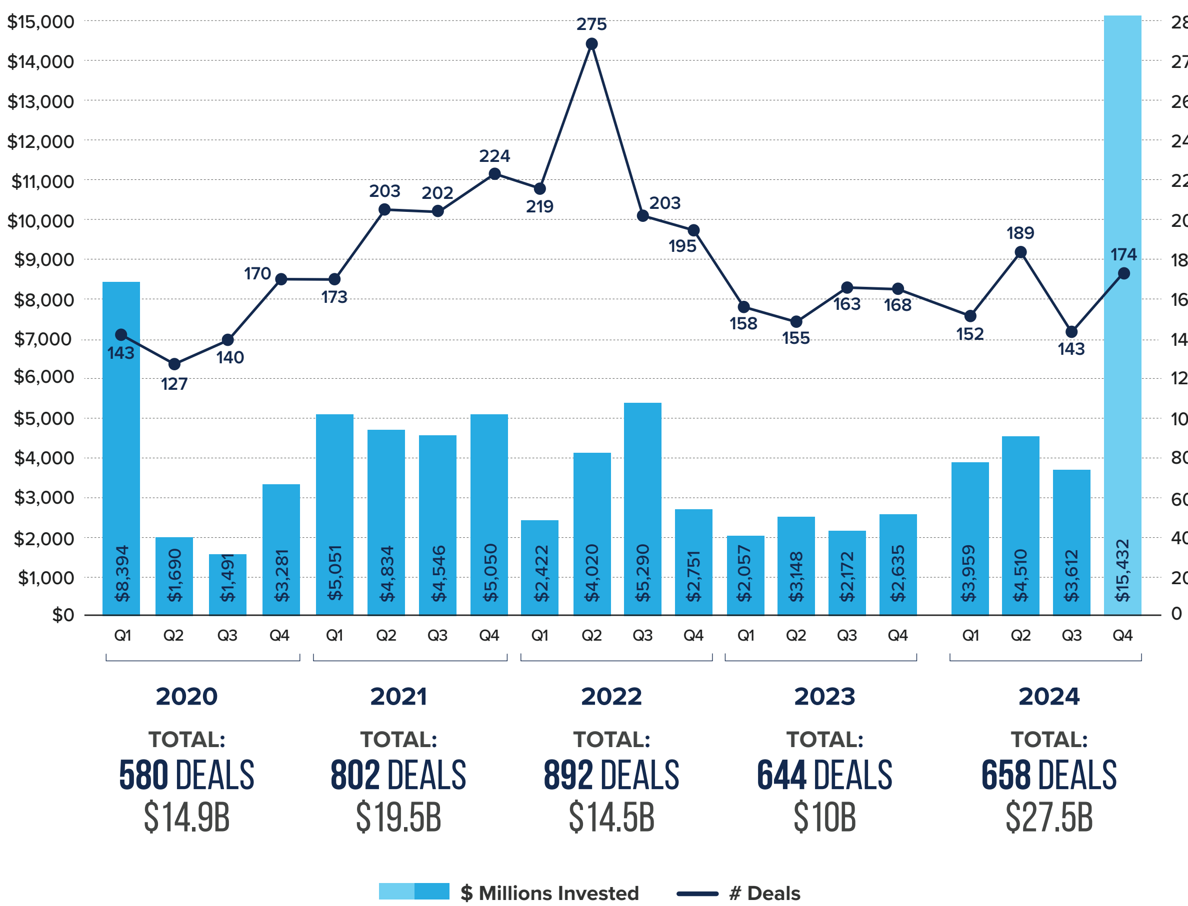


PRIVATE EQUITY INVESTMENT ACTIVITY

ACTIVITY QUARTER-OVER-QUARTER

Q4 2024 emerged as the most significant quarter of the year, recording $15.4B in investments across 174 deals—the highest dollar amount ever recorded in a single quarter in Canadian PE history. The quarter's performance was largely driven by 2 deals, the privatization of Nuvei and the privatization of Sleep Country, alone accounting for 68.5% of Q4 capital invested and 38.4% of total PE dollars deployed in 2024.

The surge in large-scale privatizations naturally led to a sharp increase in average deal size. The average deal value in Q4 stood at $88.69M, significantly higher than the $25.05M average across the year's first three quarters.



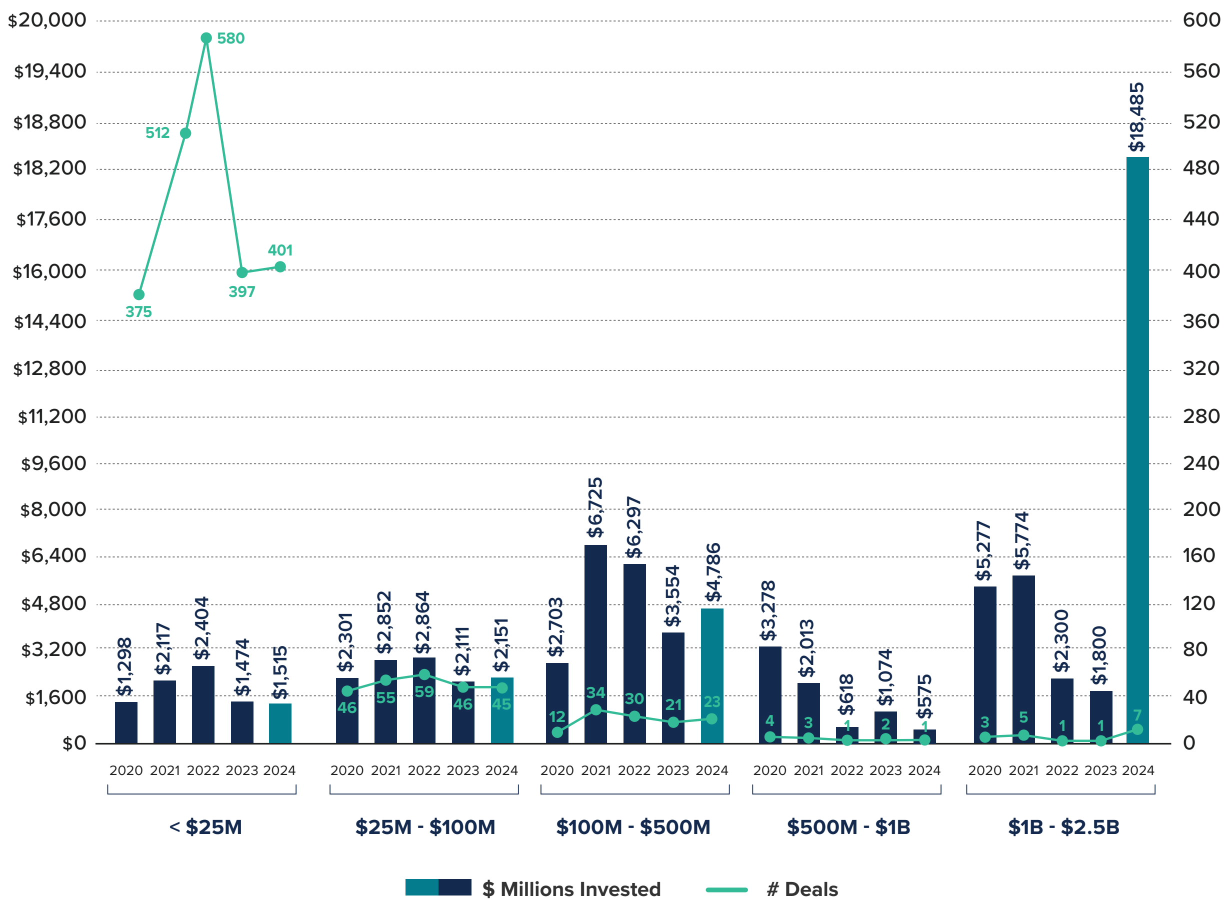
PRIVATE EQUITY INVESTMENT ACTIVITY

ACTIVITY BY DEAL SIZE

In 2024, 94% of all disclosed PE deals were valued at less than $100M, with 84% of total transactions falling below $25M. This distribution remains largely consistent with trends observed over the past five years, reflecting sustained private equity support for Canadian SMEs and lower-middle-market transactions.

