

Australasia

2020

AVCJ private equity and
venture capital report

SAMPLE

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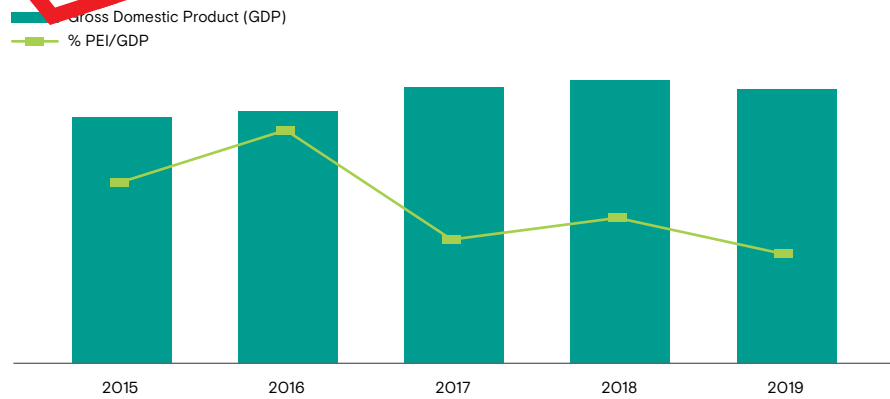
Assets Under Management and M&A

Contrasting stories pre-COVID

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Australia's GDP in 2019 amounted to \$1.376 trillion, which was managed under private equity investment for \$1.376 billion. Australia's GDP in 2018 amounted to \$1.305 billion, which was managed under private equity investment for \$1.305 billion. Australia's GDP in 2017 amounted to \$1.235 billion, which was managed under private equity investment for \$1.235 billion. Australia's GDP in 2016 amounted to \$1.165 billion, which was managed under private equity investment for \$1.165 billion. Australia's GDP in 2015 amounted to \$1.095 billion, which was managed under private equity investment for \$1.095 billion. Against the \$1.376 trillion of private equity investment in 2019 represented 0.9% - the lowest figure in the past five years.

Domestic vs. Private Equity Investment



*GDP data refers to fiscal year (April 1-March 31) and Private Equity Investment data refers to year-ended on December 31
 Source: AVCJ Research
 The International Monetary Fund

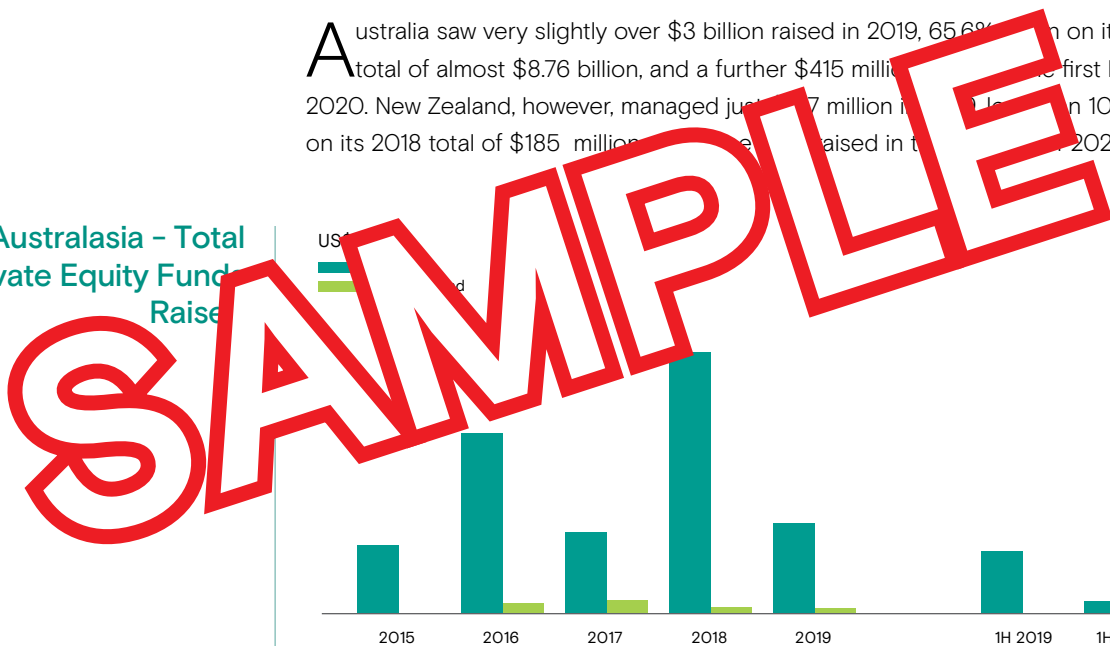
New Zealand saw its private equity capital under management remain essentially constant between 2018 and 2019, at just around \$3.7 billion. In the first half of 2020, however, it rose to some \$4.16 billion. Private equity investment, at some \$2.5 billion in 2019, contributed 1.2% of its total GDP in 2019 - practically the same percentage as in 2018.

