



BUILDING AN INNOVATIVE NATION

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Canada

BDC PUTS ENTREPRENEURS FIRST

- > **Vision:** Accelerate the success of entrepreneurs
- > **Mission:** Help create and develop Canadian business through financing, venture capital and consulting services, with a focus on SMEs

QUICK STATS

29,000
CLIENTS

1,800 +
EMPLOYEES

100+
BUSINESS
CENTRES

\$17B +
TOTAL ASSETS

\$180M
DIVIDENDS
PAID
SINCE 1997

66
YEARS
IN BUSINESS



A green road sign with the word "Innovation" written in white, set against a blue sky with white clouds. The sign is mounted on two wooden posts and has a white border with reflective dots. The word "Innovation" is written in a large, bold, sans-serif font, slanted upwards from left to right.

Innovation

LEADERSHIP

INNOVATION

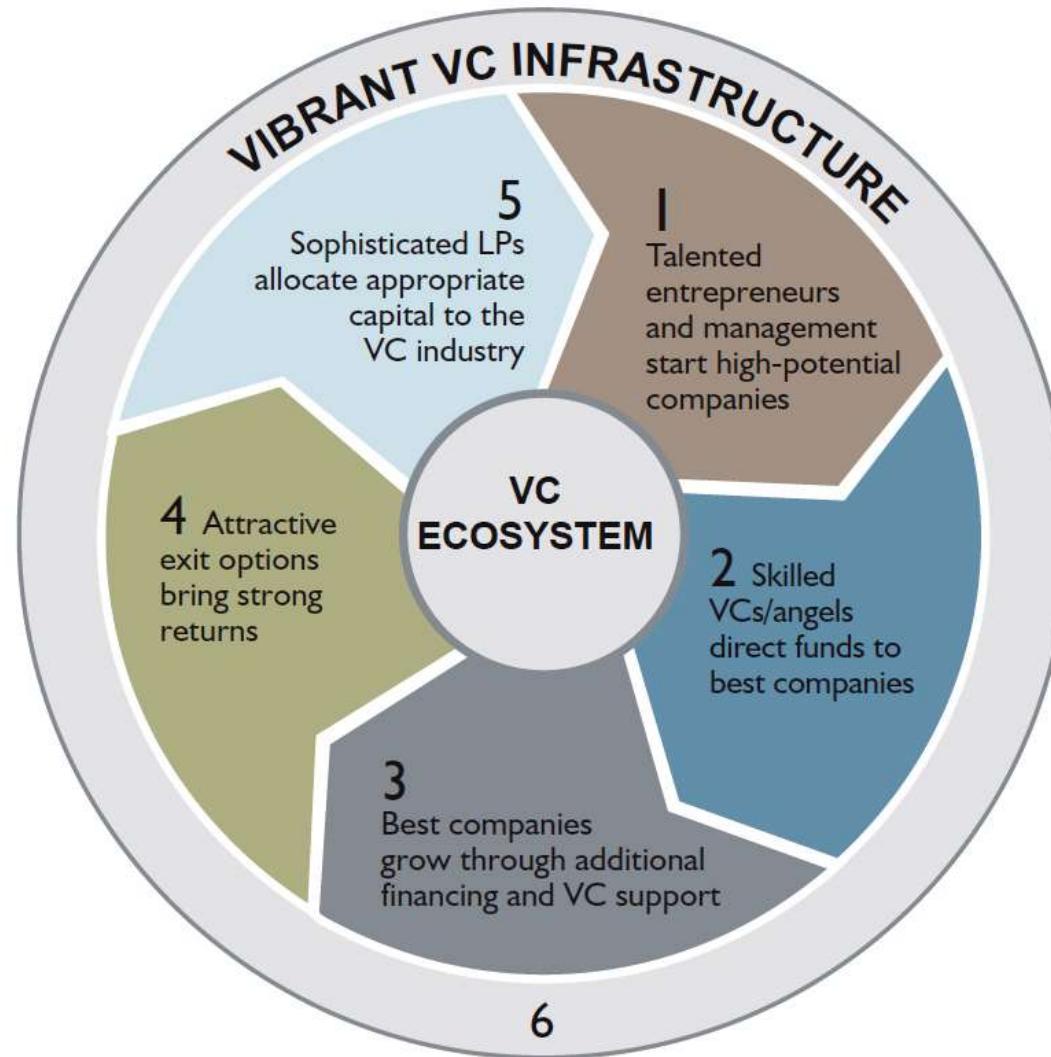
**WHAT
IS IT?**

**RADICAL
INNOVATION**

