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Version
Presentation as of 29/04/2019

2018 European Private Equity Activity
Introduction to Invest Europe

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.
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.
Overview - All Private Equity - Fundraising, Investments & Divestments

1997-2018 - Industry statistics - Amount

With data on more than **1,400** European private equity firms, the 2018 statistics cover **89%** of the **€688bn** in capital under management in Europe.

**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.


2018 European Private Equity Activity
## What’s inside?

### 1. FUNDRAISING
- Fundraising statistics explained: 8
- Glossary: 9
- At a glance: 10
- Incremental fundraising
  - By fund stage focus: 11
  - Concentration of capital: 13
  - By region of management: 14
  - Investors by type: 15
  - Investors by geography: 21
- Final closing
  - By fund stage focus: 24
  - Concentration of capital: 26

### 2. INVESTMENTS
- Investments statistics explained: 27
- Glossary: 29
- At a glance: 30
- By investment stage
  - All Private Equity: 31
  - Buyout by equity bracket: 34
- By geography: 36
- Investments as % of GDP
  - Location of the PE firm: 41
  - Location of the portfolio company: 46
- By sector: 50
- Initial / follow-on: 53
- Investments in SMEs: 54

### 3. DIVESTMENTS
- Divestments statistics explained: 55
- Glossary: 57
- At a glance: 58
- By initial investment stage: 59
- By exit route: 60
- By sector: 64
- By region: 67

Acknowledgements: 68
About Invest Europe Research: 70
Executive summary

1 FUNDRAISING

Total fundraising for Europe reached €97.3bn in 2018, narrowly exceeding the level of 2017 which was restated upwards to €96.6bn on the availability of new data. Venture fundraising achieved €11.4bn, the highest level recorded to date.

Pension funds provided 31% of all capital raised, followed by funds of funds & other asset managers (18%), family offices & private individuals (11%), insurance companies (11%) and sovereign wealth funds (9%). Institutional investors from outside of Europe contributed 46%, led by North America (25%) and Asia (15%).

Buyout fundraising decreased by 8% to €66.5bn. A total of 55% came from investors from outside of Europe. North America accounted for 28%, followed by Asian LPs on 19%, the region’s highest ever contribution.

Venture fundraising increased by 11% to €11.4bn, with 86% of them SMEs.

Buyout investment amount increased by 10% to €58.8bn, and by number of companies increased 3% to 1,285. Large transactions of more than €150m in equity totalled €31.4bn in 2018, surpassing the previous year by 14%. They represented a 53% share of the buyout market. Mid-market buyouts (€15m-€150m in equity) increased by 8% to €23.1bn, with a 39% market share.

Venture capital investment achieved a new high of €8.2bn, exceeding 2017’s prior record by 13%. Over 4,400 companies were venture backed, a 12% increase.

Growth capital investments remained stable at €11.9bn, with 2,106 companies receiving investment.

By sector, business products and services received most investment (22% by amount; 16% by number of companies) followed by ICT (21%; 33%) and consumer goods and services (19%; 19%).

2 INVESTMENTS

The total equity amount invested in European companies increased by 7% in 2018 to €80.6bn, the highest level recorded to date. The number of companies receiving investment also increased by 7% to over 7,800 - another record level - with 86% of them SMEs.

Buyout investment amount increased by 10% to €58.8bn, and by number of companies increased 3% to 1,285. Large transactions of more than €150m in equity totalled €31.4bn in 2018, surpassing the previous year by 14%. They represented a 53% share of the buyout market. Mid-market buyouts (€15m-€150m in equity) increased by 8% to €23.1bn, with a 39% market share.

Venture capital investment achieved a new high of €8.2bn, exceeding 2017’s prior record by 13%. Over 4,400 companies were venture backed, a 12% increase.

Growth capital investments remained stable at €11.9bn, with 2,106 companies receiving investment.

