



# VC & PE QUÉBEC MARKET OVERVIEW

// 2016

NOTE: THIS IS THE FIRST YEAR THAT THE RÉSEAU CAPITAL IS PARTNERING WITH CVCA TO PRODUCE VC AND PE STATISTICS FOR QUÉBEC. THUS, DATA COMPARISONS AGAINST PREVIOUS YEARS MAY NOT BE CONSISTENT WITH RÉSEAU CAPITAL'S HISTORICAL REPORTS.



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## QUÉBEC SETS NEW HIGH-WATER MARKS FOR VENTURE CAPITAL ACTIVITY IN 2016

Province records a remarkable \$1B in VC investments in 2016

The VC market in Québec was on fire in 2016. Just over a billion dollars in venture capital was invested in the province last year, including \$250M dollars in Q4 alone.

In 2016, Québec was home to nearly one third (32 per cent) of Canada's 530 venture capital transactions. Later-stage companies received the largest share of the province's VC investments (57 per cent), while startups and early-stage growth companies captured 43 per cent of VC dollars. Montréal-based companies received a total of \$835M over 119 investments, second only to Toronto.

"Venture capital is a good indicator of the level of trust in the economy," says Réseau Capital CEO, Jack Chadirdjian. "The data from 2016 clearly shows that investors are interested in Québec companies."

Over half of Québec investments (\$501M across 90 deals) were disbursed to companies in the information and communications technology (ICT) sector. ICT was followed by life sciences, recording 38 investments totaling \$313M.

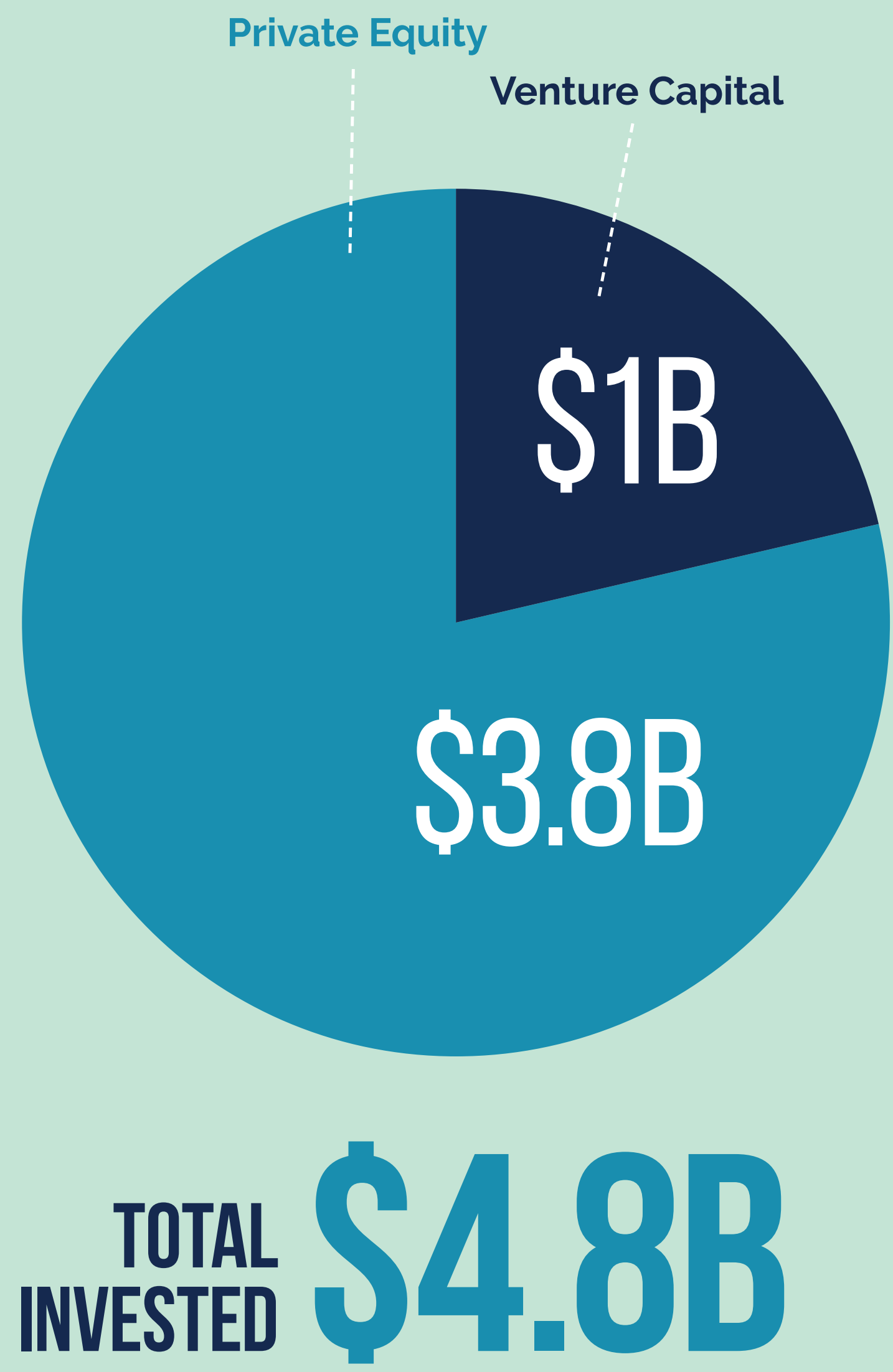
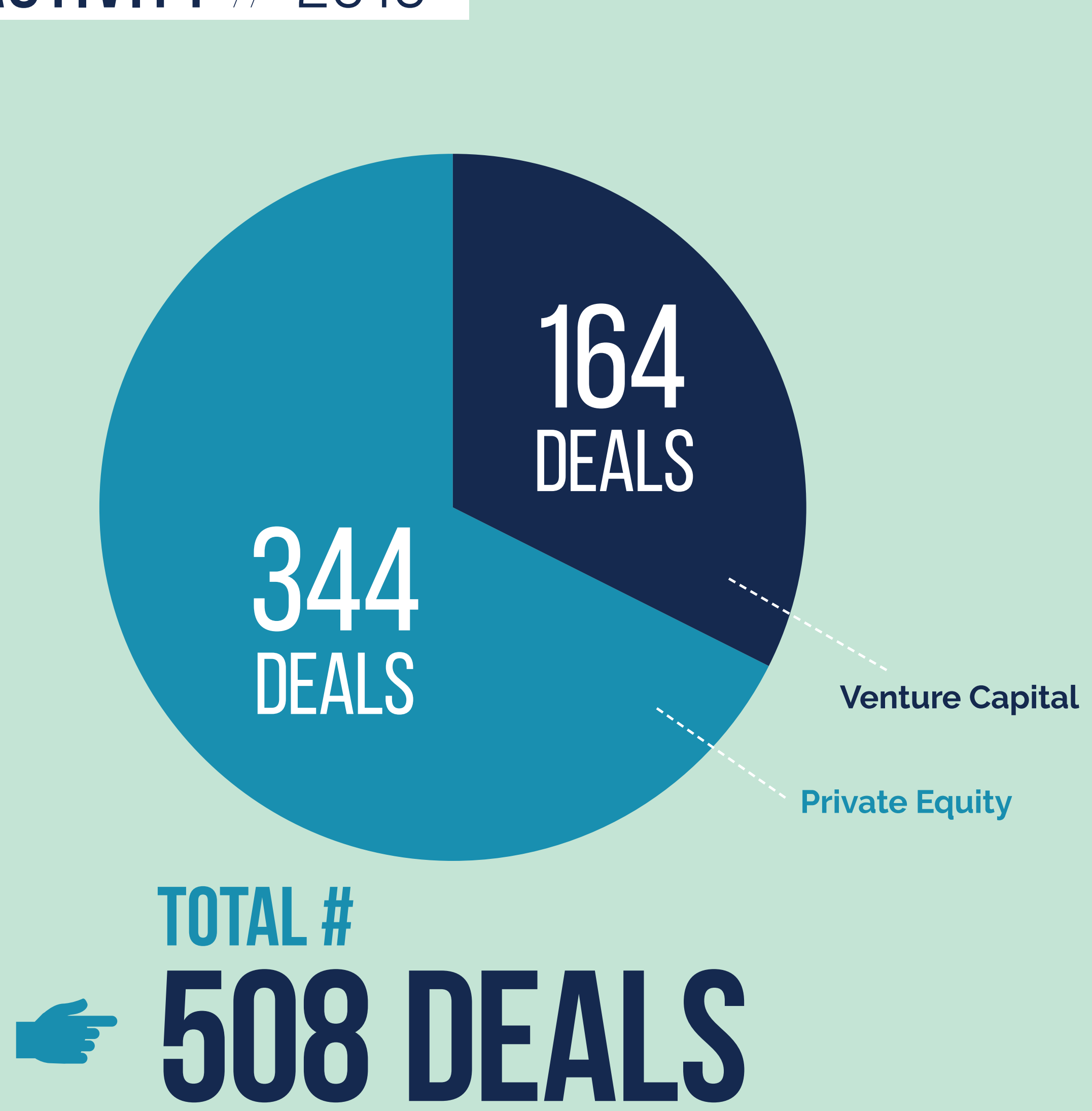
On the private equity side, \$3.8B was invested in buyouts and development capital (344 transactions). This represents 28 per cent of the year's Canadian development capital. Nearly a third of the province's investments, or \$1.1B, went to clean technology companies. The major acquisition of **Services Matrec Inc.** for \$800M was the largest deal in this sector.