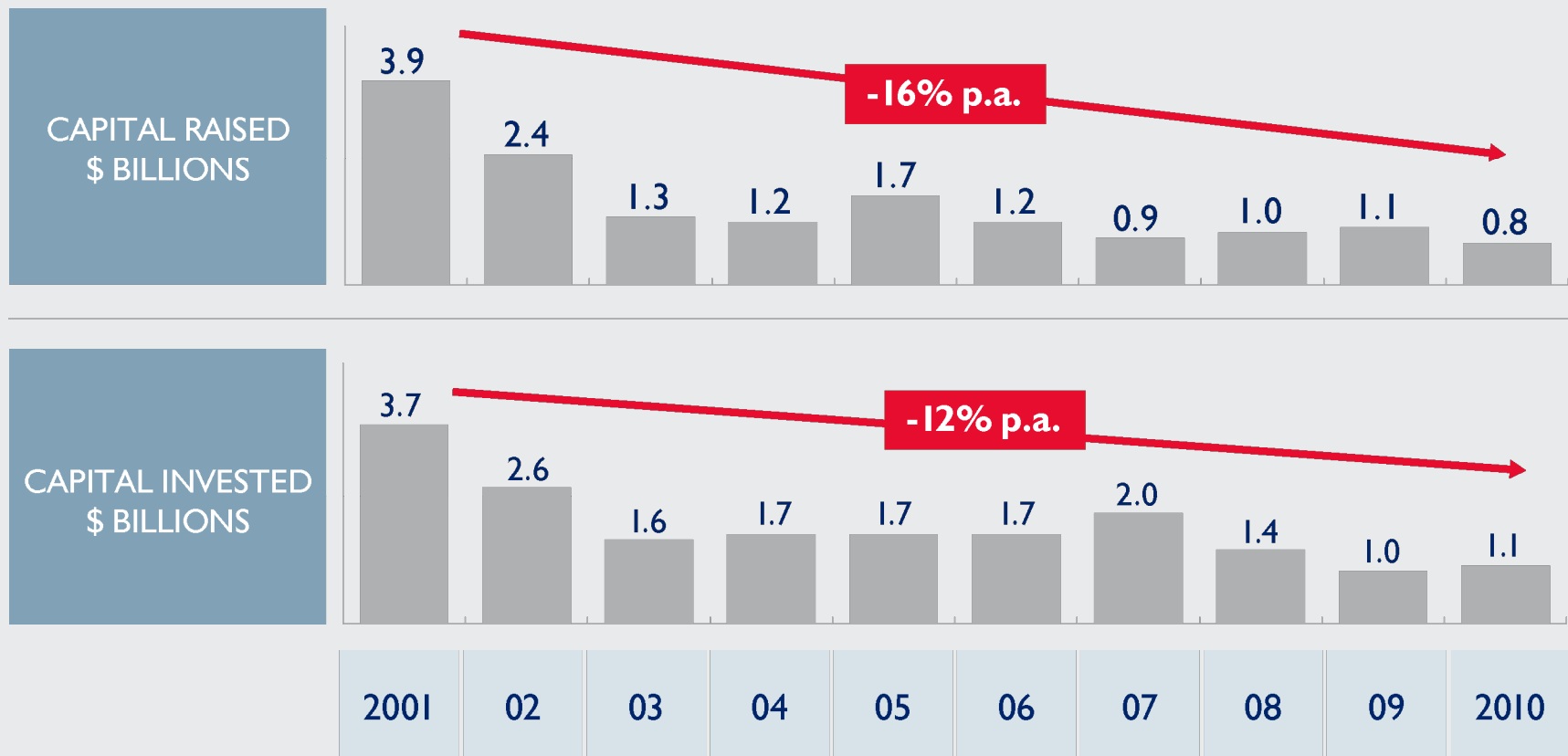
**INCREMENTAL
INNOVATION**

VENTURE CAPITAL
RADICAL
INNOVATION

Venture capital ecosystem

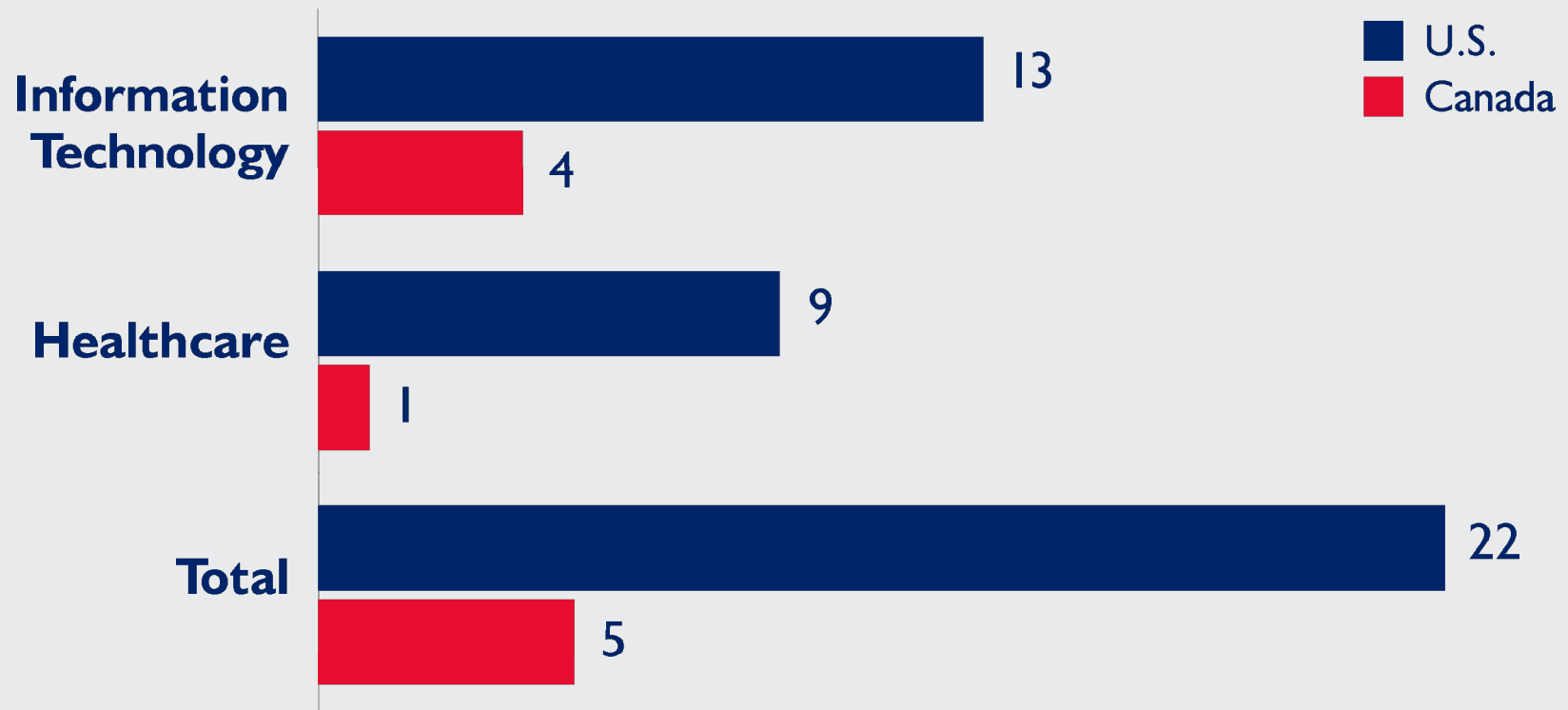


Total Capital Raised and Invested



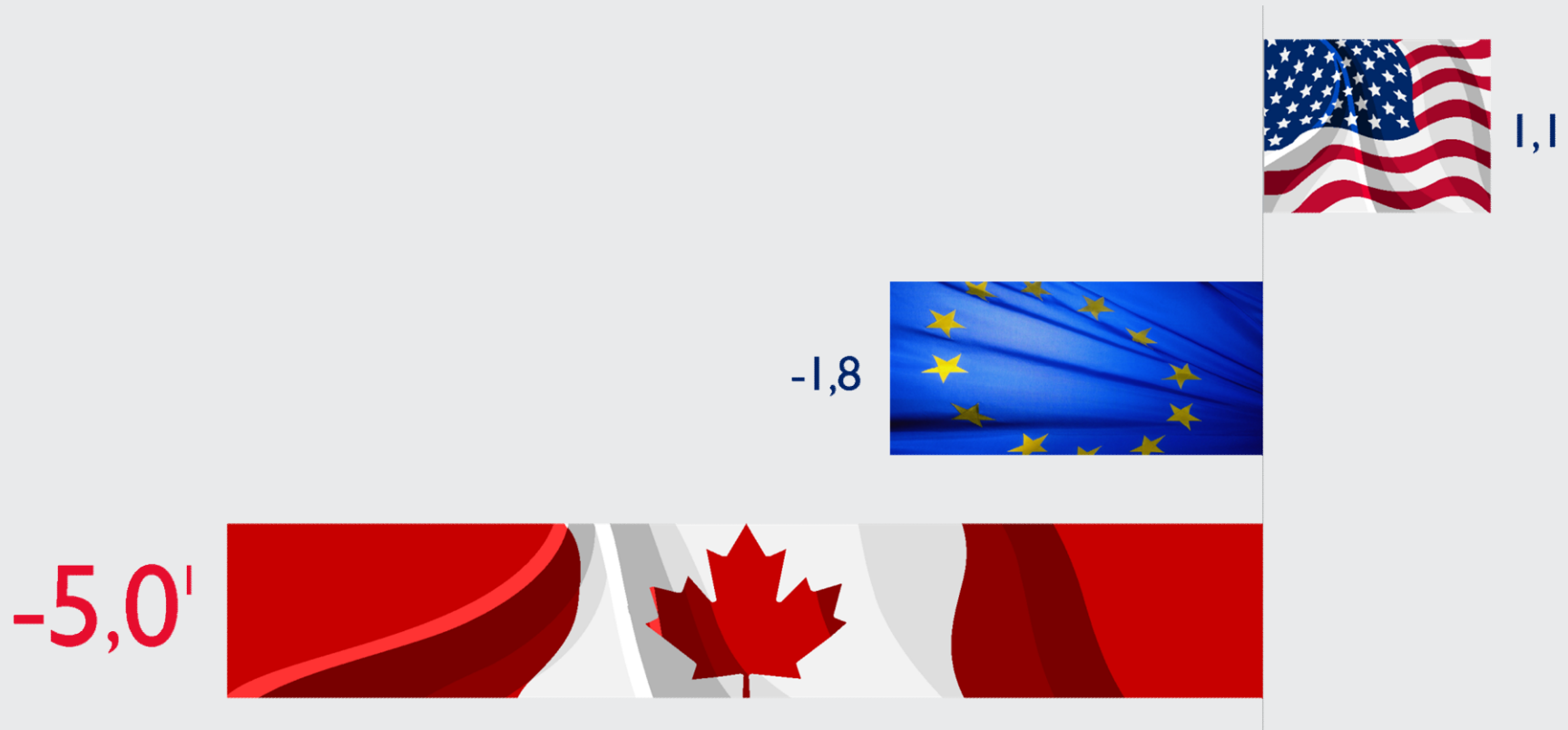
SOURCE: Bloomberg; Global Insight; McKinsey analysis

