

INVEST
EUROPE

RESEARCH

Private Equity at Work

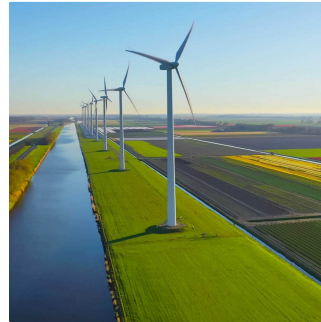
Employment & job creation across Europe

April 2025

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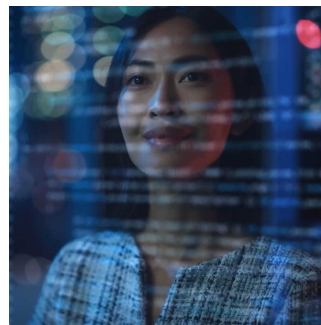
Note: Private equity in this report encompasses: Buyout, Generalist, Growth, Mezzanine, and Venture Capital.



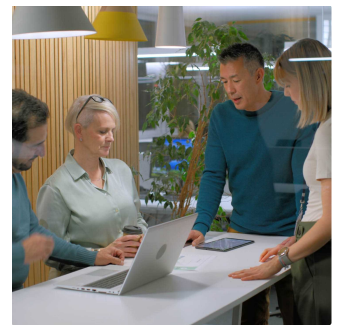
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From the CEO



“Private equity and venture capital firms are focused on growth, and in that objective, people are an essential asset.”

Eric De Montgolfier CEO

11.2 million

employees worked in private equity-backed European companies in 2023.

More than the populations of



Czech Republic
10.9 million



Sweden
10.5 million

Source: EDC / Eurostat

5%

of the 240 million people in Europe's workforce were employed by private equity-backed European companies in 2023.

Source: EDC / Eurostat / UK ONS

For the sixth successive year of Invest Europe's Private Equity at Work report, private equity and venture capital backed companies created jobs far in excess of the overall European economy. Companies in our universe increased employee numbers by 5% in 2023, well ahead of the 1% growth seen across all businesses.

2023 was a year - like many in recent history - marked by economic uncertainty. High inflation and rapidly rising interest rates were fierce headwinds. However, companies backed by private equity and venture capital doubled down on their commitments to people. Our data shows that, businesses created 339,149 jobs in 2023 and roughly equivalent to the working population of the greater city of Bilbao. Venture-stage companies added 9% more jobs, while buyout-stage businesses added 5% more staff.

There was not one stage of European private equity and venture capital that did not witness employment growth far ahead of that benchmark, nor one region of Europe where the industry's investments did not beat the regional growth rate, or in some cases its contraction. This unequivocally says that, in the drive to build better businesses, private equity and venture capital firms are focused on growth - and see people as instrumental to that growth.

And, as previously stated, every region created positive employment growth at multiples of what the local market achieved - from 8.4% employment growth in Southern Europe to 4.7% in the UK & Ireland. The impact of private equity and venture capital commitment is clear - and inspiring.

Growth is being created in companies that will drive European sustainability, technological sovereignty, and improvements in health. The Energy & Environment sector was the fastest-growing sector for employment in 2023, adding 9.5% more jobs, while Information & Communications Technology (ICT), the third-largest sector overall, added 5.8% jobs.

Growth is a powerful lever for European development. But so is scale, and European private equity and venture capital is showing that it has reach and influence across Europe. Companies backed by our industry employed 11.2 million people at the end of 2023 - more than the entire population of Sweden. Over 3 million are employed in both Business Products & Services, and Consumer Products & Services - and more than 1.6 million in ICT industry and over 1.3 million in Biotech & Healthcare - indicating huge pools of talent to drive innovation and growth.

Since we created this report six years ago, the debate - and the priorities - have evolved. More and more, we are talking about private equity and venture capital in terms of job creation, long-term value creation, and indeed strategic priorities. This industry is an ally to European strategic goals, providing companies with the investment, people, and skills to ensure that Europe has a stronger and more sustainable future.

Eric De Montgolfier
Chief Executive Officer

Overview

Private equity is present in every region and major business sector across Europe. This is an industry that is woven into the economic and social fabric of Europe, producing the goods and services that people demand - and driving the creation of high-value jobs, prosperity and sustainable growth in the process.

In this section, you can read about the industry's real contribution to employment and job creation, and the far-reaching impact this has on the people, societies and economies of Europe.

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The facts

Employment and job creation



Employment 2023

11.2 million

5%

employees worked in private equity-backed European companies

of Europe's total 240 million workforce
Source: EDC / Eurostat / UK ONS

Employment

Private equity is a cornerstone of the European economy present in every region and every major business sector across the continent. From technology and life sciences start-ups to manufacturing small and medium-sized enterprises (SMEs) and large consumer-focused multinationals, private equity-backed companies create and support millions of high-value jobs driving prosperity and growth in the process. Private equity supports 11.2 million jobs in European companies, making it a major employer in most industry sectors.

28,610

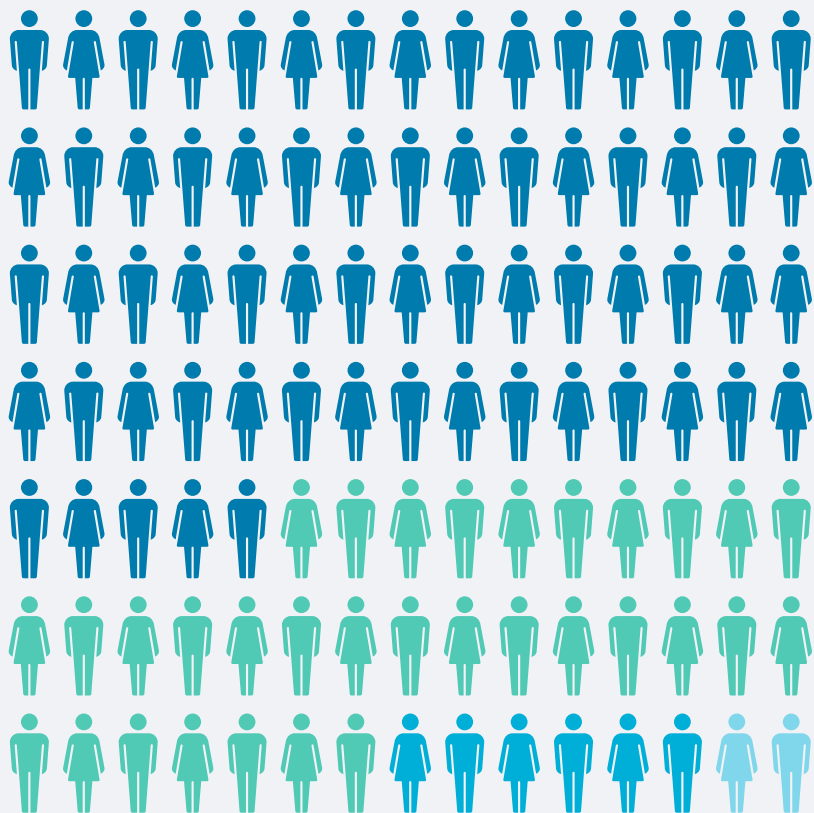
companies in Europe backed by private equity in 2023 across all industry sectors and all regions

21,536

of which were SMEs employing 1,042,013 people

Note: Employment data is based on an extrapolation of a sample of 17,586 portfolio companies

Employment by portfolio company stage



Jobs in Buyout stage companies
6,952,668

Jobs in Growth stage companies
3,404,799

Jobs in Venture stage companies
634,313

Other*
214,396

+ See **By portfolio company stage** section for full analysis

* Other includes Turnaround/Rescue and Replacement capital

Job creation

Private equity builds successful businesses. Successful businesses invest more in growth. And growth leads to job creation.

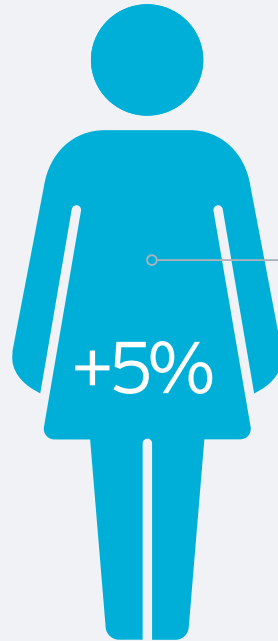
+339,149

net jobs were created by private equity-backed companies in 2023, a figure roughly comparable to the working population of the greater city of Bilbao, Spain

Source: EDC / Eurostat

+ See **By type of private equity firm** section for full analysis

Job creation 2022-23



Job creation of +5% in private equity-backed companies in 2023

VS.



+1%

This compares to the +1% seen in European companies overall

Job creation by type of private equity firm

All stages of private equity are contributing to job creation. In 2023, Venture firms recorded the highest job creation rate: +6% (+31,252 people). Typically backing larger companies, Buyout firms increased employment in theirs by 216,779 (+5%).

+6%

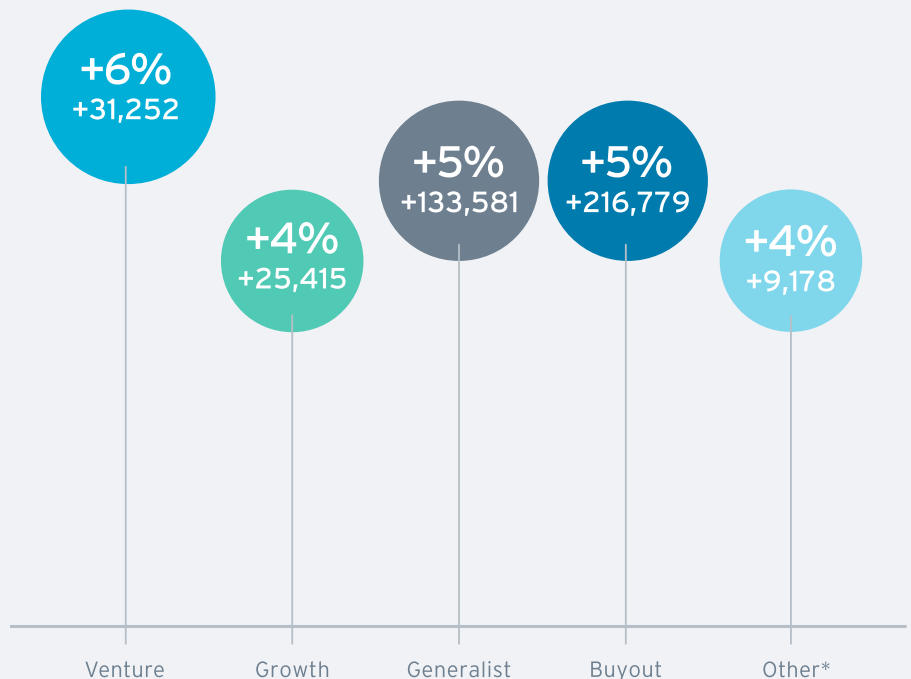
net jobs created by private equity-backed SMEs in 2023

+ See **By portfolio company size** section for full analysis

Note: Job creation on portfolio companies in Europe active and backed by private equity as of end of 2023.

Job creation 2022-23

By type of private equity firm



The impact

Private equity isn't niche, it is a cornerstone of the European economy and an integral part of its society.

It touches and supports the daily lives of workers, consumers and savers. It reflects the way we all live, work and prepare for the future.

Successful businesses create new jobs. In doing so, they put money in employees' pockets. Those employees spend their money on goods and services, fuelling more business growth. Those businesses become more successful, creating even greater numbers of new jobs.

Job creation also leads to more savings. New employees entrust money for their future to pension funds and insurers. Those pension funds and insurers commit a portion of that money to private equity. And private equity ensures that money grows by investing it to building successful businesses.

Employment is the glue that holds economies together. And private equity has an essential role – and a keen interest – in ensuring that it sticks.



This is Invest Europe's sixth yearly report providing detailed evidence and analysis of private equity's positive contribution to employment and job creation in European companies.

€576 billion

invested by private equity in companies located in Europe from 2019 to 2023

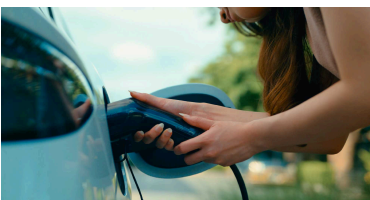
Sector highlights

Energy & Environment

402,039 employees
+21,397 new jobs



+9.5%

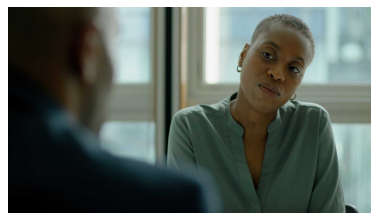


Financial & Insurance Activities

373,832 employees
+15,599 new jobs



+7%

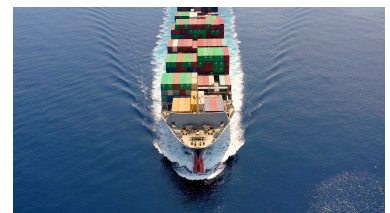


Transportation

419,868 employees
+16,141 new jobs



+6%





Fuelling innovation

Private equity invests in innovation and innovation drives the creation of new jobs. Start-ups and SMEs of today will become the international success stories of tomorrow, employing thousands of workers across Europe and beyond.

Building successful businesses

Private equity creates successful companies by delivering the goods and services that consumers and other businesses want. The money customers spend supports future investment in growth and employment.

Supporting savers

Private equity invests money on behalf of pension funds and insurers. The profits the industry makes from growing businesses is shared with pensioners and savers, providing them with the means to support themselves in old age.

Contributing to society

Private equity backs businesses in cities, towns and regions across Europe. When turned into success stories, those companies sustain employment directly and indirectly in local communities.

Elevating sustainability standards

Private equity focuses on sustainability to make companies more valuable over the long term.

€213 billion

committed directly by pension funds and insurance companies to European private equity from 2019 to 2023

About this report

This sixth edition of our Private Equity at Work report continues to improve data coverage on employment in European portfolio companies backed by private equity firms. The report draws data from all European portfolio companies backed by any private equity firm. Information was either collected directly from GPs through the European Data Cooperative, or via trusted third-party sources.

The result is a job creation universe of 14,934 portfolio companies this year, as well as employment data drawing from a sample of 17,586 (allowing for extrapolation to a full universe of 28,610 companies).

As Invest Europe continues to collect data on a yearly basis, the longitudinal aspects of the work begin to bear more fruit. For this reason, the final section features a splitting out of the study of job creation in European portfolio companies from the end of 2017 to the end of 2023. This section provides more context to the shorter timeframe job creation study found in the main body of the report, and allows for a more nuanced view of the effect of private equity ownership over time.

As we continue - year-on-year - to improve data coverage, we advise readers not to compare data points in this report with previous reports. Additionally, we always encourage use of data points found in the latest available version of the report in this series.

Invest Europe prides itself on being transparent about how it reaches its conclusions. We invite all readers to consult our methodology at the end of this report and encourage further queries or feedback on our work to the Research team.

Sample, universe & methodology

Private Equity at Work aims to replace anecdote and rumour with verified facts and data. And broaden isolated examples of employment activity at companies into an industry and Europe-wide story.

This report is based on data collected via the European Data Cooperative directly from 238 GP data contributors based in 28 European countries and active across the continent. Our researchers supplemented those figures with information from annual reports, Bureau van Dijk and a variety of other sources, including websites and press releases. The data was collected and reviewed by Invest Europe and PEREP Analytics.

The research focuses on the number of people employed by private equity-backed companies in Europe and how many jobs these companies have created in 2023. The goal is to create as accurate a picture as possible of private equity's role as an employer and job creator across Europe.

Employment sample size

17,586

portfolio companies studied of which

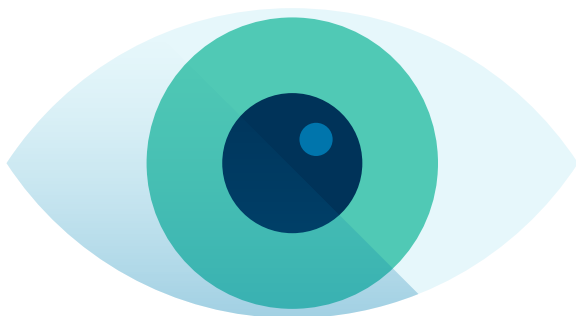
14,225

were SMEs (2023 categorisation)

34%

of data came from third parties (annual reports, Bureau van Dijk, other public sources)

+ See **Methodology** section for full methodology



238

submissions from GP data contributors

Based in

28

European countries

Members active between

2022-2023

Employment

Employment figures refer to the number of employees at private equity-backed companies at the end of 2023. It comprises full-time equivalents, including only those working full or part-time and who have an employment status with the company.

The employment data is drawn from a sample of 17,586 portfolio companies headquartered within Europe (14,225 of which are SMEs). To estimate employment at the European level for this report, we extrapolated¹ the sample to cover the 28,610 private equity-backed portfolio companies considered active in 2023 in Europe. Three extrapolation scenarios were produced. We selected scenario two² as being a conservative enough, sensible and reasonable approach to fairly estimate employment figures at a European level. Figures based on that second scenario are the ones shown throughout this report.

Job creation

Job creation figures³ were produced using a sample including only those portfolio companies headquartered in Europe active and backed by GPs as of the end of 2023. This sample includes 14,934 portfolio companies (11,877 of which were categorised as SMEs in 2023) backed by 2,672 firms.

No extrapolation was performed to the European universe level for the job creation figures. The data is presented in 'net' form, including both job losses and job creation.

To most accurately represent job creation in 2023, inorganic growth - employment increases coming from add-on transactions, or decreases coming from carve-out transactions - was disregarded⁴. Further, we conducted extensive auditing which resulted in the addition of 514,798 employees but also the removal of 377,527 employees from the data. As with employment figures, data was reported at year end. The data includes only those who work full or part-time and have an employment status with the company, and excludes jobs as couriers or contractors.

Job creation sample size

14,934

portfolio companies
studied of which

11,877

were SMEs
(2023 categorisation)

35%

of data came from third
parties (annual reports,
Bureau van Dijk, other
public sources)

+ See **Methodology** section
for full methodology

Notes

1. Through segregation of the known sample into 624 categories based on location of portfolio company, sector, and latest stage of investment. See full methodology for details.
2. Involving application of corrected average (excluding maximum employment value in a category from calculated average if value represents more than 60% of the corresponding category total) of known sample (once segregated into 624 categories) to unknown European universe portfolio companies. See full methodology for explanation of all scenarios.
3. See full methodology for explanation of all scenarios.
4. As a result an increase of 121,019 jobs from 2022-2023 was excluded from the analysis.

Employment & job creation

Most people come into contact with a product or service from a company backed by private equity every single day.

From food and clothing to apps and computer software, private equity is more ingrained in the European economy than people may realise. All those goods and services are the direct result of investment by private equity in companies, and hard work by people employed by those companies. Private equity's contribution to the European economy and society is a story of supporting innovation, growth and job creation.

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Employment & job creation

By type of private equity firm

How many people do private equity-backed businesses employ?

Private equity firms investing in companies around Europe employed **11.2 million people in 2023**. That's 5% of the continent's entire active workforce*, or to look at it another way, **more than the entire population of Czech Republic**.

Our study found that over 28,610 companies across Europe are backed or owned by private equity, and that **employment in the studied companies for job creation increased by 5% in 2023** – outperforming the wider market's growth of 1%. This highlights the ability of private equity firms to grow businesses even under difficult market conditions.

Private equity-backed businesses span all sectors, from agriculture and biotech to communications, technology and transportation. Private equity is deeply rooted in every region and every industry in Europe. It is a cornerstone of the European economy.

11.2 million

employees worked in private equity-backed European companies in 2023

5%

of Europe's total 240 million workforce work in private equity-backed European companies

Source: EDC / Eurostat / UK ONS

* EDC / Eurostat / UK ONS

Employment

In 2023 private equity firms employed 11.2 million staff. This is roughly half of the total employment in Italy (22.8 million).

Buyout

Buyout firms supported **5.7 million jobs** at 4,536 companies in Europe. In other words, **around half of all jobs** supported by the private equity industry and more than the working population of Sweden (5.1 million).

Generalist

Generalist firms backed 11,985 active portfolio companies, more than twice as many as buyout firms, and supported **5.1 million jobs**.

Venture capital

Venture capital firms supported **988,483 jobs** at 13,524 mainly SMEs in Europe. This is around 9% of private equity employment, but **venture capital supports around 47% (13,524)** of the total number of companies backed by the industry.



