



THE VOICE OF
PRIVATE CAPITAL
VENTURE CAPITAL
PRIVATE EQUITY
INFRASTRUCTURE
LONG TERM INVESTORS

2017 European Private Equity Activity

Statistics on Fundraising,
Investments &
Divestments



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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 that allows us to have consistent, robust pan-European statistics that are comparable across the region.
- > As a result we produce the most comprehensive overview of Europe's private equity and venture capital markets available, allowing us to better inform fund managers, investors, policymakers, regulators and other stakeholders.
- > These efforts enhance Invest Europe's goal to be the most trusted and comprehensive source of European private equity and venture capital market data.

European Data Cooperative

Data restatements & research support

The EDC database

brings together:

- ✓ 3,000 firms
- ✓ 8,000 funds
- ✓ 64,000 portfolio companies
- ✓ 250,000 transactions

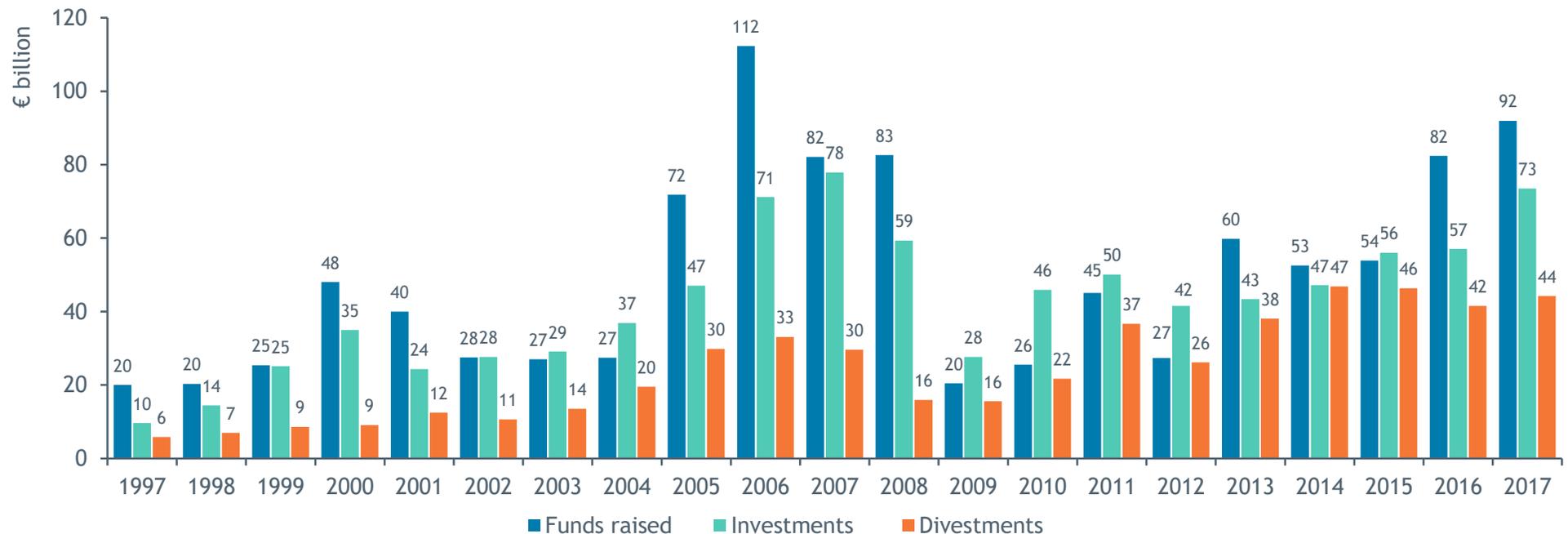
EuropeanDataCooperative

- > The EDC replaces Invest Europe's previous database PEREP_Analytics. All relevant historic data was migrated to the EDC system.
- > 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

1997-2017 - Industry statistics - Amount

With data on more than **1,250** European private equity firms, the 2017 statistics cover **89%** of the **€640bn** 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.

Source: Invest Europe / Thomson Reuters (2000-2006) & Invest Europe / EDC (2007-2017)



2017 European Private Equity Activity

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Executive summary

1 FUNDRAISING

Total fundraising in 2017 reached €91.9bn, Europe's highest level since 2006 and a 12% increase year-on-year. The number of funds raising new capital increased by 15% to 542.

Pension funds provided 29% of all capital raised, followed by funds of funds (20%), family offices & private individuals (15%), sovereign wealth funds (9%) and insurance companies (8%). Institutional investors from outside Europe contributed more than 40%, with investors from Asia making their highest contribution to date with a 15% share.

Buyout fundraising increased by 5% to €65.1bn. More than 70% of this amount was raised by funds of more than €1bn.

Venture capital fundraising reached €7.7bn, only slightly below 2016's record year, when €8.2bn was raised. These two years of VC fundraising are markedly higher on average than the previous four years. For the first time, European venture funds raised on average almost €100 million at final closing – almost double the average of ten years ago.

Growth capital fundraising increased by 41% to €6.8bn – the highest level since 2011.

2 INVESTMENTS

The total equity amount invested in European companies in 2017 increased by 29% year-on-year. At €71.7bn, this is the second highest amount on record and only 4% below the peak in 2007. The number of companies receiving investment increased by 7% to almost 7,000, of which 87% were SMEs.

Buyout investment was in line with the fundraising momentum, increasing 37% year-on-year to €51.2bn - the highest level since 2007. The number of companies backed increased by 12% to 1,171. Mega buyouts represented nearly 40% of the buyout market, tripling year-on-year to €18.2bn, the highest in over a decade. Other buyout sizes performed similarly to 2016.

Venture capital investment increased by 34% to a ten-year high of €6.4bn, surpassing 2008's amount by 13%. Nearly 3,800 companies were venture-backed, an 8% increase.

Growth capital investments increased by 6% to €11.5bn and by 4% to 2,107 companies.

Consumer goods and services received the most investment (24% by amount; 18% by number of companies), followed by business products and services (24%; 17%) and ICT (17%; 32%).

3 DIVESTMENTS

Around 3,800 European companies were exited in 2017, in line with 2016. By amount of former equity investments (divestments at cost), the total value was €42.7bn, a year-on-year increase of 7% and the third highest level of the past decade.

The most prominent exit routes by amount were trade sale (35%), sale to another private equity firm (28%) and public offering (14%).

Buyout divestments represented 76% of all exits in 2017 by amount and 23% by number of companies. The amount divested increased by 21% to €32.6bn. Exits by number of companies increased by 8% to 879, returning to the level of the previous strong exit years of 2014 and 2015.

Venture capital comprised around 31% of all divestments with nearly 1,200 companies. The amount divested decreased by 7% to €2.1bn and exits by number of companies decreased by 13%. The most prominent exit route was trade sale, which grew by 12% in amount year-on-year, while public offerings rose by 60%.

Growth divestments represented 13% of all exits by amount and 38% by number of companies. The amount divested decreased by 5% to €5.7bn, while the number of companies increased by 3% to 1,435.

1. FUNDRAISING

Fundraising statistics explained

Direct private equity investment funds that primarily focus on investments in Europe are monitored.

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

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

The following funds are excluded from the statistics: infrastructure funds, real estate funds, 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/

2017 Fundraising at a glance

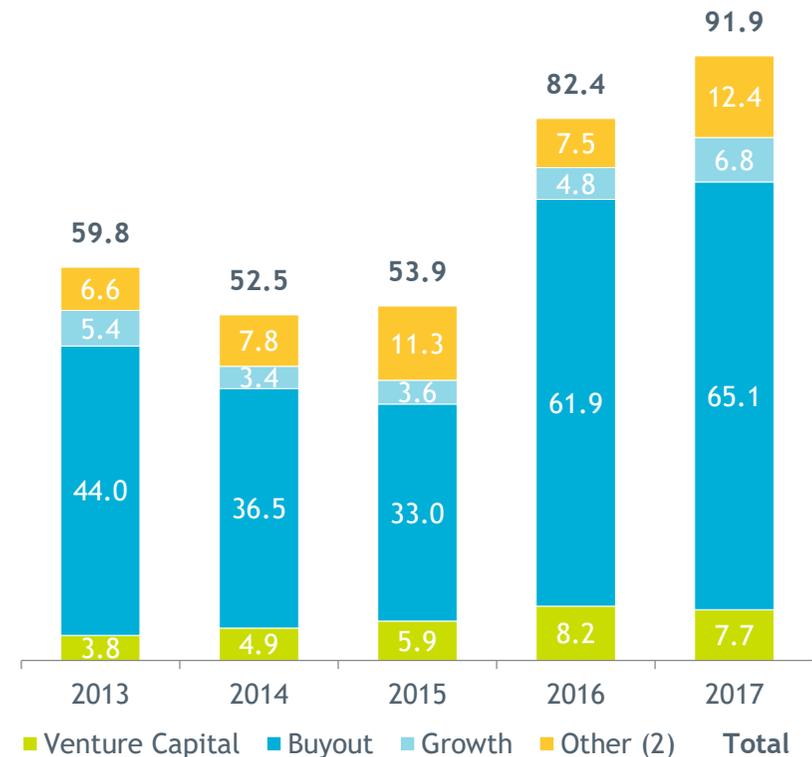
- Total fundraising in 2017 reached €91.9bn, Europe's highest level since 2006 and a 12% increase year-on-year. The number of funds raising new capital increased by 15% to 542.
- Pension funds provided 29% of all capital raised, followed by funds of funds (20%), family offices & private individuals (15%), sovereign wealth funds (9%) and insurance companies (8%). Institutional investors from outside Europe contributed more than 40%, with investors from Asia making their highest contribution to date with a 15% share.
- Buyout fundraising increased by 5% to €65.1bn. More than 70% of this amount was raised by funds of more than €1bn. Pension funds remained the largest institutional investor in European buyout funds contributing 37%, followed by funds of funds & other asset managers (21%), family offices & private individuals (12%), sovereign wealth funds (12%), insurance companies (5%). Investors from outside Europe contributed more than half of the total buyout fundraising, with those from North America representing a third of the capital raised.
- Venture capital fundraising reached €7.7bn, only slightly below 2016's record year, when €8.2bn was raised. These two years of VC fundraising are markedly higher on average than the previous four years. For the first time, venture funds raised on average almost €100 million at final closing – almost double the average of ten years ago. Fifteen of the 50 venture funds that raised capital reached more than €100m at final close, raising 80% of the total amount. Government agencies contributed 29% to the total VC fundraising amount, followed by family offices and private individuals (23%), funds of funds & other asset managers (18%) and corporate investors (8%).
- Growth capital saw a 41% year-on-year increase to €6.8bn – the highest level since 2011. 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.

2017	All Private Equity	Venture Capital ⁽¹⁾	Buyout ⁽¹⁾	Growth ⁽¹⁾
Incremental - Amounts raised	€91.9bn	€7.7bn	€65.1bn	€6.8bn
Incremental - No. of funds	542	163	119	113
Final closings - Cumulative amount since inception	€70.8bn	€4.9bn	€55.9bn	€2.5bn
Final closings - No. of funds	184	50	73	22

Source: Invest Europe / EDC
Note: (1) relates to fund focus

2017 European Private Equity Activity

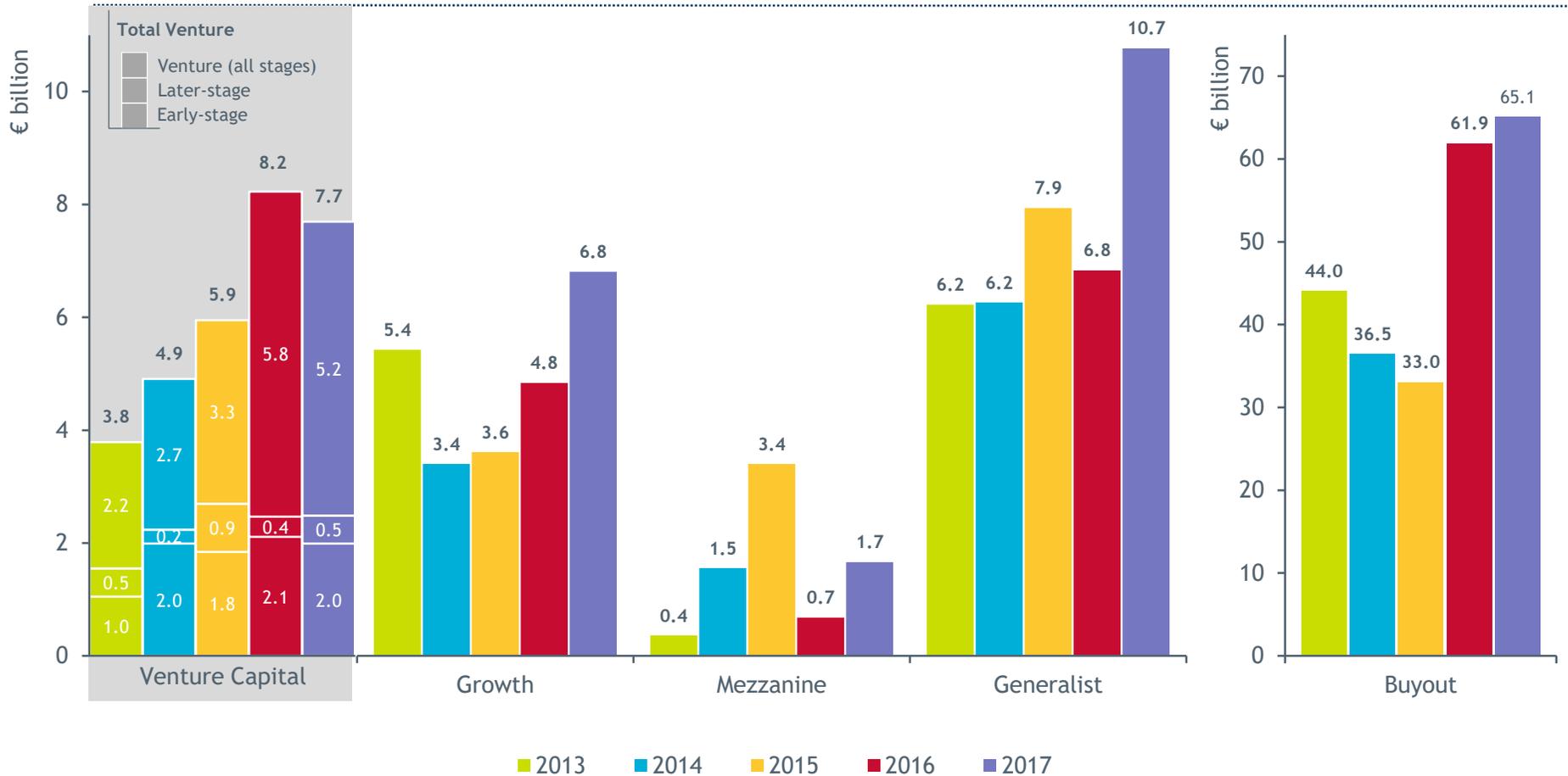
Incremental amounts raised during the year (€ billion)



Source: Invest Europe / EDC
Note: (2) Other includes Mezzanine and Generalist funds

Funds raised by fund stage focus

2013-2017 - Incremental amount raised during the year

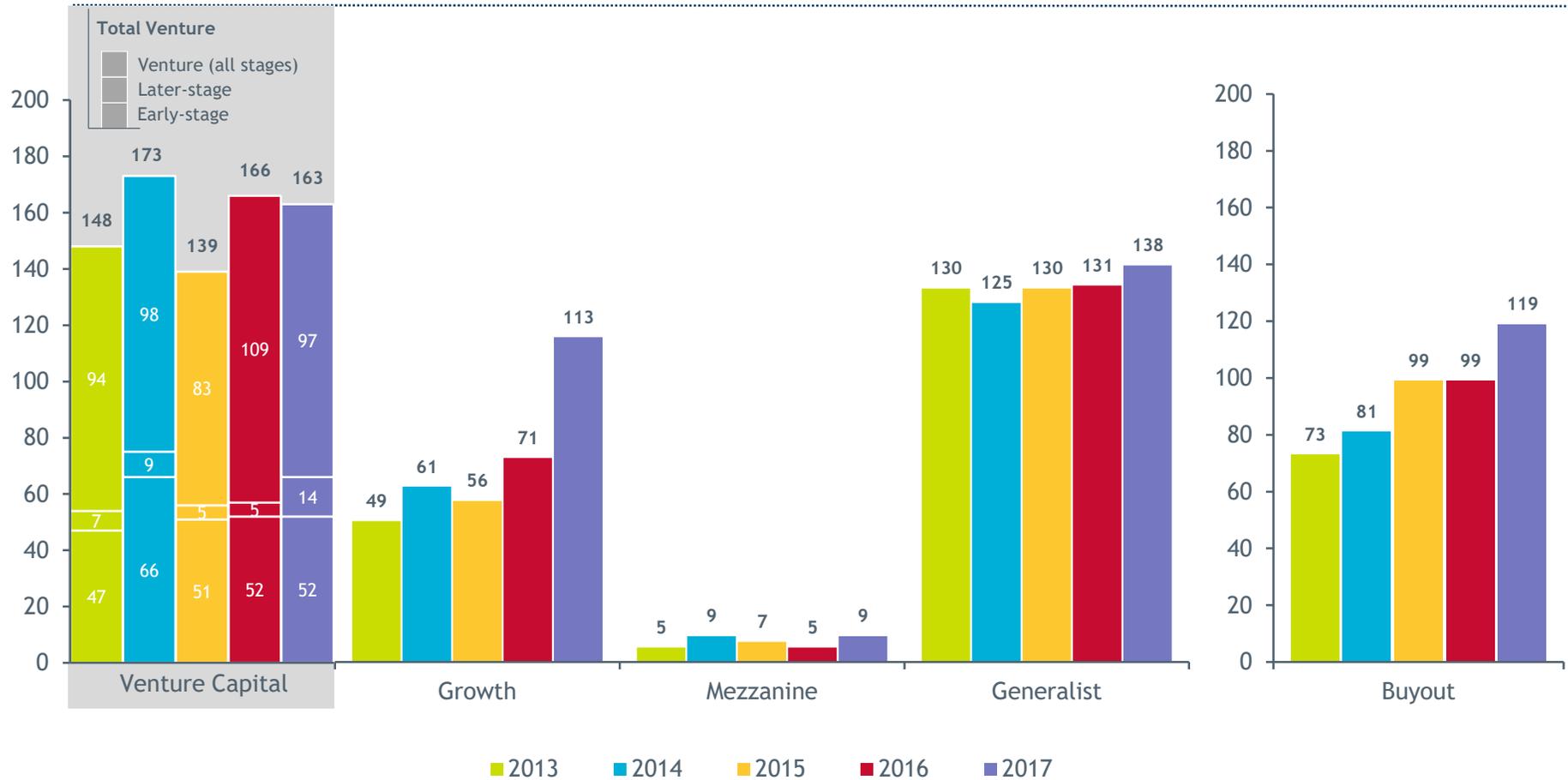


Source: Invest Europe / EDC

2017 European Private Equity Activity

Funds raised by fund stage focus

2013-2017 - Number of funds that reached first, intermediate or final closing during the year

