



One Firm WorldwideSM

2017 ANNUAL PRIVATE EQUITY REVIEW





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A MESSAGE FROM OUR GLOBAL PRIVATE EQUITY PRACTICE LEADERS

Despite the continued downward trend following record levels in 2015, 2017 was the fourth-strongest annual period in the history of dealmaking on a global basis. We are proud to report that Jones Day once again ranked #1 globally in the Thomson Reuters and Bloomberg league tables for number of PE and M&A transactions in 2017, maintaining a position we have held for 69 consecutive calendar quarters—every quarter since year-end 2000. We are honored by our clients’ continuing trust and their willingness to turn to us for assistance in their most critical transactions around the world.

Worldwide transactional (private equity and M&A combined) deal volume was \$3.4 trillion in 2017, down 5.6 percent from the prior year. The fourth quarter, however, was particularly strong, bringing \$1.1 trillion of deals (up 33 percent from the third quarter, and the third year in a row in which the fourth quarter topped \$1 trillion). While a slowdown in U.S. deal activity (which generally makes up 50–60 percent of global deal volume) dragged the overall numbers down, European M&A was up 17 percent.

The story of M&A since the Financial Crisis has really been driven by strategic buyers—corporate buyers have been fueled by strong balance sheets, an extremely favorable deal financing environment, tepid organic growth, and increased CEO confidence. Those factors, together with the ever-present advantages that corporate buyers have over private equity buyers (e.g., the ability to extract synergies, the luxury of longer hold periods, and a lower cost of capital), led to fierce competition for targets and also allowed strategic buyers to lead the way over this period, including in 2015 and 2016. But the tide turned a bit in 2017 due to a variety of factors, including the hangover from a busy dealmaking period in 2015 and 2016, uncertainties as to the tax policy for nearly all of 2017 (the actual specifics did not really crystalize until very late in the year), increasing equity valuations, and a drop in China outbound activity. The decrease in strategic M&A activity allowed sponsors the opportunity to step in and fill the gap. Buyouts were up roughly 20 percent in 2017, with buy-side financial sponsor activity representing more than 18 percent of global activity—close to the 20 percent levels achieved in the lead-up to the Financial Crisis.

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And there is a lot to be optimistic about for 2018. There was a major uptick in deal activity in the fourth quarter, debt is still extremely cheap, and most of the other macrofactors, like low organic growth, remain favorable for M&A activity. In addition to that, not only has the uncertainty of the tax policy been eliminated for the most part, the GOP tax plan should, on balance, be positive. And while a robust M&A pipeline can create challenges for private equity due to the competitive factors mentioned above, an environment favoring investment is an environment favoring private equity. The record level of private equity fundraising in 2017 is unquestionably a sign of confidence in near-term PE investment opportunities, and while most of the commentary about the tax law has been focused on corporate tax buyers, the consensus seems to be that the tax plan, including the lower corporate tax rate, the retention of carried interest, and the ability to fully expense capital expenditures, also favors private equity on the whole.

Beyond that, many of the high-profile strategic transactions which garnered so much attention in recent months are not just about corporate buyers getting bigger—they are about companies stepping out into areas which are important for the future of their businesses, but not necessarily within the purview of what these companies have done before. Synergies should be harder to find for corporate buyers in these types of transactions because it's not just about adding more of the same, it's about new lines of business. This naturally shrinks their competition edge in auctions over sponsors.

And so we believe 2018 is going to be a great year, as evidenced by the hot start thus far. The following pages, although just a sample of the private equity deals undertaken by the Firm in 2017, highlight transactions that exemplify the breadth and scope of our private equity clients' focus as well as the geographic reach of our truly global practice, now one of the world's largest. Regardless of region, industry, jurisdiction, or deal type, our comprehensive approach to private equity continues to enable us to navigate our clients through increasingly complex, sophisticated and, in many cases, global private equity transactions.

As always, we are grateful for your support, and we look forward to partnering with you in 2018.

Andrew Levine | **Michael Earley** | **Renaud Bonnet** | **Patrick Stafford**

ACCOLADES

TOP-RANKED 2017 TRANSACTIONAL PRACTICE

Globally by *Thomson Reuters* and *Bloomberg* in deal count for 69 consecutive calendar quarters.

Globally by *Bloomberg* in deal value for Private Equity deals up to \$250 million.