28,610

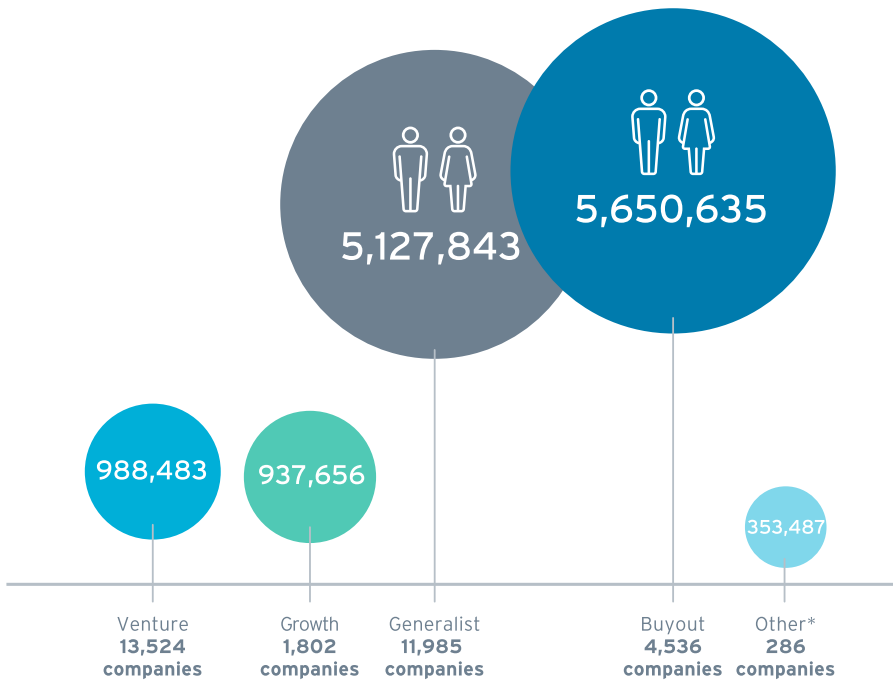
companies in Europe backed by private equity in 2023, across all industry sectors, and all regions



11.2 million employees working in PE-backed companies: 5.7 million jobs supported by Buyout firms, 5.1 million by Generalist firms, almost 1 million by Venture capital firms.

Total employees working in private equity-backed European companies 2023

By type of firm



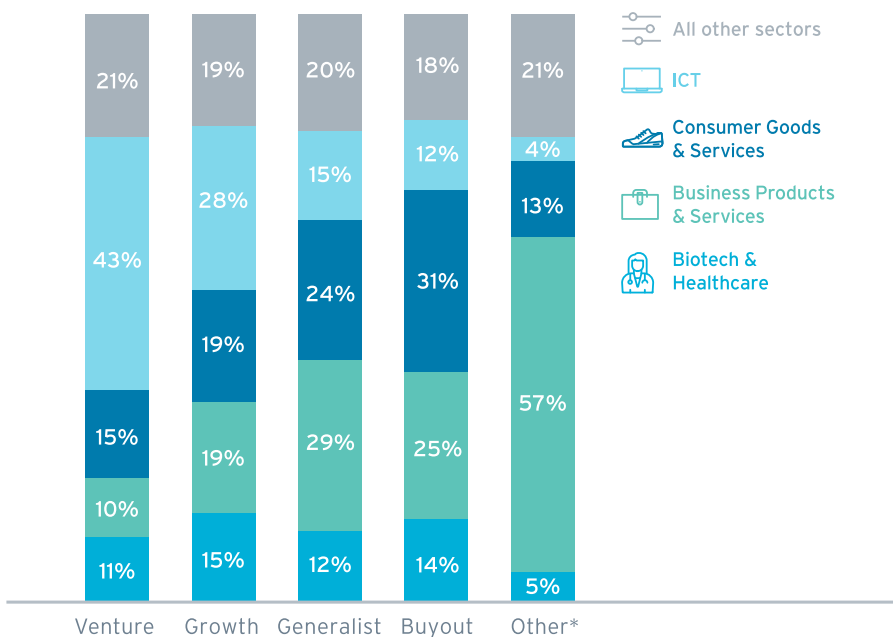
Note: In this analysis, the Venture, Growth, Generalist and Buyout categories refer to the type of private equity firm. In the next analysis, the categories Venture, Growth and Buyout refer to the portfolio company stage. Although the category names are the same, the underlying data points are not comparable.

* Other includes Mezzanine & Turnaround/Rescue

Total sums to more than 11.2 million jobs since a company can be backed by multiple firms with different investment strategies.

Sector split, total employees working in private equity-backed European companies 2023

By type of firm

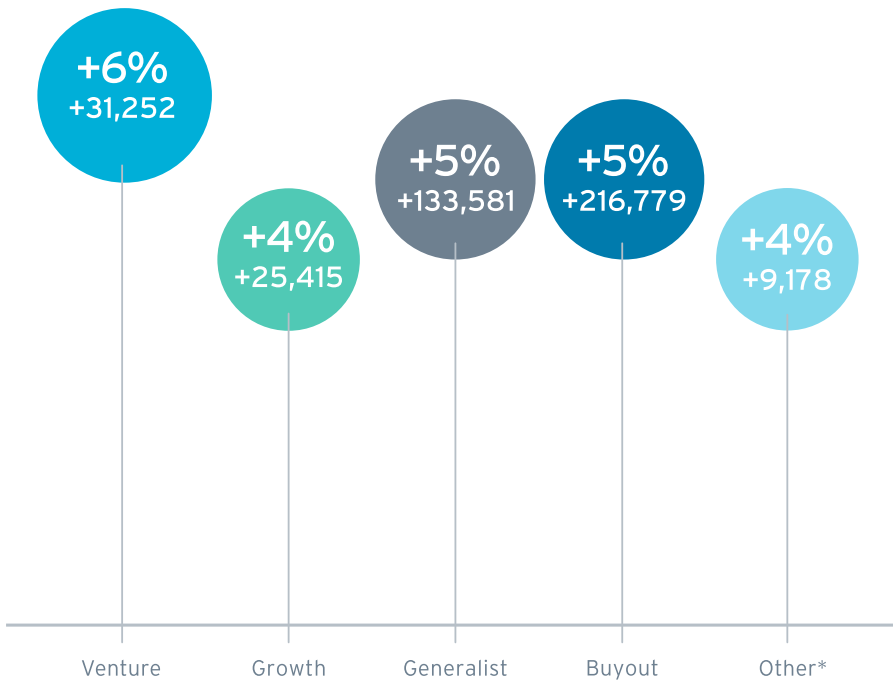


When split by sector of employment, it can be seen that there is increased importance of companies in ICT sector for Venture firms (43% of total), and for Growth firms (28%), whereas for Buyout firms Consumer Goods & Services is by far the most important sector (31%).

* Other includes Mezzanine & Turnaround/Rescue

Job creation 2022-23

By type of firm



* Other includes Mezzanine & Turnaround/Rescue

+5%
net job creation in private equity-backed companies in 2023

vs.

+1%
overall European market's growth in 2023.
Source: Eurostat / UK ONS

Note: In this analysis, the Venture, Growth, Generalist and Buyout categories refer to the type of private equity firm. In the next analysis, the categories Venture, Growth and Buyout refer to the portfolio company stage. Although the category names are the same, the underlying data points are not comparable.

Job creation

Private equity-backed companies increased employment by 5% in 2023. That is impressive considering uncertainty during the year, and compares well to the +1% job growth seen in businesses overall across Europe.

Venture

Out of the 14,225 portfolio companies of our study, 6,883 were backed by Venture Capital firms and they experienced the highest overall growth rate: almost **6% increase** in employment between 2022 and 2023, representing a net creation of **31,252 jobs**. Companies in the energy and environment sector backed by Venture Capital experienced the highest total growth rate (22%).

Growth

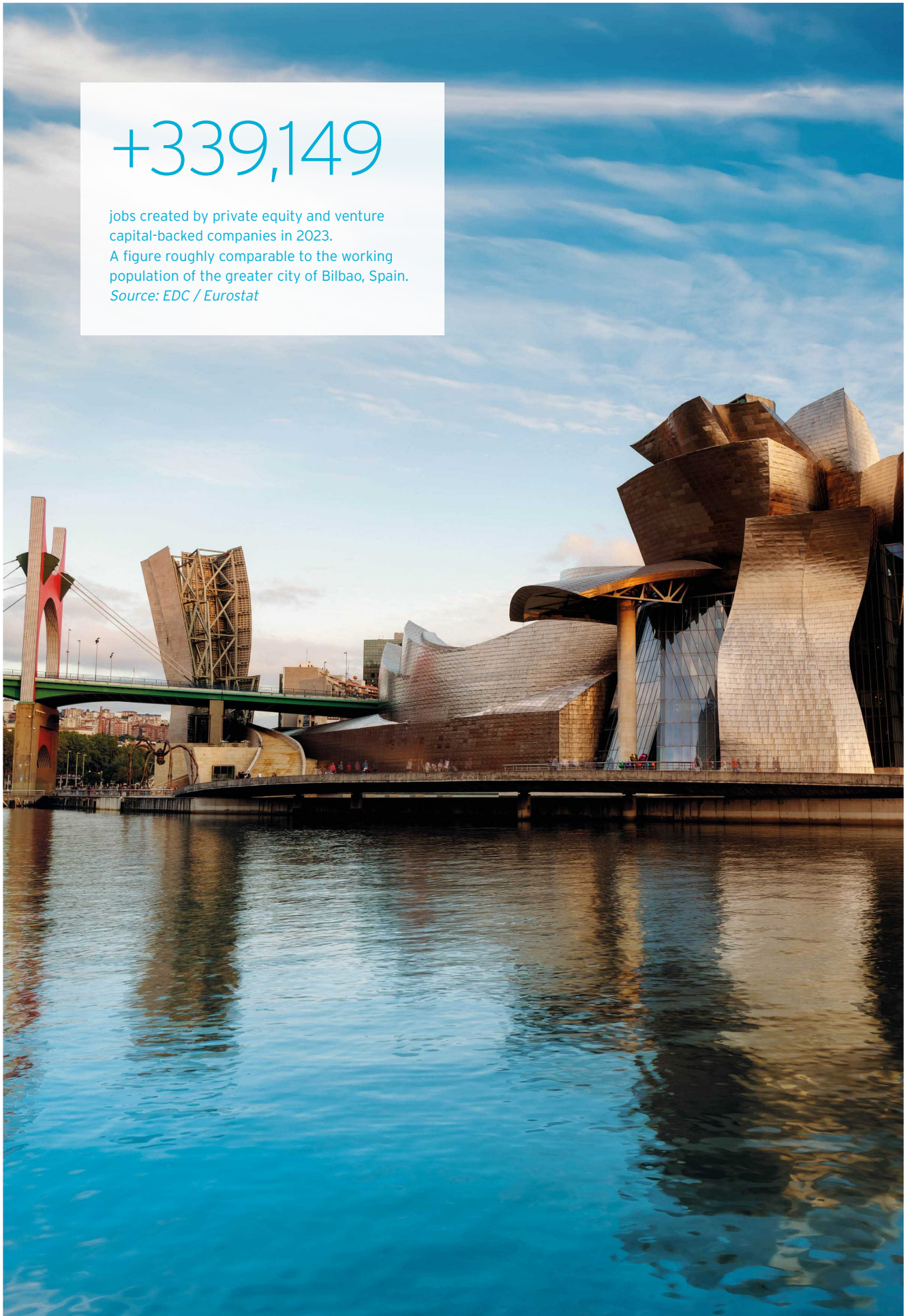
With a relatively small sample of 1,022 portfolio companies, Growth firms backed the creation of **25,415 jobs**, representing a **4% growth rate**. For Growth backed companies, those in the consumer goods and services sector experienced the highest growth rate (6%).

Buyout & Generalist

Typically backing larger companies, Buyout and Generalist firms both saw **job growth rates of +5%**. From 2022-2023 these two backers saw net increases in employment of **+216,779 and +133,581** respectively. Energy and environment companies backed by Buyout and Generalist firms experienced the highest growth rates (**7% and 12%** respectively).

+339,149

jobs created by private equity and venture capital-backed companies in 2023.
A figure roughly comparable to the working population of the greater city of Bilbao, Spain.
Source: EDC / Eurostat



Employment & job creation

By portfolio company stage

How does private equity support jobs at different stages of a portfolio company's growth?

Private equity invests in businesses of all different shapes and sizes, from the smallest seeds of an idea to the largest multinational corporations.

Employment

Private equity not only selects the companies most likely to grow and succeed, but also gives them the investment, support, business contacts and tools they need to achieve their full potential at all stages. This active investment management by private equity firms supercharges job creation as the portfolio company grows.

Venture stage portfolio companies

There were 15,554 venture capital-backed portfolio companies in Europe in 2023, employing roughly 634,300 staff. That's 54% of all companies backed by private equity, and about 6% of the private equity-backed workforce in European companies.

Growth stage portfolio companies

There were 6,990 portfolio companies in a Growth stage backed by private equity, with a total of 3.4 million employees. That's 24% of all companies backed by private equity in Europe and 30% of the overall private equity-backed workforce.

Buyout stage portfolio companies

We studied employment at 5,536 portfolio companies at the Buyout stage of investment, which is 19% of the total number of European companies backed by private equity. These businesses employed 7 million staff, which is 62% of all jobs supported by private equity in Europe.

Job creation

The overall job creation trend by portfolio company stage broadly follows the same pattern seen in the previous analysis by type of private equity firm - companies at the venture stage experienced a higher employment growth rate than the later stage companies in the sample.

Venture stage portfolio companies

Seed, start-ups and later stage venture companies (almost exclusively SMEs by size), experienced the highest level of growth. During 2023, these **6,971 venture stage portfolio companies created 27,036 jobs**, accounting for almost 9% job creation rate.

Growth stage portfolio companies

Growth companies experienced a 4% job creation rate, adding **82,761 new jobs**, 24% of the total jobs created by private equity.

Buyout stage portfolio companies

Portfolio companies in a Buyout investment stage created a total of **223,016 new jobs**, a 5% job creation rate, and representing **66% of the total** new jobs created by private equity across European companies.

Note: In this analysis, the Venture, Growth and Buyout categories refer to the portfolio company stage. In the previous analysis, the categories Venture, Growth, Generalist and Buyout refer to the type of private equity firm. Although the category names are the same, the underlying data points are not comparable.



7 million

people employed by private equity-backed companies that are at a **Buyout** investment stage

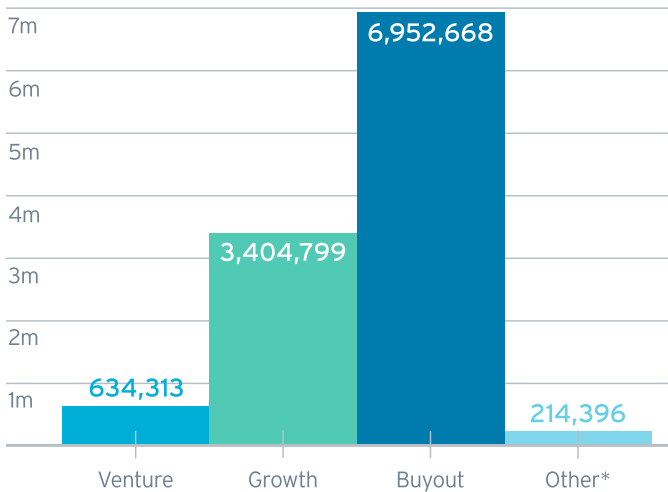
3.4 million

people employed by private equity-backed companies that are at a **Growth** investment stage

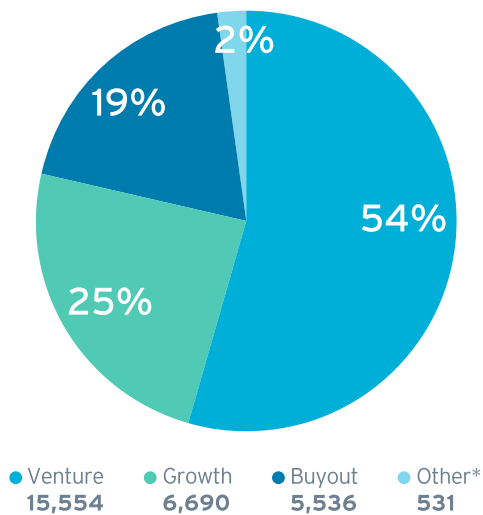
5. According to the latest investment stage into the portfolio company



Employment 2023 By portfolio company stage

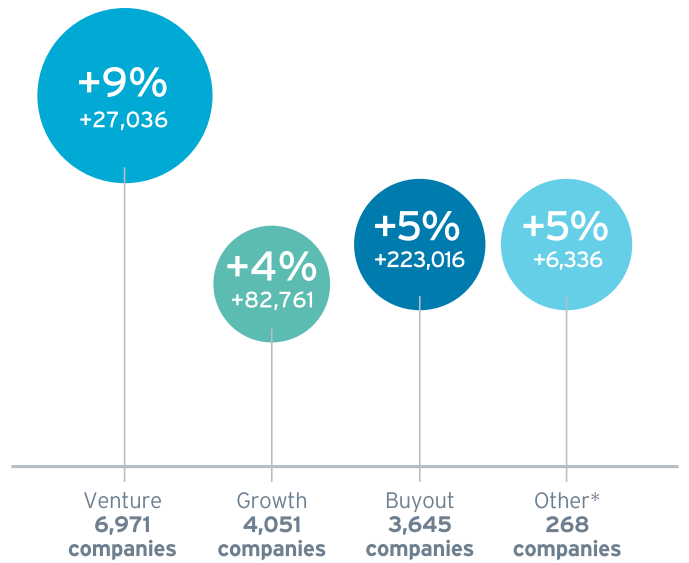


Number of portfolio companies in sample



Job creation 2022-23 By latest investment stage

Companies backed by private equity as of end of 2023



Q In terms of job creation between 2022 and 2023, buyout companies grew by 5% only, although they created the highest number of jobs in this period among all stages (223,016). Venture companies grew the most (+9%), creating 27,036 new jobs.

* Other includes Turnaround/Rescue and Replacement capital

Employment & job creation

By portfolio company sector

How does private equity support jobs across industry sectors?

When companies with growth potential need investment and expertise to enable them to expand or develop, private equity is almost always on hand. That’s why private equity is found investing in every major industry and business sector across Europe.

In addition to financial backing, private equity helps its portfolio companies to improve operations, upgrade their offer, boost sales and drive profits – all of which fuel company growth and job creation.

Our study shows that four industry sectors represent more than 80% of all private equity-backed employment in European companies.

Employment

Private equity-backed companies in the **Business Products & Services** sector employ more than 3 million people, which is 27% of total private equity-backed European company employment.

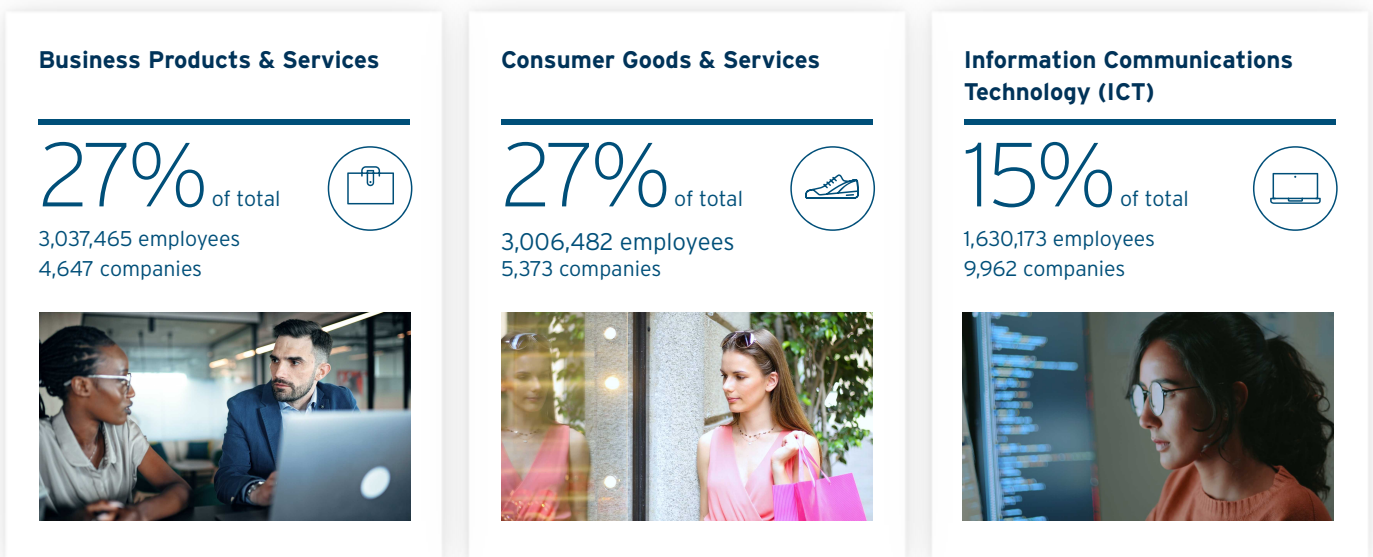
This is closely followed by private equity-backed **Consumer Goods & Services** companies, also employing 3 million people (27%).