Twelve mega deals exceeding \$50M – totalling \$2.3B – accounted for 61 per cent of all development capital investment in Quebec in 2016.

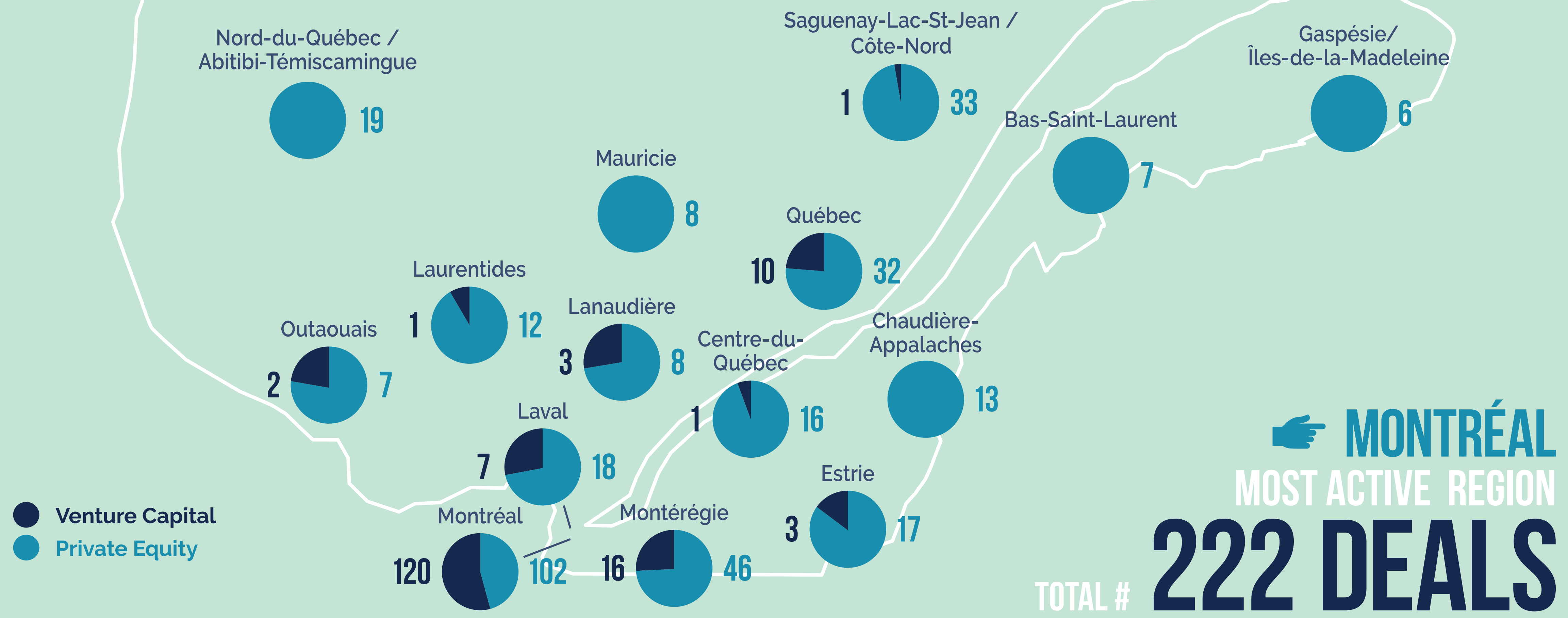
The largest exits include the sale of **CGI Group Inc.** shares, held by the **Caisse de dépôt et placement du Québec**, for \$400M, and the sale of **Fibre Noire Internet Inc.** to Québecor by **Novacap Investments Inc.** for \$125M.

"Data for 2016 confirms Québec is home to some of Canada's most innovative technology companies, and investors are clearly taking note," adds Chadirdjian. "This is a particularly exciting time for Québec's private capital ecosystem."

VC & PE ACTIVITY // 2016



# # VC & PE DEALS BY ADMINISTRATIVE CENTRE // 2016





# VENTURE CAPITAL QUÉBEC MARKET OVERVIEW

// 2016

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# QUÉBEC VENTURE CAPITAL HIGHLIGHTS // 2016

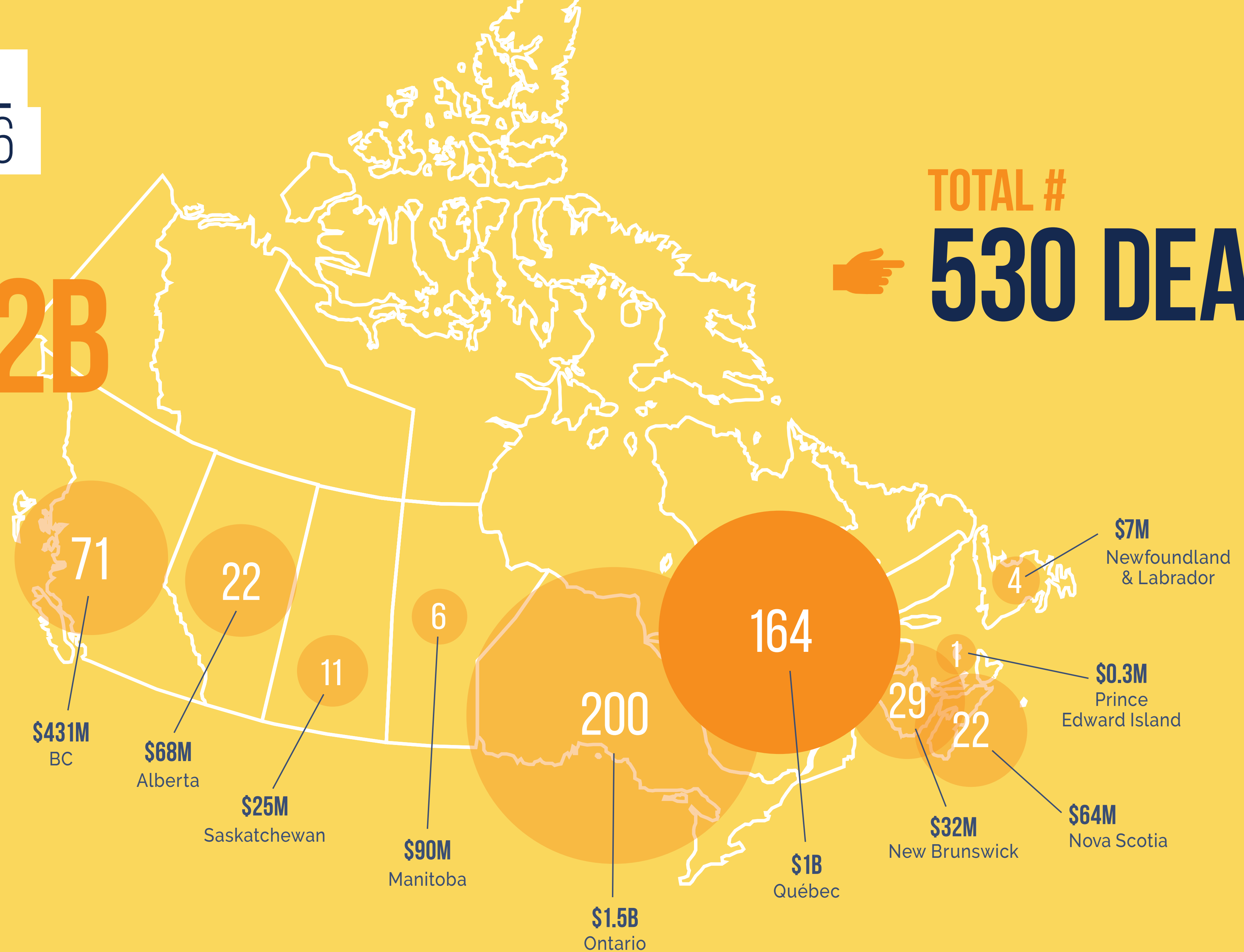
## Key Findings:

- ▶ Soaring to \$1B, 2016 VC investment in Québec reached its highest level since CVCA started collecting data in 2013.
- ▶ Québec captured a 31 per cent share (164) of all Canadian VC deals (530) and was a close second to Ontario.
- ▶ There were five \$50M+ deals totaling \$429M, with the **DalCor Pharmaceuticals** \$128M series B round in the top spot.
- ▶ Half the \$1B went to ICT (over 90 deals), followed by \$313M in life sciences (over 38 deals), and \$67M in agribusiness (over 12 deals).

