INVESTING IN EUROPE: PRIVATE EQUITY ACTIVITY 2021

Statistics on Fundraising, Investments, & Divestments
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Version
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Invest Europe is the voice of investors in privately held companies in Europe.

Invest Europe is the association representing Europe’s private equity, venture capital and infrastructure sectors, as well as their investors.

Our members take a long-term approach to investing in privately held companies, from start-ups to established firms. They inject not only capital but dynamism, innovation and expertise. This commitment helps deliver strong and sustainable growth, resulting in healthy returns for Europe’s leading pension funds and insurers, to the benefit of the millions of European citizens who depend on them.

Invest Europe aims to make a constructive contribution to policy affecting private capital investment in Europe. We provide information to the public on our members’ role in the economy. Our research provides the most authoritative source of data on trends and developments in our industry.

Invest Europe is the guardian of the industry’s professional standards, demanding accountability, good governance and transparency from our members.

Invest Europe is a non-profit organisation with 27 employees in Brussels, Belgium.

For more information please visit www.investeurope.eu
European Data Cooperative

What is the EDC?

The EDC is the most comprehensive database of European private equity and venture capital statistics.

- The European Data Cooperative (EDC) is a joint initiative which is owned & operated by Invest Europe and its national association partners to collect Europe-wide private equity and venture capital industry data.

- The EDC serves as a single data entry point for members of private equity and venture capital associations and other contributors across the continent.

- Using one platform with a standardised methodology allows us to have consistent, robust pan-European statistics that are comparable across the region.

- Audit efforts are conducted in close coordination with data contributors and partnering national associations to ensure the best coverage and consistent application of methodology.

- As a result we produce the most comprehensive overview of Europe’s private equity and venture capital markets available, allowing us to better inform fund managers, investors, policymakers, regulators, and other stakeholders.

- Invest Europe processes all available information at the time of the data collection cut-off to produce its annual statistics. Any differences between Invest Europe’s statistics and those of other associations partnering in the EDC may be related to different reporting approaches, restatements and timing of data collection cut-offs.

- The most recent data publications are always available on Invest Europe’s website (www.investeurope.eu/research) or by contacting the research team (research@investeurope.eu).

- Invest Europe members and data contributors are eligible to receive dedicated research and data support from our research team. Please contact us at research@investeurope.eu to find out more about how to use this service.
European Data Cooperative

What is the EDC?

- 1,250+ fund managers across Europe contributed to 2021 data collection effort
- 91% of the €754bn in capital under management in Europe covered (as of end-2020)
What’s inside?

| FOREWORD | 7 |
| EXECUTIVE SUMMARY | 9 |
| METHODOLOGY & GLOSSARY | 75 |
| ACKNOWLEDGEMENTS | 80 |
| ABOUT INVEST EUROPE RESEARCH | 82 |

**FUNDRAISING**

- AT A GLANCE | 12
- INCREMENTAL FUNDRAISING
  - BY FUND STAGE FOCUS | 14
  - CONCENTRATION OF CAPITAL | 16
  - FIRST-TIME & FOLLOW-ON FUNDS | 17
  - BY REGION OF MANAGEMENT | 19
  - INVESTORS BY TYPE | 21
  - INVESTORS BY GEOGRAPHY | 26
- FINAL CLOSING
  - BY FUND STAGE FOCUS | 29
  - CONCENTRATION OF CAPITAL | 31
  - MEDIAN AND INTERQUARTILE | 32

**INVESTMENTS**

- AT A GLANCE | 37
- BY INVESTMENT STAGE
  - ALL PRIVATE EQUITY | 39
  - BUYOUT BY EQUITY BRACKET | 42
- BY GEOGRAPHY | 44
- INVESTMENTS AS % OF GDP
  - LOCATION OF THE PE FIRM | 49
  - LOCATION OF THE PORTFOLIO COMPANY | 54
- BY SECTOR | 58
- INVESTMENTS IN SMES | 61

**DIVESTMENTS**

- AT A GLANCE | 63
- BY EXIT ROUTE | 65
- BY SECTOR | 70
- BY REGION | 73
- HOLDING PERIOD | 74
While the effects of the COVID pandemic continued to be felt across Europe in 2021, with renewed lockdowns and restrictions, private equity and venture capital firms engaged in record-breaking investments and fundraising - guiding entrepreneurs, backing companies and supporting Europeans across the continent.

Private equity & venture capital firms invested €138 billion into European companies in 2021, registering an astounding 51% increase over 2020 and setting an all-time record in the process. A total of 8,895 companies received investment, 13% above the average of the last five years. The data is proof that private equity and venture capital are an essential part of the European investment universe, providing capital and support for companies both to weather tough conditions and to seize opportunities in fast-moving European markets.

It was a record year for buyouts, with capital deployed up an impressive 124% to €35 billion, and a record year for venture capital with funding for start-ups rising 70% to €20 billion. These are not just impressive figures but capital and know-how flowing into tech and biotech start-ups to fuel innovation, investment to further empower entrepreneurial SMEs and open doors into new markets, and experience and support for mid-market and large companies to get on a more profitable track.

Sectors driving European growth and competitiveness lead the way. Investments in Information Communications Technology took 37% of all investment - some €43 billion - and combined with the next two largest sectors, Consumer Goods & Services and Biotech & Healthcare, accounted for over two thirds of all capital invested. Investment in Financial & Insurance Activities and Energy & Environment sector also expanded, reflecting Europe’s central position in the burgeoning fintech sector and the quest for a more sustainable future.

The data is proof that private equity and venture capital are an essential part of the European investment universe, providing capital and support for companies both to weather tough conditions and to seize opportunities in fast-moving European markets.

