



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

2016 European Private Equity Activity

Statistics on Fundraising,
Investments & Divestments



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Version

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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

New database launched

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 new database

brings together:

- ✓ 3,000 firms
- ✓ 7,000 funds
- ✓ 60,000 portfolio companies
- ✓ 200,000 transactions

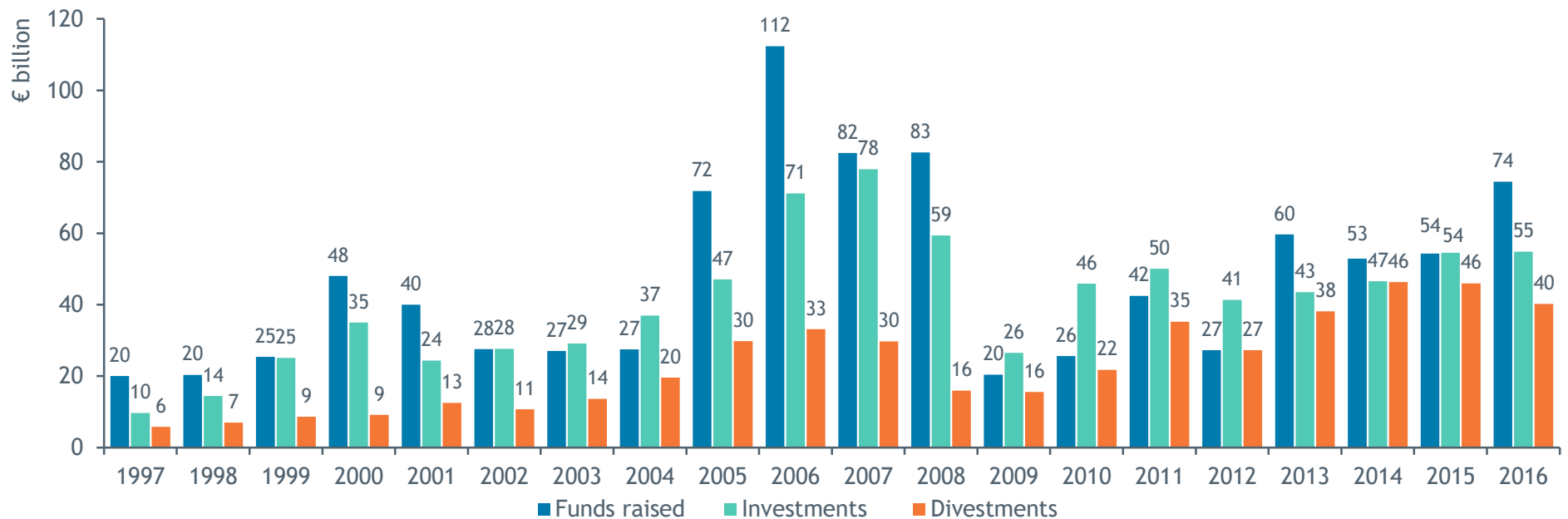
- > The EDC replaces Invest Europe's previous database PEREP_Analytics. All relevant historic data was migrated to the EDC system.
- > All data since 2007 was restated and complemented with additional information. All audit efforts are conducted in close coordination with data contributors and partnering 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.
- > The most recent data publications are always available on Invest Europe's website (www.investeurope.eu/research) or contact the research team (research@investeurope.eu).
- > Invest Europe members and data contributors receive dedicated research and data support from Invest Europe's research team.

EuropeanDataCooperative

Overview - All Private Equity - Fundraising, Investments & Divestments

1997-2016 - Industry statistics - Amount

With data on more than **1,200** European private equity firms, the 2016 statistics cover **88%** of the **€600bn** 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 (2007-2016)

2016 European Private Equity Activity

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Executive summary

1 FUNDRAISING

In 2016, total fundraising reached €74.5bn, the highest level for Europe since 2008 and a 37% increase on 2015. Almost 400 funds raised new capital, a 9% decrease compared to 2015, indicating a trend to larger funds.

European private equity and venture capital funds raised some €240bn over the past four years - more than twice the amount raised from 2009 - 2012.

Pension funds provided 34% of all capital raised, followed by funds of funds (18%), insurance companies (12%), sovereign wealth funds (10%) and family offices & private individuals (9%). Institutional investors from outside Europe contributed more than 40%.

Buyout fundraising increased by 70% to €56.3bn, an increase driven by larger funds. Buyout funds that reached between €250m and €1bn at final close raised about twice as much capital as in previous years.

Venture capital fundraising increased to €6.4bn in 2016 surpassing the European record achieved since 2008, driven by an increase in VC funds reaching more than €100m at final close. Growth capital fundraising fell by 4% to €3.9bn.

2 INVESTMENTS

The total equity amount invested in European companies remained stable at €53.7bn, marking the second highest level since 2008. About a third of this amount was invested cross-border. The number of companies receiving investment decreased by 7% to just under 6,000. 83% were SMEs.

Buyout investment was stable at €37.3bn into over 1,000 companies. A reduction of 4% compared to 2015. By amount, mid-market transactions increased by almost 30%. Small buyouts reduced by 9%. Large and mega buyouts fell by 14% and 34% respectively.

Venture capital investment increased by 4% to €4.4bn. Over 3,000 companies received investment, with a trend towards larger financing rounds. Growth investment decreased by amount by 8% to €9.9bn, and by number of companies by 5% to just over 1,800. About 10% of growth capital investment was directed into companies already backed by venture capital.

Consumer goods and services (28% by amount, 17% by number of companies) was the most invested sector, followed by ICT (20% by amount, 32% by number of companies) and business products and services (20% by amount, 18% by number of companies).

3 DIVESTMENTS

Over 3,500 European companies were exited in 2016, representing former equity investments (divestments at cost) of €38.9bn. About 14% lower than 2015, but in line with the annual average since 2012.

Sale to another private equity firm (29%), trade sale (27%) and public offering (17%) were the most prominent exit routes by amount at cost.

Buyout divestments were 73% by amount at cost and 23% by number of companies of all exits in 2016. The amount divested fell by 18% to €28.4bn with over 800 companies exited, below the very strong exit years of 2014 and 2015, but similar to the level of 2013.

Venture capital exited with nearly 1,300 companies, about 35% of all divestments. The amount divested at cost increased by 14% to €2.5bn or 6% of the total amount divested. Most prominent exit routes were trade sale, management/owner buy-back, sale to a financial institution, and write-off.

Growth divestments were 15% of all exits by amount and 40% by number of companies. The amount divested decreased by 17% to €6.0bn and the number of companies decreased by 6% to 1,400.

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.

Early-stage fund: Venture capital funds focused on investing in companies in the early stages of their lives.

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.

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.

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

Venture fund: 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/

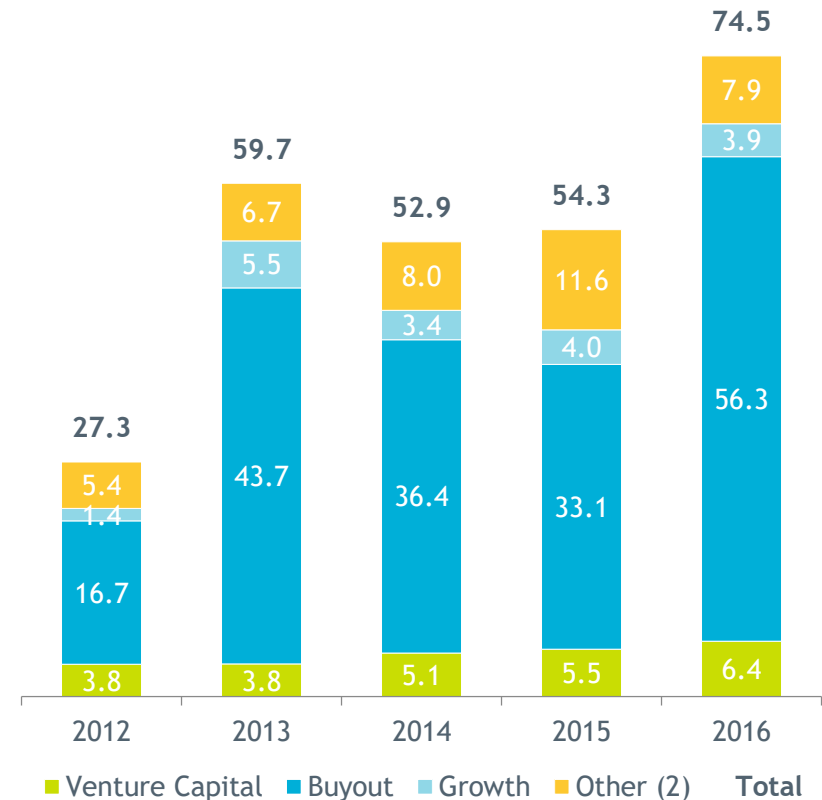
2016 Fundraising at a glance

- In 2016, total fundraising reached €74.5bn, a 37% increase compared to 2015 and the highest level for Europe since 2008. Almost 400 funds raised new capital. This decrease by 9% compared to 2015 indicates a trend towards larger funds in 2016.
- Pension funds had the largest contribution with 34%, followed by funds of funds (18%), insurance companies (12%), sovereign wealth funds (10%) and family offices & private individuals (9%). More than 40% of the total capital was raised from institutional investors outside of Europe.
- Venture capital funds raised €6.4bn in 2016 reaching the highest level since 2008. This trend was supported by an increase in larger venture funds. Thirteen out of 45 venture funds reached more than €100m at final close and were responsible for 80% of the total amount raised. Government agencies contributed 25%, followed by family offices and private individuals (20%), funds of funds & other asset managers (15%) and corporate investors (15%). Institutional investors from outside of Europe contributed 12%.
- Buyout fundraising increased by 70% to €56.3bn, driven by larger funds. In particular, buyout funds that reached a final close of between €250m and €1bn raised about twice as much capital as in previous years. The total amount raised by buyout funds that reached at final closing more than €1bn was the highest since 2013. Pension funds remained the largest institutional investor (41%) in European buyout funds, followed by funds of funds & other asset managers (17%), insurance companies (14%) and sovereign wealth funds (12%). North American institutional investors contributed more than a third of the capital raised.
- Growth capital fundraising has established itself in the past years despite a 4% reduction in capital raised to €3.9bn in 2016. Funds in this category range from vehicles to scale up venture capital-backed companies, to those making minority equity investments to develop mature SMEs or regional development policies backed by banks or public institutions.