# VENTURE CAPITAL HEAT MAP // 2016

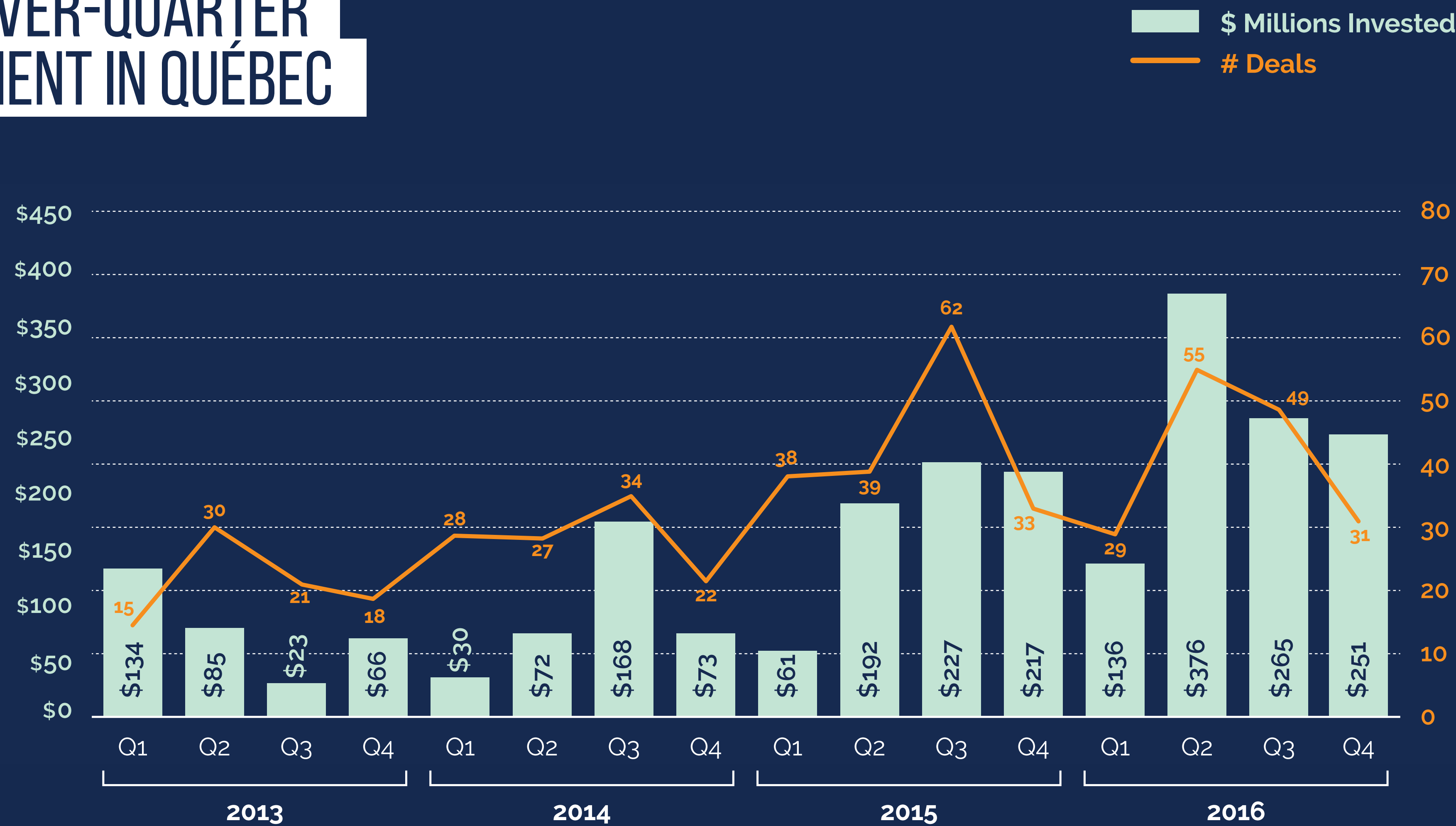
TOTAL **\$3.2B**

TOTAL #  
👉 **530 DEALS**





# QUARTER-OVER-QUARTER VC INVESTMENT IN QUÉBEC



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TOTAL:  
84 DEALS  
\$308M

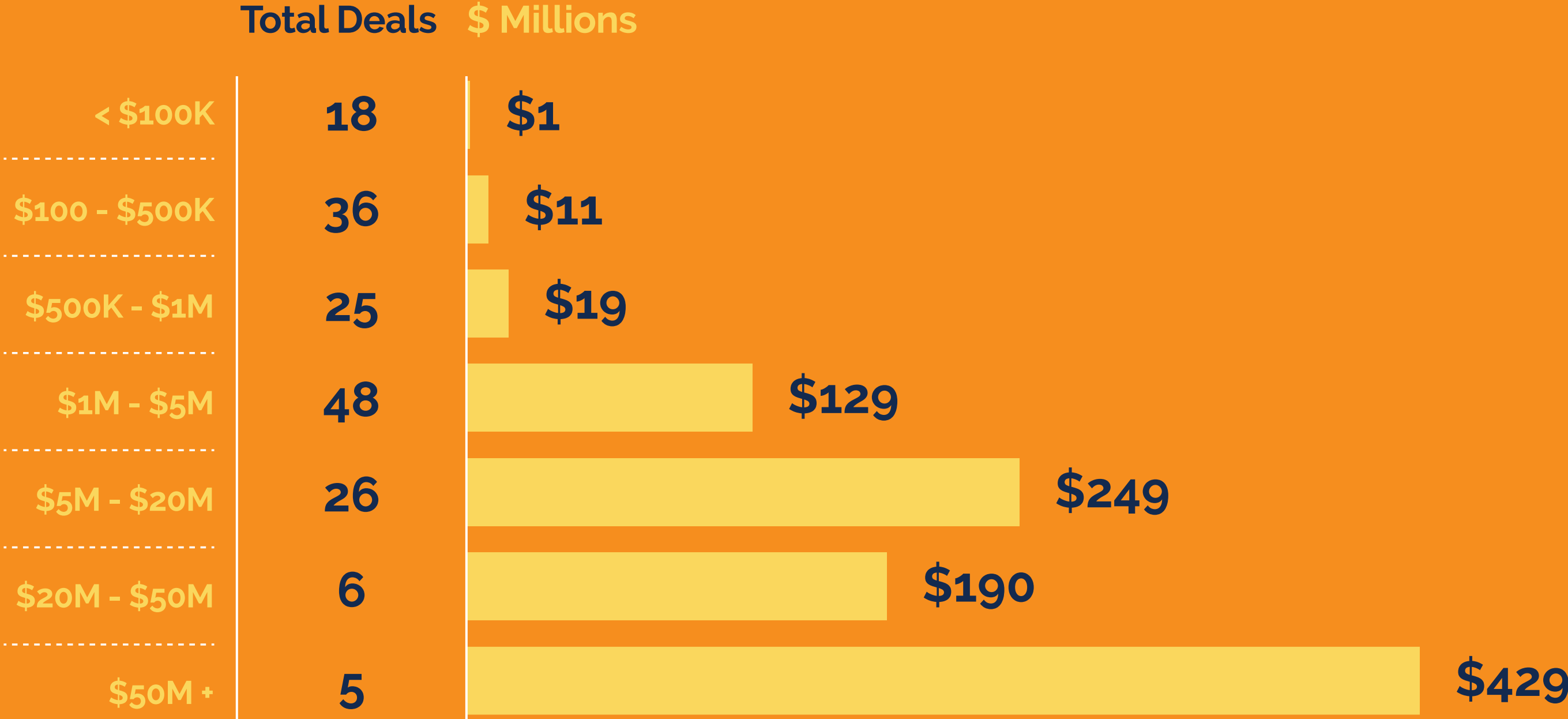
TOTAL:  
111 DEALS  
\$344M

TOTAL:  
172 DEALS  
\$698M

TOTAL:  
164 DEALS  
\$1B

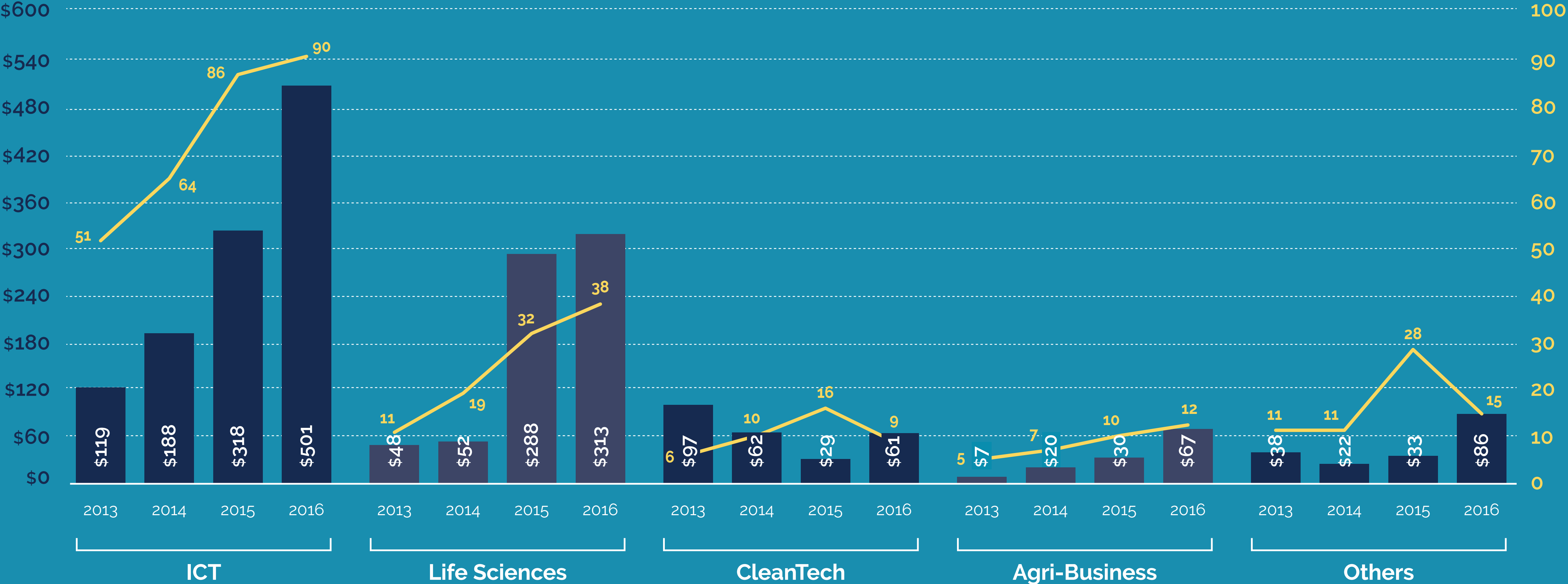
# MEGA DEALS (\$50M+)