Eric de Montgolfier, CEO, Invest Europe
Private equity’s cornerstone role in the European economy is more in evidence than ever. Private equity investment as a proportion of GDP was 0.76% in 2021, by far the highest contribution ever recorded. Luxembourg, the UK, Sweden and France all saw contributions in excess of 1%, although virtually every country tracked in the data performed ahead of its five-year average. Capital, combined with private equity’s operational expertise, continues to flow into companies across the continent. Some 29% of investment went to businesses in the UK & Ireland, 27% to those in France & Benelux, with strong performances for DACH, the Nordics, Southern Europe and increased investment levels for CEE.

Another illustration of private equity’s role at the heart of Europe’s economy and society is its support for pension funds and other long-term investors that rely on private equity for returns. Exits at cost (the original equity amount invested) increased by roughly 60% to €41 billion in 2021. Growth and venture capital divestments achieved some of their best-ever results in 2021 - €7.6 billion and €2.9 billion respectively.

Strong performance fuels even greater demand. European private equity fundraising reached €118 billion in 2021, the highest level seen to date, with fundraising for growth funds reaching a new record of €20 billion and venture capital achieving over €18 billion. Moreover, a record 841 funds raised capital in 2021.

Investor capital is flowing into new funds - both from existing managers and new managers alike - completing a virtuous circle that will feed more investment in company transformation and job creation, and result in more exits and returns for investors. And as noted last year, the 2021 figures further underline the step change in European private equity activity, with the industry raising and investing funds on a much more significant scale that at any time in its history.

Europe - like the rest of the world - still faces intense challenges from the persistent legacy of COVID, rising inflation and interest rates, and Russia’s deplorable attack on Ukraine, which is provoking a huge humanitarian crisis, while shaking confidence in energy supply, globalisation and the geopolitical order.

Against this uncertainty and disruption, Invest Europe’s data shows a private equity and venture capital industry backing businesses, supporting investors and flourishing in every region of Europe.

Experienced and skilled private equity and venture capital managers have the tools, strength and savvy to help companies succeed, whatever the conditions.

Eric de Montgolfier
CEO, Invest Europe
Executive Summary

**FUNDRAISING**

Total fundraising in Europe during 2021 reached €118bn, 7% above 2020's figure and the highest level ever recorded. A record number of 841 funds raised capital during the year, the highest number of funds recorded ever.

Funds of funds & other asset managers provided 23% of funds raised, followed by pension funds (20%), and family offices & private individuals (15%). Capital from France & Benelux accounted for the highest proportion of fundraising (31%), followed by North America (19%). In total, 32% was committed by investors from outside Europe.

Venture fundraising saw a record year in 2021, with €18bn raised during the year. This amount is 14% above the €16bn seen in 2020. Funds focusing on all stages of Venture continued to raise the largest share (50%), whilst there was a strong increase in amounts raised by early-stage funds from the year before (34%). A record number of 350 venture funds raised capital in 2021. The top sources of funds were family offices & private individuals (20%), and corporate investors (18%). The France & Benelux region continued to be the principal source of capital.

Buyout fundraising reached €71bn in 2021, level with the average for the previous five years. 181 buyout funds raised capital in 2021, which is the highest number of funds raising in any year ever. Pension funds provided the most capital (27%), followed by Funds of Funds & other asset managers (26%). Capital from North America was the most important source (25%).

Growth fundraising reached the highest level ever recorded (€20bn) during the year, a 10% increase compared to 2020. A record number of 195 growth funds raised capital in 2021. Funds of funds & other asset managers provided the most capital for the year (20%), followed by family offices & private individuals (18%), and pension funds (18%).

**INVESTMENTS**

The total equity amount invested in European companies in 2021 - €138bn - far exceeds levels recorded in any year and represents an increase of 51% from 2020’s total of €91bn. 8,895 companies received investment, 13% above the average for the previous five years.

60% of equity invested was domestic (within the country), 33% was intra-European, and 6% from non-European sources. Investments (by number of companies) were concentrated in four sectors: ICT (37%), consumer goods & services (17%), biotech & healthcare (15%), and business products & services (13%).

Venture capital investment reached a record €20bn in 2021. This is more than a 70% year-on-year increase from 2020. 5,334 companies received a venture investment in 2021, representing around 60% of the total number of companies backed during the year. Later stage venture investments saw a large increase in 2021, reaching €12bn - an increase of 170% from 2020. By sector, ICT remains key (almost half of Venture capital investment).

Buyout investments increased by 28% year-on-year to €79bn, with the category representing almost 60% of total investment for 2021. This year the Mid-market and Mega buyout segments saw roughly equal - and the highest amounts of - investments within buyout throughout the year (37% & 36% of total buyout amounts respectively). By sector, consumer goods & services received the most investment (€20bn), followed by ICT (€16bn).

Growth investments saw a 124% year-on-year increase to €35bn in 2021, a record level of investment for the category and 142% above the average for the previous five years. The number of companies receiving growth investment increased 8% year-on-year to 2,206. ICT received the highest level of investment (40%), followed by biotech & healthcare (16%), and consumer goods & services (15%).

**DIVESTMENTS**

Divestments at cost in 2021 are up roughly 60% from the year before, to €41bn. This is a significant increase, and above the average for the five previous years. 3,720 European companies were exited during the year, a 13% increase from 2020.

Main exit route by amount was sale to another private equity firm (36%), followed by trade sale (29%). By number of companies, repayment of preference shares / loans or mezzanine was the most popular (32%), followed by trade sale (19%). Average holding period for companies divested during 2021 was in a range of 5.5-6 years for all strategies except turnaround/rescue, where it was just above 6.