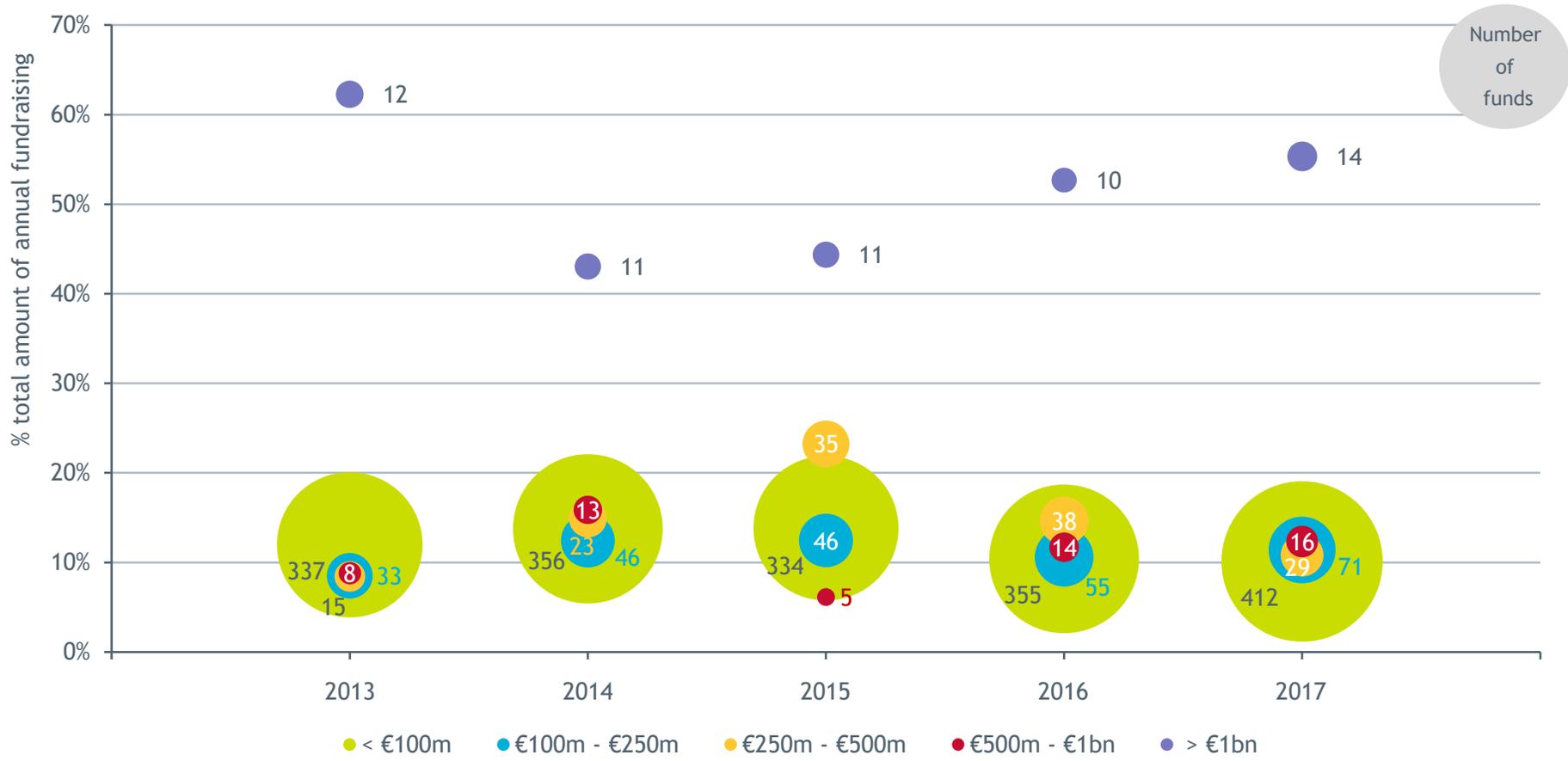


Source: Invest Europe / EDC

2017 European Private Equity Activity

All Private Equity - Concentration of capital

2013-2017 - Incremental fundraising by amount bracket per fund during the year



Source: Invest Europe / EDC
2017 European Private Equity Activity



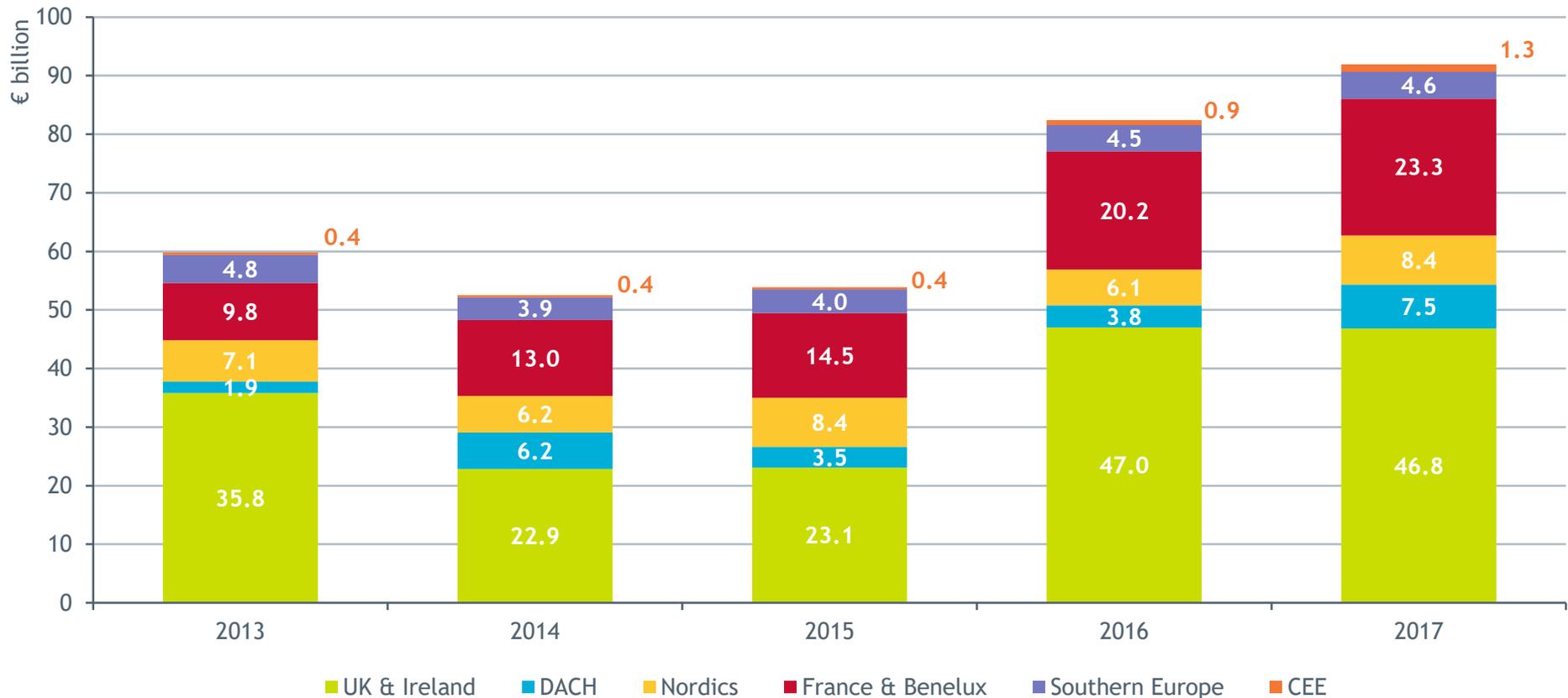
FUNDRAISING

INVESTMENTS

DIVESTMENTS

All Private Equity - Funds raised by region of management

2013-2017 - 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



2017 European Private Equity Activity

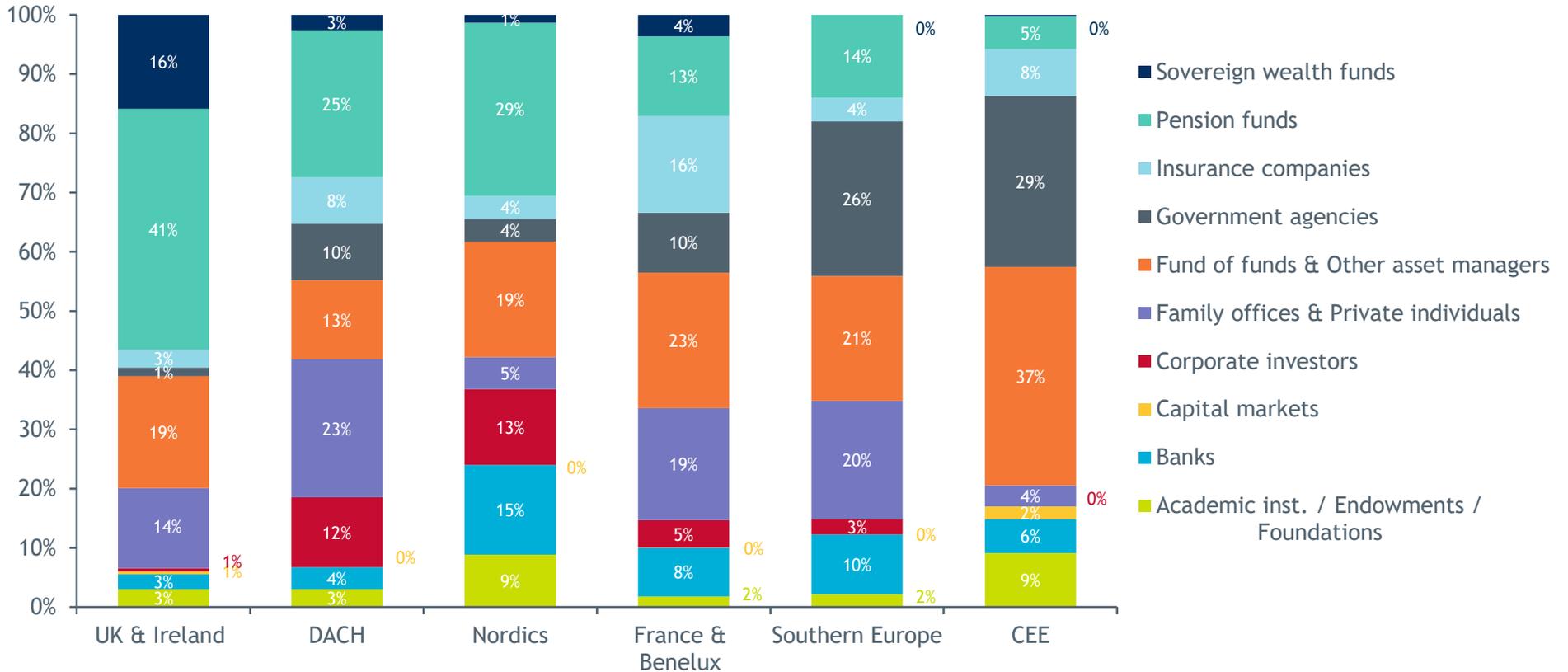
FUNDRAISING

INVESTMENTS

DIVESTMENTS

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

2017 - 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



2017 European Private Equity Activity

FUNDRAISING

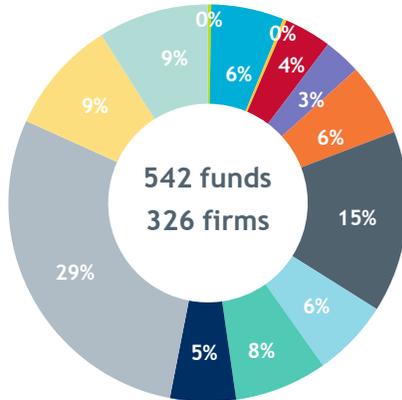
INVESTMENTS

DIVESTMENTS

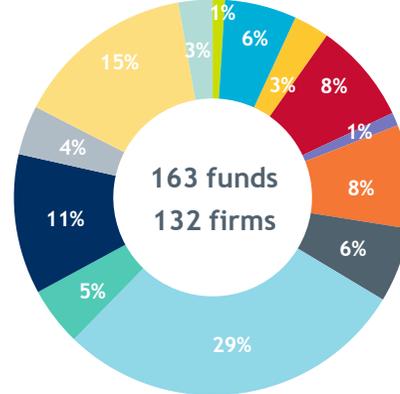
Funds raised by type of investor

2017 - Incremental amount raised during the year - % of amount

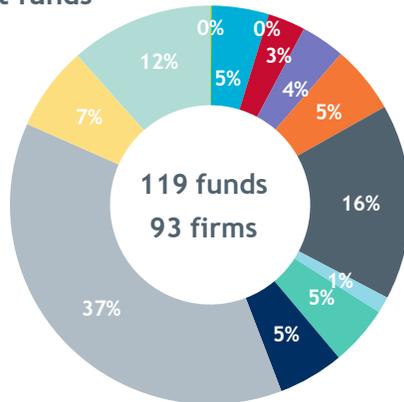
All Private Equity funds



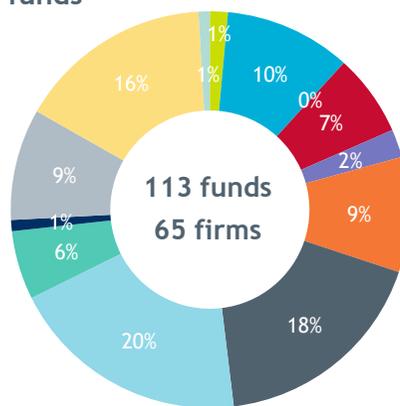
Venture Capital funds



Buyout funds



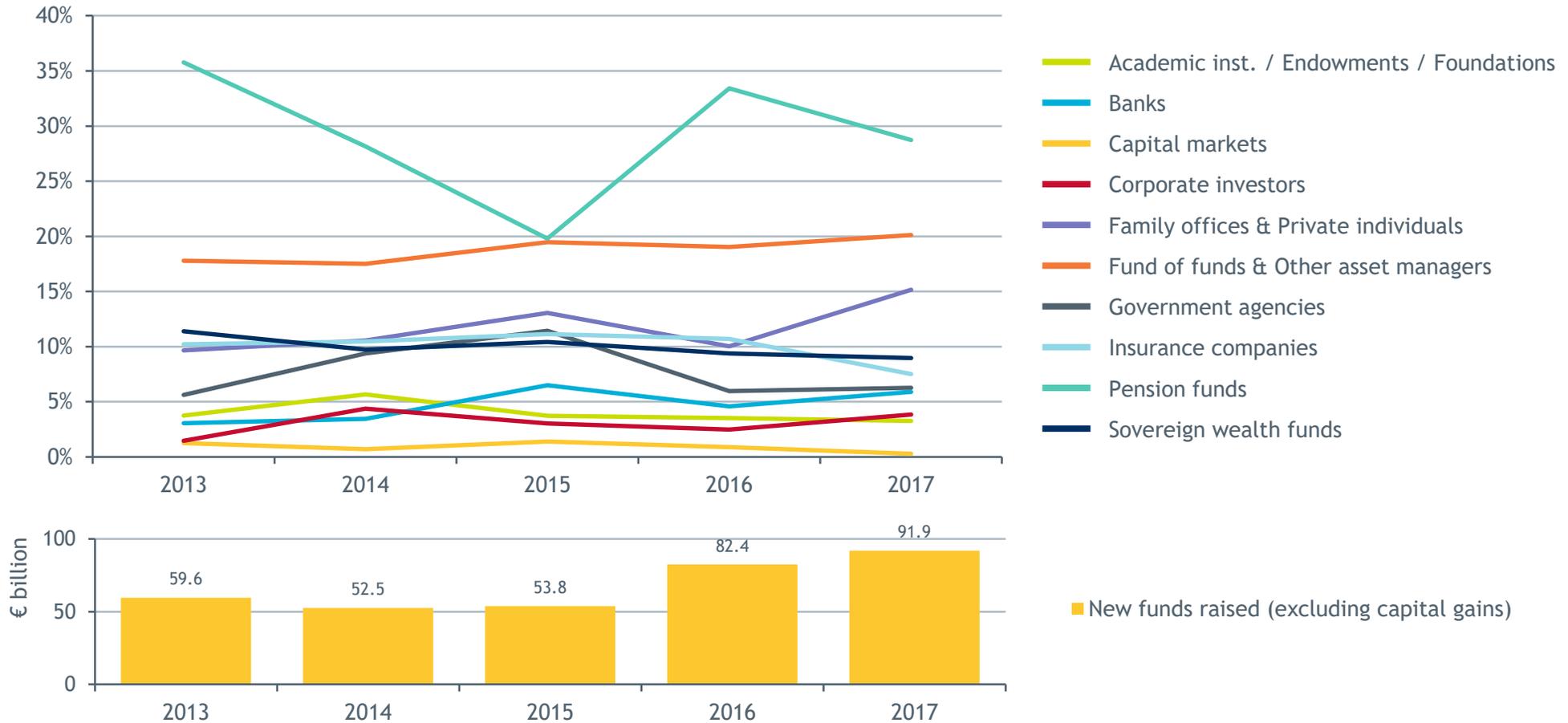
Growth funds



- Academic institutions
- Banks
- Capital markets
- Corporate investors
- Endowments & Foundations
- Family offices
- Fund of funds
- Government agencies
- Insurance companies
- Other asset managers
- Pension funds
- Private individuals
- Sovereign wealth funds

All Private Equity - Funds raised by type of investor

2013-2017 - Incremental amount raised during the year - % of total amount

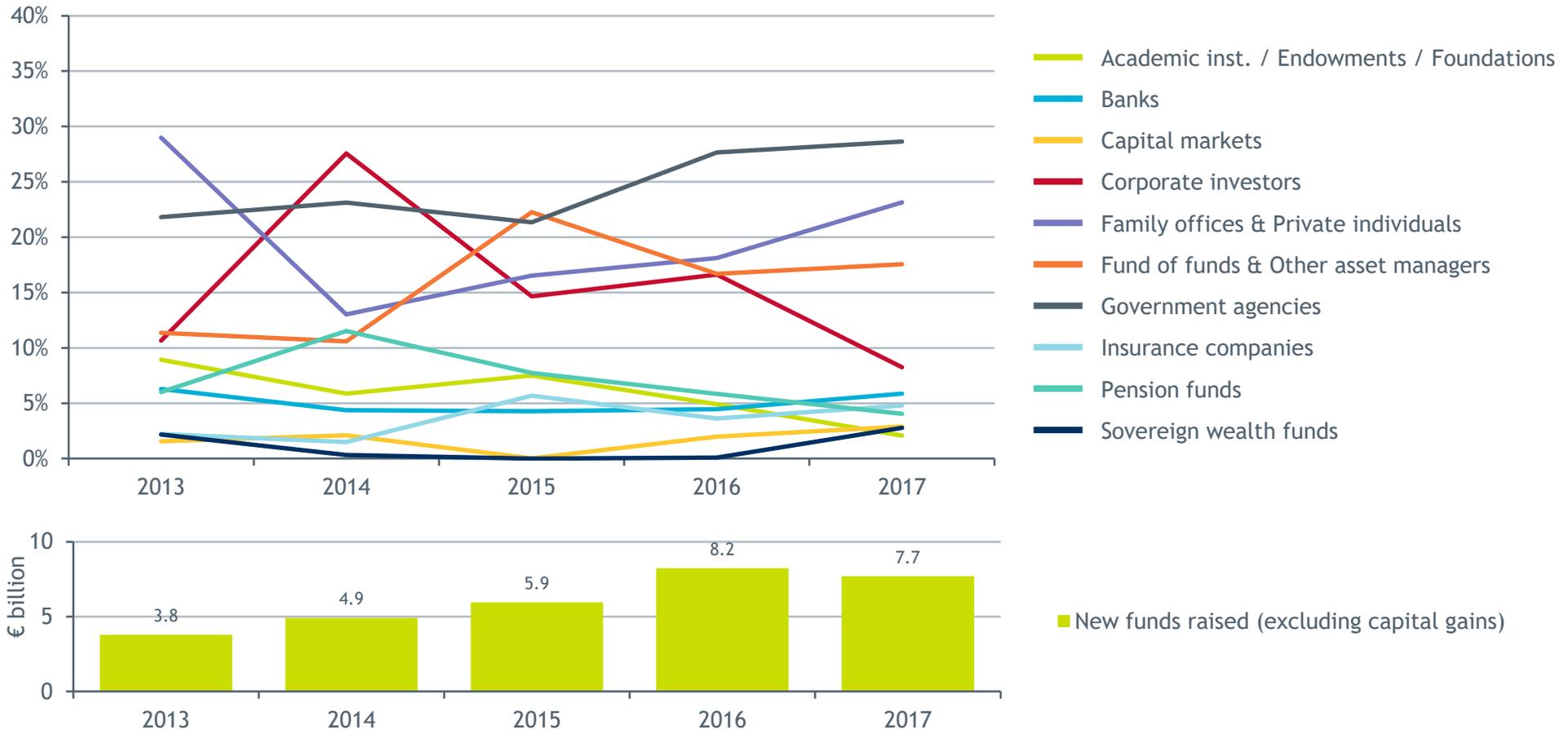


Source: Invest Europe / EDC

2017 European Private Equity Activity

Venture Capital - Funds raised by type of investor

2013-2017 - Incremental amount raised during the year - % of total amount

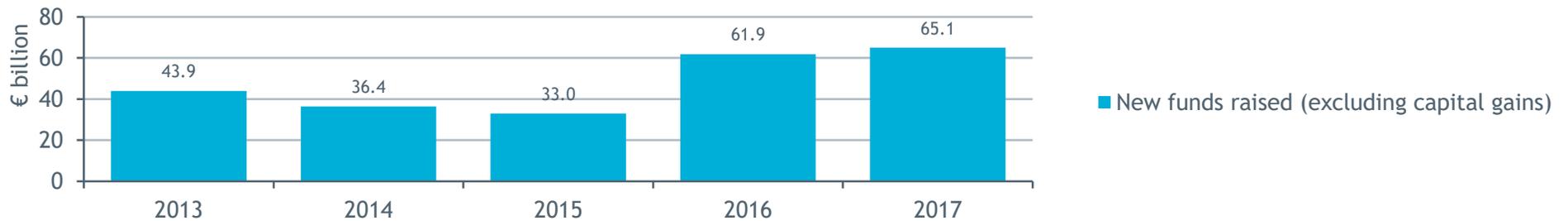
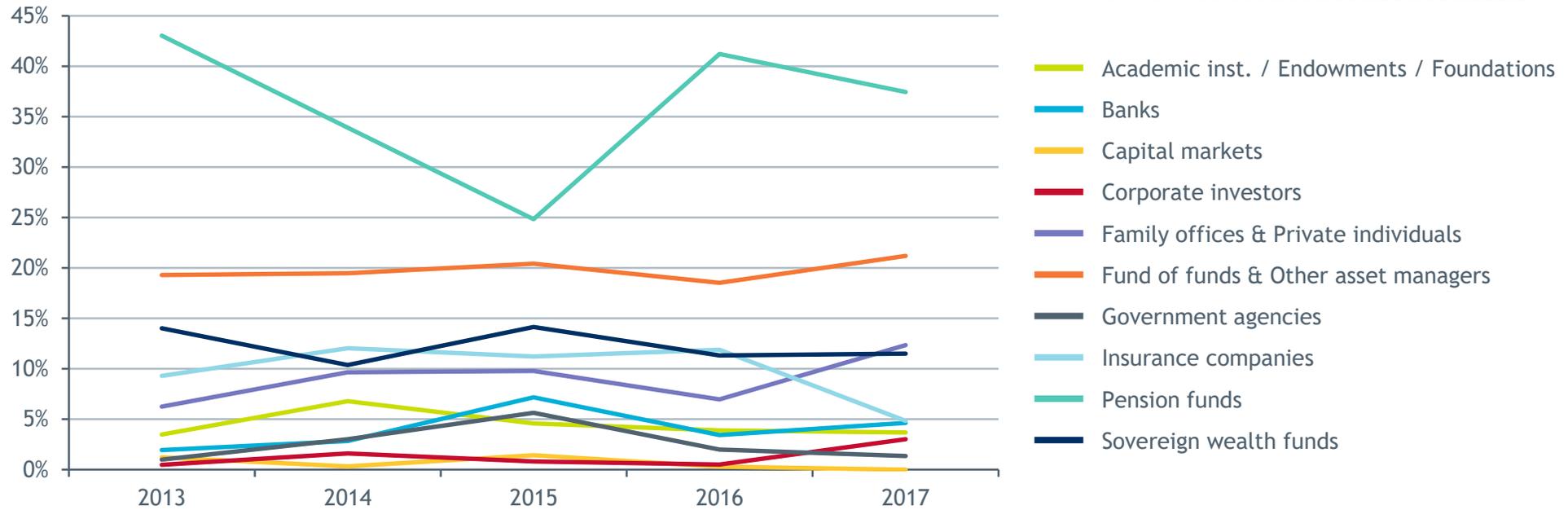


Source: Invest Europe / EDC

2017 European Private Equity Activity

Buyout - Funds raised by type of investor

2013-2017 - Incremental amount raised during the year - % of total amount

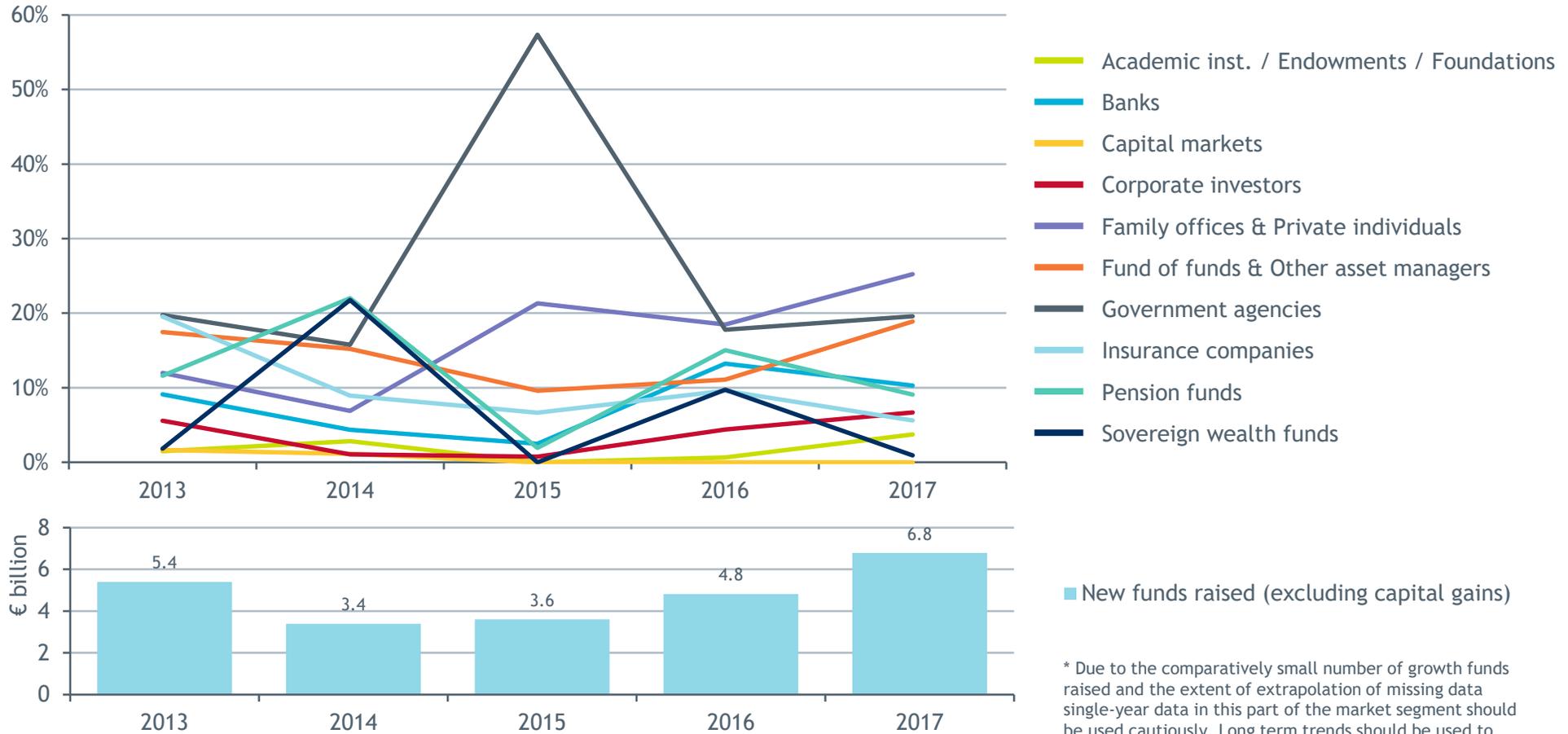


Source: Invest Europe / EDC

2017 European Private Equity Activity

Growth - Funds raised by type of investor

2013-2017 - Incremental amount raised during the year - % of total amount*



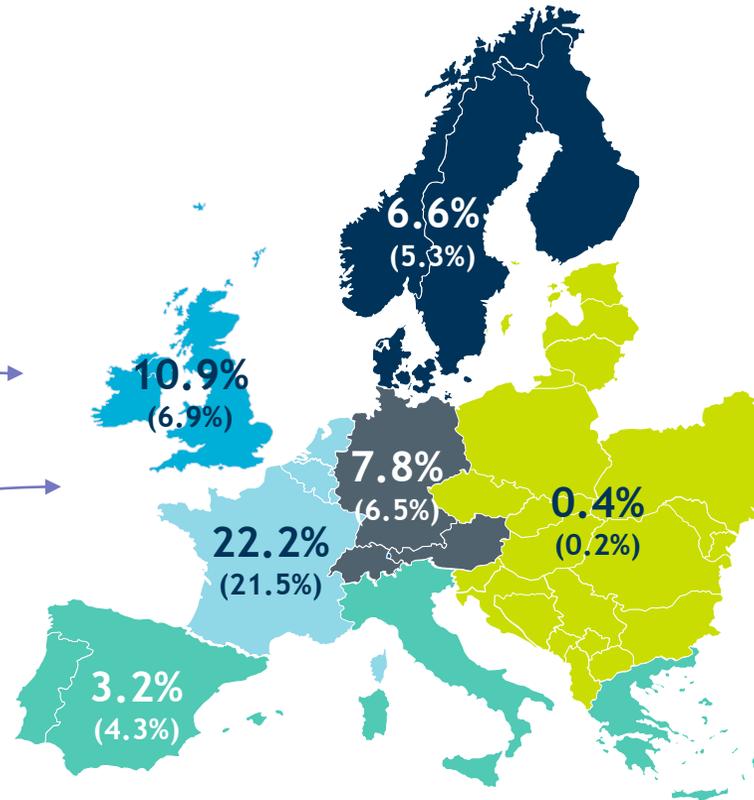
* Due to the comparatively small number of growth funds raised and the extent of extrapolation of missing data single-year data in this part of the market segment should be used cautiously. Long term trends should be used to identify the structures of investors in this market segment.