👉 PROPEL 2016 VC INVESTMENT



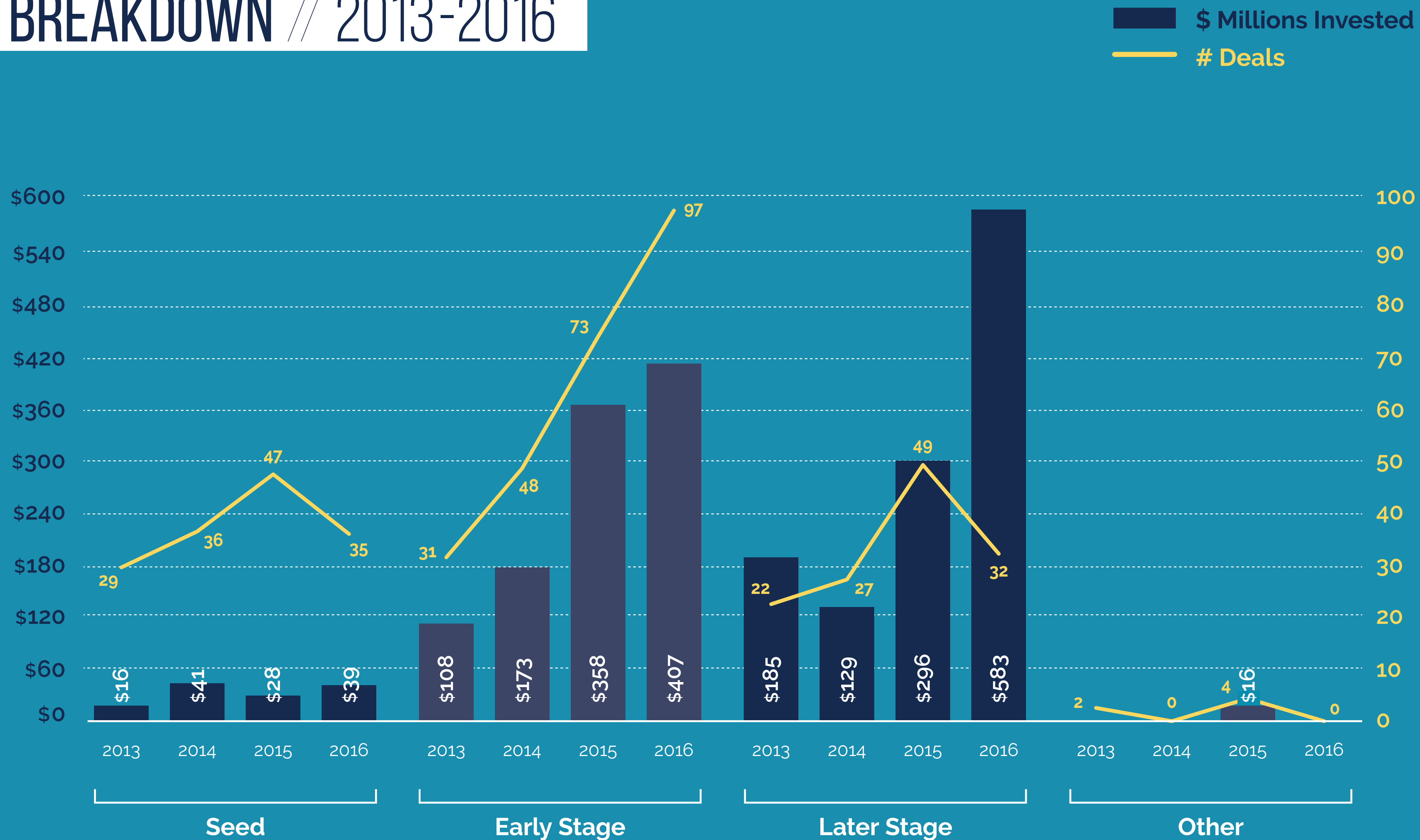
# VC SECTOR BREAKDOWN // 2013-2016

■ \$ Millions Invested  
— # Deals



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# VC STAGE BREAKDOWN // 2013-2016



# TOP 10 QUÉBEC VC DEALS // 2016

COMPANY NAME	ADMIN. CENTRE	SECTOR	DISCLOSED INVESTORS	\$ MIL.
DALCOR PHARMACEUTICALS INC.	MONTRÉAL	LIFE SCIENCES	CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ), CTI PARTNERS, FONDS DE SOLIDARITÉ FTQ, CDN PRIVATE INVESTORS	\$128
HOPPER INC.	MONTRÉAL	ICT	ACCOMPLICE, LLC, BDC CAPITAL INC., BRIGHTSPARK VENTURES, CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ), INVESTISSEMENT QUÉBEC, OMERS VENTURES MANAGEMENT INC.	\$82
BLOCKSTREAM CORPORATION	MONTRÉAL	ICT	AME CLOUD VENTURES, LLC, AXA STRATEGIC VENTURES, BLOCKCHAIN CAPITAL, LLC, DIGITAL GARAGE, INC, FUTURE/PERFECT VENTURES, HORIZONS VENTURES LIMITED, KHOSLA VENTURES, MV ADVISERS LLP, REAL VENTURES, SEVEN SEAS PARTNERS	\$76
BREATHER PRODUCTS INC.	MONTRÉAL	ICT	MENLO VENTURES, REAL VENTURES, RRE VENTURES, SLOW VENTURES, VALAR VENTURES MANAGEMENT LLC	\$53
MILESTONE PHARMACEUTIQUES INC.	MONTRÉAL	LIFE SCIENCES	FONDS DE SOLIDARITÉ FTQ	\$30
UNDISCLOSED COMPANY	MONTRÉAL	ICT	UNDISCLOSED INVESTORS	UNDISCLOSED
UNDISCLOSED COMPANY	QUÉBEC	OTHERS	UNDISCLOSED INVESTORS	UNDISCLOSED
UNDISCLOSED COMPANY	MONTÉRÉGIE	LIFE SCIENCES	UNDISCLOSED INVESTORS	UNDISCLOSED
UNDISCLOSED COMPANY	MONTRÉAL	AGRIBUSINESS	UNDISCLOSED INVESTORS	UNDISCLOSED
UNDISCLOSED COMPANY	MONTÉRÉGIE	OTHERS	UNDISCLOSED INVESTORS	UNDISCLOSED