By sector, business products and services received most investment (22% by amount; 16% by number of companies) followed by ICT (21%; 33%) and consumer goods and services (19%; 19%).

3 DIVESTMENTS

3,750 European companies were exited in 2018, a 3% decrease on 2017. Divestments at cost (or by amount of initial equity invested) declined by 28% to €32bn.

Buyout divestment amount decreased 34% in 2018 to €22.4bn, and 12% by number of companies to 863. The decline was caused by a fall in activity across the three main exit routes - trade sale, sale to another private equity firm, and public offering. Buyout divestments represented 70% by amount and 23% by number of company exits in 2018.

Venture divestments decreased 5% by amount to €2bn, while by number of companies remained stable at 1,193. Public offerings achieved a 22% share of divestment amount, a ten-year high, following year-on-year growth of over 39%. The most prominent exit route by amount remained trade sales, accounting for 45%, despite an 8% year-on-year decrease. They represented 6% by amount and 32% by number of companies.

Growth divestments by amount decreased 15% to €5.8bn and 2% by number of companies to 1,571. The main exit routes were trade sale and sale to another private equity firm. Growth divestments represented 18% of all exits by amount and 42% by number of companies.

Write-offs recorded their lowest level in ten years for amount and number companies divested.
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.
Glossary

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 their 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. It may include private equity direct funds that occasionally do indirect investments, but excludes fund of funds that are a standalone option.

**Pension funds:** A pension fund that is regulated under private or public sector law.

**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 investors. In the following presentation, unclassified figures concerning the type of investors have been extrapolated. More comprehensive data is available here: www.investeurope.eu/research/
2018 Fundraising at a glance

- Total fundraising for Europe in 2018 reached €97.3bn, narrowly ahead of 2017's total of €96.6bn, which was revised upwards on the availability of new data. The total was the highest of the current decade and only exceeded in 2006. The number of funds raising new capital dropped by 5% to 581, but still remained 13% above the annual average of the previous five years.

- Pension funds provided 31% of all capital raised, followed by funds of funds & other asset managers (18%), family offices & private individuals (11%), insurance companies (11%) and sovereign wealth funds (9%). Institutional investors from outside Europe contributed 46% of total fundraising, led by LPs from North America (25%) and Asia (15%).

- Buyout fundraising decreased by 8% to €66.5bn. Pension funds remained the most significant investor group in buyout funds, accounting for 37% of the total, followed by funds of funds & other asset managers (19%), sovereign wealth funds (11%) and insurance companies (11%). A record of 55% was committed by investors from outside of Europe, with those from North America representing 28%, followed by Asian LPs at 19% their highest ever contribution.

- Venture fundraising increased 11% compared with 2017’s restated level to a record €11.4bn. The majority of capital was committed by private investors, including family offices & private individuals (20%), funds of funds & other asset managers (19%), government agencies (18%), corporate investors (12%) and pension funds (9%). A record of 20% was raised from LPs outside of Europe.

- Growth capital fundraising increased by 5% to €7.8bn, reaching the highest level recorded to date. The strategies of these funds range from scaling up venture capital-backed companies, to making minority equity investments in mature SMEs, or pursuing regional development policies with the backing of banks or public institutions. Generalist funds, which pursue investments across buyout, venture and growth strategies, raised €10.6bn in 2018, their highest level since 2007.

### 2018 European Private Equity Activity

<table>
<thead>
<tr>
<th>Year</th>
<th>All Private Equity</th>
<th>Venture Capital(1)</th>
<th>Buyout(1)</th>
<th>Growth(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Incremental - Amounts raised</td>
<td>€97.3bn</td>
<td>€11.4bn</td>
<td>€66.5bn</td>
</tr>
<tr>
<td></td>
<td>Incremental - No. of funds</td>
<td>581</td>
<td>229</td>
<td>108</td>
</tr>
<tr>
<td></td>
<td>Final closings - Cumulative amount since inception</td>
<td>€89.1bn</td>
<td>€8.6bn</td>
<td>€72.0bn</td>
</tr>
<tr>
<td></td>
<td>Final closings - No. of funds</td>
<td>199</td>
<td>93</td>
<td>57</td>
</tr>
</tbody>
</table>