Venture divestments in 2021 reached their second highest level ever recorded: €2.9bn at cost were divested, representing a 16% increase from the year before. 1,317 companies were exited, roughly in line with numbers seen over the past three years. The main exit route by amount was by trade sale (52%). 40% of exited companies were in the ICT sector, followed by biotech and healthcare (17%), and business products and services (14%).

Buyout divestments saw a 75% year-on-year increase, reaching €29.4bn in 2021. 930 companies were divested, up 44% from 2020. The main exit route by both amount & number of companies was sale to another private equity firm (41% & 24% respectively). ICT was the sector with most exits by amount (22%).

Growth divestments amounted to €7.6bn in 2021, a 46% increase from 2020. 1,593 growth companies were divested. The main exit route by amount was trade sale (28%). Companies in the consumer goods & services sector (27%) saw the most exits.
Overview - All Private Equity - Fundraising, Investments, & Divestments
2007-2021 - Amount (€ billion)

FUNDRAISING

INVESTMENTS

DIVESTMENTS

Source: Invest Europe / EDC
www.investeurope.eu/research
ACTIVITY 2021

FUNDRAISING
# Fundraising at a glance

## 2021 - Analysis

### All Private Equity

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount Raised</th>
<th>Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>€118bn</td>
<td>841</td>
</tr>
<tr>
<td>Amount Raised</td>
<td>€118bn</td>
<td>841</td>
</tr>
<tr>
<td>Final Closing</td>
<td>€97bn</td>
<td>314</td>
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<tr>
<td>Final Closing</td>
<td>€97bn</td>
<td>314</td>
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### Venture Capital

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount Raised</th>
<th>Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Raised</td>
<td>€18bn</td>
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<tr>
<td>Final Closing</td>
<td>€14bn</td>
<td>132</td>
</tr>
<tr>
<td>Final Closing</td>
<td>€14bn</td>
<td>132</td>
</tr>
</tbody>
</table>

### Buyout

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount Raised</th>
<th>Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Raised</td>
<td>€71bn</td>
<td>181</td>
</tr>
<tr>
<td>Final Closing</td>
<td>€65bn</td>
<td>86</td>
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<tr>
<td>Final Closing</td>
<td>€65bn</td>
<td>86</td>
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### Growth

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount Raised</th>
<th>Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Raised</td>
<td>€20bn</td>
<td>195</td>
</tr>
<tr>
<td>Final Closing</td>
<td>€13bn</td>
<td>66</td>
</tr>
<tr>
<td>Final Closing</td>
<td>€13bn</td>
<td>66</td>
</tr>
</tbody>
</table>

Note: Amount raised represents incremental amount raised. Final closing represents cumulative amount raised.

> Total fundraising in Europe during 2021 reached €118bn, 7% above 2020’s figure and the highest level ever recorded. A record number of 841 funds raised capital during the year, the highest number of funds recorded ever. This number is 33% above the average number of funds raising capital over the previous five years.

> Funds of funds & other asset managers provided 23% of funds raised, followed by pension funds (20%), and family offices & private individuals (15%). Capital from France & Benelux accounted for the highest proportion of fundraising (31%), followed by North America (19%). In total, 32% was committed by investors from outside Europe.

> 314 funds reached their final closing during 2021, raising a total amount of €97bn since inception. This is the highest number of funds reaching a final closing in any year ever recorded. The 17 funds raising more than €1bn on final closing represented more than 50% of the total amount raised.

> Venture fundraising saw a record year in 2021, with €18bn raised during the year. This amount is 14% above the €16bn seen in 2020. Funds focusing on all stages of Venture continued to raise the largest share (50%), whilst there was a strong increase in amounts raised by early-stage funds from the year before (34%). A record number of 350 venture funds raised capital in 2021 - 98 of them were first-time funds. The top three sources of funds were family offices & private individuals (20%), corporate investors (18%), and government agencies (18%). The France & Benelux region continued to be the principal source of capital, with 37% of funds committed coming from the region.

> Buyout fundraising reached €71bn in 2021, level with the average for the previous five years. 181 buyout funds raised capital in 2021, which is the highest number of funds raising in any year. Pension funds provided the most capital (27%), followed by Funds of funds & other asset managers (26%), and family offices & private individuals (11%). Capital from North America was the most important source (25%), followed by France & Benelux (20%) and Asia & Australia (17%).

> Growth fundraising reached the highest level ever recorded (€20bn) during the year, a 10% increase compared to 2020. A record number of 195 growth funds raised capital in 2021. Funds of funds & other asset managers provided the most capital for the year (20%), followed by family offices & private individuals (18%), and pension funds (18%).
Fundraising at a glance
2007-2021 - Europe - Incremental amount raised during the year

Source: Invest Europe / EDC. Note: Buyout includes turnaround/rescue and replacement capital funds

www.investeurope.eu/research
Funds raised by fund stage focus
2017-2021 - Incremental amount raised during the year

Source: Invest Europe / EDC
www.investeurope.eu/research
Funds raised by fund stage focus
2017-2021 - Number of funds that reached first, intermediate or final closing during the year

Source: Invest Europe / EDC

www.investeurope.eu/research
All Private Equity - Concentration of capital

2017-2021 - Incremental fundraising by amount bracket per fund during the year

Source: Invest Europe / EDC

www.investeurope.eu/research
All Private Equity - Funds raised by first-time and follow-on funds
2017-2021 - Incremental amount raised during the year

Source: Invest Europe / EDC

www.investeurope.eu/research
All Private Equity - Funds raised by first-time fund and follow-on fund
2017-2021 - Number of funds that reached first, intermediate or final closing during the year

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Funds raised by region of management
2017-2021 - Incremental amount raised during the year - € billion