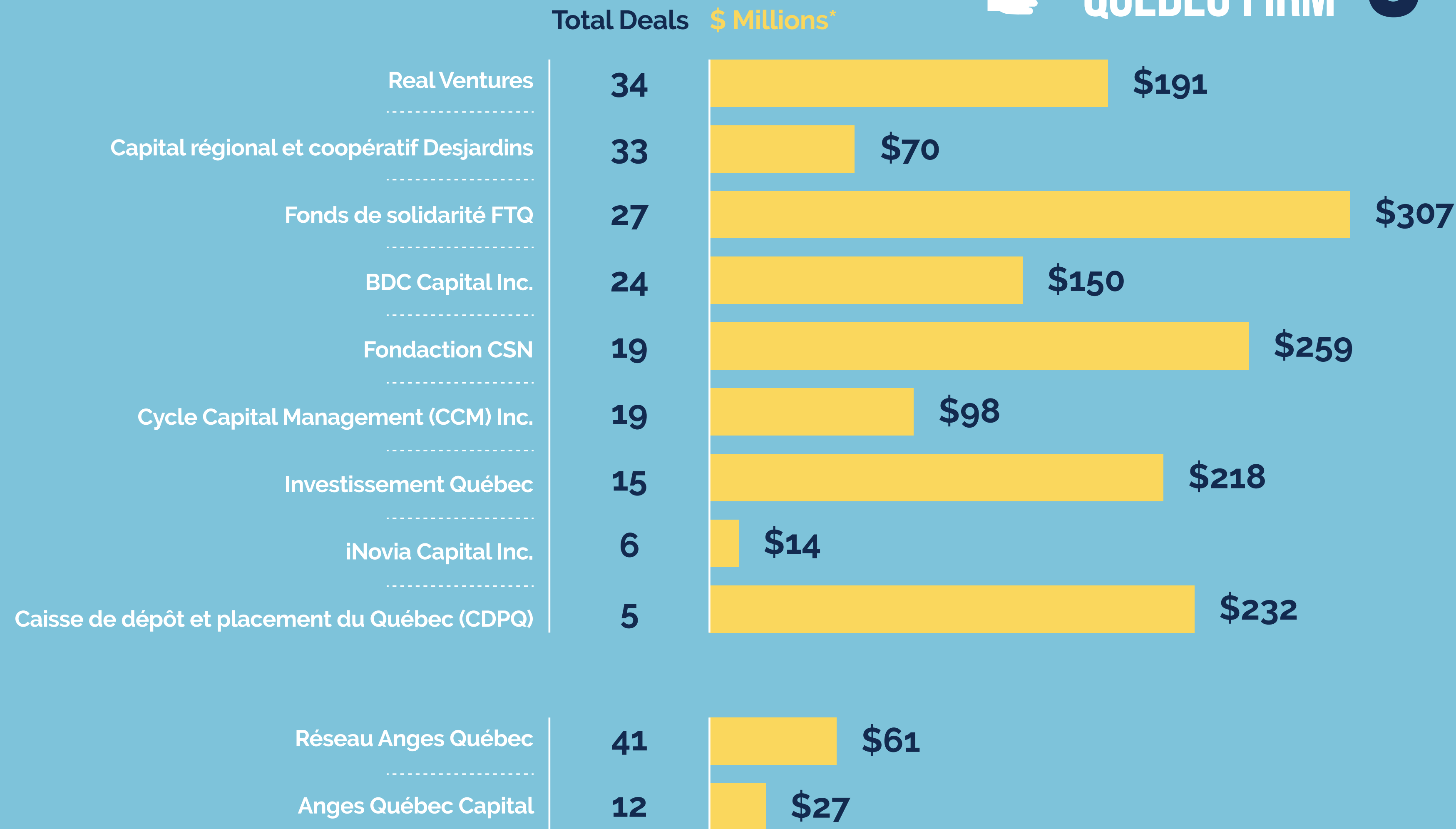
## 5 EXITS IN 2016

all are deemed confidential by investors



MOST ACTIVE FIRMS  
IN QUÉBEC // 2016

REAL VENTURES  
MOST ACTIVE PRIVATE  
QUÉBEC FIRM  
34 DEALS



\* TOTAL DEAL VALUES – INCLUDES ALL PARTICIPATING INVESTORS



# PRIVATE EQUITY QUÉBEC MARKET OVERVIEW

// 2016

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# PRIVATE EQUITY HIGHLIGHTS // 2016

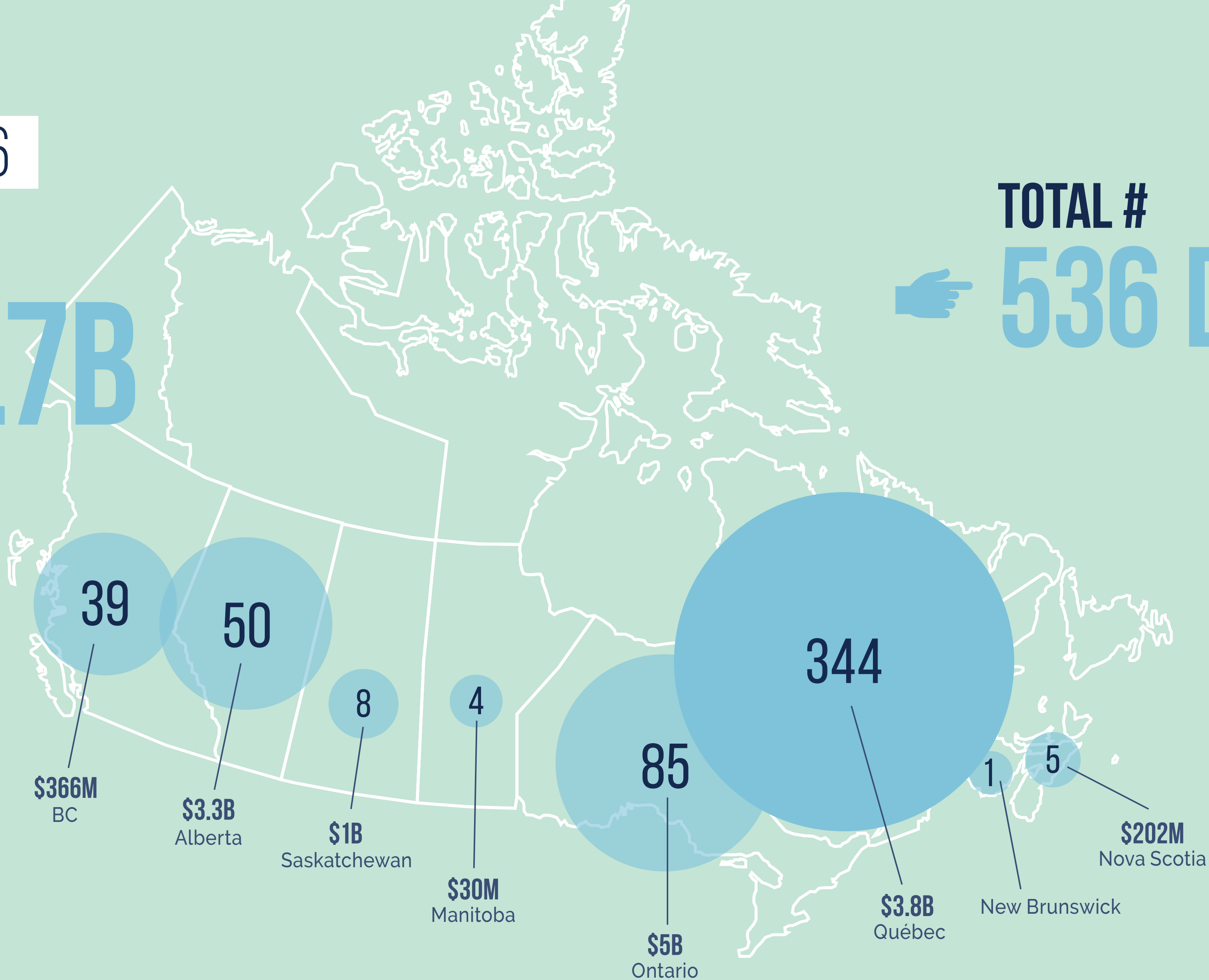
## Key Findings:

- ▶ \$3.8B was invested in over 344 Québec deals in 2016, a 28 per cent share of all Canadian PE dollars.
- ▶ Twelve \$50M+ mega deals accounted \$2.3B or 61 per cent of Québec's 2016 total, including the \$800M acquisition of Services Matrec Inc.
- ▶ \$1B, representing almost a third of all dollars invested, went to clean tech companies.
- ▶ The largest exit in the province was the \$400M sale of CGI Group Inc., followed by the \$125M sale of Fibre Noire Internet Inc. to Quebecor Inc.