Following that are **Information Communications Technology (ICT)** which employs more than 1.6 million people or 15%, and **Biotech & Healthcare** which employs almost 1.4 million people or 12%.

Our research shows that companies backed by private equity in these four sectors employed more than 9 million people in 2023, across roughly 24,000 companies in Europe.













Top 3 sectors

European private equity-backed employment



Private equity-backed company employment 2023

By sector

	Number of companies	Number of employees		Number of companies	Number of employees
 Business Products & Services	4,647	3,037,465	 Construction	585	396,332
 Consumer Goods & Services	5,373	3,006,482	 Financial & Insurance Activities	1,177	373,832
 Information Communications Technology (ICT)	9,962	1,630,173	 Agriculture	324	214,015
 Biotech & Healthcare	3,716	1,360,623	 Chemicals & Materials	458	135,969
 Transportation	579	419,868	 Real Estate	278	70,025
 Energy & Environment	1,371	402,039	 Other	140	159,355



SUCCESS STORY

Norled AS

Norled, one of Norway's leading marine transport companies, is spearheading the shift to renewable electric and hydrogen-powered vessels with significant investments in hybrid and zero-emission technology, aiming for a mostly carbon-free fleet within the next decade.

1,000

staff members

View more [success stories](#)View [Norled success story](#)

Job creation

This year saw positive job growth in all sectors, in a range of 0.4%-9.5%. In the last two years, Energy & Environment companies have been growing more, reaching a growth level of 9.5%. The next closest sector to this were those in the Financial & Insurance Activities sector, which saw overall growth of 7%.

For the first time in 2023, companies in the Transportation sector are among the top 3 in terms of growth (6%). On the other hand, job growth rate for ICT and Biotech & Healthcare decreased compared to the last two years: 5.8% and 5.5% respectively. In absolute terms, Consumer Goods & Services, Business Products & Services and ICT created the most jobs: +86,872, +79,795 and 54,292 jobs respectively.

Remarkable is also the number of jobs created by Biotech & Healthcare in 2023: +48,913 jobs.

Whatever the economic backdrop and whatever the sector, private equity's focus remains the same - making stronger, more profitable and more successful businesses. And, as a result, those businesses invariably need more employees.

Across all sectors, private equity's job creation rate of +5% stacks up very well against the +1% in the wider European market.

Source: EDC / Eurostat / UK ONS



In 2023 the 3 sectors that had the highest job growth rate were Energy & Environment (9.5%), Financial & Insurance activities (7%), and Transportation (6%). However, the 3 sectors that created the most jobs in absolute terms were Consumer Goods & Services (86,872 jobs), Business Products & Services (79,795 jobs), and ICT (54,292 jobs).

Note: In this analysis, we excluded sectors for which the number of portfolio companies was low (under 100 companies)

Top 3 sectors

European private equity-backed job creation (in terms of growth rate)

Energy & Environment

+9.5%



+21,397 new jobs

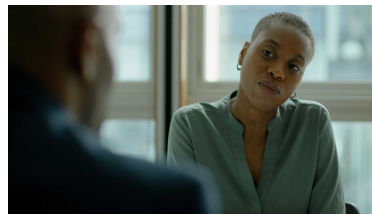


Financial & Insurance Activities

+7%



+15,599 new jobs

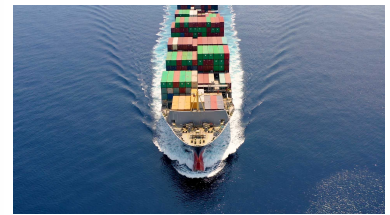


Transportation

+6%

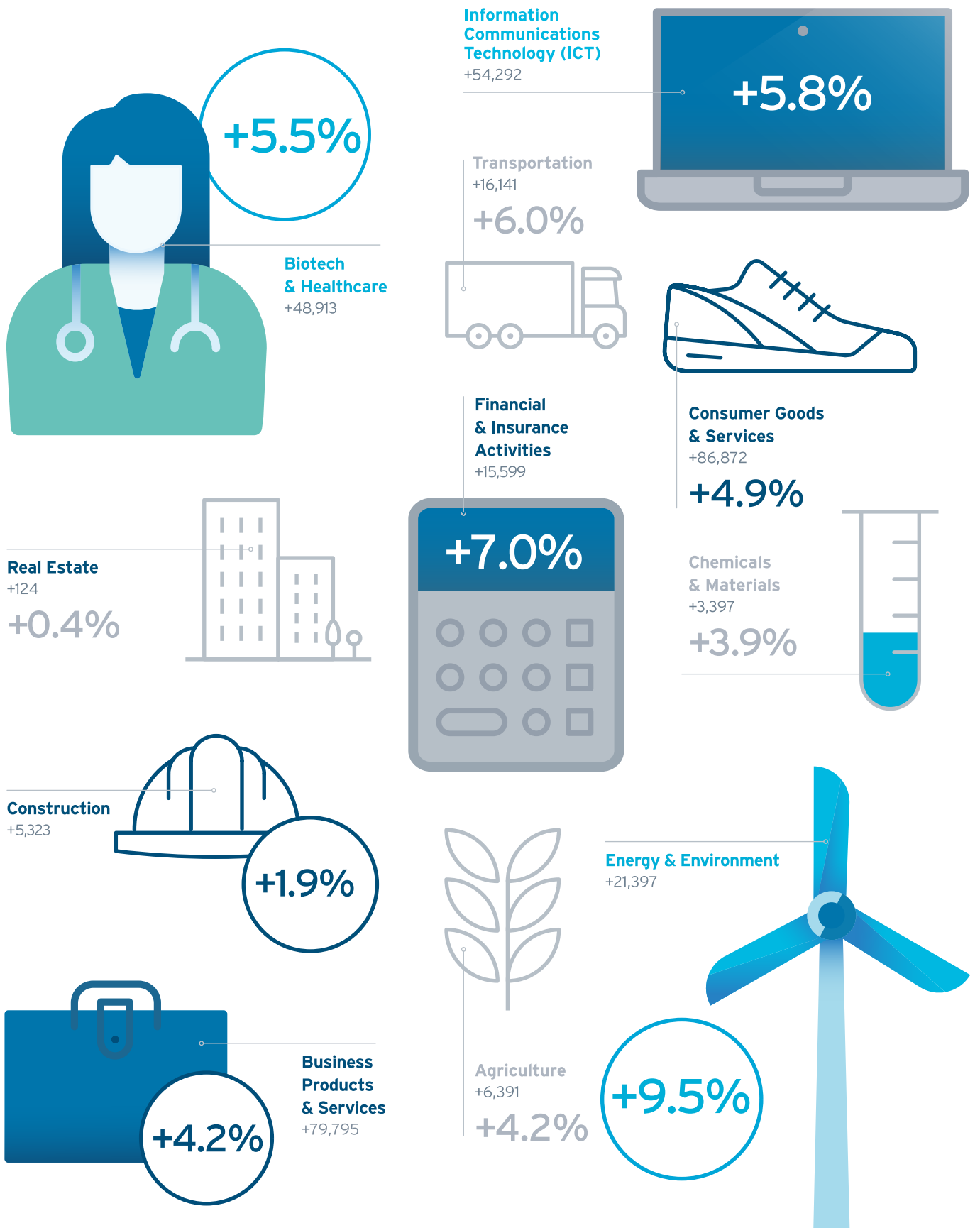


+16,141 new jobs



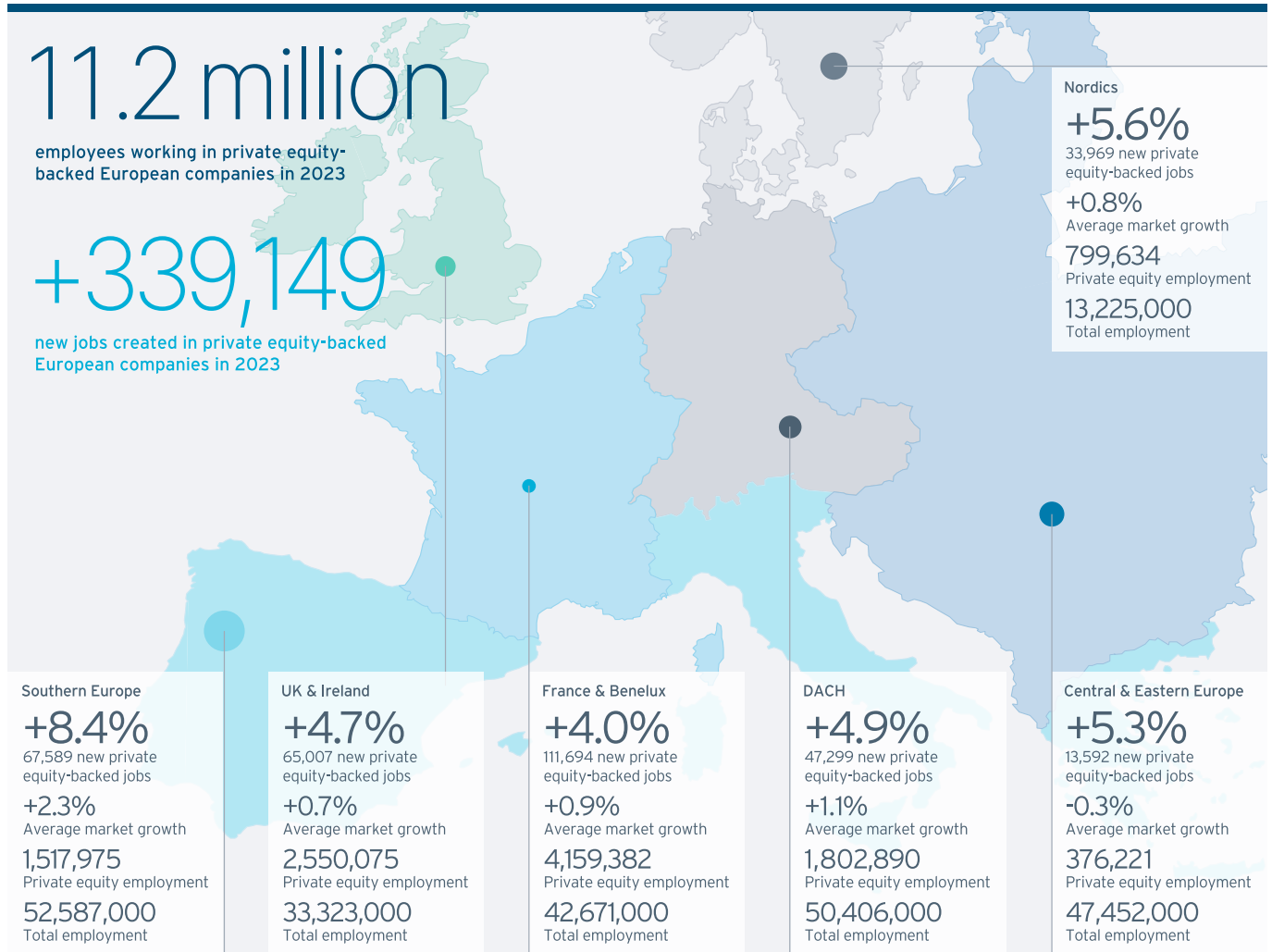
Private equity-backed job creation 2022-23

New jobs by portfolio company sector



Employment & job creation

By portfolio company geography



European job creation 2022-23

Region	Job creation 2022-23
Central & Eastern Europe	
Baltics	+8.3%
Bulgaria	+5.3%
Czech Republic	+8.8%
Hungary	+5.4%
Poland	+2.4%
Romania	-6.2%
Ukraine	+22.5%
Other CEE*	+6.3%
DACH	
Austria	+2.6%
Germany	+3.9%
Switzerland	+8.8%
France & Benelux	
Belgium	+7.5%
France	+3.5%
Luxembourg	+1.5%
Netherlands	+5.3%
Nordics	
Denmark	+0.7%
Finland	+3.9%
Norway	+9.9%
Sweden	+6.9%
Southern Europe	
Greece	+6.1%
Italy	+9.0%
Portugal	+5.2%
Spain	+8.7%
UK & Ireland	
Ireland	+10.8%
United Kingdom	+4.6%
Other Europe**	+18.3%

* Bosnia - Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

**Cyprus, Iceland, Liechtenstein, Malta, San Marino, Vatican City

How does private equity support jobs across regional areas?

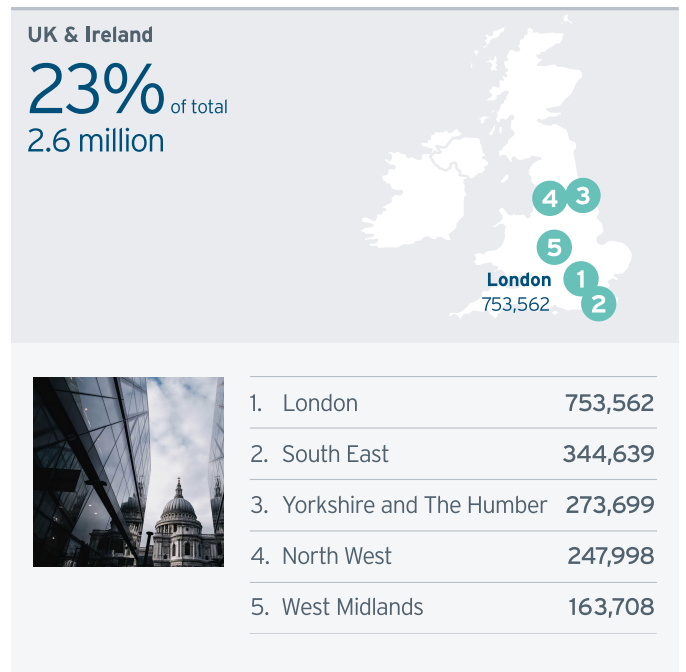
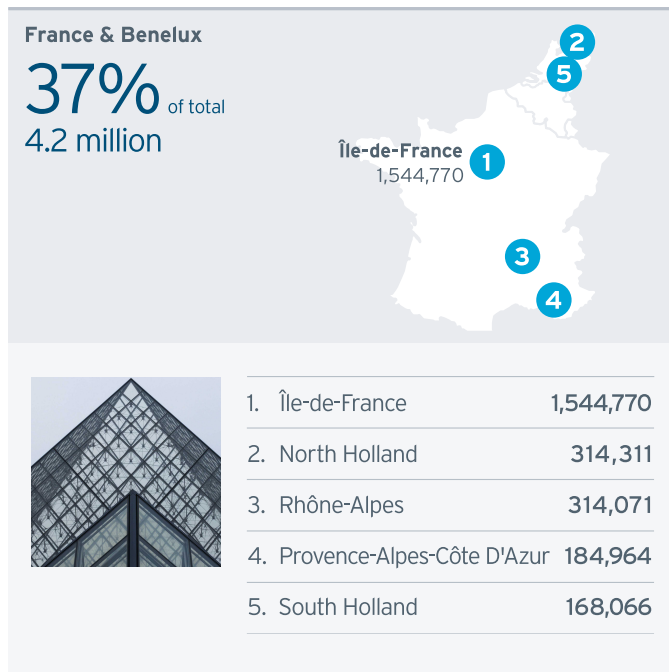
Wherever companies have potential, private equity can help supercharge their growth. As our research shows, private equity fuels expansion and employment in large, developed metropolitan areas, and in emerging cities and regions alike.

Employment

France & Benelux was the largest region for private equity-backed jobs. With almost 4.2 million people employed, the region accounts for about 37% of all private equity-backed jobs in European companies. The Île-de-France region accounts for just over 1.5 million private equity-backed jobs, making it the largest region in terms of private equity-backed company employment. With almost 2.6 million people employed by private equity-backed companies, **the UK & Ireland was the second most important region**. The region accounts for 23% of private equity-backed European company jobs. **The DACH region** follows with 1.8 million jobs, representing 16% of the total.

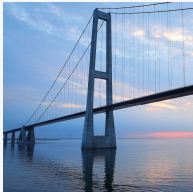
Top regional employment 2023

By region and sub-region



Nordics

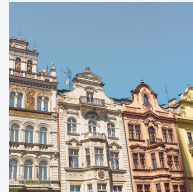
7% of total
0.8 million



1. Stockholm	213,435
2. Uusimaa	136,396
3. Oslo	91,161
4. Capital Region of Denmark	86,284
5. Rogaland	26,594

CEE

3% of total
0.4 million



1. Mazowieckie	43,253
2. Muntenia	26,176
3. Central Hungary	24,512
4. Prague	23,590
5. Malopolskie	22,604



Job creation

Private equity supports job creation in all areas of Europe. This analysis identifies Europe's job creation hotspots, where private equity-backed companies achieved the most growth.

By location of portfolio companies, **Southern Europe region was the one with the highest growth rate: 8.4% in 2023.** This was followed by the Nordics, with 5.6%. These two regions were the ones with the highest percentage growth last year too.

France & Benelux saw the highest net job creation in terms of totals, with almost 112,000 jobs created in 2023. This analysis reveals that private equity support is continuing to drive job creation growth at businesses across Europe, with some regions seeing significant levels of employment increases during the year.

+ See **Multi-year trend** section for more context on job growth over longer periods of time per region



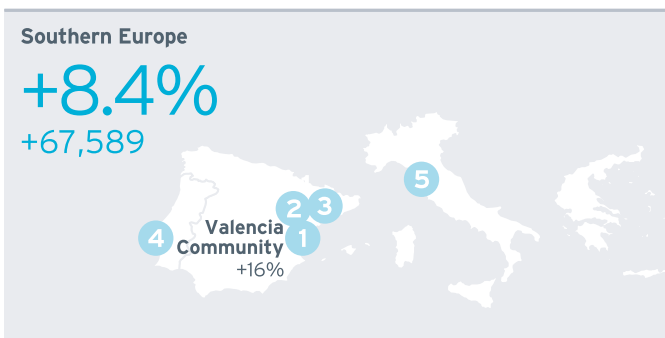
vs.



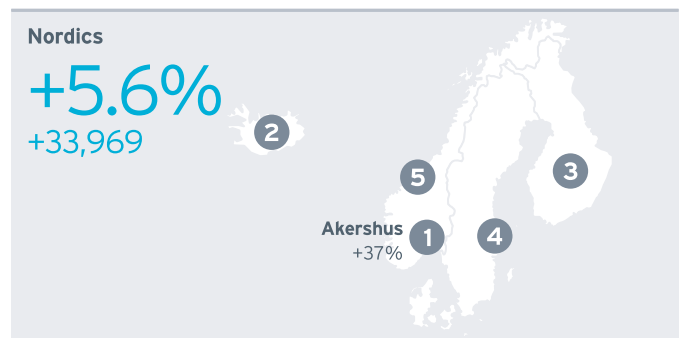
Note: Analysis excludes those sub-regions with less than 10 companies and less than 100 employees in 2023.