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Funds raised by region of management and investor type

2021 - Incremental amount raised during the year - % of total amount

Source: Invest Europe / EDC
DACH: Austria, Germany, Switzerland / Southern Europe: Greece, Italy, Portugal, Spain / Nordics: Denmark, Finland, Norway, Sweden / CEE: Central Eastern Europe

www.investeurope.eu/research
## Funds raised by type of investor

2021 - Incremental amount raised during the year - % of total amount

### All Private Equity (836 funds, 524 firms)

<table>
<thead>
<tr>
<th>Investor Type</th>
<th>% Raised</th>
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</thead>
<tbody>
<tr>
<td>Fundraising</td>
<td>1%</td>
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<tr>
<td>Investments</td>
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</tr>
<tr>
<td>Divestments</td>
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</tr>
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<td>Methodology &amp; Glossary</td>
<td></td>
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<tr>
<td>Acknowledgements</td>
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<tr>
<td>Academic institutions</td>
<td>7%</td>
</tr>
<tr>
<td>Banks</td>
<td>0%</td>
</tr>
<tr>
<td>Capital markets</td>
<td>3%</td>
</tr>
<tr>
<td>Corporate investors</td>
<td>4%</td>
</tr>
<tr>
<td>Endowments and foundations</td>
<td>3%</td>
</tr>
<tr>
<td>Family offices</td>
<td>8%</td>
</tr>
<tr>
<td>Fund of funds</td>
<td>16%</td>
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<td>Government agencies</td>
<td>8%</td>
</tr>
<tr>
<td>Insurance companies</td>
<td>9%</td>
</tr>
<tr>
<td>Other asset managers</td>
<td>7%</td>
</tr>
<tr>
<td>Pension funds</td>
<td>20%</td>
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<tr>
<td>Private individuals</td>
<td>7%</td>
</tr>
<tr>
<td>Sovereign wealth funds</td>
<td>7%</td>
</tr>
</tbody>
</table>

### Venture Capital funds (348 funds, 249 firms)

<table>
<thead>
<tr>
<th>Investor Type</th>
<th>% Raised</th>
</tr>
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<tbody>
<tr>
<td>Fundraising</td>
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<td>Corporate investors</td>
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<td>Private individuals</td>
<td>12%</td>
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<tr>
<td>Sovereign wealth funds</td>
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</tr>
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### Buyout funds (179 funds, 136 firms)

<table>
<thead>
<tr>
<th>Investor Type</th>
<th>% Raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising</td>
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</tr>
<tr>
<td>Investments</td>
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<tr>
<td>Academic institutions</td>
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<tr>
<td>Capital markets</td>
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<tr>
<td>Corporate investors</td>
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<td>Endowments and foundations</td>
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<td>Fund of funds</td>
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<tr>
<td>Sovereign wealth funds</td>
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### Growth funds (194 funds, 117 firms)

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<tr>
<th>Investor Type</th>
<th>% Raised</th>
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<tbody>
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<td>Fundraising</td>
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<td>Investments</td>
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<td>Endowments and foundations</td>
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<td>Private individuals</td>
<td>10%</td>
</tr>
<tr>
<td>Sovereign wealth funds</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: Invest Europe / EDC

www.investeurope.eu/research
All Private Equity - Funds raised by type of investor
2017-2021 - Incremental amount raised during the year - % of total amount

Source: Invest Europe / EDC
www.investeurope.eu/research
Venture Capital - Funds raised by type of investor
2017-2021 - Incremental amount raised during the year - % of total amount

Source: Invest Europe / EDC
www.investeurope.eu/research
Buyout - Funds raised by type of investor
2017-2021 - Incremental amount raised during the year - % of total amount
Growth - Funds raised by type of investor
2017-2021 - Incremental amount raised during the year - % of total amount

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Fundraising geographic breakdown
2021 (2020) - Source of funds - % of total amount

North America
18.8% (26.2%)

Australia & Asia
12.1% (15.1%)

Rest of the world
1.1% (1.4%)

Unclassified Europe
6.7% (3.3%)

5.7% (4.6%)

8.6% (7.1%)

31.0% (23.8%)

8.5% (12.5%)

6.6% (5.3%)

1.0% (0.6%)

Source: Invest Europe / EDC
Venture Capital - Fundraising geographic breakdown
2021 (2020) - Source of funds - % of total amount

North America 9.1% (10.4%)
Australia & Asia 2.2% (3.7%)
Rest of the world 1.2% (0.4%)
Unclassified Europe 3.6% (0.5%)

Source: Invest Europe / EDC
www.investeurope.eu/research
Buyout - Fundraising geographic breakdown
2021 (2020) - Source of funds - % of total amount

- North America: 24.9% (31.3%)
- Australia & Asia: 17.2% (20.8%)
- Rest of the world: 1.3% (2.1%)
- Unclassified Europe: 8.6% (2.4%)
- 4.0% (2.8%)
- 8.6% (6.0%)
- 19.5% (12.1%)
- 8.7% (7.6%)
- 8.6% (6.0%)
- 0.5% (0.1%)

Source: Invest Europe / EDC
www.investeurope.eu/research
Final closing - Funds raised by fund stage focus
2017-2021 - Final closing during the year - Amount\(^{(1)}\)

Source: Invest Europe / EDC

Note: (1) The total amount raised by funds that reached a final closing in the year. Amounts from previous incremental fundraising rounds and years are aggregated to the final amount.

www.investeurope.eu/research
Final closing - Funds raised by fund stage focus
2017-2021 - Final closing during the year - Number of funds

Source: Invest Europe / EDC
Note: (1) The number of funds that reached a final closing in the year. Each fund is captured only once, when the full amount has been raised.