All Private Equity - Fundraising geographic breakdown

2017 (2016) - Source of funds - % of total amount

North America

25.8%
(29.8%)



Rest of world

2.0%
(1.4%)

Unclassified Europe

6.3%
(9.9%)

Australia

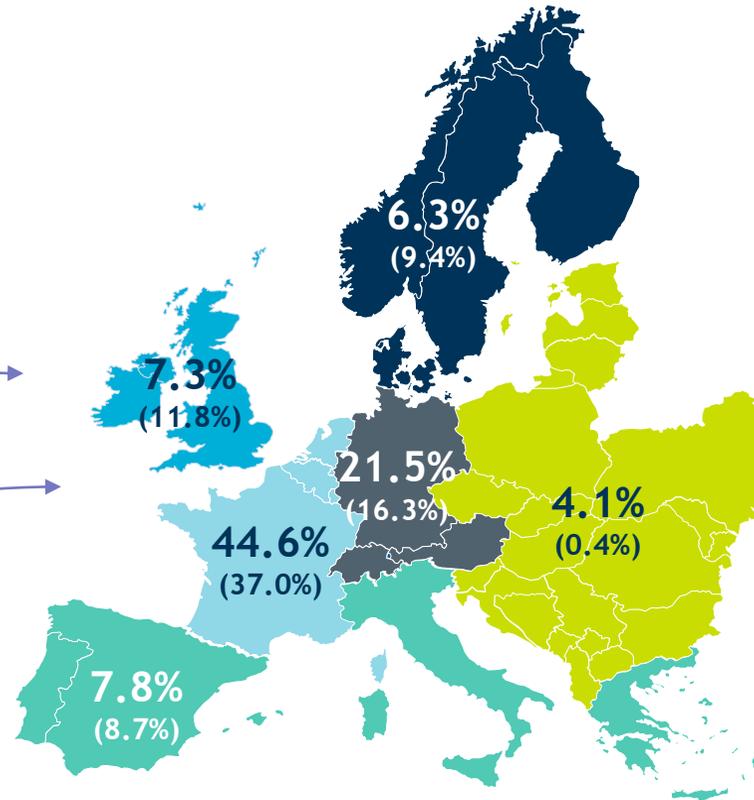
Asia
14.7%
(14.1%)

Venture Capital - Fundraising geographic breakdown

2017 (2016) - Source of funds - % of total amount

North America

3.5%
(7.3%)



Rest of world

0.7%
(1.2%)

Australia

Asia
3.7%
(2.0%)

Unclassified Europe

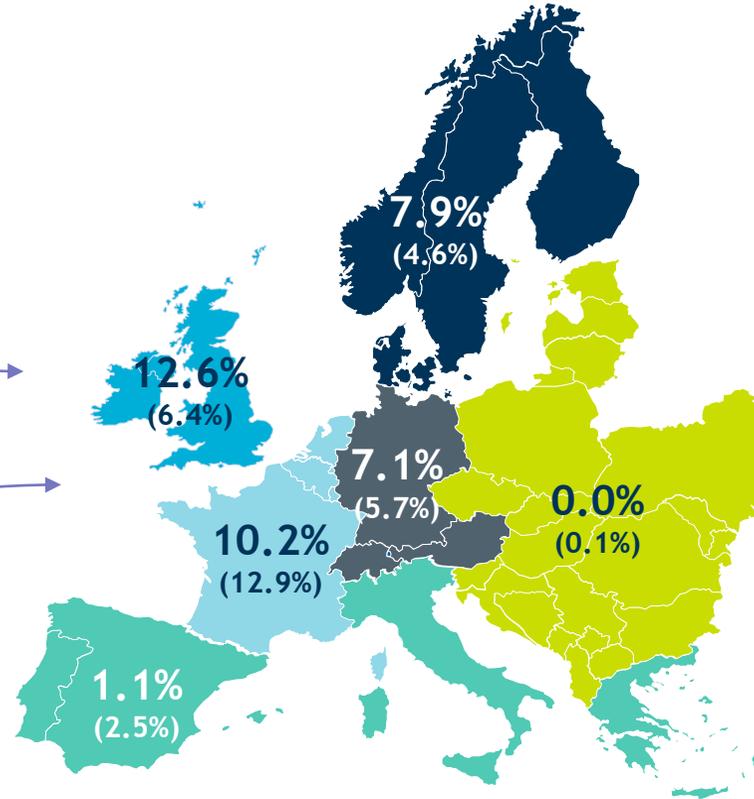
0.4%
(6.0%)

Buyout - Fundraising geographic breakdown

2017 (2016) - Source of funds - % of total amount

North America

33.1%
(36.9%)



Rest of world

2.6%
(1.0%)

Australia

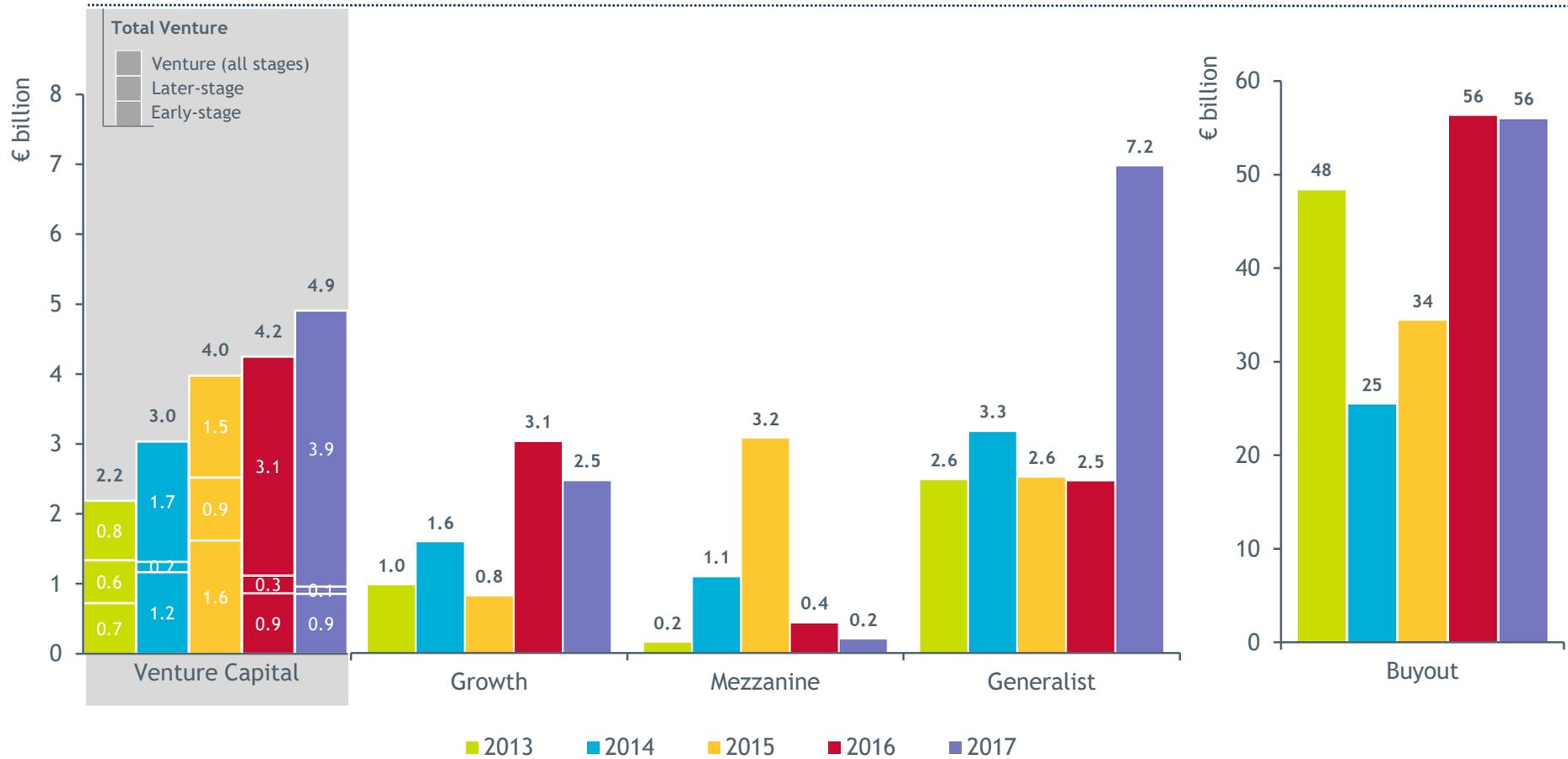
18.9%
(18.3%)

Unclassified Europe

6.3%
(11.7%)

Final closing - Funds raised by fund stage focus

2013-2017 - Final closing during the year - Amount⁽¹⁾

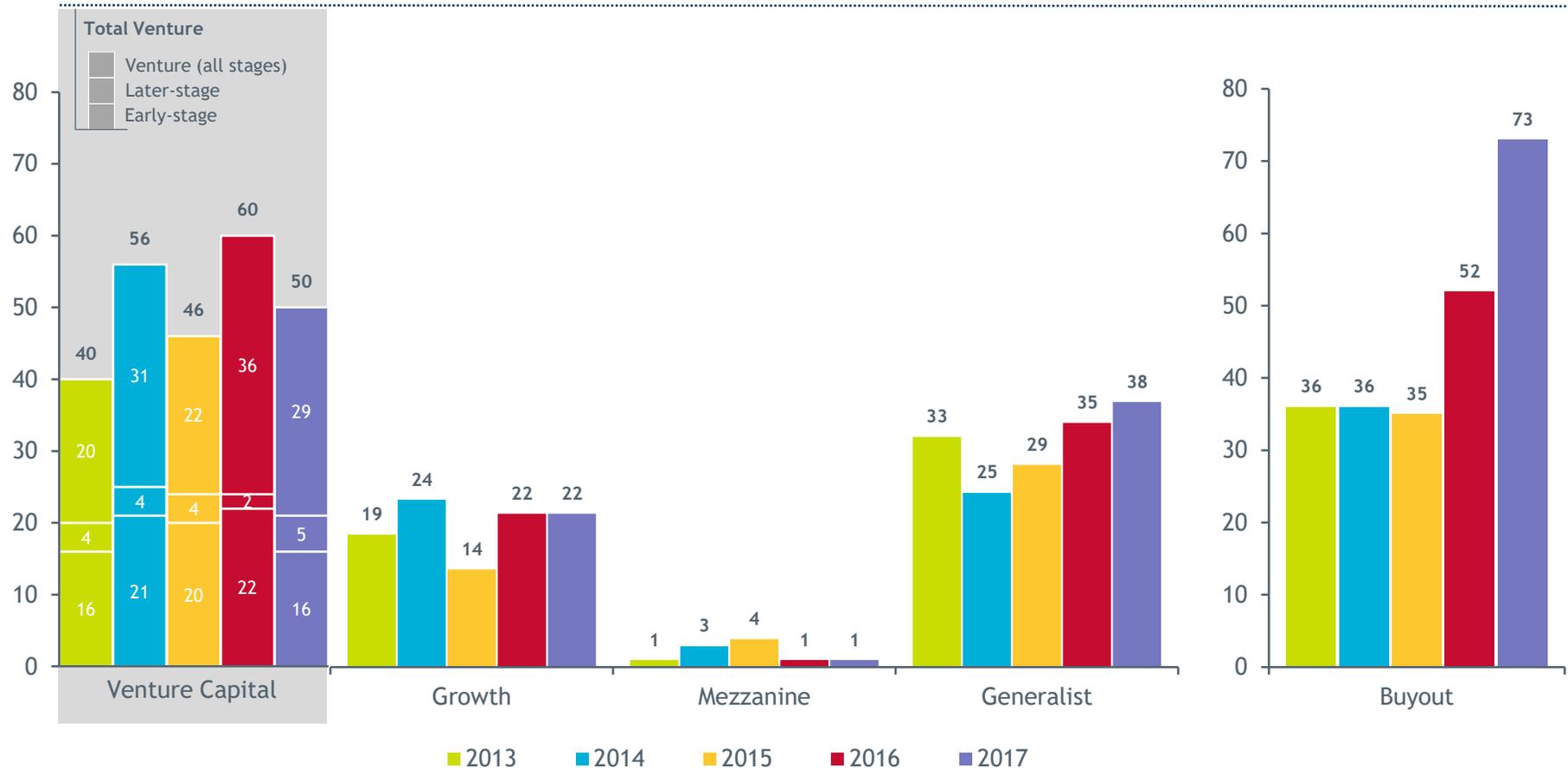


Source: Invest Europe / EDC

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

2013-2017 - Final closing during the year - Number of funds⁽¹⁾

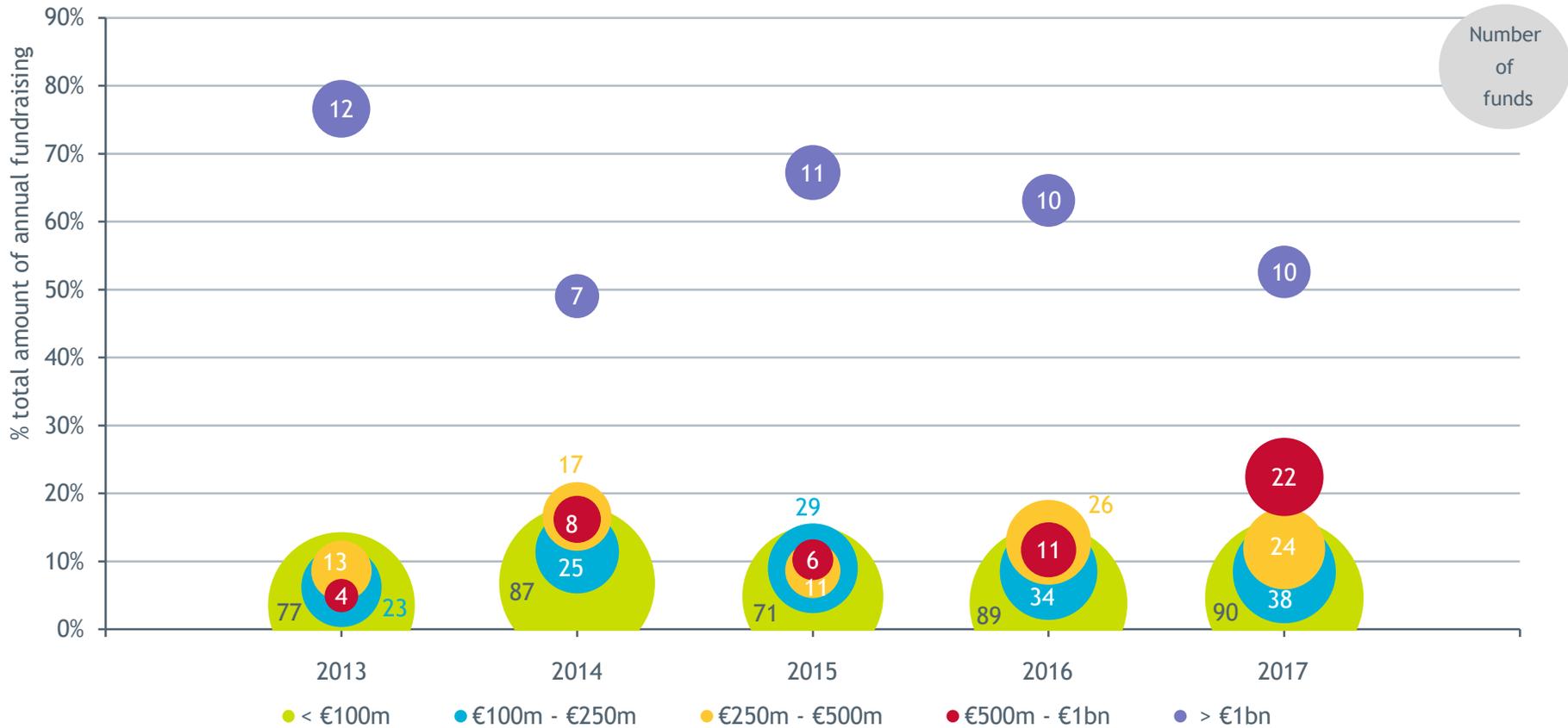


Source: Invest Europe / EDC

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

Final closing - All Private Equity - Concentration of capital

2013-2017 - 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.

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.

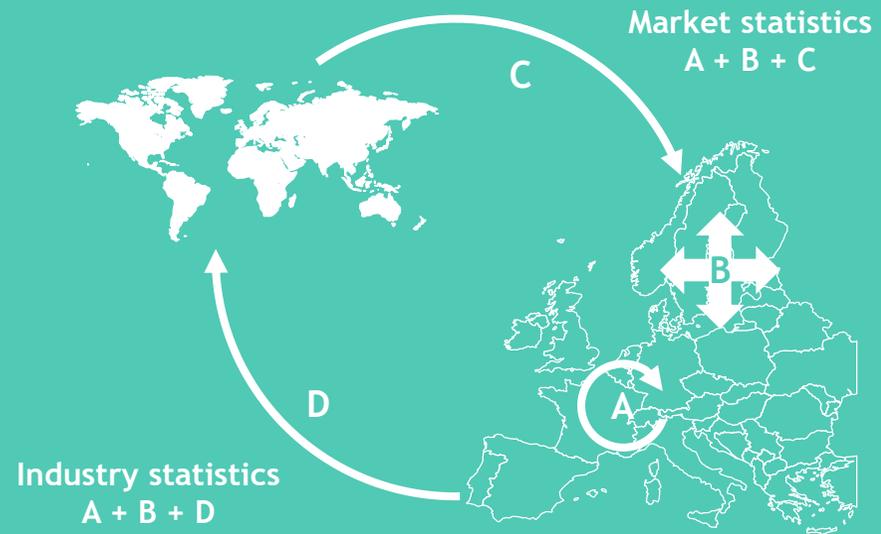
Market statistics are an aggregation of figures according to the location of the portfolio company. At European level, this relates to investments in European companies regardless of the location of the private equity firm.

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, distressed debt funds, primary funds of funds, secondary funds of funds.

Market versus industry statistics



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

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.

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.

2017 Investments at a glance

- The total equity amount invested in European companies in 2017 increased by 29% year-on-year. At €71.7bn, it is the second highest amount on record and only 4% below the peak in 2007. The number of companies receiving investment rose 7% to almost 7,000 of which 87% were SMEs.
- Buyout investment was in line with the fundraising momentum, increasing 37% year-on-year to €51.2bn - the highest level since 2007. The number of companies backed increased by 12% to 1,171. Mega buyouts represented nearly 40% of the buyout market, tripling year-on-year to €18.2bn, the highest in over a decade. Small buyouts increased by 12% to nearly €4bn, with 701 companies backed, an increase of 9%. Mid-market and large buyouts performed similarly to 2016, accounting for close to 60% of the total buyout amount invested and 40% by number of companies. Business products and services received the highest investment amount at 29%, followed by consumer goods and services (27%), ICT (11%) and biotech and healthcare (10%).
- Venture capital investment increased by 34% to a ten-year high of €6.4bn, surpassing 2008's amount by 13%. Nearly 3,800 companies were venture-backed: an 8% increase. Seed and start-up investments grew almost 50%, reaching €649m and €3.5bn respectively. Later stage investments grew by 17% to reach €2.3bn, the highest level since 2008. ICT was the largest sector, receiving 45% of the total VC investment amount, followed by biotech and healthcare (23%) and consumer goods and services (8%).
- Growth capital investments increased by 6% to €11.5bn. Over 2,100 companies were backed, a 4% increase year-on-year. Venture-backed companies received around 14% of the total amount. The ICT sector received a quarter of the investment amount, followed by consumer goods and services (23%), biotech and healthcare (18%) and business products and services (13%).

2017 - Market statistics	All Private Equity	Venture Capital ⁽¹⁾	Buyout ⁽¹⁾	Growth ⁽¹⁾
Amount	€71.7bn	€6.4bn	€51.2bn	€11.5bn
No. of companies	6,999	3,756	1,171	2,107
No. of firms	1,204	710	447	465
No. of funds	2,523	1,361	691	1,122

Source: Invest Europe / EDC

Note: (1) relates to the investment stage of the portfolio company

2017 European Private Equity Activity

Investments - Market statistics - Amount & No. of companies



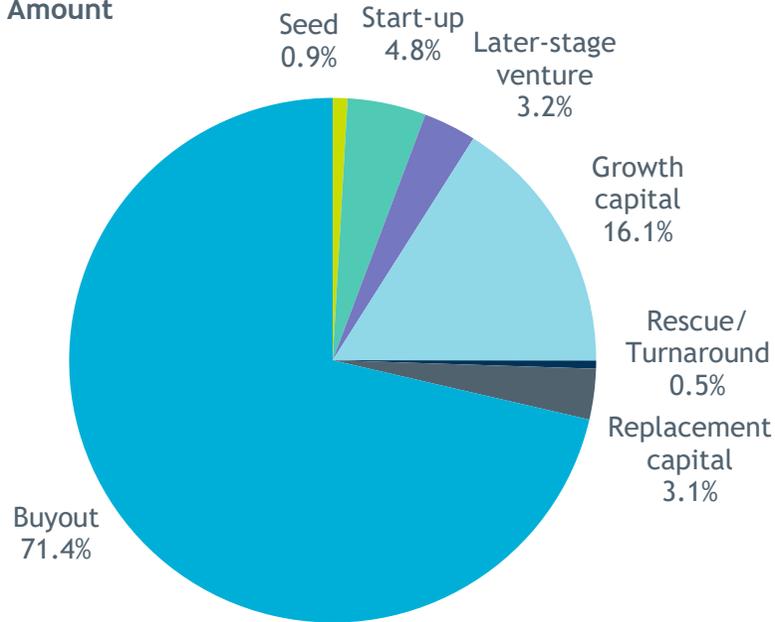
Source: Invest Europe / EDC

Note: (2) Other includes Rescue/Turnaround and Replacement capital

Investments by stage

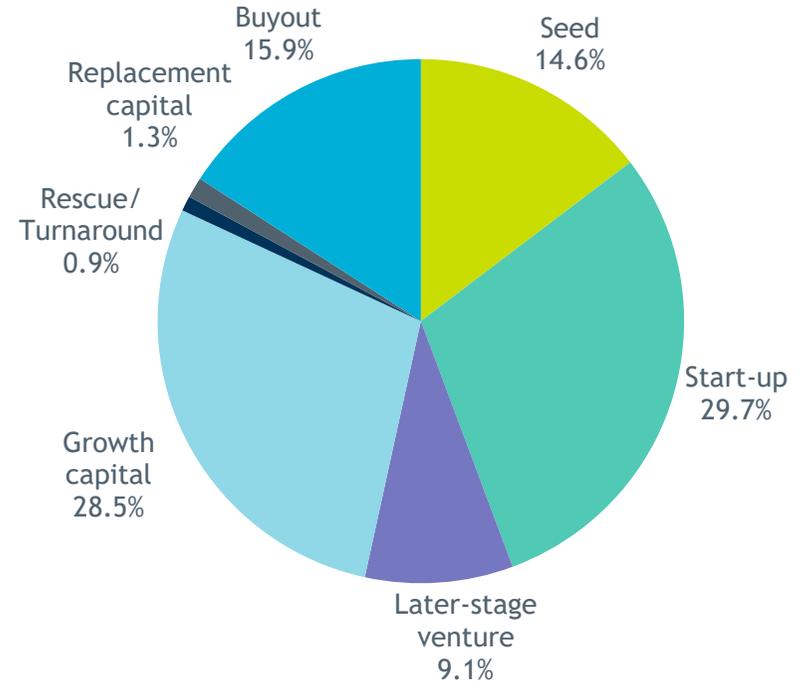
2017 - Market statistics - % of Amount & Number of companies

