



*Blakes*

# Canadian Private Equity Deal Study

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Fifth Edition



## Blakes Private Equity Practice

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Blakes has one of the strongest and most experienced Private Equity practices in Canada. As a national team, we drive innovative transactional structures and their strategic implementation, with a depth of industry knowledge and perspectives from across the country.

Our Private Equity team spans various specialty areas, including M&A, capital markets, competition, foreign investment review, tax, financial services, real estate, intellectual property, pensions, benefits and executive compensation.

We provide strategic advice and legal counsel at each stage of the investment lifecycle: fund formation, fund management and governance, financing, acquisitions and investments, management of portfolio companies and exit strategies.

For more information on our Private Equity practice, visit [www.blakes.com](http://www.blakes.com).

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# 01

## Overview

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# Foreword

This fifth edition of our Canadian Private Equity Deal Study is published at a volatile time in global and Canadian Private Equity markets. Increased leverage costs and valuation gaps were among the factors that resulted in recent decreased M&A activity. At the same time, delayed liquidity and, accordingly, distributions to investors hampered capital raising. However, the recent data included some signs of future recovery, if not rebound. Unfortunately, new U.S. trade policies have introduced an unwelcomed level of uncertainty, at least in the short term.

In this market, dealmakers realize, perhaps now more than ever, the value proposition and competitive advantage of in-depth analytics, knowledge and expertise, including having an understanding of where the Canadian Private Equity market is currently and the trends that signal where it may be headed.

The Blakes Canadian Private Equity Deal Study remains the most in-depth analysis of Canadian Private Equity buyout and investment transactions in the legal industry and the standard for “what is market” in Canadian Private Equity.

Blakes continues to be recognized as Canada’s Leading Law Firm by foremost legal publications, including:

**Tier 1 in Corporate  
and M&A**

— *Legal 500: 2025*

**Corporate Law Firm  
of the Year**

— *Chambers Canada: 2024*

**Tier 1  
in M&A**

— *IFLR1000: 2024*

**Top Canadian Firm with 204 lawyers  
ranked 473 times in 50 practice areas**

— *Expert: 2024*

# Focus

## Private Equity Nucleus

Unlike private M&A deal studies that source their data from publicly available sources such as SEDAR+\* and are, therefore, based on private transactions involving public companies, this Study focuses on transactions involving Private Equity funds, sponsors or portfolio companies as sellers, buyers, investors and/or targets. Among the many novel perspectives presented in this Study is a focus on differences in dynamics and terms based on the nature of the parties involved.

## Canadian Nexus

This Study focuses solely on transactions involving Canadian private companies or their assets.

## Blakes Involvement

This Study is a proprietary analysis of Canadian buyout and minority investment transactions in which Blakes was involved. Derived from our exclusive database containing hundreds of precedents, this Study principally examines over 100 transactions signed between 2021 and 2024, but also, in certain instances, draws on our broader database to show trends over the last decade. By reporting aggregated data, we ensured no confidential information is disclosed.

## Data Presentation

Medians are used instead of means to eliminate distortion to averages resulting from outliers. Due to rounding, actual figures may be plus or minus 1%. In most cases, percentages have been rounded to the nearest whole percentage (which results in some charts showing 99% or 101%). Unless otherwise stated, monetary values are presented in Canadian dollars. Portfolio companies are included among Private Equity parties. Transactions include buyouts and minority investments.

## Transaction Terms

Where transaction terms are not directly comparable, we used our judgment and discretion in summarizing, categorizing and reflecting them in this Study. From one edition of this Study to the next, the deal set from any particular year may be different. The results do not reflect the views of Blakes, and accordingly, whether or not a specific term is appropriate for any transaction depends on, and merits close consideration based on, the facts and circumstances of such transaction.