2016	All Private Equity	Venture Capital ⁽¹⁾	Buyout ⁽¹⁾	Growth ⁽¹⁾
Incremental - Amounts raised	€74.5bn	€6.4bn	€56.3bn	€3.9bn
Incremental - No. of funds	393	116	81	59
Final closings - Cumulative amount since inception	€66.6bn	€3.8bn	€55.2bn	€3.4bn
Final closings - No. of funds	152	45	48	22

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

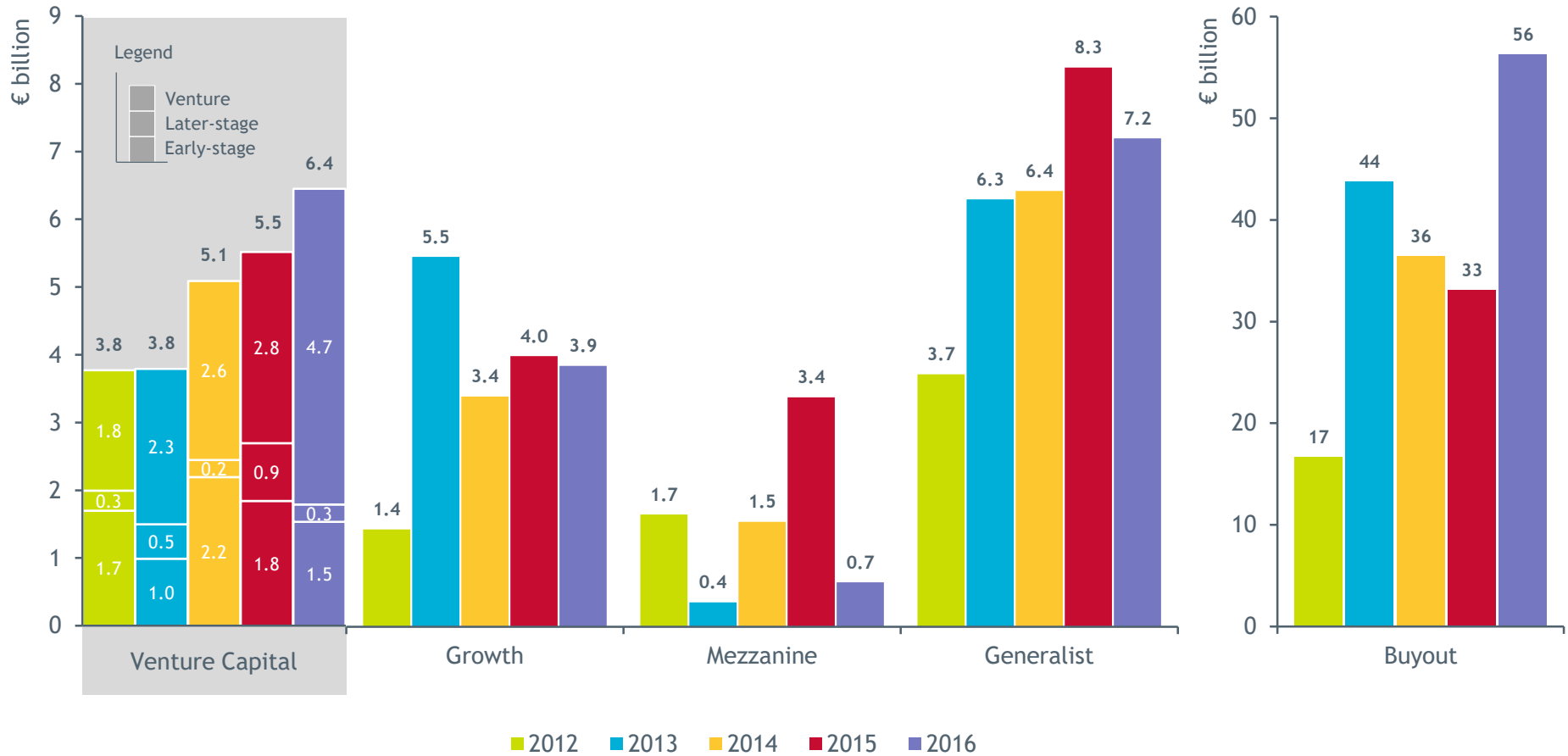
Incremental amounts raised during the year (€ billion)



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

Funds raised by fund stage focus

2012-2016 - Incremental amount raised during the year

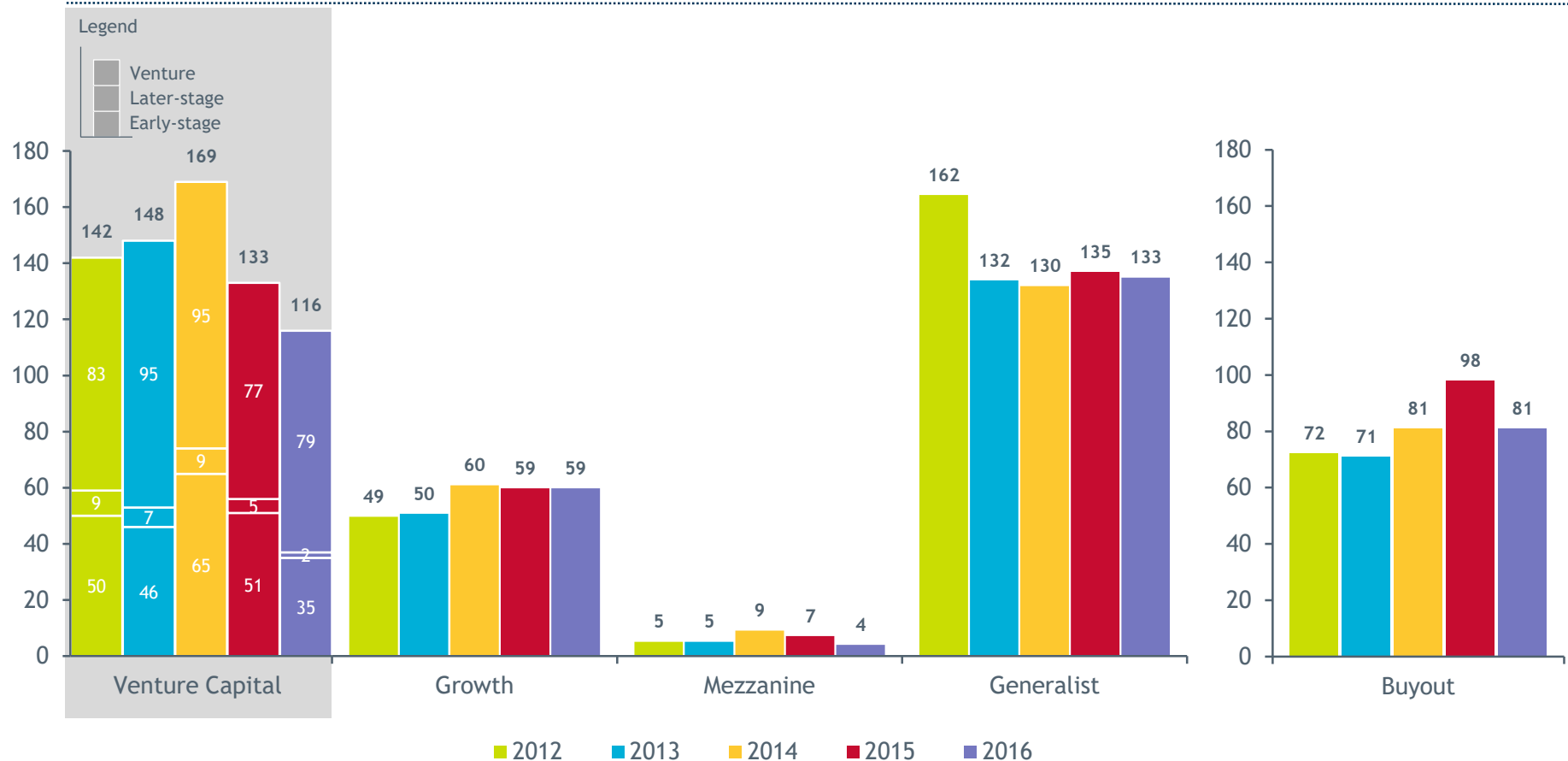


Source: Invest Europe / EDC

2016 European Private Equity Activity

Funds raised by fund stage focus

2012-2016 - Number of funds that reached first, intermediate or final closing during the year

