INVESTING IN EUROPE: PRIVATE EQUITY ACTIVITY 2019

Statistics on Fundraising, Investments & Divestments
Disclaimer
The information contained in this report has been produced by Invest Europe, based on data collected as part of the European Data Cooperative (EDC) and other third-party information. While Invest Europe has made every effort to ensure the reliability of the data included in this report, Invest Europe cannot guarantee the accuracy of the information collected and presented. Therefore, Invest Europe cannot accept responsibility for any decision made or action taken based upon this report or the information provided herein.

This presentation is for the exclusive use of the persons to whom it is addressed and is intended for general information purposes only. It is not intended to constitute legal or other professional advice and should not be treated as such. Appropriate legal advice must be sought before making any decision, taking any action or refraining from taking any action in reliance on the information contained in this presentation. Invest Europe does not assume any responsibility for any person’s reliance upon the information contained herein.

In furnishing this presentation, Invest Europe undertakes no obligation to provide any additional information or to update this presentation or any additional information or to correct any inaccuracies which may become apparent.

Unless otherwise specified, this presentation is confidential and may not be distributed, published, reproduced or disclosed to any other person or used for any other purpose, without the written permission of Invest Europe.

Copyright information
No part of this publication may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968.

Copyright enquiries should be directed to Invest Europe.
Tel: +32 2 715 00 20.
© Copyright Invest Europe May 2020

Version
Presentation as of 20/05/2020
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 25 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 developed by Invest Europe and its national association partners to collect Europe-wide industry activity on fundraising, investments and divestments.

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

> The EDC platform is jointly owned and operated by the private equity and venture capital associations across Europe.

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

> 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.

> These efforts enhance Invest Europe's goal to be the most trusted and comprehensive source of European private equity and venture capital market data.
European Data Cooperative

What is the EDC?

The EDC database brings together:

- 3,400 Firms
- 9,500 Funds
- 75,000 Portfolio companies
- 280,000 Transactions

With data on more than 1,400 European private equity and venture capital firms, the 2019 statistics cover 86% of the €782bn in capital under management in Europe.

- The EDC replaces Invest Europe’s previous database PEREP_Analytics. All relevant historic data was migrated to the EDC system.
- All data since 2007 was restated and complemented with additional information. Audit efforts are conducted in close coordination with data contributors and partnering national associations to ensure the best coverage and consistent application of methodology and definitions.
- Improved coverage on a regional level mostly impacts the number of companies reported compared to earlier publications. Extensive audit efforts ensure that syndicated investments are not double-counted.
- 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.
What’s inside?

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 68
- BY REGION 73
- HOLDING PERIOD 74

www.investeurope.eu/research
Foreword

It is no exaggeration to state that the decade from 2009 to 2019 was unprecedented for the private equity sector in Europe, in terms of growth, jobs, value creation and returns for investors. Today, we recognise that an unparalleled pandemic has obliged all of us within the private equity sector to turn the page on what was our before, and together begin work on a new chapter and challenge. Where 2009 marked reconstruction following a financial crisis, 2020 presents itself squarely as an economic crisis - one which leaves no one untouched.

We continue to recognise the distinctive strengths of our sector: its ability to fuel innovation, feed entrepreneurship and grow ideas, people and companies where others will not, and dare not. Private equity’s mainstream position within the European economy must also yield an understanding and recognition of our critical role in safeguarding Europe’s long-term future - through the confidence of institutional investors and in the form of protecting and bettering the pensions of millions of Europeans.

And so, we’re proud to share with you ‘Investing in Europe: Private Equity activity 2019’, which reveals record levels of private equity fundraising and investment, underscoring Europe’s attractiveness and unique positioning for the private equity sector.

Total fundraising in Europe in 2019 climbed to €109 billion, up 6% from 2018 and the highest total over the past decade. In parallel, the total equity amount invested in European companies increased 10% year-on-year to €94 billion in 2019 - the highest level of investment ever recorded - with continued concentration across three sectors: ICT (27%), consumer goods & services (23%) and business products & services (19%).