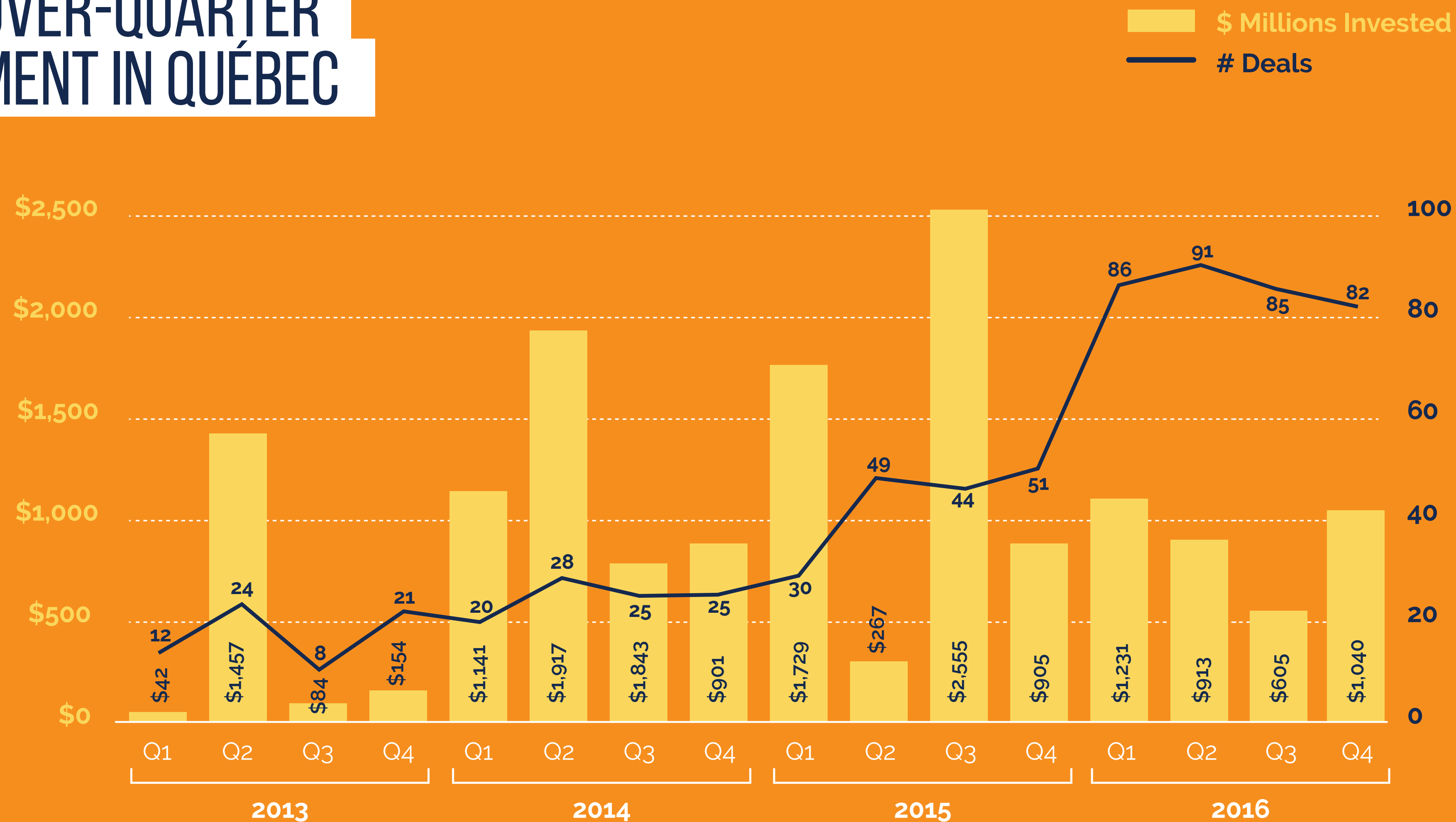
PRIVATE EQUITY  
HEAT MAP // 2016

TOTAL \$13.7B

TOTAL #  
536 DEALS



# QUARTER-OVER-QUARTER PE INVESTMENT IN QUÉBEC



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TOTAL:  
65 DEALS  
\$1.7B

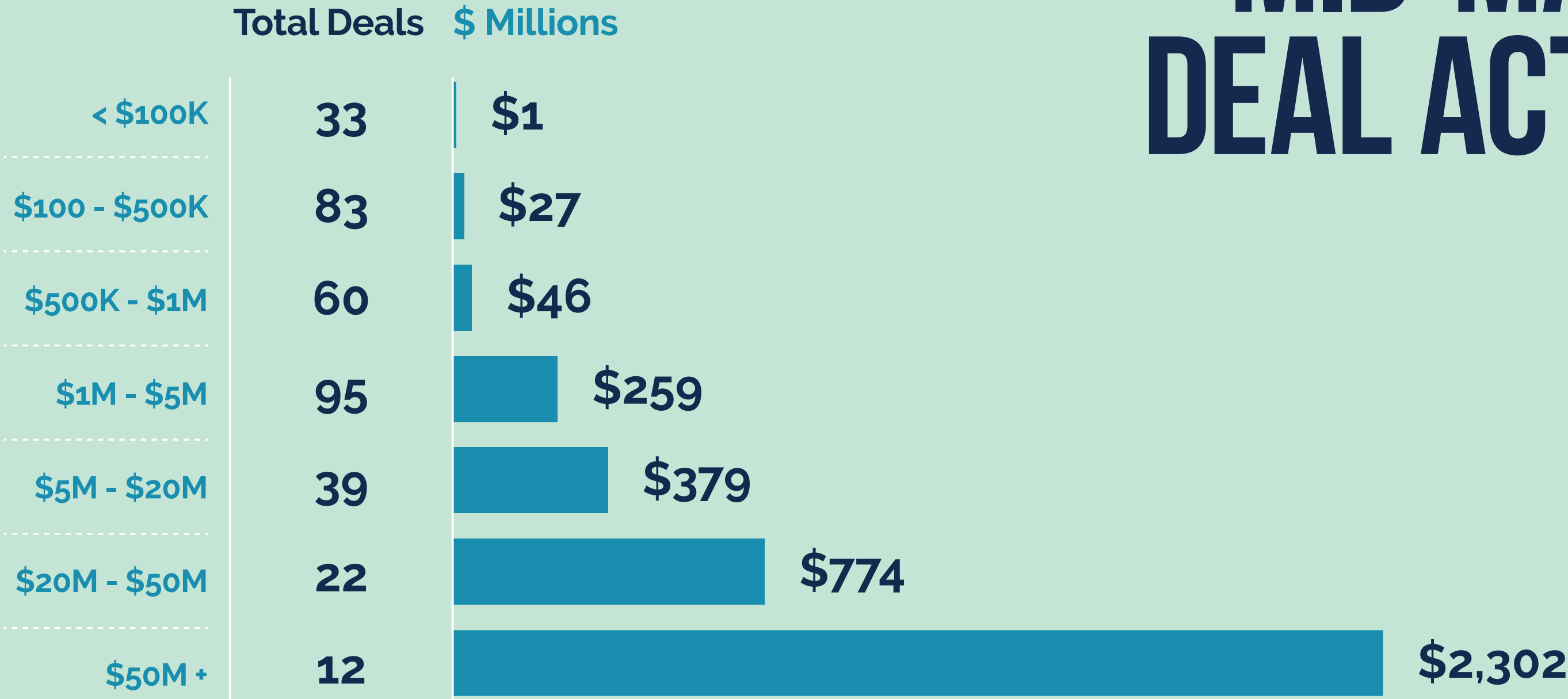
TOTAL:  
98 DEALS  
\$5.8B

TOTAL:  
174 DEALS  
\$5.5B

TOTAL:  
344 DEALS  
\$3.8B

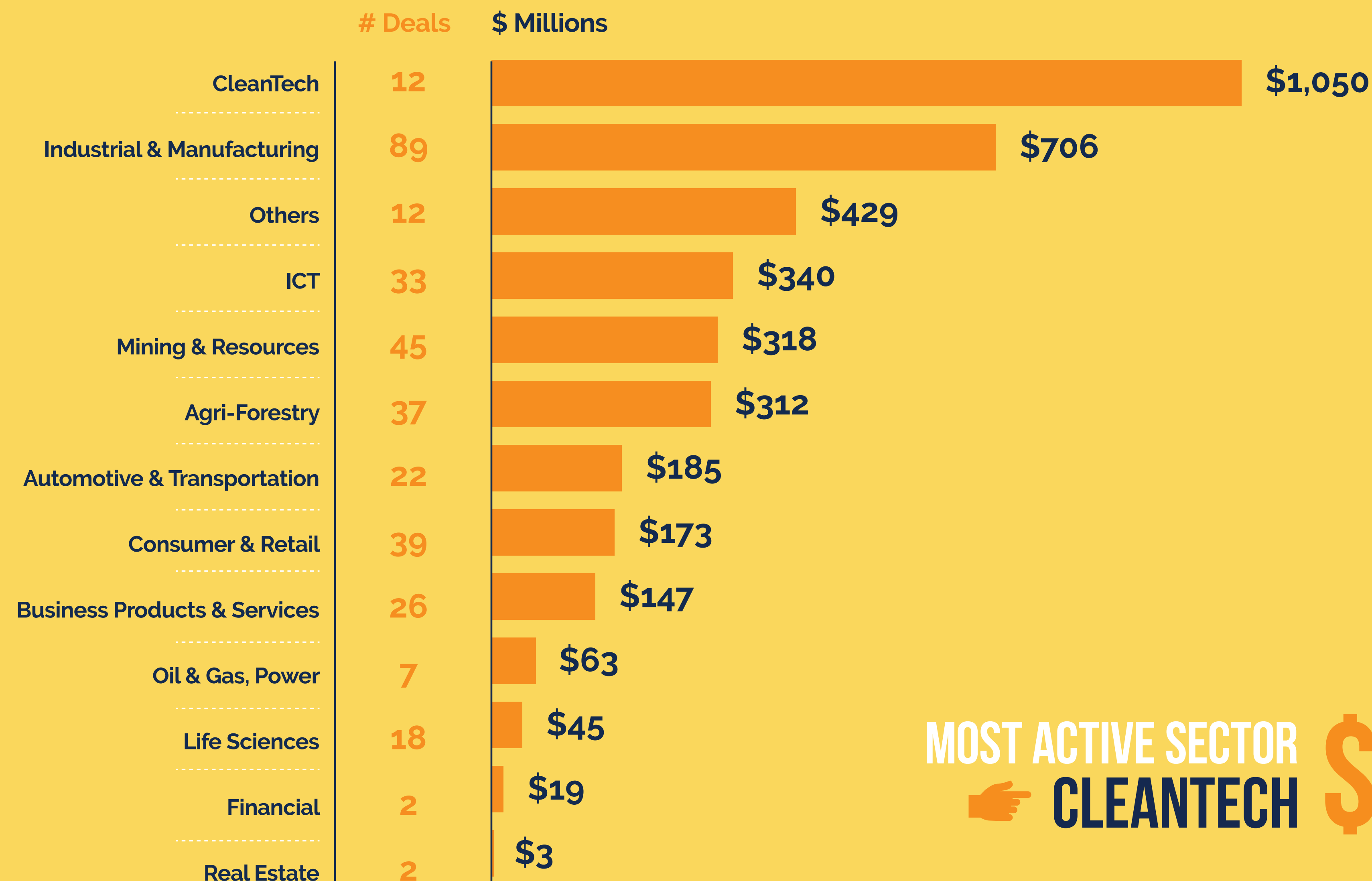
# PE ACTIVITY BY DEAL SIZE // 2016

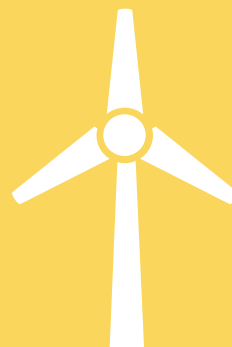
👉 OVERALL DOWNWARD  
PRESSURE **SUSTAINED BY**  
**MID-MARKET**  
**DEAL ACTIVITY**