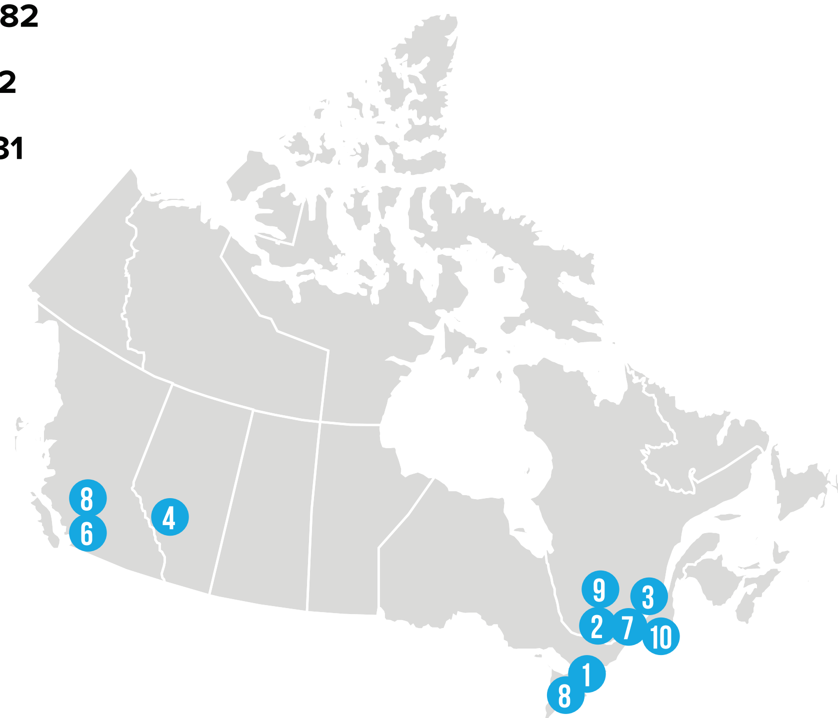
While deal volume trends remained stable, there was a notable increase in larger transactions. The year closed with 31 deals exceeding $100M, including seven transactions surpassing $1B. These high-value deals accounted for 67% of total PE dollars invested, emphasizing the growing role of large-scale buyouts and privatizations in leading overall investment values in the Canadian PE market.

The average deal size for 2024 reached $41.81M, representing a 169% increase from 2023 and 70% above the five-year average. This shift brings investment activity back to pre-pandemic levels, signaling renewed investor confidence and an increased appetite for larger and more capital-intensive transactions.



TOP CANADIAN CITIES/ ADMINISTRATIVE CENTRES

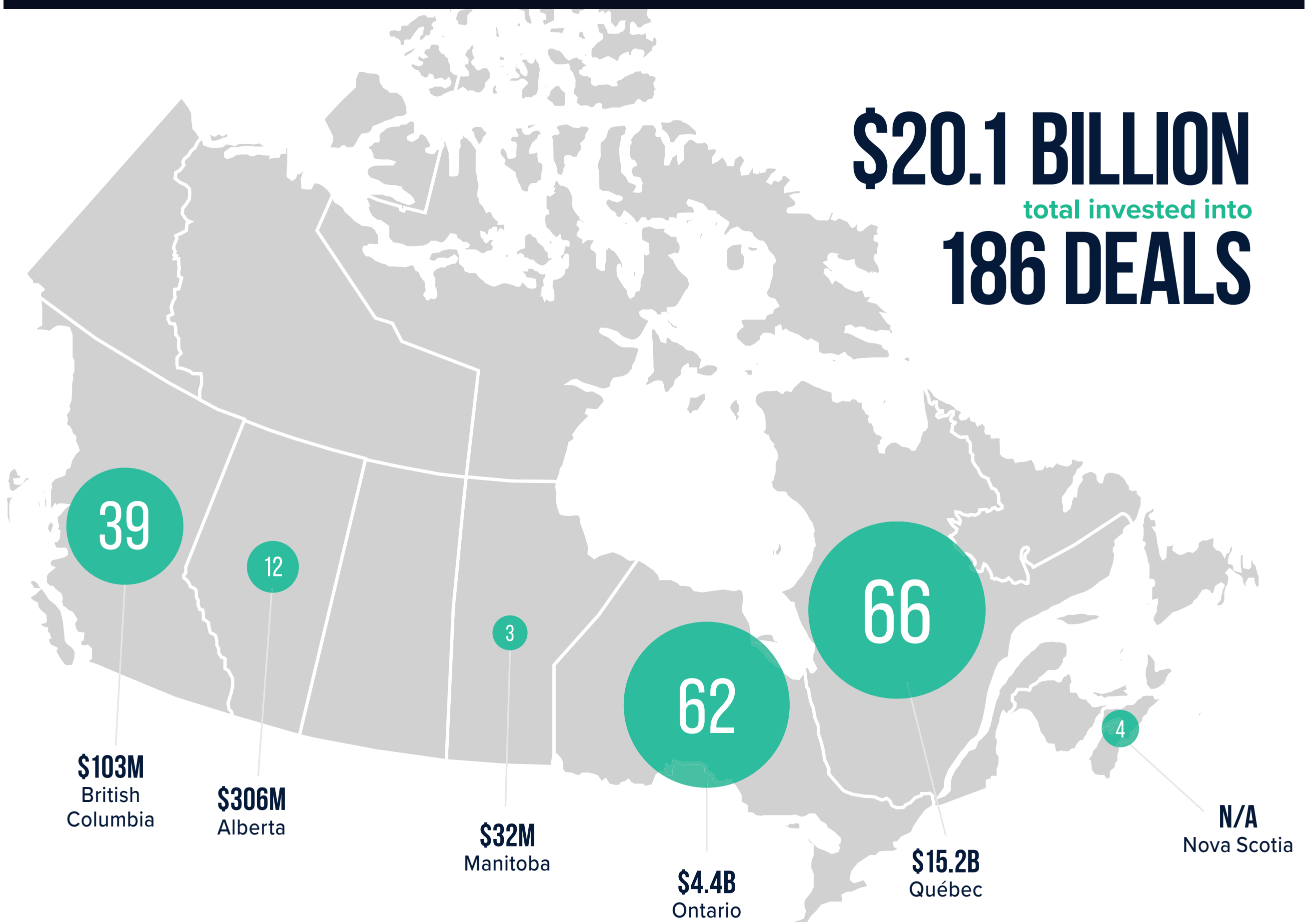
	Total Deals	$ Millions
1. Toronto	91	$2,771
2. Montréal	88	$15,254
3. Québec	29	$918
4. Calgary	27	$624
5. Coquitlam	23	N/A
6. Vancouver	22	$269
7. Saint-Laurent	15	$236
8. Mississauga	15	$182
9. Laval	13	$82
10. Sherbrooke	9	$131