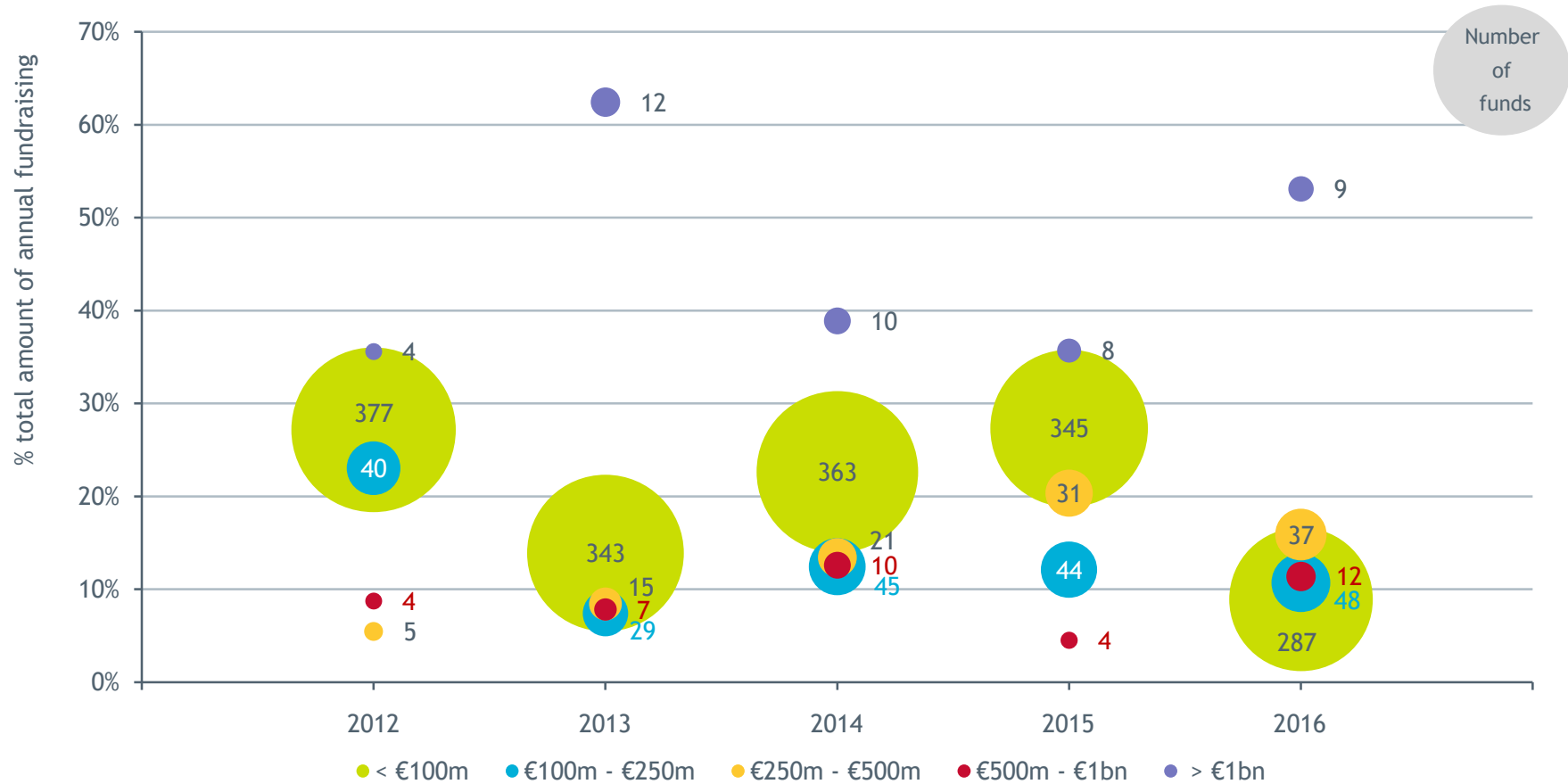


Source: Invest Europe / EDC

2016 European Private Equity Activity

All Private Equity - Concentration of capital

2012-2016 - Incremental fundraising by amount bracket per fund during the year



Source: Invest Europe / EDC

2016 European Private Equity Activity



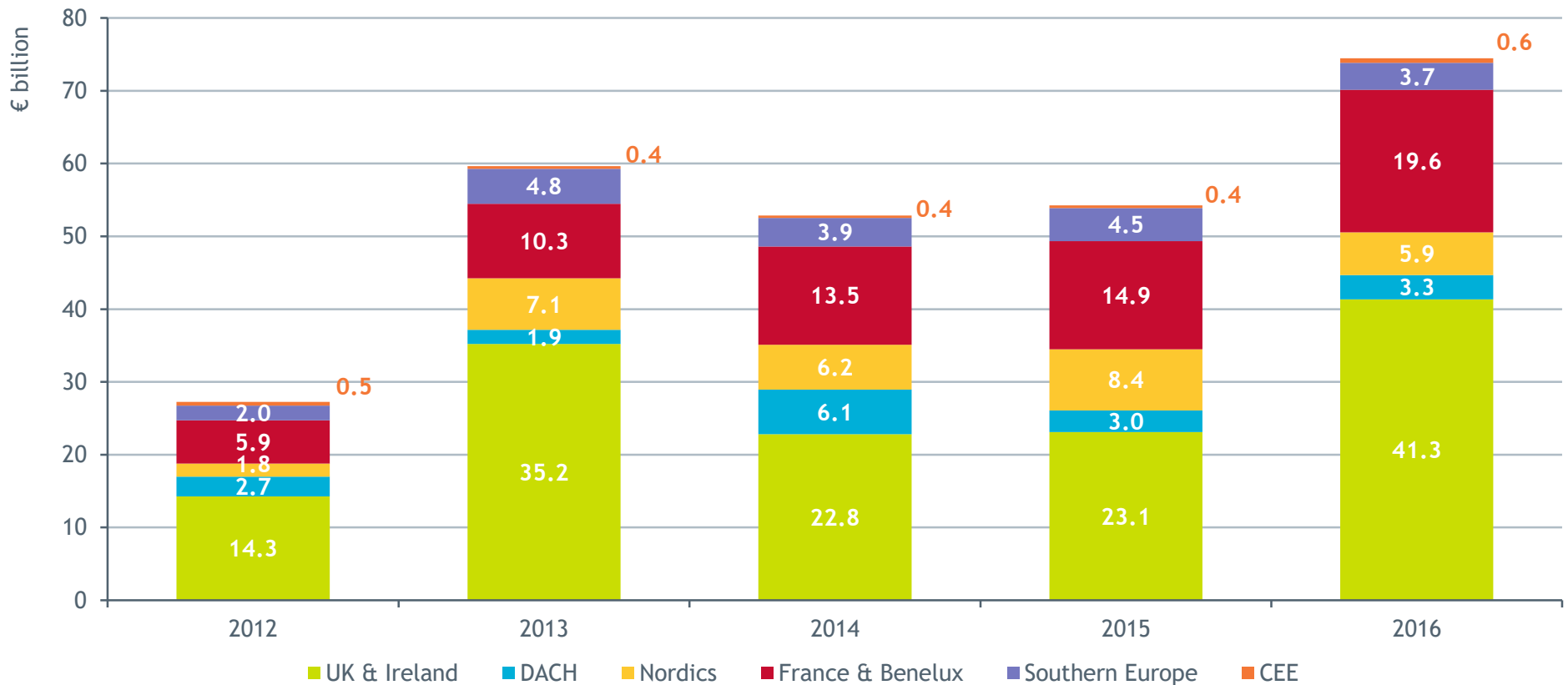
FUNDRAISING

INVESTMENTS

DIVESTMENTS

All Private Equity - Funds raised by region of management

2012-2016 - 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

2016 European Private Equity Activity



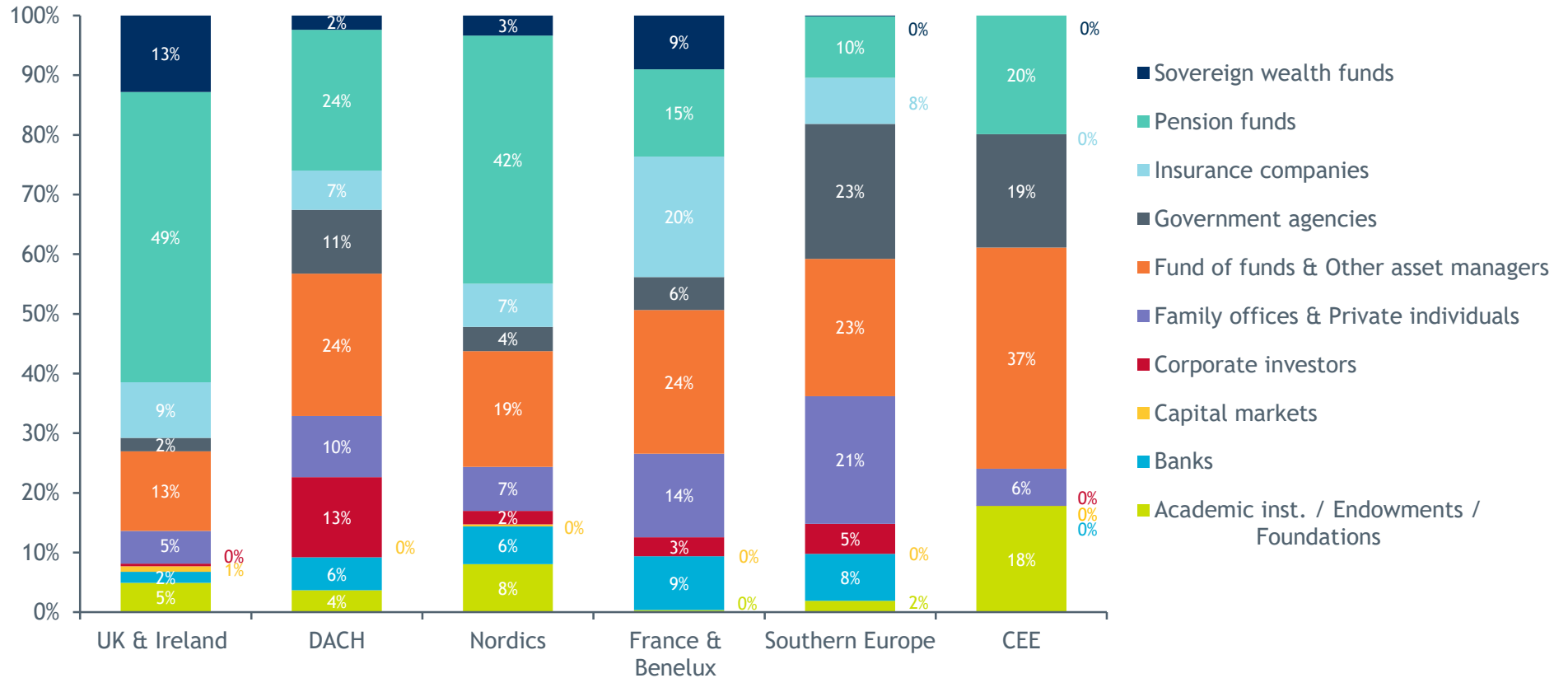
FUNDRAISING

INVESTMENTS

DIVESTMENTS

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

2016 - 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

2016 European Private Equity Activity



FUNDRAISING

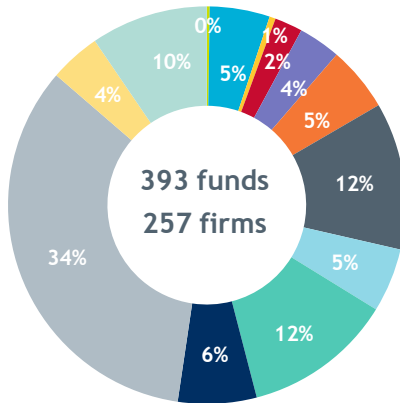
INVESTMENTS

DIVESTMENTS

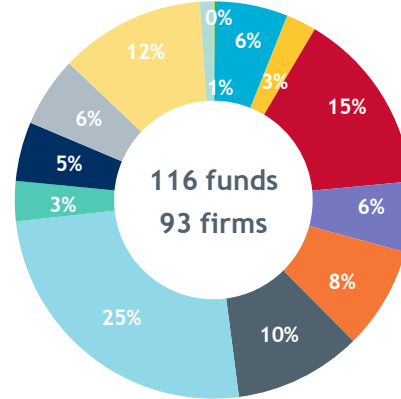
Funds raised by type of investor

2016 - Incremental amount raised during the year - % of amount

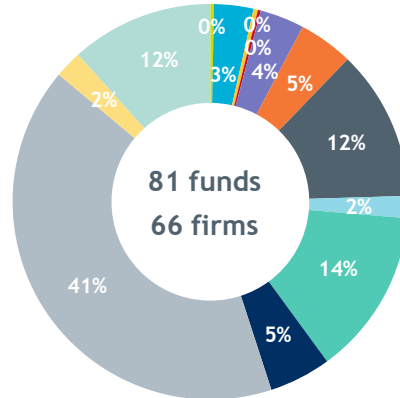
All Private Equity funds



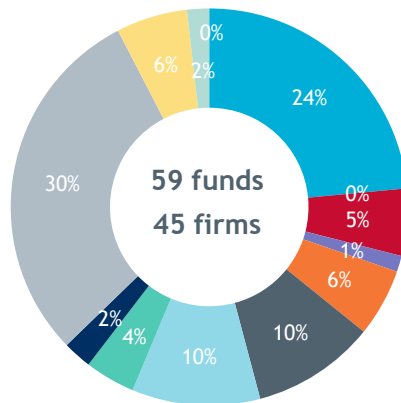
Venture Capital funds



Buyout funds



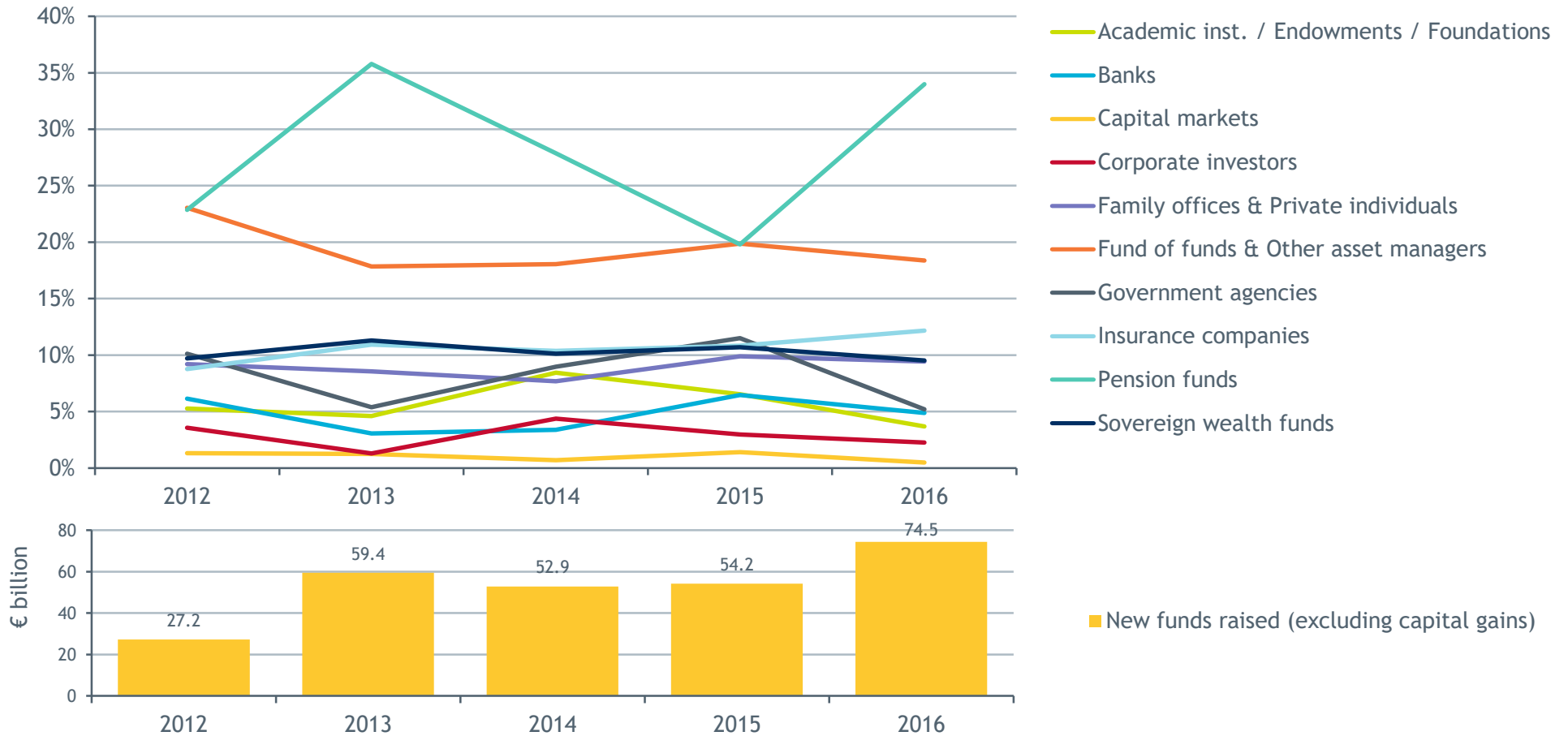
Growth funds



- Academic institutions
- Banks
- Capital markets
- Corporate investors
- Endowments and 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