Globally by *Bloomberg* in deal count for Mid-Market deals up to \$500 million and \$250 million.

In the U.S. and Western & Eastern Europe by *Bloomberg* and in France by *Thomson Reuters* in deal count for Mid-Market deals up to \$500 million.



TOP 10

JONES DAY IS IN THE TOP 10 FOR ANNOUNCED DEALS BY DEAL COUNT AND/OR DEAL VALUE AROUND THE WORLD, INCLUDING THE U.S., THE U.K., FRANCE, ITALY, BRAZIL, BENELUX, AND ACROSS EUROPE, AS WELL AS CHINA, HONG KONG, JAPAN, TAIWAN, AND SOUTHEAST ASIA.

Our practice and individual lawyers are consistently cited in *Chambers* and the *Legal 500* guides across numerous regions, including Asia-Pacific, Europe, and the United States.



REPRESENTATIVE 2017 LBO TRANSACTIONS



\$4 billion
Sale of
portfolio company Signode to
Crown Holdings, Inc.



£1.77 billion
Acquisition of
Holland & Barrett



¥254.8 billion
Sale of
remaining stake in
Universal Studios Japan to
Comcast NBCUniversal



\$703 million
Acquisition of
Teva Pharmaceutical
Industries' international
Women's Health assets



\$525 million
Acquisition of
CORSAIR from
Francisco Partners



Acquisition of
Hunter Well Science Ltd.
by portfolio company



Riverside
Sale of
Harvey Performance Company



\$4.4 billion
Acquisition of
Monogram Residential Trust, Inc.



€605 million
Sale of
Esmalglass to
Lone Star Fund X



Sale of
QHotels Group to Aprirose



Refinance and sale of
National Car Parks Limited



Investment in
Suzhou CMC Investment Center

REPRESENTATIVE 2017 LBO TRANSACTIONS

 <p>ROCKWOOD</p> <p>Acquisition of Ibis Tek</p>	<p>Morgan Stanley</p> <p>Acquisition of Fisher Container Holdings and Fisher Container</p>	 <p>CORTEC Group</p> <p>Acquisition of ChamSys Ltd. by portfolio company Chauvet</p>
<p>One Equity Partners</p> <p>Acquisition of OneLink Holdings, S.A.</p>	 <p>\$1.3 billion Acquisition by consortium led by Warburg Pincus</p>	 <p>WELLSPRING CAPITAL MANAGEMENT LLC</p> <p>\$152 million Sale of Crosman Corporation to Compass Diversified Holdings</p>
<p>J.F. Lehman & Company</p> <p>Acquisition of PSSC Holding Co. and BEI Precision Systems & Space Company, Inc.</p>	 <p>OEC[®]</p> <p>Acquisition of Clifford Thames Group</p>	 <p>GIC</p> <p>R\$1.0 billion Acquisition of minority stake in Algar Telecom</p>
 <p>AGIC</p> <p>Acquisition of Fotona from The Gores Group</p>	 <p>highroad CAPITAL PARTNERS</p> <p>Acquisition of Strauss Lock Distributors</p>	 <p>BLUEPOINT Capital Partners</p> <p>Acquisition of Top of the World</p>

REPRESENTATIVE 2017 LBO TRANSACTIONS



Acquisition of
The Ritedose Corporation
from Olympus Partners



Acquisition of
American International
Chemical Inc.



Acquisition of
a majority stake in
WaterFleet LLC



Acquisition by portfolio company
Alpha Packaging of a plant
in the Netherlands from
Graham Packaging Company



Acquisition of
the London and Birmingham
Hilton Metropole hotels



Acquisition of
RESA Power, LLC



Acquisition of
certain assets of
National Label Company



\$118 million
Investment in
Armor Defense, Inc.



Acquisition of
Logical Freight
Solutions P/L



Acquisition of
DreamLine

REPRESENTATIVE 2017 FUND FORMATION MATTERS



Riverside

\$418 million

Formation of
Riverside Strategic
Capital Fund I, L.P.