Source: Invest Europe / EDC

Note: (1) relates to fund focus
Funds raised by fund stage focus

2014-2018 - Incremental amount raised during the year

Source: Invest Europe / EDC

2018 European Private Equity Activity
Funds raised by fund stage focus

2014-2018 - Number of funds that reached first, intermediate or final closing during the year

Source: Invest Europe / EDC

2018 European Private Equity Activity
All Private Equity - Concentration of capital

2014-2018 - Incremental fundraising by amount bracket per fund during the year

Source: Invest Europe / EDC
All Private Equity - Funds raised by region of management
2014-2018 - Incremental amount raised during the year

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

2018 European Private Equity Activity
All Private Equity - Funds raised by region of management and investor type

2018 - Incremental amount raised during the year

Source: Invest Europe / EDC

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

2018 European Private Equity Activity
Funds raised by type of investor
2018 - Incremental amount raised during the year - % of total amount

All Private Equity funds
- 581 funds, 374 firms
- 31% of total amount

Venture Capital funds
- 229 funds, 174 firms
- 12% of total amount

Buyout funds
- 108 funds, 93 firms
- 37% of total amount

Growth funds
- 110 funds, 67 firms
- 24% of total amount

Source: Invest Europe / EDC

2018 European Private Equity Activity
All Private Equity - Funds raised by type of investor

2014-2018 - Incremental amount raised during the year - % of total amount

Source: Invest Europe / EDC
Venture Capital - Funds raised by type of investor

2014-2018 - Incremental amount raised during the year - % of total amount

Source: Invest Europe / EDC

2018 European Private Equity Activity
Buyout - Funds raised by type of investor

2014-2018 - Incremental amount raised during the year - % of total amount

Source: Invest Europe / EDC

2018 European Private Equity Activity
Growth - Funds raised by type of investor
2014-2018 - Incremental amount raised during the year - % of total amount*

* Due to the comparatively small number of growth funds raised and the extent of extrapolation of missing data single-year data in this part of the market segment should be used cautiously. Long term trends should be used to identify the structures of investors in this market segment.
All Private Equity - Fundraising geographic breakdown

2018 (2017) - Source of funds - % of total amount

North America
25.5% (25.6%)

Rest of world
5.5% (1.6%)

Australia Asia
15.1% (14.8%)

Unclassified Europe
9.4% (4.8%)

Source: Invest Europe / EDC

2018 European Private Equity Activity
Venture Capital - Fundraising geographic breakdown
2018 (2017) - Source of funds - % of total amount

North America
16.5% (3.3%)

Rest of world
0.2% (0.2%)

Australia Asia
3.0% (3.3%)

Unclassified Europe
3.6% (0.6%)

North America
16.5% (3.3%)

Rest of world
0.2% (0.2%)

Australia Asia
3.0% (3.3%)

Unclassified Europe
3.6% (0.6%)

Source: Invest Europe / EDC
2018 European Private Equity Activity
Buyout - Fundraising geographic breakdown
2018 (2017) - Source of funds - % of total amount

North America
28.5%
(32.4%)

Rest of world
7.5%
(2.0%)

Unclassified Europe
10.7%
(12.1%)

Australia
6.7%
(7.2%)

Asia
6.0%
(7.6%)

Europe
0.3%
(0.0%)

Source: Invest Europe / EDC
Final closing - Funds raised by fund stage focus
2014-2018 - 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

2014-2018 - 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.

2018 European Private Equity Activity
Final closing - All Private Equity - Concentration of capital
2014-2018 - 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.

