



Q1 2024

CANADIAN PRIVATE EQUITY MARKET OVERVIEW

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years

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OUR VISION

A thriving Canadian economy driven by private capital.

OUR MISSION

CVCA's mission is to help our members fuel the economy of the future by growing the businesses of today. We do this by supporting and connecting a vibrant private capital industry with advocacy, research, and education.

CVCA is also the nation's ultimate resource for data on Canadian private capital investments.

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MESSAGE FROM THE CEO

As we unveil the Q1 2024 results for Canadian private equity, I am pleased to report an increase in investment and a surge in exit activity. This quarter, we saw a significant rebound, with CAD \$4 billion raised across 140 deals, signaling an optimistic outlook for the year ahead.

This period of resurgence is particularly marked by an increasing interest in privatization deals, underscoring the strategic agility of our investors who are capitalizing on opportunities to stabilize and grow companies amid fluctuating market conditions. It's exciting to see PE functioning as a pillar of stability and a catalyst for growth, particularly for our small and medium-sized enterprises, which remain the backbone of Canada's economic fabric.

We consistently emphasize in Ottawa that private equity funding is crucial for entrepreneurs aiming to expand their businesses. Our sector plays a vital role not only in maintaining Canadian ownership of companies but also in forging pathways for a new generation of owners, especially as many baby boomers approach retirement. The recent increase in the capital gains inclusion rate poses a significant concern, impacting the after-tax returns on investments and potentially discouraging funding for startups and high-growth companies. The CVCA is actively advocating for a regulatory environment that supports investment and growth, seeking to counteract these changes. I usually do not speak of CVCA's advocacy effort in our quarterly reporting, but this issue is central to why CVCA exists: to be your voice with government.

I would like to extend my gratitude to all CVCA Private Equity members who have supplied us with vital company and employment information. This data is crucial. If you have not yet contributed, please take a few minutes to contact our team. Your input provides us with compelling data that strengthens our political arguments.

KIM FURLONG
CEO
CANADIAN VENTURE CAPITAL &
PRIVATE EQUITY ASSOCIATION



ABOUT CVCA INTELLIGENCE

CVCA Intelligence is the most comprehensive source of Canadian private equity and venture capital data, powered by the Canadian Venture Capital and Private Equity Association (CVCA).

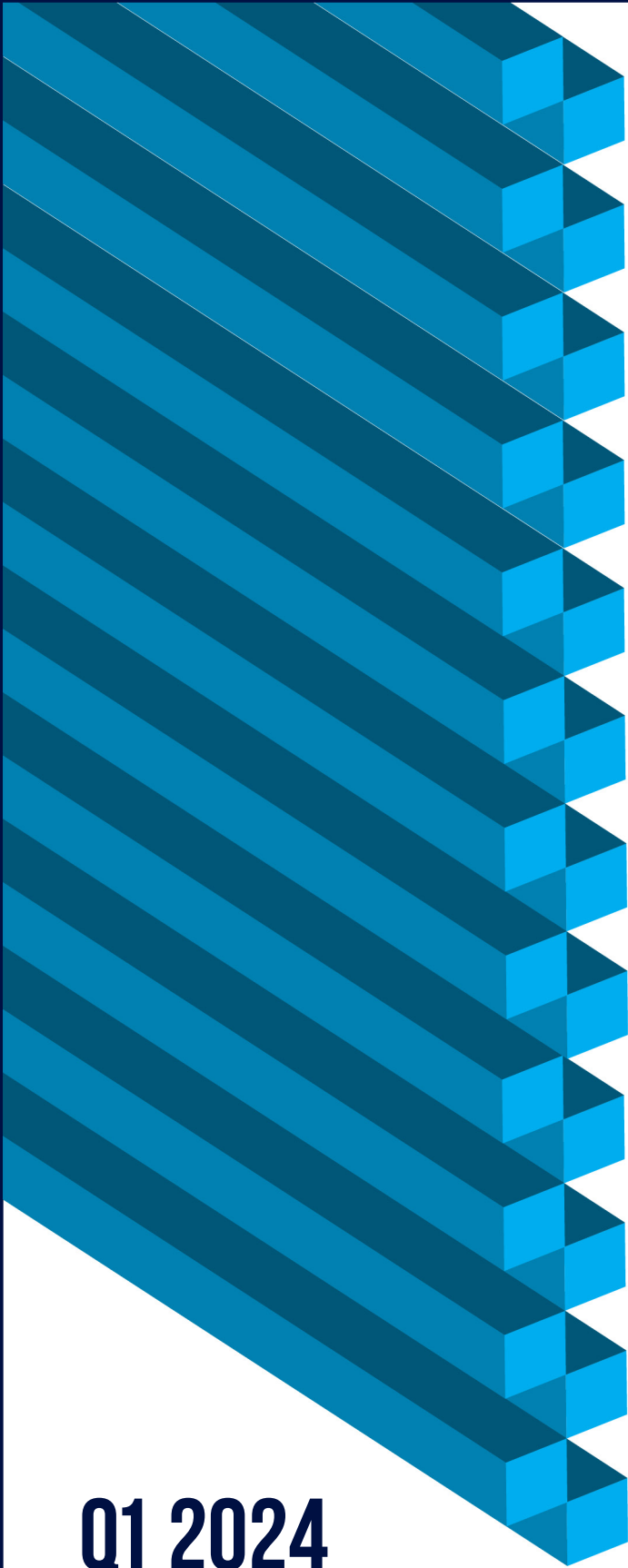
With features like the investor search function, CVCA Intelligence provides you with advanced, real-time access to the most up-to-date and comprehensive Canadian private capital data available, refreshed daily and is compatible with all major desktop and mobile browsers.

As a CVCA member, your organization receives a designated number of **CVCA Intelligence licenses**. If you haven't received access to CVCA Intelligence, contact the account owner of your organization's CVCA membership to find out how to gain access. If you still have issues, **please contact CVCA's membership team here**.

Non-members can enjoy unlimited monthly or discounted annual access to high-quality industry data and analysis by becoming CVCA Intelligence subscribers. **Become a CVCA Intelligence subscriber here**.

Access to high-quality data, analysis, and tools is central to our members and the industry's ability to operate in the dynamic private capital environment. We invite interested private capital organizations to join us in our efforts. If you would like to have your firm included in future reports, please complete this form linked **here**.





Q1 2024 HIGHLIGHTS

Q1 2024 saw a total of 140 deals and \$4B raised

The average deal size rose to \$28.7M despite a 10% drop in total deal volume year over year

Québec accounted for 55% of total deal flow and 73% of total dollars invested in the year with \$2.9B invested over 77 deals

Montreal contributed \$2.5 billion across 25 deals, including the notable \$1.2 billion privatization of [Logistec Corporation](#)

Deals under \$25M remain the primary focus of Canadian PE activity, underscoring the crucial role of PE investments in small and medium-sized businesses (SMEs)

84% of deals all deals with disclosed values were under \$25M

Following 2023's record low, PE investment activity showed signs of recovery in Q1 2024

Deal values increased by 52% from Q4 2023 despite a 17% decrease in deal volume

There were 15 exits totaling \$2.8 billion in Q1

Total exit value already surpassing the entire exit value of 2023 and on track to exceed values recorded in 2021 and 2022

The Automotive & Transportation sector saw the most dollars invested in Q1 with \$1.4 billion across 6 deals

Q1 2024 witnessed a significant surge in buyout and add-on investment activity with \$2.9 billion raised from 36 deals