#1 TORONTO
$2.77B
91 DEALS

PRIVATE EQUITY HEAT MAP

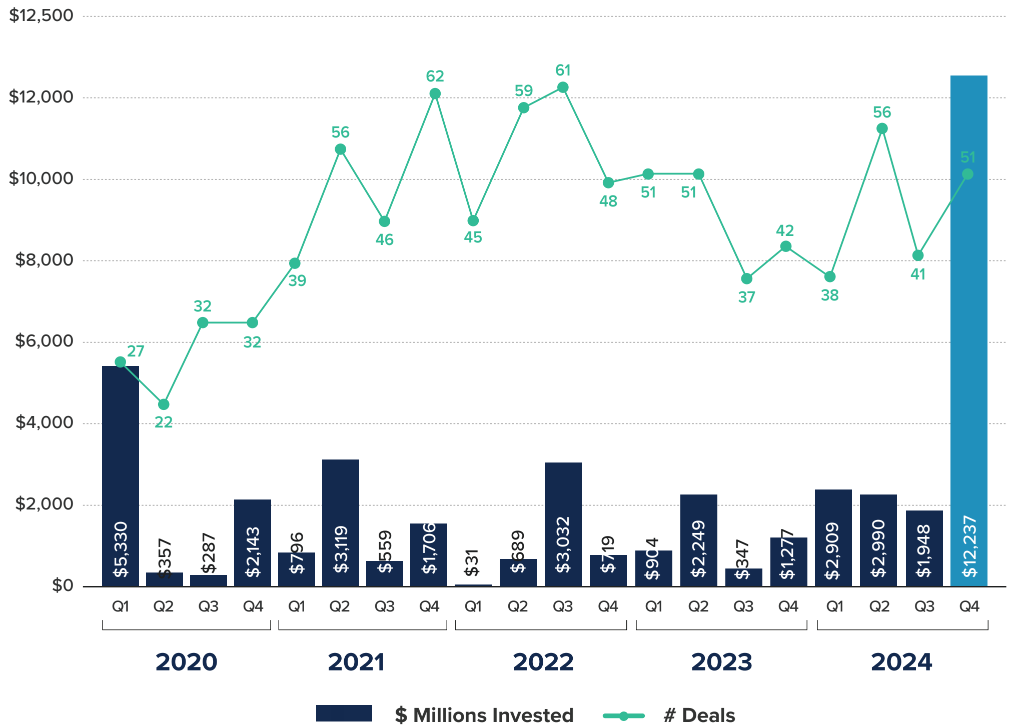
BUYOUT & ADD-ON DEALS



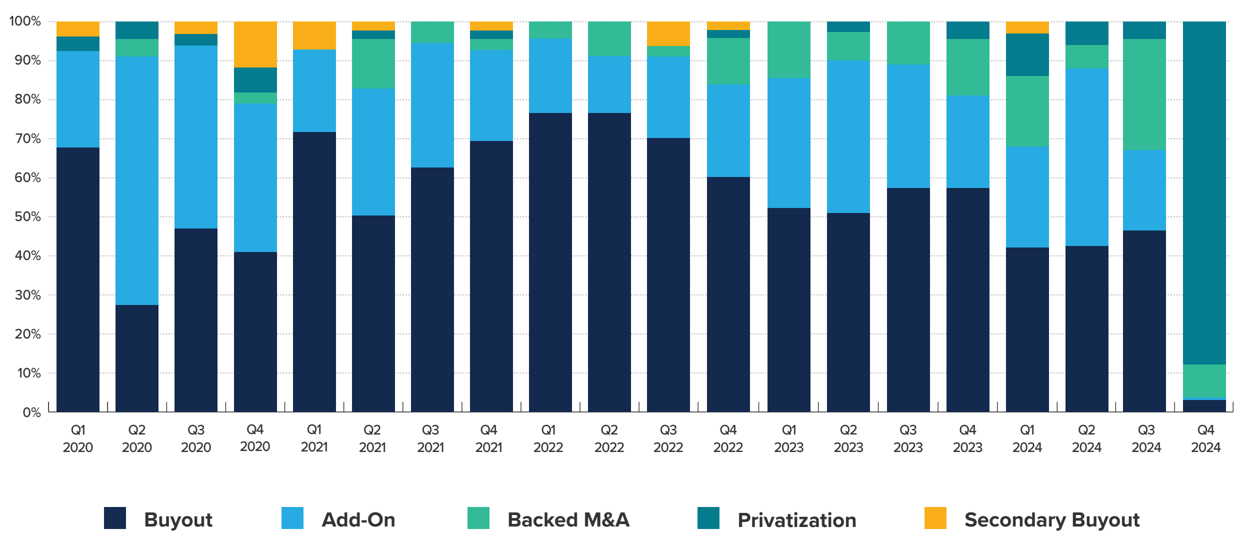
PE investments returned to pre-pandemic levels in 2024, driven largely by big buyouts and privatizations, which accounted for $20.1B and 186 deals. This represents 2.5 times the five-year average in capital deployed for this stage of PE activity, underscoring its growing significance in the market.

Although buyout and add-on transactions accounted for only 28% of all PE deals in 2024, they represented 73% of total dollars invested. One of the most notable transactions in this category was Fengate Private Equity's $1.8B purchase of eStruxture, reinforcing the continued momentum in high-value buyout activity.

QUARTER-OVER-QUARTER BUYOUT & ADD-ONS INVESTMENT ACTIVITY (2020-2024)

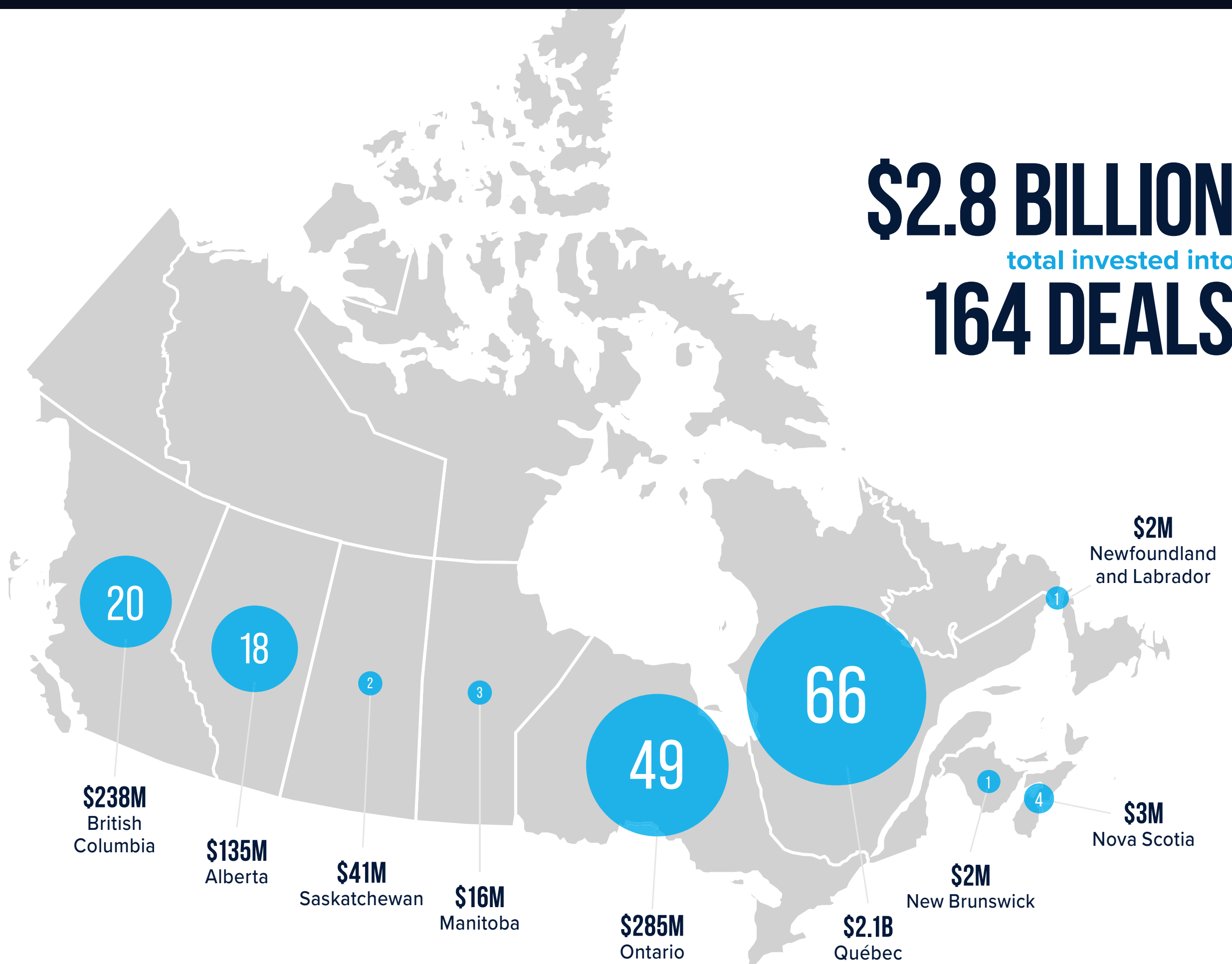


BUYOUT & ADD-ON DEALS PERCENTAGE BREAKDOWN (2020-2024)