2018 European Private Equity Activity
2. 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/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.
Market versus industry statistics

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

**Venture capital**

**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 destination 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. They will not be generating a profit yet.

**Later-stage financing:** Financing provided for an operating company, which may or may not be profitable. Late stage venture tends to be 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 by 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.
2018 Investments at a glance

- The total equity amount invested in European companies increased by 7% year-on-year to €80.6bn in 2018, the highest level recorded to date. The number of companies receiving investment also achieved a new record, increasing by 7% to over 7,800, 86% of which were SMEs.

- Buyout investment increased by 10% year-on-year to €58.8bn, while the number of companies backed in buyout transactions rose by 3% to 1,285. Larger transactions of more than €150m in equity surpassed the previous year by 14% at €31.4bn, representing a 53% share of the buyout market in 2018. Mid-market buyouts (€15m–€150m in equity) increased by 8% to €23.1bn, taking a 39% market share. By sector, business products and services received 26% of total buyout investment, followed by consumer goods and services (20%), ICT (15%) and biotech and healthcare (14%).

- Venture capital investment surpassed the 2017 record by 13%, reaching a new high of €8.2bn in 2018. The number of companies backed by venture funds increased 12% to over 4,400. Start-up investments rose by 29% to €4.9bn, with 2,475 companies backed, a 6% increase. Seed investments declined by 7% to €721m, but by number of companies increased 22% to 1,350. Later-stage investments reduced by 3% to €2.6bn, but increased 8% by number of companies to 758. ICT was the largest sector for venture investment, receiving 47% of the total, followed by biotech and healthcare (28%) and consumer goods and services (9%).

- Growth capital investments remained at a record level of €11.9bn, with 2,106 companies financed. Venture-backed companies secured around 18% of the growth investment amount to enable them to scale-up their activities. European companies operating in the ICT sector received one third of the investment amount, followed by consumer goods and services (21%), business products and services (18%) and biotech and healthcare (9%).

<table>
<thead>
<tr>
<th>2018 - Market statistics</th>
<th>All Private Equity (€bn)</th>
<th>Venture Capital (1)</th>
<th>Buyout (1)</th>
<th>Growth (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>€80.6bn</td>
<td>€8.2bn</td>
<td>€58.8bn</td>
<td>€11.9bn</td>
</tr>
<tr>
<td>No. of companies</td>
<td>7,816</td>
<td>4,437</td>
<td>1,285</td>
<td>2,106</td>
</tr>
<tr>
<td>No. of firms</td>
<td>1,392</td>
<td>855</td>
<td>498</td>
<td>476</td>
</tr>
<tr>
<td>No. of funds</td>
<td>2,718</td>
<td>1,506</td>
<td>793</td>
<td>1,053</td>
</tr>
</tbody>
</table>

Source: Invest Europe / EDC
Note: (1) relates to the investment stage of the portfolio company

2018 European Private Equity Activity

Source: Invest Europe / EDC
Note: (2) Other includes Rescue/Turnaround and Replacement capital
Investments by stage

2018 - Market statistics - % of Amount & Number of companies

% of Amount

- Seed: 0.9%
- Start-up: 6.1%
- Later-stage venture: 3.2%
- Growth capital: 14.8%
- Rescue/Turnaround: 0.6%
- Replacement capital: 1.8%
- Buyout: 73.0%

% of Number of companies

- Seed: 16.7%
- Start-up: 30.6%
- Buyout: 15.9%
- Replacement capital: 0.7%
- Rescue/Turnaround: 0.6%
- Growth capital: 26.1%
- Later-stage venture: 9.4%

Venture Capital: €8.2 bn
Buyout: €58.8 bn
Growth: €11.9 bn

Venture Capital: 4,437 Companies
Buyout: 1,285 Companies
Growth: 2,106 Companies

Source: Invest Europe / EDC
Investments by stage

Source: Invest Europe / EDC
2018 European Private Equity Activity
Investments by stage
2014-2018 - Market statistics - Number of companies

Source: Invest Europe / EDC

2018 European Private Equity Activity
Mid-market buyout - Investments by equity bracket
2014-2018 - Market statistics - Amount & Number of companies

Source: Invest Europe / EDC

2018 European Private Equity Activity
All Private Equity - Geographical investment flows
2018 - Industry vs. Market statistics - Amount

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.