Top regional job creation 2022-23

By region and sub-region



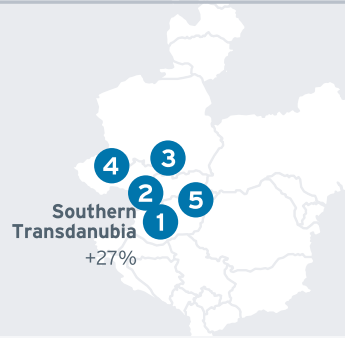
1. Valencian Community	+16%
2. Aragon	+13%
3. Catalonia	+13%
4. Lisbon	+13%
5. Tuscany	+12%



1. Akershus	+37%
2. Capital Region (Iceland)	+31%
3. Pohjois-Savo	+21%
4. Uppsala	+15%
5. Sør-Trøndelag	+12%

CEE

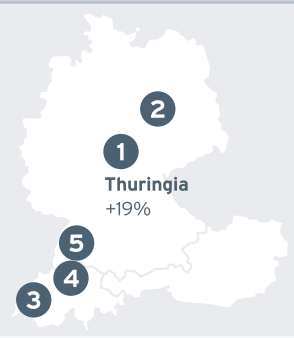
+5.3%
+13,592



- | | |
|--------------------------|------|
| 1. Southern Transdanubia | +27% |
| 2. Bratislava | +19% |
| 3. Slaskie | +16% |
| 4. Prague | +15% |
| 5. Northern Great Plain | +13% |

DACH

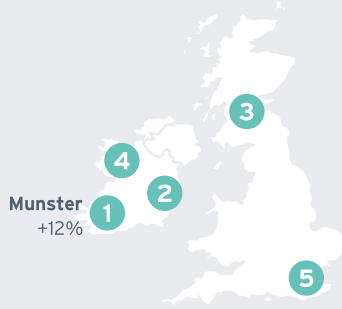
+4.9%
+47,299



- | | |
|-----------------------|------|
| 1. Thuringia | +19% |
| 2. Saxony-Anhalt | +13% |
| 3. Lake Geneva Region | +11% |
| 4. Zurich | +11% |
| 5. Baden-Württemberg | +7% |

UK & Ireland

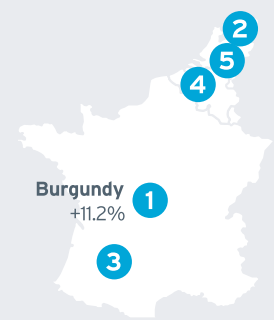
+4.7%
+65,007



- | | |
|---------------|------|
| 1. Munster | +12% |
| 2. Leinster | +11% |
| 3. Scotland | +9% |
| 4. Connacht | +8% |
| 5. South East | +8% |

France & Benelux

+4.0%
+111,694

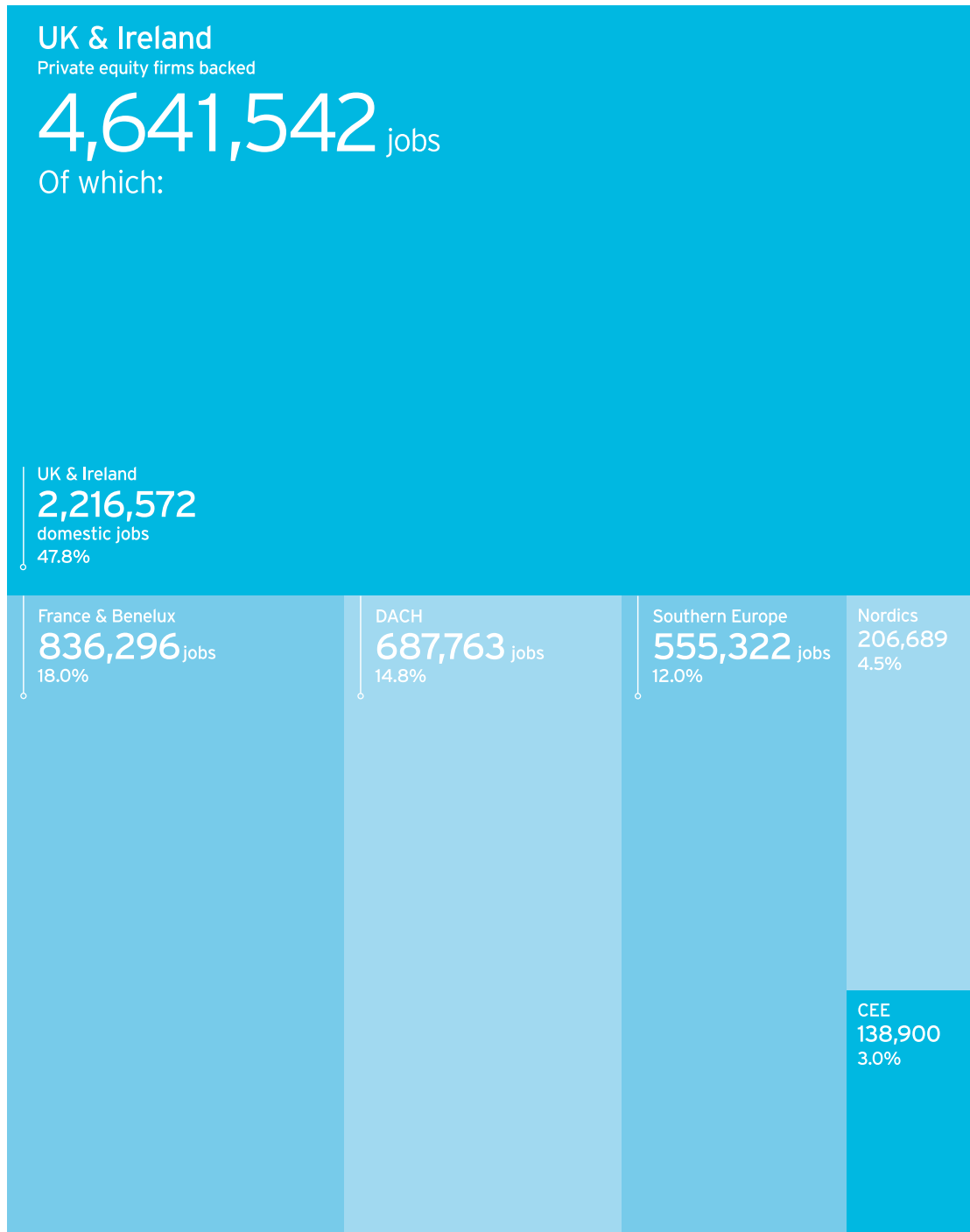


- | | |
|-------------------|------|
| 1. Burgundy | +11% |
| 2. North Holland | +8% |
| 3. Midi-Pyrénées | +8% |
| 4. Flemish Region | +8% |
| 5. Gelderland | +8% |

Employment & job creation – cross border

By investment firm and portfolio company geography

In the graphic below, we proportionally display cross border employment by location of private equity firms and portfolio companies. This demonstrates the jobs backed by private equity in a specific region, **domestically** and **abroad**.



CEE – Central & Eastern Europe
 F&B – France & Benelux
 UK&I – UK & Ireland
 SE – Southern Europe

France & Benelux

Private equity firms backed

4,448,967 jobs

Of which:

France & Benelux

3,474,291

domestic jobs

78.1%

DACH

342,284 jobs

7.7%

UK & Ireland

293,920 jobs

6.6%

Southern Europe

205,751 jobs

4.6%

Nordics

111,068

2.5%

CEE

21,653

0.5%

DACH

Private equity firms backed

1,149,497 jobs

Of which:

DACH

746,994

domestic jobs

65.0%

Southern Europe

Private equity firms backed

906,798 jobs

Of which:

Southern Europe

859,737

domestic jobs

94.8%

Nordics

Private equity firms backed

873,739 jobs

Of which:

Nordics

523,897

domestic jobs

60.0%

CEE

Private equity firms backed

240,218 jobs

Of which:

CEE

207,274 domestic jobs

86.3%

UK & Ireland
136,996 jobs
11.9%

France & Benelux
84,517 jobs
7.4%

Southern Europe
73,331
6.4%

Nordics
63,597
5.5%

CEE
44,062
3.8%

F&B
14,914
1.6%

DACH
12,726
1.4%

UK&I
9,906
1.1%

CEE
6,984
0.8%

Nordics
2,531
0.3%

DACH
200,306 jobs
22.9%

UK&I
73,892
8.5%

SE
13,602
1.6%

F&B
50,318
5.8%

CEE
11,274
1.3%

DACH
10,226 jobs
4.3%

Southern Europe
8,594 jobs
3.6%

UK & Ireland
6,390 jobs
2.7%

Nordics
6,347 jobs
2.6%

France & Benelux
1,389 jobs
0.6%

Employment & job creation

By portfolio company size

How is employment and job creation affected by company size?

In general, smaller companies achieve faster growth. But although larger companies grow at slower rates, the number of net jobs they create is far greater.

Of course job creation isn't only about size. It also requires the right product or service for the market, scalability, skilled management and suitable investment.

>1 million

people were employed in roughly

21,540

SMEs backed by private equity in 2023

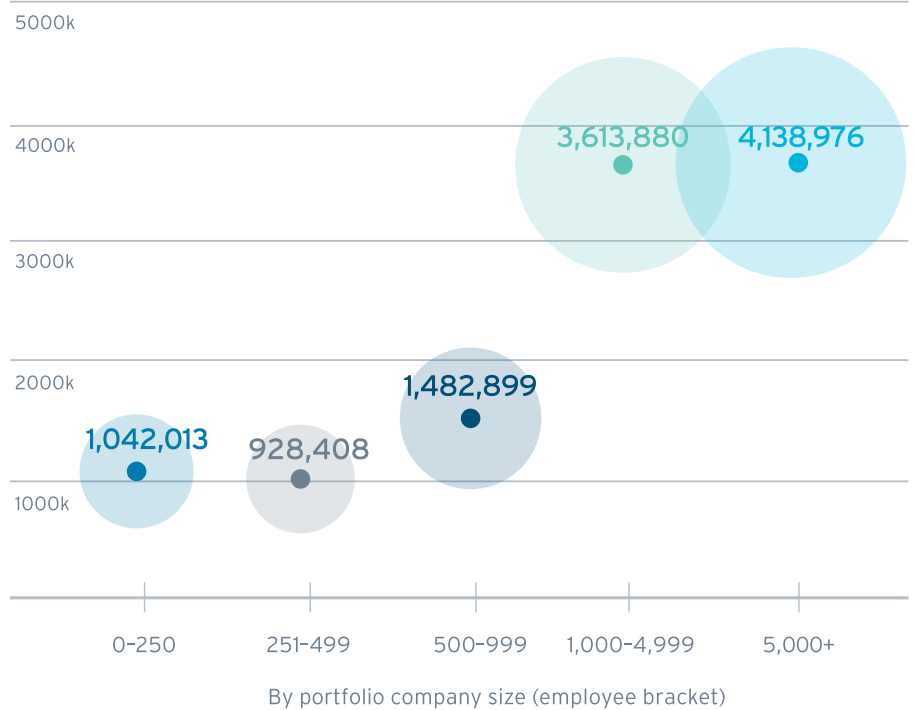
+ See **A focus on SMEs** section for SMEs analysis

Employment

Private equity specialises in active portfolio management, enabling companies to grow and create jobs, whatever their size. Once a portfolio company's market and growth potential are identified, private equity provides the support and investment to drive growth. When private equity, together with management teams and entrepreneurs get this right, companies of all sizes increase employment.

Employment 2023

By company size



2 million

employees in 2023 working in private equity-backed companies with <500 employees.

18% of all private equity-backed jobs, in 84% of portfolio companies.

9 million

employees in 2023 working in private equity-backed companies with >500 employees.

82% of all private equity-backed jobs, in 18% of portfolio companies.

Job creation

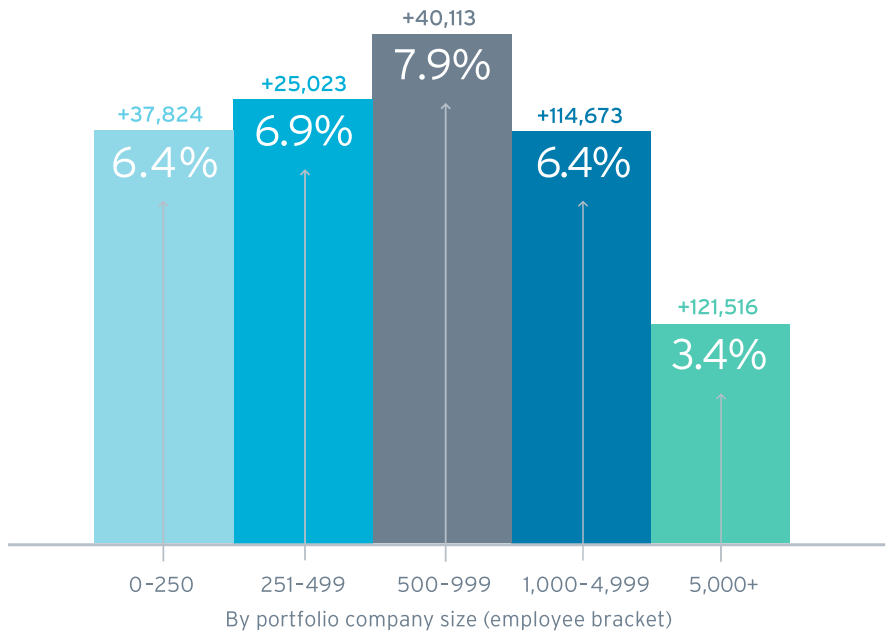
Companies with 500-999 employees experienced the highest employment growth rates between 2022-2023 (+7.9%). They were followed by companies with 251-499 and 0-250 employees, which saw a growth rates of 6.9% and 6.4% respectively. In absolute numbers, companies with 5,000+ employees created the most jobs: +121,516, followed by companies with 1,000-4,999 employees, which created 114,673 jobs in 2023.

+6.4%

more new jobs created by SMEs in 2023

Job creation 2022-23

By company size

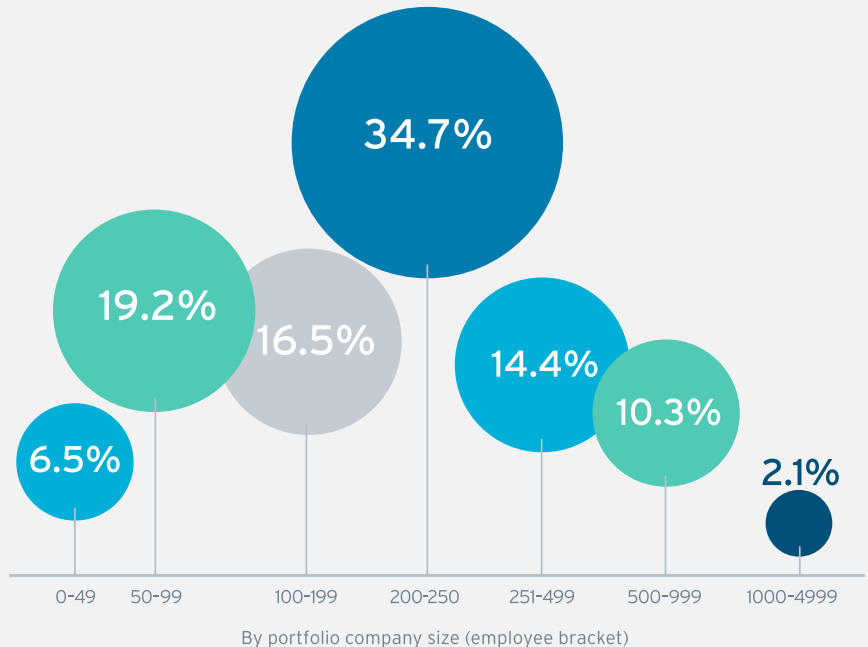


'Graduation' to higher size category

We estimate that overall, 10% of portfolio companies 'graduated' to a higher category based on the number of employees during 2023. This is slightly higher than levels seen in previous years. A significant proportion of SMEs in our sample saw year-on-year growth and job creation, fuelled by investment and management support from their private equity backers. The highest proportion was seen in the 200-250 employee category, with 35% of these companies moving up to a higher size category in 2023.

+ See **Multi-year trend** section for details on graduation in companies from 2017-2023

By portfolio companies that moved to higher employment size category



A focus on SMEs

By portfolio company size

What is private equity’s role in supporting SME employment?

SMEs are the backbone of the European economy. Its growth engine. Most small companies aspire to grow and private equity helps them graduate to the next level. Ambitious local businesses with a handful of staff and a bright idea can become multinational corporations employing thousands. Private equity can identify the best and help them achieve their ambitions.

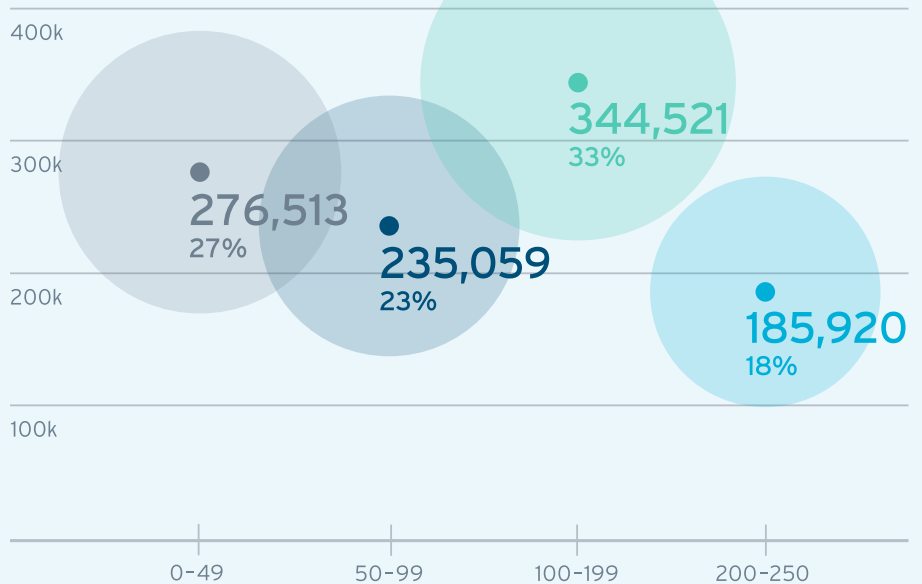
Employment

There are 2,449 companies in the 100-199 employees size category, which is 11% of all SMEs backed by private equity. This group contributes the most to total SME employment with 344,521 employees, or 33% of total SME employment.

The 0-49 employee size category contributes the second most to total SME employment: 276,513, or 27% of the total. Additionally, the 0-49 employee size category includes 14,977 companies - 70% of the total - making it the largest by number of businesses.

SME employment 2023

By company size



Key to employment by company size

• 0-49: 276,513 employees

27% of total

14,977 portfolio companies

• 100-199: 344,521 employees

33% of total

2,449 portfolio companies

• 50-99: 235,059 employees

23% of total

3,291 companies

• 200-250: 185,920 employees

18% of total

819 portfolio companies

>1 million

people were employed in

21,536

SMEs backed by private equity in 2023

Note: SMEs are categorised as companies with up to 250 employees.

Job creation

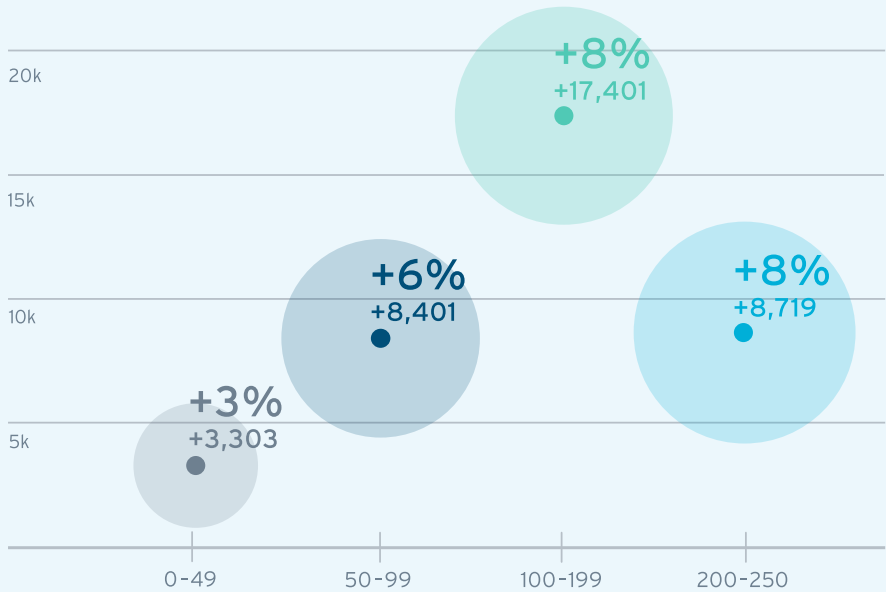
Private equity is a major driver of business and job creation among European SMEs. Many companies depend on investment and support to realise their growth potential, and they achieve it faster with private equity backing. When analysing the job creation rates revealed by this research, they should always be compared to average market growth rates.

In Europe in 2023, the overall net change in employment was +1%, and the employment growth rates supported by private equity outstrip this by every measure.

Source: EDC / Eurostat / UK ONS

SME job creation 2022-23

By company size



Job creation by company size

Across SME categories from 2022-2023 job creation rates were in a range of 3-8%.