Small and medium-sized enterprises (SMEs) are the backbone of the European economy and private equity’s overwhelming focus on, and funding of, SMEs reaffirms the sector’s commitment to Europe’s economic engine.
Over the 2015-2019 period, over 22,000 SMEs across Europe have been backed by private equity and venture capital funds, making up almost 85% of the portfolio companies. And the amount committed to private equity funds raising under €1 billion over the 2015-2019 period increased by a dramatic 50% - noteworthy given their focus on SMEs and start-ups.

Identifying and nurturing start-ups today is essential for continued innovation in Europe, as well as laying the groundwork for a better tomorrow, as displayed by the €15 billion in venture capital fundraising in 2019 - a 17% increase over 2018 that also marks the 7th consecutive year of growth.

Venture capital investments more than doubled between 2016 and 2019, with backing for almost 4,700 companies in 2019 alone; examples of innovative sectors backed by venture capital include Biotech/Healthcare and ICT, both of which contribute significantly to the battle against the COVID-19 pandemic. And thanks to an increase in average venture capital fund size since the 2008 financial crisis, venture capital-backed businesses and their investors are better equipped to handle crises.

Pension funds and insurance companies, including Europe’s largest institutional investors, make up some 40% of the private equity funding raised in Europe in the 2015-2019 period, a clear indication of confidence in an asset class that directly contributes to better pensions and returns for Europe’s citizens. Over the same period, pension funds have invested €114 billion in European private equity/venture capital funds - a clear endorsement of their long-term contribution and Europe’s leadership position on Environment, Social and Corporate Governance (ESG).

More than 45% of the private equity capital raised across the continent in 2019 came from non-European investors, led by investors from North America (28%). Ensuring private equity’s contribution to the European economic recovery is supported by private equity and venture capital’s focus on the region, with 63% invested domestically, 29% in another European country and a mere 8% from outside Europe.

By its very nature, private equity has always sought to unlock potential through patient capital and vibrant, active ownership resulting in growth and jobs. These qualities, if supported by adequate liquidity and employment-support measures provided by state aid programmes, will ensure the private equity sector and the 26,000 companies (since 2015) it backs, stand ready to jump-start the European economy. And it will do so in solidarity with the entire coalition of European stakeholders required to overcome the current pandemic.

Eric de Montgolfier
CEO, Invest Europe
Executive Summary

FUNDRAISING

Total fundraising in Europe during 2019 reached €109bn, growth of 6% from 2018 and the highest total of the past decade. 578 funds raised capital during the year, 4% above the average of the previous five years.

Pension funds provided 29% of funds, followed by fund of funds & other asset managers (19%), and family offices & private individuals (13%). North America provided the most capital raised (28%), followed by France & Benelux (26%).

Buyout fundraising increased 15% year-on-year to €79bn in 2019. Capital from outside of Europe remained an important source (55%), whilst France & Benelux were key within Europe (21%). Total fundraising for buyout funds reaching final closing hit a record €75bn.

Venture fundraising reached €15bn in 2019, 17% growth from 2018. The top three sources of funds were government agencies (20%), family offices & private individuals (19%), and corporate investors (14%). France & Benelux continued as the principle source of capital (36%).

Growth saw an 11% drop year-on-year to €9bn, though the figure for 2019 remained about 50% above the average for the previous five years, and the per fund amount of capital raised remained in line with recent history.

INVESTMENTS

The total equity amount invested in European companies increased 10% year-on-year to €94bn in 2019, the highest level ever recorded. 7,902 companies were invested into, 8% above the average for the previous five years, 84% of which were SMEs.

Most of the equity invested (63%) was domestic (within the country). Investments were concentrated in three main sectors: ICT (27%), consumer goods & services (23%), and business products & services (19%).

Buyout investments increased 8% year-on-year to €65bn. Mid-market buyout (€15 - €150m) continued to receive the most investment within the broader buyout investment stage (36%). By sector, consumer goods & services received most buyout investment (25%).

Venture capital investment reached €11bn in 2019, 19% growth from 2018. Venture capital funds backed about 60% of the total number of companies invested into.

Start-up investments reached €6bn, a 13% increase from 2018, taking 56% of total venture capital investment. By sector, ICT is key (half of Venture capital investment).