Small number of large technology firms



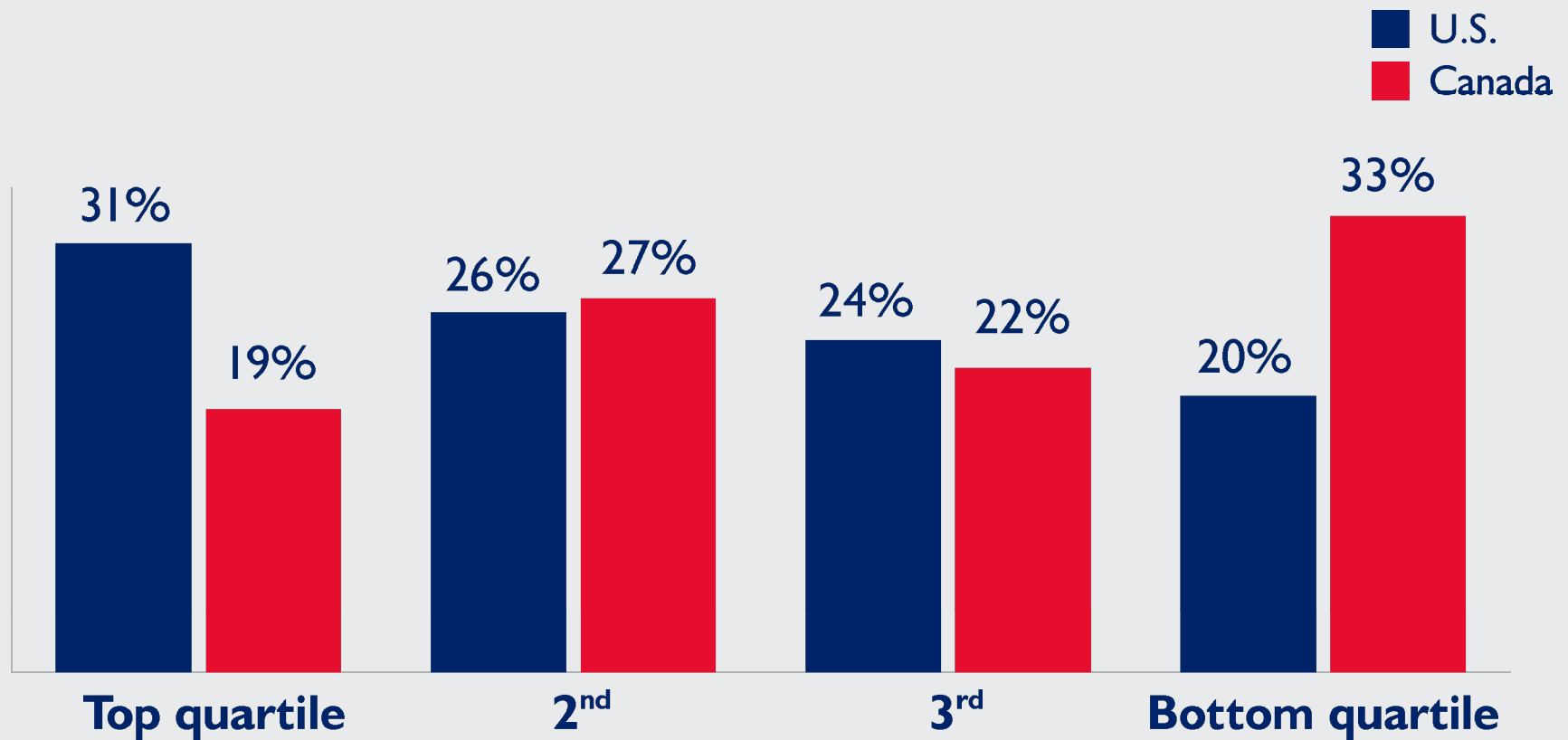
SOURCE: Bloomberg; Global Insight; McKinsey analysis