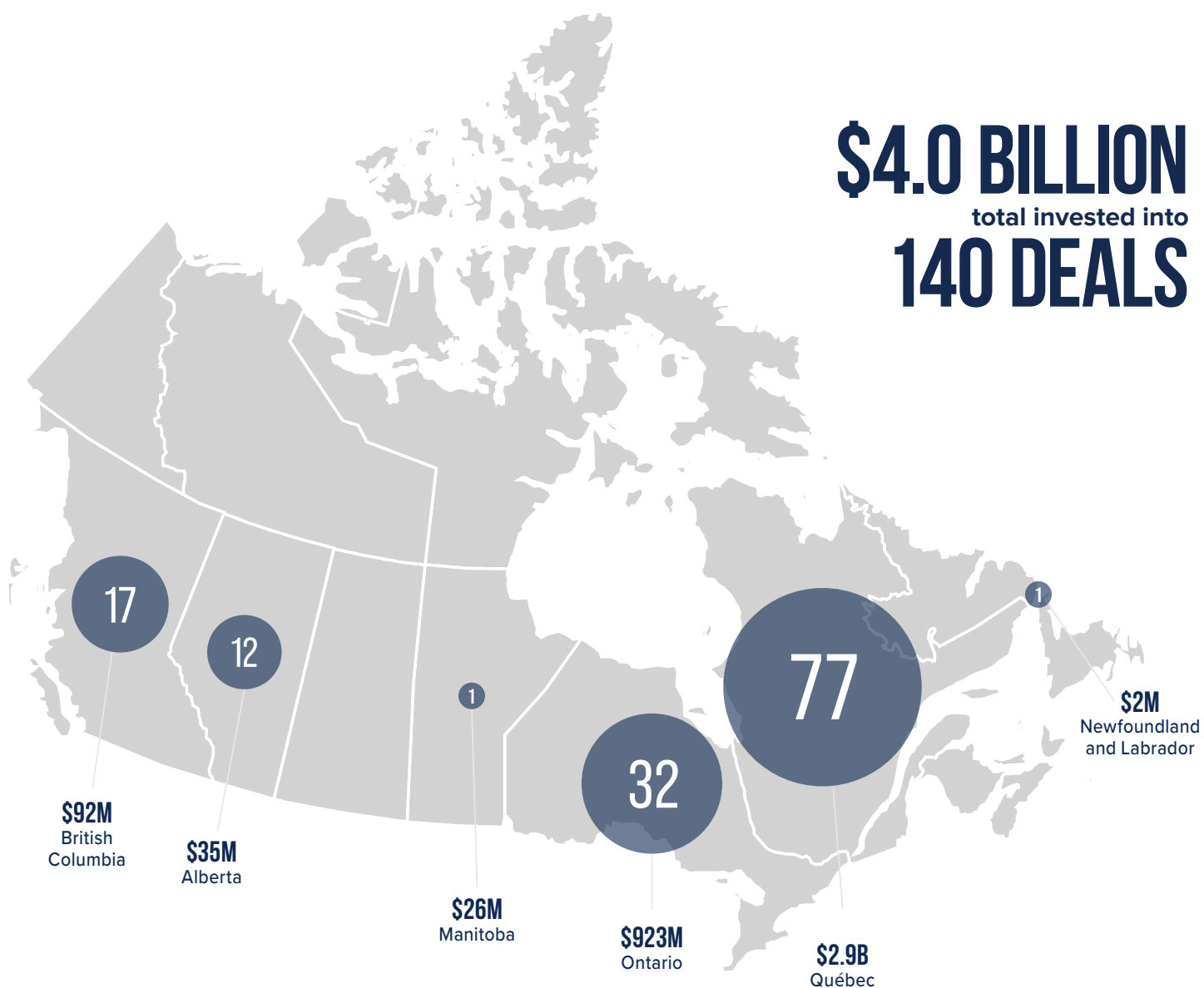
Driven by two major privatization transactions exceeding \$1B each, this marks a 292% increase in investment volume quarter-over-quarter

Minority investments in Q1 2024 comprised 18% of all PE dollars invested and 35% of all transactions, with \$712 million invested across 49 deals

Minority investment deal counts increased by 26% from Q1 2023, although the average deal size decreased significantly to \$14.5M

Q1 2024 PRIVATE EQUITY HEAT MAP

ALL PE DEALS



[Discover comprehensive Canadian PE data on CVCA Intelligence: deals, fundraising, exits and more.](#)

In Q1 2024, \$4B was invested across 140 deals in Canada. Despite a 10% drop in total deal volume year over year, the average deal size increased to \$28.7M.

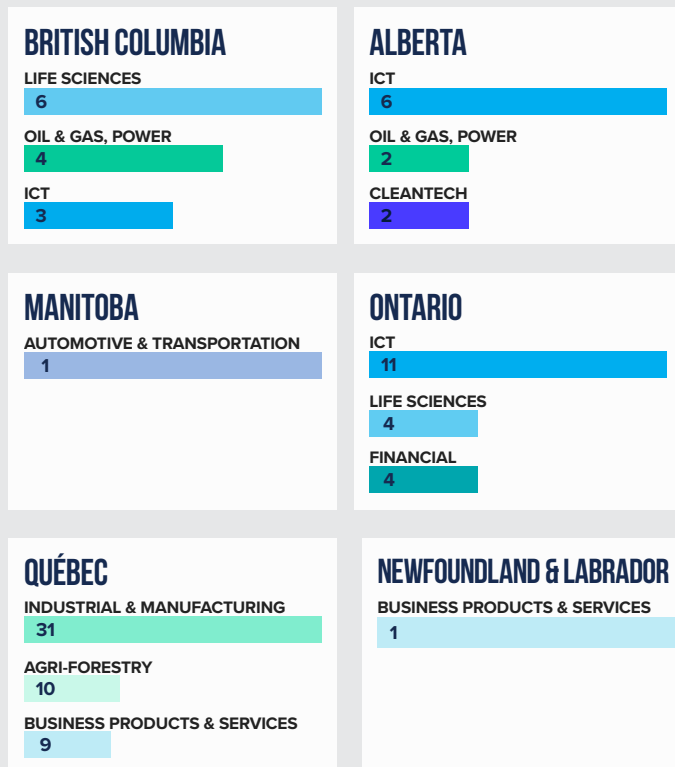
Québec led provincial activity with \$2.9B invested across 77 deals, capturing 55% of total deal flow and 73% of invested capital. Montreal was especially prominent, contributing \$2.5B across 25 deals, highlighted by [Logistec Corporation's \\$1.2B private acquisition by US-based investors](#).

Ontario followed with significant activity, securing \$923M through 32 deals. This accounted for 23% of both deal flow and investment dollars. The province's largest transaction was the [\\$415M privatization of Neighbourly Pharmacy](#) by [Persistence Capital Partners](#).

British Columbia ranked third, with \$92M raised from 17 deals, representing 12% of the deal volume and 2% of the investment total. Vancouver stood out in the province, attracting \$82M across 7 deals.