## Legend



Upward Trend



Downward Trend



Insight

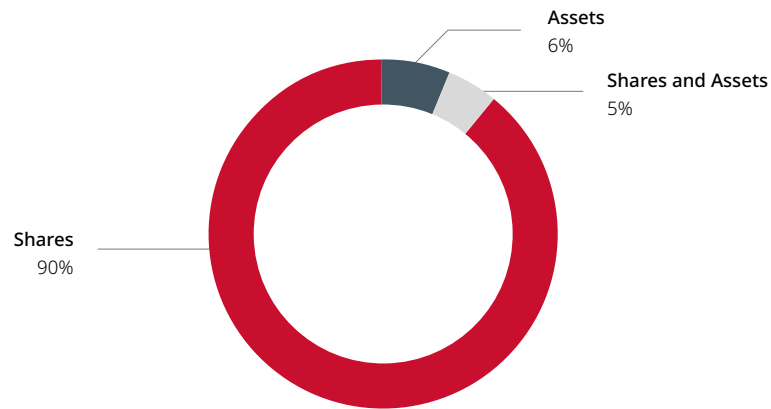


Subset

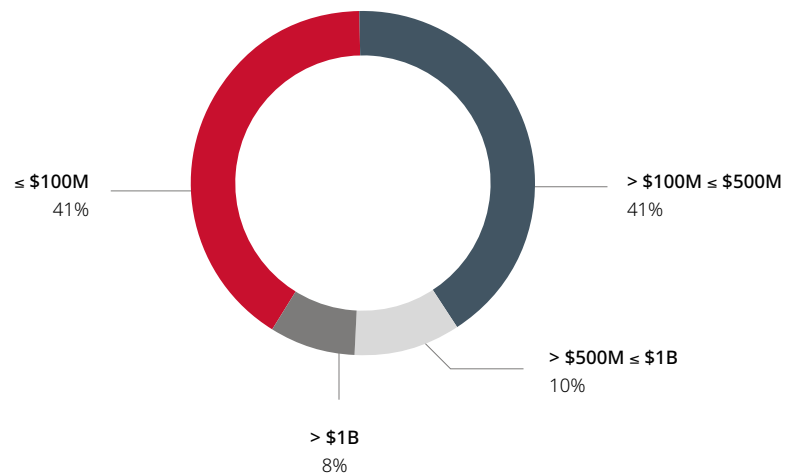
\* SEDAR+ is the System for Electronic Document Analysis and Retrieval maintained on behalf of the Canadian securities regulatory authorities for use by reporting issuers.