% of Amount



Venture Capital	€6.4 bn
Buyout	€51.2 bn
Growth	€11.5 bn

% of Number of companies



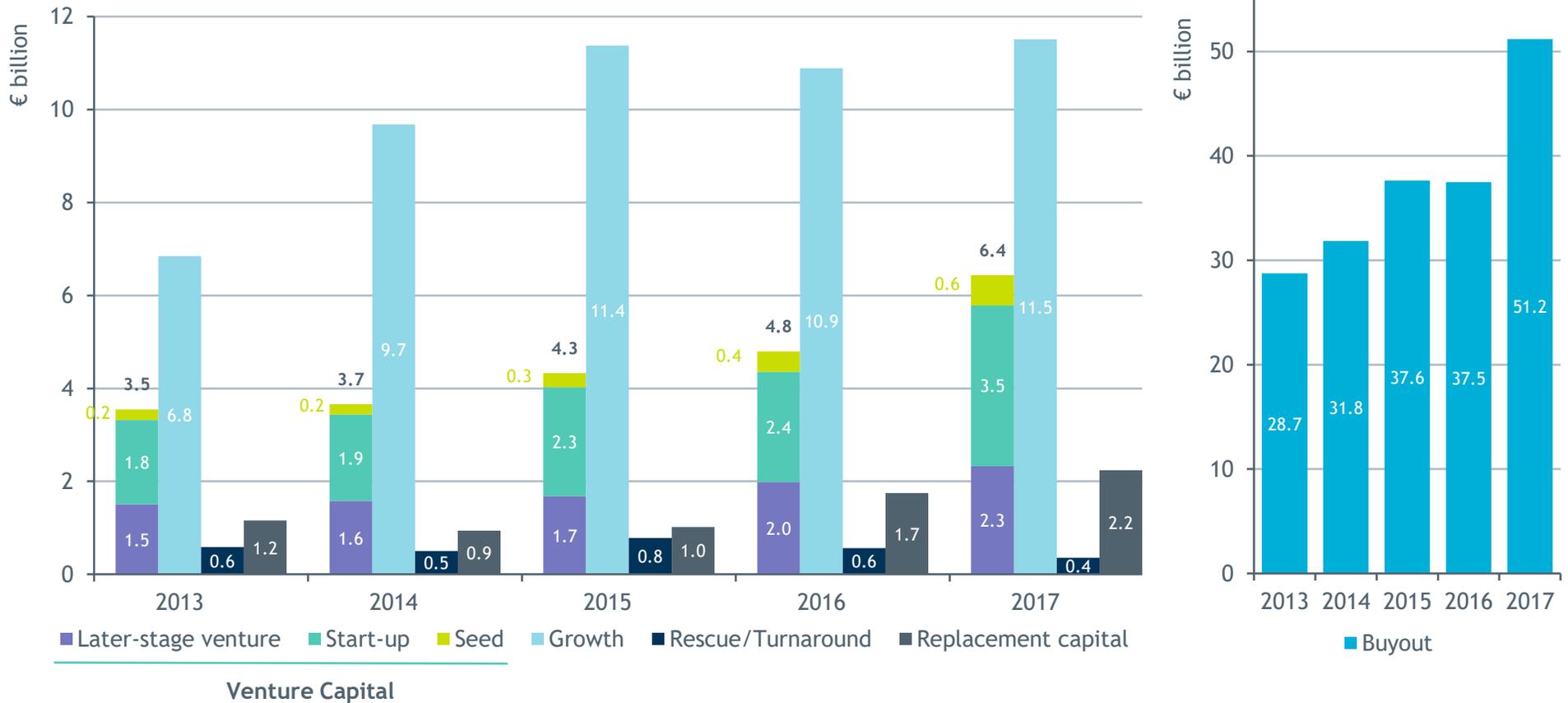
Venture Capital	3,756 Companies
Buyout	1,171 Companies
Growth	2,107 Companies

Source: Invest Europe / EDC

2017 European Private Equity Activity

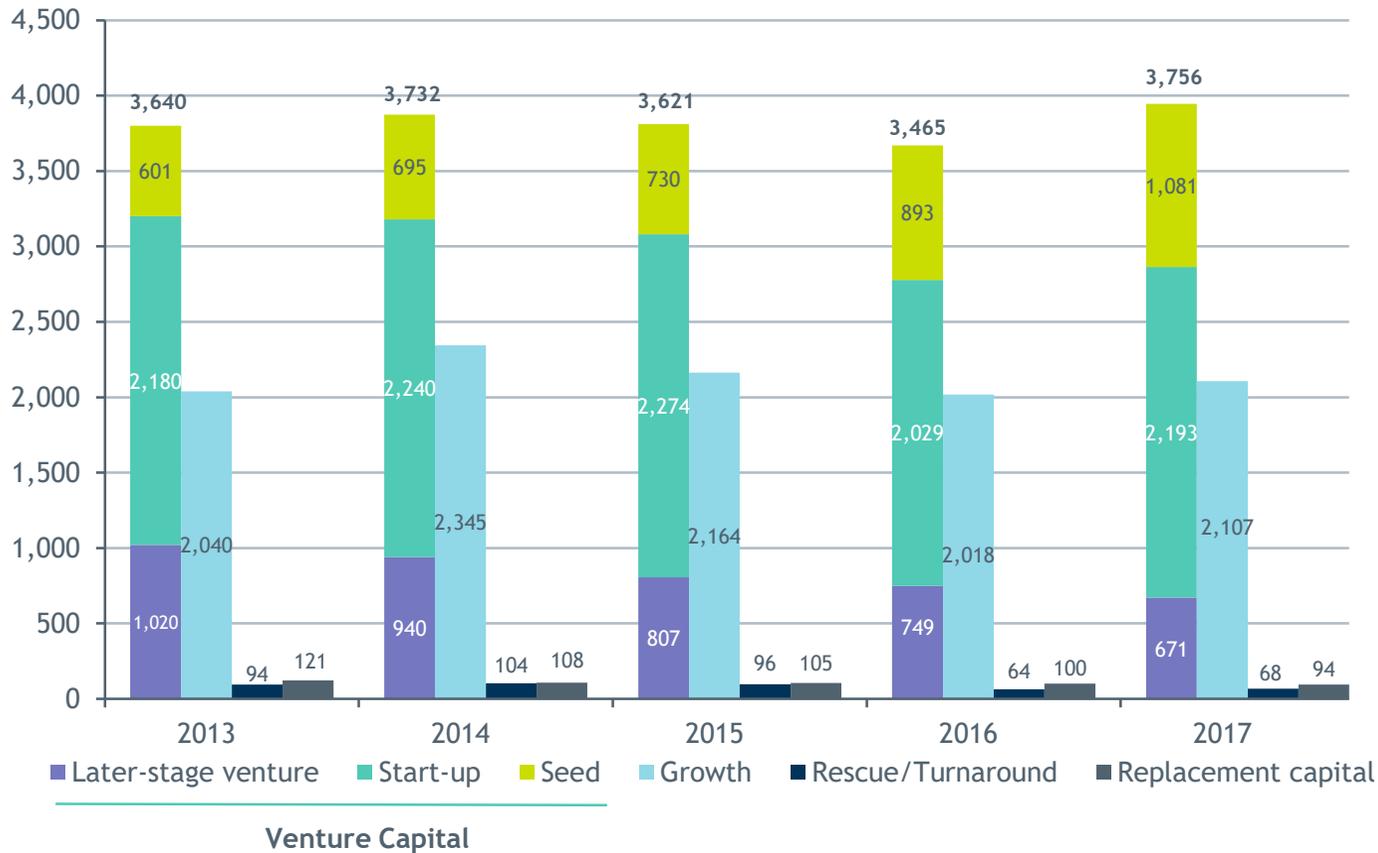
Investments by stage

2013-2017 - Market statistics - Amount



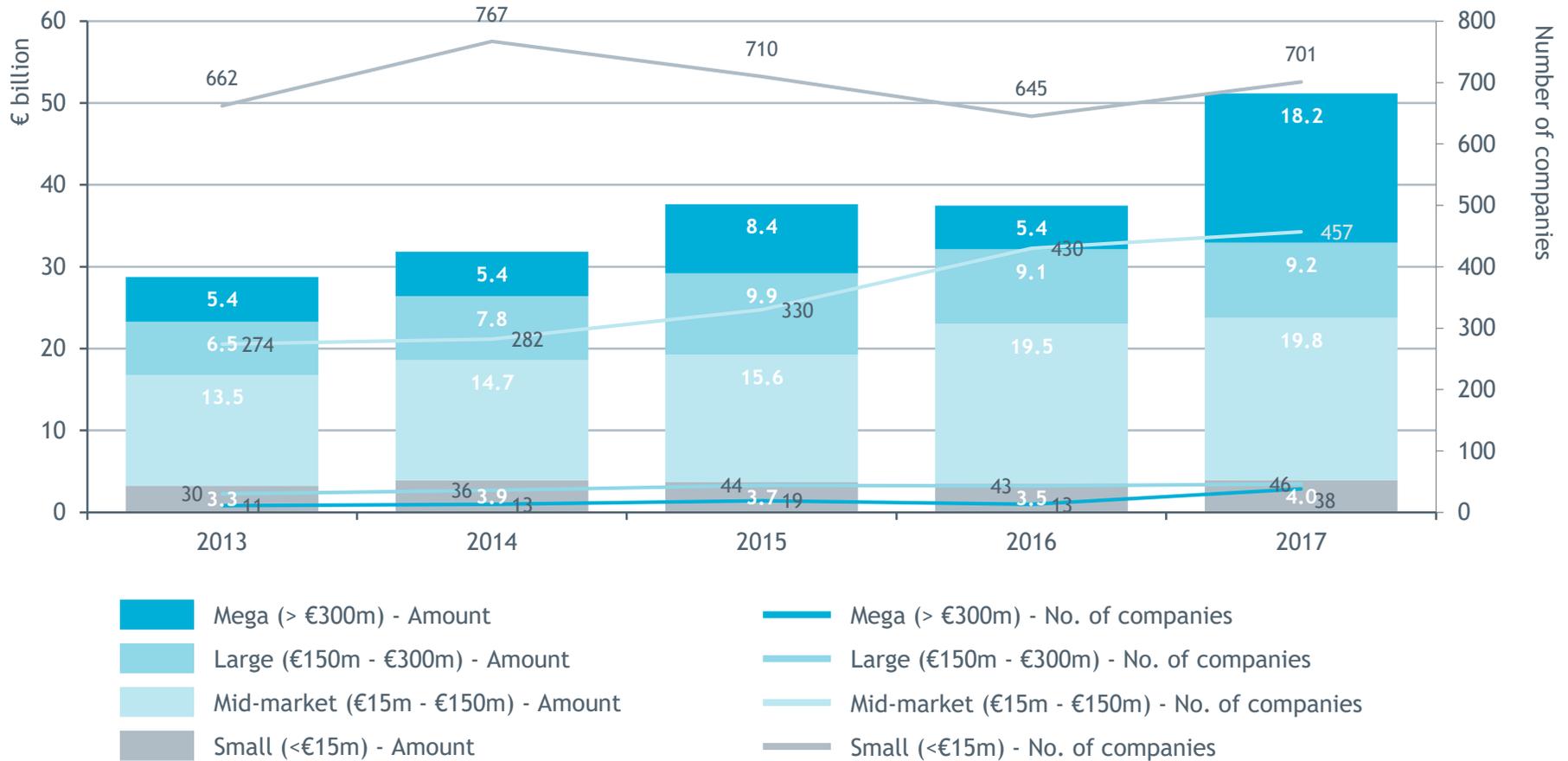
Investments by stage

2013-2017 - Market statistics - Number of companies



Buyout - Investments by equity bracket

2013-2017 - Market statistics - Amount & Number of companies



Source: Invest Europe / EDC

2017 European Private Equity Activity

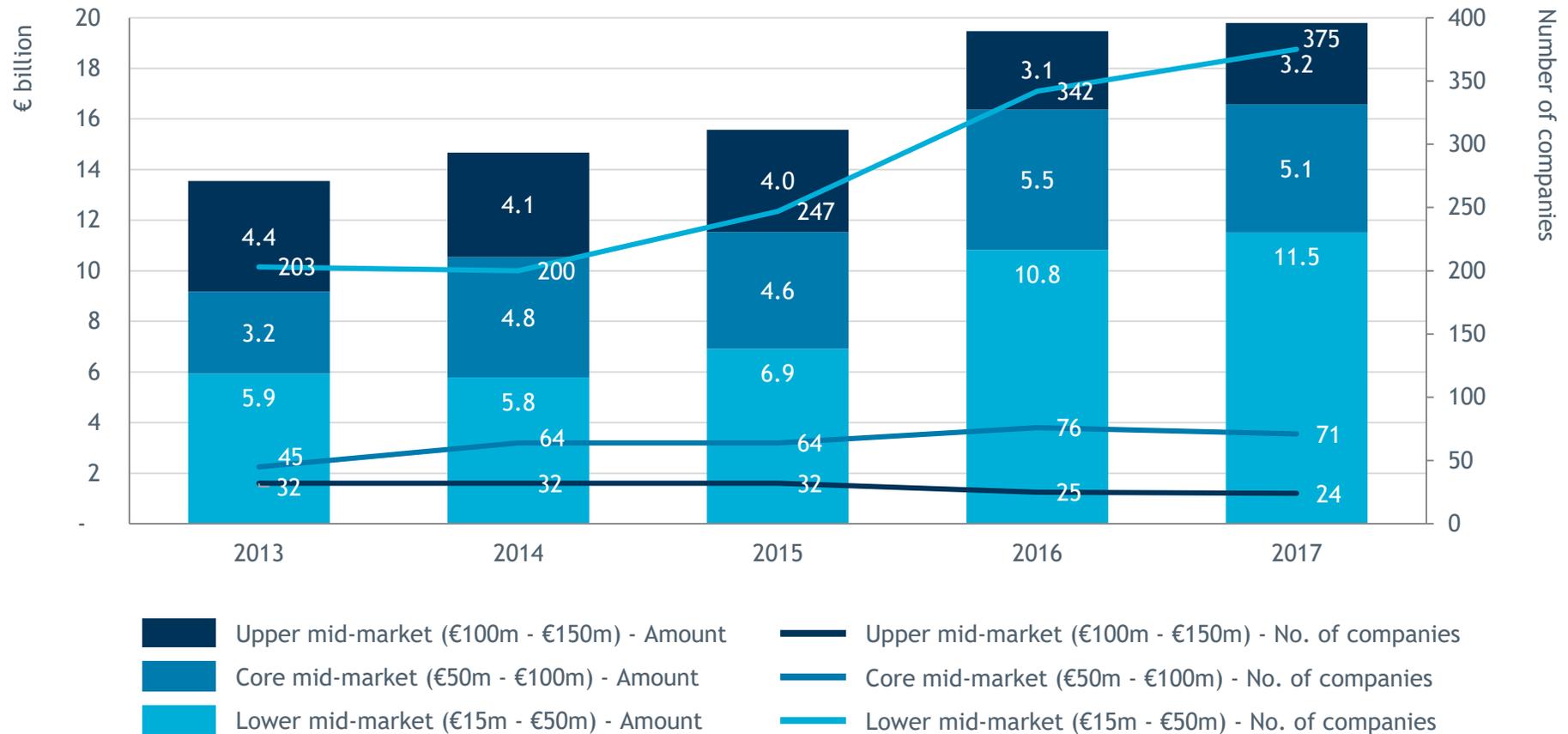
FUNDRAISING

INVESTMENTS

DIVESTMENTS

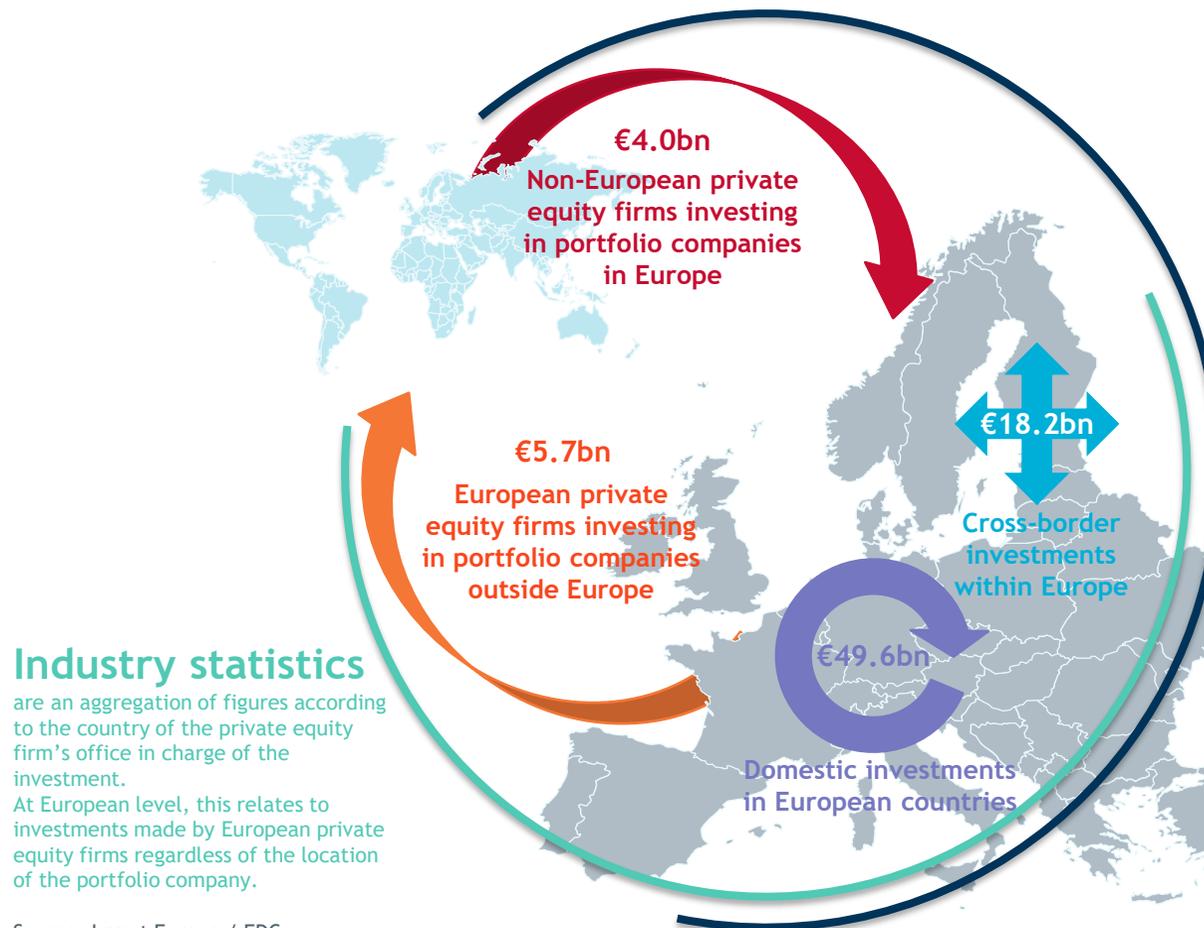
Mid-market buyout - Investments by equity bracket

2013-2017 - Market statistics - Amount & Number of companies



All Private Equity - Geographical investment flows

2017 - Industry vs. Market statistics - Amount



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.

Europe includes:

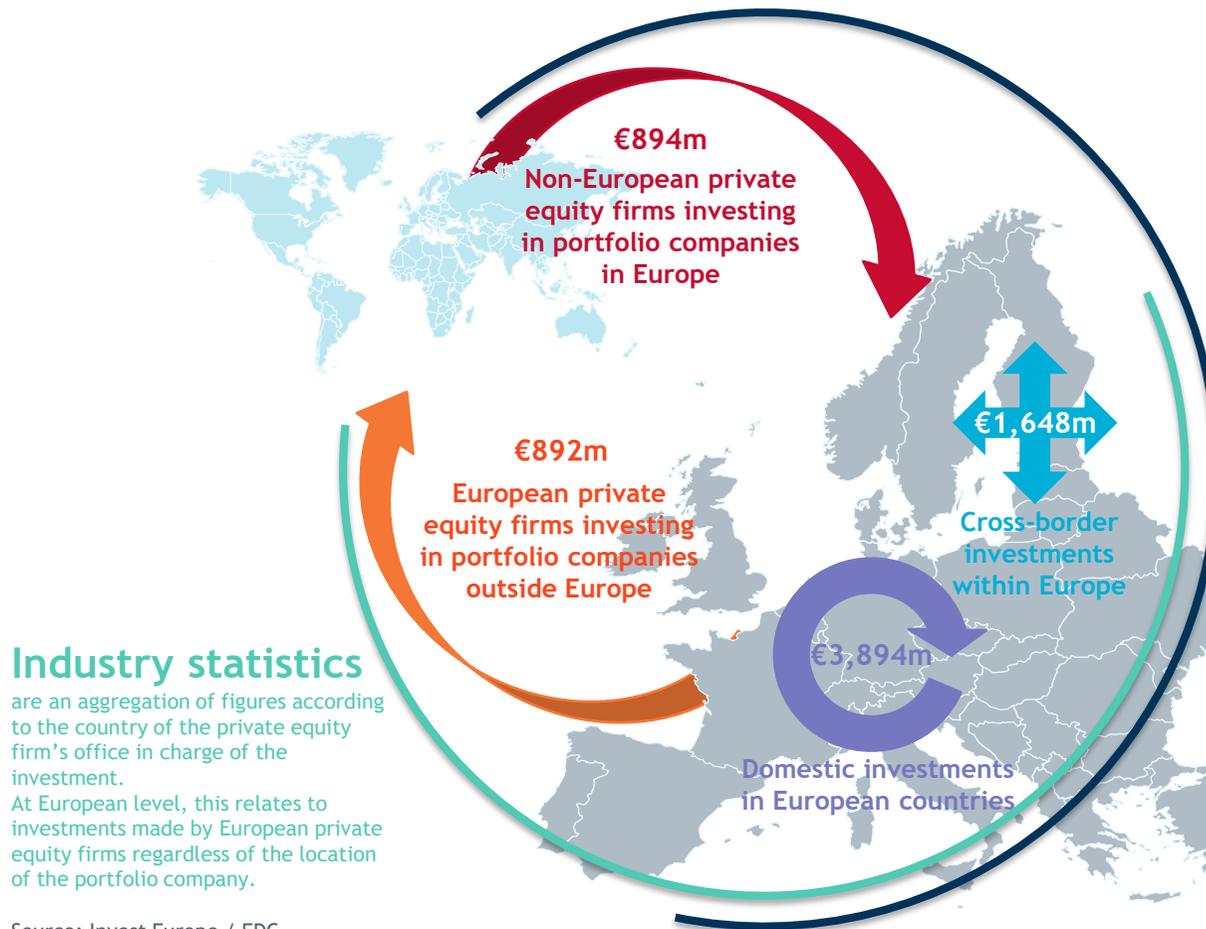
Austria, Baltic countries (Estonia, Latvia, Lithuania), Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Other CEE (Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovenia, Slovakia), Poland,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

Source: Invest Europe / EDC

2017 European Private Equity Activity

Venture Capital - Geographical investment flows

2017 - Industry vs. Market statistics - Amount



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.