TOP SECTORS PER PROVINCE

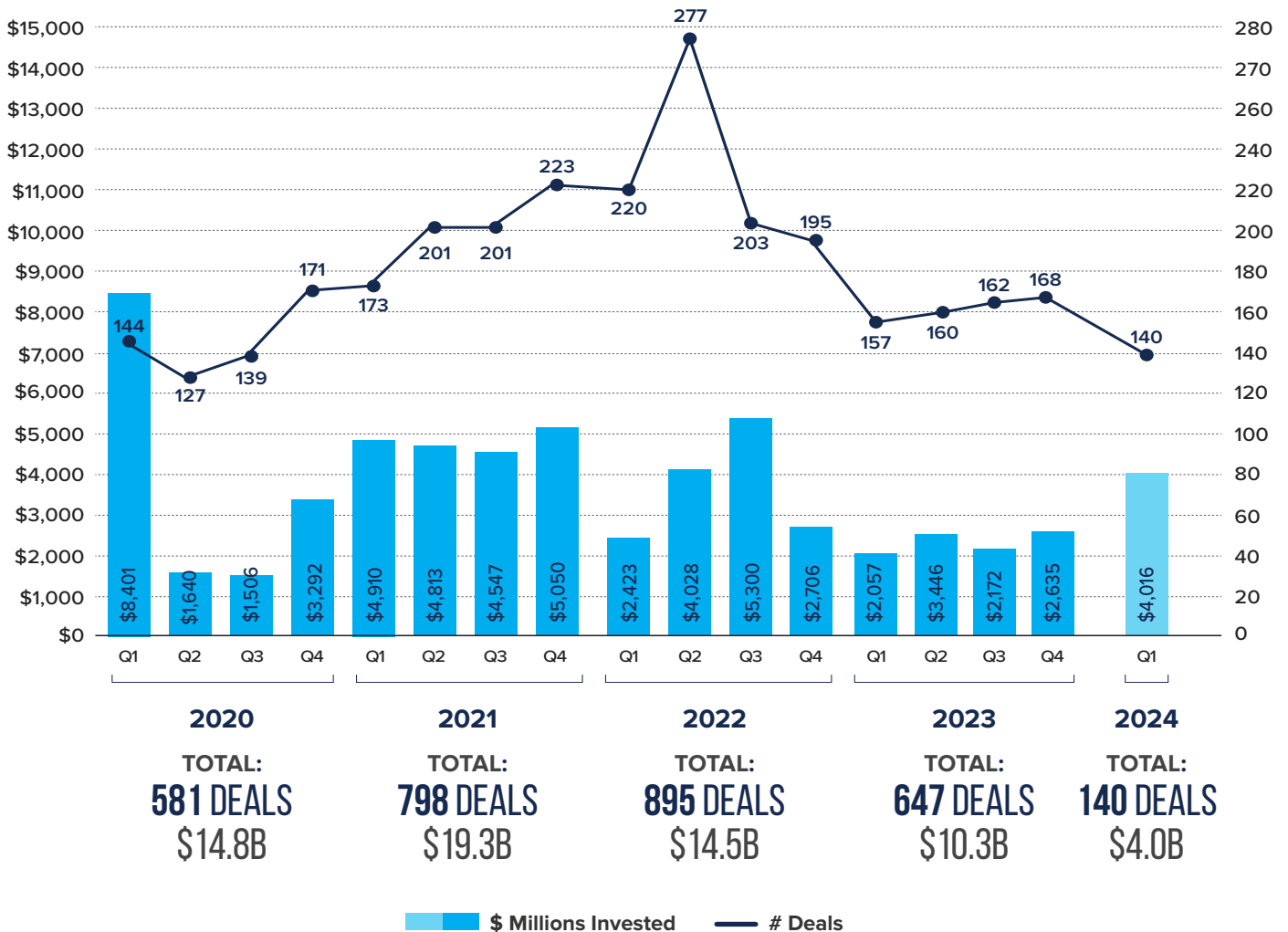
BY NUMBER OF DEALS



PRIVATE EQUITY INVESTMENT ACTIVITY

ACTIVITY QUARTER-OVER-QUARTER

Following 2023's record low, PE investment activity showed signs of recovery in Q1 2024 with \$4 billion raised from 140 deals. This represents a 52% increase in deal values compared to Q4 2023, despite a 17% decrease in deal volume. It's important to note that 29% of all deals recorded in Q1 did not disclose a transaction value.



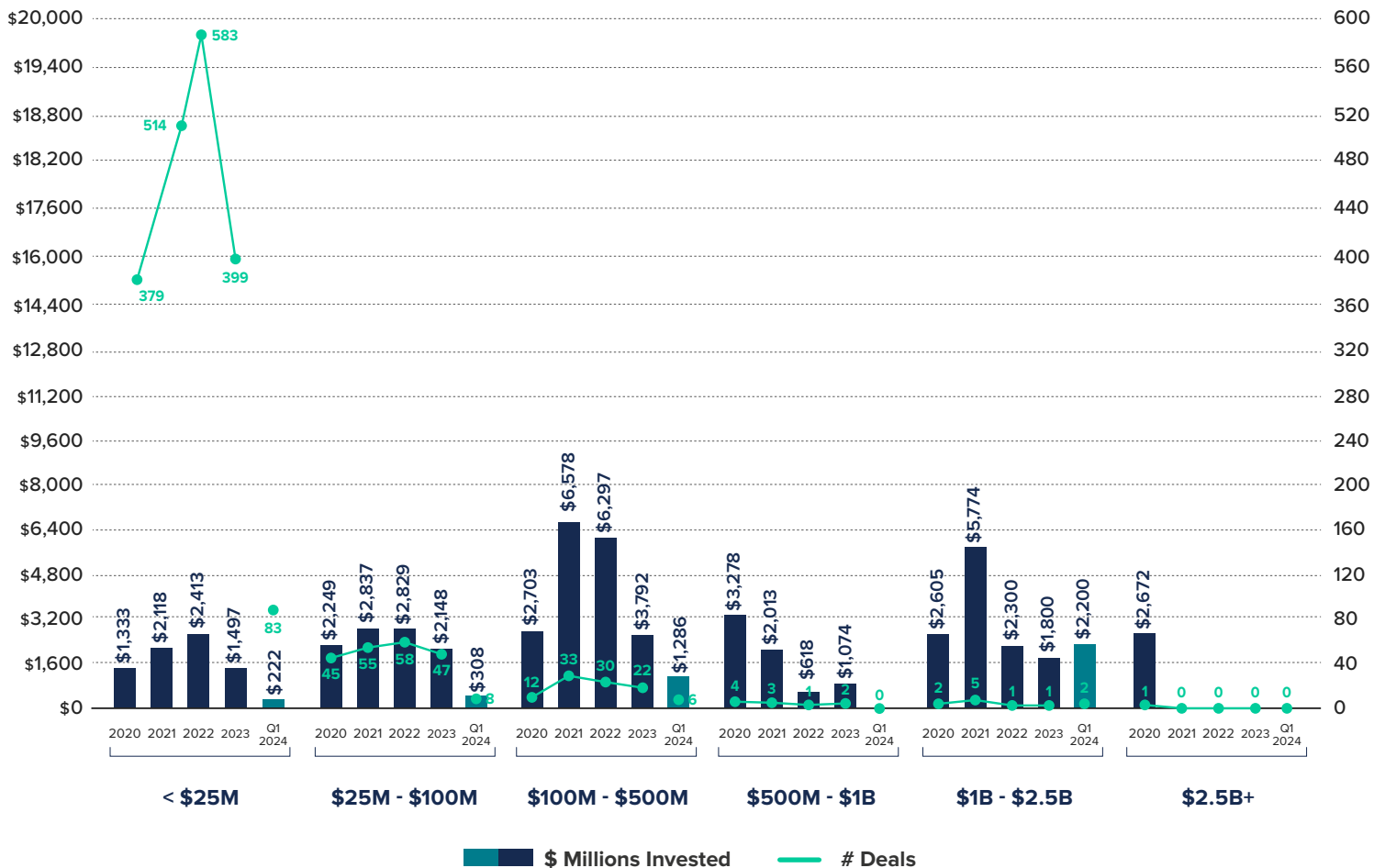
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PRIVATE EQUITY INVESTMENT ACTIVITY

ACTIVITY BY DEAL SIZE

In Q1, Canadian private equity continued to exhibit trends similar to previous years, focusing predominantly on smaller deal values. A significant 84% of disclosed transactions were valued under \$25M, highlighting a strong preference for smaller-scale investments. Additionally, mid-sized deals, ranging from \$25M to \$100M, accounted for 8% of the transactions. The quarter also saw eight large deals exceeding \$100M, including two substantial transactions that surpassed \$1B.

The average deal size during this period was \$28.7M, marking the highest quarterly average since Q1 2020. This indicates a shift toward larger investments, despite the prevalence of smaller deals. Such smaller transactions remain central to private equity's support for small and medium-sized enterprises (SMEs), which are key to driving Canada's economic activities. SMEs significantly contribute to innovation, regional development, and employment, establishing themselves as essential components of the national economic structure.



