



British
Private Equity &
Venture Capital
Association



BVCA Private Equity and Venture Capital Performance Measurement Survey 2019

A survey of independent UK-based funds that raise capital from third-party investors

The BVCA – The British Private Equity and Venture Capital Association – in conjunction with PwC is pleased to publish the summary analysis of the 2019 Performance Measurement Survey. The Survey covers the performance of ‘independent’ UK venture capital and private equity funds, being funds raised from external investors and managed from the UK.

For this year’s survey we had 117 responses, out of 154 eligible GPs (76% response rate). In the report we cover 813 UK managed funds by BVCA members, including UK and non-UK venture capital and private equity investments. The results are provided net of fees and costs, including a provision for carried interest where appropriate.

Venture capital and private equity is a long-term asset class. As such, the since-inception return metric most appropriately reflects the performance of venture capital and private equity since it measures the performance from the start of a fund, rather than just recent years. When comparing venture capital and private equity with other asset classes, emphasis should be placed on the longer-term results rather than the shorter-term measures.

Key Points

- The UK’s private equity and venture capital industry has continued to demonstrate its resilience by returning substantial amounts of cash distributions to investors. Over the longer-term, venture capital and private equity continues to comfortably outperform public markets.
- The five-year and 10-year annual returns were 20.1% and 14.2% respectively, compared to the FTSE All-Share, which returned 7.5% and 8.1% to investors over the same respective time periods.
- Venture capital post 2002 vintage funds once again showed strong performance over the short- and long-term, with three, five and ten-year IRRs at 14.6%, 15.1% and 13.2% respectively.
- Private equity performance was also resilient with the ten-year IRRs for small, mid and large transactions at 14.9%, 12.8% and 14.8% respectively.
- The most appropriate measure of the long-term performance of venture capital and private equity is on a since-inception basis. We present this on a vintage basis, as well as for the portfolio data set as a whole. The survey shows that since 2008, all vintages have generated since-inception IRRs in excess of 14%, with the portfolio as a whole at 14.6%.
- In the detailed report (to be published later this year) we also report fund multiples, both DPI (the total amount distributed to investors as a percentage of paid-in capital) and TVPI (the total amount distributed plus the residual value attributable to investors as a percentage of paid-in capital).

	Since Inception	1 year	3 years	5 Years	10 Years
UK Private Equity and Venture Capital	14.6%	17.5	18.5	20.1	14.2
FTSE All-Share index	N/A	19.2	6.9	7.5	8.1
FTSE 100 index	N/A	17.3	6.2	7.1	7.4
FTSE 250 index	N/A	28.9	9.6	9.3	12.0
FTSE 350 index	N/A	19.2	6.8	7.5	8.0



Current Year and Longer Term Returns – IRR (% p.a.)

Investment Stage and Subcategories

	No of funds	2019	Three years	Five years	Ten years
1996 vintage funds onwards					
Venture	196	12.6	13.1	13.3	11.6
pre-2002 vintage funds	43	0.5	-0.2	1.9	5.0
2002 vintage funds onwards	153	13.6	14.6	15.1	13.2
Small MBO	118	3.9	13.7	18.3	14.9
Mid MBO	267	11.5	13.4	14.3	12.8
Large MBO	79	21.0	21.1	22.9	14.8
Subtotal 1996 onwards	660	17.5	18.5	20.1	14.2
Grand total all funds	813	17.5	18.5	20.1	14.2

Subcategories (all vintages)					
UK	544	12.2	14.4	13.2	13.5
Non-UK	269	18.6	19.2	21.5	14.3
Pan-European	260	20.1	19.2	21.6	14.3
Technology	225	31.9	23.4	23.4	17.6
Non-Technology	588	14.3	17.5	19.6	13.8

Vintage year

	No of funds	2019	Three years	Five years	Ten years
1980-84	13	n/a	n/a	n/a	n/a
1985-89	68	n/a	n/a	n/a	n/a
1990	13	n/a	n/a	n/a	n/a
1991	14	n/a	n/a	n/a	n/a
1992	7	n/a	n/a	n/a	n/a
1993	10	n/a	n/a	n/a	n/a
1994	19	n/a	n/a	n/a	n/a
1995	9	n/a	n/a	n/a	n/a
1996	13	n/a	234.3	42.7	-13.0
1997	24	-4.2	-0.3	58.1	7.8
1998	16	-39.6	-70.8	-66.8	17.4
1999	25	-4.1	1.5	-22.2	14.7
2000	27	1.9	5.1	5.5	1.9
2001	30	-4.4	-0.5	-1.5	5.6
2002	20	-27.9	35.6	-1.6	7.1
2003	17	-5.6	-1.8	-0.9	12.1
2004	13	5.3	8.5	0.6	7.5
2005	26	3.9	7.9	11.9	12.0
2006	42	10.3	11.1	9.9	12.2
2007	40	7.4	3.1	12.7	11.5
2008	29	17.1	25.0	32.2	17.4
2009	26	9.3	9.5	43.2	14.3
2010	22	-5.2	6.2	9.8	n/a
2011	22	15.1	12.3	19.4	n/a
2012	23	18.2	25.0	25.4	n/a
2013	28	23.8	18.3	21.3	n/a
2014	35	31.9	31.5	30.0	n/a
2015	40	18.1	17.5	n/a	n/a
2016	37	14.2	15.4	n/a	n/a
2017	34	15.8	n/a	n/a	n/a
2018	41	11.1	n/a	n/a	n/a
2019	30	n/a	n/a	n/a	n/a
Total	813	17.5	18.5	20.1	14.2