Disappointing Results



¹ Includes private independent funds only
SOURCE : IESE; Thomson Reuters

Un-Darwinian capital allocation

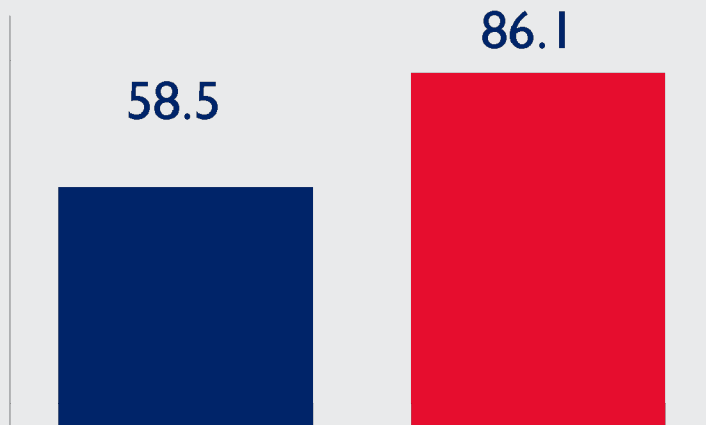


All funds since inception, percent

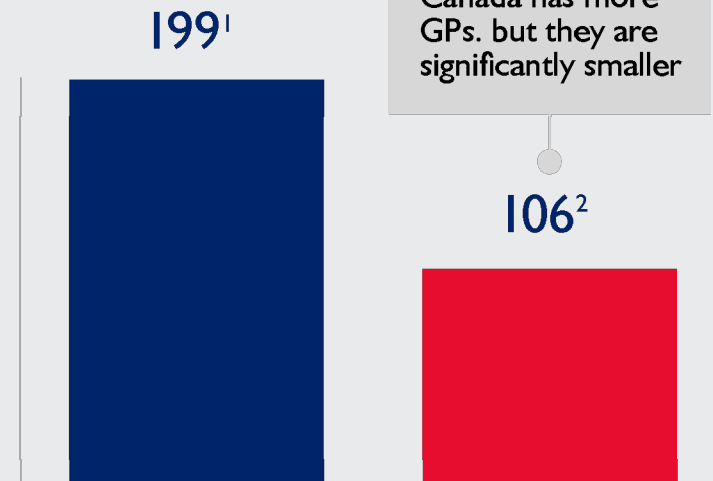
SOURCE: Gilles Duruflé, McKinsey analysis (based on 2005 data)