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.

Europe includes:
Austria, Baltic countries (Estonia, Latvia, Lithuania), Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Other CEE (Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovenia, Slovakia), Poland, Portugal, Romania, Spain, Sweden, Switzerland, Ukraine, United Kingdom

Source: Invest Europe / EDC

2018 European Private Equity Activity

INVESTMENTS
FUNDRAISING
DIVESTMENTS
Venture Capital - Geographical investment flows

2018 - Industry vs. Market statistics - Amount

**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.

**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.

- **€2.2bn**: Cross-border investments within Europe
- **€1.1bn**: Non-European private equity firms investing in portfolio companies in Europe
- **€1.2bn**: European private equity firms investing in portfolio companies outside Europe
- **€4.9bn**: Domestic investments in European countries

Europe includes:
Austria, Baltic countries (Estonia, Latvia, Lithuania), Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Other CEE (Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovenia, Slovakia), Poland, Portugal, Romania, Spain, Sweden, Switzerland, Ukraine, United Kingdom

Source: Invest Europe / EDC
All Private Equity - Investments by region
2018 - Industry vs. Market statistics - Amount

Industry statistics

- Southern Europe: 12%
- DACH: 13%
- France & Benelux: 28%
- UK & Ireland: 38%
- CEE: 1%

Market statistics

- Southern Europe: 17%
- DACH: 18%
- France & Benelux: 30%
- UK & Ireland: 22%
- 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
Investments by stage and regions
2018 - Market statistics - Amount

Source: Invest Europe / EDC
2018 European Private Equity Activity
Investments by stage and regions
2018 - Market statistics - Number of companies

Source: Invest Europe / EDC
2018 European Private Equity Activity
All Private Equity - Investments as % of European GDP
2000-2018 - Industry statistics: Location of the PE firm

2018 European Private Equity Activity
All Private Equity - Investments as % of GDP
2018 - Industry statistics: Location of the PE 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

2018 European Private Equity Activity
<table>
<thead>
<tr>
<th>Country</th>
<th>2018</th>
<th>2014-2018 Annual Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>0.203%</td>
<td>0.200%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>0.203%</td>
<td>0.198%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.073%</td>
<td>0.071%</td>
</tr>
<tr>
<td>France</td>
<td>0.067%</td>
<td>0.070%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.067%</td>
<td>0.067%</td>
</tr>
<tr>
<td>Sweden</td>
<td>0.067%</td>
<td>0.067%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.057%</td>
<td>0.057%</td>
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<tr>
<td>Finland</td>
<td>0.049%</td>
<td>0.049%</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.049%</td>
<td>0.049%</td>
</tr>
<tr>
<td>European Total</td>
<td>0.049%</td>
<td>0.049%</td>
</tr>
<tr>
<td>Belgium</td>
<td>0.042%</td>
<td>0.042%</td>
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<tr>
<td>Hungary</td>
<td>0.039%</td>
<td>0.039%</td>
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<tr>
<td>Germany</td>
<td>0.039%</td>
<td>0.039%</td>
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<tr>
<td>Spain</td>
<td>0.028%</td>
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<tr>
<td>Norway</td>
<td>0.028%</td>
<td>0.028%</td>
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<tr>
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<td>0.020%</td>
<td>0.020%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>0.018%</td>
<td>0.018%</td>
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<tr>
<td>Baltic countries</td>
<td>0.015%</td>
<td>0.015%</td>
</tr>
<tr>
<td>Austria</td>
<td>0.014%</td>
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<tr>
<td>Portugal</td>
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<td>0.010%</td>
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<tr>
<td>Italy</td>
<td>0.008%</td>
<td>0.008%</td>
</tr>
<tr>
<td>Greece</td>
<td>0.008%</td>
<td>0.008%</td>
</tr>
<tr>
<td>Poland</td>
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<td>0.006%</td>
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<tr>
<td>Ukraine</td>
<td>0.004%</td>
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<tr>
<td>Other CEE</td>
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</tr>
<tr>
<td>Romania</td>
<td>0.000%</td>
<td>0.000%</td>
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</table>