Since Inception Return – IRR (% p.a.)

Investment stage and subcategories

	No of funds	To Dec '19	To Dec '18	To Dec '17	To Dec '16	To Dec '15	To Dec '14	To Dec '13	To Dec '12	To Dec '11	To Dec '10	To Dec '09	To Dec '08	To Dec '07	To Dec '06
Pre-1996 vintage funds															
Early Stage	24	9.1	9.1	9.1	9.1	9.1	9.1	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.3
Development	35	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
Mid MBO	33	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.7	15.8	15.8	15.8
Large MBO	26	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2
Generalist	35	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.6
Subtotal pre-1996	153	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.5
1996 vintage funds onwards															
Venture	155	5.6	5.3	4.4	4.5	3.7	3.4	2.4	0.4	0.9	-0.3	-2.2	-1.8	-1.6	-0.6
pre-2002 vintage funds	43	0.1	-0.5	0.3	0.2	-0.2	0.1	-1.3	-2.6	-1.3	-1.6	-3.1	-2.6	n/a	n/a
2002 vintage funds onwards	112	9.3	9.0	7.6	7.7	7.0	6.4	5.9	3.6	4.0	2.2	0.2	1.7	n/a	n/a
Small MBO	94	15.8	14.9	16.7	15.7	15.6	14.9	16.2	16.0	15.3	17.9	17.3	6.5	7.3	3.2
Mid MBO	205	11.9	12.4	12.7	12.3	12.6	12.6	12.6	12.3	12.5	13.2	14.0	14.9	14.9	13.2
Large MBO	64	16.1	16.0	15.6	15.1	14.4	14.3	14.9	14.7	15.4	17.8	19.2	21.5	23.7	21.0
Subtotal 1996 onwards	518	14.3	14.3	14.1	13.6	13.2	13.1	13.4	13.1	13.6	15.2	16.1	17.2	18.9	16.4
Grand total all funds	671	14.6	14.6	14.5	14.1	13.8	13.8	14.1	13.9	14.3	15.3	15.9	16.4	17.3	16.0
Subcategories (all vintages)															
UK	460	13.4	13.4	13.4	13.3	13.5	13.6	13.6	13.5	13.6	13.9	14.1	14.6	14.6	14.4
Non-UK	211	15.2	15.2	15.0	14.6	14.0	13.9	14.4	14.2	14.7	16.6	17.7	18.5	20.2	17.9
Pan-European	214	16.1	16.1	16.0	15.6	15.1	15.2	15.7	15.6	16.3	18.0	19.3	20.3	21.6	19.7
Technology	175	11.8	6.3	5.9	5.4	4.4	3.8	3.4	1.1	1.5	0.6	-0.9	-0.6	-0.1	1.0
Non-Technology	496	15.1	15.4	15.3	14.9	14.6	14.6	15.0	14.9	15.3	16.4	17.0	17.8	18.7	17.3