More, but smaller, funds

**Number of GPs per
\$1 trillion of GDP**



**Average GP fund size
CA \$ millions**



■ U.S.
■ Canada

1. Assumes exchange rate of 1.21 CAD/USD

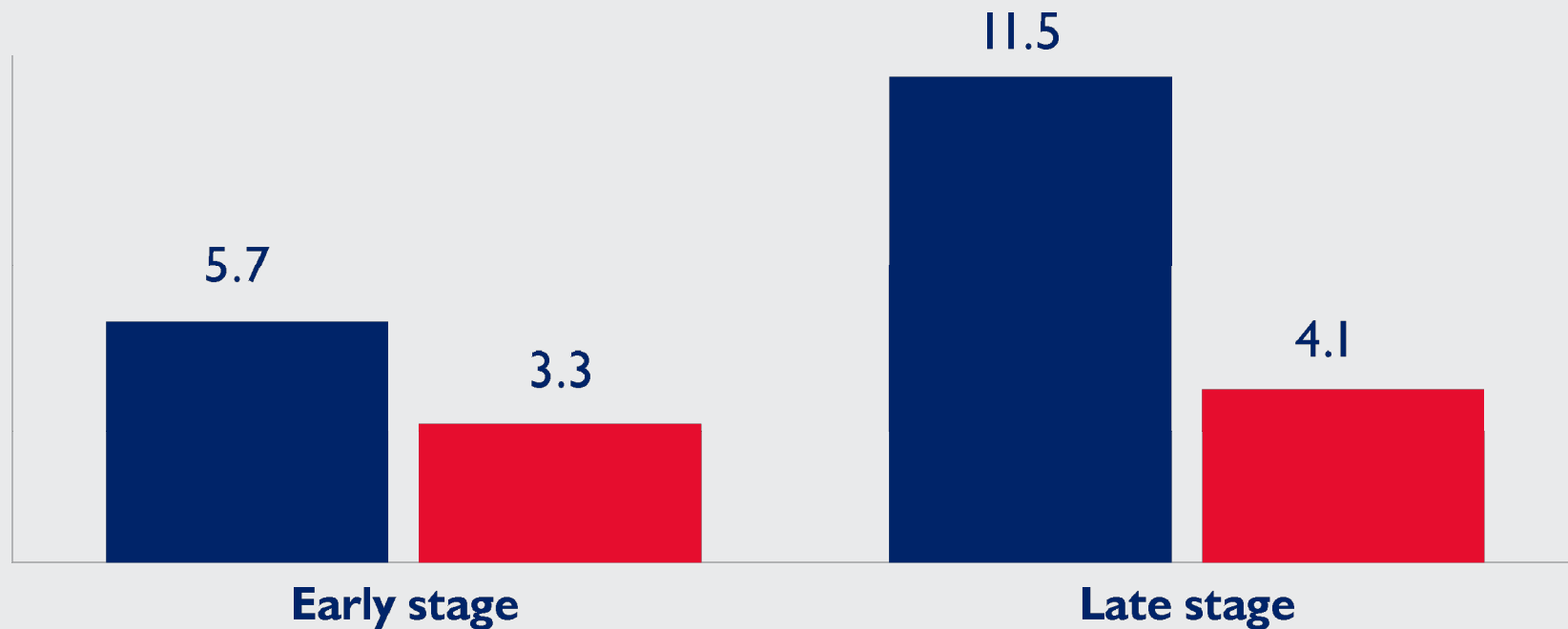
2. Average is inflated by larger funds, such as BDC, Growthworks, Vengrowth, and Fondation

SOURCE: McKinsey analysis based on data from Thomson Reuters, Thomson Financial, Funding Venture Capital, Deals for High-Growth Companies in Canada

“The jam is spread too thin”

Avg. amount invested/company
(CA \$ millions)