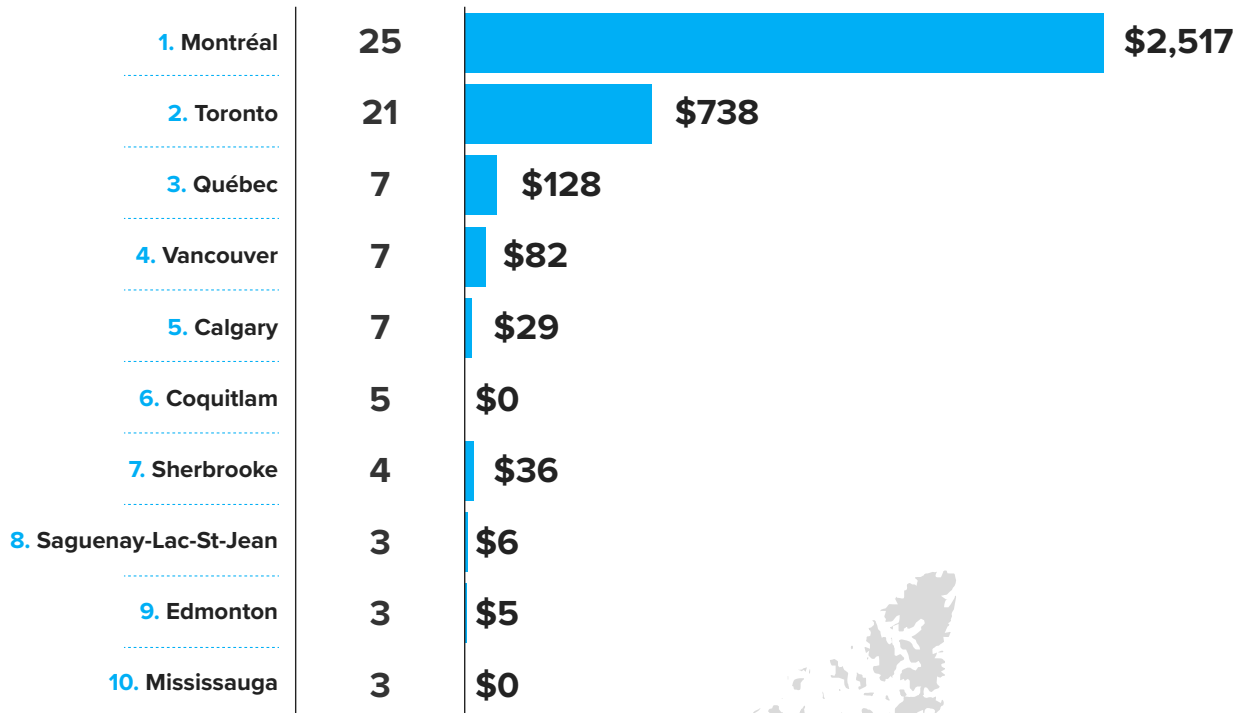
TOP DISCLOSED CANADIAN PE DEALS

COMPANY	PROVINCE	FIRMS INVOLVED IN TRANSACTION	SECTOR	\$ MIL
LOGISTEC CORPORATION	QC	BLUE WOLF CAPITAL PARTNERS LLC, STONEPEAK INFRASTRUCTURE PARTNERS	AUTOMOTIVE & TRANSPORTATION	\$1,200
PLUSGRADE	QC	GENERAL ATLANTIC	INTERNET SOFTWARE & SERVICES	\$1,000
NEIGHBOURLY PHARMACY	ON	PERSISTENCE CAPITAL PARTNERS	HEALTHCARE/LIFE SCIENCES	\$415
Q4 INC. (FORMERLY: Q4 WEB SYSTEMS INC.)	ON	SUMERU EQUITY PARTNERS	INTERNET SOFTWARE & SERVICES	\$257
VALSOFT CORPORATION	QC	COATUE MANAGEMENT, L.L.C., VIKING GLOBAL INVESTORS	FINANCIAL	\$229
METRO SUPPLY CHAIN GROUP INC	ON	INVESTISSEMENT QUÉBEC, CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ)	AUTOMOTIVE & TRANSPORTATION	\$150
LEVIO CONSULTING INC.	QC	CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ)	BUSINESS PRODUCTS & SERVICES	\$125
ROGERS SUGAR INC.	BC	FONDS DE SOLIDARITÉ FTQ, BELKORP INDUSTRIES INC.	INDUSTRIAL & MANUFACTURING	\$60
BRUCE TELECOM HOLDINGS INC.	ON	WINDSOR PRIVATE CAPITAL	MOBILE & TELECOMMUNICATIONS	\$33
STORMFISHER HYDROGEN	ON	ARC FINANCIAL CORP.	CLEANTECH	\$30