www.investeurope.eu/research
Final closing - All Private Equity - Concentration of capital
2017-2021 - Final closing during the year - Amount\(^{(1)}\) & Number of funds\(^{(2)}\)

Source: Invest Europe / EDC
Note: (1) The total amount raised by funds that reached a final closing in the year. Amounts from previous incremental fundraising rounds and years are aggregated to the final amount.
(2) The number of funds that reached a final closing in the year. Each fund is captured only once, when the full amount has been raised.

www.investeurope.eu/research
Final closing - All Private Equity - box-and-whisker plot
2007-2021 - Final closing during the year - Median & Interquartile range

- Third Quartile (Q3): 75% of data are ≤ than the upper box value
- Median: 50% of data are ≤ than this value
- First Quartile (Q1): 25% of data are ≤ than the lower box value

Source: Invest Europe / EDC
www.investeurope.eu/research
Final closing - Venture Capital - box-and-whisker plot
2007-2021 - Final closing during the year - Median & Interquartile range

- Third Quartile (Q3)
  75% of data are ≤ than the upper box value

- Median
  50% of data are ≤ than this value

- First Quartile (Q1)
  25% of data are ≤ than the lower box value

Source: Invest Europe / EDC

www.investeurope.eu/research
Final closing - Buyout - box-and-whisker plot
2007-2021 - Final closing during the year - Median & Interquartile range

Source: Invest Europe / EDC
Final closing - Growth - box-and-whisker plot
2007-2021 - Final closing during the year - Median & Interquartile range

Source: Invest Europe / EDC
www.investeurope.eu/research
Investments at a glance
2021 Analysis

All Private Equity

€138bn into 8,895 companies by 1,629 firms & 3,202 funds

Venture Capital

€20bn into 5,334 companies by 1,095 firms & 1,892 funds

Buyout

€79bn into 1,341 companies by 482 firms & 840 funds

Growth

€35bn into 2,206 companies by 674 firms & 1,340 funds

The total equity amount invested in European companies in 2021 - €138bn - far exceeds levels in any year recorded and represents an increase of 51% from 2020's total of €91bn. 8,895 companies received investment, 13% above the average for the previous five years, 84% of which were SMEs. 60% of equity invested was domestic (within the country), 33% was intra-European, and 6% from non-European sources. Investments (by number of companies) were concentrated in four sectors: ICT (37%), consumer goods & services (17%), biotech & healthcare (15%), and business products & services (13%). ICT received almost €43bn of investments and combined with consumer goods & services accounted for more than 50% of investments by amount.

Venture capital investment reached a record €20bn in 2021. This is more than a 70% year-on-year increase from 2020 and represents uninterrupted growth in the stage since 2012. 5,334 companies received a venture investment in 2021 - 98% of these being SMEs - representing around 60% of the total number of companies backed during the year. Later stage venture investments saw a large increase in 2021, reaching €12bn - an increase of 170% from 2020. By sector, ICT remains key (almost half of Venture capital investment), followed by biotech & healthcare (19%), and consumer goods & services (12%).

Buyout investments increased by 28% year-on-year to €79bn, with the category representing almost 60% of total investment for 2021. This year the Mid-Market and Mega buyout segments saw roughly equal - and the highest amounts of - investments within buyout throughout the year (37% & 36% of total buyout amounts respectively). Within the Mid-Market, investments in the €15m - €50m range accounted for almost 50% of total amount into the space (in terms of number of companies, the percentage was 74%). By sector, consumer goods & services received the most investment (€20bn), followed by ICT (€16bn), and business products & services (€14bn).

Growth investments saw a 124% year-on-year increase to €35bn in 2021, a record level of investment for the category and 142% above the average for the previous five years. The number of companies receiving growth investment increased 8% year-on-year to 2,206. ICT received the highest level of investment (40%), followed by biotech & healthcare (16%), and consumer goods & services (15%).

The large increase in levels of investment seen this year mean that private equity investments - specifically by location of the PE firm - represented 0.76% of European GDP in 2021. This is the highest level ever recorded.
Investments at a glance
2007-2021 - Europe - Market statistics - Amount & Number of companies

Source: Invest Europe / EDC. Note: Other includes Turnaround/Rescue and Replacement capital

www.investeurope.eu/research
Investments by stage
2021 - Market statistics - Amount & Number of companies

€138bn invested in European companies

8,895 European companies invested with Private Equity

Source: Invest Europe / EDC
Investments by stage
2017-2021 - Market statistics - Amount

Source: Invest Europe / EDC

www.investeurope.eu/research
Investments by stage
2017-2021 - Market statistics - Number of companies

Source: Invest Europe / EDC

www.investeurope.eu/research
Buyout - Investments by equity bracket
2017-2021 - Market statistics - Amount & Number of companies

Source: Invest Europe / EDC
www.investeurope.eu/research
**Mid-market buyout - Investments by equity bracket**

2017-2021 - Market statistics - Amount & Number of companies

![Graph showing investments by equity bracket for 2017-2021](image)

Source: Invest Europe / EDC

www.investeurope.eu/research
All Private Equity - Geographical investment flows
2021 - Domestic vs. International investments - Amount

- €11.4bn: European private equity firms investing into portfolio companies outside Europe
- €83.2bn: Domestic investments in European countries
- €45.7bn: Cross-border investments within Europe
- €8.9bn: Non-European private equity firms investing into portfolio companies in Europe

Source: Invest Europe / EDC

www.investeurope.eu/research
Venture Capital - Geographical investment flows
2021 - Domestic vs. International investments - Amount

- €9.6bn Domestic investments in European countries
- €6.6bn Cross-border investments within Europe
- €4.2bn Non-European private equity firms investing into portfolio companies in Europe
- €2.2bn European private equity firms investing into portfolio companies outside Europe