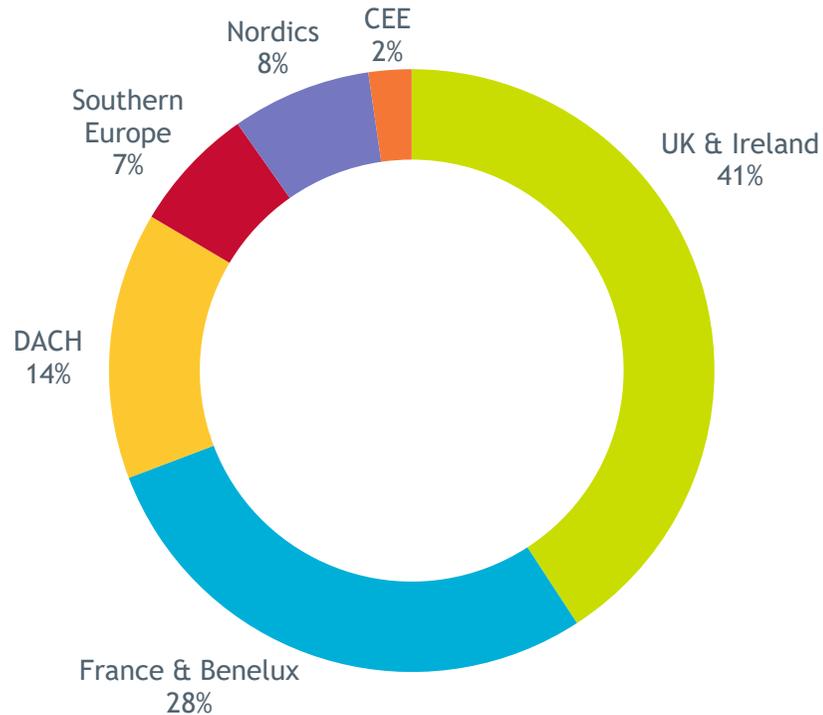
Europe includes:

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

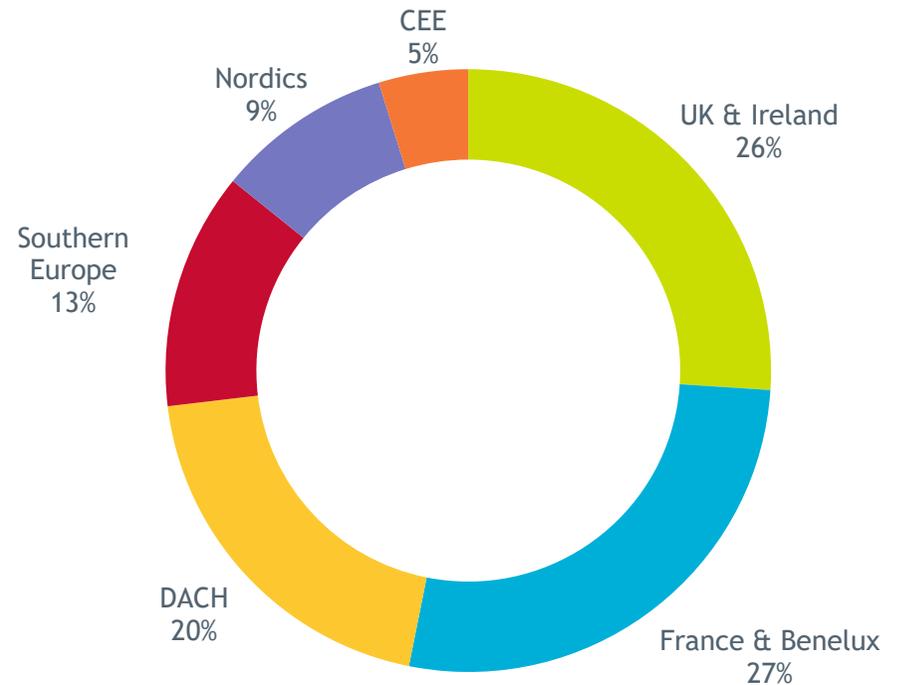
All Private Equity - Investments by region

2017 - Industry vs. Market statistics - Amount

Industry statistics



Market statistics



Source: Invest Europe / EDC

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

2017 European Private Equity Activity

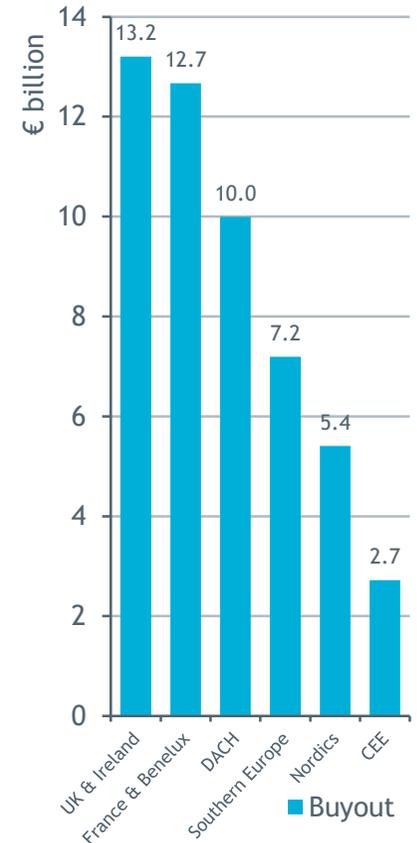
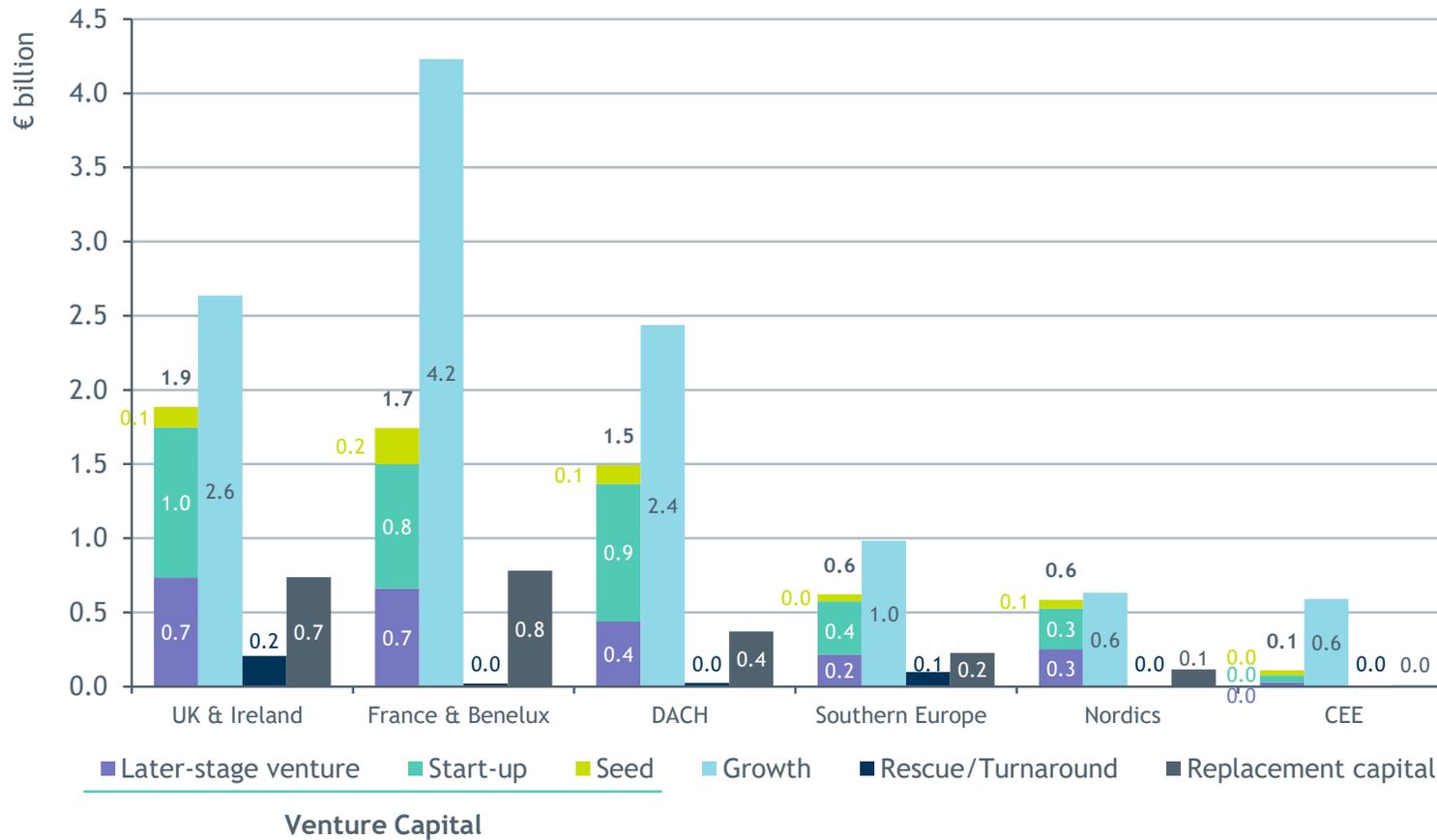
FUNDRAISING

INVESTMENTS

DIVESTMENTS

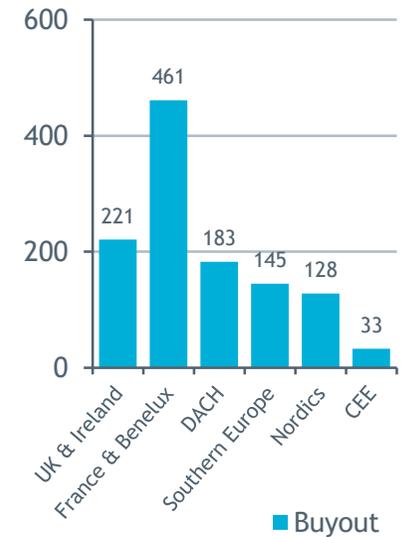
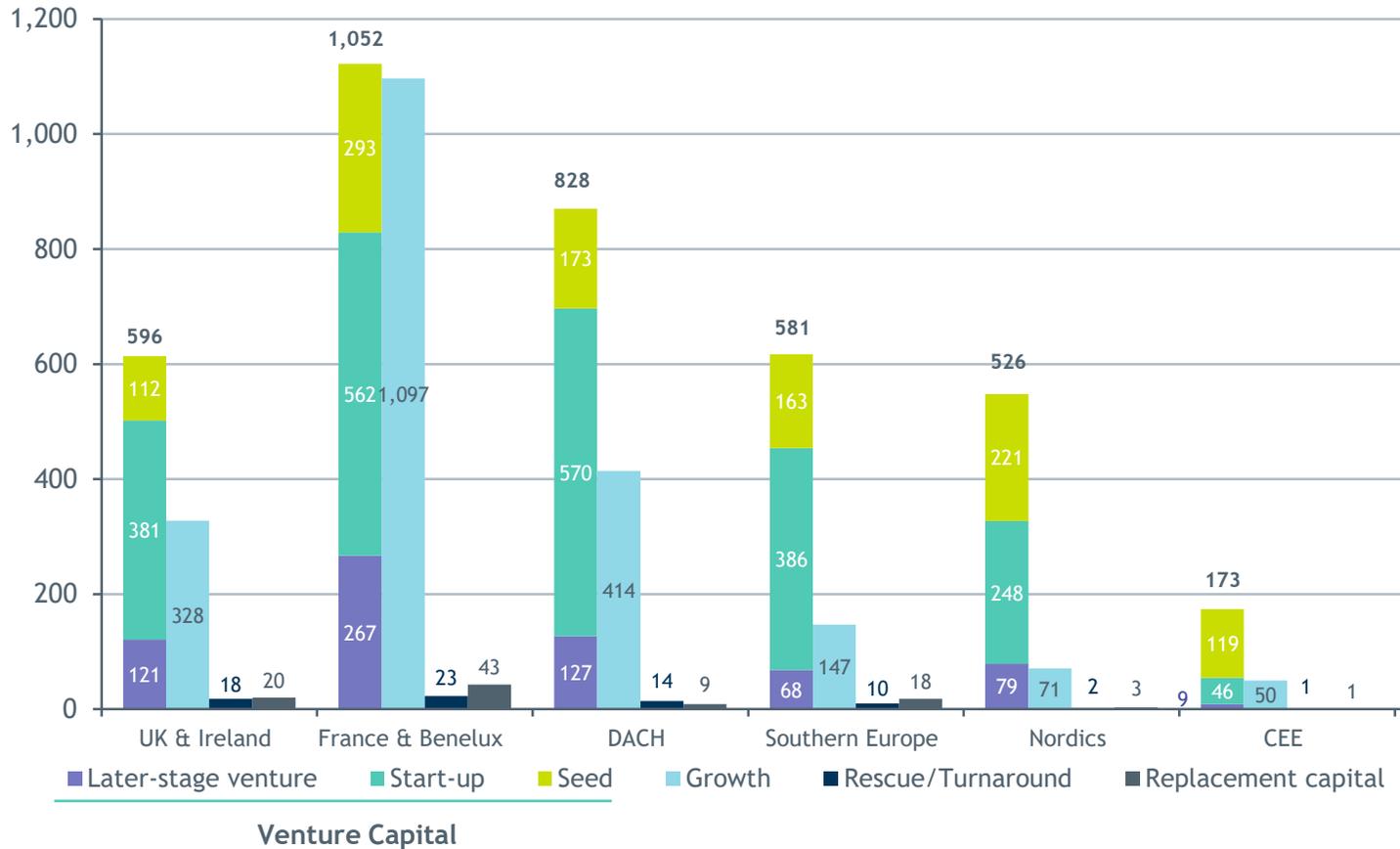
Investments by stage and regions

2017 - Market statistics - Amount



Investments by stage and regions

2017 - Market statistics - Number of companies



Source: Invest Europe / EDC

2017 European Private Equity Activity

FUNDRAISING

INVESTMENTS

DIVESTMENTS

40

All Private Equity - Investments as % of European GDP

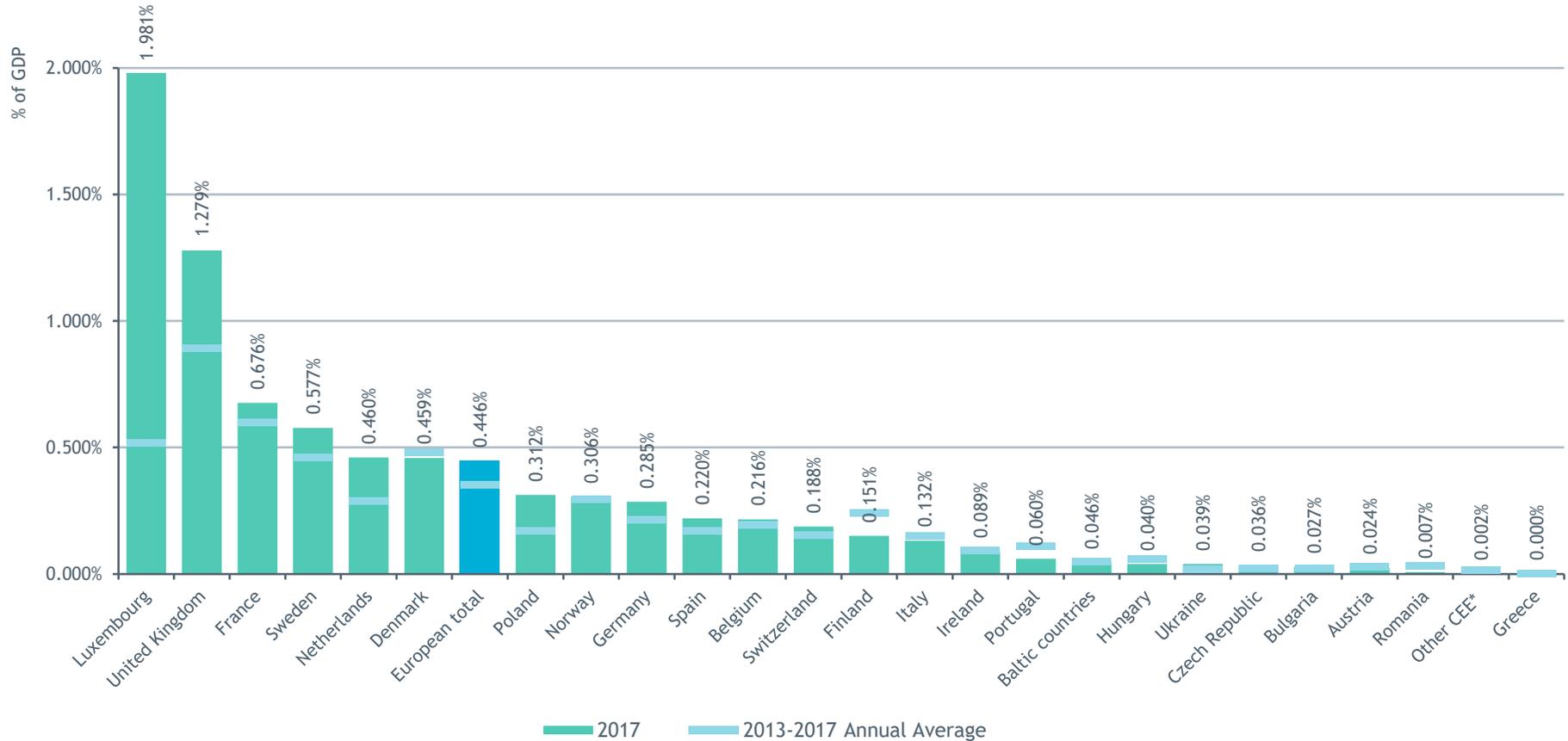
2000-2017 - Industry statistics: Location of the PE firm



Source: IMF, World Economic Outlook Database (GDP) / Thomson Reuters (2000-2006) & Invest Europe / EDC (2007-2017)

All Private Equity - Investments as % of GDP

2017 - Industry statistics: Location of the PE firm

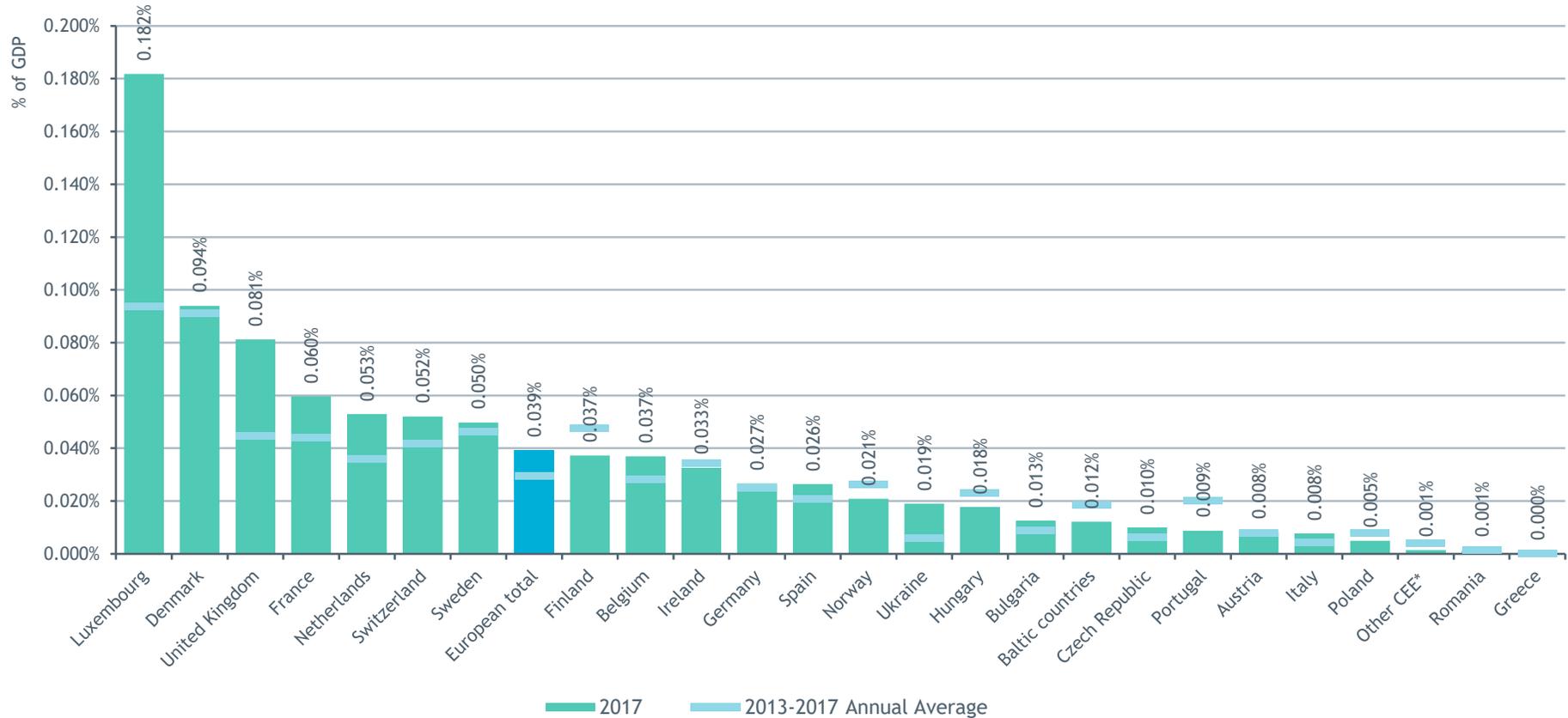


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

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

Venture Capital - Investments as % of GDP

2017 - Industry statistics: Location of the PE firm

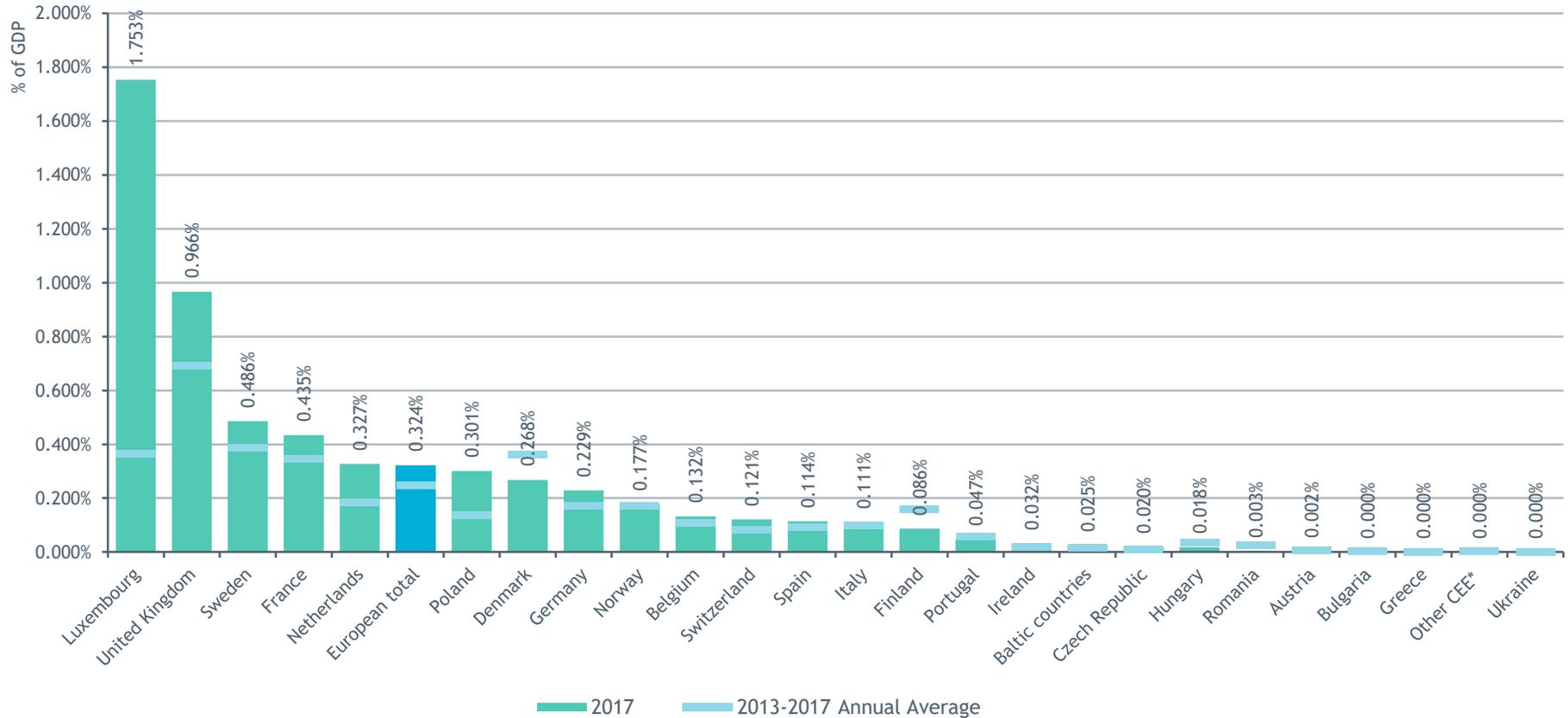


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

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

Buyout - Investments as % of GDP

2017 - Industry statistics: Location of the PE firm



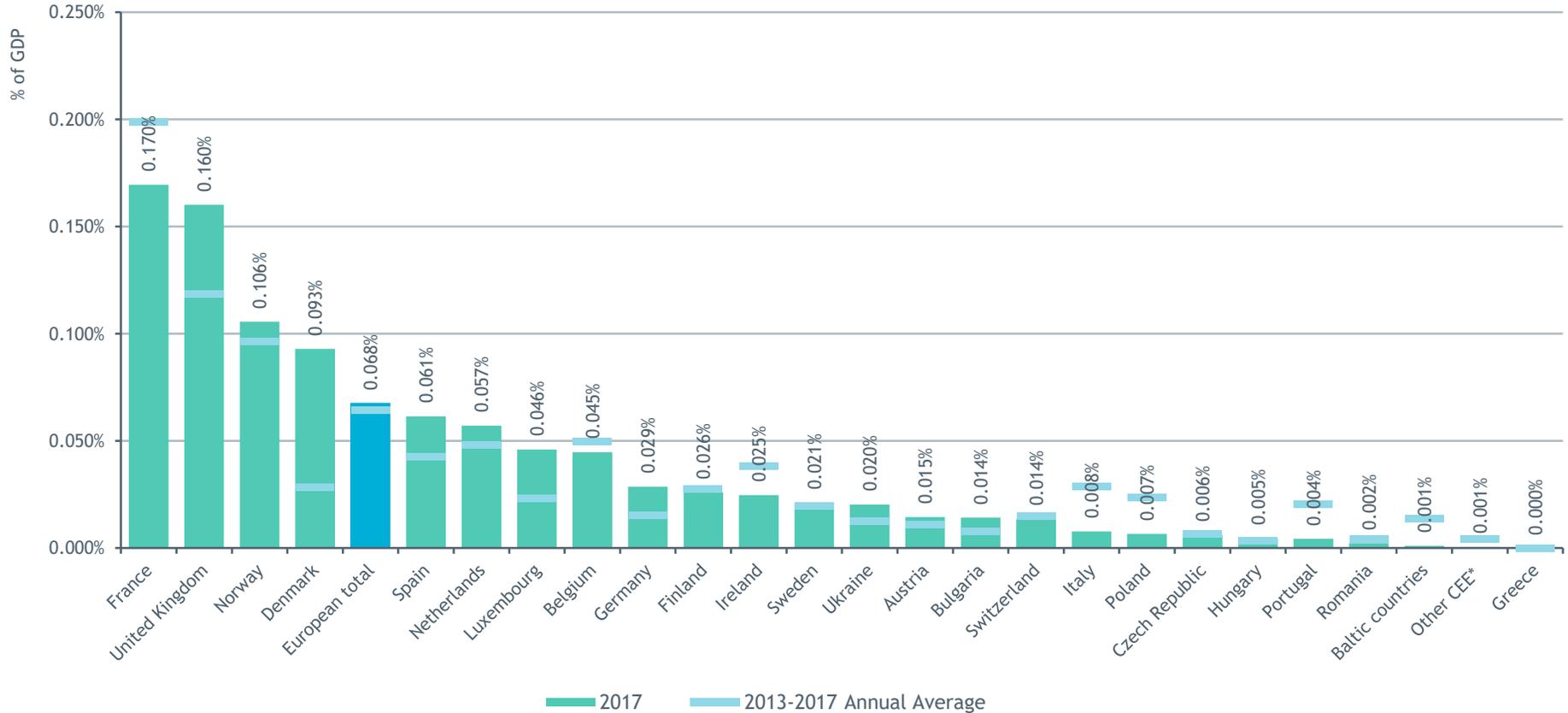
Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