# PE SECTOR BREAKDOWN // 2016

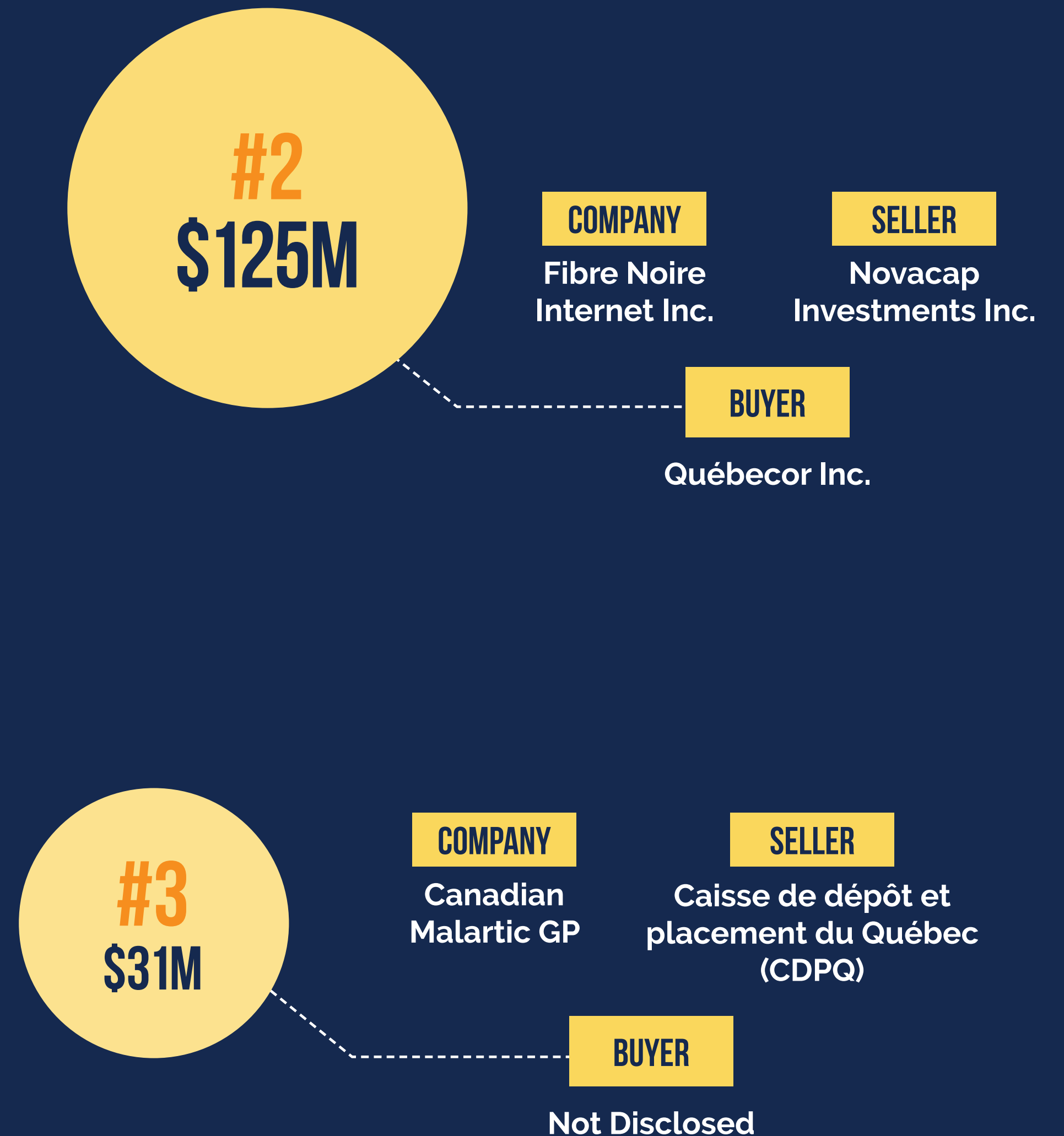


**MOST ACTIVE SECTOR**  
 **CLEANTECH** **\$1.1B** 

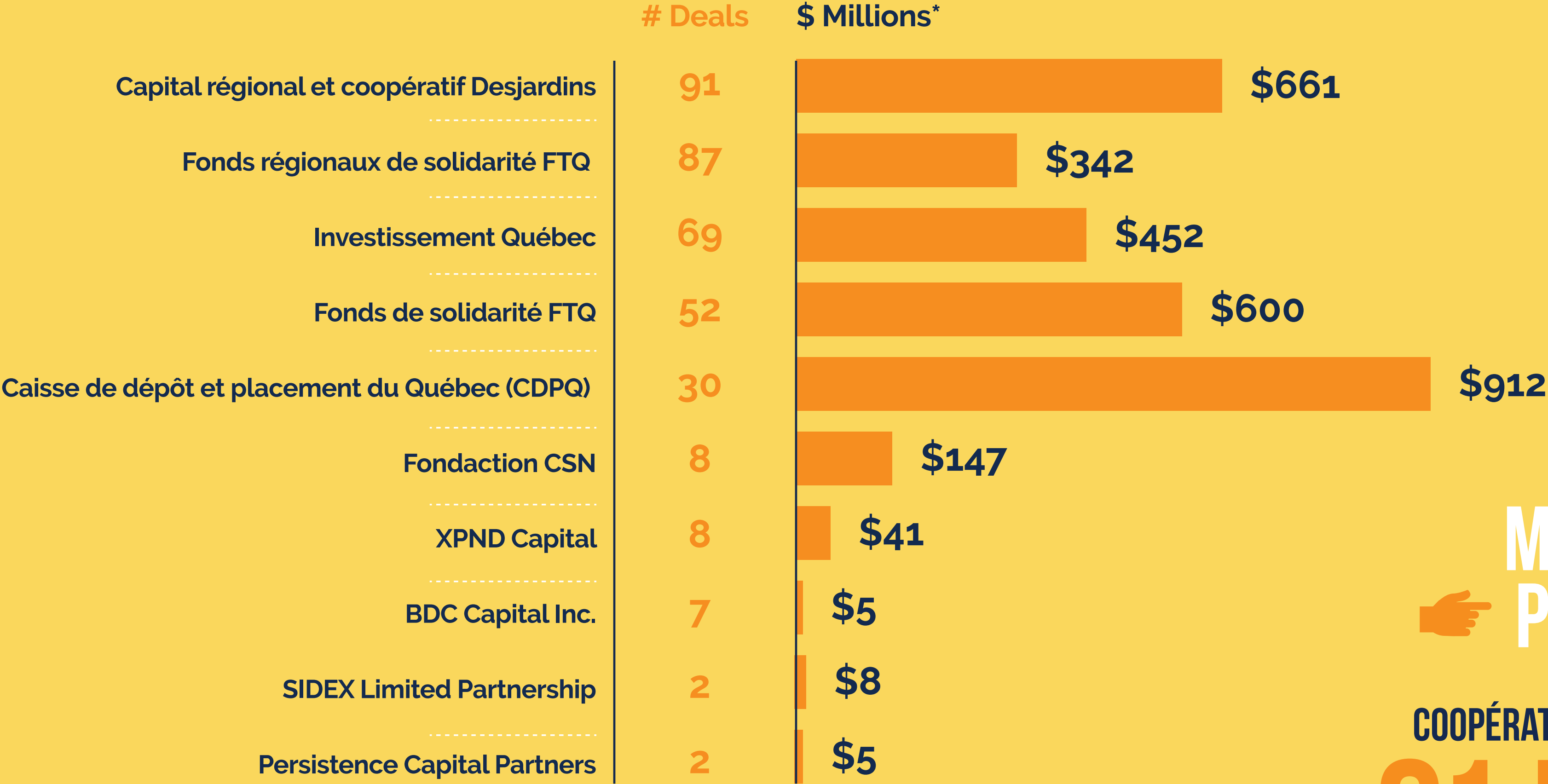
# TOP 10 QUÉBEC PE DEALS // 2016

COMPANY NAME	CENTRE	DISCLOSED INVESTORS INVOLVED IN TRANSACTION	SECTOR	\$ MIL.
SERVICES MATREC INC.	MONTÉRÉGIE	GFL ENVIRONMENTAL INC., HAWTHORN EQUITY PARTNERS, HIGHBRIDGE PRINCIPAL STRATEGIES, LLC, MACQUARIE INFRASTRUCTURE AND REAL ASSETS (MIRA)	CLEANTECH	\$800
MCINNIS CEMENT INC.	MONTÉRÉGIE	BLACKROCK INC., CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ), CDN PRIVATE INVESTORS	INDUSTRIAL & MANUFACTURING	\$282
TATA STEEL MINERALS CANADA LTD.	MONTRÉAL	INVESTISSEMENT QUÉBEC	MINING & RESOURCES	\$125
TRIOTECH AMUSEMENT INC.	LANAUDIÈRE	CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ), FONDS DE SOLIDARITÉ FTQ, UNDISCLOSED INSTITUTIONAL INVESTOR	CONSUMER & RETAIL	\$80
PLACEMENTS LE BELVEDÈRE INC.	MAURICIE	CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS (CRCD), CDN PRIVATE INVESTORS	BUSINESS PRODUCTS & SERVICES	\$62
GARDA WORLD SECURITY GROUP	MONTRÉAL	APAXPARTNERS LLP, RHONE GROUP LLC, UNDISCLOSED INSTITUTIONAL INVESTOR	OTHERS	UNDISCLOSED
UNDISCLOSED COMPANY	MONTRÉAL	UNDISCLOSED INVESTORS	CLEANTECH	UNDISCLOSED
UNDISCLOSED COMPANY	SAGUENAY-LAC-ST-JEAN/ CÔTE-NORD	UNDISCLOSED INVESTORS	ICT	UNDISCLOSED
UNDISCLOSED COMPANY	CENTRE-DU-QUÉBEC	UNDISCLOSED INVESTORS	INDUSTRIAL & MANUFACTURING	UNDISCLOSED
VERDANT ENVIRONMENTAL TECHNOLOGIES	MONTRÉAL	FULCRUM CAPITAL PARTNERS INC., UNDISCLOSED INSTITUTIONAL INVESTOR	ICT	UNDISCLOSED

# TOP DISCLOSED QUÉBEC PE EXITS // 2016



# MOST ACTIVE PE INVESTORS IN QUÉBEC // 2016



\* TOTAL DEAL VALUES – INCLUDES ALL PARTICIPATING INVESTORS

**MOST ACTIVE  
PE INVESTOR**  
CAPITAL RÉGIONAL ET  
COOPÉRATIF DESJARDINS (CRCD)  
**91 DEALS**

Venture Capital Data:

Verified completed equity or quasi-equity venture capital deals only (non-equity or project-based government funding, pharmaceutical development deals, senior debt, venture capital-backed acquisitions, and angel financing are not included)

VC DEVELOPMENT STAGES	
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.

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

QUÉBEC ADMINISTRATIVE REGIONS
NORD-DU-QUÉBEC / ABITIBI-TÉMISCAMINGUE
OUTAOUAIS
LAURENTIDES
LAVAL
MONTRÉAL
MONTÉRÉGIE
LANAUDIÈRE
MAURICIE
ESTRIE
CENTRE-DU-QUÉBEC
QUÉBEC
CHAUDIÈRE-APPALACHES
SAGUENAY-LAC-ST-JEAN/ CÔTE-NORD
BAS-SAINT-LAURENT
GASPÉSIE/ÎLES-DE-LA-MADELEINE

Private Equity Data:

Dataset includes only completed private equity deals (announced but yet to be completed deals are not included)

PE DEAL TYPE	
BUYOUT	INVESTMENT FOR THE CONTROL OF A PORTFOLIO COMPANY, INCLUDING PLATFORM CREATION, SECONDARY BUYOUT
GROWTH	SIGNIFICANT MINORITY INVESTMENT INTO A PORTFOLIO COMPANY, THROUGH NEW CAPITAL INFUSION AND RECAPITALIZATION
ADD-ON	CORPORATE ACQUISITIONS BY MAJORITY CONTROLLED PE BACKED PORTFOLIO COMPANIES
DEBT	DEBT INVESTMENT INTO PORTFOLIO COMPANIES
INFRASTRUCTURE	INVESTMENTS INTO DEVELOPMENT AND MANAGEMENT OF INFRASTRUCTURE ASSETS BUT PE DOES NOT OWN THE UNDERLYING ASSETS

CONTINUED ►

QUÉBEC ADMINISTRATIVE REGIONS
NORD-DU-QUÉBEC / ABITIBI-TÉMISCAMINGUE
OUTAOUAIS
LAURENTIDES
LAVAL
MONTRÉAL
MONTÉRÉGIE
LANAUDIÈRE
MAURICIE
ESTRIE
CENTRE-DU-QUÉBEC
QUÉBEC
CHAUDIÈRE-APPALACHES
SAGUENAY-LAC-ST-JEAN/ CÔTE-NORD
BAS-SAINT-LAURENT
GASPÉSIE/ÎLES-DE-LA-MADELEINE



▶ CONTINUED

PE SECTORS	
AGRI-FORESTRY	AGRICULTURE, FOODS AND FORESTRY
AUTOMOTIVE & TRANSPORTATION	TRANSPORTATION, LOGISTICS AND RELATED SERVICES
BUSINESS PRODUCTS & SERVICES	BUSINESS PRODUCTS AND SERVICES
CLEANTECH	ENERGY AND FUEL TECHNOLOGIES, EFFICIENCY AND CONSERVATION, RENEWAL ENERGY, ENVIRONMENTAL TECHNOLOGIES AND OTHER ENERGY AND ENVIRONMENTAL PRODUCTS AND SERVICES
CONSUMER & RETAIL	CONSUMER PRODUCTS AND SERVICES, BRICK AND MORTAR RETAIL