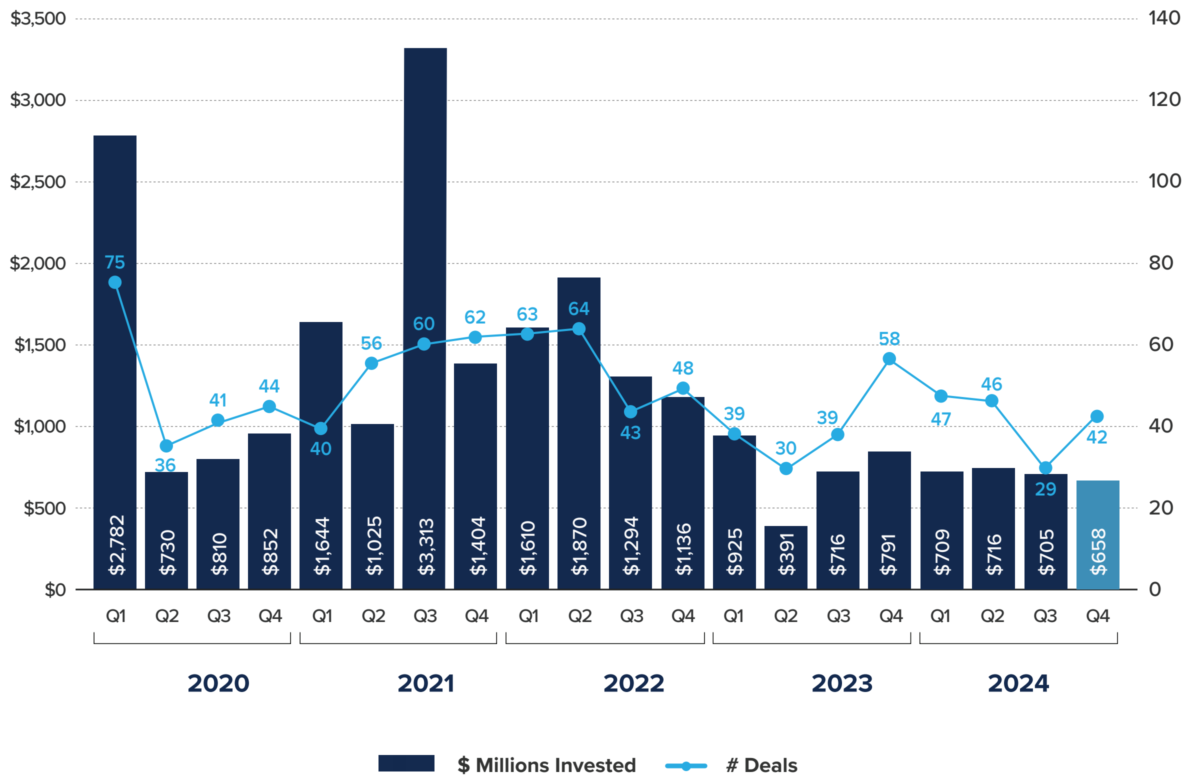
PRIVATE EQUITY HEAT MAP

PE MINORITY INVESTMENTS

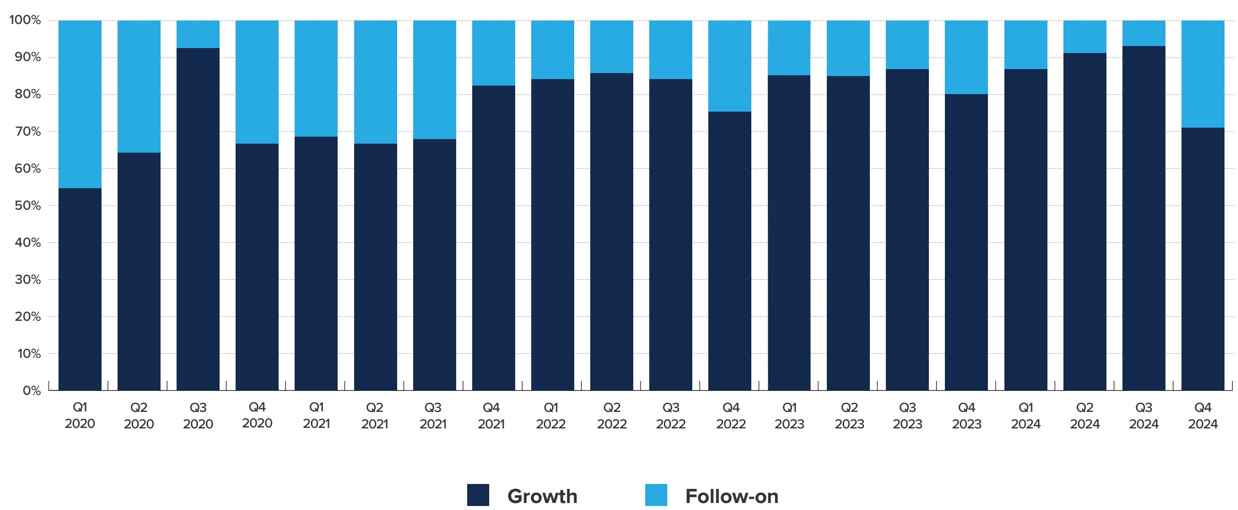


Closing 2024, minority investments totaled $2.8B across 164 deals, accounting for just over 10% of total PE dollars invested and nearly 25% of all transactions. When compared with the five-year average, we saw a 14% decline in deal count and 47% decline in deal values in minority investments, indicating that minority investments played a more prominent role in previous years. In contrast, 2024 saw a clear shift toward buyouts and add-on investments, which captured a significantly larger share of overall private equity activity. This decline suggests that investors favored controlling stakes over minority positions this year, reflecting changing market dynamics.

QUARTER-OVER-QUARTER MINORITY INVESTMENT ACTIVITY (2020-2024)