Leading the pack in job creation rate was the 200-250 employee SME category (+8% job growth rate), creating 8,719 jobs.

The most net jobs created from 2022-2023 were in the 100-199 category: +17,401 jobs created, or 46% of the SME category total.

Key to employment by company size

• 0-49: +3,303 employees

+3%

7,652 portfolio companies

• 100-199: +17,401 employees

+8%

1,722 portfolio companies

• 50-99: +8,401 employees

+6%

1,980 companies

• 200-250: +8,719 employees

+8%

523 portfolio companies

81%

of the studied sample were SMEs

+37,824

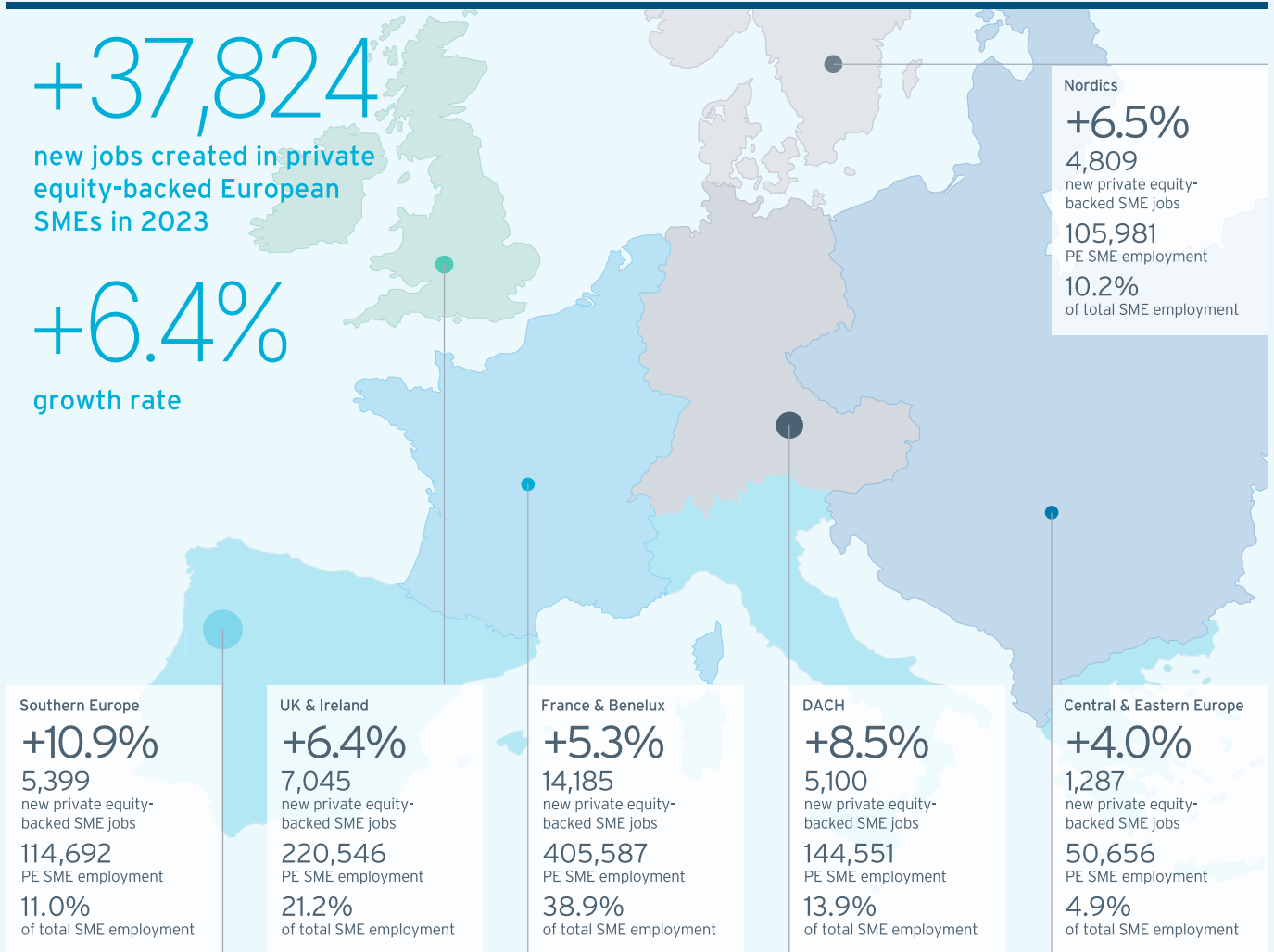
new jobs created in private equity-backed European SMEs in 2023

A focus on SMEs

By portfolio company geography

SME employment & job creation by geography in 2023

By geographic location of portfolio companies



The top 3 countries which saw the largest increases in number of employees within the SME universe in 2023 were:

+22%



Luxembourg

+19%



Switzerland

+17%



Italy

SME employment by geography

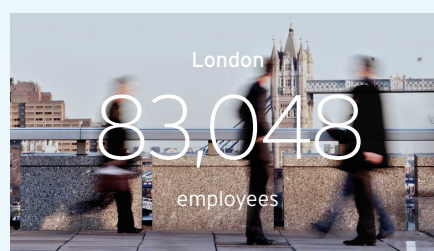
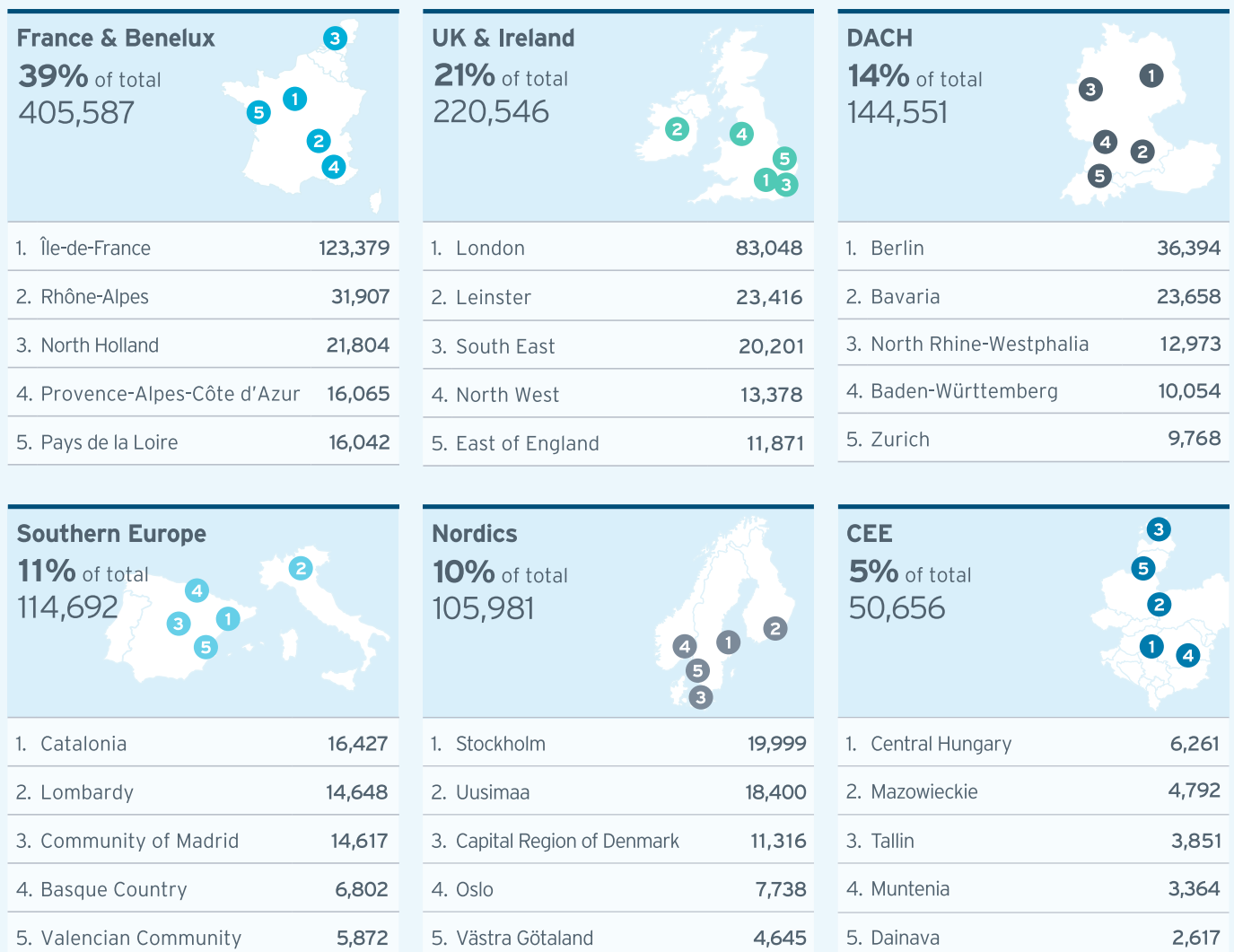
As early stage investors in innovative, start-up and seed stage companies, private equity plays an important role in SMEs.

SME employment by region

Companies based in France & Benelux were the largest group of private equity-backed SME employers in Europe, with a total of 405,587 employees in 2023 (39% of the total SME employment).

SME employment in 2023

By region and top five sub-regions



SME employment by top sub-region

SMEs backed by private equity in European sub-regions (areas within countries) were significant employers in 2023.

SME job creation by geography

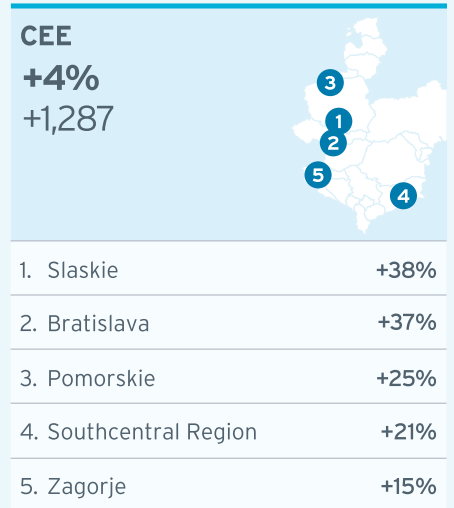
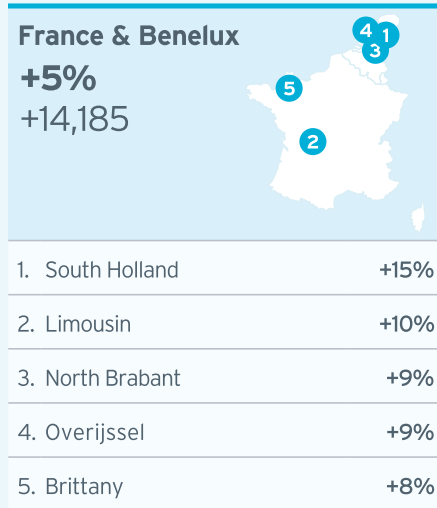
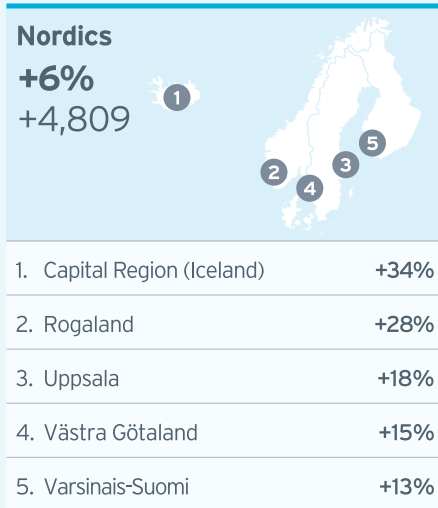
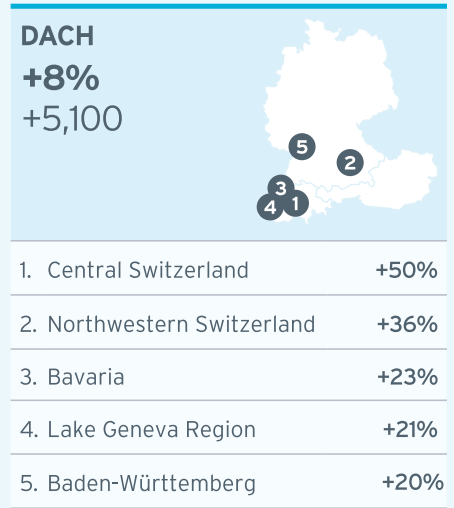
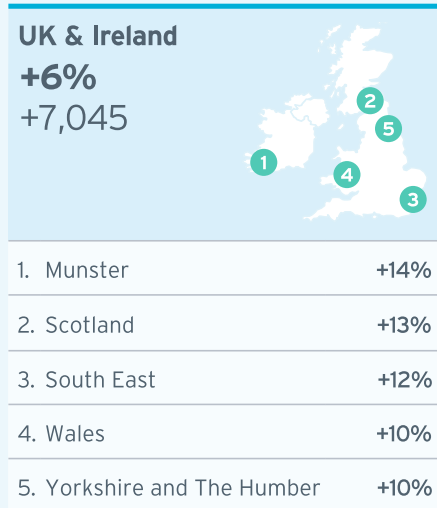
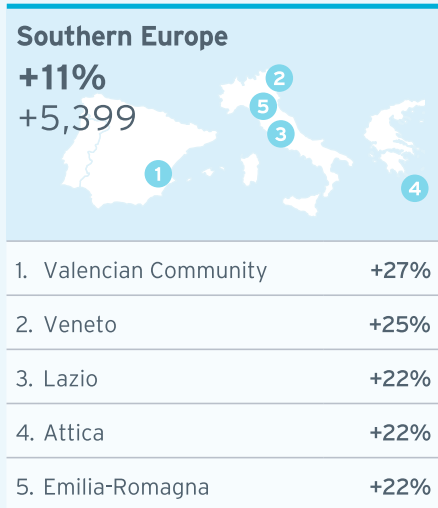
With the right support and investment SMEs can grow fast, and create jobs fast. As we see from the data in our study, the fastest growing areas are seeing rises in private equity-backed jobs of up to 50%. Overall employment in private equity-backed SMEs had an increase of 37,824 people (+6.4%) in 2023.

SME job creation by region

The top three regions for job creation in 2023 were Southern Europe (+11%), DACH (+8%) and Nordics (+6%).

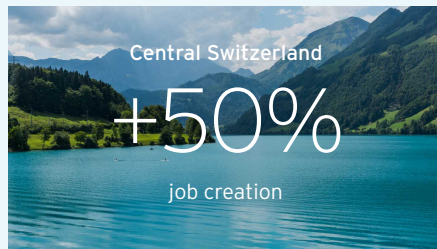
SME job creation in 2022-23

By region, and top five sub-regions



SME job creation by top growth per sub-region

Many private equity-backed SMEs in European sub-regions (areas within countries) grew employment at significant rates in 2023, despite macroeconomic uncertainty during the year.



Note: Analysis excludes those sub-regions with less than 10 companies and less than 100 employees in 2023.

A focus on SMEs

By portfolio company sector

SME employment by company sector

Private equity is a natural partner for companies driven by innovation, R&D or technology.

With private equity investment and expertise, companies can get to market quicker or expand market share more rapidly. These are crucial factors for business success and job creation.

Largest SME employment sectors

Information Communications Technology (ICT) was a key sector for European SME jobs in 2023, accounting for 38% of all private equity-backed SME employment in Europe.

Business Products & Services and Consumer Goods & Services were also important sectors, representing around 18% and 17% of SME employment.

Additionally, Biotech & Healthcare represents a significant proportion of private equity-backed SME jobs (10%).

SME employment 2023

By company sector

Top SME sectors for European private equity-backed employment



SME employment 2023

By portfolio company sector

	Number of employees	%		Number of employees	%
Information Communications Technology (ICT)	398,542	38%	Transportation	23,884	2%
Business Products & Services	185,297	18%	Construction	22,198	2%
Consumer Goods & Services	171,652	17%	Chemicals & Materials	15,515	2%
Biotech & Healthcare	100,111	10%	Agriculture	9,068	1%
Financial & Insurance Activities	56,057	5%	Real Estate	7,755	1%
Energy & Environment	46,050	4%	Other	5,885	1%

SME job creation by company sector

When the right investment partner gets involved with the right company, chemistry happens.

Private equity firms bring together experience from entrepreneurs, management consultants and financial experts to really drive growth at the companies they back. The result can be job creation that far outpaces the averages for companies and sectors across Europe.

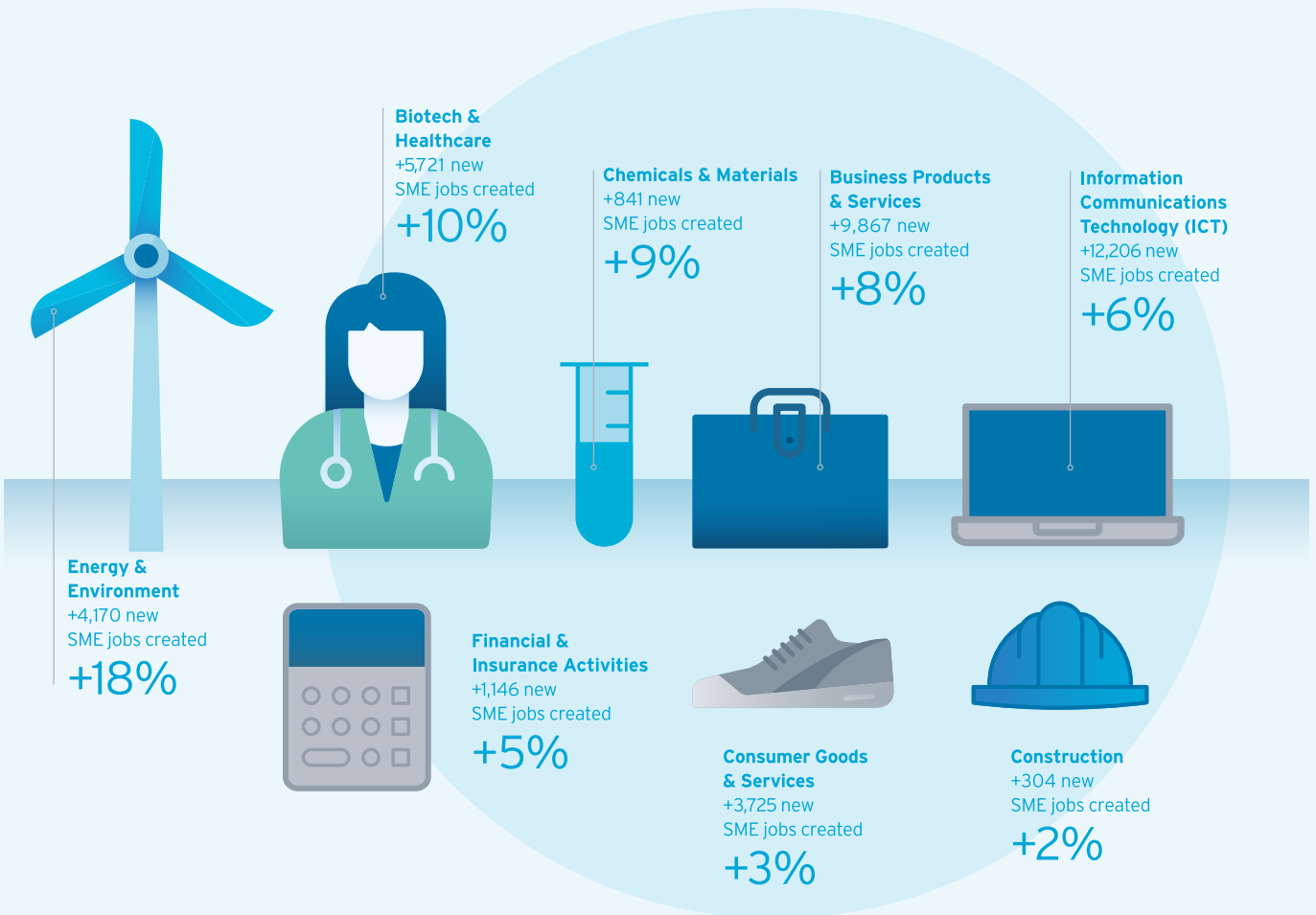
Top SME job creation sectors

Energy & Environment was the sector with the highest growth rate in employment in 2023 (+18%), followed by Biotech & Healthcare (+10%), and, for the first time in the top 3, Chemicals & Materials (9%) SMEs in ICT created 12,206 jobs, the highest sector in absolute numbers, with a growth rate of 6%.