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Investments by region
2021 - Industry vs. Market statistics - Amount

Industry statistics
Investments according to the Private Equity firm’s location

Market statistics
Investments according to the portfolio company’s location

Source: Invest Europe / EDC
DACH: Austria, Germany, Switzerland / Southern Europe: Greece, Italy, Portugal, Spain / Nordics: Denmark, Finland, Norway, Sweden / CEE: Central Eastern Europe

www.investeurope.eu/research
Investments by stage and region
2021 - Market statistics - Amount

Source: Invest Europe / EDC
www.investeurope.eu/research
Investments by stage and region
2021 - Market statistics - Number of companies

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Investments as % of European GDP

2000-2021 - Industry statistics - Location of the private equity firm


www.investeurope.eu/research
All Private Equity - Investments as % of GDP
2021 - Industry statistics - Location of the private equity firm

Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC
Note: *Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

www.investeurope.eu/research
Venture Capital - Investments as % of GDP

2021 - Industry statistics - Location of the private equity firm

Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC
Note: *Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

www.investeurope.eu/research
Buyout - Investments as % of GDP

2021 - Industry statistics - Location of the private equity firm

Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC
Note: “Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

www.investeurope.eu/research
Growth - Investments as % of GDP
2021 - Industry statistics - Location of the private equity firm

Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC
Note: *Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

www.investeurope.eu/research
All Private Equity - Investments as % of GDP

2021 - Market statistics - Location of the portfolio company

Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC
Note: *Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

www.investeurope.eu/research
Venture Capital - Investments as % of GDP

2021 - Market statistics - Location of the portfolio company

Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC
Note: *Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

www.investeurope.eu/research
Buyout - Investments as % of GDP
2021 - Market statistics - Location of the portfolio company

Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC
Note: *Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

www.investeurope.eu/research
Growth - Investments as % of GDP

2021 - Market statistics - Location of the portfolio company

Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC
Note: *Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

www.investeurope.eu/research
All Private Equity - Investments by sector
2021 - Market statistics - % of Amount & Number of companies

Source: Invest Europe / EDC
www.investeurope.eu/research
Investments by sector
2017-2021 - Market statistics - Amount

All Private Equity

Venture Capital

Buyout

Growth

Source: Invest Europe / EDC
www.investeurope.eu/research
Investments by sector
2017-2021 - Market statistics - Number of companies

Source: Invest Europe / EDC
www.investeurope.eu/research
Investments in SMEs

2021 - Market statistics - % of Number of companies & Amount

Source: Invest Europe / EDC. Note: SMEs = companies with fewer than 250 full-time equivalent staff

www.investeurope.eu/research
Divestments at a glance

2021 Analysis

All Private Equity

<table>
<thead>
<tr>
<th>Amount</th>
<th>Companies</th>
<th>Firms</th>
<th>Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>€41bn</td>
<td>3,720</td>
<td>748</td>
<td>1,972</td>
</tr>
</tbody>
</table>

Venture Capital

<table>
<thead>
<tr>
<th>Amount</th>
<th>Companies</th>
<th>Firms</th>
<th>Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>€3bn</td>
<td>1,317</td>
<td>365</td>
<td>834</td>
</tr>
</tbody>
</table>

Buyout

<table>
<thead>
<tr>
<th>Amount</th>
<th>Companies</th>
<th>Firms</th>
<th>Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>€29bn</td>
<td>930</td>
<td>347</td>
<td>643</td>
</tr>
</tbody>
</table>

Growth

<table>
<thead>
<tr>
<th>Amount</th>
<th>Companies</th>
<th>Firms</th>
<th>Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>€8bn</td>
<td>1,593</td>
<td>285</td>
<td>857</td>
</tr>
</tbody>
</table>

Divestments at cost in 2021 are up roughly 60% from the year before, to €41bn from €26bn. This is a significant increase, and above the average for the five previous years (€37bn). 3,720 European companies were exited during the year, a 13% increase from 2020. The main exit route by amount was sale to another private equity firm (36%), followed by trade sale (29%) and then repayment of preference shares / loans or mezzanine (12%). By number of companies, repayment of preference shares / loans or mezzanine was the most popular exit route (32%), followed by trade sale (19%) and sale to another private equity firm (14%). Average holding period for companies divested during the year was in a range of 5.5-6 years for all strategies except turnaround/rescue, where it was just above 6.

Venture divestments in 2021 reached their second highest level ever recorded: €2.9bn at cost were divested, representing a 16% increase from the year before. This is also above the average for the past five years: €2.3bn. 1,317 companies were exited, roughly in line with numbers seen over the past three years (which were in a range of 1,301-1,352). The main exit route by a significant amount was by trade sale (52%), this was followed by public offering and sale to another private equity firm (12% of amount for both). 40% of exited companies were in the ICT sector, followed by biotech and healthcare (17%), and business products and services (14%).

Buyout divestments saw a 75% year-on-year increase, reaching €29.4bn in 2021. This is the highest level of divestment seen since 2017. 930 companies were divested, up 44% from 2020. The main exit route by both amount & number of companies was sale to another private equity firm (41% & 24% respectively). Following this was by trade sale (in terms of amount, 28%), and via repayment of preference share/loans or mezzanine (in terms of number of companies, 24%). ICT was the sector with most exits by amount (22%). In terms of number of companies business products and services saw most exits (28%).