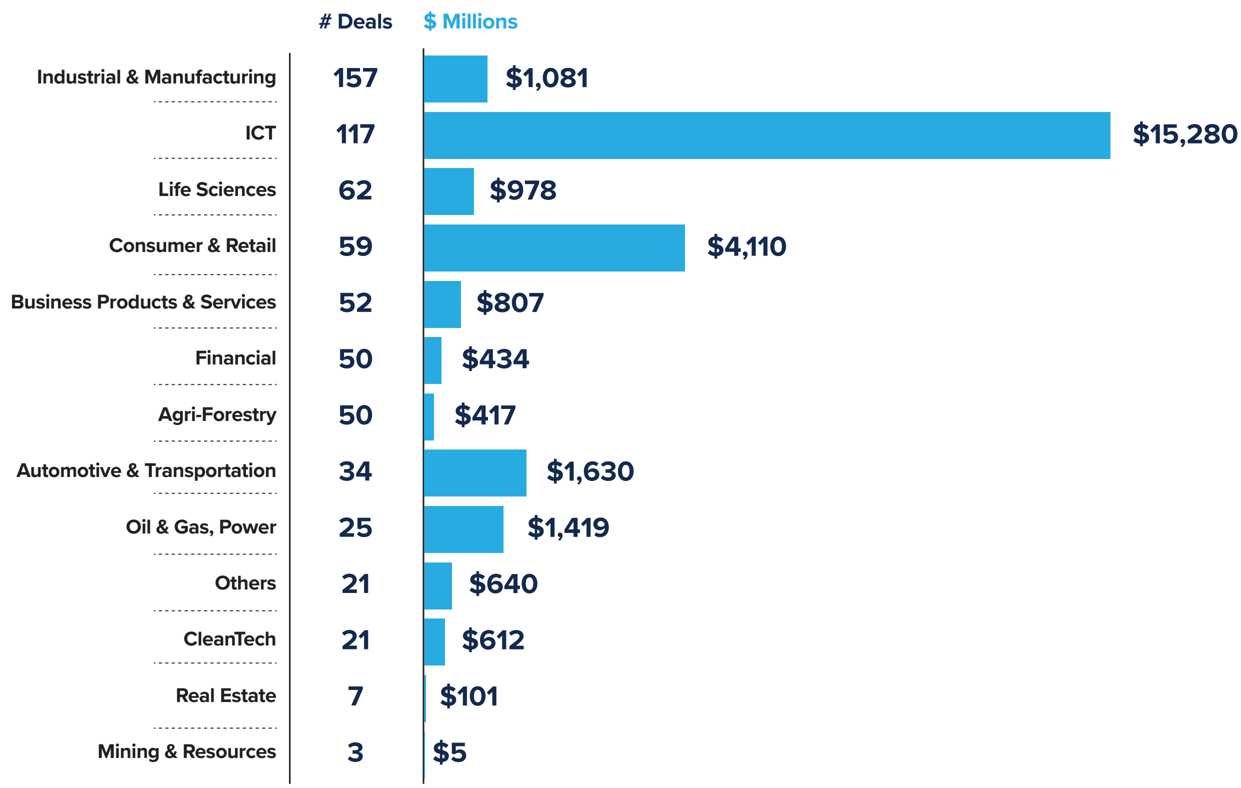


MINORITY DEALS PERCENTAGE BREAKDOWN (2020-2024)



As PE investment activity returned to pre-pandemic levels, the impact was felt across all sectors, with the Information, Communication & Technology (ICT) sector leading, a trend also observed over the past five years. The Industrial & Manufacturing sector remained the most active by deal count, securing $1.1B across 157 deals, while ICT recorded the highest capital deployment in PE history, raising $15.3B across 117 deals.

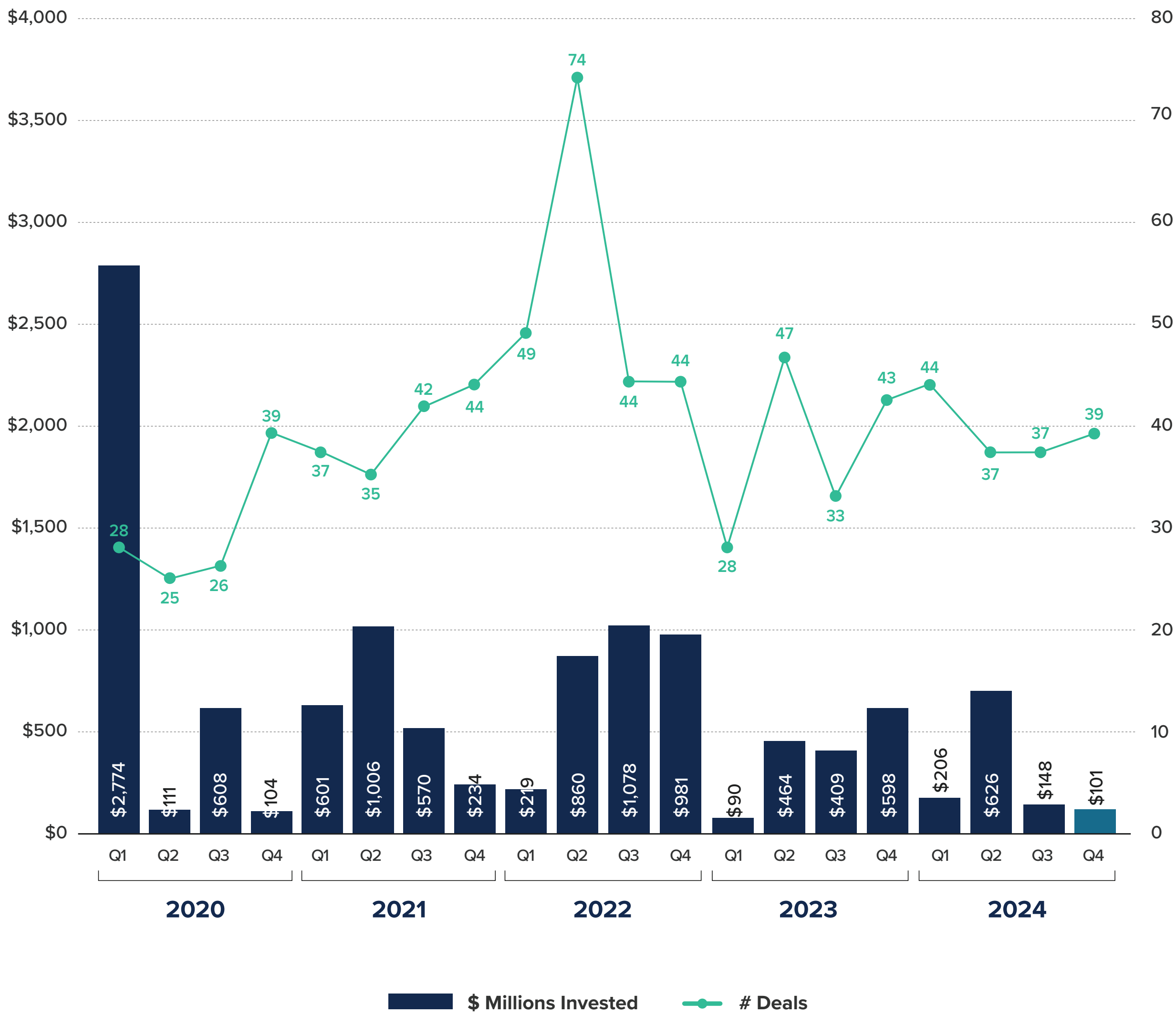
Beyond the two leading sectors, Life Sciences attracted $978M across 62 deals, while Consumer & Retail secured $4.1B across 59 transactions. The Automotive & Transportation sector also saw significant investment, with $1.6B across 34 deals.



PRIVATE EQUITY
TOP 4 SECTOR BREAKDOWN

TOP 4 : INDUSTRIAL & MANUFACTURING

QUARTER-OVER-QUARTER INDUSTRIAL & MANUFACTURING INVESTMENT ACTIVITY (2020-2024)



The Industrial & Manufacturing sector has remained a core area of PE investment activity, maintaining consistent deal volume with 157 transactions in 2024, nearly mirroring the five-year average of 153 deals. However, the sector saw a 31% decline in total dollars invested compared to 2023, leading to a lower average deal size of $6.89M, falling below the five-year average.

This reduction in dollars invested reflects a shift in investor focus toward other sectors, particularly Information, Communication & Technology (ICT) and Consumer & Retail, both of which attracted significantly larger investments this year.