Note: In this analysis, we excluded sectors for which the number of portfolio companies was low (under 100 companies)

SME job creation 2022-23

By company sector



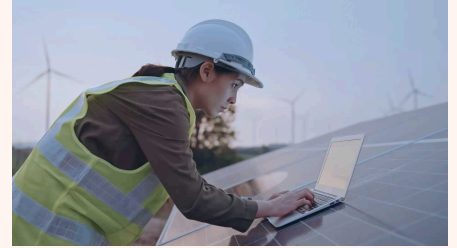
Multi-year trend

2017-2023

It is strikingly clear that over time the net effect on jobs of private equity ownership is overwhelmingly positive.

The observed net positive effect is consistently larger than that seen in the wider European economy. This is the case even though during specific years – the COVID-19 pandemic, the raising inflation and the invasion of Ukraine being three notable examples – there may be understandable difficulties in growing overall employment levels across portfolio companies.

This section provides further context to the two-year job creation trend shown throughout the main body of this report. It provides a vision of job growth in private equity-backed European portfolio companies from 2017-2023.



Job creation

Even during challenging years, the average growth in portfolio companies backed throughout the period reached 4%, i.e., a net total of 453,594 jobs were created by the companies under study.

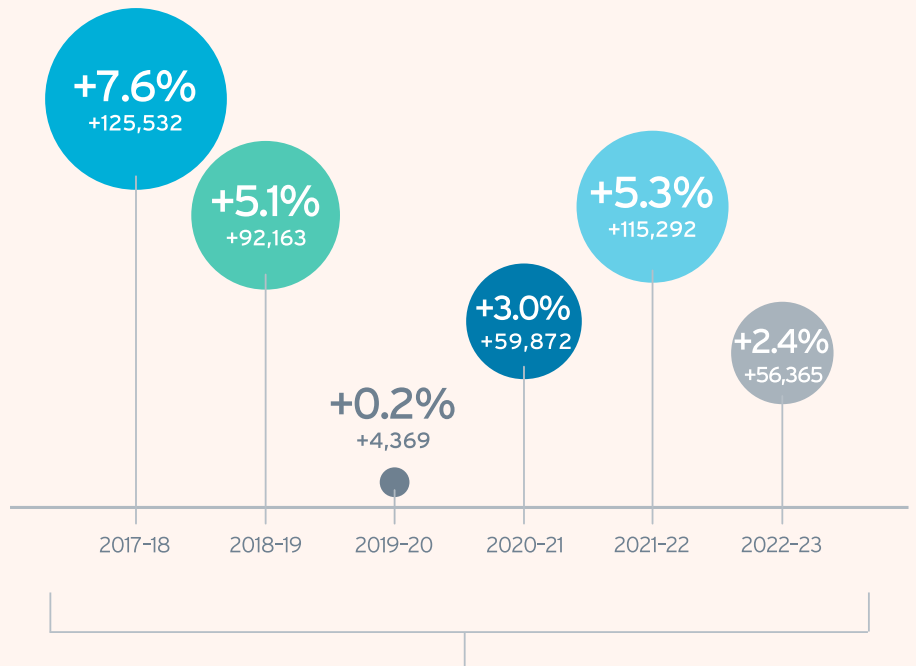
In the chart opposite, the effect of COVID-19 is clearly visible: between 2019 and 2020, job growth was only 0.2%. However, in the following three years, job growth raised again, even if it is still below the pre-pandemic level.

Note: In this section, the sample of portfolio companies is different to that seen in the main body of the report. Here, 3,050 European portfolio companies are under study.

[+ See Methodology section for full analysis](#)

Job creation 2017-23

By portfolio company stage – Individual years



+453,594

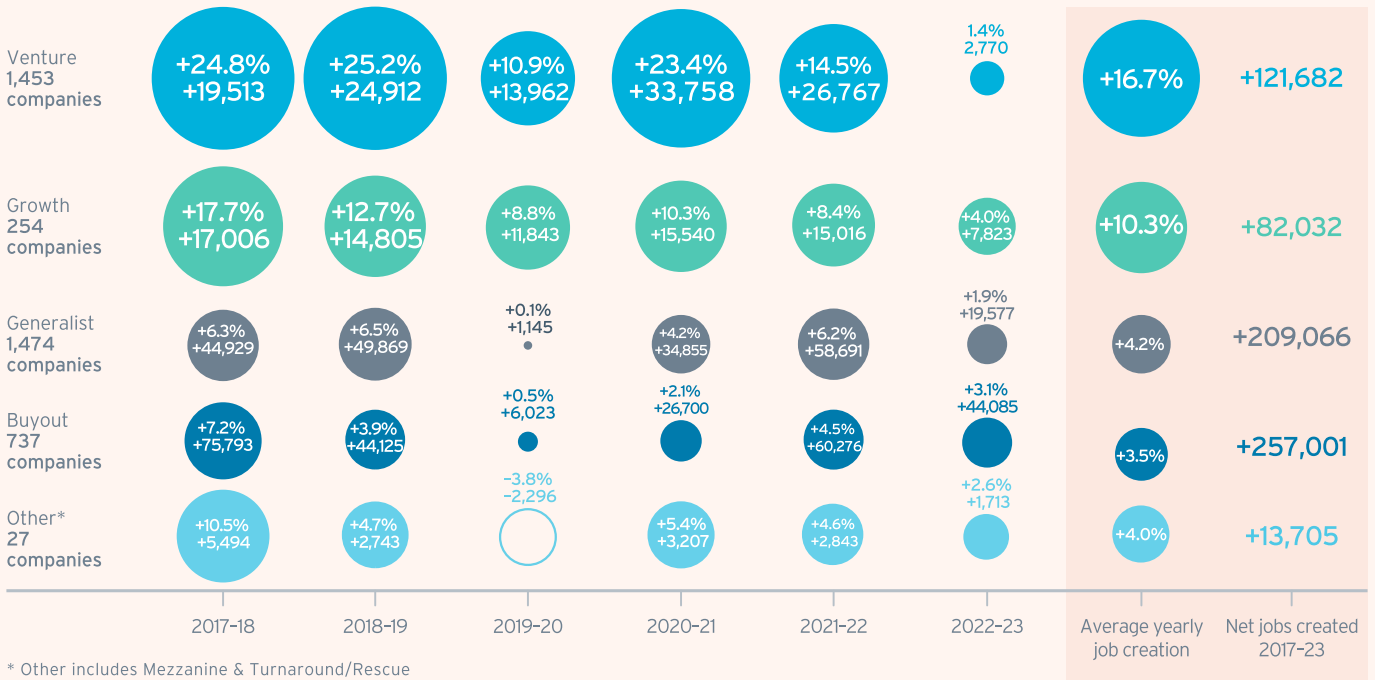
net jobs created 2017-2023

+3.9%

average yearly job creation

Job creation 2017-23

By type of firm

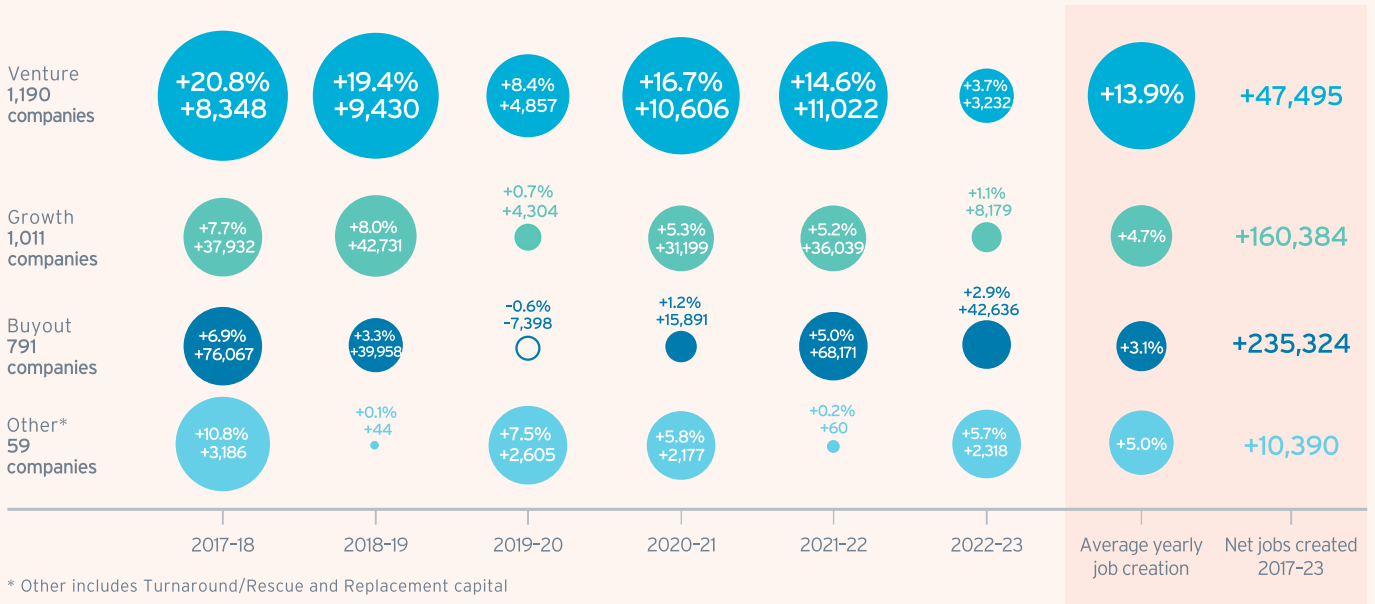


Note: In the 'By type of firm' analysis, the Venture, Growth, Generalist and Buyout categories refer to the type of private equity firm. In the 'By portfolio company stage' analysis, the categories Venture, Growth and Buyout refer to the portfolio company stage. Although the category names are the same, the underlying data points are not comparable.

By type of firm, Venture had the highest average yearly job creation rate between 2017-2023 (16.7%), although Buyout, followed by Generalist firms supported the highest number of jobs in absolute terms (257,001 and 209,066 jobs respectively).

Job creation 2017-23

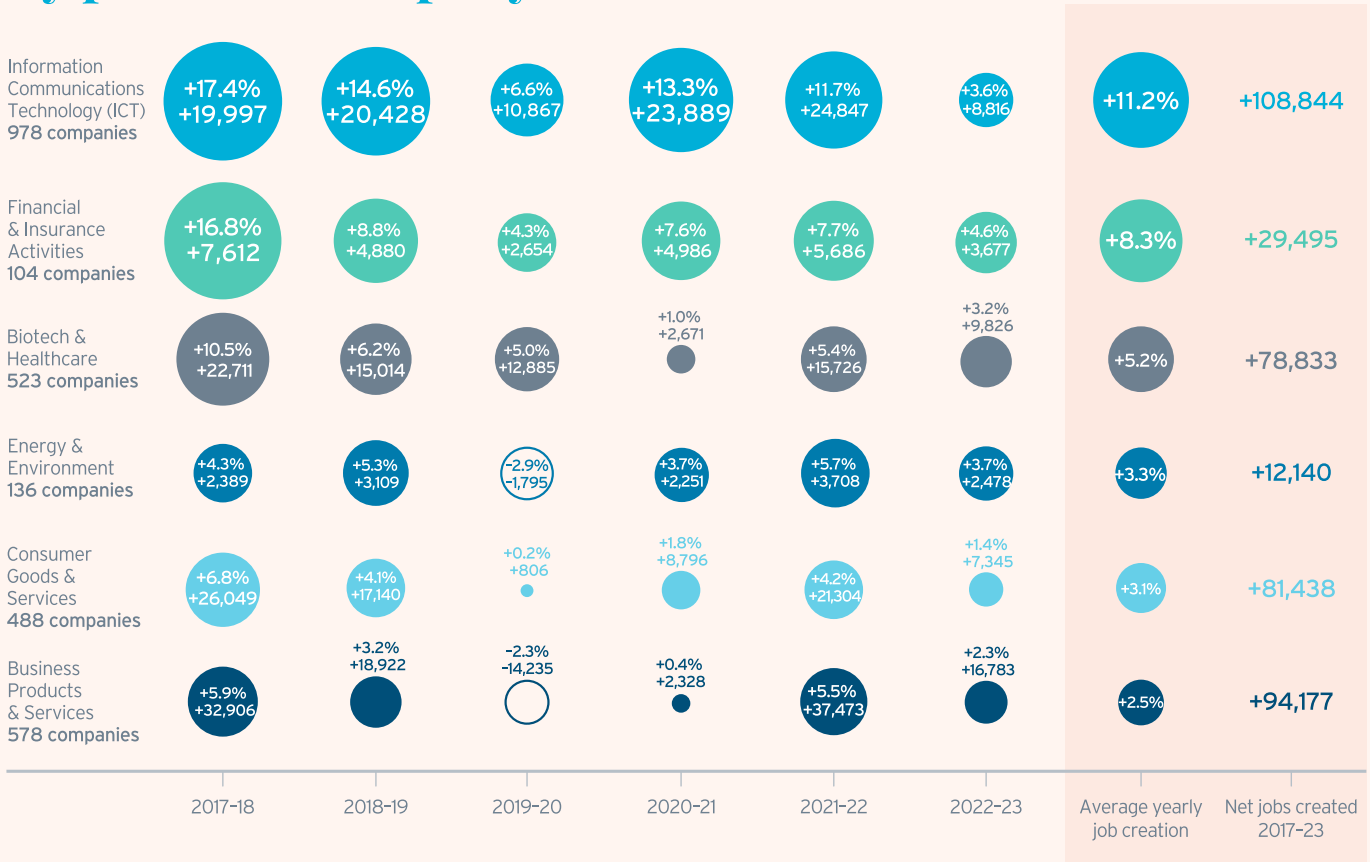
By portfolio company stage



Average yearly job creation between 2017-2023 by portfolio company stage shows the same trend as the one by firm: venture was the stage that grew the most on average (13.9%), but buyout companies created the most jobs in absolute terms (235,324 jobs).

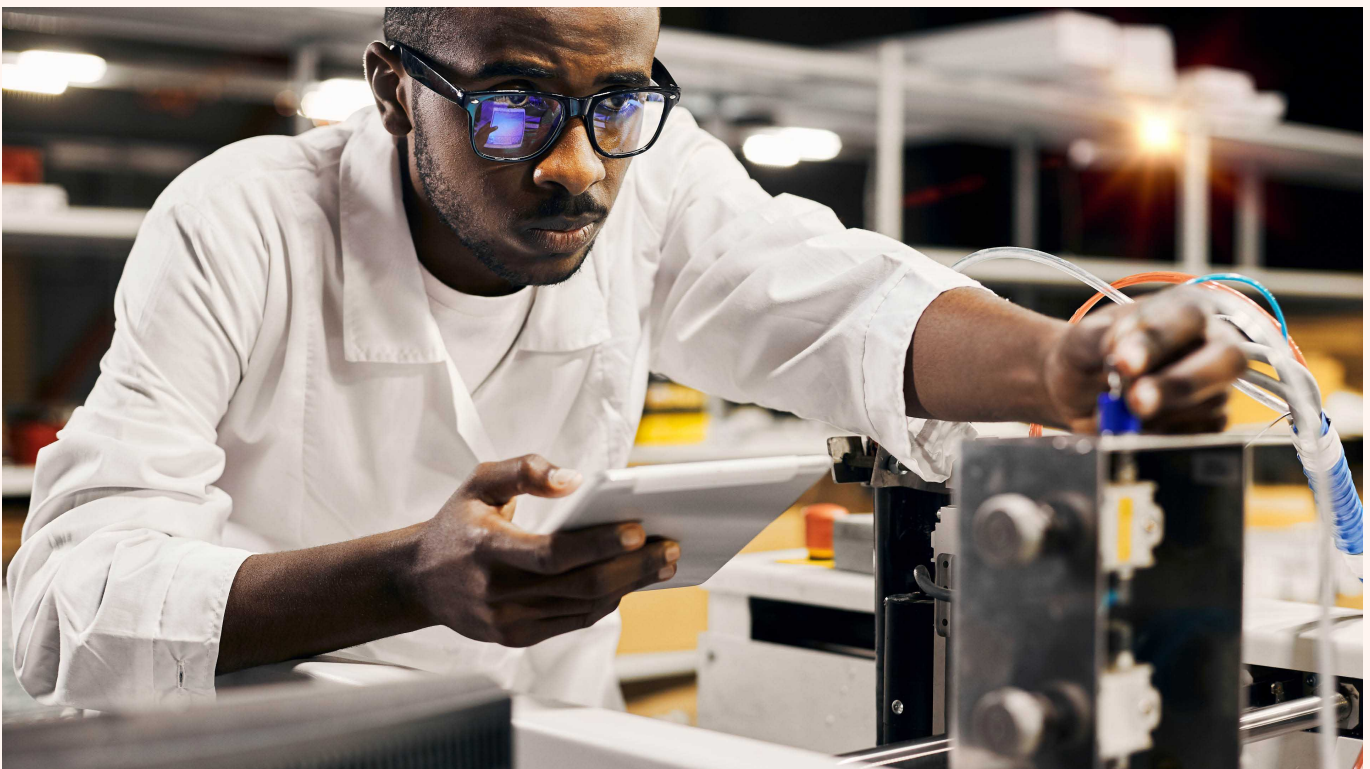
Job creation 2017-23

By portfolio company sector



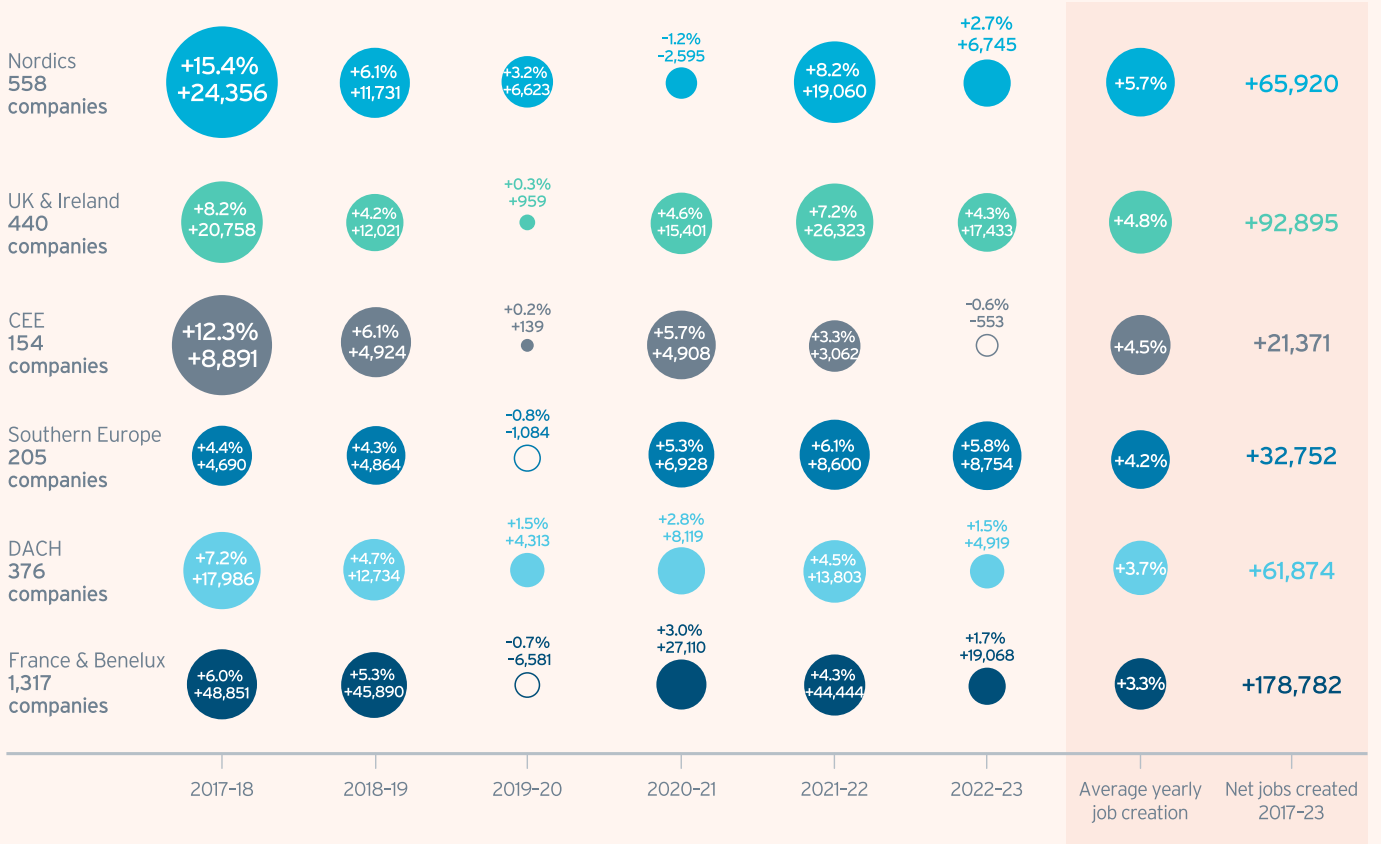
Note: In this analysis, we excluded sectors for which the number of portfolio companies was low (under 100 companies).

