THE LEAD
https://theleadleft.com/the-pulse-of-pquity-11232015/

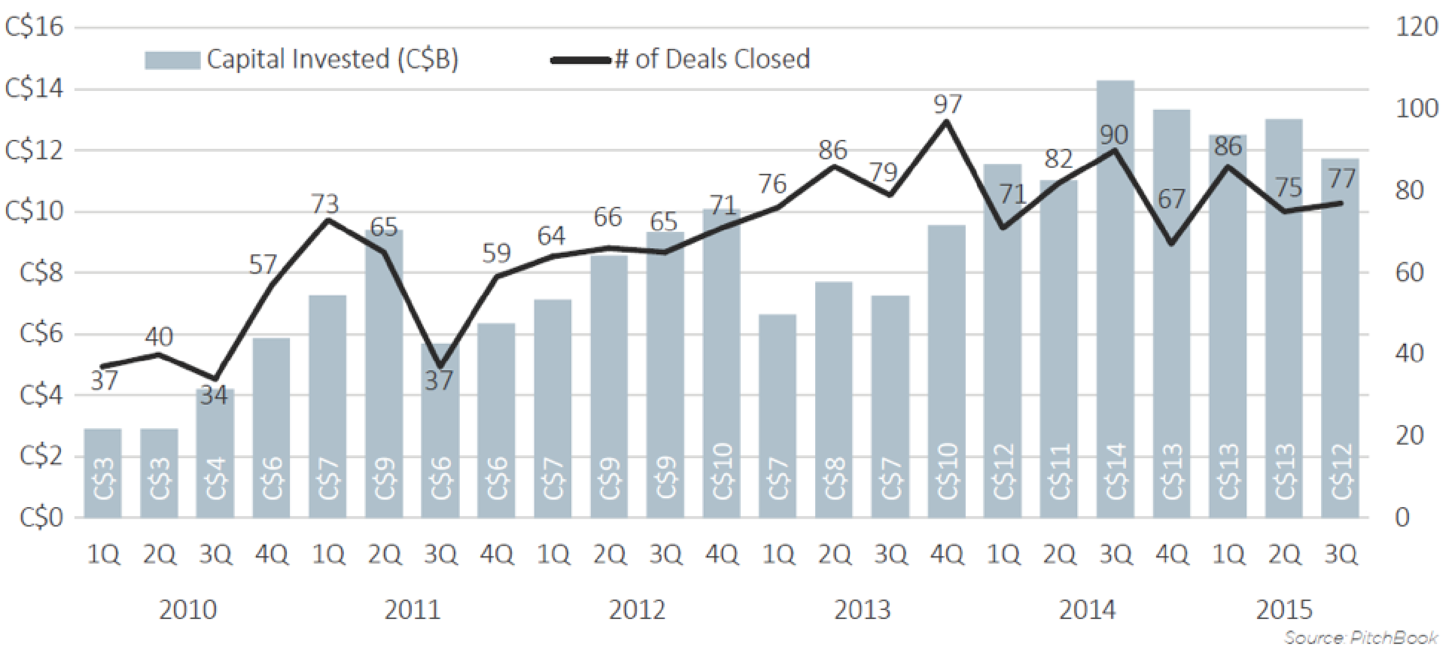
The Pulse of Private Equity – 11/23/2015

PitchBook | November 24, 2015

Canadian Deal Flow Strong, Bolstered by Investor Interest in Middle Market

Canadian private equity activity has remained heightened throughout 2015, driven by strong numbers from the main hubs of investment, Ontario and British Columbia. Through 3Q 2015, 238 transactions worth C$37.3 billion have been completed, putting this year on pace to just about match the heights we saw in 2014.

CANADIAN PE DEAL FLOW BY QUARTER



Investors seem to be looking more and more toward accretive building out of existing platforms with purchases in the Canadian lower middle market, with add-ons making up no less than 64% of all buyout activity in the country this year so far. As many Canadian manufacturers sell products across their southern border into a stronger currency, looking to boost profitability via exports, building out cross-border platforms for relatively lower prices will likely remain a popular strategy. Some potential constraints include the necessity of establishing relationships with a wide variety of deal sources, including independent shops, given the lack of volume and overall penetration of PE in the general middle market. Otherwise, however, Canadian deal flow, driven primarily by the lower reaches of the middle market, looks set to stay strong.

Contact: Garrett Black
garrett.black@pitchbook.com