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

2018 European Private Equity Activity
Buyout - Investments as % of GDP
2018 - Industry statistics: Location of the PE 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
Growth - Investments as % of GDP

2018 - Industry statistics: Location of the PE 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
All Private Equity - Investments as % of GDP
2018 - 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

2018 European Private Equity Activity
Venture Capital - Investments as % of GDP
2018 - 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
Buyout - Investments as % of GDP

2018 - 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
### Growth - Investments as % of GDP

#### 2018 - Market statistics: Location of the portfolio company

<table>
<thead>
<tr>
<th>Country</th>
<th>2014</th>
<th>2018</th>
<th>Annual Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxembourg</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
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<td></td>
</tr>
<tr>
<td>Romania</td>
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<td></td>
</tr>
<tr>
<td>European total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>0.06%</td>
<td>0.07%</td>
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<tr>
<td>Netherlands</td>
<td>0.097%</td>
<td>0.121%</td>
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<td>Poland</td>
<td>0.062%</td>
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<tr>
<td>Finland</td>
<td>0.059%</td>
<td>0.07%</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.06%</td>
<td>0.058%</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>0.05%</td>
<td>0.048%</td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>0.04%</td>
<td>0.043%</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>0.05%</td>
<td>0.048%</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>0.04%</td>
<td>0.045%</td>
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</tr>
<tr>
<td>Baltic countries</td>
<td>0.02%</td>
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<tr>
<td>Norway</td>
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<td>0.019%</td>
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<tr>
<td>Denmark</td>
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<td>Sweden</td>
<td>0.01%</td>
<td>0.019%</td>
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<tr>
<td>Ukraine</td>
<td>0.015%</td>
<td>0.019%</td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>0.01%</td>
<td>0.019%</td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td>0.01%</td>
<td>0.012%</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>0.006%</td>
<td>0.010%</td>
<td></td>
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<tr>
<td>Bulgaria</td>
<td>0.004%</td>
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<tr>
<td>Other CEE</td>
<td>0.002%</td>
<td>0.004%</td>
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<tr>
<td>Czech Republic</td>
<td>0.000%</td>
<td>0.005%</td>
<td></td>
</tr>
</tbody>
</table>

Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: *Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

2018 European Private Equity Activity
All Private Equity - Investments by sector
2018 - Market statistics - % of Amount & Number of companies

- Business products & services: 22.2%
- ICT (Communications, computer and electronics): 33.4%
- Consumer goods & services: 19.1%
- Biotech & healthcare: 14.2%
- Financial & insurance activities: 3.1%
- Energy & environment: 4.7%
- Chemicals & materials: 4.1%
- Transportation: 2.8%
- Construction: 2.3%
- Agriculture: 0.6%
- Real estate: 0.5%
- Unclassified: 2.9%

Source: Invest Europe / EDC
Investments by sector

Source: Invest Europe / EDC

2018 European Private Equity Activity
Investments by sector

2014-2018 - Market statistics - Number of companies

Source: Invest Europe / EDC

2018 European Private Equity Activity
All Private Equity - Initial / Follow-on investments
2018 - Market statistics - % of Number of companies

2014: 31% Initial investment for the company, 69% Follow-on investment for the company
2015: 40% Initial investment for the company, 60% Follow-on investment for the company
2016: 26% Initial investment for the company, 74% Follow-on investment for the company
2017: 28% Initial investment for the company, 72% Follow-on investment for the company
2018: 33% Initial investment for the company, 67% Follow-on investment for the company