2012-2016 - Incremental amount raised during the year - % of total amount

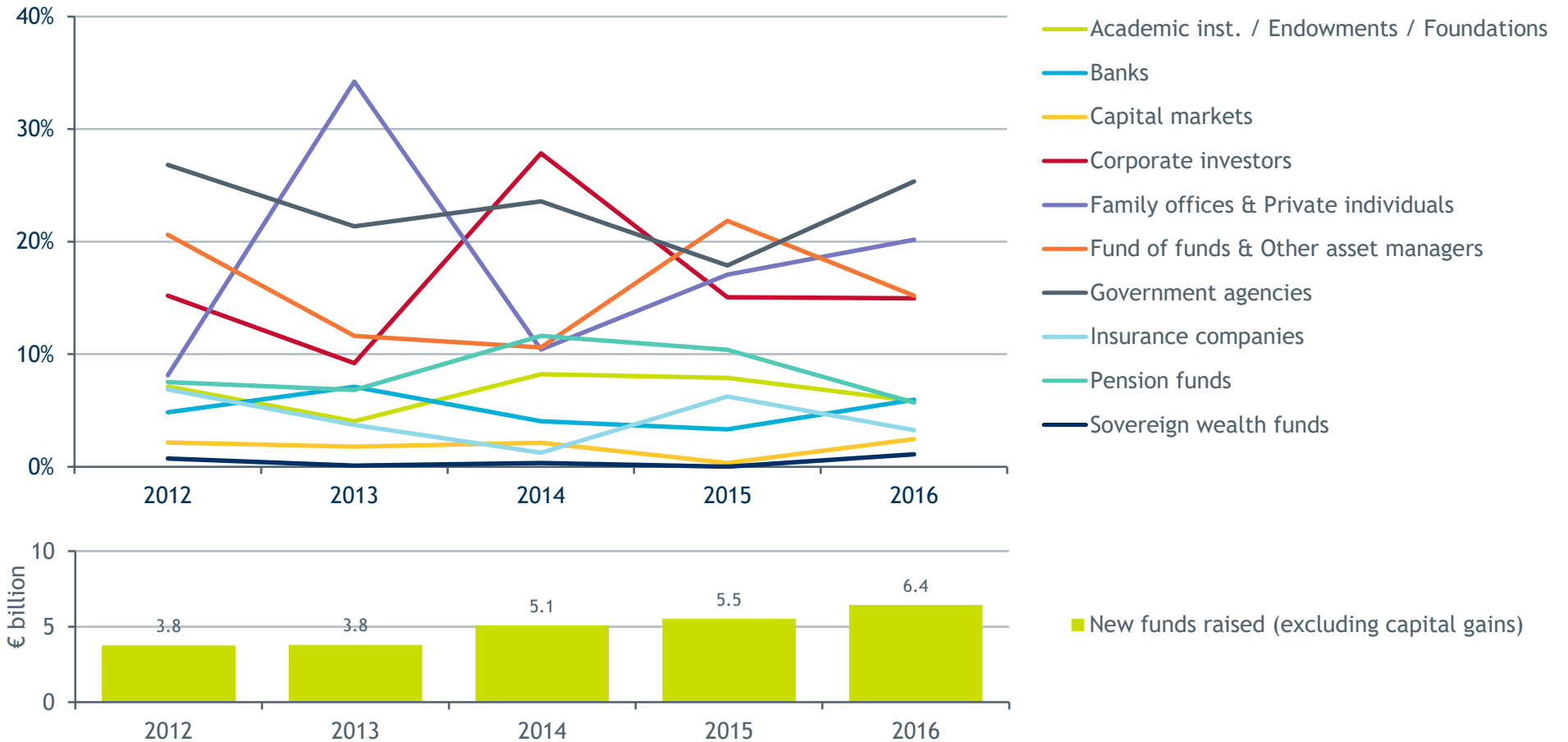


Source: Invest Europe / EDC

2016 European Private Equity Activity

Venture Capital - Funds raised by type of investor

2012-2016 - Incremental amount raised during the year - % of total amount

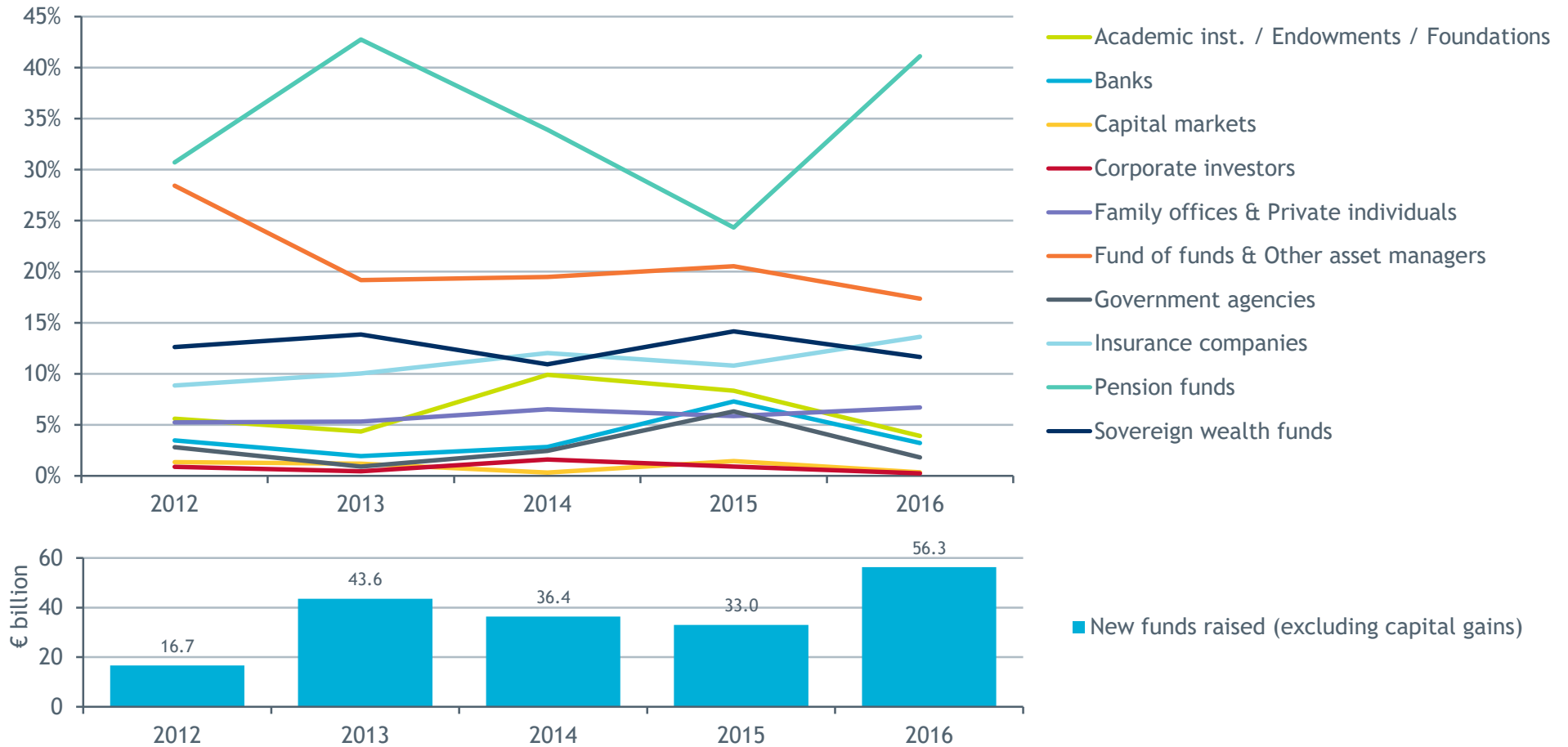


Source: Invest Europe / EDC

2016 European Private Equity Activity

Buyout - Funds raised by type of investor

2012-2016 - Incremental amount raised during the year - % of total amount

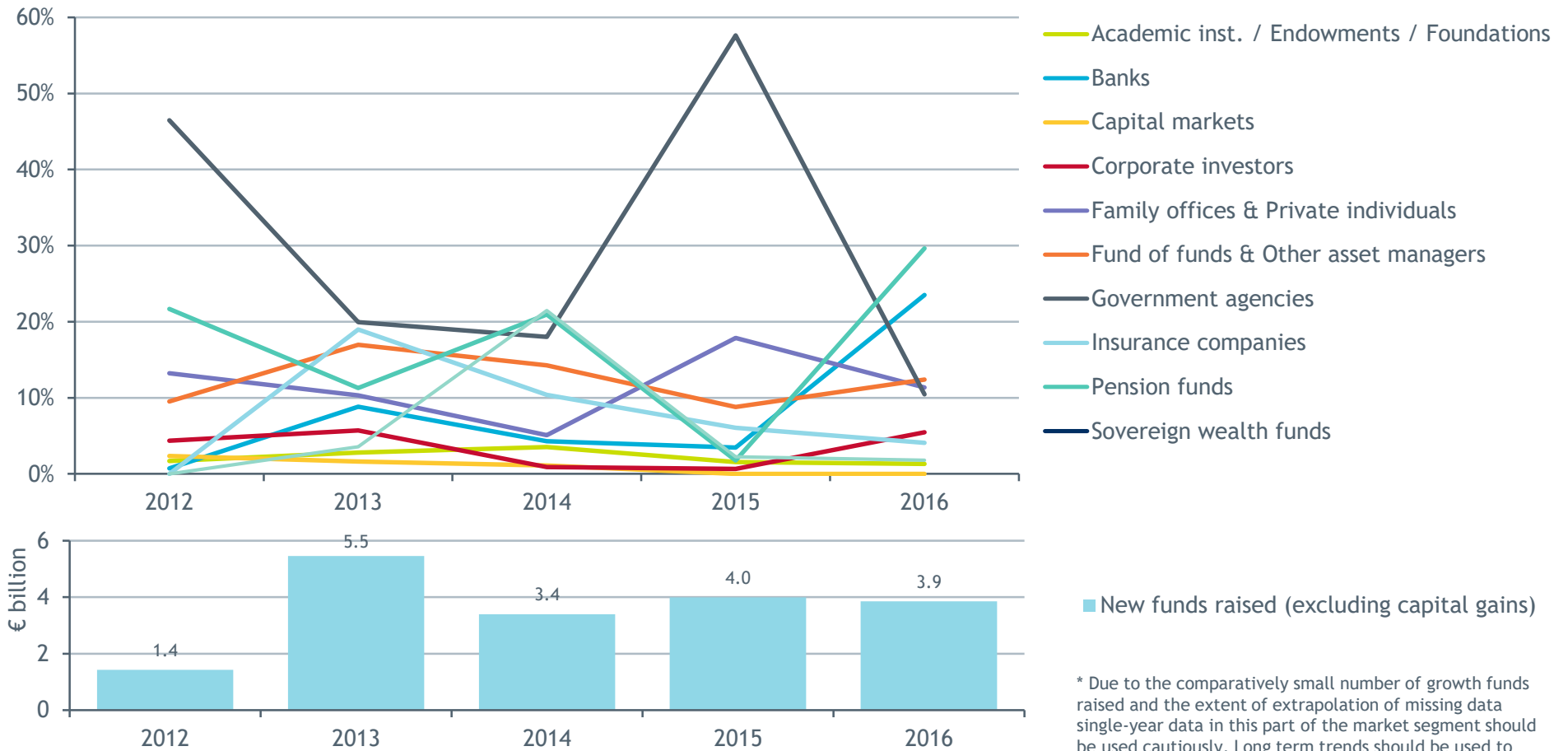


Source: Invest Europe / EDC

2016 European Private Equity Activity

Growth - Funds raised by type of investor

2012-2016 - Incremental amount raised during the year - % of total amount*



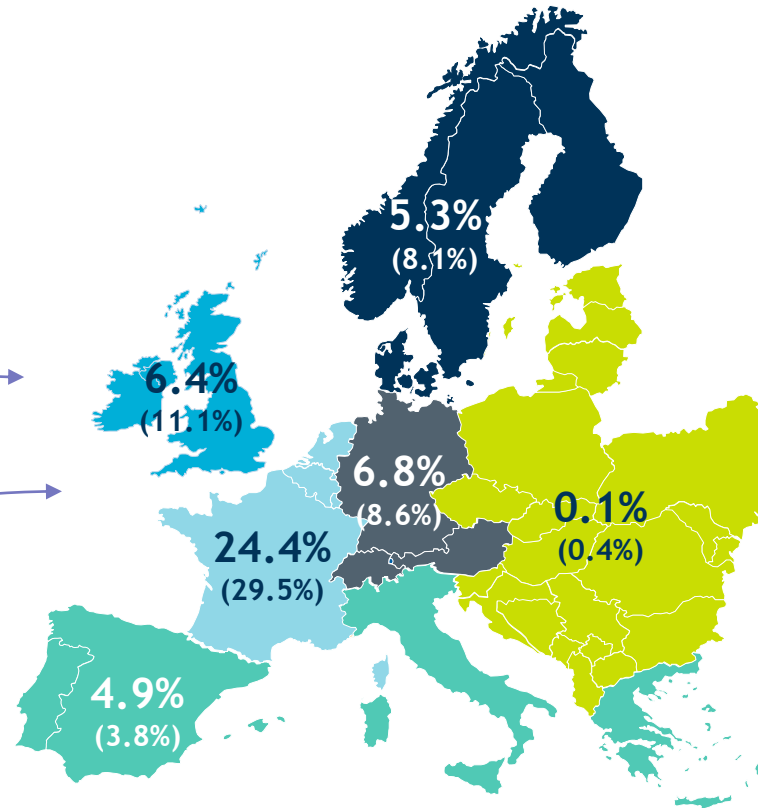
* Due to the comparatively small number of growth funds raised and the extent of extrapolation of missing data single-year data in this part of the market segment should be used cautiously. Long term trends should be used to identify the structures of investors in this market segment.