TRUECAPITAL

£110 million

Formation of
True Capital II LP



\$700 million

Formation of
StepStone Real Estate Partners III



\$2 billion

Formation of
Kildare European Partners II



£400 million

Formation of
Henley Secure Income
Property Unit Trust

QUAEROCAPITAL

€250 million

Formation of
Quaero European
Infrastructure Fund



\$100 million

Formation of
Asia Capital
Real Estate Fund 3



€1.5 billion

Formation of
Orion European
Real Estate Fund V



€70 million

Formation of
Truffle Financial
Innovation Fund

**Meyer
Bergman**

€666 million
*excluding associated
sidecar vehicles*

Formation of Meyer Bergman
European Retail Partners III

REPRESENTATIVE 2017 VENTURE CAPITAL TRANSACTIONS



\$44 million round

Investment in
Redis Labs

FRICHTI

Issuance of
Series B Convertible
Preferred Stock



Investment in
Cell Medica



Investment in
Chronotruck

Gimv

Investment in
Snack Connection B.V.

Cavallo Ventures Inc.

Investment by Wilbur-Ellis affiliate
in AgCode, Inc.



Investment in
E.care bvba



**\$75 million
Series D round**
of Actility

Brookfield

\$68 million round
Investment in Convene



**€60 million
Series C round**
led by General Atlantic



Investment in
Argentum Medical, LLC












€40 million round
Investment in
Younited Crédit

REPRESENTATIVE 2017 PRIVATE EQUITY-RELATED PUBLIC COMPANY TRANSACTIONS

 <p>\$3.2 billion Sale of Atotech B.V. to The Carlyle Group</p>	 <p>\$1.25 billion Acquisition of GCA Services Group from Thomas H. Lee and Goldman Sachs</p>	 <p>Investment in UPMEM</p>
 <p>\$240 million Sale of Winter Sports businesses to Kohlberg & Company</p>	 <p>Acquisition of Luciad from GIMV</p>	<p>Hansteen</p> <p>€1.28 billion Sale of German and Dutch property portfolios to entities advised by affiliates of The Blackstone Group and M7 Real Estate</p>
 <p>Sale of RéVive Skincare brand by Shiseido Americas Corporation to affiliate of Tengram Capital Partners</p>	 <p>\$115 million Sale of Designed Structures and Solutions business to Arsenal Capital Partners</p>	 <p>Investment in BodyShopBids, Inc.</p>
 <p>\$300 million Acquisition of Align Midstream, LLC, from Tailwater Capital</p>		

RECENT 2018 PRIVATE EQUITY TRANSACTIONS

 <p>AMERICAN GREETINGS</p> <p>Sale of majority interest to Clayton, Dubilier & Rice</p>	 <p>PAG</p> <p>Investment in Key Safety Systems for purchase of global assets of Takata Corporation from bankruptcy</p>	 <p>CORTEC Group</p> <p>Acquisition of C2G International by Vidaris affiliate IBA Holdings</p>
 <p>€900 million</p> <p>Acquisition of Paroc Group from CVC Capital Partners</p>	 <p>€200 million</p> <p>Formation of European Long Term Investment Fund</p>	 <p>EAGLETREE CAPITAL</p> <p>Acquisition of majority stake in Airtech Group</p>
<p>Group of Investors in Ring Inc.</p> <p>Sale of Ring to Amazon.com</p>	 <p>GOODE PARTNERS</p> <p>Investment in Marolina Outdoor Inc.</p>	<p>J.F. Lehman & Company</p> <p>Acquisition of Waste Control Specialists</p>
 <p>CBRE</p> <p>Formation of Curlew Student Trust Fund II</p>	 <p>Riverside</p> <p>Acquisition of Real Property Management</p>	 <p>Invesco</p> <p>Investment in Gelesis, Inc.</p>



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Jones Day's Global Locations

ALKHOBAR	CHICAGO	FRANKFURT	MEXICO CITY	PARIS	SHANGHAI
AMSTERDAM	CLEVELAND	HONG KONG	MIAMI	PERTH	SILICON VALLEY
ATLANTA	COLUMBUS	HOUSTON	MILAN	PITTSBURGH	SINGAPORE
BEIJING	DALLAS	IRVINE	MINNEAPOLIS	RIYADH	SYDNEY
BOSTON	DETROIT	LONDON	MOSCOW	SAN DIEGO	TAIPEI
BRISBANE	DUBAI	LOS ANGELES	MUNICH	SAN FRANCISCO	TOKYO
BRUSSELS	DÜSSELDORF	MADRID	NEW YORK	SÃO PAULO	WASHINGTON