Source: Invest Europe / EDC
2018 European Private Equity Activity
Investments in SMEs
2018 - Market statistics - % of Number of companies & Amount

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

2018 European Private Equity Activity
3. DIVESTMENTS

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/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.
Market versus industry statistics

Market statistics
A + B + C

Industry statistics
A + B + D

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

**Exit route**

**Management/Owner buy-back:** 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.
2018 Divestments at a glance

- 3,750 European companies were exited in 2018, a 3% decrease on the previous year. By amount of former equity investment (divestment at cost), the total value was €32bn, a year-on-year decrease of 28%. The most prominent exit routes by amount at cost were trade sale (32%), sale to another private equity firm (31%) and public offering (10%).

- Buyout divestments represented 70% by amount at cost and 23% of exits by number of companies. They decreased 34% by amount to €22.4bn and 12% by number of companies to 863. The decline was due to falls in activity across the three main exit routes: trade sale, sale to another private equity firm and public offering. Most companies that were exited operated in the business products and services sector, followed by consumer goods and services, and ICT.

- Venture divestments represented 6% by amount at cost and 32% by number of companies. They decreased 5% by amount at cost to €2bn, while 1,193 companies were exited, a 1% decline. Trade sale was the most prominent exit route accounting for 35% by amount at cost, despite an 8% year-on-year decrease. Public offerings rose 39% to a ten-year high, representing a 22% share of amount at cost. Most companies exited operated in the ICT sector, followed by biotech and healthcare, and business products and services.

- Growth divestments represented 18% of all exits by amount at cost and 42% by number of companies. They decreased 15% by amount to €5.8bn and 2% by number of companies to 1,571. The main exit routes were trade sale and sale to another private equity firm. Most companies exited operated in the business products and services sector, followed by consumer goods and services, and ICT.

- Write-offs recorded their lowest level in ten years by amount and number of companies divested.

### 2018 - Market statistics

<table>
<thead>
<tr>
<th></th>
<th>All Private Equity</th>
<th>Venture Capital(1)</th>
<th>Buyout(1)</th>
<th>Growth(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Divestments - Amount</td>
<td>€32.0bn</td>
<td>€2.0bn</td>
<td>€22.4bn</td>
<td>€5.8bn</td>
</tr>
<tr>
<td>Divestments - No. Companies</td>
<td>3,750</td>
<td>1,193</td>
<td>863</td>
<td>1,571</td>
</tr>
<tr>
<td>Number of Firms</td>
<td>756</td>
<td>344</td>
<td>354</td>
<td>303</td>
</tr>
<tr>
<td>Number of Funds</td>
<td>1,899</td>
<td>772</td>
<td>645</td>
<td>881</td>
</tr>
</tbody>
</table>

Source: Invest Europe / EDC
Note: (1) relates to the investment stage of the portfolio company

2018 European Private Equity Activity
Divestments at cost - Venture Capital / Buyout / Growth
2014-2018 - Market statistics - Amount & Number of companies

Source: Invest Europe / EDC
Divestments at cost by exit route - Venture Capital / Buyout / Growth
2018 - Market Statistics - % of Amount

- **Venture Capital**
  - €2.0bn
  - Breakdown:
    - Trade sale: 22%
    - Public offering: 35%
    - Write-off: 12%
    - Other means: 7%

- **Buyout**
  - €22.4bn
  - Breakdown:
    - Trade sale: 35%
    - Public offering: 10%
    - Write-off: 2%
    - Other means: 6%
    - Repayment of preference shares / loans or mezzanine: 4%
    - Sale to another private equity firm: 3%
    - Sale to financial institution: 9%
    - Management / Owner buy-back: 25%