All Private Equity - Fundraising geographic breakdown

2016 (2015) - Source of funds - % of total amount

North America

29.7%
(19.6%)



Rest of world

0.9%
(0.9%)

Unclassified Europe

9.9%
(5.4%)

Australia

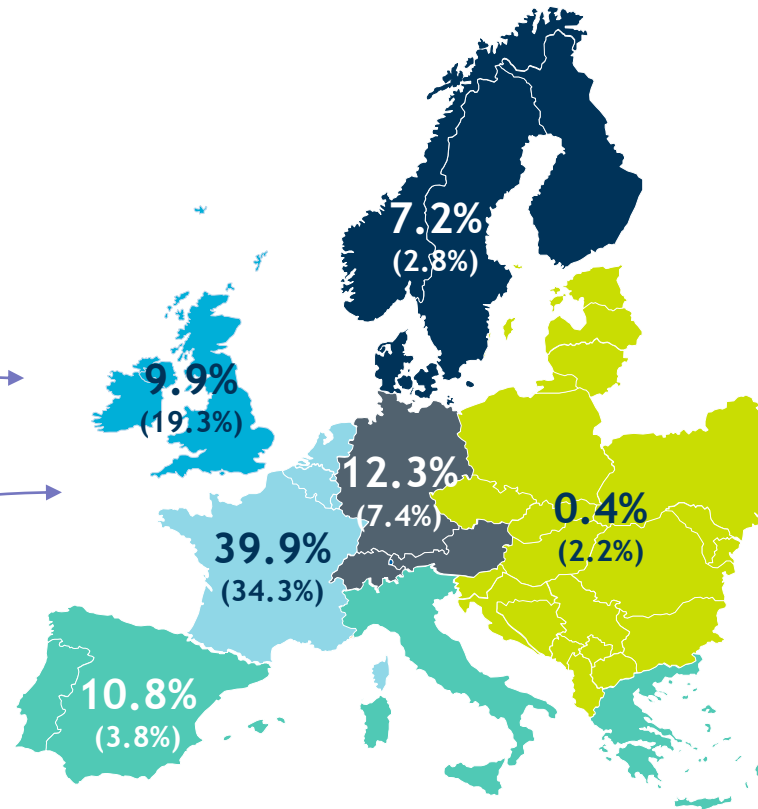
Asia
11.7%
(12.6%)

Venture Capital - Fundraising geographic breakdown

2016 (2015) - Source of funds - % of total amount

North America

9.2%
(10.5%)



Rest of world

0.6%
(0.0%)

Australia

Asia
2.5%
(1.8%)

Unclassified Europe

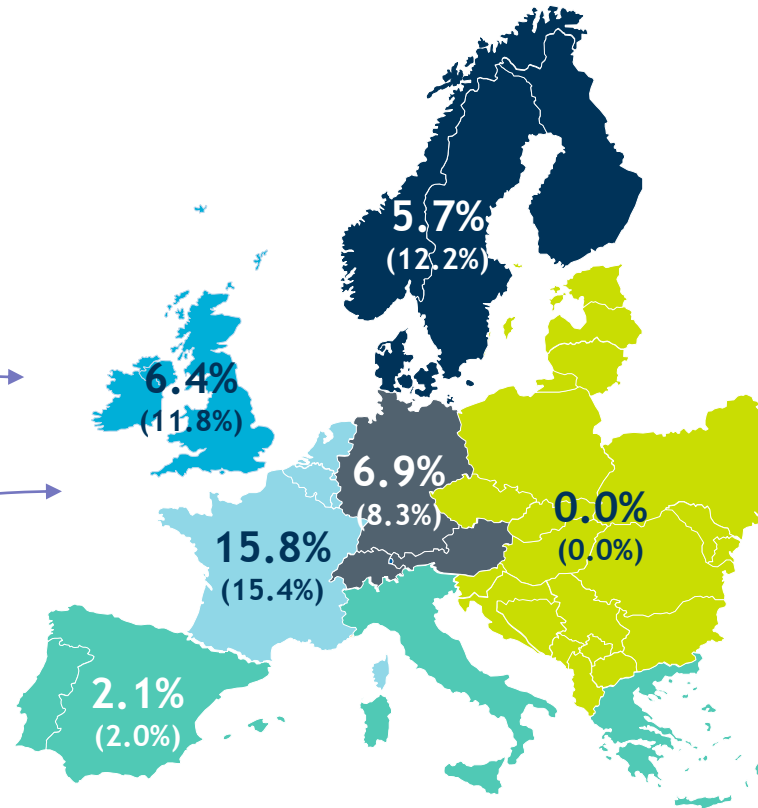
7.2%
(17.8%)

Buyout - Fundraising geographic breakdown

2016 (2015) - Source of funds - % of total amount

North America

36.2%
(27.6%)



Rest of world

1.1%
(1.6%)

Unclassified Europe

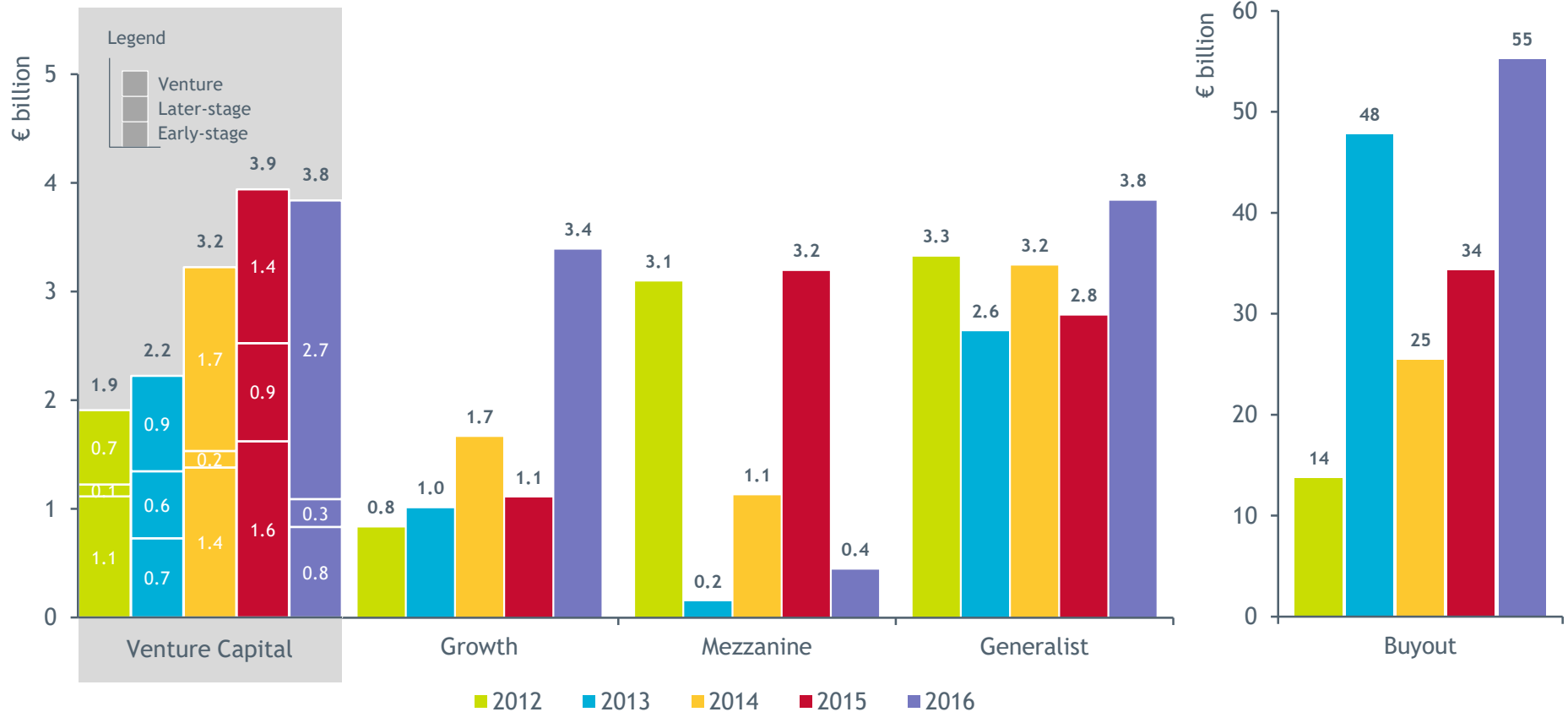
10.9%
(4.8%)

Australia

Asia
14.9%
(16.3%)