From the end of 2017 to the end of 2023, companies in all sectors recorded net employment growth. During this period the highest average yearly job creation rate was in ICT (+11.2%), which also saw the largest change in terms of totals (+108,844 net jobs created in the period).



Job creation 2017-23

By portfolio company region



Throughout the period the Nordics have seen the highest average yearly job creation rate (+5.7%). UK & Ireland & CEE followed with 4.8% and 4.5% respectively. France & Benelux saw the highest number of total net jobs created (178,782).

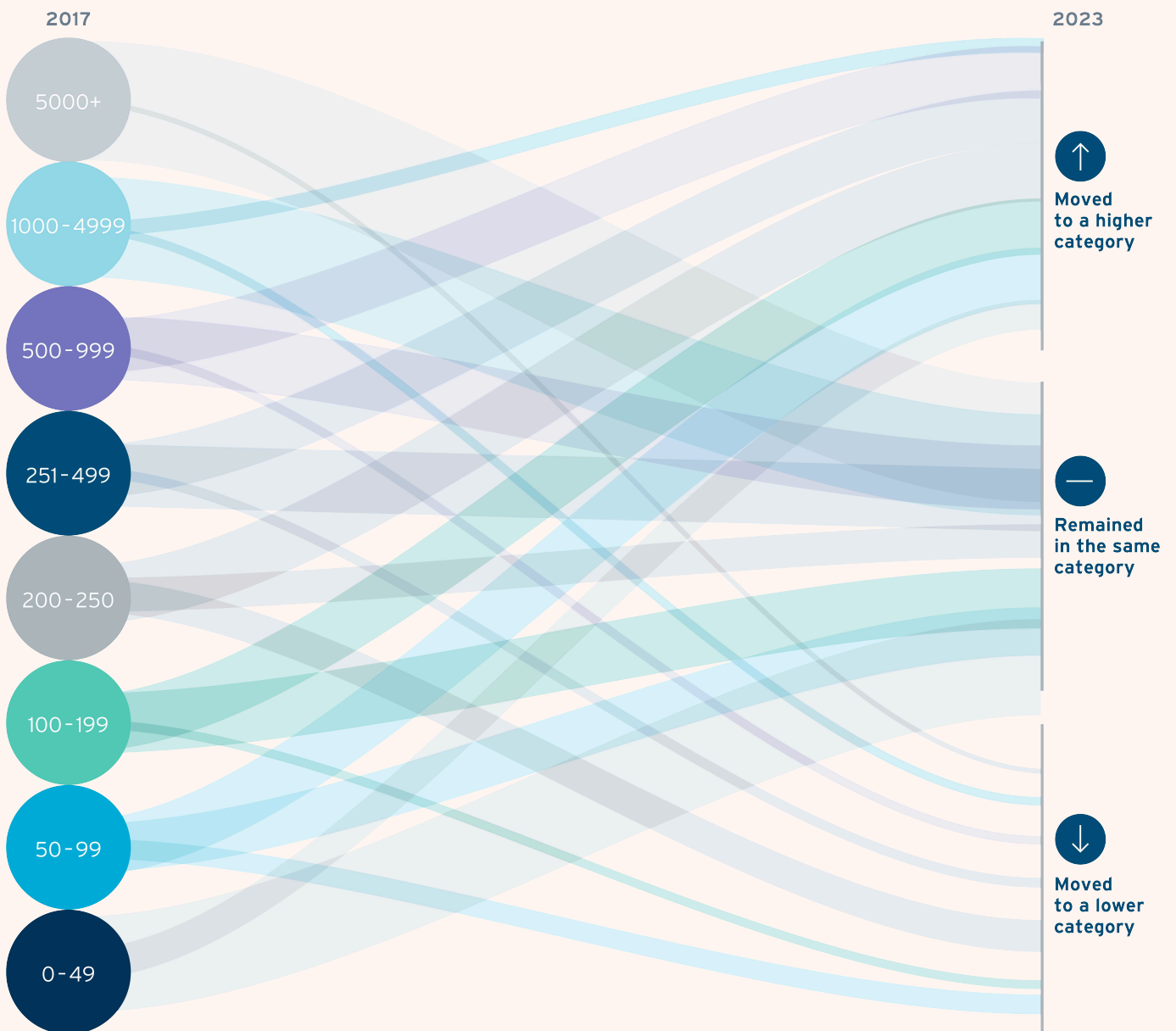


It is clear that the majority of companies remained in the same size category over the time period. However, it is also notable that more companies moved into a higher size category than moved down to a lower one.

Specifically, 31% of companies went up to a higher category from 2017-2023, while only 5% went to a lower category.

Change in size category 2017-23

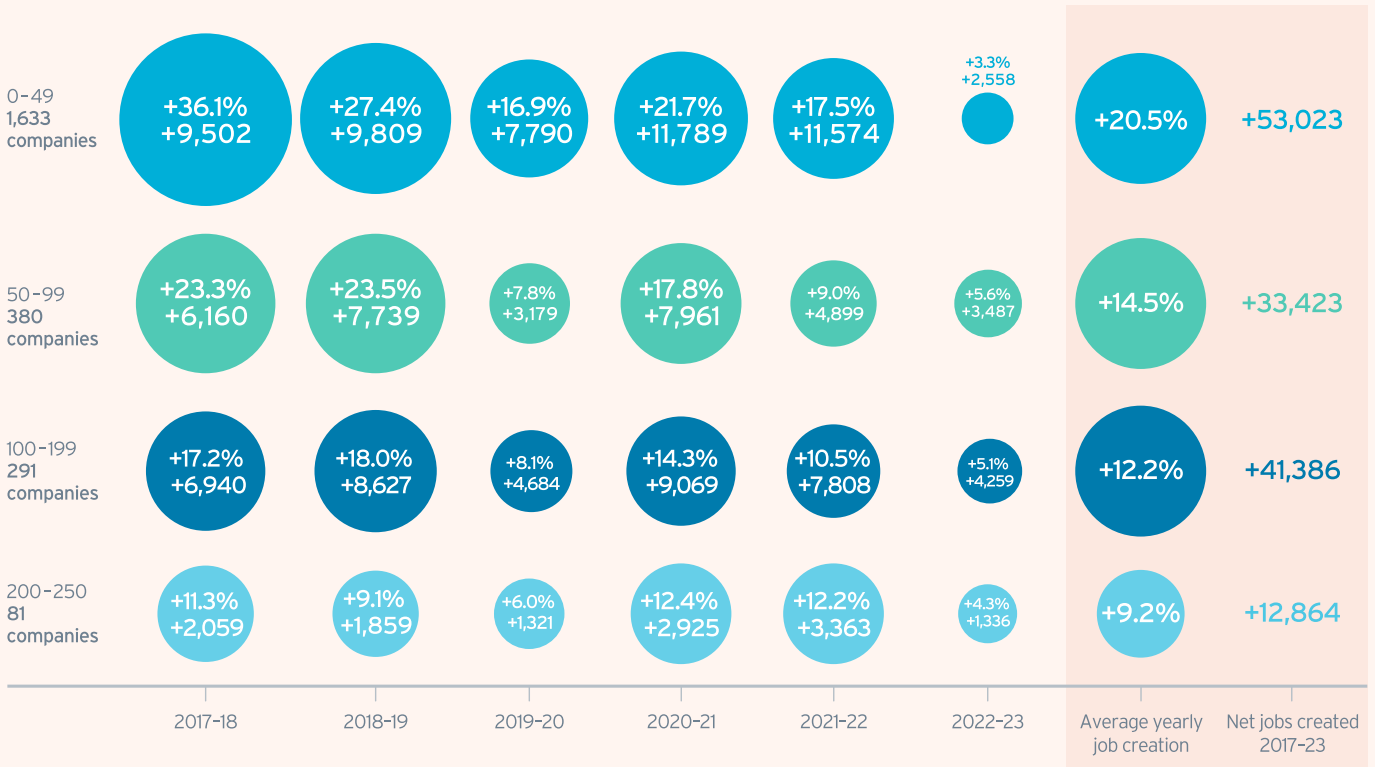
By size category in 2017*



* Size of bars represents percentage of companies within each size bracket

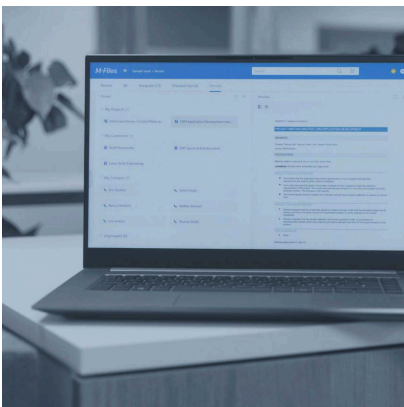
SME job creation 2017-2023

By portfolio company size bracket in 2017



Note: In this section, the sample of SME portfolio companies is different to that seen in the main body of the report. Here, 2,385 European SMEs are under study.

From the end of 2017 to the end of 2023 all size brackets saw quite significant levels of average yearly job creation rates, the highest being seen in the 0-49 size category (+20.5%). The highest total job creation was seen also in this category, with 53,023 net jobs created.



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Holding period analysis

A new dimension in reporting

In this edition, we deepen our analysis of investment trends by holding period, building on the foundation laid in last year's report.

Last year, we focused on the first three years of holding periods. This year, we extend our scope to include a fourth year, reaffirming our commitment to delivering comprehensive insights.

This expanded analysis is made possible by the improved response rate to our survey and the high quality of the data collected. It highlights the strength of our dataset and the industry's continued commitment to transparency and detailed reporting.



The holding period - the length of time a private equity firm retains an investment in a portfolio company before exit - sheds light on investment strategies, market dynamics, and the overall lifecycle of private equity ownership, while also offering insight into its impact on job creation and growth.

With this analysis, we aim to explore the relationship between investment duration and employment growth, providing a deeper understanding of how holding periods correlate with job creation.

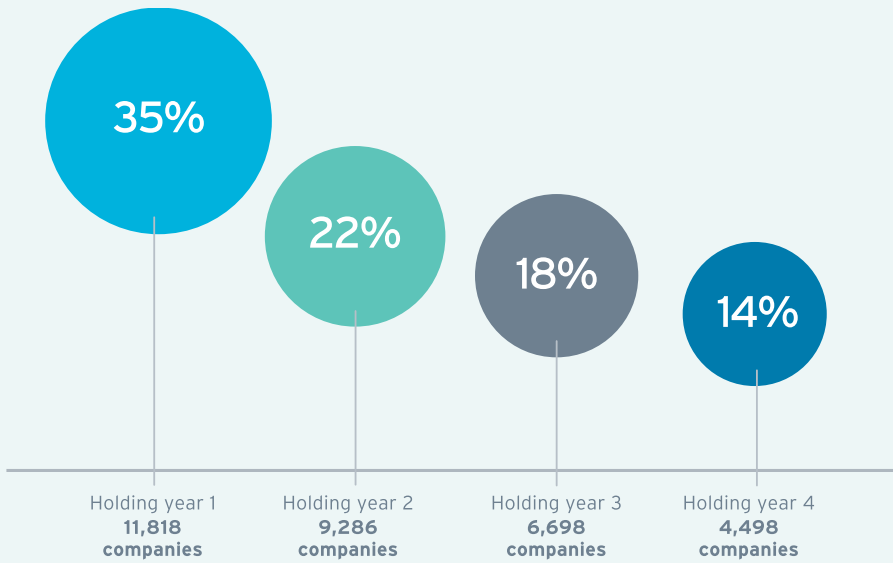
This section is still in its developmental stages. As we continue to gather and analyse data, we look forward to further enhancing this section. The ongoing support of our stakeholders in providing high-quality data is invaluable, enabling us to refine our analysis and deliver deeper insights into the nuanced relationship between holding periods and job growth.

Given the highly skewed nature of the dataset (skewness = 112, kurtosis = 15,934), outlier handling was necessary to improve statistical reliability. In the previous edition, we applied the interquartile range method to remove outliers, but with the increased amount of data this year, Winsorization has proven to be more appropriate. Traditional trimming methods (e.g., 10th-90th percentile) risked removing valid high-growth start-up cases, while weaker Winsorization (e.g., 1st-99th percentile) failed to adequately control extreme outliers. The 5th-95th Winsorization method was selected as the best balance, capping extreme values while preserving the natural variation in job creation among VC- and PE-backed companies. This approach reduced skewness to 2.2 and kurtosis to 6.8, ensuring a more stable yet representative dataset.

[+ See **Methodology** section for full methodology](#)

Average job creation by holding period 2017-2023

By portfolio company



Holding period analysis: results

Over the course of the first holding year, the average job creation increases by 35%, mostly driven by the high increase in employment in venture stage portfolio companies. As investments mature into their second year, there is a noticeable moderation in job creation rates, with the average year-on-year job creation declining to 22%, and 18% during the third year. Lastly, during the fourth year of holding, job growth is 14%.



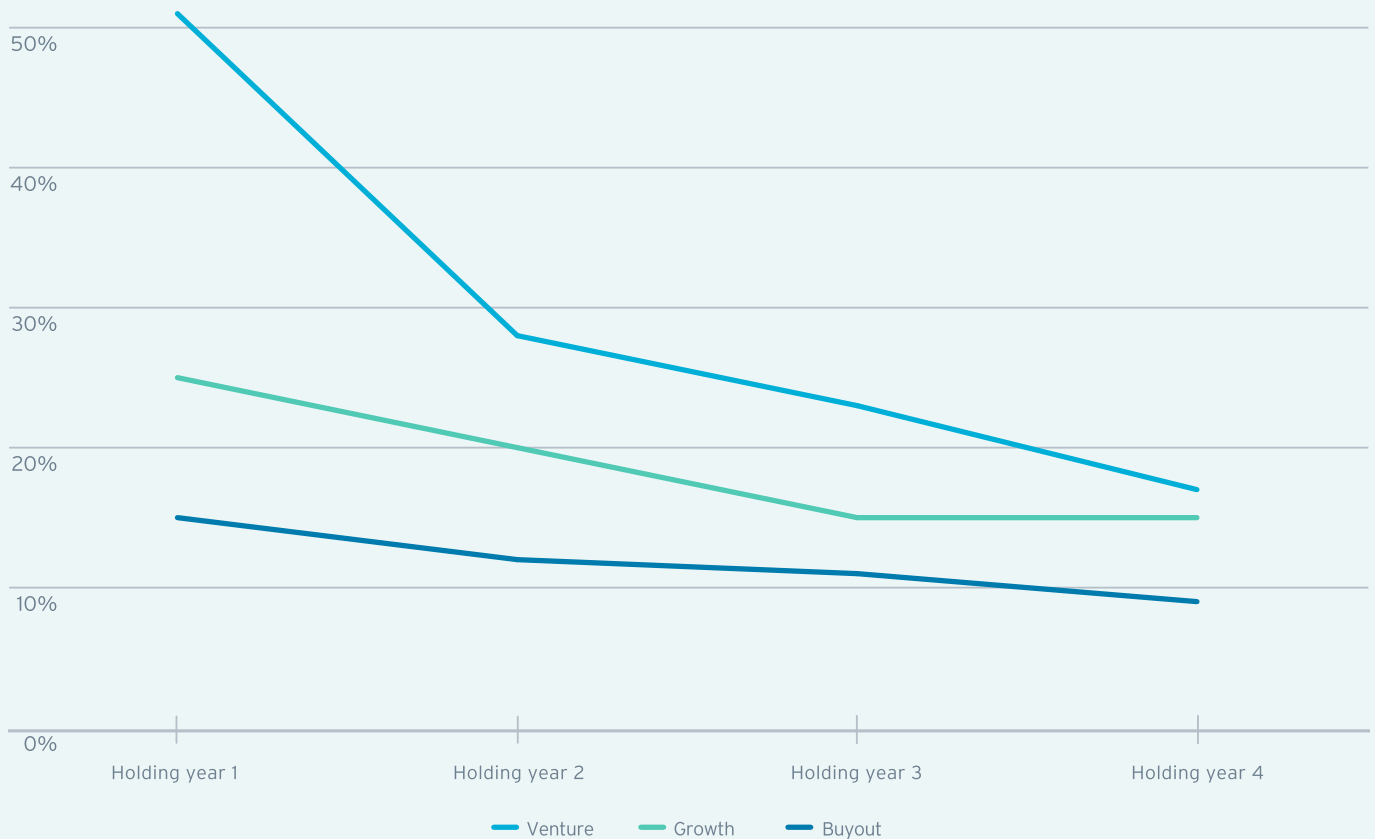
The trend of job creation differs considerably if we analyse it by stage. Younger companies present a steeper slope: venture stage companies show a 51% increase in job creation in the first holding period, and 17% in their fourth year of holding.

As opposite, portfolio companies at a buyout stage show a much flatter slope: job growth rises by 15% in the first holding year, and then it slowly decreases, reaching 9% in the fourth year.

Moreover, we analysed the differences between regions and sectors. Although regions do not differ significantly from one another, France and the Benelux has a much flatter slope in year-on-year job creation compared to the others, while the Nordics and CEE regions show steeper slopes. In terms of sectors, Business Products & Services and Consumer Goods & Services have a much flatter slope compared to the others. This difference seems due to the fact that there are more buyout stage companies than venture stage companies operating in these two sectors, while it is the opposite for the other 4 sectors, which present a high ratio of venture over buyout stage companies.

Average job creation by holding period 2017-2023

By portfolio company stage



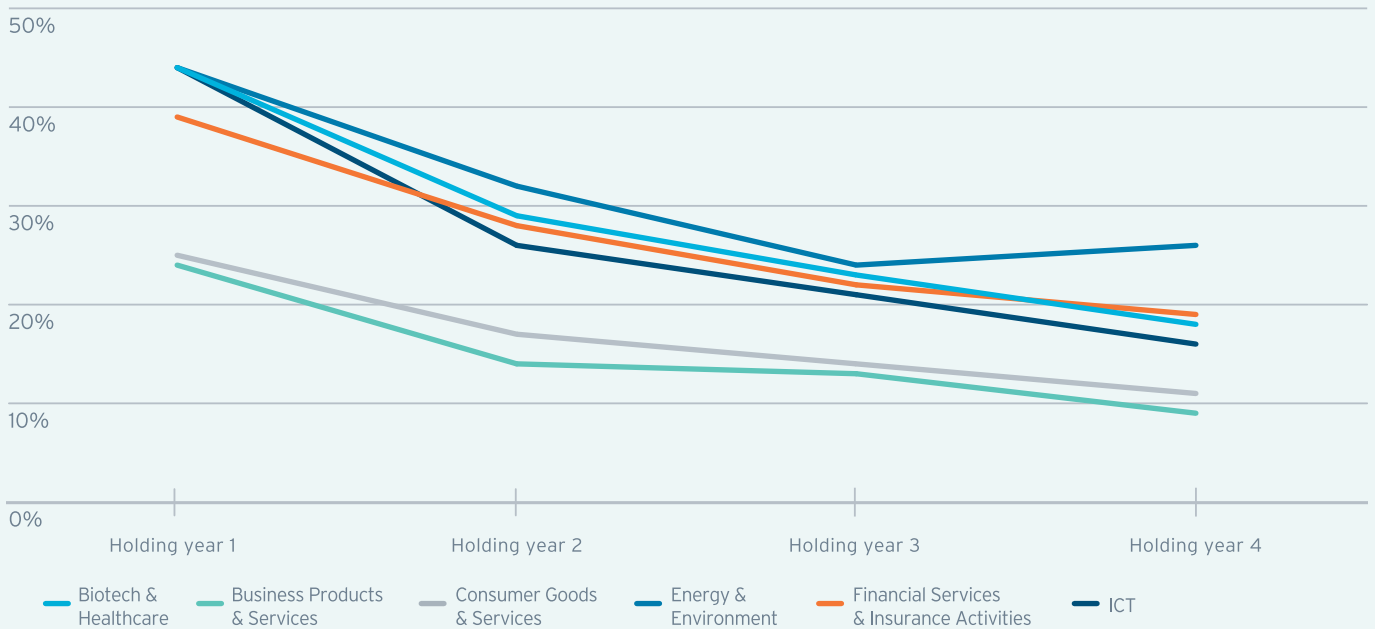
Average job creation by holding period 2017-2023

By portfolio company region



Average job creation by holding period 2017-2023

By portfolio company sector



Methodology

The aim of this report is to provide objective, evidence-based research and analysis on the vital role of private equity in employment and job creation across Europe.