Growth investments grew 15% year-on-year to €16bn in 2019. The number of companies invested into dropped 18% to 1,857, leading to the highest level of investment per company ever recorded. ICT received the highest level of investment (36%).

DIVESTMENTS

Divestments at cost in 2019 are down 16% from the year before to €31bn. Further, all of the previous six years have seen higher divestment totals. 3,533 European companies were exited during the year, an 11% decrease from 2018.

The main exit route by amount was sale to another private equity firm (34%), and by number of companies was repayment of preference shares / loans or mezzanine (38%). By country of portfolio company, France & Benelux were the principal markets (38% of total divested).

Buyout divestments saw a reduction of 8% year-on-year to €23bn in 2019. 819 companies were divested, down 11% from 2018. The main exit route by amount was sale to another private equity firm (39%), and by number of companies was trade sale (24%). Business products & services was the sector with most exits by number of companies (31%).

Venture divestments increased 10% year-on-year to €3bn, the highest total since 2011. 1,242 companies were divested, a 5% decrease from 2018. The main exit route by amount was trade sale (34%), and by number of companies was through repayment of preference shares / loans or mezzanine (33%). 36% of exited companies were in ICT.

Growth divestments were €5bn in 2019, a reduction of 38% year-on-year. 1,530 companies were divested. The main exit route by amount was by trade sale (34%), and by number of companies was through repayment of preference shares / loans or mezzanine, both by amount (26%) and number of companies (47%). Companies in the business products and services sector saw most exits (26%).
Overview - All Private Equity - Fundraising, Investments & Divestments

**Invest Europe statistics explained:** This graph shows ‘industry statistics’ capturing activity by private equity firms’ European offices. In the following presentation most statistics on investments and divestments are reported as ‘market statistics’. These capture activity based on the location of portfolio companies in Europe. This data is available from 2007.


[www.investeurope.eu/research](http://www.investeurope.eu/research)
Investing in Europe:
Private Equity activity 2019

FUNDRAISING

ACTIVITY 2019

www.investeurope.eu/research
Fundraising at a glance
2019 - Analysis

All Private Equity

<table>
<thead>
<tr>
<th></th>
<th>Amount raised</th>
<th>Final closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venture Capital</td>
<td>€109bn</td>
<td>€97bn</td>
</tr>
<tr>
<td>Buyout</td>
<td>€79bn</td>
<td>€75bn</td>
</tr>
<tr>
<td>Growth</td>
<td>€9bn</td>
<td>€9bn</td>
</tr>
</tbody>
</table>

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

> Total fundraising in Europe during 2019 reached €109bn, growth of 6% from 2018. This is the highest total of the past decade, and continues the upward trend observed in the industry since 2012. 578 funds raised capital during the year, 4% above the average number of funds over the previous five years.

> Pension funds provided 29% of funds raised, followed by fund of funds & other asset managers (19%), and family offices & private individuals (13%). North America accounted for the highest proportion of fundraising (28%), followed by France & Benelux (26%).

> Funds that reached final closing during 2019 raised a median of €92m, the highest level ever recorded. Half of these funds raised an amount around this median (in a range of €25m - €241m), whilst several funds raised considerably more (indicating a positively skewed distribution).

> Venture fundraising reached €15bn in 2019, this is 17% growth from 2018 and means a seven-year run of year-on-year increases. Funds focusing on all stages of Venture continued to raise the majority (60%). 52% of capital raised went to first-time funds, the rest to follow-on funds. The top three sources of funds were government agencies (20%), family offices & private individuals (19%), and corporate investors (14%). The France & Benelux region continued to be the principle source of capital (36%), followed by DACH (18%).

> Buyout fundraising increased to €79bn in 2019, up 15% from 2018. The majority (91%) went to follow-on funds (the remainder to first-time funds). Pension funds provided the most capital (34%), followed by fund of funds & other asset managers (19%), and insurance companies (12%). Capital from outside of Europe remained an important source (55%) whilst France & Benelux were key within Europe (21%). Total fundraising for buyout funds reaching final closing hit €75bn in 2019, a continuation of the upward trajectory of the recent past.