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



Growth - Investments as % of GDP

2017 - Industry statistics: Location of the PE firm

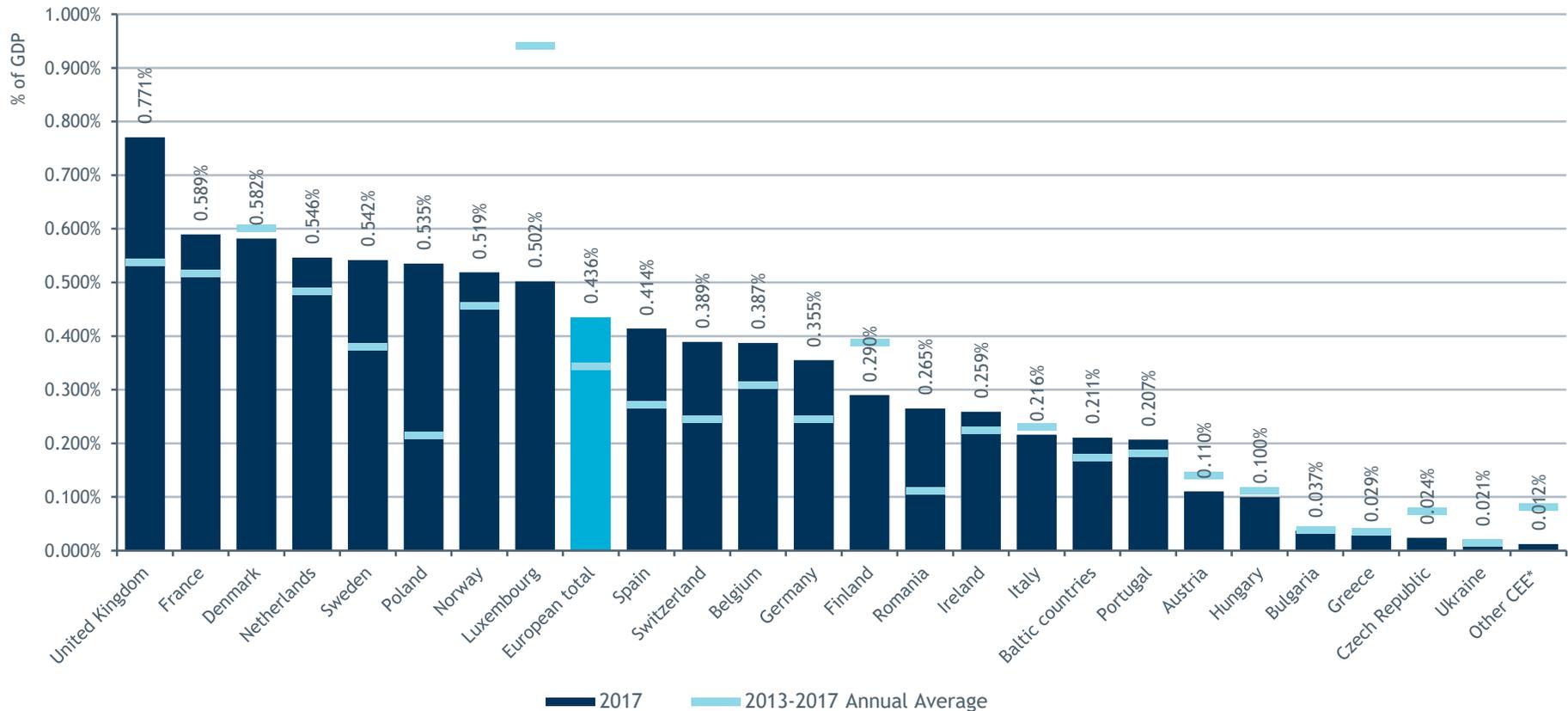


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

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

All Private Equity - Investments as % of GDP

2017 - Market statistics: Location of the portfolio company

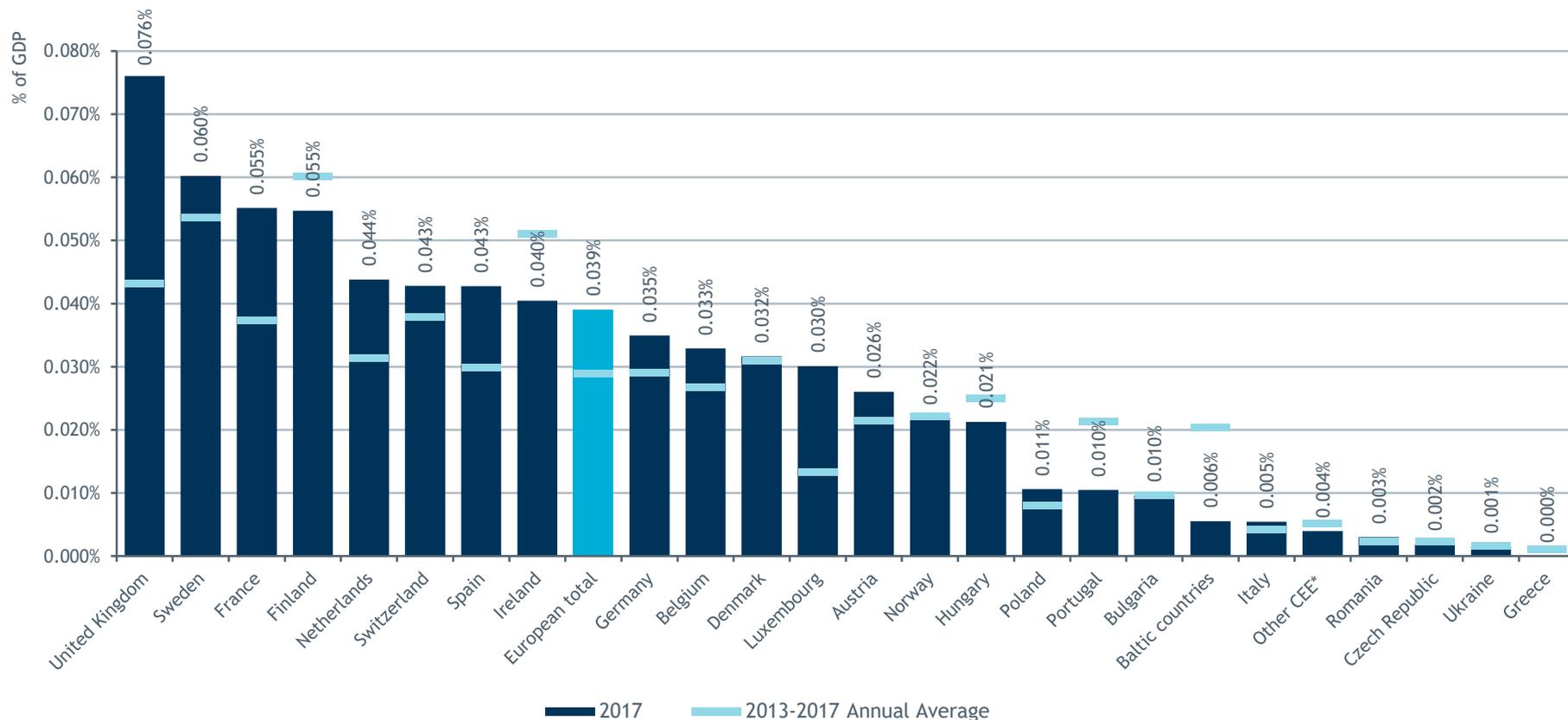


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

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

Venture Capital - Investments as % of GDP

2017 - Market statistics: Location of the portfolio company



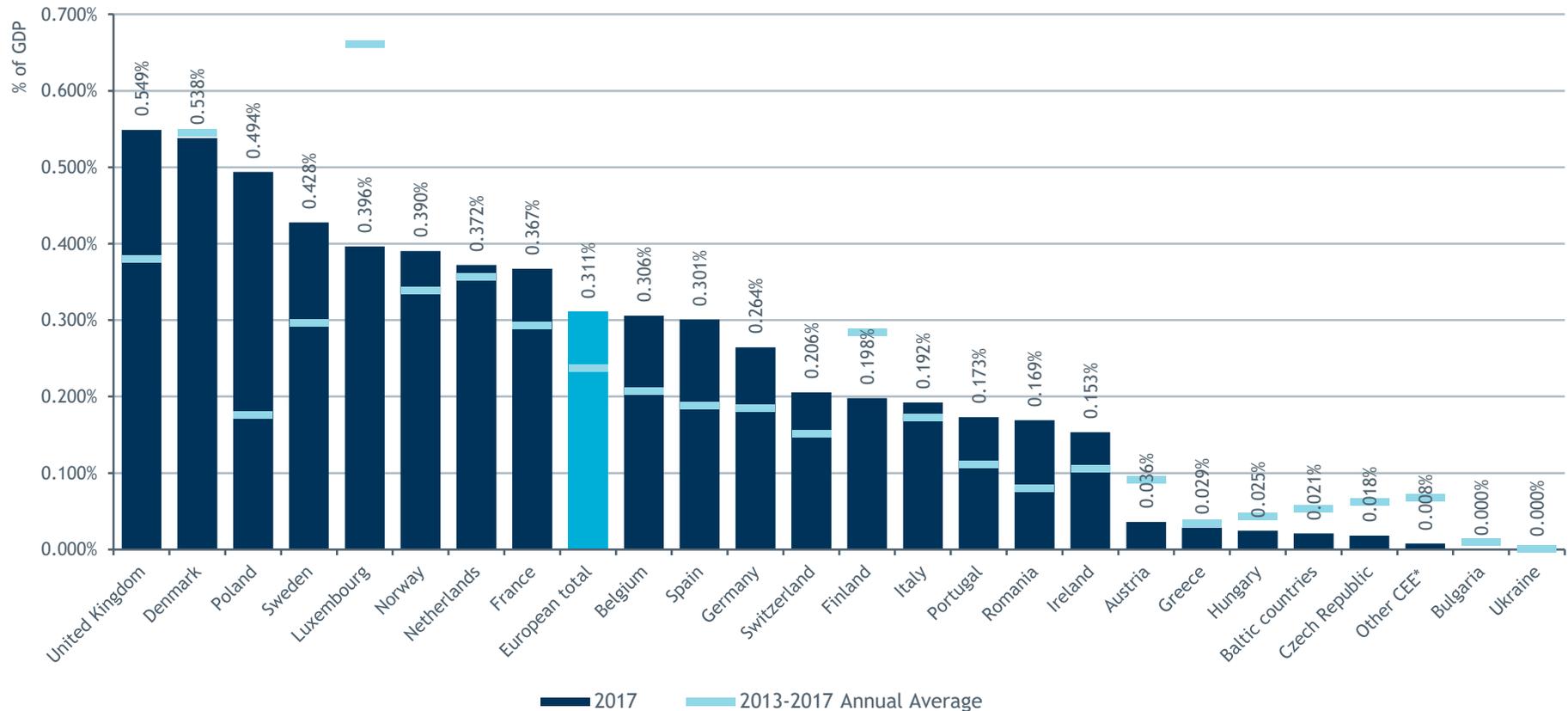
Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

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



Buyout - Investments as % of GDP

2017 - Market statistics: Location of the portfolio company

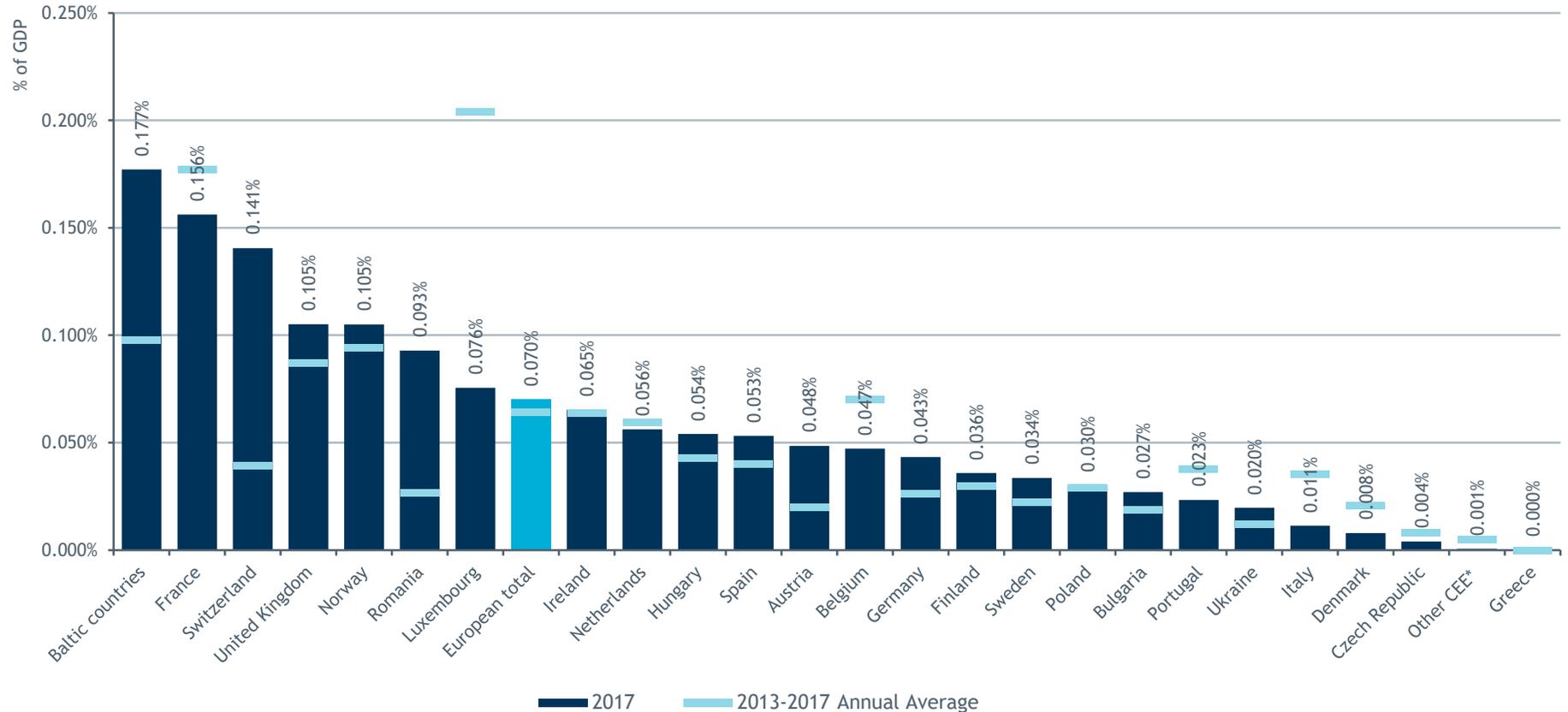


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

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

Growth - Investments as % of GDP

2017 - Market statistics: Location of the portfolio company

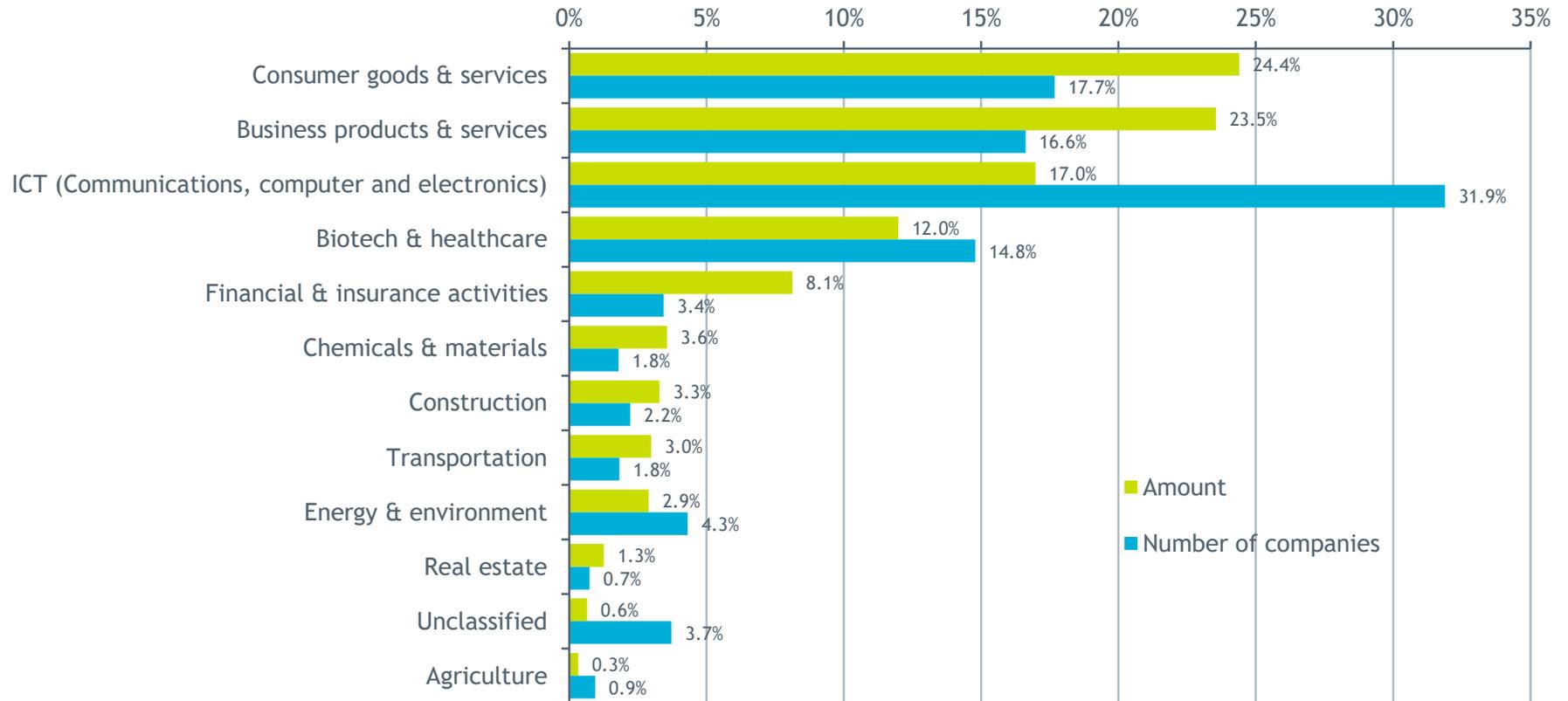


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

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

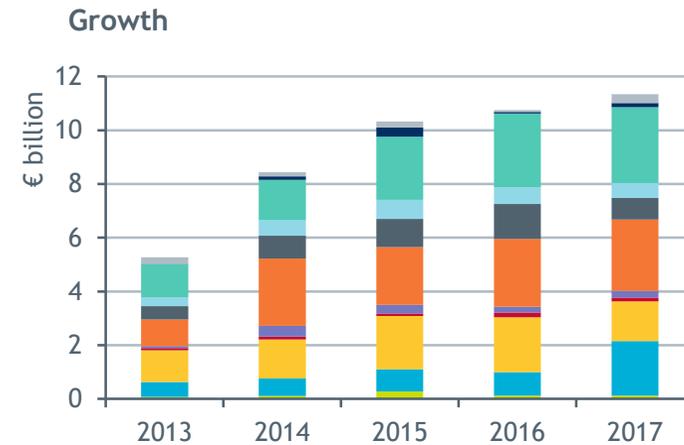
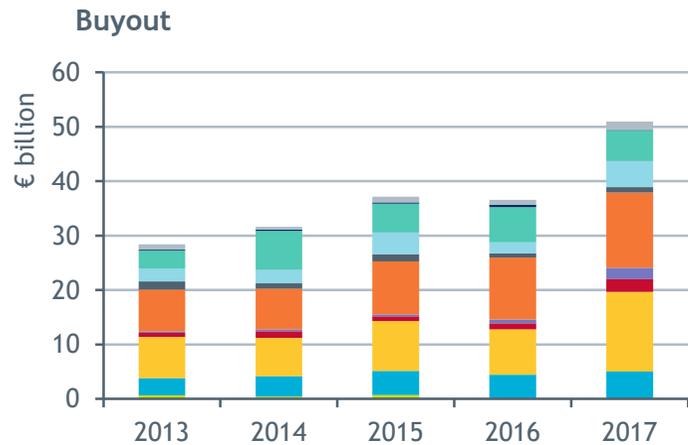
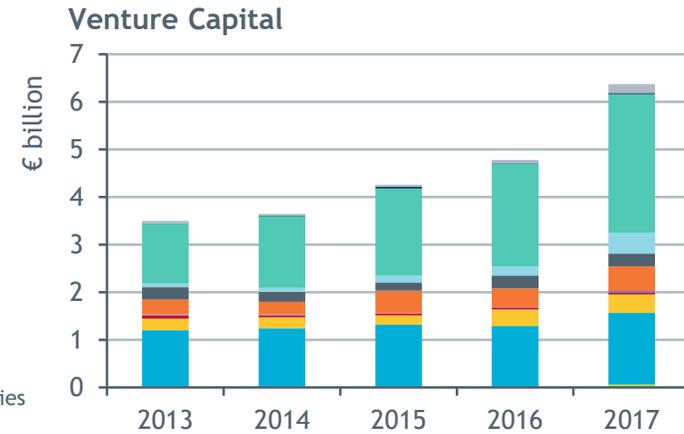
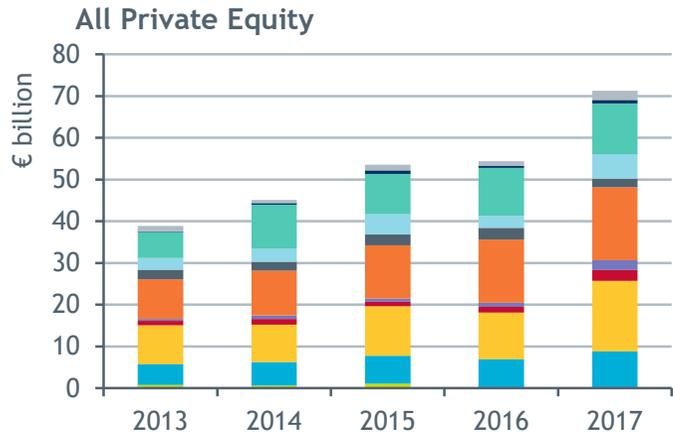
All Private Equity - Investments by sector