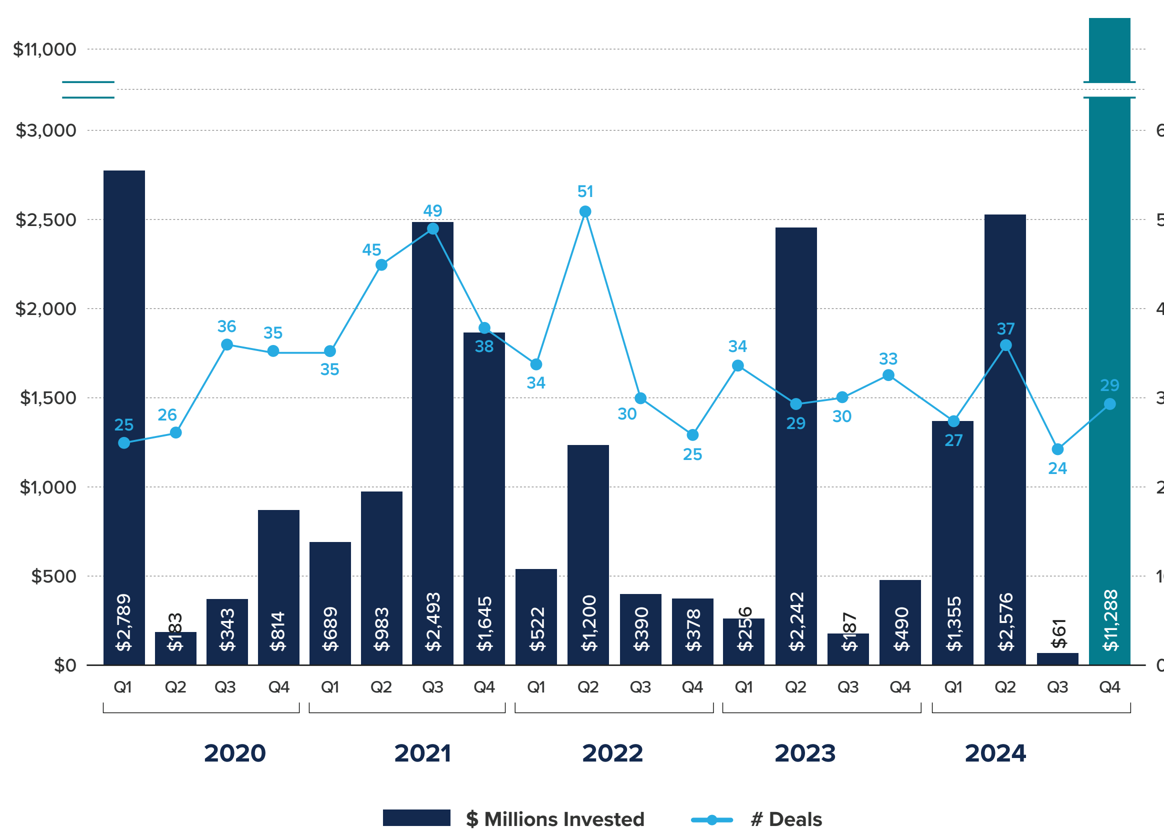
QUARTER-OVER-QUARTER AVERAGE INDUSTRIAL & MANUFACTURING DEAL SIZE (2020-2024)

PRIVATE EQUITY
TOP 4 SECTOR BREAKDOWN

TOP 4: ICT

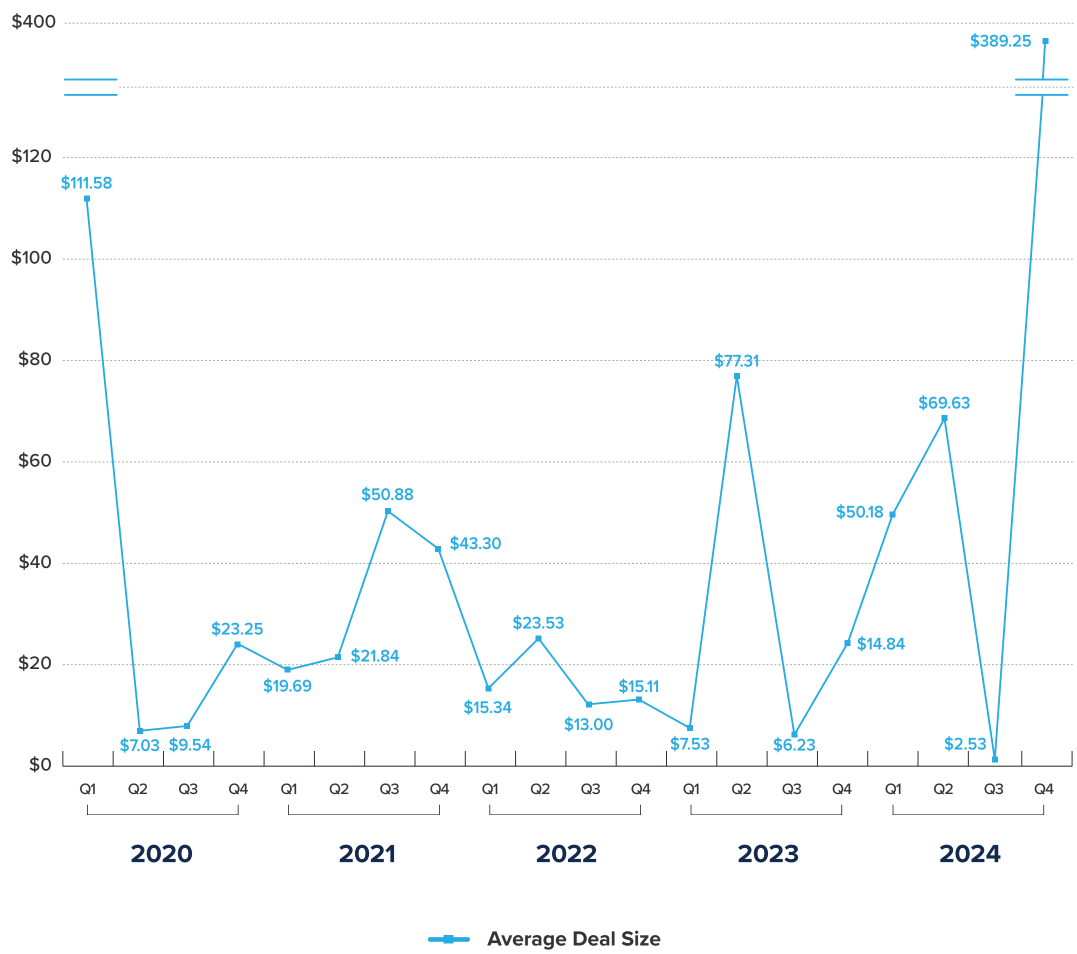
The Information, Communication & Technology (ICT) sector saw unparalleled investment activity in 2024, with an average deal size of $130.60M, more than three times the overall PE deal average for the year. Total investments in ICT surpassed the combined annual PE investments across all sectors in 2023, accounting for 55.5% of all PE dollars deployed in 2024.

QUARTER-OVER-QUARTER ICT INVESTMENT ACTIVITY (2020-2024)



Investment activity in Q4 saw an extraordinary surge, attracting $11.3B, which accounted for 73.9% of the sector's total dollars invested. This concentration of investment in the final quarter reflects the influence of large-scale privatizations and strategic acquisitions, reinforcing the sector's dominance in shaping the overall PE landscape in 2024.

QUARTER-OVER-QUARTER AVERAGE ICT DEAL SIZE (2020-2024)



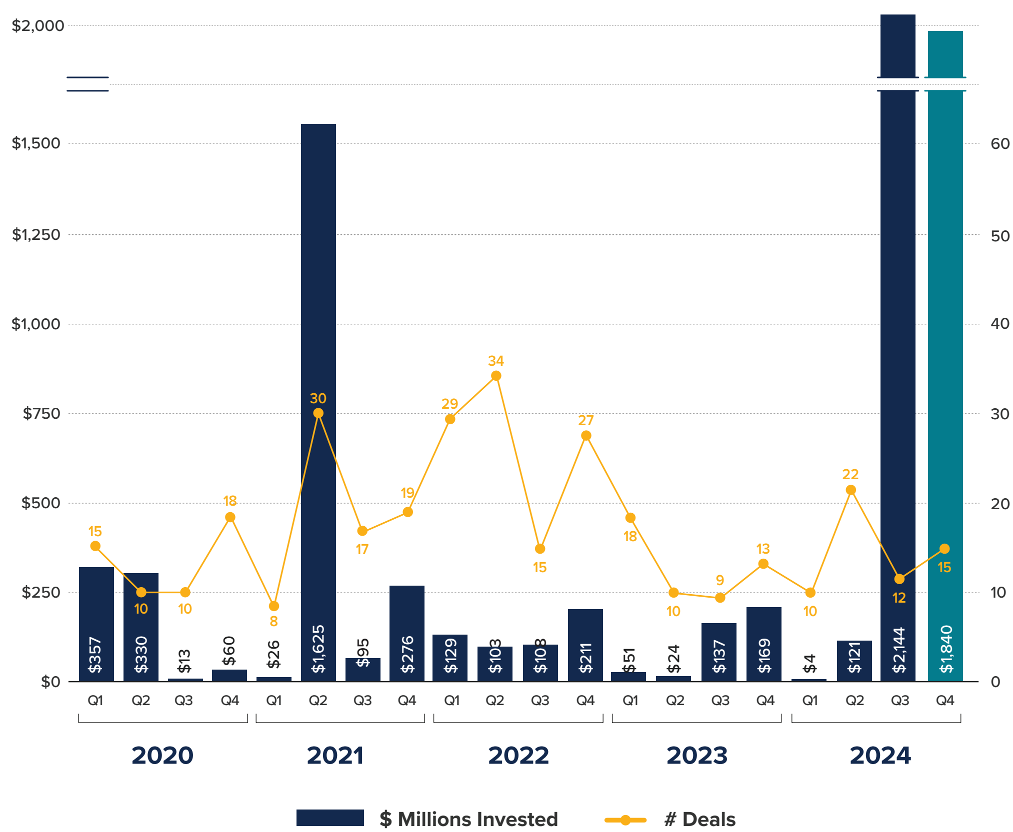
PRIVATE EQUITY
TOP 4 SECTOR BREAKDOWN

TOP 4: CONSUMER & RETAIL

The Consumer & Retail sector experienced a significant surge in PE investment in 2024, securing $4.1B, which accounted for nearly 15% of total PE dollars invested.