Vintage year

	No of funds	To Dec '19	To Dec '18	To Dec '17	To Dec '16	To Dec '15	To Dec '14	To Dec '13	To Dec '12	To Dec '11	To Dec '10	To Dec '09	To Dec '08	To Dec '07	To Dec '06
1980-84	13	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
1985-89	68	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.8	13.8	13.8
1990	13	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.4	11.3	11.3
1991	14	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4
1992	7	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3
1993	10	15.1	15.1	15.1	15.1	15.1	15.1	15.1	15.1	15.1	15.2	15.0	15.2	15.3	15.3
1994	19	34.3	34.3	34.3	34.3	34.3	34.3	34.3	34.3	34.3	34.3	34.3	34.3	34.3	34.3
1995	9	23.1	23.1	23.1	23.1	23.1	23.1	23.1	23.1	23.1	23.1	23.1	23.1	23.1	22.2
1996	13	17.6	17.6	17.6	17.6	17.6	17.6	17.6	17.6	17.6	17.8	17.8	19.1	18.7	18.7
1997	24	15.0	15.0	15.0	15.0	15.0	15.1	15.0	15.0	15.0	15.0	15.1	15.3	15.6	14.7
1998	16	13.0	12.9	12.9	12.9	12.9	12.9	12.9	12.8	12.9	12.8	12.9	12.9	12.5	12.2
1999	25	13.3	11.5	11.5	11.5	11.5	9.9	9.5	9.4	9.7	8.6	8.0	8.0	15.8	8.8
2000	27	15.5	16.5	16.6	16.6	16.6	16.7	16.6	16.6	16.6	16.6	16.2	14.1	16.7	14.9
2001	30	24.6	24.8	24.9	24.9	25.0	25.0	25.1	24.8	25.2	26.1	26.6	27.4	29.1	28.3
2002	20	20.4	24.5	24.4	24.4	24.4	24.9	24.7	25.5	26.1	26.1	25.5	27.0	30.8	26.6
2003	17	15.6	18.2	19.8	19.8	19.8	20.0	20.4	20.7	22.0	23.7	17.5	25.4	32.1	23.4
2004	13	23.8	24.6	24.3	24.4	17.9	24.7	24.2	25.0	26.4	32.0	34.1	41.3	41.1*	25.8
2005	26	9.9	9.9	10.7	10.5	10.5	11.1	11.1	9.6	7.4	9.4	8.4	4.2	19.4	24
2006	42	6.6	6.6	5.9	5.3	4.6	5.2	6.2	4.2	2.4	5.2	-11.8	-12.7	7.2	100.6
2007	40	9.5	9.6	10.3	9.9	9.4	9.2	9.7	7.9	8.9	12.6	5.1	4.1	24.7	n/a
2008	29	16.4	18.8	17.1	13.5	10.0	7.8	8.1	7.6	7.8	5.8	-5.7	-2.5	n/a	n/a
2009	26	14.1	14.1	12.4	11.8	11.1	-2.1	9.2	4.0	-10.4	8.7	15.5	n/a	n/a	n/a
2010	22	14.0	12.5	16.8	18.2	23.5	25.6	23.3	18.7	37.9	140.8	n/a	n/a	n/a	n/a
2011	22	15.8	15.7	20.7	16.2	30.4	38.8	44.4	70.7	-36.9	n/a	n/a	n/a	n/a	n/a
2012	23	22.8	22.5	27.9	21.9	22.6	1.9	-9.7	-32.6	n/a	n/a	n/a	n/a	n/a	n/a
2013	28	18.5	26.3	19.8	19.8	21.9	-3.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2014	35	28.7	24.3	19.3	9.8	2.5	7.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2015	40	16.1	20.9	9.7	-61.4	-59.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total*	671	14.6	14.6	14.5	14.1	13.8	13.8	14.1	13.9	14.3	15.3	15.9	16.4	17.3	16.0
2016	37	16.3	15.9	-4.8	41.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2017	34	19.4	27.0	-4.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2018	41	17.2	-57.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2019	30	-7.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Subtotal 2016-2019	142	17.8	20.7	13.6	4.2	19.8	26.0	29.2	12.4	6.0	11.5	-6.3	-2.1	18.2	27.9

*Only funds which were at least four years old at the relevant year end are included for the computation of the 'Total' figures.



Definitions

Inception/since inception:

The period from a fund's first drawdown up to a particular point in time, that is, 31 December 2019 in this report. Funds measured thus are at least four years old.

Investment stage and general fund investment profile

Pre-1996 vintage funds

'Early Stage':

Invests in companies in the seed (concept), start-up (within three years of a company's establishment) and early stages of development.

'Development':

Invests in expansion stage companies, that is, established companies that raise private equity to make acquisitions, fund working capital, buy new plant, etc. and small management buyouts and buy-ins (MBOs) with less than £10 million of equity invested.

'Mid MBO':

Invests in management buyouts and buy-ins with £10 million to £100 million of equity invested. 'Large MBO' Invests in management buyouts and buy-ins with more than £100 million of equity invested.

'Large MBO':

Invests in management buyouts and buy-ins with more than £100 million of equity invested.

1996 vintage funds onwards

'Venture Capital':

- Early-stage fund: Venture capital funds focused on investing in companies in the early stages of their lives.
- Later-stage fund: Venture capital funds providing capital for an operating company, which may or may not be profitable. Typically, in C or D rounds.
- Venture fund (all stages): Venture capital funds focused on both early and later stage investments.

'Small MBO':

Invests in small management buyouts and buy-ins (MBOs) with less than £10 million of equity invested. This category also includes development capital for expansion stage companies, that is, established companies that raise private equity to make acquisitions, fund working capital, buy new plant machinery and the like.

Subcategories – all vintages

'Technology':

Invests primarily (at least 60% of the fund) in technology companies.

'Non-UK':

Invests primarily (at least 60% of the fund) in companies outside the UK.

'Pan-European':

Invests in more than two European countries.



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Disclaimer

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