> Growth saw an 11% drop year-on-year to €9bn, though the figure for 2019 remained about 50% above the average for the previous five years, and the per fund amount of capital raised remained in line with recent history. Family offices & private individuals provided the most capital for the year (24%), followed by pension funds (21%) and fund of funds & other asset managers (20%).
Fundraising at a glance
2007-2019 - Europe - Incremental amount raised during the year - € billion

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

www.investeurope.eu/research
Funds raised by fund stage focus
2015-2019 - Incremental amount raised during the year

Source: Invest Europe / EDC
www.investeurope.eu/research
Funds raised by fund stage focus
2015-2019 - 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

2015-2019 - 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 fund and follow-on fund
2015-2019 - 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
2015-2019 - 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

2015-2019 - 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
2019 - 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
## Funds raised by type of investor

2019 - Incremental amount raised during the year - % of total amount

<table>
<thead>
<tr>
<th></th>
<th>All Private Equity (578 funds, 392 firms)</th>
<th>Venture Capital funds (246 funds, 191 firms)</th>
<th>Buyout funds (119 funds, 100 firms)</th>
<th>Growth funds (104 funds, 75 firms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic institutions</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Banks</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>Capital markets</td>
<td>1%</td>
<td>0%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Corporate investors</td>
<td>2%</td>
<td>14%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Endowments and foundations</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Family offices</td>
<td>6%</td>
<td>7%</td>
<td>5%</td>
<td>1%</td>
</tr>
<tr>
<td>Fund of funds</td>
<td>13%</td>
<td>10%</td>
<td>13%</td>
<td>17%</td>
</tr>
<tr>
<td>Government agencies</td>
<td>6%</td>
<td>11%</td>
<td>3%</td>
<td>12%</td>
</tr>
<tr>
<td>Insurance companies</td>
<td>11%</td>
<td>11%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Other asset managers</td>
<td>6%</td>
<td>4%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Pension funds</td>
<td>29%</td>
<td>12%</td>
<td>34%</td>
<td>21%</td>
</tr>
<tr>
<td>Private individuals</td>
<td>7%</td>
<td>12%</td>
<td>4%</td>
<td>17%</td>
</tr>
<tr>
<td>Sovereign wealth funds</td>
<td>9%</td>
<td>1%</td>
<td>11%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Invest Europe / EDC

www.investeurope.eu/research
All Private Equity - Funds raised by type of investor
2015-2019 - 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
2015-2019 - Incremental amount raised during the year - % of total amount

Source: Invest Europe / EDC
www.investeurope.eu/research
Buyout - Funds raised by type of investor
2015-2019 - Incremental amount raised during the year - % of total amount

Source: Invest Europe / EDC
www.investeurope.eu/research
Growth - Funds raised by type of investor
2015-2019 - Incremental amount raised during the year - % of total amount

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Fundraising geographic breakdown
2019 (2018) - Source of funds - % of total amount

North America 28.0% (25.8%)
Australia & Asia 16.1% (14.3%)
Rest of the world 1.4% (5.2%)
Unclassified Europe 3.9% (8.6%)

Source: Invest Europe / EDC
www.investeurope.eu/research
Venture Capital - Fundraising geographic breakdown
2019 (2018) - Source of funds - % of total amount

North America
8.8% (15.8%)

Australia & Asia
4.9% (3.4%)

Rest of the world
0.7% (0.3%)

Unclassified Europe
3.4% (3.1%)

8.5% (5.6%)

35.6% (38.5%)

17.7% (10.9%)

4.6% (5.2%)

8.3% (2.1%)

Source: Invest Europe / EDC
www.investeurope.eu/research
Buyout - Fundraising geographic breakdown
2019 (2018) - Source of funds - % of total amount

North America 33.3% (28.4%)
Australia & Asia 20.1% (18.7%)
Rest of the world 1.6% (7.3%)
Unclassified Europe 3.9% (12.0%)

Source: Invest Europe / EDC
www.investeurope.eu/research
Final closing - Funds raised by fund stage focus
2015-2019 - 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.
Final closing - Funds raised by fund stage focus
2015-2019 - Final closing during the year - Number of funds\(^{(1)}\)