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



Investments by sector

2013-2017 - Market statistics - Amount



Source: Invest Europe / EDC

2017 European Private Equity Activity



FUNDRAISING

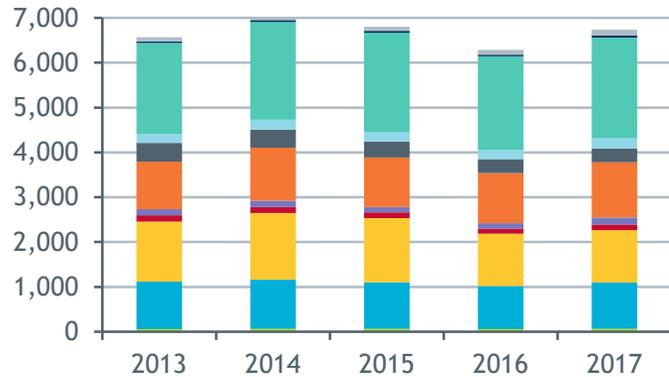
INVESTMENTS

DIVESTMENTS

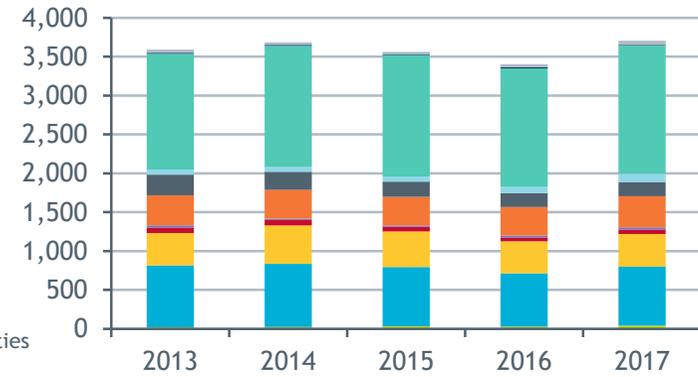
Investments by sector

2013-2017 - Market statistics - Number of companies

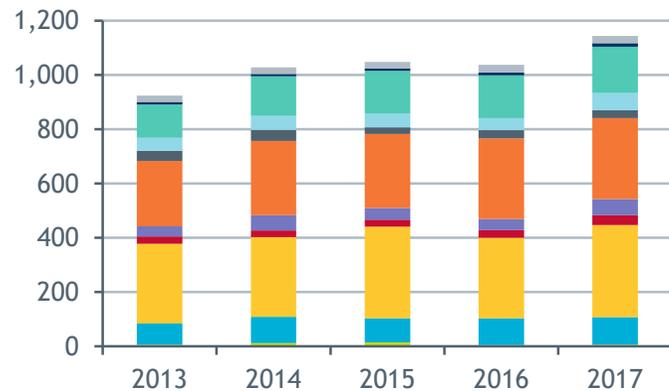
All Private Equity



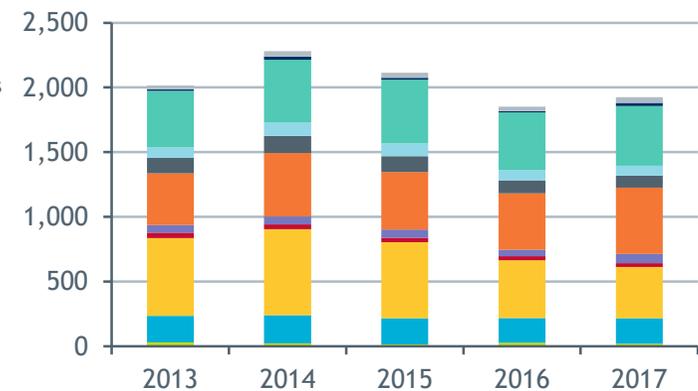
Venture Capital



Buyout



Growth



- Transportation
- Real estate
- ICT
- Financial & insurance activities
- Energy & environment
- Consumer goods & services
- Construction
- Chemicals & materials
- Business products & services
- Biotech & healthcare
- Agriculture

Source: Invest Europe / EDC

2017 European Private Equity Activity



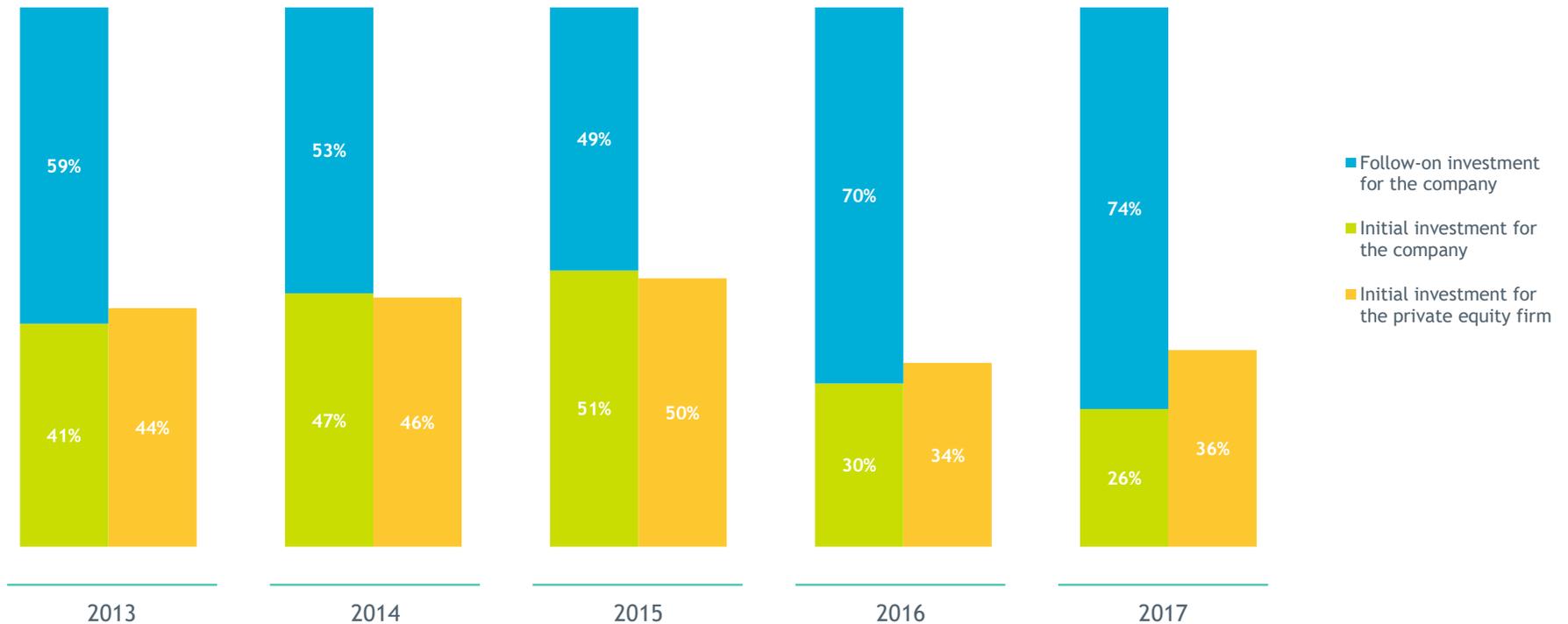
FUNDRAISING

INVESTMENTS

DIVESTMENTS

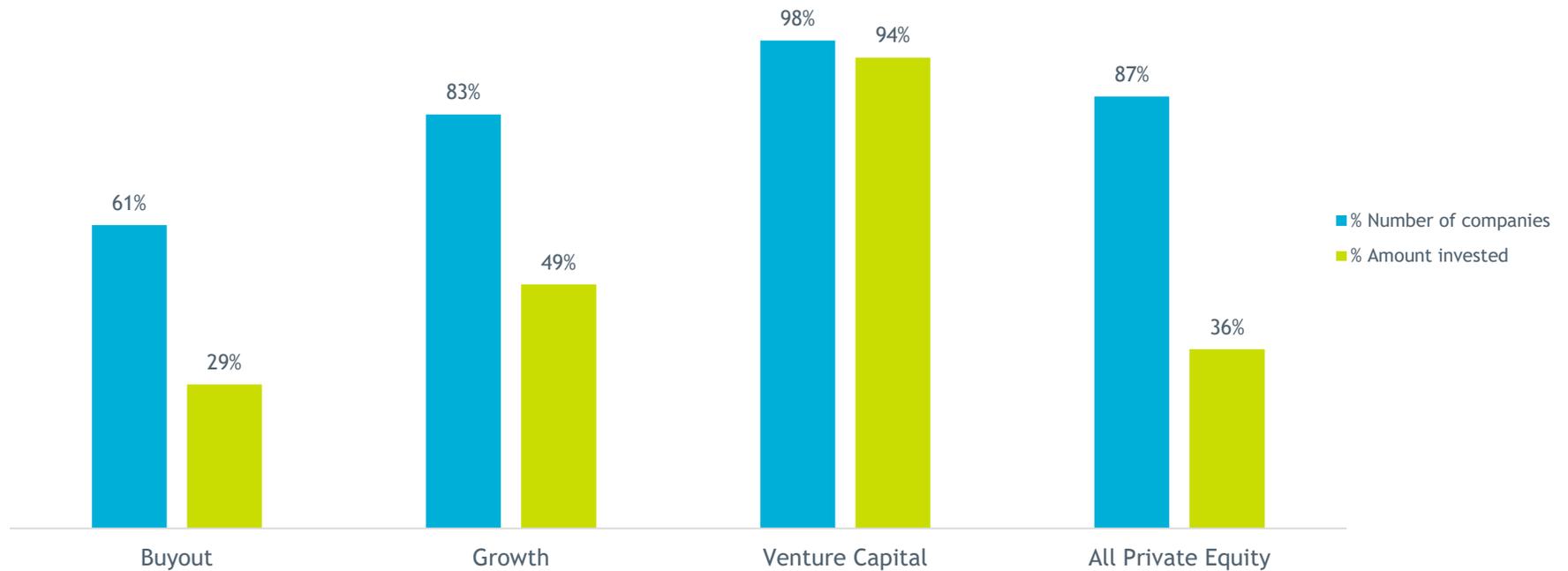
All Private Equity - Initial / Follow-on investments

2017 - Market statistics - % of Number of companies



Investments in SMEs

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



Source: Invest Europe / EDC

Note: SMEs = companies with less than 250 full-time equivalent staff

2017 European Private Equity Activity

FUNDRAISING

INVESTMENTS

DIVESTMENTS

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.

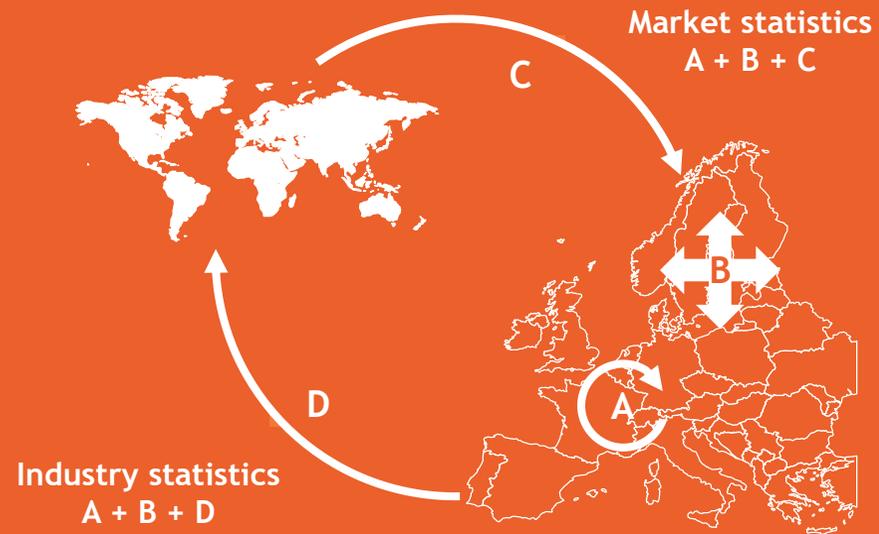
Market statistics are an aggregation of figures according to the location of the portfolio company. At European level, this relates to divestments of European companies regardless of the location of the private equity firm.

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, distressed debt funds, primary funds of funds, secondary funds of funds.

Market versus industry statistics



- 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:

- Depository 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 Institutes 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.

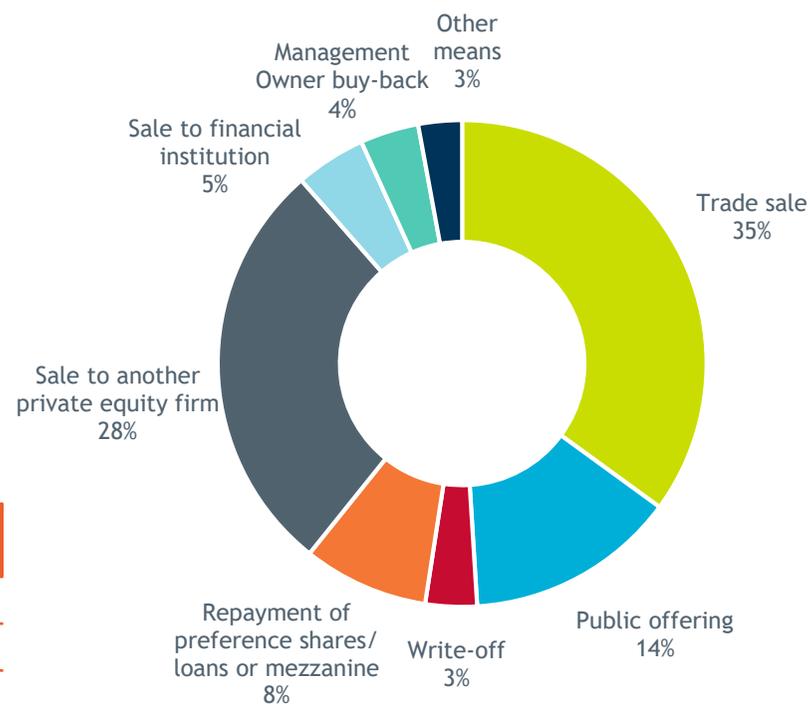
2017 Divestments at a glance

- Around 3,800 European companies were exited in 2017, similar to the previous year. By amount of former equity investments (divestments at cost), the total value was €42.7bn, a year-on-year increase of 7% and the third highest level of the past decade.
- The most prominent exit routes by amount at cost were trade sale (35%), sale to another private equity firm (28%) and public offering (14%). By number of companies, these three exit routes accounted for almost 40% of all divestments.
- Buyout divestments represented 76% by amount at cost and 23% by number of companies of all exits in 2017. The amount divested increased by 21% to €32.6bn. Exits by number of companies increased by 8% to 879, returning to the level of the previous strong exit years of 2014 and 2015. Most companies that were exited in 2017 operated in the business products and services sector, followed by consumer goods and services, and ICT.
- Venture capital comprised around 31% of all divestments with nearly 1,200 companies. The amount divested at cost decreased by 7% to €2.1bn and the number of companies exited decreased by 13%. The most prominent exit route was trade sale, which grew by 12% in amount at cost year-on-year, while public offerings rose by 60%. Most companies that were exited operated in the ICT sector, followed by business products and services, and biotech and healthcare.
- Growth divestments represented 13% of all exits by amount and 38% by number of companies. The amount divested decreased by 5% to €5.7bn, while the number of companies increased by 3% to 1,435. Of the companies that exited in 2017, most were in the business products and services sector, followed by consumer goods and services, and ICT.

2017 - Market statistics	All Private Equity	Venture Capital ⁽¹⁾	Buyout ⁽¹⁾	Growth ⁽¹⁾
Divestments - Amount	€42.7bn	€2.1bn	€32.6bn	€5.7bn
Divestments - No. Companies	3,752	1,159	879	1,435
Number of Firms	751	357	345	299
Number of Funds	2,018	733	609	784

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

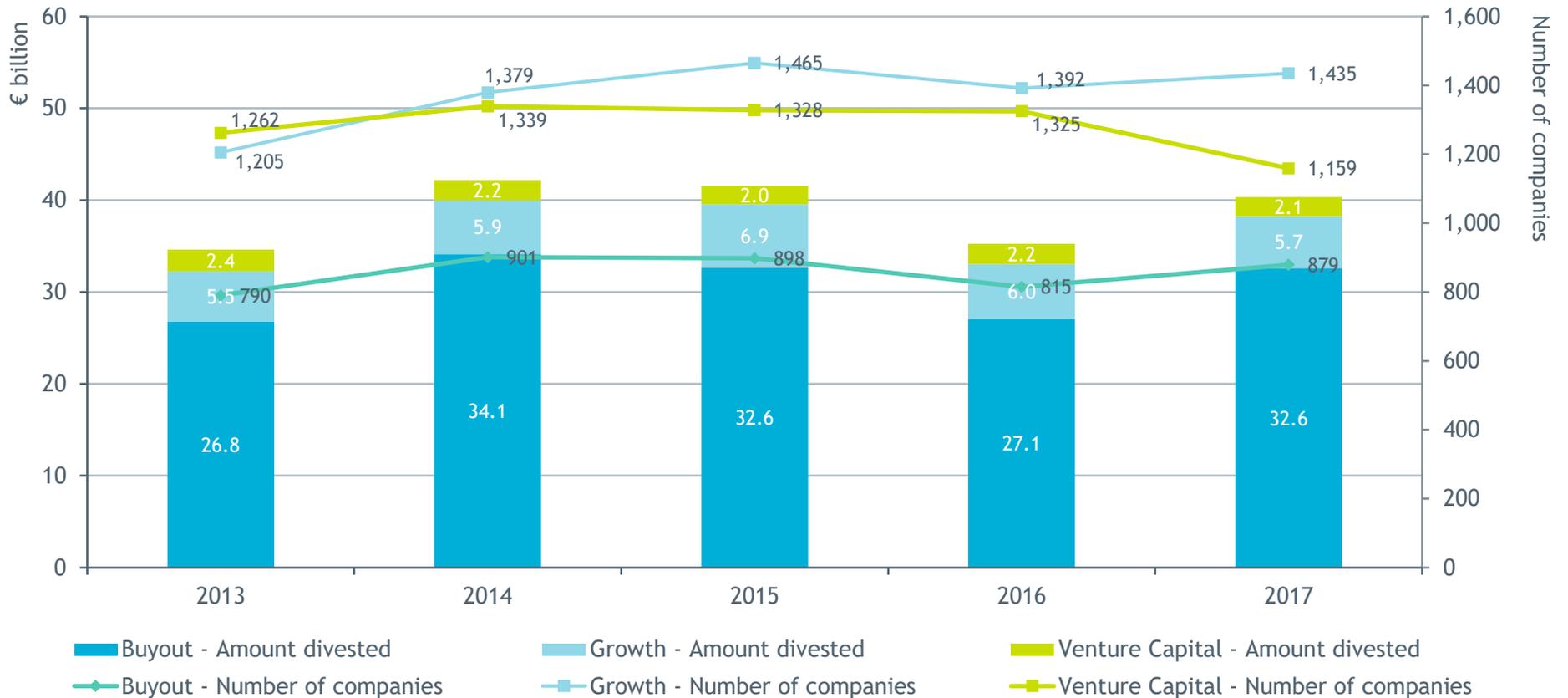
Divestments - Market statistics - % total amount divested at cost



Source: Invest Europe / EDC

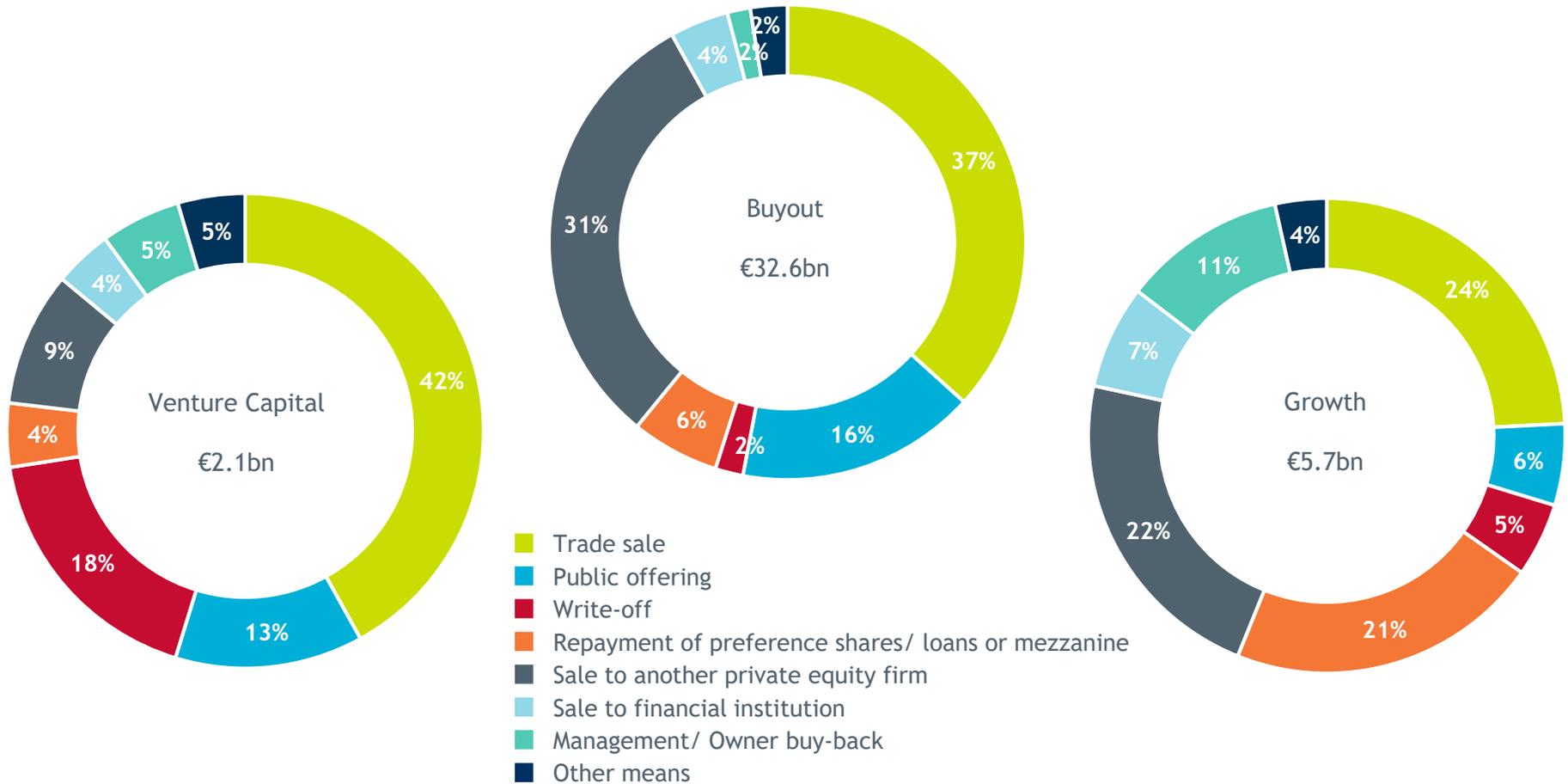
Divestments at cost - Venture Capital / Buyout / Growth

2013-2017 - Market statistics - Amount & Number of companies



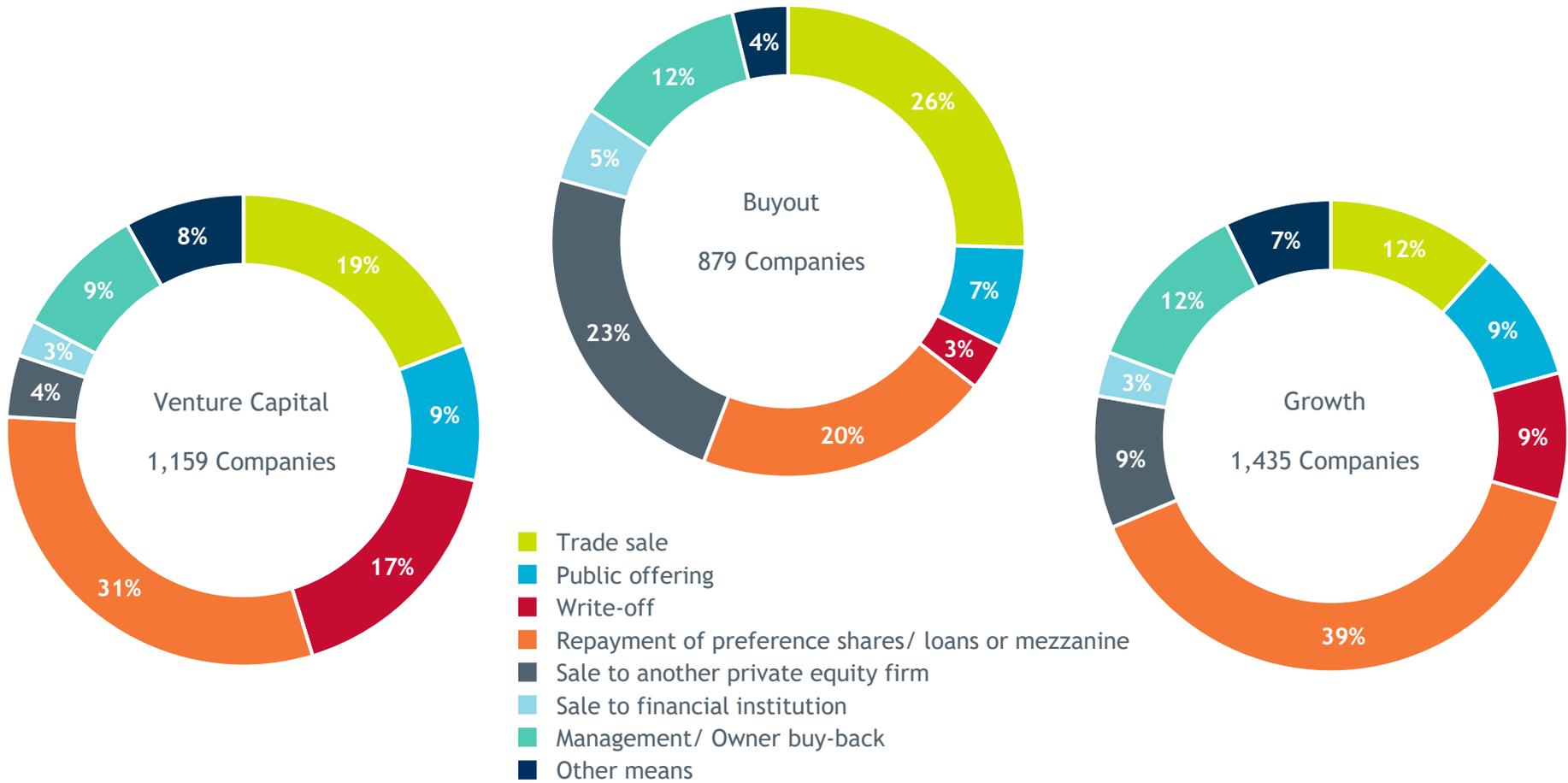
Divestments at cost by exit route - Venture Capital / Buyout / Growth