This report is based on data collected from 238 Invest Europe GP data contributors, and their many thousands of portfolio companies which are active across the European continent. This section details the methodology and data which were studied and used to draw the conclusions in this report.



Our methodology

Data collection & audit

Definition of portfolio companies to be included

Criteria for inclusion and exclusion:

- Only data of portfolio companies with European¹ headquarters were collected regardless of the location of the employee.
- Only European companies active during 2023 within the portfolio of a private equity investor had data collected (i.e. companies exited within 2022 or backed post-2023 were excluded).

Collection of data for included portfolio companies

Sources of data

Data were collected through the European Data Cooperative platform, which is jointly owned and run by Invest Europe and other European private equity national associations. Data submitted (including that supplied by France Invest) was supplemented by information from: financial reports; Bureau van Dijk; and, when necessary, further sources such as company websites and press releases.

Criteria for counting of employees working in included portfolio companies

The following was applied for counting of employees:

- The number of employees counted refers to figures as at year-end.
- The number of employees counted refers to full-time equivalents (FTE). Part-time employees were counted as 0.5 FTE.
- The number of employees counted only includes those employees that have an employment status with the company (i.e. the data exclude² Glovo's estimated 61,000 couriers and Deliveroo's estimated 135,000 contractors).
- The total number of employees for each company was registered in the country of the company headquarters.

Auditing considerations for collected data

The net effect of the audit process was an addition of 137,271 jobs in the data considered for job creation analysis from 2022-2023 (addition of 514,798 and removal of 377,527 employees). In addition, net growth of 121,019 jobs due to the add-on/carve-out effect was excluded. The main audit processes the data were subjected to were the following.

Add-on effect

When considering growth of employment from 2022-2023, any change due to mergers & acquisitions during 2023 were excluded. Whilst some of this effect was excluded prior to auditing, on audit an inorganic growth of 121,019⁴ jobs from 2022-2023 was further excluded from the analysis.

Review of different employment figures from multiple firms for same portfolio company

In the case of conflicting employment figures reported for the same portfolio company on the EDC platform, further sources (see above) were consulted to select the most likely figure. Further, checks were performed against what employment level is most likely given sector of activity, available financial indicators, and known investment levels in the company.

Review of most important contributors to the statistics

The portfolio companies with employment levels high enough to significantly influence the performed data aggregations were manually checked, with review of financial reports / other sources as necessary. These checks were also performed on companies receiving the highest levels of investment, and those representing a large percentage of employment at country level.

Review of significant growth reported year-on-year

Any company that had a reported change in employment from 2022-2023 of more than 20% was audited, particularly to establish that the add-on or carve-out effect was not being taken into account.



The analysis: Only considers employees who have an employment status with the company, excluding self-employed workers and contractors. The calculation of job growth excludes any additions to companies such as those resulting from M&A.

Notes

1. Europe includes: Austria, Andorra, Belgium, Bosnia - Herzegovina, Bulgaria, Channel Islands, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Greenland, Guernsey, Hungary, Iceland, Ireland, Italy, Jersey, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom, Vatican City.
2. This exclusion is performed despite riders in some countries legally gaining employee-status.
3. Includes exclusions performed by France Invest.
4. *Idem*.

Definition of the universes

Employment universe

The Employment universe is established to show total employment within included portfolio companies at a specific time: as of end of 2023.

Definition of employment universe

$$(n = 17,586) = \text{A} + \text{B} + \text{C}$$

Job creation universe

The Job creation universe is a sub-section of the Employment universe that shows the changes in employment levels from 2022 to 2023 within included portfolio companies.

Definition of job creation universe

$$(n = 14,225) = \text{A} + \text{B} + \text{C}$$



With exclusion of outlier data and with consideration of different case scenarios.

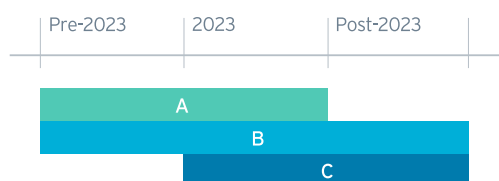
Note

Due to changes in data coverage year-on-year, we advise readers not to compare data points in this report with previous reports.

The Employment and Job creation universes refer to the same overall base of portfolio companies, the difference is the following: Employment refers to companies where just 2023 data is known (including extrapolated figures), whilst Job creation refers to companies where data for both 2022 & 2023 is known (and no extrapolation is applied).

Holding period scenario

Employment & Job creation



- + A. Companies exited within 2023
- + B. Companies active in portfolio in 2023
- + C. Companies entering the portfolio in 2023

2017-2023 job creation universe

n = 3,050

The 2017-2023 multi-year analysis is based on a sample of portfolio companies that have an investment year in the EDC database \leq 2017, and an exit year in the same database that is \geq 2023.

Holding period analysis

Compared to multi-year trend data, where the employment data is known for the full period 2017-2023, the holding period analysis includes the companies with known employment data for at least two consecutive years, out of the active universe (2023: 28,610). Outliers have been excluded using the Winsorization method. Winsorization is a statistical technique used to limit the influence of extreme outliers by capping values that fall outside a specified percentile range. Instead of removing these extreme values, Winsorization replaces them with the nearest value within the chosen percentile bounds. We applied the 5th-95th percentile Winsorization, and any values below the 5th percentile are replaced with the 5th percentile value, and any values above the 95th percentile are replaced with the 95th percentile value. This method helps reduce the impact of outliers without losing data, ensuring a more stable and reliable analysis.

Extrapolation methodology for the Employment universe

Explanation of extrapolation universes

Data were collected on a sub-set of the population (the population being all portfolio companies active in 2023 and backed by private equity, as described in sections above).

To estimate employment in European companies backed by all private equity firms in Europe, the following universe was defined:

- The European universe refers to the sum of: portfolio companies headquartered in Europe that received any investments from private equity firms within the previous five years (2019-2023), and which had not been fully exited before end 2023; portfolio companies which had their latest investment before 2019 but which had a partial exit reported in 2022 or 2023.

Adding the known universe (Invest Europe data contributors for which data were collected and treated as described in section one above), the overview numbers for the two universes are as follows:

The universe

Total number of portfolio companies



Extrapolation methodology

Data on employment in 2023 (excluding add-ons/carve-outs during the year) for the known universe was used to extrapolate figures on employment for the European universe. The process was as follows:

Portfolio companies in both universes were categorised based on three variables: location (6 European regions); sector (13 categories); and latest stage of investment (8 stages). This led to segregation of the universes into 624 categories.

For each of the 624 categorisations, estimates of the number of employees in portfolio companies in the unknown population (full European universe) were made using the known employment figures of the known universe for that specific category⁴. The estimations were made using three scenarios:

Scenario one: This scenario took the average number of employees for the category in the known universe and assigned it to each portfolio company within the same category in the unknown population.

Scenario two: This scenario excluded any employment figure for a portfolio company in the known universe which accounted for more than 60% of the total number of employees within the category in question. The average employment per company was then calculated for the category after excluding this figure, and applied to each portfolio company in the unknown population⁵.

Scenario three: This scenario automatically excluded the figure of the portfolio company with the maximum employment in each category in the known universe. The average employment per company was then calculated after excluding this figure, and applied to the unknown population.

In the report, scenario two is presented, as it is considered conservative enough, as well as being a sensible and reasonable approach to fairly estimate employment figures at European headquartered companies.



Portfolio companies in both universes were categorised

Location
(6 European regions)

Sector
(13 categories)

Latest stage of investment
(8 stages).

This led to segregation of the universes into 624 categories.

Notes

- If a category in the unknown population was not present in the known universe, zero employees were considered to be in the unknown population, increasing the conservative nature of the estimation produced.
- In order to account for differences in company size distribution between portfolios of Invest Europe & non-Invest Europe members, the process described in this scenario was adjusted as so: a) the unknown data for portfolio companies backed by Invest Europe members was estimated based on Invest Europe members' known employment information; b) the unknown data for portfolio companies backed by non-Invest Europe members was estimated based on all known employment data, regardless of Invest Europe membership status.

Validation of the extrapolation results

Comparisons of the splits within the extrapolated data to other Invest Europe figures helped understanding of the extent to which the extrapolated data are a likely representation of the full European population.

The percentage of the universe which is considered SME in this report differs slightly to that seen in Invest Europe's annual activity report 'Investing in Europe: private equity activity 2023'. An explanation for this difference is:

The 'Investing in Europe' publication calculates the percentage of SMEs using companies with less than or equal to 250 employees in 2023 out of the total active companies receiving investments in 2023. The extrapolation process for this report includes all companies with less than or equal to 250 employees in 2023 out of the total active European universe (considered as portfolio companies headquartered in Europe that received any investments from private equity firms within the previous five years (2019-2023), and which had not been fully exited before end 2023; and portfolio companies which had their latest investment before 2019 but which had a partial exit reported in 2022 or 2023).

Definitions

Venture

Firms focused on one of three areas: Early-stage (focused on investing in companies in the early stages of their lives); Later-stage (providing capital for an operating company which may or may not be profitable. Typically in C or D rounds); and All-stage (focused on both early and later stage investments).

Growth

Firms focused on making 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.

Buyout

Firms focused on acquiring companies by purchasing majority or controlling stakes, financing the transaction through a mix of equity and debt.

Generalist

Firms focused on investing in all stages of private equity.

Other

Firms investing in turnaround situations, mezzanine and other entities complying with the private equity firm features.

- Mezzanine - Firms using a hybrid of debt and equity financing, comprising of equity-based options (such as warrants) and lower-priority (subordinated) debt.
- Turnaround/Rescue - Firms investing equity in companies that are in financial distress with the view to restoring the company to profitability.

Holding period

Is the duration for which a private equity firm retains an investment in a portfolio company before exit.

Employment extrapolation

6,769,037

people working for private equity-backed companies within the sample (17,586)

+

4,437,139

people working for other private equity-backed European portfolio companies

=

11,206,176

people working for private equity-backed European portfolio companies

Sample: 28,610 companies

Employment quantification

238

Invest Europe data contributors' portfolios studied

17,586

portfolio companies studied of which

14,225

SMEs

34%

of data came from third parties (annual reports, Bureau van Dijk, other public sources)

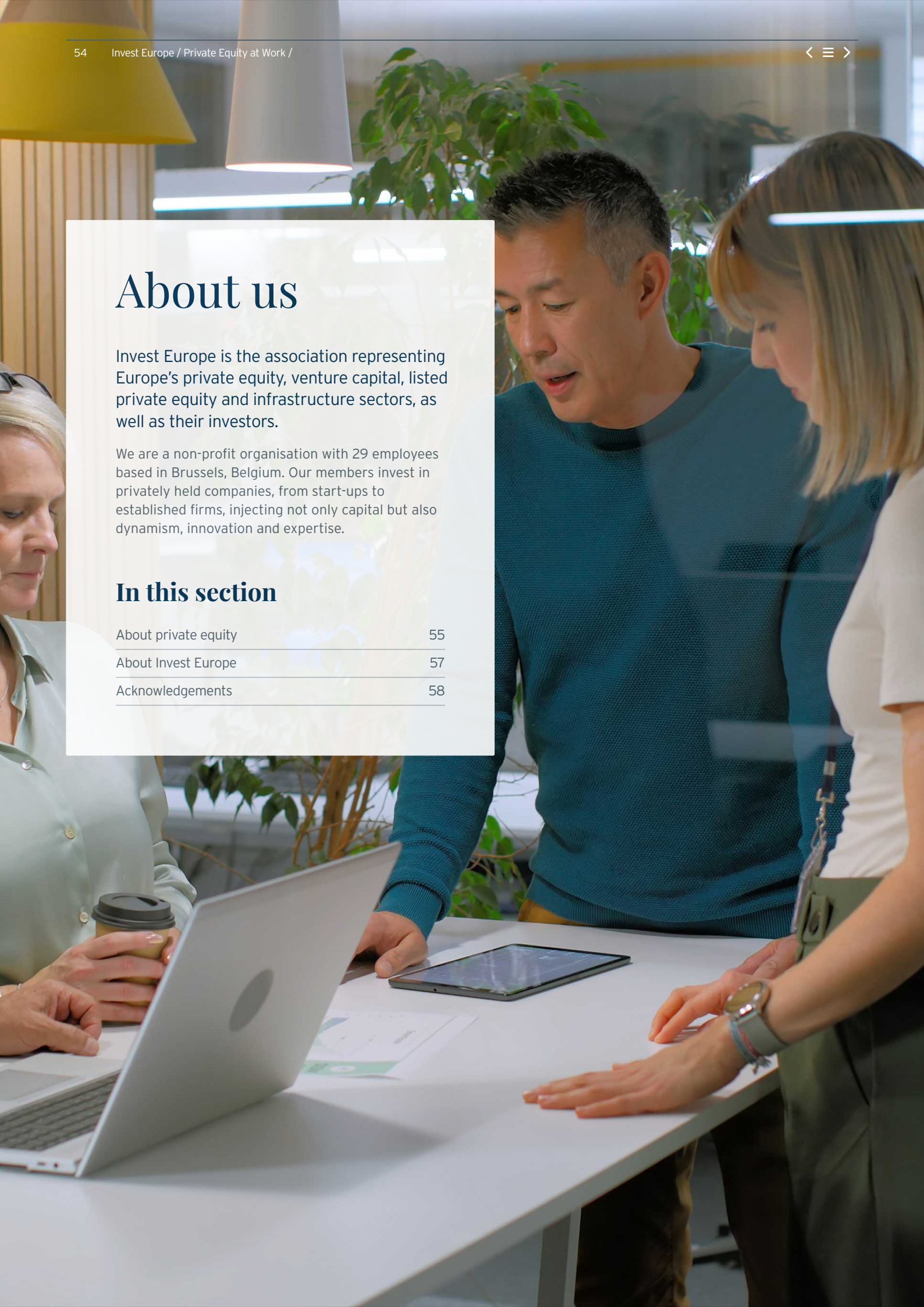
About us

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

We are a non-profit organisation with 29 employees based in Brussels, Belgium. Our members invest in privately held companies, from start-ups to established firms, injecting not only capital but also dynamism, innovation and expertise.

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About private equity

What makes private equity¹ different?

From start-ups to well-established companies, most businesses in Europe are privately owned, and not listed on public markets.

Private equity investors support these businesses on their growth journey, and it's their combination of patient and active ownership that sets the private equity model apart from most other sources of funding. Combining finance with active management, private equity adds value to the companies in which it invests.

Clear alignment between private equity firms and their investors is also fundamental to how the industry operates. Long-term engagement delivers strong and sustainable growth, resulting in healthy returns for Europe's pension funds and insurers, benefiting millions of European citizens and their families.

This makes private equity an attractive investment opportunity and sets it apart from other asset classes.

The role of private equity in the economy

Delivering returns for savings and pensions

Most private equity funding comes from citizens' savings. Pension and insurance companies invest in private equity funds because they generate consistent returns over the long-term. This is important while interest rates continue to remain low.

Helping companies to grow

Private equity firms are actively involved in the running of the businesses they invest in, strengthening management, delivering operational improvements and helping them to expand into new markets. This active approach is also used to help underperforming companies survive, protecting jobs and creating successful businesses with a strong future.

Providing patient investment

Private equity funds make a long-term commitment to the companies they back, often investing for many years, and setting companies on a sustainable growth path. This helps businesses to plan for the future with the reassurance that comes from having a committed partner.

Creating value for investors and society

By building better businesses, private equity plays a vital role in Europe's prosperity – benefiting employees, pensioners, investors and the wider economy. Private equity fund managers also invest their own money, meaning they have a strong interest in the long-term success of the investments they have undertaken.

Note

1. Private equity in this presentation encompasses: Buyout, Generalist, Growth, Mezzanine, and Venture Capital.

Investment stages

'Private equity' simply means that the portfolio company is owned privately – i.e. its shares are not listed on a public market. As an industry it encompasses all sizes of investor and business, at all stages, from fledgling start-ups through to global corporations. The broad investment stages of private equity are outlined below:

Venture - Seed

This is funding provided before the portfolio company has started mass production/distribution with the aim to complete research, product definition or product design, including market tests and prototypes. This funding is not used for mass production/distribution.

Venture - Start-up

This is funding for companies whose product or service is fully developed and starting mass production or distribution, and to cover initial marketing costs. 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 capital would be mostly to cover capital expenditures and initial working capital, and these companies would not usually be generating a profit yet.

Venture - Later stage

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 of investment.

Growth

This is private equity investment (often a minority stake) in relatively mature companies that are looking for primary capital to expand and improve operations or enter new markets to accelerate the growth of an already successful 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 a majority or controlling stake in the portfolio company.

Turnaround / Rescue

Financing made available to an existing business, which has experienced financial distress, with a view to re-establishing profitable trading.

Replacement Capital

Minority stake purchase from another private equity investment organisation or from another shareholder or shareholders.

Private equity:

Impact in numbers

Over the past few years private equity has become an important source of funding for European businesses

Investing in Europe:

€576 bn

invested by private equity in European companies from 2019-2023

29,433

European companies benefited from PE investment over the 2019-2023 period

Attracting global investment into Europe:

38%

of the total amount raised by private equity in Europe between 2019-2023 came from outside the continent

About Invest Europe

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

We are a non-profit organisation with 29 employees based in Brussels, Belgium.

Our members invest in privately held companies, from start-ups to established firms, injecting not only capital but also dynamism, innovation and expertise.

We are the guardian of our industry’s professional standards, demanding accountability, good governance and transparency from our members.

Through our research, we aim to play a constructive role in Europe's prosperity and policymaking, providing authoritative data on trends and developments in the industry, and communicating our members’ role in the economy.

6.8 million

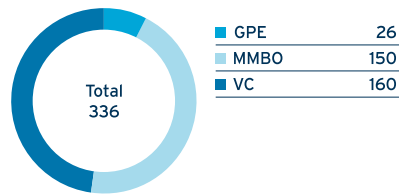
estimated number of people working for Invest Europe members’ portfolio companies

10,741

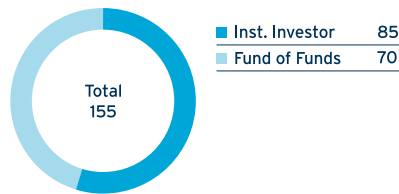
active Invest Europe member portfolio companies in 2023

Our members

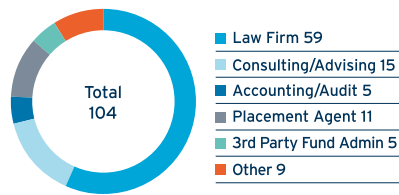
GP Members



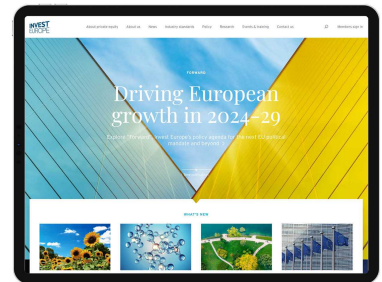
LP Members



Associate Members



As at 14 December 2023



For more information

Please visit www.investeurope.eu

Acknowledgements

About Invest Europe

Invest Europe is recognised as the authoritative data source for European private equity 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, media, fund managers and other stakeholders since 1984. To deliver this trusted data and insight, Invest Europe collects data on more than 1,700 private equity firms.

The Invest Europe Research team is supported by PEREP Analytics.

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European Data Cooperative

What is the EDC?

The EDC is the **most comprehensive database** of European private equity statistics. The EDC replaces Invest Europe's previous database PEREP_Analytics. All relevant historical data from PEREP was migrated to the EDC system in 2016.

Basis of reporting

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.

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

The most recent data publications are always available on Invest Europe's website www.investeurope.eu/research

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.



With data on more than **1,700 European private equity firms**, the 2023 annual statistics covered 91% of the €1,154 billion in capital under management in Europe as of end of 2023

The European Data Cooperative database brings together:

4,200+

firms

12,100+

funds

100,300+

portfolio companies

383,000+

transactions

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