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
2015-2019 - 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
2007-2019 - Final closing during the year - Median & Interquartile range

Source: Invest Europe / EDC

* Outliers: observations beyond the upper or lower whisker: data exceeding more (less) than 1.5 interquartile value from Q3 (Q1)
Final closing - Venture Capital - box-and-whisker plot
2007-2019 - Final closing during the year - Median & Interquartile range

Upper Whisker
Greatest observation excluding outliers*

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

Lower Whisker
Lowest observation excluding outliers*

Source: Invest Europe / EDC

* Outliers: observations beyond the upper or lower whisker: data exceeding more (less) than 1.5 interquartile value from Q3 (Q1)
Final closing - Growth - box-and-whisker plot
2007-2019 - Final closing during the year - Median & Interquartile range

Upper Whisker
Greatest observation excluding outliers*

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

Lower Whisker
Lowest observation excluding outliers*

* Outliers: observations beyond the upper or lower whisker: data exceeding more (less) than 1.5 interquartile value from Q3 (Q1)
Final closing - Buyout - box-and-whisker plot
2007-2019 - Final closing during the year - Median & Interquartile range

Source: Invest Europe / EDC

* Outliers: observations beyond the upper or lower whisker: data exceeding more (less) than 1.5 interquartile value from Q3 (Q1)
## Investments at a glance

### 2019 Analysis

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Invested</th>
<th>Companies Invested</th>
<th>Firms &amp; Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All Private Equity</strong></td>
<td>€94bn</td>
<td>7,902</td>
<td>1,426/2,806</td>
</tr>
<tr>
<td><strong>Venture Capital</strong></td>
<td>€11bn</td>
<td>4,696</td>
<td>913/1,647</td>
</tr>
<tr>
<td><strong>Buyout</strong></td>
<td>€65bn</td>
<td>1,323</td>
<td>467/809</td>
</tr>
<tr>
<td><strong>Growth</strong></td>
<td>€16bn</td>
<td>1,857</td>
<td>480/1,010</td>
</tr>
</tbody>
</table>

> The total equity amount invested in European companies increased 10% year-on-year to €94bn in 2019. This is the highest level of investment ever recorded. 7,902 companies received investment, 8% above the average for the previous five years, 84% of which were SMEs. 63% of equity invested was domestic (within the country), 29% was intra-European, and 8% from non-European sources. Investments (as historically has been the case) were concentrated in three main sectors: ICT (27%), consumer goods & services (23%), and business products & services (19%).

> Venture capital investment reached €11bn in 2019. This is 19% growth from the year before and represents uninterrupted growth in the stage since 2013. Venture capital funds backed about 60% of the total number of companies receiving investment, a slight increase from 2018 (98% of these being SMEs). Start-up investments reached €6bn, a 13% increase from 2018, taking 56% of total Venture capital investment. By sector, ICT is key (half of Venture capital investment), followed by biotech & healthcare (24%) and consumer goods & services (8%).

> Buyout investments increased 8% year-on-year to €65bn (representing 69% of total investment). Mid-market buyout (€15 - €150m) continued to receive the most investment within the broader buyout investment stage (36%), closely followed by mega buyout (> €300m) at 34%. The mega buyout segment has been subject to record levels of investment between 2017 and 2019. By sector, consumer goods & services received 25% of total buyout investment, followed by business products & services (24%) and ICT (21%).

> Growth investments grew 15% year-on-year to €16bn in 2019. The number of companies receiving investment dropped 18% to 1,857, leading to the highest level of investment per company ever recorded. ICT received the highest level of investment (36%), followed by consumer goods & services (17%) and financial & insurance activities (13%).