Growth divestments amounted to €7.6bn in 2021, a 46% increase from 2020 and above the average for the previous five year (€6.7bn). 1,593 growth companies were divested, the second highest amount ever recorded. The main exit route by amount was trade sale (28%), followed by sale to another private equity firm (26%). Companies in the consumer goods & services sector (27%) saw the most exits, whilst in terms of value ICT was the most important sector (25%).
Divestments at cost at a glance
2007-2021 - Market statistics - Amount & Number of companies

Source: Invest Europe / EDC. Note: Other includes Turnaround/Rescue and Replacement capital

www.investeurope.eu/research
Divestments at cost by exit route - All Private Equity
2021 - Market Statistics - % of Amount

All Private Equity
€41.2bn divested at cost

- Trade sale: 29%
- Public offering: 10%
- Write-off: 2%
- Repayment of preference shares / loans or mezzanine: 12%
- Sale to another private equity firm: 36%
- Sale to financial institution: 10%
- Management / Owner buyback: 3%
- Other means: 3%

All Private Equity
3,720 companies divested

- 19%
- 13%
- 5%
- 7%
- 14%
- 32%
- 7%
- 7%
- 3%

Source: Invest Europe / EDC
www.investeurope.eu/research
Divestments at cost by exit route - Venture Capital / Buyout / Growth

2021 - Market Statistics - % of Amount

Venture Capital €2.9bn divested at cost

- 52% Trade sale
- 41% Public offering
- 9% Write-off
- 3% Repayment of preference shares / loans or mezzanine
- 4% Sale to another private equity firm
- 7% Sale to financial institution
- 4% Management / Owner buyback
- 12% Other means

Buyout €29.4bn divested at cost

- 28% Trade sale
- 41% Public offering
- 10% Write-off
- 5% Repayment of preference shares / loans or mezzanine
- 2% Sale to another private equity firm
- 1% Sale to financial institution
- 3% Management / Owner buyback
- 10% Other means

Growth €7.6bn divested at cost

- 28% Trade sale
- 26% Public offering
- 20% Write-off
- 5% Repayment of preference shares / loans or mezzanine
- 8% Sale to another private equity firm
- 10% Sale to financial institution
- 8% Management / Owner buyback
- 3% Other means

Source: Invest Europe / EDC

www.investeurope.eu/research
Divestments at cost by exit route - Venture Capital / Buyout / Growth
2021 - Market Statistics - % of Number of companies

Venture Capital
1,317 companies divested

Buyout
930 companies divested

Growth
1,593 companies divested

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Divestments at cost by exit route

2017-2021 - Market statistics - Amount at cost

Source: Invest Europe / EDC

www.investeurope.eu/research
All Private Equity - Divestments at cost by exit route
2017-2021 - Market statistics - Number of companies

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Divestments at cost by sector

2021 - Market statistics - Amount & Number of companies (excluding write-offs)

Source: Invest Europe / EDC

www.investeurope.eu/research
Divestments at cost by sector - Venture Capital / Buyout / Growth
2021 - Market statistics - Amount (%, excluding write-offs)

- ICT: 44%
- Biotech and healthcare: 22%
- Financial and insurance activities: 17%
- Consumer goods and services: 16%
- Business products and services: 15%
- Energy and environment: 11%
- Transportation: 1%
- Chemicals and materials: 2%
- Construction: 4%
- Real estate: 0%
- Agriculture: 0%
- Other: 0%

Source: Invest Europe / EDC

www.investeurope.eu/research
Divestments at cost by sector - Venture Capital / Buyout / Growth
2021 - Market statistics - Number of companies (%), excluding write-offs

Source: Invest Europe / EDC

www.investeurope.eu/research
All Private Equity - Divestments at cost by region
2021 - Industry vs. Market statistics - Amount

Source: Invest Europe / EDC

www.investeurope.eu/research
All Private Equity - Average Holding Period
2017-2021 - Average holding period in years

Source: Invest Europe / EDC
www.investeurope.eu/research
FUNDRAISING STATISTICS EXPLAINED
Direct private equity investment funds that primarily focus on investments in Europe are monitored.

Funds raised are recorded in the country of the advisory team that is raising/managing the fund (‘industry statistics’).

The funds included in the statistics are private equity funds making direct private equity investments, mezzanine private equity funds, co-investment funds and turnaround/rescue funds.

The following funds are excluded from the statistics: infrastructure funds, real estate funds, private debt funds, distressed debt funds, primary funds of funds, secondary funds of funds, accelerator/incubator funds, business angel activity.

FUND STAGE FOCUS
Buyout fund: Funds acquiring companies by purchasing majority or controlling stakes, financing the transaction through a mix of equity and debt.

Generalist fund: Funds investing in all stages of private equity.

Growth fund: Funds that make private equity investments (often minority investments) in relatively mature companies that are looking for primary capital to expand and improve operations or enter new markets to accelerate the growth of the business.

Mezzanine fund: Funds using a hybrid of debt and equity financing, comprising equity-based options (such as warrants) and lower-priority (subordinated) debt.

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.

TYPES OF INVESTORS
Corporate investor: Corporations manufacturing products or delivering non-financial services.

Endowment: An investment fund established by a foundation, university or cultural institution providing capital donations for specific needs or to further a company’s operating process. They are generally structured so that the principal amount invested remains intact (for perpetuity, for a defined period of time or until sufficient assets have been accumulated to achieve a designated purpose).

Family office: An entity that provides services to one or more affluent families, including investment management and other services (accounting, tax, financial and legal advice etc.).

Foundations: A non-profit organisation through which private wealth is distributed for the public good. It can either donate funds and support other organisations or provide the sole source of funding for its own charitable activities.

Fund of funds: A private equity fund that primarily takes equity positions in other funds.

Government agencies: Country, regional, governmental and European agencies or institutions for innovation and development.