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TOP CANADIAN CITIES/ ADMINISTRATIVE CENTRES

Total Deals \$ Millions

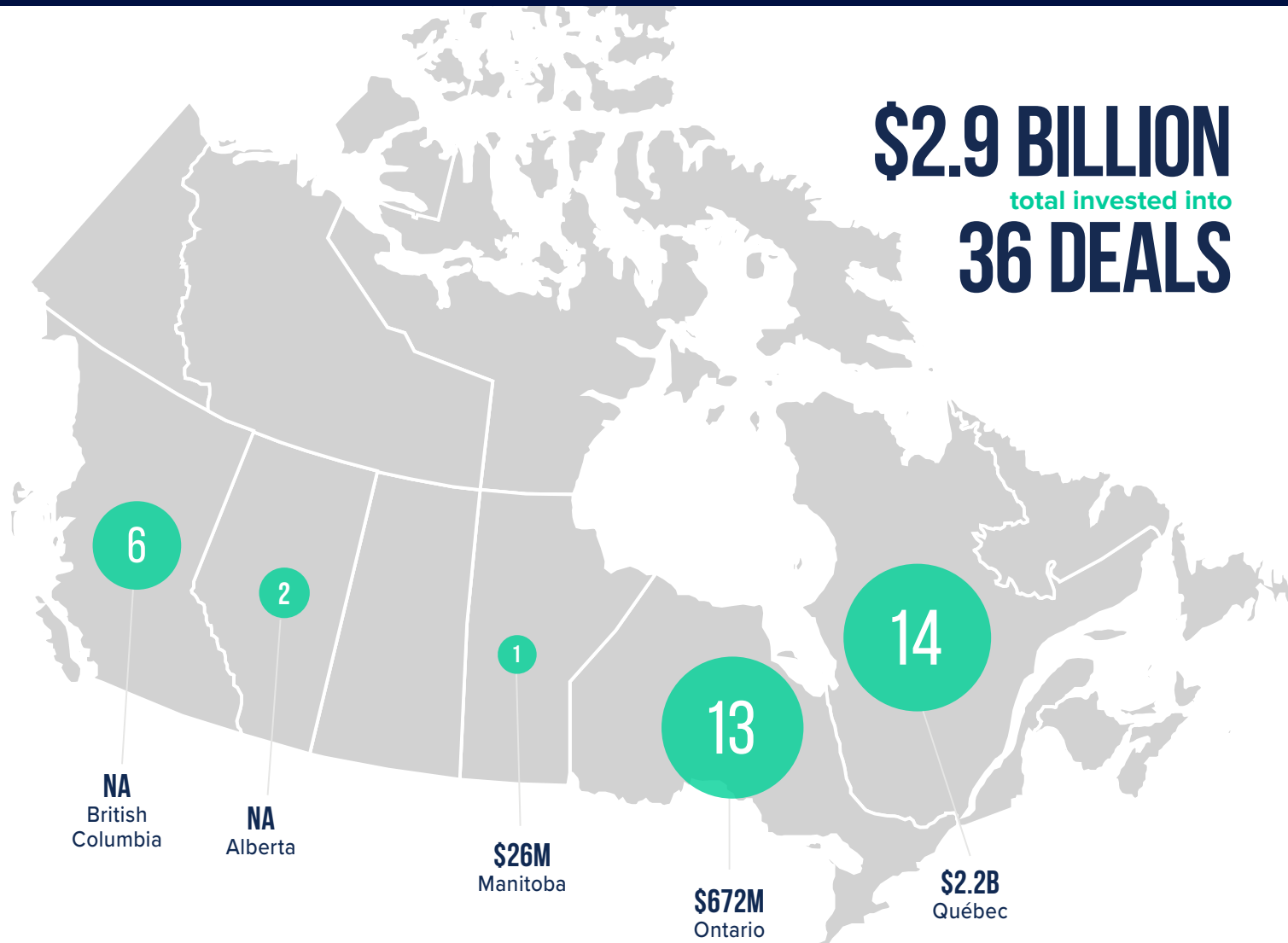


#1 MONTREAL
\$2.5B
25 DEALS



PRIVATE EQUITY HEAT MAP

BUYOUT & ADD-ON DEALS

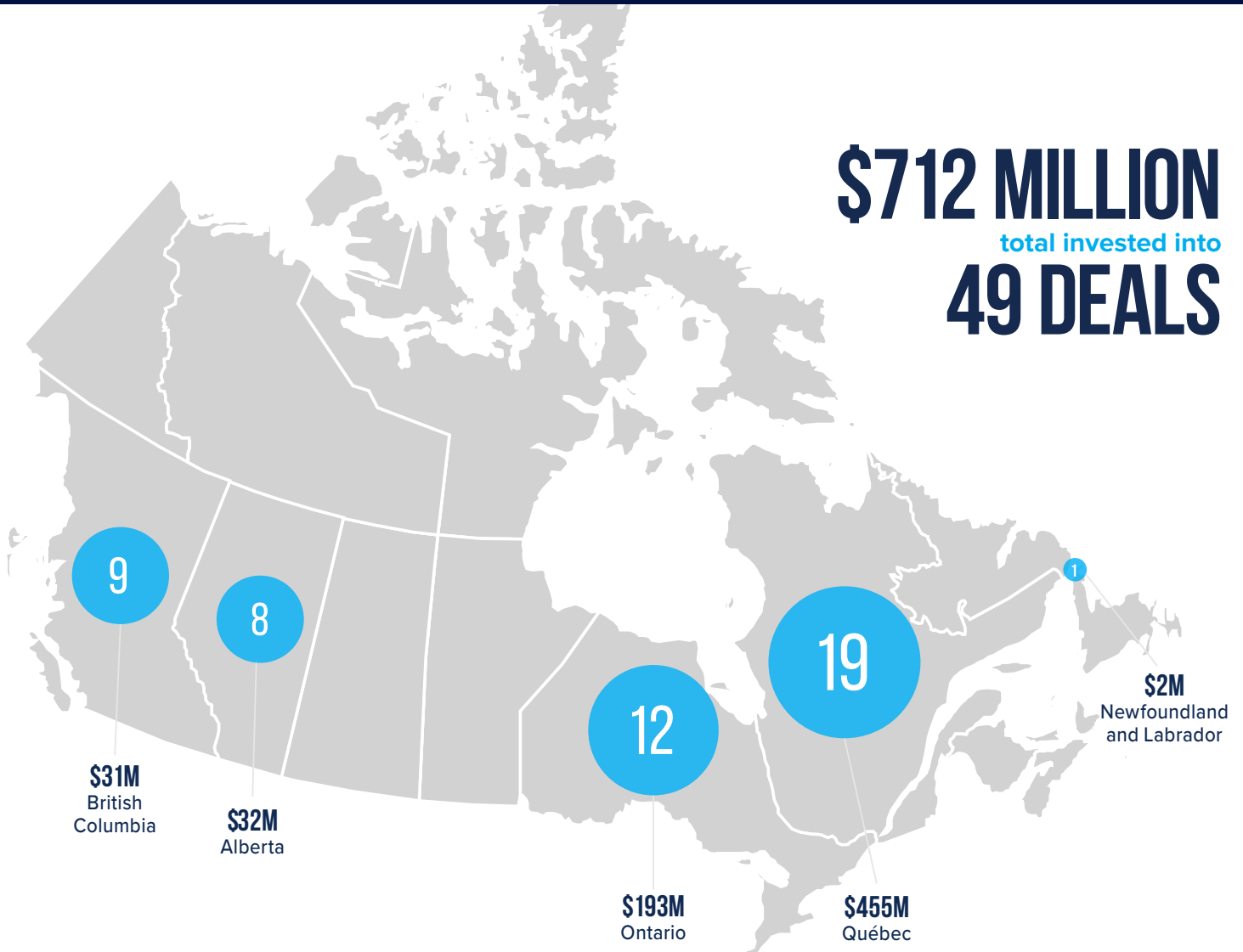


Q1 2024 witnessed a surge in buyout and add-on investment activity, with \$2.9B raised from 36 deals. This represents a significant quarter-over-quarter increase of 292% in investment volume, despite a 12% reduction in the number of deals. This surge in funding was largely driven by two major privatization transactions, each exceeding \$1 billion. Buyout and add-on investments constituted 26% of all deals and accounted for 72% of all PE dollars invested this quarter. The presence of two mega deals also pushed the average deal size to an impressive \$80.7M.

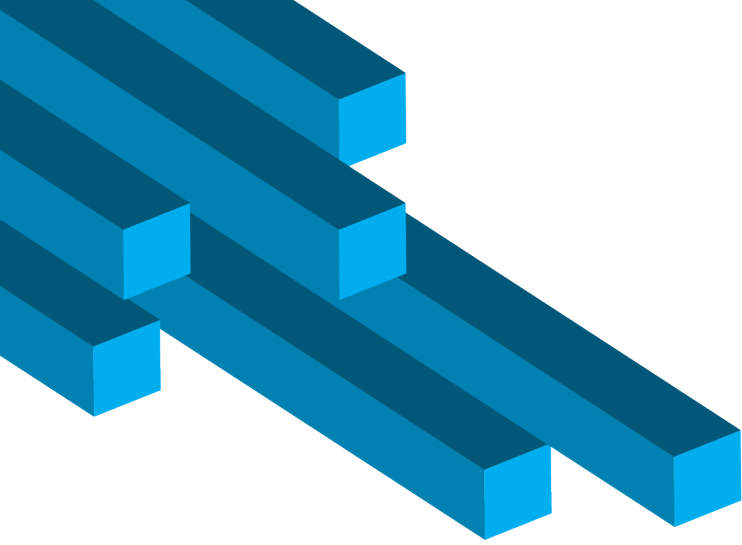
[Discover comprehensive Canadian PE data on CVCA Intelligence: deals, fundraising, exits and more.](#)

PRIVATE EQUITY HEAT MAP

PE MINORITY INVESTMENTS



In Q1 2024, minority investments represented 18% of all PE dollars invested and 35% of all transactions, with a total of \$712M invested across 49 deals. This marks a 26% increase in the number of minority investment deals compared to Q1 2023, although the total deal value fell by 23%. The average deal size saw a significant reduction to \$14.5M from the previous year's \$23.7M, indicating a shift towards smaller transactions. Given these trends, minority investments are on track for one of the lowest investment years on record.



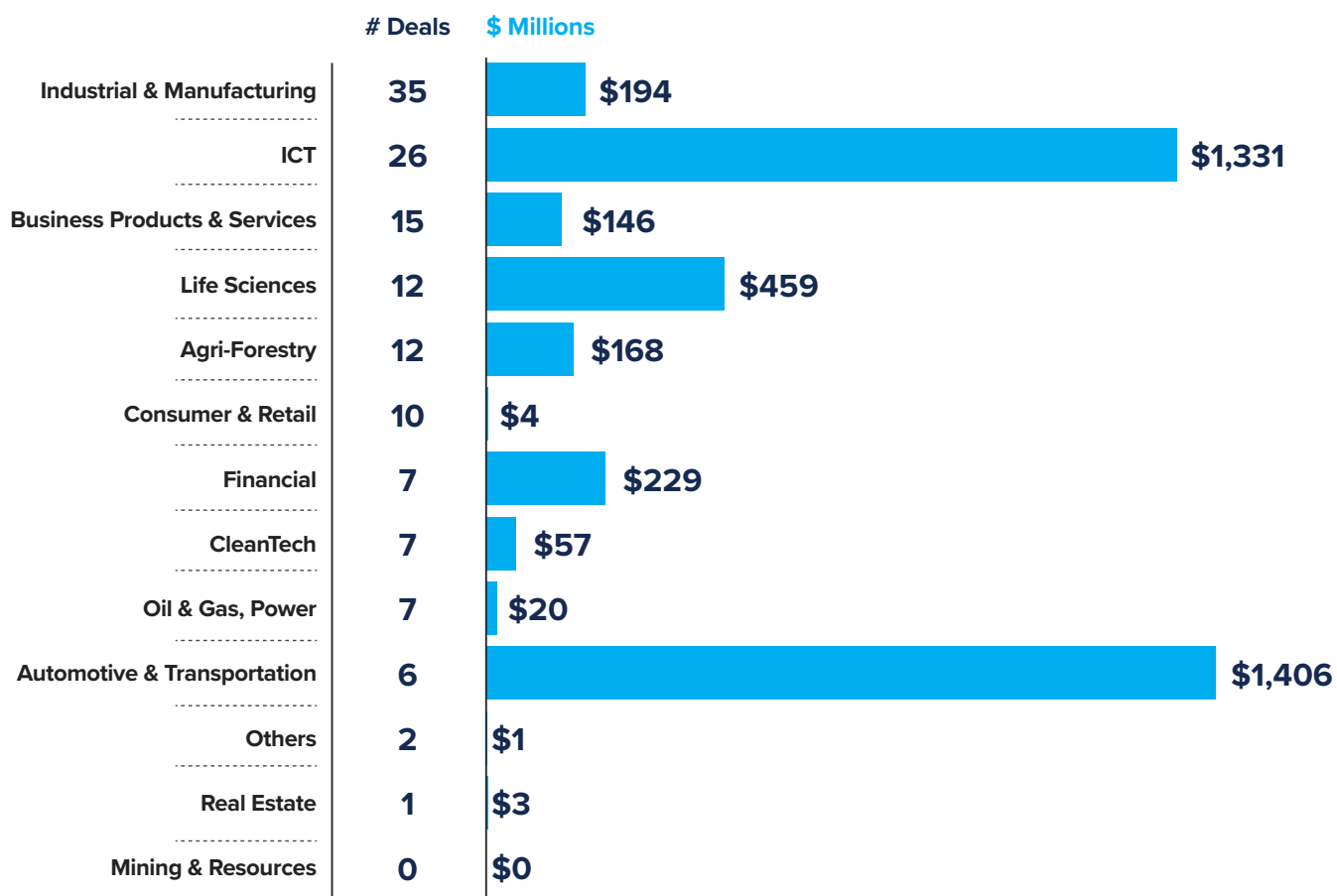
PRIVATE EQUITY SECTOR BREAKDOWN

[Discover comprehensive Canadian PE data on CVCA Intelligence: deals, fundraising, exits and more.](#)

For the first time on record, the Automotive & Transportation sector saw the most dollars invested with \$1.4 billion invested across 6 deals, accounting for more than a third of total investment value. The information and communications technology (ICT) secured second most investments with \$1.3B invested across 26 deals in Q1, representing 33% of all dollars invested.