> Private equity continued to be a significant contributor to European GDP. By location of the PE firm, investments represented 0.54% of European GDP in 2019. This is the highest level seen since 2008.
Investments at a glance
2007-2019 - Europe - Market statistics - Amount & Number of companies

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

www.investeurope.eu/research
Investments by stage

2019 - Market statistics - Amount & Number of companies

€94bn invested in European companies

- Buyout: 69.2%
- Start-up: 6.4%
- Later-stage venture: 4.0%
- Growth capital: 17.2%
- Rescue/Turnaround: 0.2%
- Replacement capital: 2.2%

7,902 European companies invested with Private Equity

- Buyout: 16.3%
- Replacement capital: 0.9%
- Rescue/Turnaround: 0.5%
- Growth capital: 22.9%
- Later-stage venture: 9.3%
- Start-up: 34.4%

Source: Invest Europe / EDC

www.investeurope.eu/research
Investing in Europe:
Private Equity activity 2019

Investments by stage

Source: Invest Europe / EDC

www.investeurope.eu/research
Investments by stage
2015-2019 - Market statistics - Number of companies

Source: Invest Europe / EDC

www.investeurope.eu/research
Buyout - Investments by equity bracket
2015-2019 - Market statistics - Amount & Number of companies

Source: Invest Europe / EDC
www.investeurope.eu/research
Mid-market buyout - Investments by equity bracket
2015-2019 - Market statistics - Amount & Number of companies

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Geographical investment flows
2019 - Domestic vs. International investments - Amount

- €9.0bn: European private equity firms investing portfolio companies outside Europe
- €7.6bn: Non-European private equity firms investing into portfolio companies in Europe
- €59.0bn: Domestic investments in European countries
- €27.3bn: Cross-border investments within Europe

Source: Invest Europe / EDC
Venture Capital - Geographical investment flows
2019 - Domestic vs. International investments - Amount

€2.8bn
Cross-border investments within Europe

€1.1bn
Non-European private equity firms investing into portfolio companies in Europe

€6.7bn
Domestic investments in European countries

€1.4bn
European private equity firms investing portfolio companies outside Europe

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Investments by region

2019 - Industry vs. Market statistics - Amount

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

- UK & Ireland: 39%
- France & Benelux: 28%
- DACH: 15%
- Southern Europe: 10%
- Nordics: 7%
- CEE: 1%

Market statistics
Investments according to the portfolio company’s location

- UK & Ireland: 25%
- France & Benelux: 24%
- DACH: 21%
- Southern Europe: 17%
- Nordics: 10%
- CEE: 3%

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
2019 - Market statistics - Amount

Source: Invest Europe / EDC

www.investeurope.eu/research
Investments by stage and region
2019 - Market statistics - Number of companies

<table>
<thead>
<tr>
<th>Region</th>
<th>Seed</th>
<th>Start-up</th>
<th>Later-stage venture</th>
<th>Growth</th>
<th>Rescue/Turnaround</th>
<th>Replacement capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK &amp; Ireland</td>
<td>214</td>
<td>308</td>
<td>157</td>
<td>13</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>France &amp; Benelux</td>
<td>546</td>
<td>950</td>
<td>833</td>
<td>29</td>
<td>220</td>
<td>220</td>
</tr>
<tr>
<td>DACH</td>
<td>894</td>
<td>506</td>
<td>123</td>
<td>6</td>
<td>222</td>
<td>222</td>
</tr>
<tr>
<td>Southern Europe</td>
<td>627</td>
<td>415</td>
<td>125</td>
<td>9</td>
<td>147</td>
<td>147</td>
</tr>
<tr>
<td>Nordics</td>
<td>654</td>
<td>338</td>
<td>104</td>
<td>7</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td>CEE</td>
<td>369</td>
<td>202</td>
<td>27</td>
<td>4</td>
<td>48</td>
<td>48</td>
</tr>
</tbody>
</table>

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Investments as % of European GDP
2000-2019 - Industry statistics - Location of the private equity firm

All Private Equity - Investments as % of GDP

2019 - 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
2019 - 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

2019 - Industry statistics - Location of the private 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

2019 - 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

2019 - 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
2019 - 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
2019 - 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

2019 - 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
All Private Equity - Investments by sector
2019 - Market statistics - % of Amount & Number of companies

Source: Invest Europe / EDC
www.investeurope.eu/research
Investments by sector

All Private Equity

<table>
<thead>
<tr>
<th>Sector</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real estate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial &amp; insurance activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy &amp; environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer goods &amp; services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chemicals &amp; materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business products &amp; services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biotech &amp; healthcare</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Venture Capital