2017 - Market Statistics - % of Amount



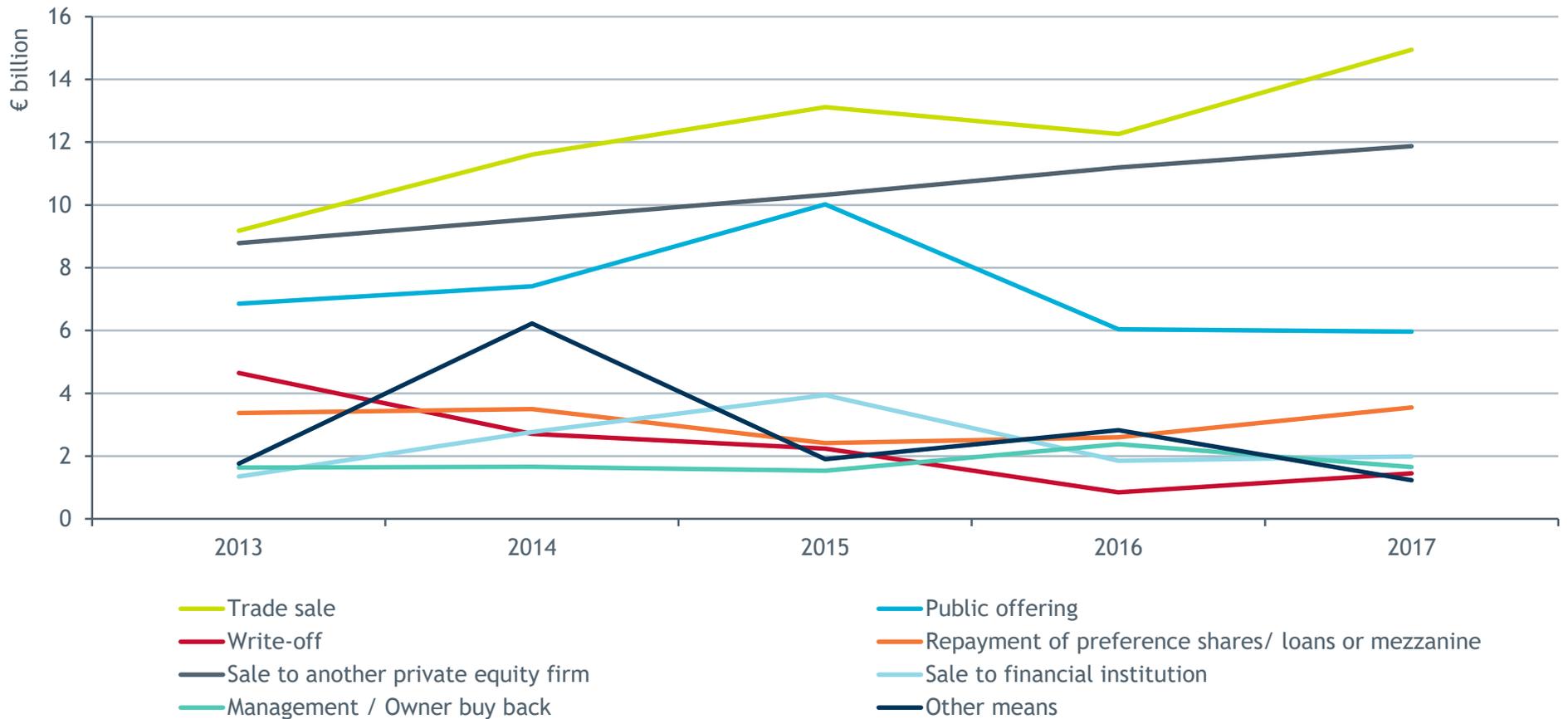
Divestments at cost by exit route - Venture Capital / Buyout / Growth

2017 - Market Statistics - % of Number of companies



All Private Equity - Divestments at cost by exit route

2013-2017 - Market statistics - Amount at cost



Source: Invest Europe / EDC

2017 European Private Equity Activity

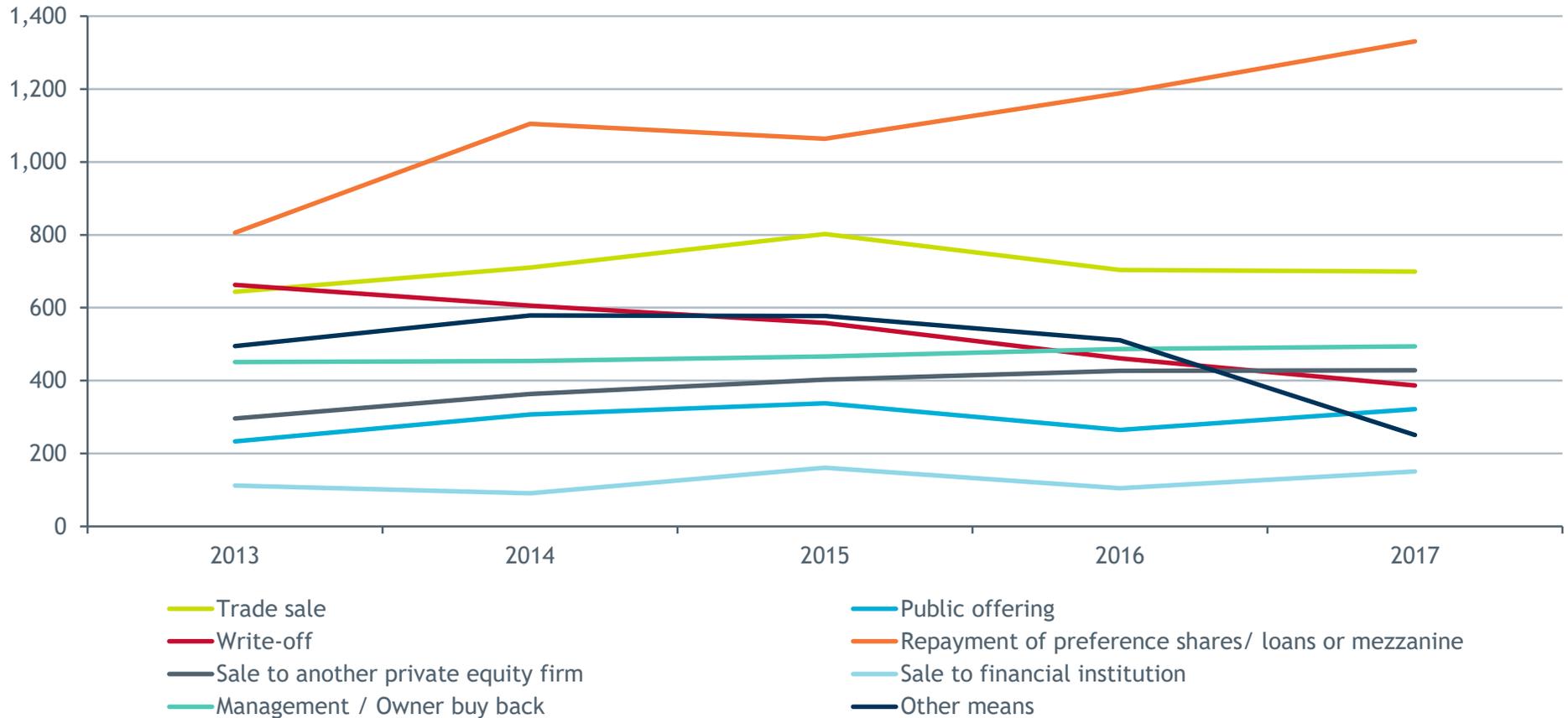
FUNDRAISING

INVESTMENTS

DIVESTMENTS

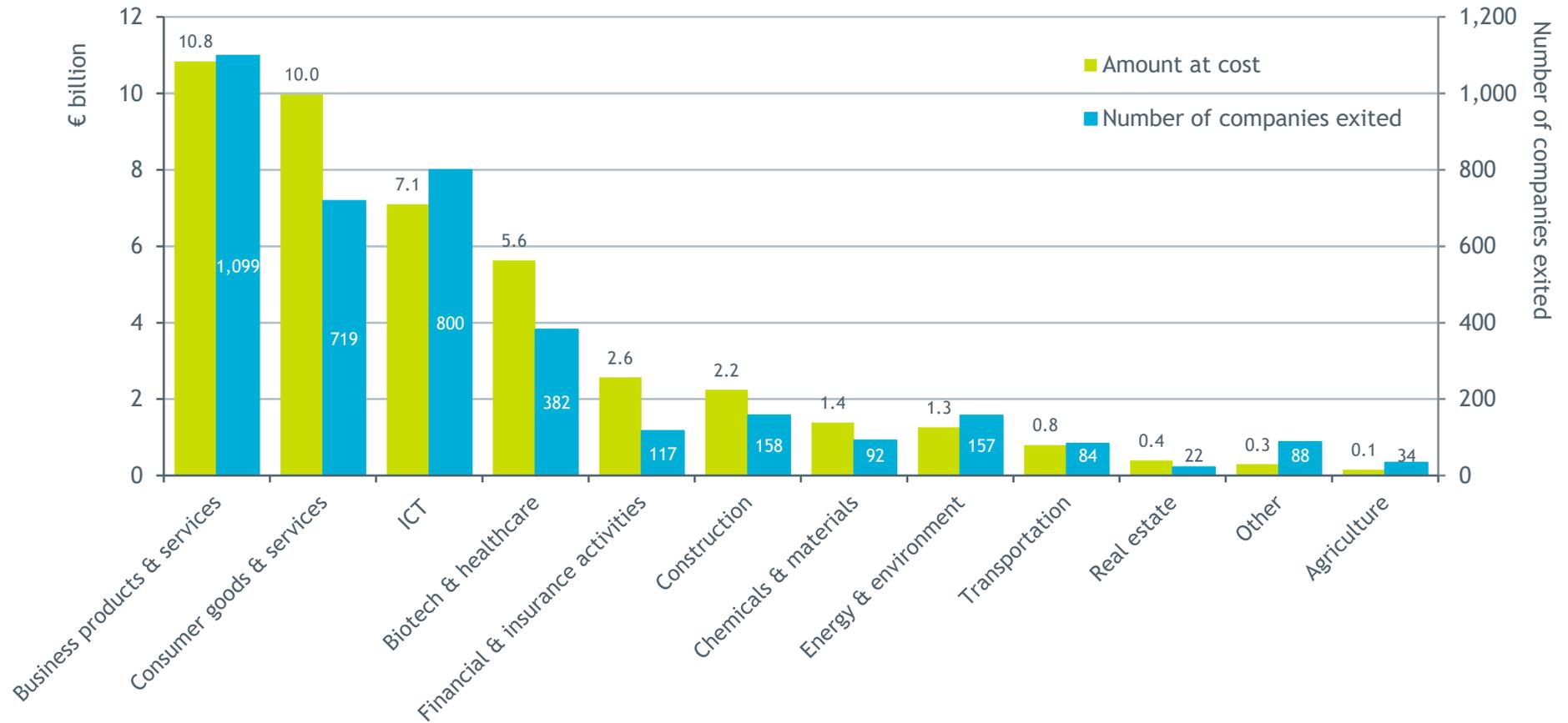
All Private Equity - Divestments at cost by exit route

2013-2017 - Market statistics - Number of companies



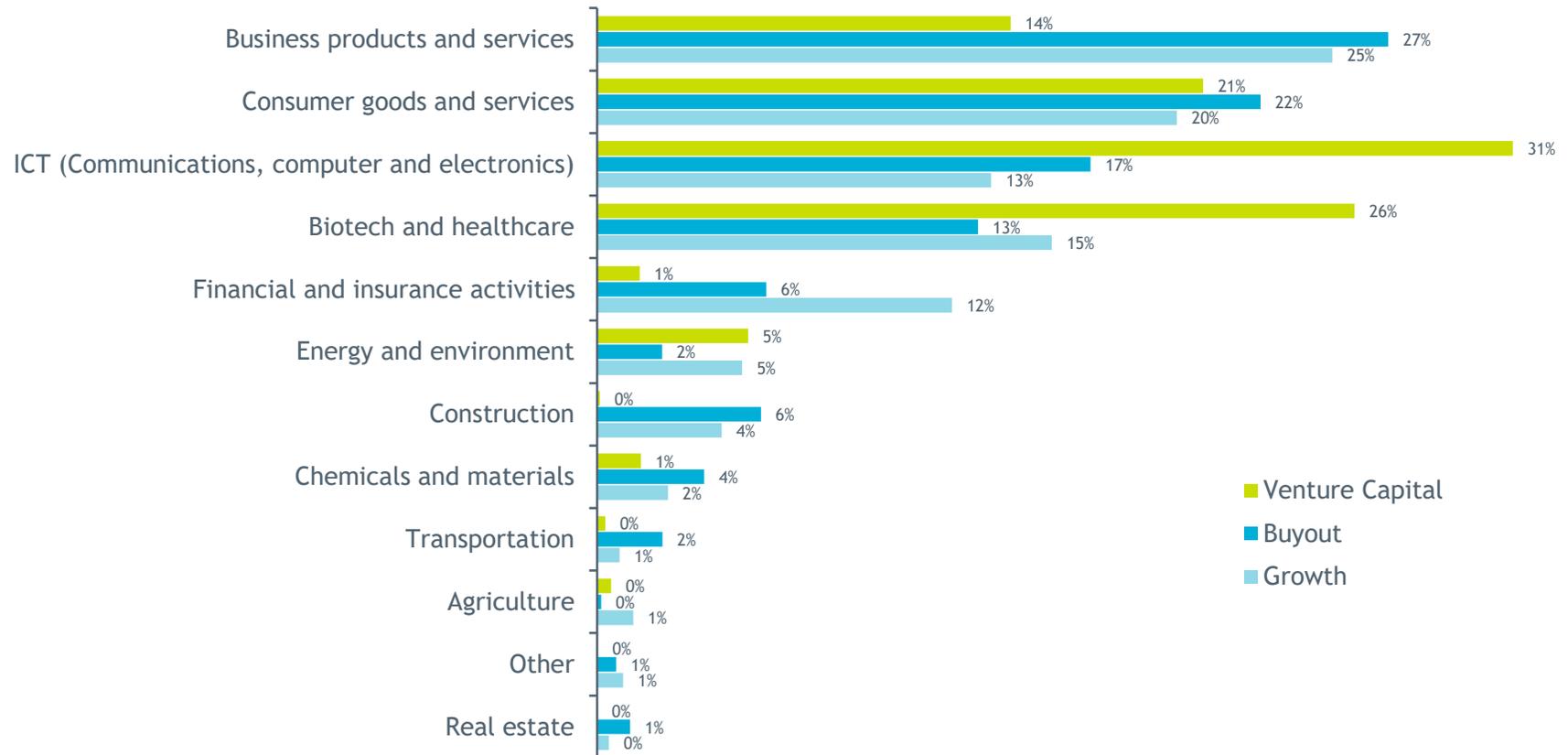
All Private Equity - Divestments at cost by sector

2017 - Market statistics - Amount & Number of companies (excluding write-offs)



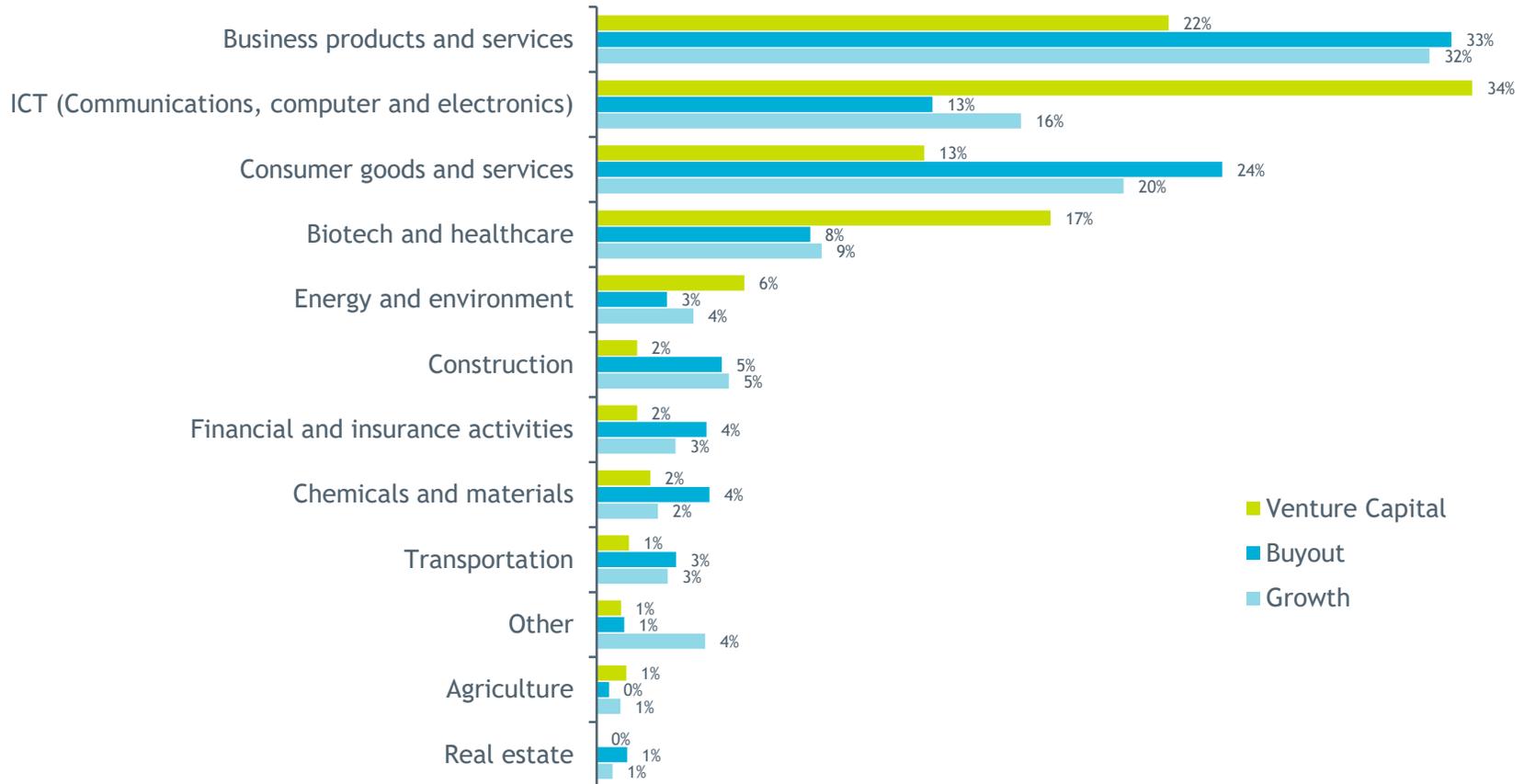
Divestments at cost by sector - Venture Capital / Buyout / Growth

2017 - Market statistics - Amount (excluding write-offs)



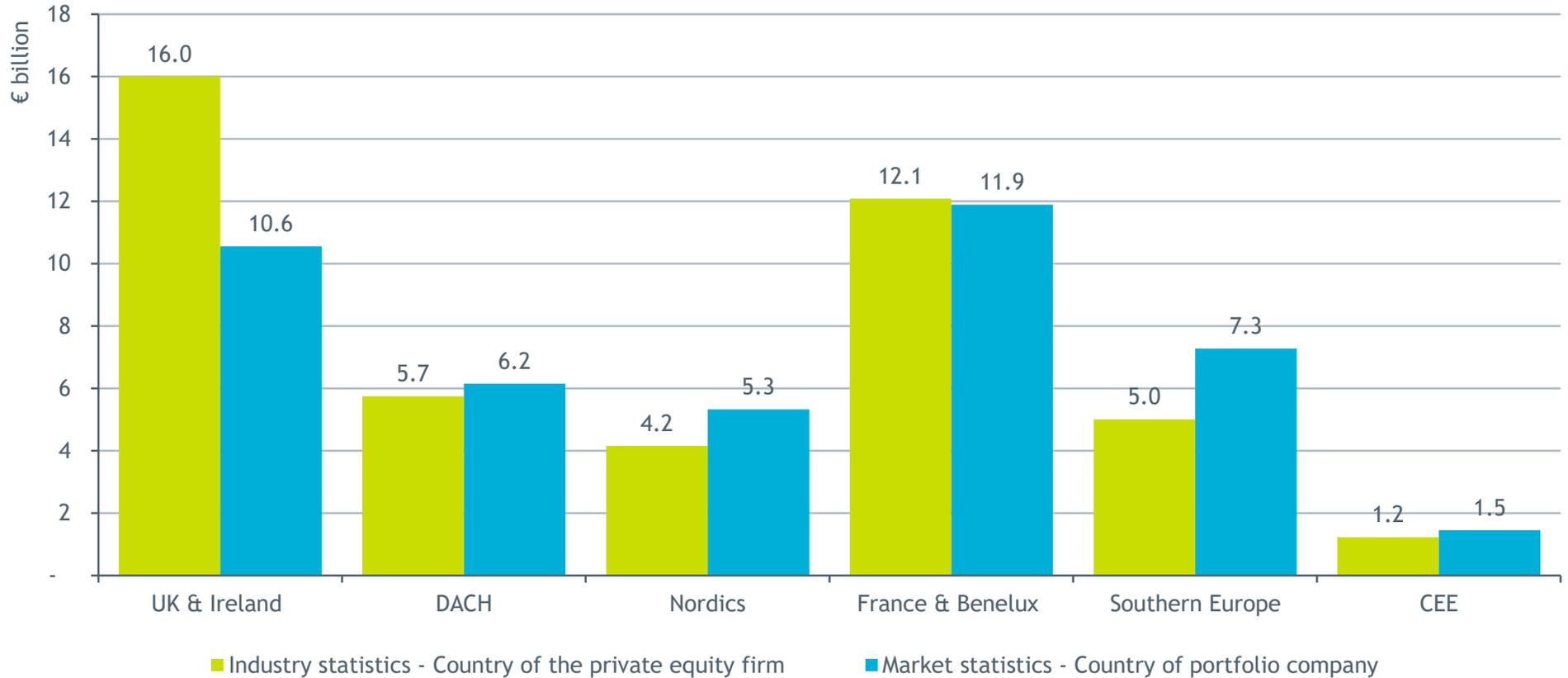
Divestments at cost by sector - Venture Capital / Buyout / Growth

2017 - Market statistics - Number of companies (excluding write-offs)



All Private Equity - Divestments at cost by region

2017 - 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

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AIFI - Italy

ASCRI - Spain

BVA - Belgium

BVCA - UK

BVK - Germany

CVCA - The Czech Republic

DVCA - Denmark

France Invest - France

FVCA - Finland

LPEA - Luxembourg

NVCA - Norway

NVP - The Netherlands

PSIK - Poland

SECA - Switzerland

SEEPEA - South Eastern Europe

SVCA - Sweden

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