Industrial & Manufacturing was the most active sector in Q1 with 35 deals, however with total investment values of only \$194M, it falls well below the levels of 2022 and 2023.

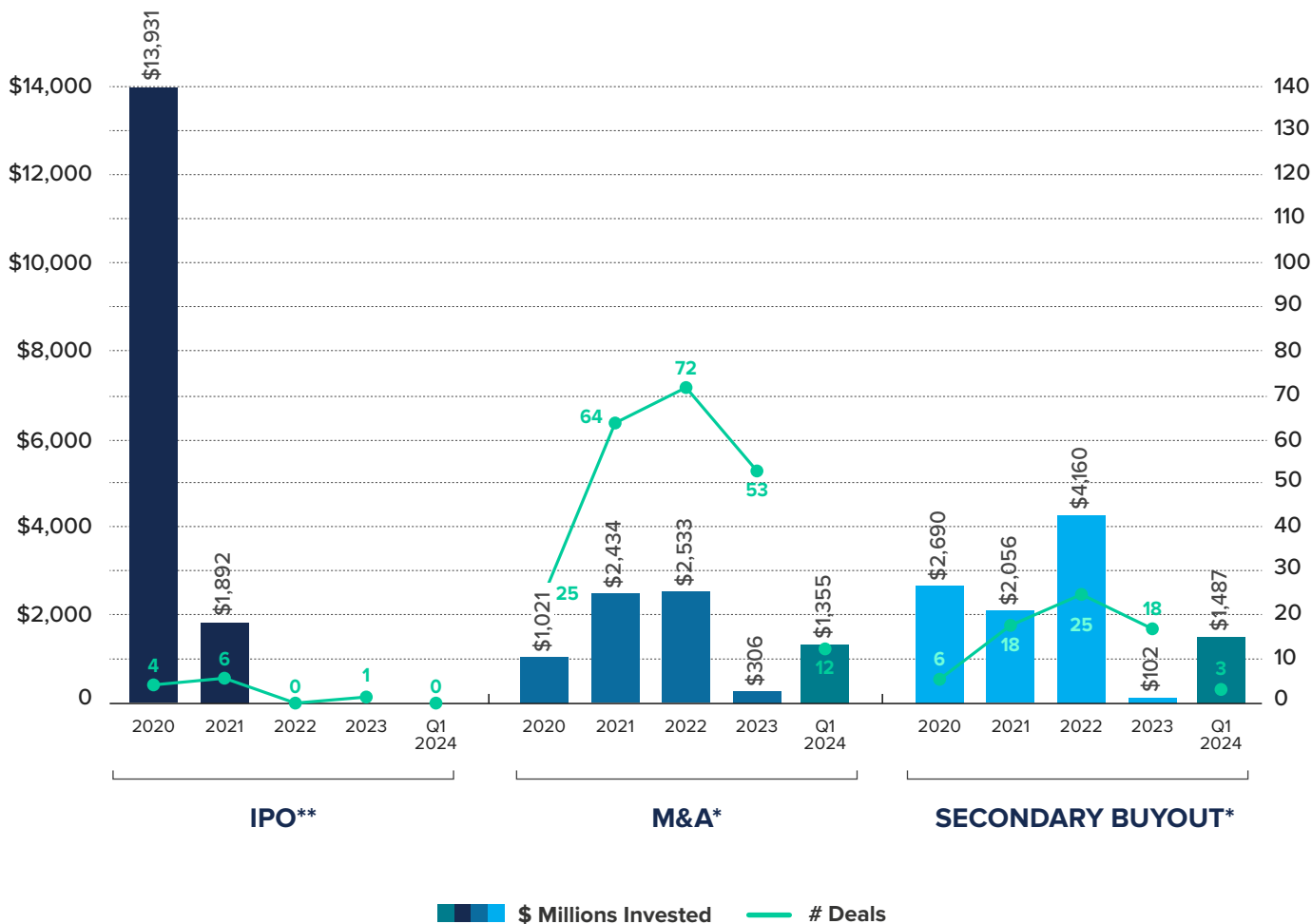
Other noteworthy sectors include Business Products & Services, with \$146M invested in 15 deals, and Life Sciences, which attracted \$459M across 12 deals.



PE EXITS

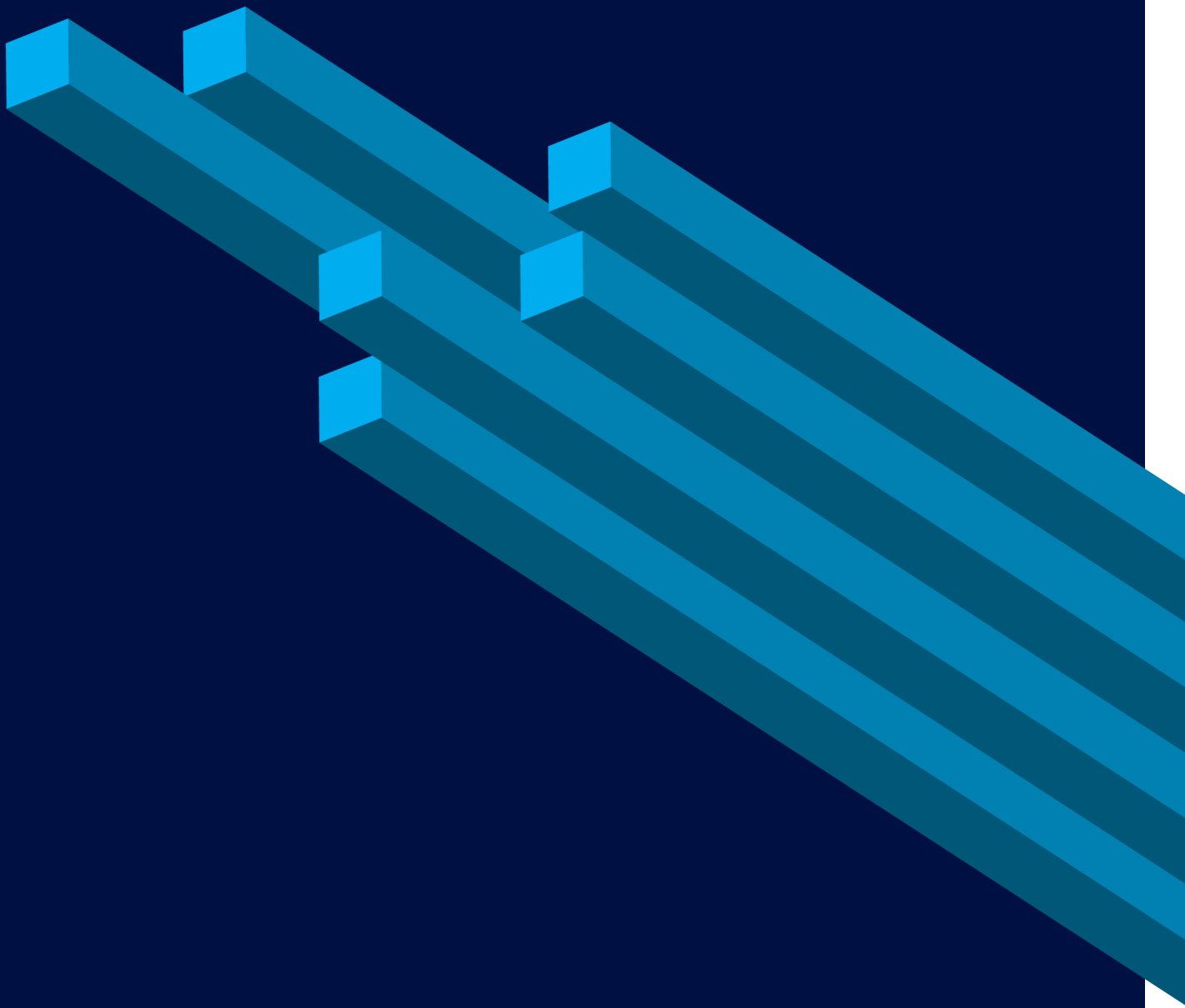
In Q1, we observed a total of 15 exits collecting \$2.8 billion, marking a significant increase over the previous year, with no PE-backed IPOs recorded. The total exit value for this quarter has already exceeded that of the entire year of 2023 and is on track to surpass the exit values of both 2021 and 2022.