<table>
<thead>
<tr>
<th>Sector</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real estate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial &amp; insurance activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy &amp; environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer goods &amp; services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chemicals &amp; materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business products &amp; services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biotech &amp; healthcare</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Invest Europe / EDC

www.inveurope.eu/research
Investments by sector
2015-2019 - Market statistics - Number of companies

All Private Equity

Venture Capital

Buyout

Growth

Source: Invest Europe / EDC

www.investeurope.eu/research
Investments in SMEs
2019 - 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
2019 Analysis

All Private Equity

€31bn into 3,533 companies
by 734 firms & 1,867 funds

Venture Capital

€2.5bn into 1,242 companies
by 362 firms & 775 funds

Buyout

€23bn into 819 companies
by 317 firms & 617 funds

Growth

€5.1bn into 1,530 companies
by 271 firms & 865 funds

Note: the stages relate to the initial investment stage of the portfolio company

> Divestments at cost (by amount of former equity invested) in 2019 are down 16% from the year before to €31bn. Further, all of the previous six years have seen higher divestment totals. 3,533 European companies were exited during the year, an 11% decrease from 2018. By amount, sale to another private equity firm was the most popular exit route (34%), followed by trade sale (29%) and public offering (11%). By number of companies, repayment of preference shares / loans or mezzanine was the most popular exit route (38%), followed by trade sale (15%) and management / owner buyback (11%). By country of portfolio company, France & Benelux were the principal markets (38% of total divested), whilst by country of private equity firm the main market was the UK & Ireland (35% of total divested). Average holding period for companies divested during the year was just under six years.

> Venture divestments increased 10% year-on-year to €3bn, the highest total since 2011. 1,242 companies were divested, a 5% decrease from the year before. The main exit route by amount was by trade sale (34%), followed by public offering (17%) and sale to another private equity firm (16%). The main exit routes by number of companies were repayment of preference shares / loans or mezzanine (33%), write off (18%), and trade sale (16%). 36% of exited companies were in the ICT sector, followed by biotech and healthcare (18%) and business products and services (16%).

> Buyout divestments represented 73% of the total by amount at cost and saw a reduction of 8% year-on-year to €23bn in 2019. 819 companies were divested (23% of total), down 11% from 2018. The main exit routes by amount were sale to another private equity firm (39%), trade sale (30%) and public offering (12%). The main exit routes by number of companies were trade sale (24%), repayment of preference shares / loans or mezzanine (23%) and sale to another private equity firm (22%). 75% of companies exited were in three main sectors: business products & services, consumer goods & services and ICT.

> Growth divestments saw the heaviest year-on-year decrease in 2019. Total divestments were €5bn, a reduction of 38% from 2018. 1,530 growth companies were divested, 43% of all private equity divestments for the year. The main exit routes by amount were repayment of preference shares / loans or mezzanine (26%), sale to another private equity firm (23%) and trade sale (23%). The main exit routes by number of companies were repayment of preference shares / loans or mezzanine (47%), trade sale (10%) and management / owner buyback (10%). Companies in the business products and services sector saw the most exits (26%), followed by consumer goods & services (25%) and ICT (18%).
Divestments at cost at a glance
2007-2019 - Market statistics - Amount & Number of companies

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

www.investeurope.eu/research
Divestments at cost by exit route - All Private Equity
2019 - Market Statistics - % of Amount

Source: Invest Europe / EDC
www.investeurope.eu/research
Divestments at cost by exit route - Venture Capital / Buyout / Growth
2019 - Market Statistics - % of Amount

Venture Capital €2.5bn divested at cost
- 34% Trade sale
- 17% Public offering
- 16% Write-off
- 3% Repayment of preference shares / loans or mezzanine
- 6% Sale to another private equity firm
- 8% Sale to financial institution
- 10% Management / Owner buyback
- 10% Other means

Buyout €23bn divested at cost
- 30% Trade sale
- 12% Public offering
- 7% Write-off
- 4% Repayment of preference shares / loans or mezzanine
- 2% Sale to another private equity firm
- 4% Sale to financial institution
- 4% Management / Owner buyback
- 2% Other means