Final closing - Funds raised by fund stage focus

2012-2016 - Final closing during the year - Amount⁽¹⁾

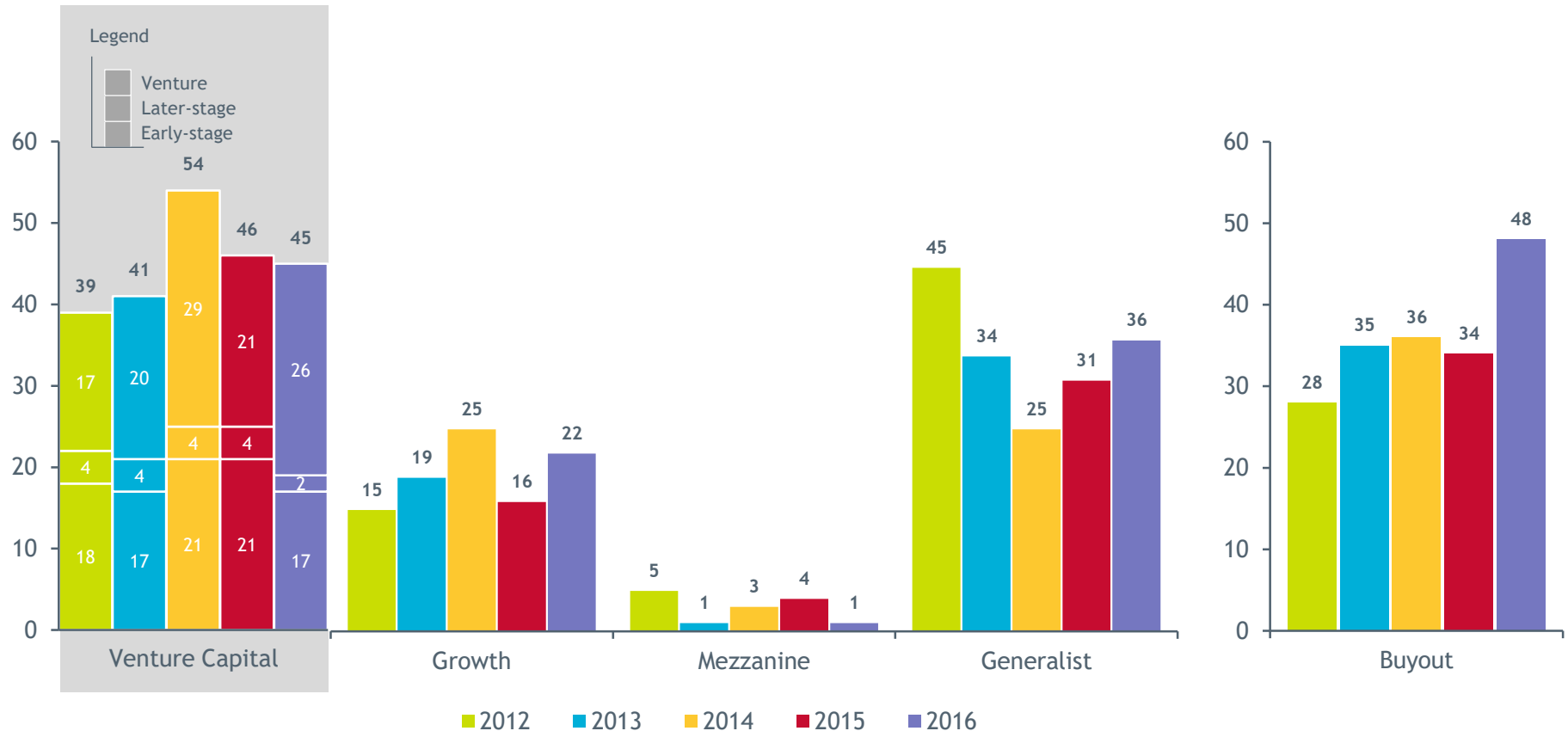


Source: Invest Europe / EDC

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

2012-2016 - Final closing during the year - Number of funds⁽¹⁾

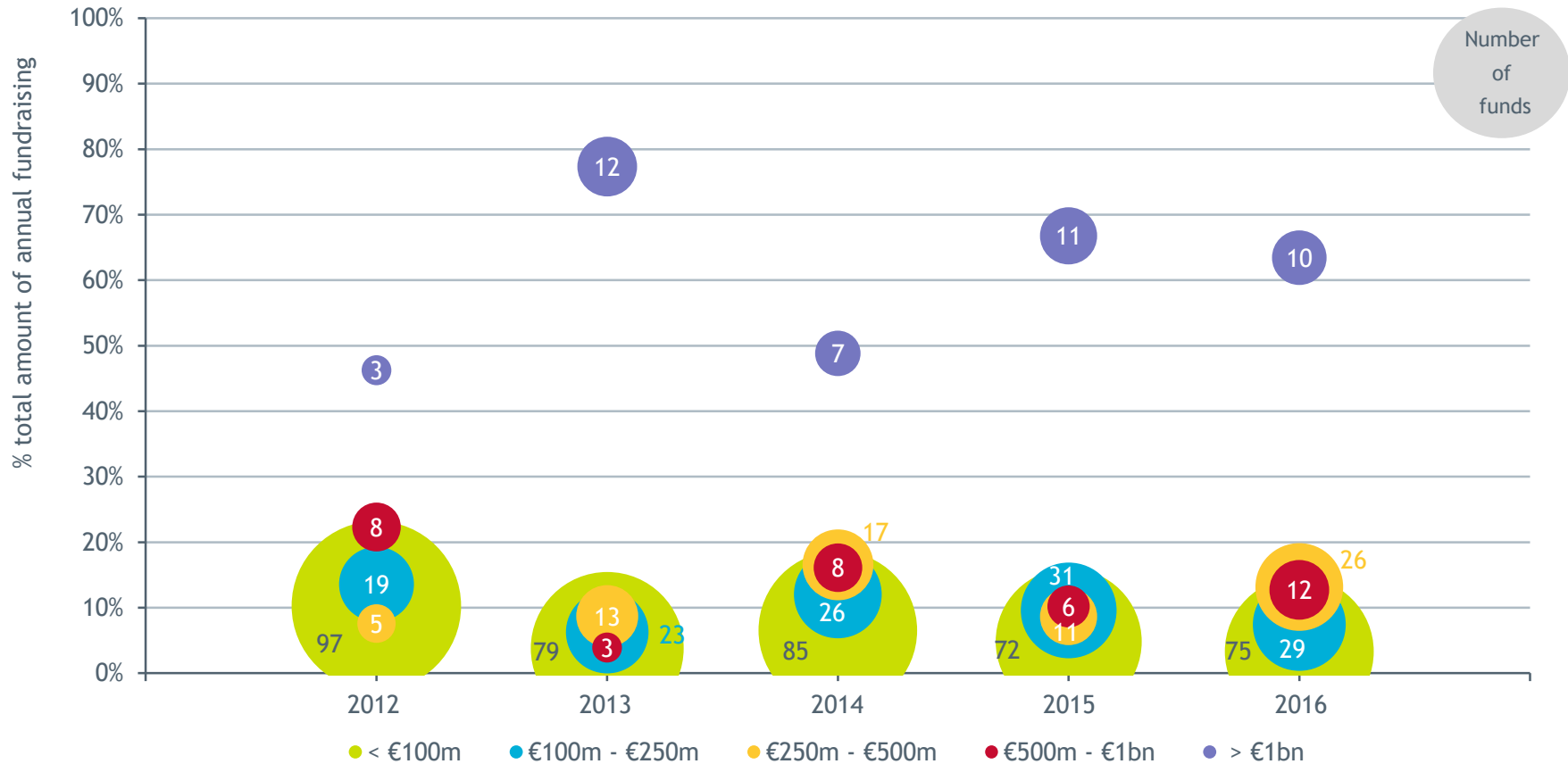


Source: Invest Europe / EDC

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

2012-2016 - 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.

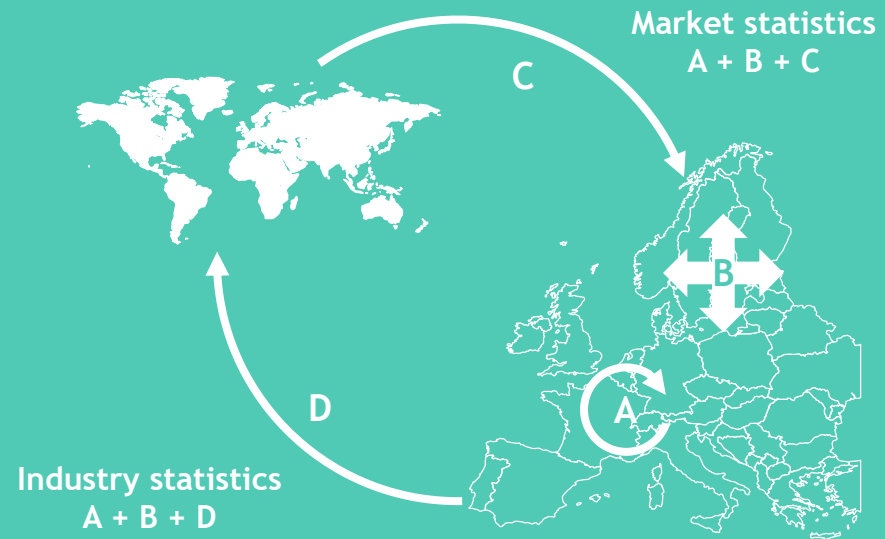
Market statistics are an aggregation of figures according to the location of the portfolio company. At European level, this relates to investments in European companies regardless of the location of the private equity firm.

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.

2016 Investments at a glance

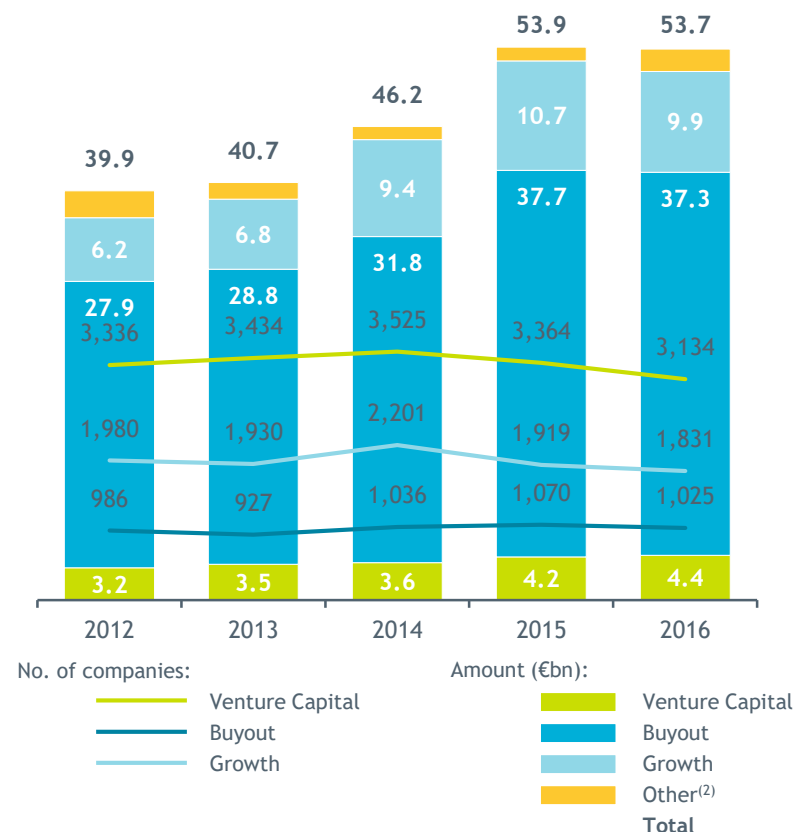
- The total amount of equity invested in European companies remained stable at €53.7bn compared to 2015, representing the second highest level since 2008. The number of companies decreased by 7%, but remained over 5,900. 83% of them are SMEs. Over a third of the total amount invested in European companies came from cross-border investments.
- Venture capital investment increased by 4% to €4.4bn compared to 2015. Over 3,000 companies received investment, a reduction of 7% which indicates a trend towards larger financing rounds. ICT (communications, computer and electronics) was the largest sector at 45% of total venture capital investment by amount, followed by biotech and healthcare (27%) and consumer goods and services (9%).
- Buyout investment remained stable at €37.3bn. Over 1,000 companies were subject to buyout transactions, a reduction of 4% compared to 2015. By investment amount, mid-market transactions increased strongly by almost 30%. Large buyouts (between €150m and €300m in equity invested) fell by 14% and mega buyouts (more than €300m in equity invested) decreased by 34%. Most investment was concentrated consumer goods and services (32%) sector, business products and services (22%), ICT (16%), and biotech and healthcare (10%).
- Growth investment decreased by 8% to €9.9bn. The number of companies receiving growth investments fell by 5% to just over 1,800. About 10% of the value of growth investments was directed to scale up companies that are already venture capital backed. Most investments were concentrated in ICT (27%), business products and services (20%), consumer goods and services (20%), and energy and environment (13%).