A substantial 80% of these exits occurred through an M&A transaction, which accounted for 48% of the total exit value. Secondary buyouts also played a crucial role, representing 20% of the exits but contributing 52% of the total exit value.

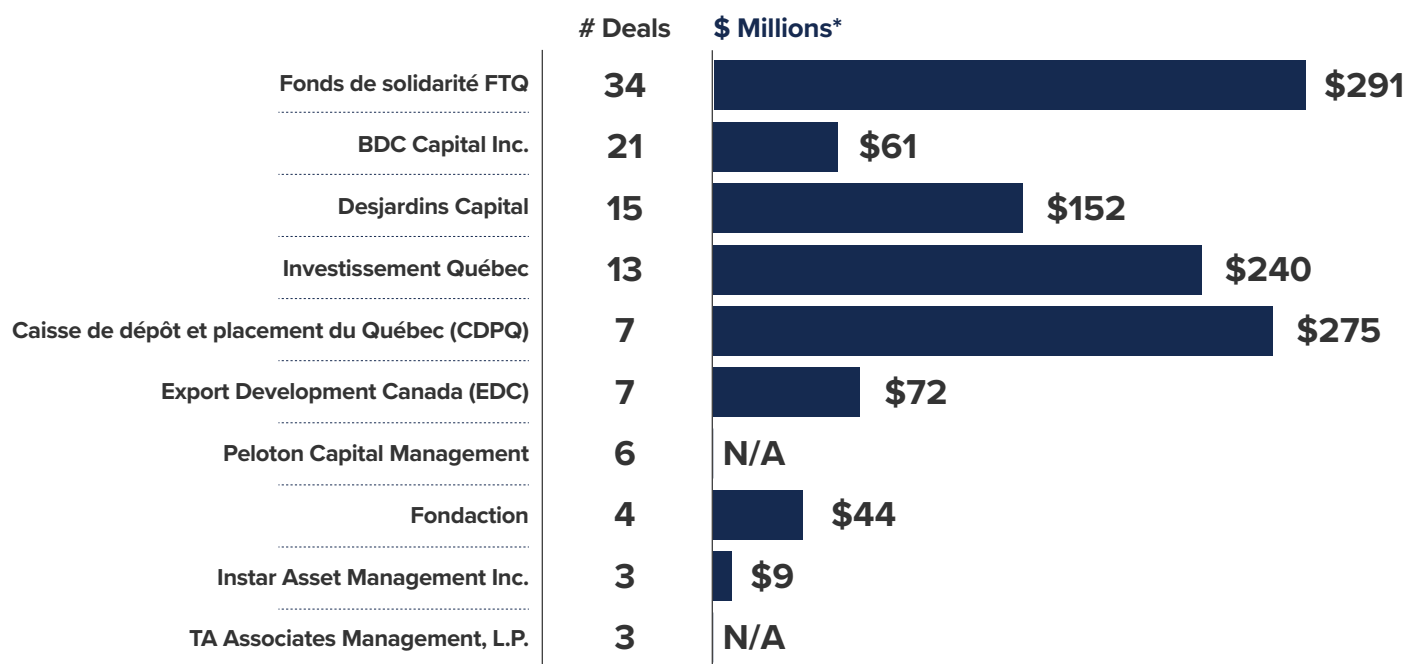


* Includes transactions with undisclosed values ** IPO valuation

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MOST ACTIVE PRIVATE EQUITY INVESTORS

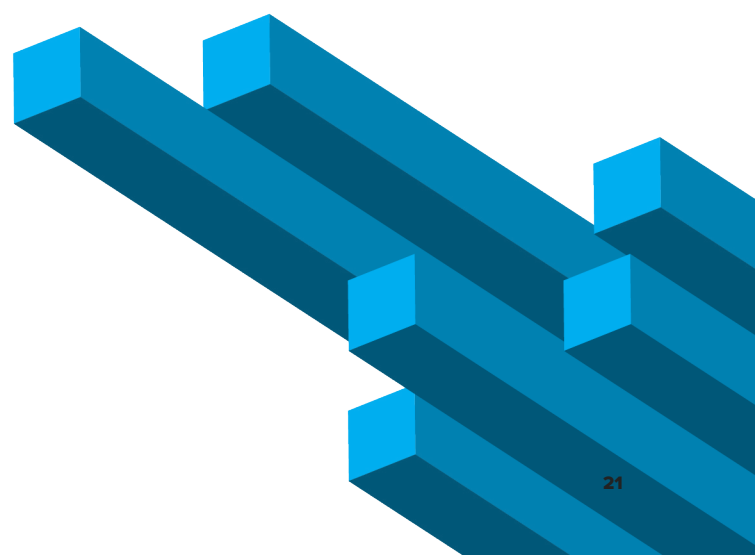


MOST ACTIVE PE BUYOUT & ADD-ON INVESTORS	# DEALS	\$ MILLIONS* (CDN\$ MIL)
PELTON CAPITAL MANAGEMENT	6	N/A
CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ)	5	N/A
MADISON DEARBORN CAPITAL PARTNERS LLC	2	N/A
TA ASSOCIATES MANAGEMENT, L.P.	2	N/A
OLIVA CAPITAL	2	N/A

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MOST ACTIVE PE MINORITY INVESTORS	# DEALS	\$ MILLIONS* (CDN\$ MIL)
BDC CAPITAL INC.	10	\$24
FONDS DE SOLIDARITÉ FTQ	8	\$72
EXPORT DEVELOPMENT CANADA (EDC)	7	\$72
INVESTISSEMENT QUÉBEC	5	\$165
FONDACTION	3	\$30
DESJARDINS CAPITAL	3	\$14
INSTAR ASSET MANAGEMENT INC.	3	\$9
CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ)	2	\$275
ARC FINANCIAL CORP.	2	\$40

* Total deal values - includes all participating investors



PARTICIPATING DATA CONTRIBUTORS

CVCA thanks the following firms who participated in its Q1 2024 survey.

VENTURE CAPITAL FIRMS

Accelerate Fund	CTI Life Sciences	Kanata Ventures	Sectoral Asset Management Inc.
Accelia Capital	Deloitte Ventures	Lalotte Ventures	Spring Impact Capital
Alate Partners Inc.	Demopolis Equity Partners	Luge Capital	Staircase Ventures
AmorChem Fund	Diagram Ventures	Lumira Ventures	StandUp Ventures
Amplitude Ventures	Ecofuel / Fonds Ecofuel	MaRS Investment Accelerator Fund (IAF)	TandemLaunch
Anges Quebec	Emerald Technology Ventures	Math Venture Partners	Telegraph Hill Capital
Anges Québec Capital / AQC Capital	EnerTech Capital	McRock Capital	TELUS Scale Good Fund
Azure Capital Partners	Esplanade Healthtech Ventures	MKB	The Atmospheric Fund
BankTech Ventures, LP	Espresso Capital Ltd.	New Brunswick Innovation Foundation	The51 Food and Agtech Fund
BCF Ventures	FACIT	NGIF Capital	The51 Ventures Fund
BDC Cleantech Practice	Ferst Capital	Nimbus Synergies	Tidal Venture Partners
BDC Intellectual Property-Backed Financing	Finchley Healthcare Ventures	Pangaea Ventures	UCeed
BKR Capital	FINTOP Capital	Pelorus Venture Capital Ltd.	Uncork Capital
BlackPines Capital Partners	First Ascent Ventures	Pender Ventures	Version One Ventures
Boreal Ventures	Fonds Innovexport	Quark Venture	Vistara Growth
Brightspark Ventures	Genesys Capital	Real Ventures	Volta Labs
Build Ventures	Good News Ventures	Relay Ventures	White Star Capital
CEMEX Ventures	Grand Ventures	Renewal Funds	Yaletown Partners
Centre for Aging + Brain Health Innovation	Graphite Ventures	Resolve Growth Partners	
CIBC Innovation Banking	GreenSky Capital Inc.	Rhino Ventures	
CIC Capital Ventures	iGan Partners	Roadmap Capital	
Clanton Capital	InBC Investment Corp.	Round 13 Capital	
Clocktower Technology Ventures	Information Venture Partners	Sand Hill North	
Conexus Venture Capital	Innovative Scale Canada	Sandpiper Ventures	
	Innovobot	ScaleUP Ventures	
	Investeco Capital Corp		