Fundraising

Fundraising frailty

Australia saw very slightly over \$3 billion raised in 2019, 65.6% down on its 2018 total of almost \$8.76 billion, and a further \$415 million in the first half of 2020. New Zealand, however, managed just \$77 million in the first half of 2020, down 10% on its 2018 total of \$185 million. Total fundraising in Australasia in the first half of 2020.

Australasia - Total Private Equity Fundraising



Source: AVCJ Research

Australasia’s largest fund close by total amount in the period under review was the Pacific Equity Partners VI fund, with a final total close of \$1.743 billion. Second largest was the Australian Business Growth Fund, exactly on target at \$366.6 million, and third largest was the Quadrant Growth Fund, at \$283.4 million. Largest purely New Zealand fund was the Direct Capital VI buyout fund, closed on target at \$248.6 million. Largest funds in the market by target size were the aforementioned Australian Business Growth Fund, followed by the 5th Medical Research Commercialisation Fund (MRCF5), with a first close of \$147.8 million recorded against its \$323.8 million target, and New Zealand’s Direct Capital VI fund.

Top three Australasian funds still in the market in the period under review were the Powering Australian Renewables Fund (PARF), launched July 2016 with a \$746.8 million first close recorded so far against its almost \$1.5 billion target, followed by

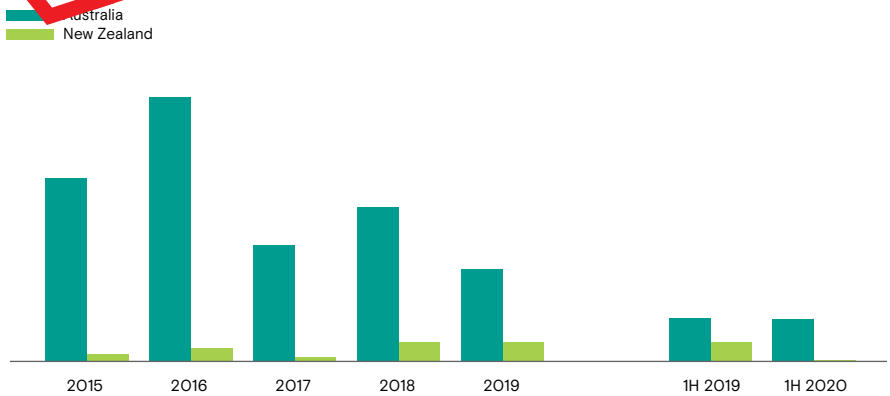
Investments

Remarkable resilience

Australia's investments in 2019 amounted to some \$12.3 billion, up from \$10.5 billion in 2018. New Zealand, not always a venue for large investment volumes, managed a notable total of just over \$2.5 billion in 2019.

The Australian total was up from 175 deals disclosed, a 40% increase on the 125 deals disclosed in 2018. The total disclosed was just over \$5.5 billion from 98 deals disclosed in the 1H2019, up from just over \$5.6 billion from 74 deals, 25 disclosed, in the 1H2018.

Australia
Equity Investment



Source: AVCJ Research

New Zealand, meanwhile, saw a slight rise in 2019 of just 1.7% to the \$2.5 billion total from 29 deals, 20 disclosed, compared to 2018's just over \$2.46 billion from 43 deals, 25 disclosed. In the first half of 2020, though, Kiwi investment fell off massively, to just \$82 million from 10 deals, 6 disclosed, versus 1H2019's over \$2.45 billion from 19 deals, 14 disclosed.

Buyouts predominated in Australian investment by stage in the period under review, with almost \$10.6 billion invested or just under 86% of the total, from 45 buyouts, 19 disclosed, almost exactly the same percentage of the year's total as