2016 - Market statistics	All Private Equity	Venture Capital ⁽¹⁾	Buyout ⁽¹⁾	Growth ⁽¹⁾
Amount	€53.7bn	€4.4bn	€37.3bn	€9.9bn
No. of companies	5,942	3,134	1,025	1,831
No. of firms	1,004	575	370	396
No. of funds	2,157	1,113	649	945

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

2016 European Private Equity Activity

Investments - Market statistics - Amount & No. of companies

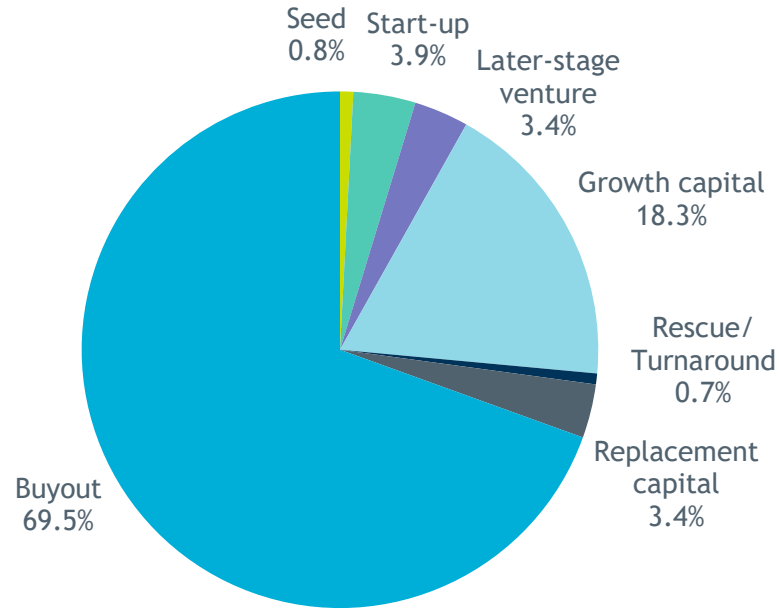


Source: Invest Europe / EDC
 Note: (2) Other includes Rescue/Turnaround and Replacement capital

Investments by stage

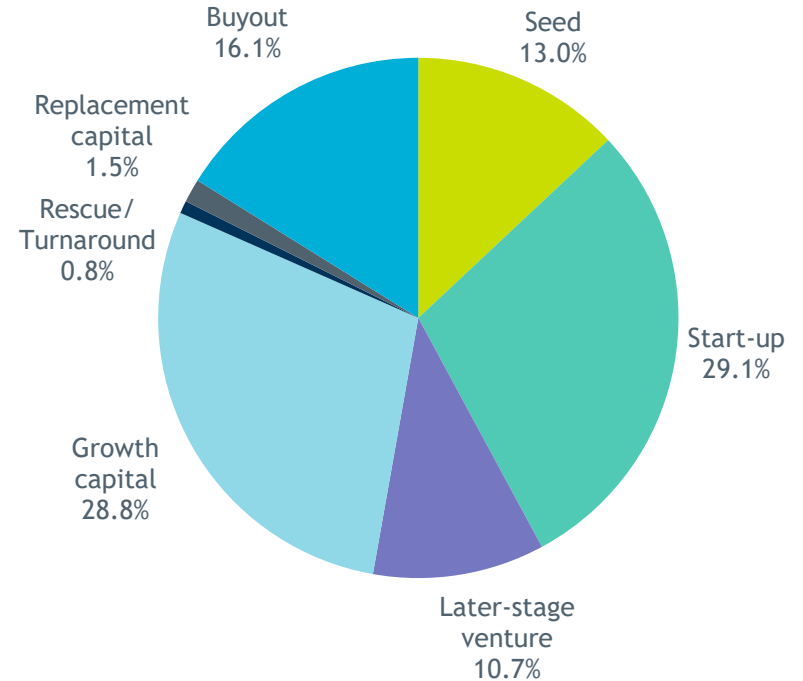
2016 - Market statistics - % of Amount & Number of companies

% of Amount



Venture Capital	€4.4bn
Buyout	€37.3bn
Growth	€9.9bn

% of Number of companies



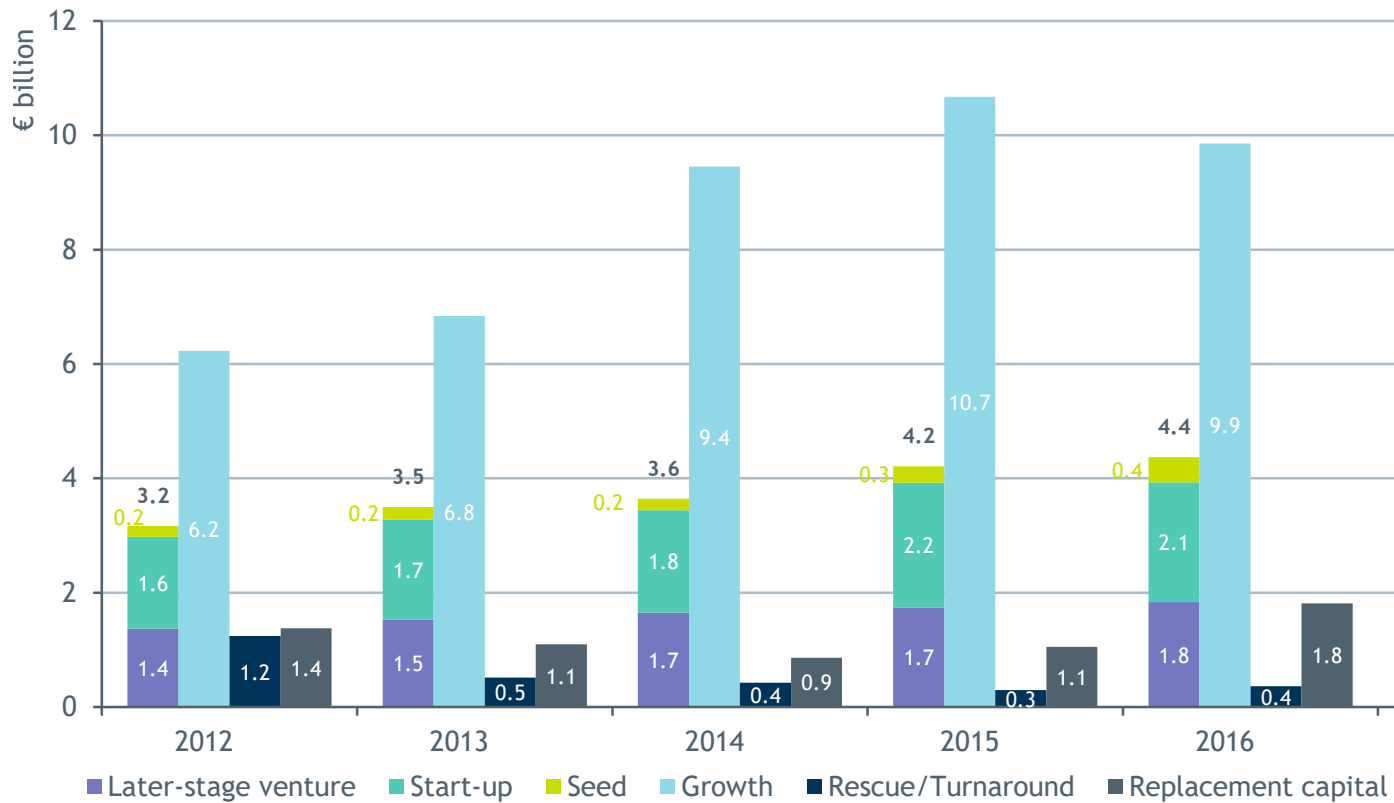
Venture Capital	3,134 Companies
Buyout	1,025 Companies
Growth	1,831 Companies