# Snapshot

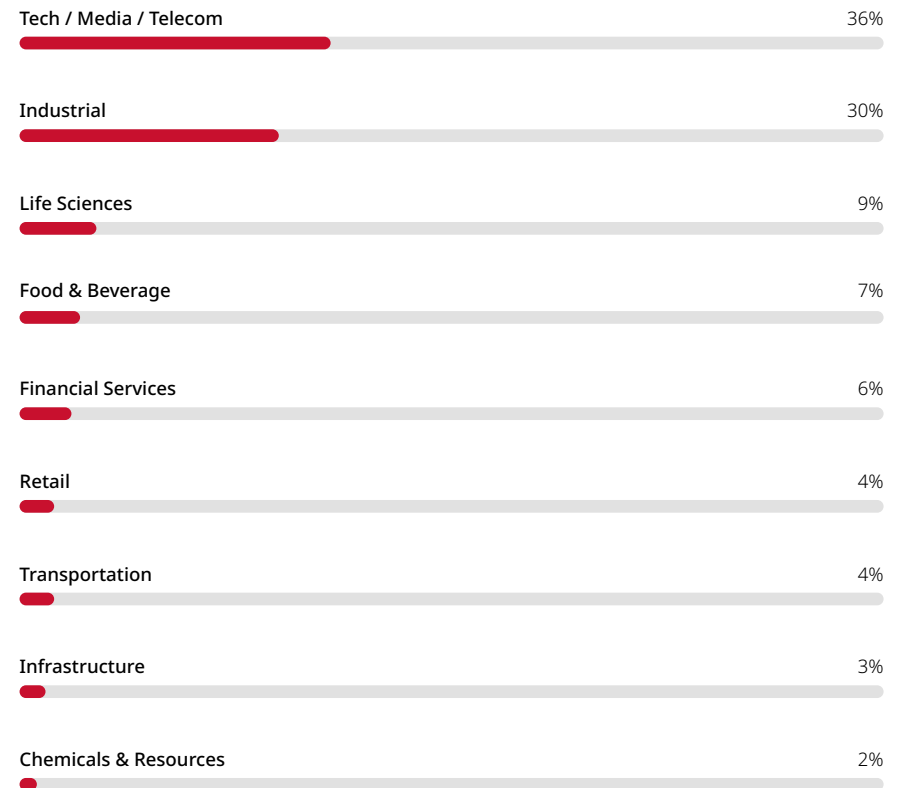
## Structure



## Size



## Industry

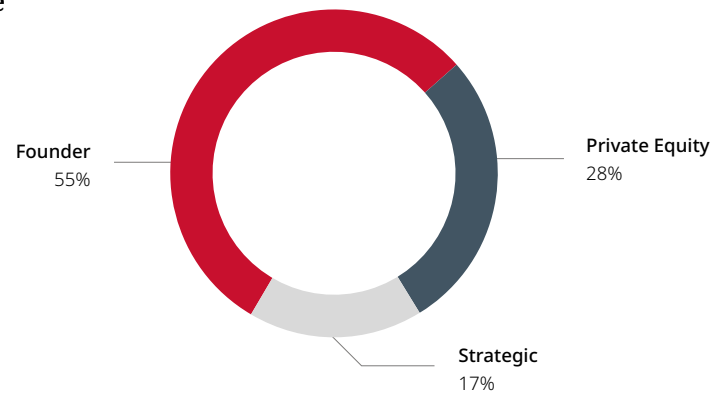




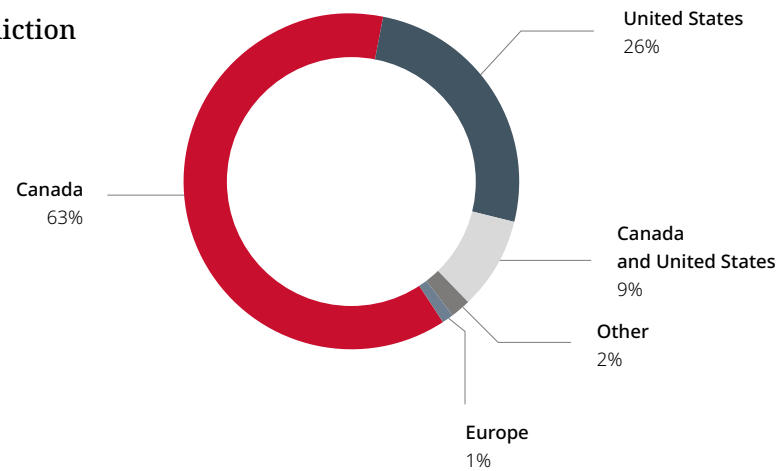
# Players

## Sellers

### Nature

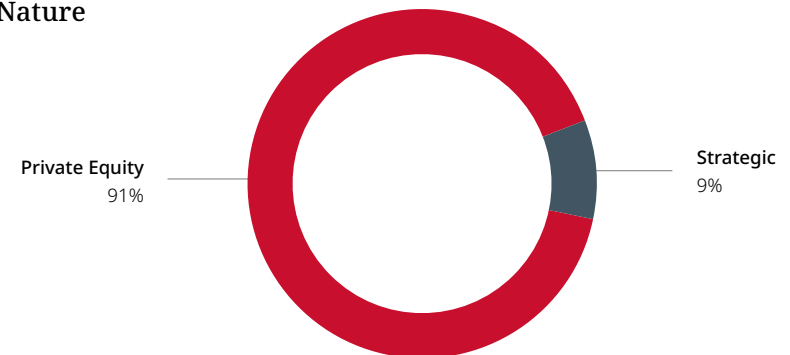


### Jurisdiction

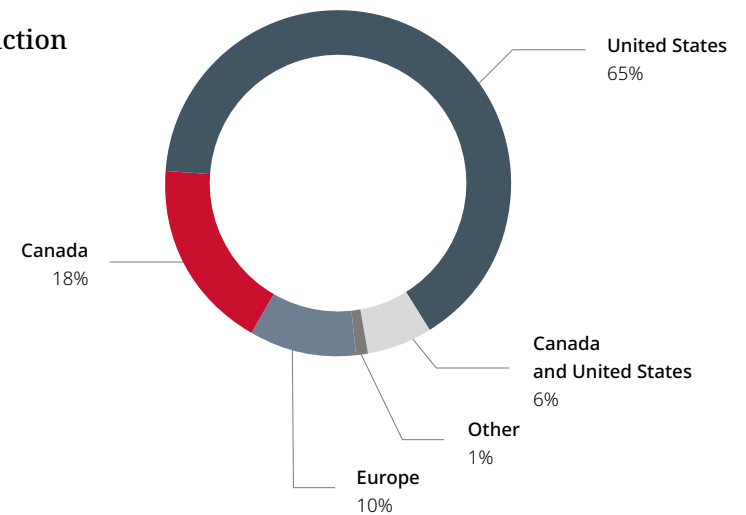


## Buyers

### Nature

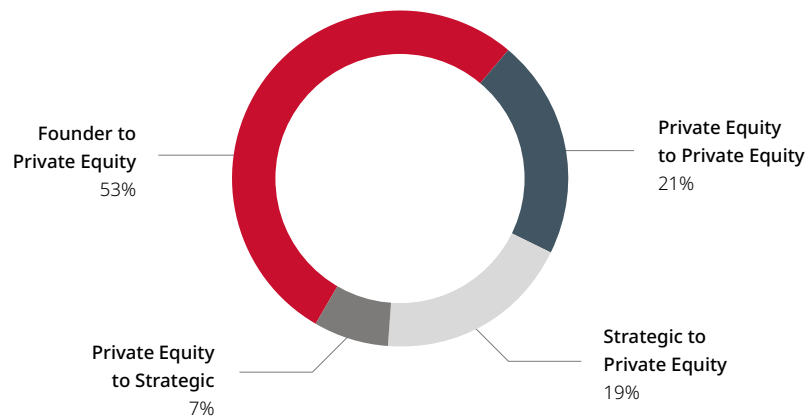


### Jurisdiction



# Transaction Characteristics

## Dynamics



## R&W Insurance



## Trend Spotlight: Private Plans of Arrangement

### Public M&A Elements

- **Board Negotiated.** The transaction agreement is negotiated opposite the target's board of directors as opposed to its selling shareholders.
- **Fairness Opinion.** The target's board commonly obtains a fairness valuation opinion from an independent financial advisor.
- **Superior Proposal vs. Right to Match and Break Fee.** The target's board often negotiates the right to accept an unsolicited superior proposal, subject to the buyer being afforded the right to match or obtain a break fee.
- **Disclosure, Court Approval and Shareholder Vote.** The arrangement process takes approximately 45 to 60 days, including two court appearances and a meeting of the target's shareholders, who are entitled to be provided with prospectus level disclosure about the transaction.

### Private M&A Elements

- **Post-Closing Risk Allocation.** The transaction agreement usually contemplates representations and warranties and post-closing indemnities, providing the buyer with risk protection.
- **Escrows.** Escrows, whether for post-closing financial adjustments or indemnity protection, are commonplace.
- **R&W Insurance.** Representations and warranties insurance can be utilized as another risk-allocation tool.
- **Rollover Equity and Incentive Awards.** Selling shareholders, including founders, management and/or others that want to remain invested in the target, are able to receive a portion of the transaction consideration in the form of equity in the buyer.

Get the big picture.

To request the complete Study, email [daniela.conti@blakes.com](mailto:daniela.conti@blakes.com).