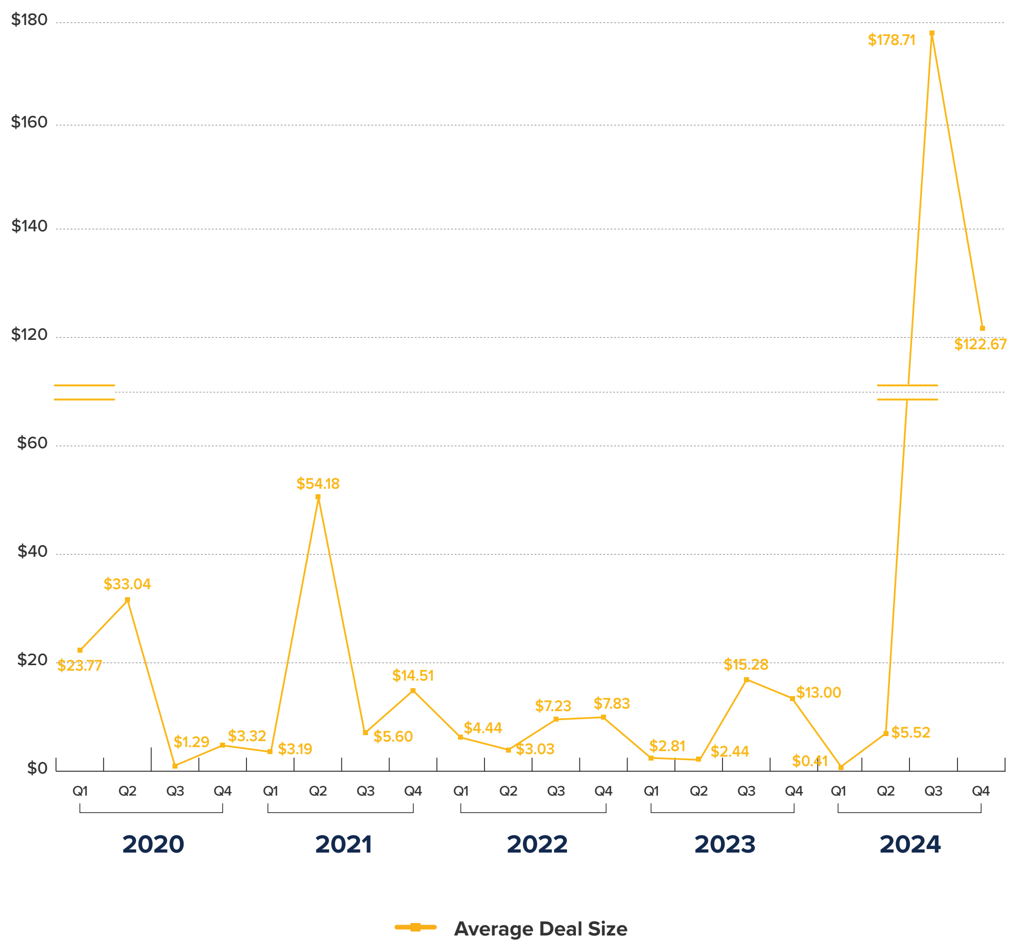
Investment activity was highly concentrated in the latter half of the year, with Q3 and Q4 contributing 97% of total dollars invested in the sector. The sector also saw a dramatic increase in average deal size, which

QUARTER-OVER-QUARTER CONSUMER & RETAIL INVESTMENT ACTIVITY (2020-2024)



reached $69.66M by year-end—more than nine times the 2023 average of $7.62M. This substantial growth reflects a shift toward larger transactions, fueled by high-value privatizations and buyouts in key retail and consumer-facing businesses like the privatizations of Sleep Country Canada and Park Lawn Corporation.

QUARTER-OVER-QUARTER AVERAGE CONSUMER AND RETAIL DEAL SIZE (2020-2024)