PRIVATE EQUITY & LSVCC FIRMS

ARC Financial	Export Development Canada (EDC)	Killick Capital Inc.	PRIVEQ Capital Funds
BDC Growth & Transition Capital (BDC GTC)	Fengate Private Equity	KV Capital	Roynat Capital Inc.
BDC Growth Equity	Fulcrum Capital Partners	Maverix Private Equity	Seafort Capital
BMO Capital Partners	Golden Triangle Angel Network (GTAN)	McCain Capital Partners	TerraNova Partners L.P.
Canadian Business Growth Fund	Highland West Capital	Mink Capital	Tricor Pacific Capital Ltd.
Clairvest Group Inc.	Instar Asset Management Inc.	Novacap Management Inc.	Upper Stage Ventures
Clearspring Capital Partners	Ironbridge Equity Partners	Peloton Capital Management	Waterous Energy Fund
CM Partners	K2 Group	PFM Capital Inc	Westcap Mgt. Ltd
		Pillarfour Capital	

LIMITED PARTNERS

Alberta Enterprise Corporation	Farm Credit Canada	(Canada) Ltd	Teralys Capital
BDC Venture Capital	Fondaction	Investissement Quebec	Venture Ontario
Bluesky Equities Ltd.	Fonds de solidarite FTQ	Kensington Capital Partners Ltd.	
Dancap Private Equity Inc	Fonds de solidarite FTQ (Regional)	Ontario Teachers' Pension Plan (OTPP)	
Desjardins Capital	HarbourVest Partners		

If you would like to have your firm included in future reports, please [click here](#).

CVCA METHODOLOGY: VENTURE CAPITAL

VENTURE CAPITAL DATA:

Verified completed equity, quasi-equity venture capital and venture debt deals only (non-equity or project-based government funding, pharmaceutical development deals, venture capital-backed acquisitions, and angel financing are not included). All figures are in CAD unless otherwise specified.

VC DEVELOPMENT STAGES

VENTURE DEBT	SHORT-TO-MEDIUM TERM, NON-DILUTIVE DEBT INSTRUMENT WITH NO EQUITY RIDER.
SEED STAGE	COMPANY HAS A CONCEPT OR PRODUCT UNDER DEVELOPMENT, BUT IS PROBABLY NOT FULLY OPERATIONAL.
EARLY STAGE	COMPANY HAS A PRODUCT OR SERVICE IN TESTING OR PILOT PRODUCTION. IN SOME CASES, THE PRODUCT MAY BE COMMERCIALY AVAILABLE.
LATER STAGE	PRODUCT OR SERVICE IN PRODUCTION AND COMMERCIALY AVAILABLE. COMPANY IS GENERATING ON-GOING REVENUE, BUT NOT NECESSARILY, PROFITABLE.
GROWTH	SIGNIFICANT MINORITY INVESTMENT TO DRIVE GROWTH AND SCALE WHICH CAN BE COMBINED WITH A SECONDARY TRANSACTION TO FACILITATE LIQUIDITY FOR EXISTING VC INVESTORS

VC SECTORS

ICT	COMPUTER HARDWARE AND SOFTWARE AND SERVICES, INTERNET SOFTWARE OR SERVICES, ECOMMERCE, ELECTRONIC & SEMICONDUCTOR, MOBILE AND TELECOM TECHNOLOGIES AND SERVICES.
LIFE SCIENCES	BIOTECH, MEDICAL DEVICES, PHARMACEUTICALS, EHEALTH, HEALTHCARE PRODUCTS AND SERVICES, AND OTHER MEDICAL RELATED PRODUCTS AND SERVICES.
CLEANTECH	ENERGY AND FUEL TECHNOLOGIES, EFFICIENCY AND CONSERVATION, RENEWAL ENERGY, ENVIRONMENTAL TECHNOLOGIES AND OTHER ENERGY AND ENVIRONMENTAL PRODUCTS AND SERVICES.
AGRIBUSINESS	TRADITIONAL AND ADVANCED AGRICULTURAL TECHNOLOGIES AND SERVICES

DISCLAIMER

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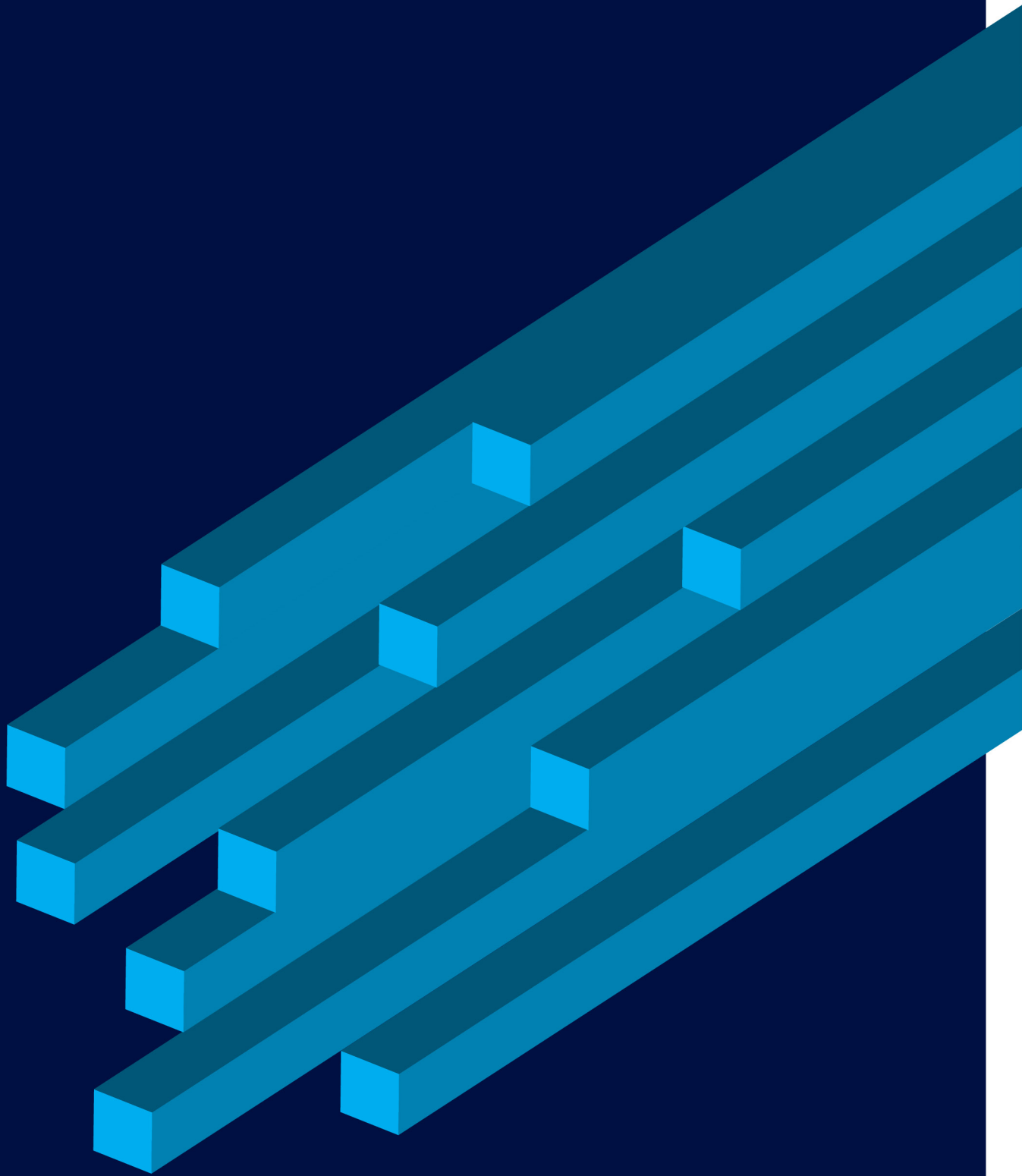
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