Other asset manager: A financial institution (other than a bank, endowment, family office, foundation, insurance company or pension fund) managing a pool of capital by investing it across different asset classes with the purpose of generating financial returns. The category may include private equity direct funds that occasionally do indirect investments but excludes fund of funds that are a standalone option.

Sovereign wealth funds: State-owned investment funds investing in foreign direct private equity funds to diversify their portfolio.

Note: Fundraising amounts include capital gains except when reporting fundraising by type of investor. In the following presentation, unclassified figures concerning the type of investor have been extrapolated. More comprehensive data is available here: www.investeurope.eu/research/
Methodology & Glossary

Investments

INVESTMENT STATISTICS EXPLAINED

Industry statistics are an aggregation of figures according to the country of the private equity firm’s office in charge of the investment. At European level, this relates to investments made by European private equity firms regardless of the location of the portfolio company.

Market statistics are an aggregation of figures according to the location of the portfolio company. At European level, this relates to investments in European companies regardless of the location of the private equity firm.

Equity value: The amount of capital invested to acquire shares in a company. The equity value includes equity, quasi-equity, mezzanine, unsecured debt and secured debt provided by the private equity firm.

The funds included in the statistics are private equity funds making direct private equity investments, mezzanine private equity funds, co-investment funds and turnaround/rescue funds.

The following funds are excluded from the statistics: infrastructure funds, real estate funds, private debt funds, distressed debt funds, primary funds of funds, secondary funds of funds, accelerator/incubator funds, business angel activity.

INVESTMENTS STAGES

Seed: Funding provided before the investee company has started mass production/distribution with the aim to complete research, product definition or product design, also including market tests and creating prototypes. This funding will not be used to start mass production/distribution.

Start-up: Funding provided to companies, once the product or service is fully developed, to start mass production/distribution and to cover initial marketing. Companies may be in the process of being set up or may have been in business for a shorter time but have not sold their product commercially yet. The use of the capital would be mostly to cover capital expenditures and initial working capital. This stage contains also the investments reported as “Other early stage” which represents funding provided to companies that have initiated commercial manufacturing but require further funds to cover additional capital expenditures and working capital before they reach the break-even point. Such companies will not be generating a profit yet.

Later-stage venture: Financing provided for an operating company, which may or may not be profitable. Later-stage venture tends to involve financing into companies already backed by VCs, typically in C or D rounds.

Growth: A type of private equity investment (often a minority investment) in relatively mature companies that are looking for primary capital to expand and improve operations or enter new markets to accelerate the growth of the business.

Buyout: Financing provided to acquire a company. It may use a significant amount of borrowed capital to meet the cost of acquisition. Typically involves purchasing majority or controlling stakes.

Turnaround / Rescue: Financing made available to an existing business, which has experienced financial distress, with a view to re-establishing prosperity.

Replacement Capital: Minority stake purchase from another private equity investment organisation or from another shareholder or shareholders.
Methodology & Glossary

Divestments

DIVESTMENT STATISTICS EXPLAINED

Industry statistics are an aggregation of figures according to the country of the private equity firm’s office in charge of the divestment. At European level, this relates to divestments made by European private equity firms regardless of the location of the portfolio company.

Market statistics are an aggregation of figures according to the location of the portfolio company. At European level, this relates to divestments of European companies regardless of the location of the private equity firm.

Divestment amounts (including write-offs) are recorded at cost (i.e. the total amount divested is equal to the total amount invested before).

The funds included in the statistics are: private equity funds making direct private equity investments, mezzanine private equity funds, co-investment funds and turnaround/rescue funds.

The following funds are excluded from the statistics: infrastructure funds, real estate funds, private debt funds, distressed debt funds, primary funds of funds, secondary funds of funds, accelerator/incubator funds, business angel activity.

EXIT ROUTE

Management / Owner buyback: The buyer of the company is its management team.

Public offering:
– First divestment following flotation (IPO): The sale or distribution of a private company’s shares to the public for the first time by listing the company on the stock exchange.
– Sale of quoted equity post flotation: It includes sale of quoted shares only if connected to a former private equity investment, e.g. sale of quoted shares after a lock-up period.

Repayment of preference shares / loans or mezzanine: If the private equity firm provided loans or bought preference shares in the company at the time of investment, then their repayment according to the amortisation schedule represents a decrease of the financial claim of the firm into the company, and hence a divestment.

Sale to another private equity firm: The buyer of the portfolio company is a private equity firm.

Sale to financial institution: A financial institution is an entity that provides financial services for its clients:
– Depositary Institutions: deposit-taking institutions that accept and manage deposits and make loans, including banks, building societies, credit unions, trust companies and mortgage loan companies.
– Contractual Institutions: Insurance companies and pension funds.
– Investment Institutions other than direct private equity firms.

Trade sale: The sale of a company’s shares to industrial investors.

Write-off: The value of the investment is eliminated and the return to investors is zero or negative.

Note: Recapitalisations are not considered in the divestment statistics.
## Methodology and glossary

### MARKET STATISTICS

<table>
<thead>
<tr>
<th>A</th>
<th>Domestic investments / divestments in European countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Cross-border investments / divestments within Europe</td>
</tr>
<tr>
<td>C</td>
<td>Non-European private equity firms investing in / divesting portfolio companies in Europe</td>
</tr>
</tbody>
</table>

### INDUSTRY STATISTICS

<table>
<thead>
<tr>
<th>A</th>
<th>Domestic investments / divestments in European countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Cross-border investments / divestments within Europe</td>
</tr>
<tr>
<td>C</td>
<td>Non-European private equity firms investing in / divesting portfolio companies in Europe</td>
</tr>
<tr>
<td>D</td>
<td>European private equity firms investing in / divesting portfolio companies outside Europe</td>
</tr>
</tbody>
</table>

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Acknowledgements

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