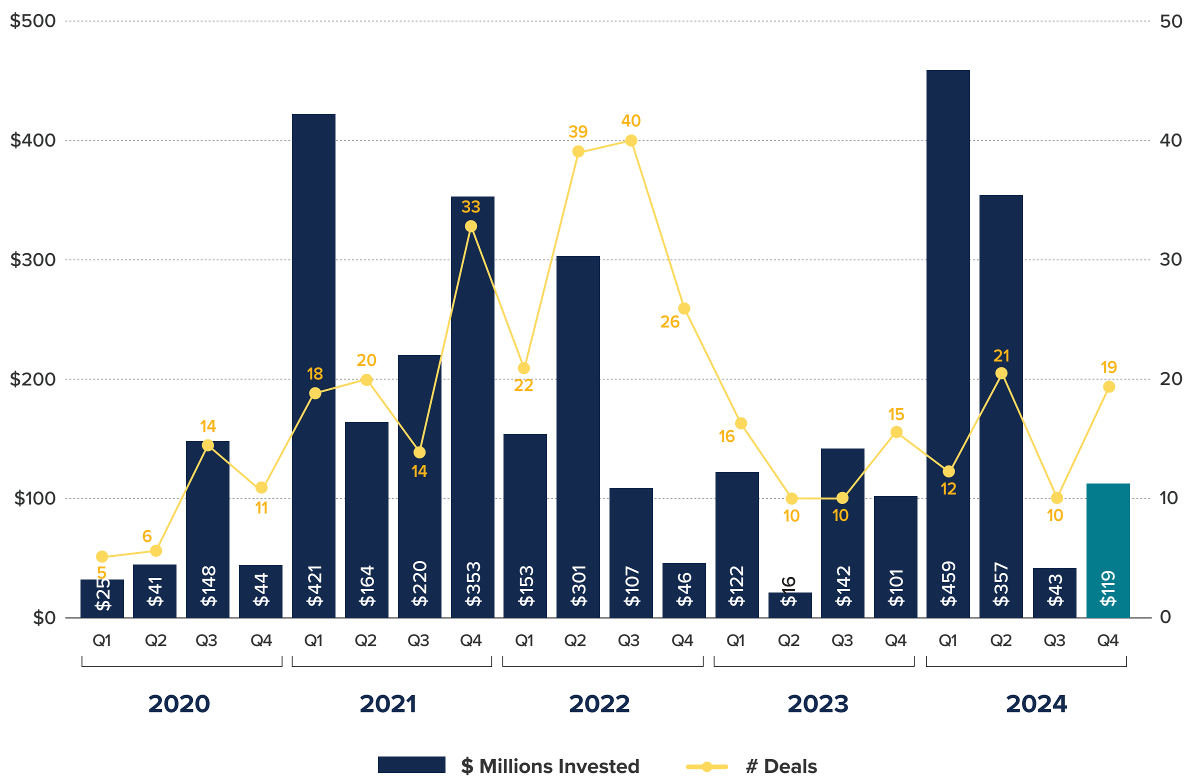


PRIVATE EQUITY TOP 4 SECTOR BREAKDOWN

TOP 4: LIFE SCIENCES

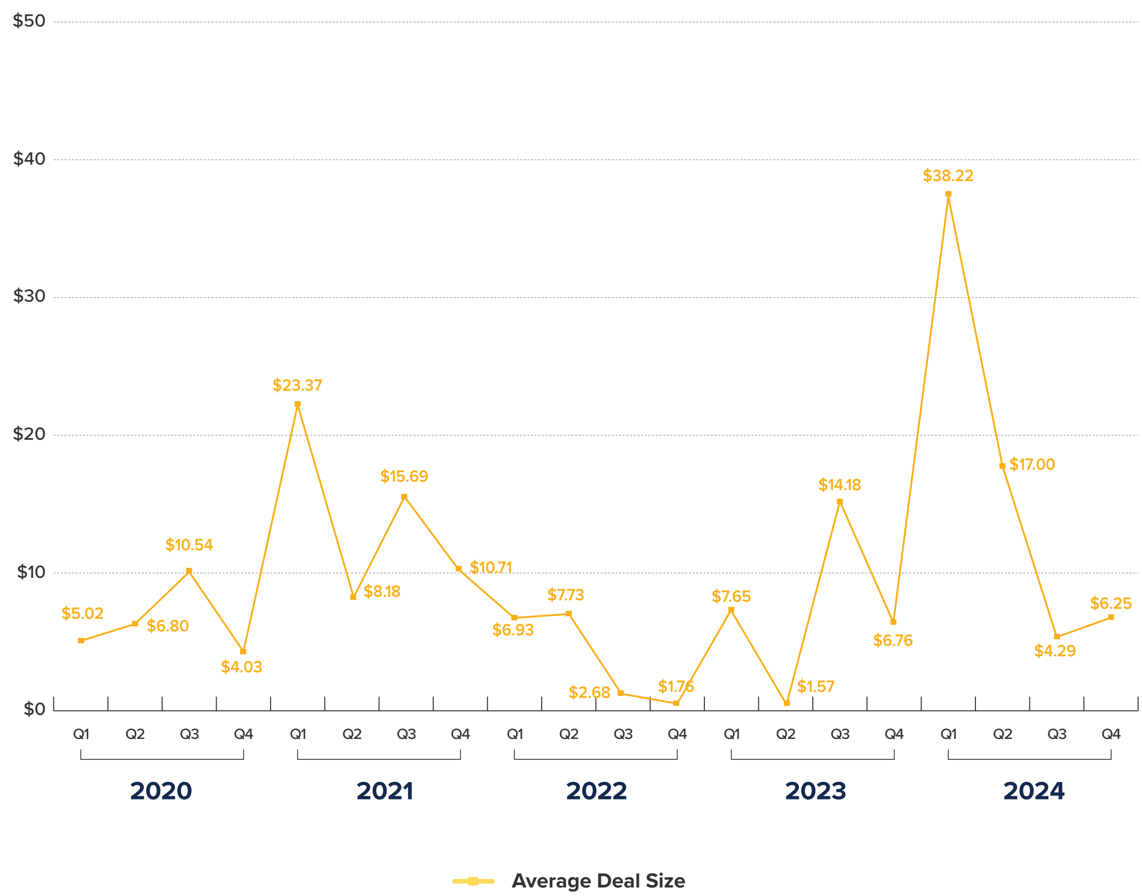
The Life Sciences sector attracted $978M in PE investments in 2024, marking a 73% increase over the five-year average and 2.6x the capital invested in 2023. Deal counts remained consistent, with 62 transactions, closely aligning with the five-year average of 64 deals.

QUARTER-OVER-QUARTER LIFE SCIENCES INVESTMENT ACTIVITY (2020-2024)



Despite representing a modest 3.6% of total PE dollars invested and 9.4% of all transactions, the sector saw a notable rise in average deal size, which reached $15.77M. This figure reflects a 51.3% increase over the five-year average of $10.42M and more than double the 2023 average deal size of $7.47M.

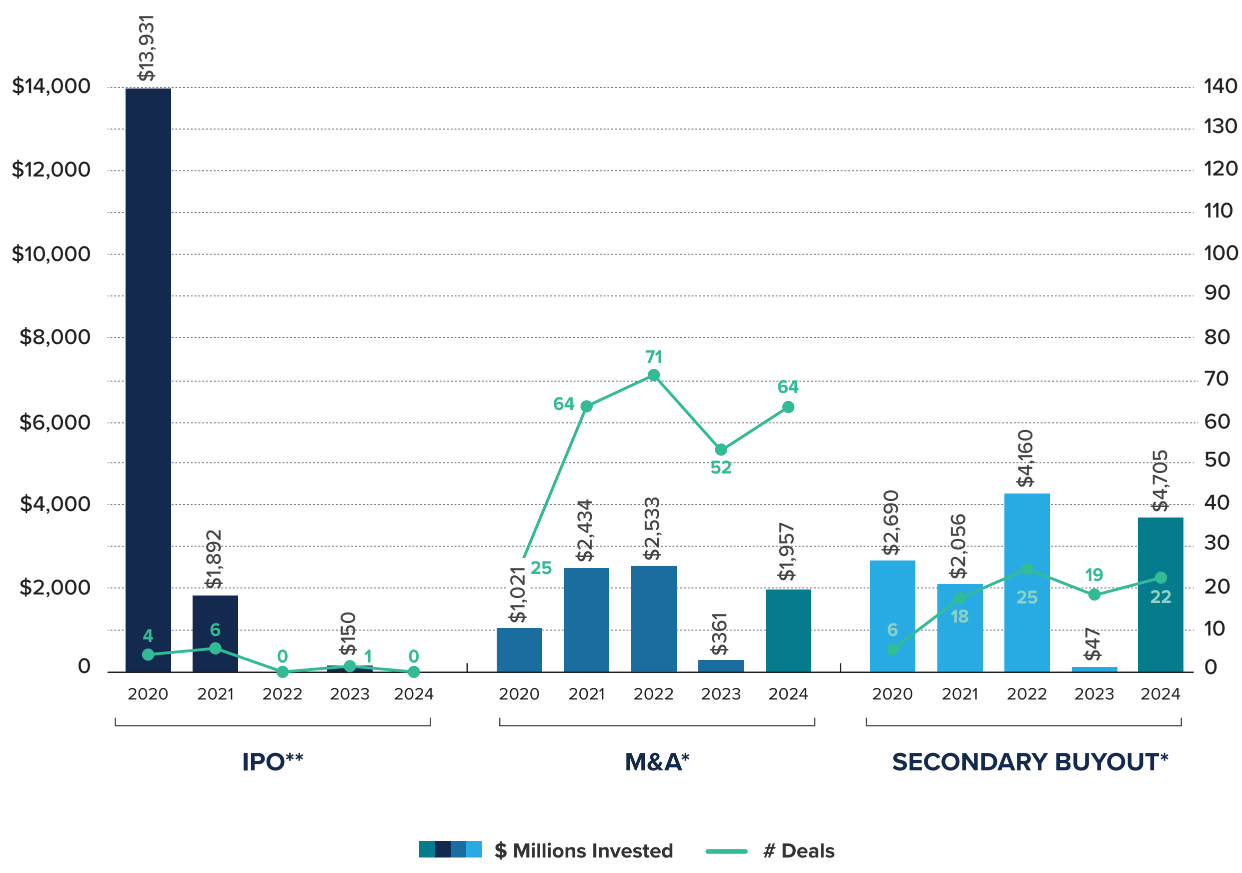
QUARTER-OVER-QUARTER AVERAGE LIFE SCIENCES DEAL SIZE (2020-2024)



PE EXITS

In 2024, investors realized $6.7B across 86 PE exits, aligning with the rising trend observed over the past three years. However, no IPO exits were recorded, marking the third consecutive year of low IPO activity.

The highest level of exit value came from Secondary Buyouts, which generated $4.7B across 22 exits, accounting for 70.6% of total exit value. This resulted in an average secondary buyout exit of $213.86M, significantly higher than the overall average exit value of $77.47M for the year. The dominance of secondary buyouts suggests a strong appetite for established PE-backed businesses, as firms continue to hold companies private for longer.



* Includes transactions with undisclosed values ** IPO valuation

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