FINANCIAL	FINANCIAL SERVICES
ICT	COMPUTER HARDWARE/SOFTWARE & SERVICES, INTERNET SOFTWARE & SERVICES, ECOMMERCE, ELECTRONIC & SEMICONDUCTOR, MOBILE & TELECOM AND SERVICES
INDUSTRIAL & MANUFACTURING	EQUIPMENT AND MATERIAL MANUFACTURING
LIFE SCIENCES	BIOTECH, MEDICAL DEVICES, PHARMACEUTICALS, EHEALTH, HEALTHCARE PRODUCTS AND SERVICES, AND OTHER MEDICAL RELATED PRODUCTS AND SERVICES
MINING & RESOURCES	NON OIL AND GAS NATURAL RESOURCES
OIL & GAS, POWER	OIL & GAS, POWER AND UTILITIES
REAL ESTATE	PROPERTY DEVELOPMENT AND MANAGEMENT

# CVCA/RÉSEAU CAPITAL ABOUT & CONTACT

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## AUTHORS



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Research Director

Darrell oversees all data related to Canadian private capital investments, exit and fundraising activities for the CVCA. Darrell has held senior positions at several global organizations including the Toronto Stock Exchange, Institutional Limited Partners Association, Thomson Reuters, Glaxosmithkline and the Interac Association. In between these, he also started his own successful management consulting company. He has worked in New York, London and Shanghai, but Toronto remains his favourite working city. He brings to the CVCA a passion for telling compelling stories with data. Darrell is currently on the board of a non-profit social housing in Peel, a member of Volunteer Toronto as well as an active volunteer with Woodgreen Community Services. He holds a BA in Philosophy/History from the University of Western Ontario and an MBA from the Rotman School of Management.

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**AMY KIM**  
Research Associate

Amy executes research on venture capital and private equity deals to oversee the Canadian private capital markets. Amy is responsible for entering the data, including investment and exit deals and fundraising activities, and is keen on providing the most accurate and up-to-date information through the CVCA's Infobase. Amy holds a Bachelor of Mathematics, Co-op with concentrations in finance and accounting from University of Waterloo.

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## ABOUT CVCA

The Canadian Venture Capital and Private Equity Association is the voice of Canada's venture capital and private equity industry. We are focused on improving the private capital ecosystem by broadening industry awareness and providing market research, networking, and professional development opportunities.

We also advocate on behalf of the industry to ensure sound public policy that encourages a favourable investment environment. The CVCA works alongside its members, who represent the vast majority of private capital firms in Canada, to improve the industry and drive innovation and growth.

For more information, visit [cvca.ca](http://cvca.ca)

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CVCA - Canadian Venture Capital and Private Equity Association

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## ABOUT RÉSEAU CAPITAL

Réseau Capital, the Québec Venture Capital and Private Equity Association, is the only private equity association that brings together all stakeholders involved in the Québec investment chain. The mission of Réseau Capital is to contribute to the development and efficient operation of the private equity industry, which plays a major role in the development and financing of businesses in Québec.

Founded in 1989, Réseau Capital represents private equity, tax-advantaged and public investment companies as well as banks, accounting and law firms, along with many professionals working in the field.

To arrange for an interview, please contact:  
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For more information, visit [reseaucapital.com](http://reseaucapital.com)

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