Growth €5bn divested at cost
- 23% Trade sale
- 7% Public offering
- 6% Write-off
- 3% Repayment of preference shares / loans or mezzanine
- 26% Sale to another private equity firm
- 10% Sale to financial institution
- 10% Management / Owner buyback
- 5% Other means

Source: Invest Europe / EDC
Divestments at cost by exit route - Venture Capital / Buyout / Growth

2019 - Market Statistics - % of Number of companies

Venture Capital
1,242 companies divested

- 33% Trade sale
- 8% Public offering
- 5% Write-off
- 8% Repayment of preference shares / loans or mezzanine
- 18% Sale to another private equity firm
- 9% Sale to financial institution
- 8% Management / Owner buyback
- Others 9%

Buyout
819 companies divested

- 15% Trade sale
- 6% Public offering
- 3% Write-off
- 24% Repayment of preference shares / loans or mezzanine
- 3% Sale to another private equity firm
- 6% Sale to financial institution
- 23% Management / Owner buyback
- Others 3%

Growth
1,530 companies divested

- 47% Trade sale
- 6% Public offering
- 3% Write-off
- 10% Repayment of preference shares / loans or mezzanine
- 9% Sale to another private equity firm
- 3% Sale to financial institution
- 10% Management / Owner buyback
- Others 8%

Source: Invest Europe / EDC

www.investeurope.eu/research
All Private Equity - Divestments at cost by exit route

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Divestments at cost by exit route
2015-2019 - Market statistics - Number of companies

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Divestments at cost by sector
2019 - 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
2019 - Market statistics - Amount (excluding write-offs)

Source: Invest Europe / EDC

www.investeurope.eu/research
Divestments at cost by sector - Venture Capital / Buyout / Growth
2019 - Market statistics - Number of companies (excluding write-offs)

Source: Invest Europe / EDC
All Private Equity - Divestments at cost by region
2019 - Industry vs. Market statistics - % of Amount

Source: Invest Europe / EDC
www.investeurope.eu/research
All Private Equity - Average Holding Period
2015-2019 - Average holding period in years

Source: Invest Europe / EDC
www.investeurope.eu/research
Investing in Europe: Private Equity activity 2019

METHODOLOGY & GLOSSARY

ACTIVITY 2019

METHODOLOGY & GLOSSARY

www.investeurope.eu/research
Methodology & Glossary

Fundraising

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 rescue/turnaround 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

INVESTMENTS 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 an enterprise. 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 rescue/t turnaround 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 also 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.

Rescue / Turnaround: 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.
**DIVESTMENTS 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 rescue/tumourfunds.

**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
A Domestic divestments in European countries
B Cross-border divestments within Europe
C Non-European private equity firms divesting portfolio companies in Europe

INDUSTRY STATISTICS
A Domestic divestments in European countries
B Cross-border divestments within Europe
D European private equity firms divesting portfolio companies outside Europe

Non-European private equity firms divesting portfolio companies in Europe

Domestic divestments in European countries

Cross-border divestments within Europe

European private equity firms divesting portfolio companies outside Europe
Acknowledgements

We are grateful for the generous support of General Partners representing private equity and venture capital firms across Europe who provided us with their activity data. These comprehensive and verified pan-European statistics would not be possible without their ongoing commitment.

We also thank all the regional and national private equity associations formally partnering with Invest Europe as part of the European Data Cooperative (EDC):

AIFI - Italy
ASCRI - Spain
BVA - Belgium
BVCA - Bulgaria
BVCA - UK
BVK - Germany
CVCA - The Czech Republic
DVCA - Denmark
France Invest - France
FVCA - Finland
LPEA - Luxembourg
NVCA - Norway
NVP - The Netherlands
PSIK - Poland
SECA - Switzerland
SEEPEA - South Eastern Europe
SVCA - Sweden
About Invest Europe Research

Invest Europe is recognised as the authoritative data source for European private equity and venture capital by institutions including the European Commission and OECD (Organisation for Economic Co-operation and Development).

Rigorous research has underpinned Invest Europe’s work with policymakers, press, the public and investors since 1984. To deliver this robust, trusted research data and insight, Invest Europe collects data on more than 1,400 firms.