- **Growth**
  - €5.8bn
  - Breakdown:
    - Trade sale: 25%
    - Public offering: 9%
    - Write-off: 3%
    - Other means: 17%

Source: Invest Europe / EDC

2018 European Private Equity Activity
Divestments at cost by exit route - Venture Capital / Buyout / Growth
2018 - Market Statistics - % of Number of companies

Venture Capital
1,193 Companies

Buyout
863 Companies

Growth
1,571 Companies

- Trade sale
- Public offering
- Write-off
- Repayment of preference shares / loans or mezzanine
- Sale to another private equity firm
- Sale to financial institution
- Management / Owner buy-back
- Other means

Source: Invest Europe / EDC

2018 European Private Equity Activity
**All Private Equity - Divestments at cost by exit route**

**2014-2018 - Market statistics - Amount at cost**

- **Trade sale**
- **Write-off**
- **Sale to another private equity firm**
- **Sale to financial institution**
- **Management / Owner buy back**
- **Public offering**
- **Repayment of preference shares / loans or mezzanine**
- **Other means**

*Source: Invest Europe / EDC*
All Private Equity - Divestments at cost by exit route
2014-2018 - Market statistics - Number of companies

Source: Invest Europe / EDC
All Private Equity - Divestments at cost by sector
2018 - Market statistics - Amount & Number of companies (excluding write-offs)

Source: Invest Europe / EDC
Divestments at cost by sector - Venture Capital / Buyout / Growth
2018 - Market statistics - Amount (excluding write-offs)

ICT (Communications, computer and electronics)
- Venture Capital: 46%
- Buyout: 22%
- Growth: 17%

Consumer goods and services
- Venture Capital: 8%
- Buyout: 26%
- Growth: 29%

Business products and services
- Venture Capital: 4%
- Buyout: 25%
- Growth: 29%

Biotech and healthcare
- Venture Capital: 2%
- Buyout: 7%
- Growth: 9%

Chemicals and materials
- Venture Capital: 5%
- Buyout: 9%
- Growth: 7%

Financial and insurance activities
- Venture Capital: 0%
- Buyout: 7%
- Growth: 5%

Energy and environment
- Venture Capital: 4%
- Buyout: 5%
- Growth: 7%

Transportation
- Venture Capital: 3%
- Buyout: 2%
- Growth: 1%

Construction
- Venture Capital: 2%
- Buyout: 1%
- Growth: 2%

Real estate
- Venture Capital: 0%
- Buyout: 1%
- Growth: 1%

Agriculture
- Venture Capital: 0%
- Buyout: 1%
- Growth: 1%

Other
- Venture Capital: 1%
- Buyout: 1%
- Growth: 1%

Source: Invest Europe / EDC
Divestments at cost by sector - Venture Capital / Buyout / Growth
2018 - Market statistics - Number of companies (excluding write-offs)

Source: Invest Europe / EDC
All Private Equity - Divestments at cost by region

2018 - Industry vs. Market statistics - % of Amount

Source: Invest Europe / EDC

DACH: Austria, Germany, Switzerland / Southern Europe: Greece, Italy, Portugal, Spain / Nordics: Denmark, Finland, Norway, Sweden / CEE: Central Eastern Europe
ACKNOWLEDGEMENTS
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 on-going 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):

<table>
<thead>
<tr>
<th>AIFI - Italy</th>
<th>FVCA - Finland</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASCRI - Spain</td>
<td>LPEA - Luxembourg</td>
</tr>
<tr>
<td>BVA - Belgium</td>
<td>NVCA - Norway</td>
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<tr>
<td>BVCA - Bulgaria</td>
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<td>BVK - Germany</td>
<td>SECA - Switzerland</td>
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<tr>
<td>CVCA - The Czech Republic</td>
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</tr>
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<td>DVCA - Denmark</td>
<td>SVCA - Sweden</td>
</tr>
<tr>
<td>France Invest - France</td>
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