■ U.S.
■ Canada

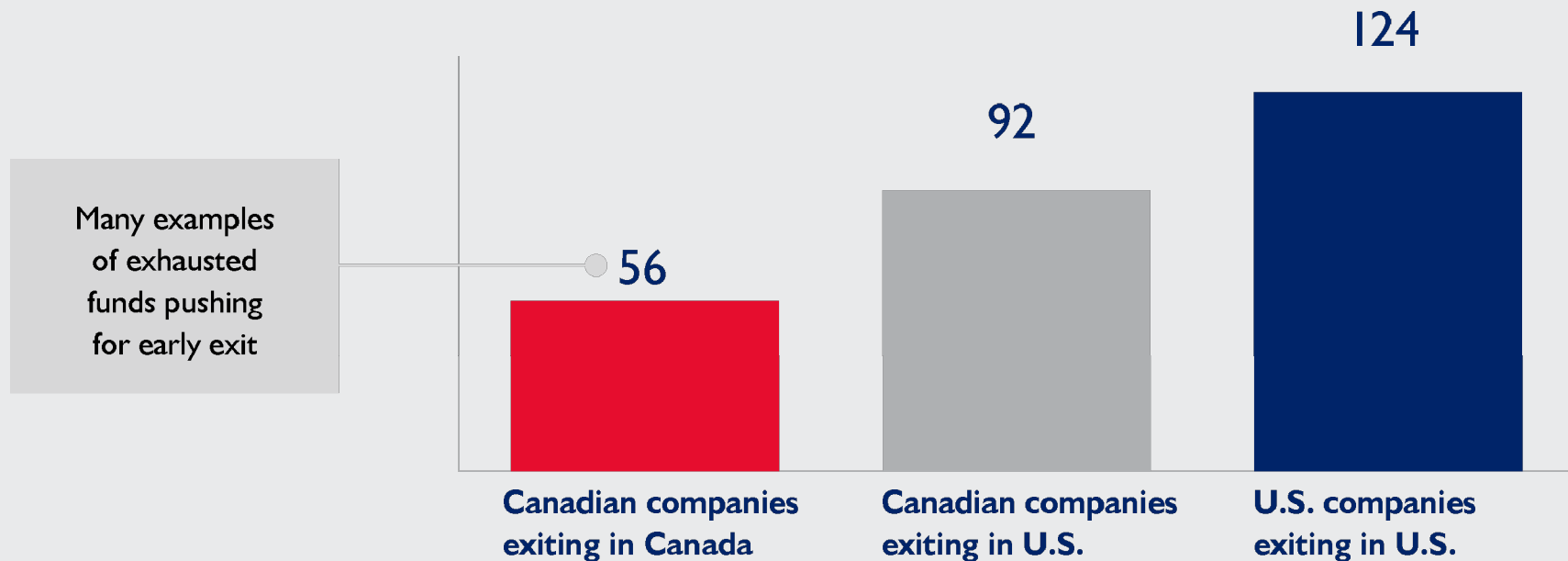


SOURCE: VC Reporter; Investment Analytics

Less attractive exits

Canadian VC-backed companies exiting in the U.S. perform worse than U.S. companies

Average exit price 2002-2009, CA \$ millions



SOURCE: McKinsey analysis based on data from Thomson Reuters, Datastream.
Analysis excludes impact of any Canadian companies not backed by VC



PROFIT

Strategic Initiatives

1

Create
focused
“internal
GPs”

2

Manage
and grow
diversified
portfolio

3

Build and
support
world-class
Canadian
VCs

4

Lead in
stimulating
the VC and
Innovation
ecosystems

**RADICAL
INNOVATION**

**INCREMENTAL
INNOVATION**

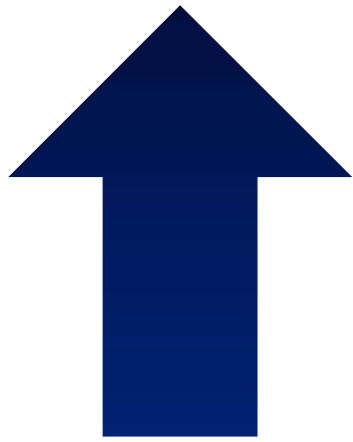








Larry
COX



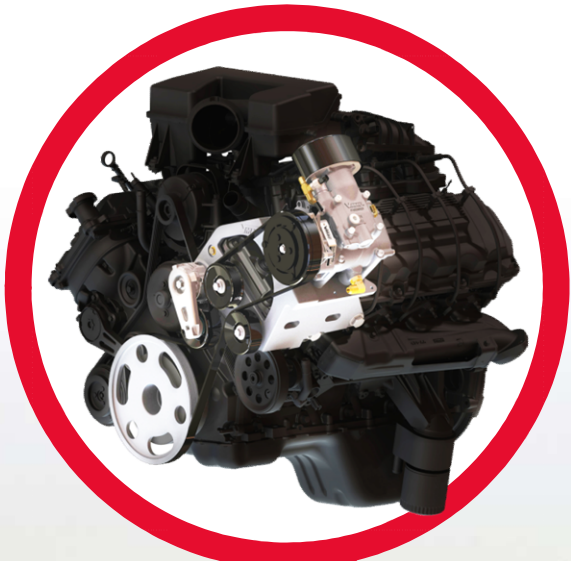
28%



A man in a light blue short-sleeved button-down shirt and black-rimmed glasses stands with his arms crossed in a gym. He has a name tag on his chest. In the background, two other people in blue work clothes are working with large black punching bags. One person is kneeling on the left, and another is standing on the right. The gym has a dark, industrial feel with metal beams and hanging equipment.

Jim HOGAN





DECIDE.

Make innovation your competitive edge

DISCOVER.

Discover your customers' needs

DO.

Execute the plan



**To continue the
conversation...**



#innovateBDC

<http://www.bdc.ca/innovat>



L'entrepreneur d'abord