Source: Invest Europe / EDC

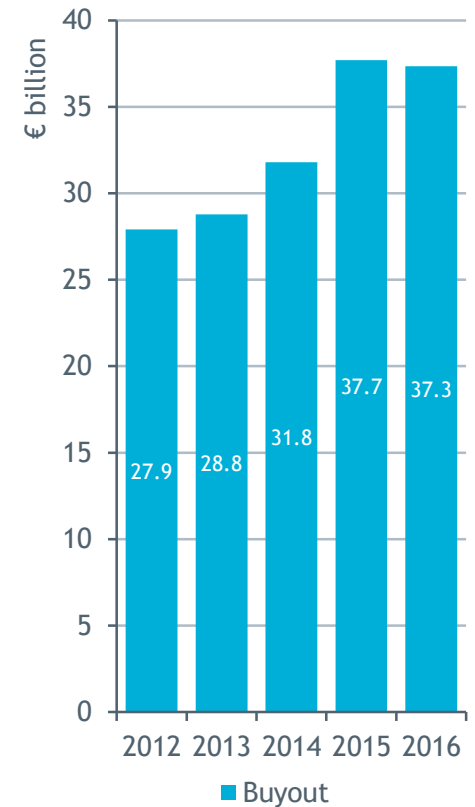
2016 European Private Equity Activity

Investments by stage

2012-2016 - Market statistics - Amount



Venture Capital



Source: Invest Europe / EDC

2016 European Private Equity Activity

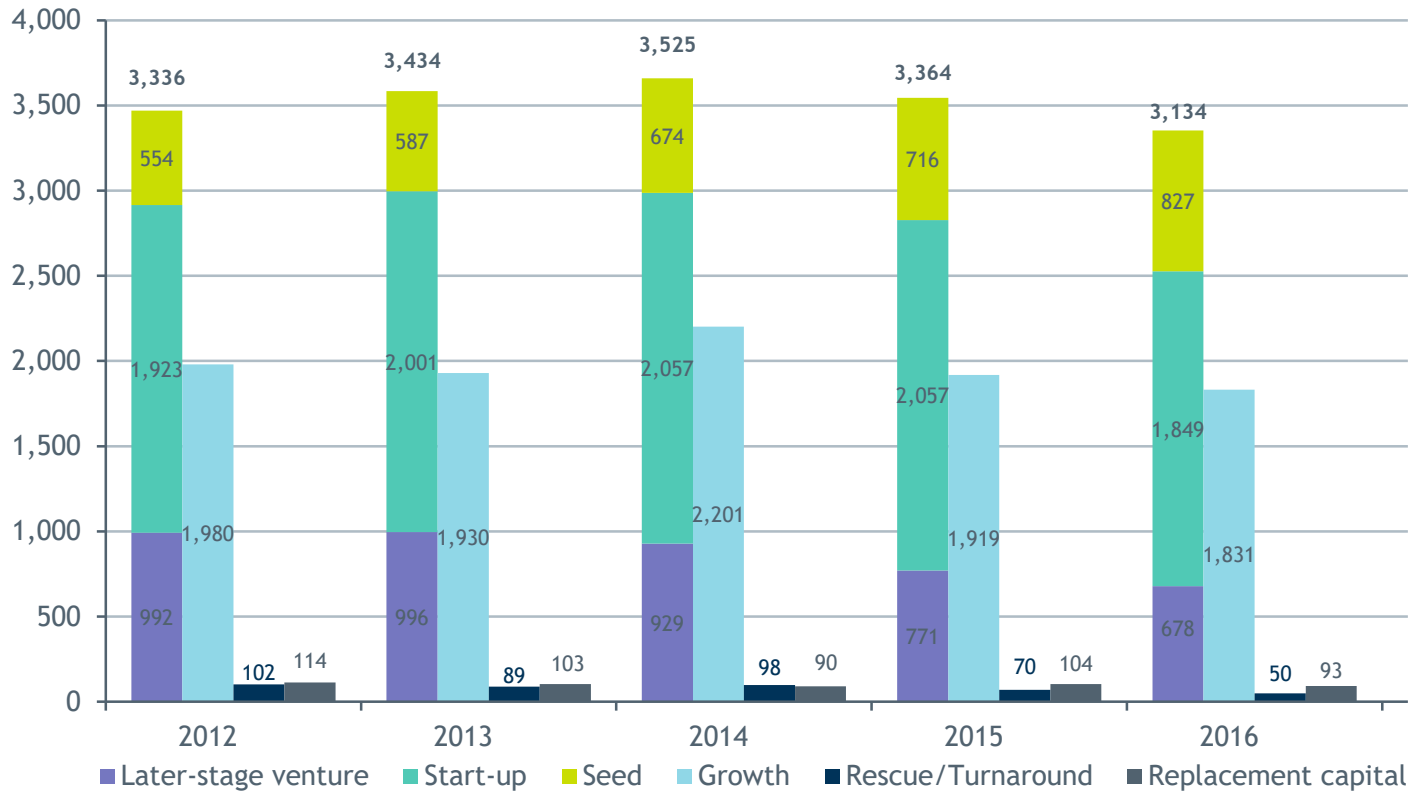
FUNDRAISING

INVESTMENTS

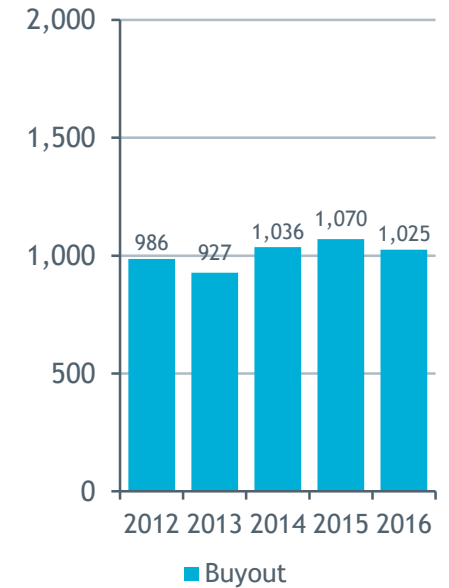
DIVESTMENTS

Investments by stage

2012-2016 - Market statistics - Number of companies



Venture Capital



Source: Invest Europe / EDC

2016 European Private Equity Activity

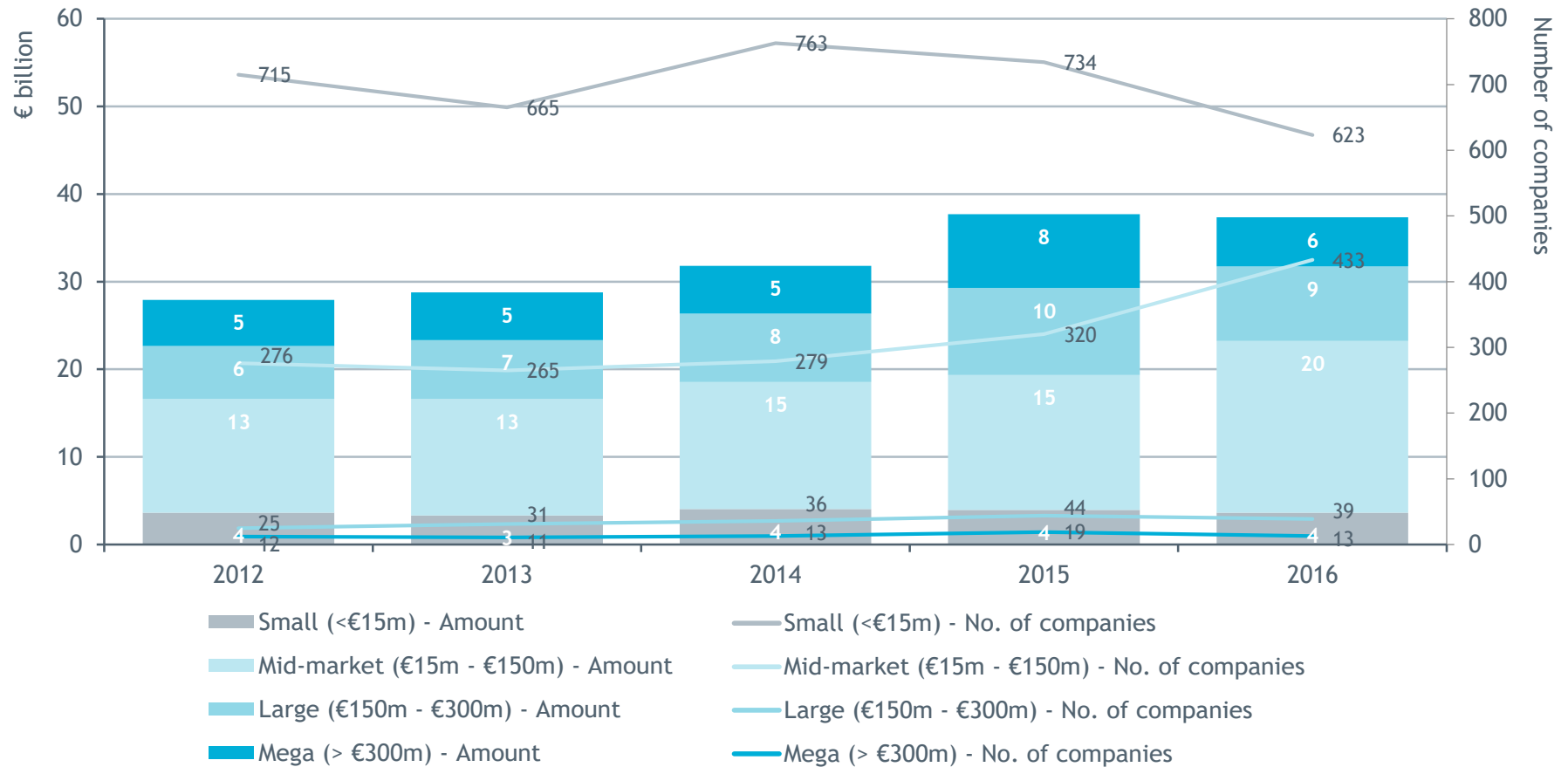
FUNDRAISING

INVESTMENTS

DIVESTMENTS

Buyout - Investments by equity bracket

2012-2016 - Market statistics - Amount & Number of companies



Source: Invest Europe / EDC

2016 European Private Equity Activity

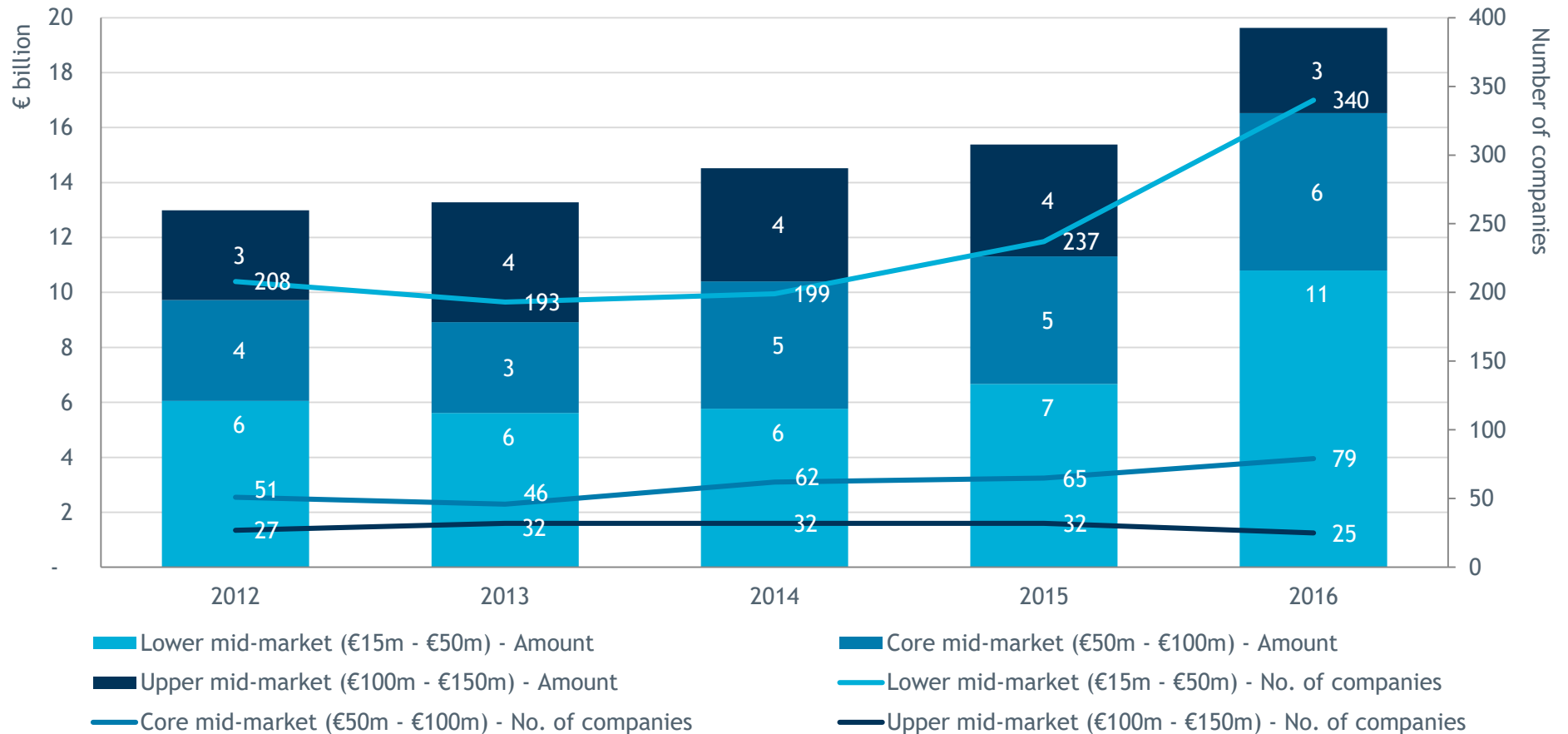
FUNDRAISING

INVESTMENTS

DIVESTMENTS

Mid-market buyout - Investments by equity bracket

2012-2016 - Market statistics - Amount & Number of companies



Source: Invest Europe / EDC

2016 European Private Equity Activity

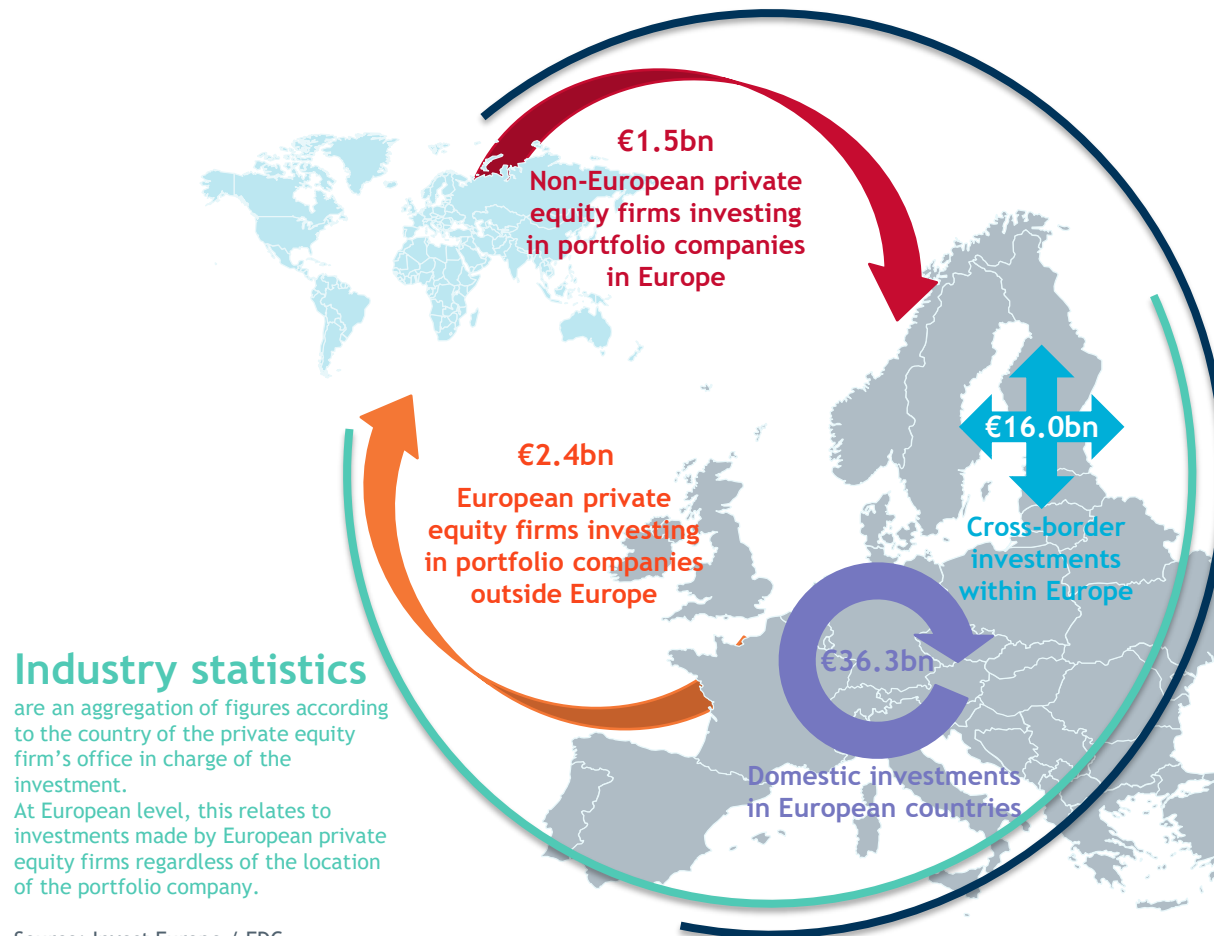
FUNDRAISING

INVESTMENTS

DIVESTMENTS

All Private Equity - Geographical investment flows

2016 - 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:

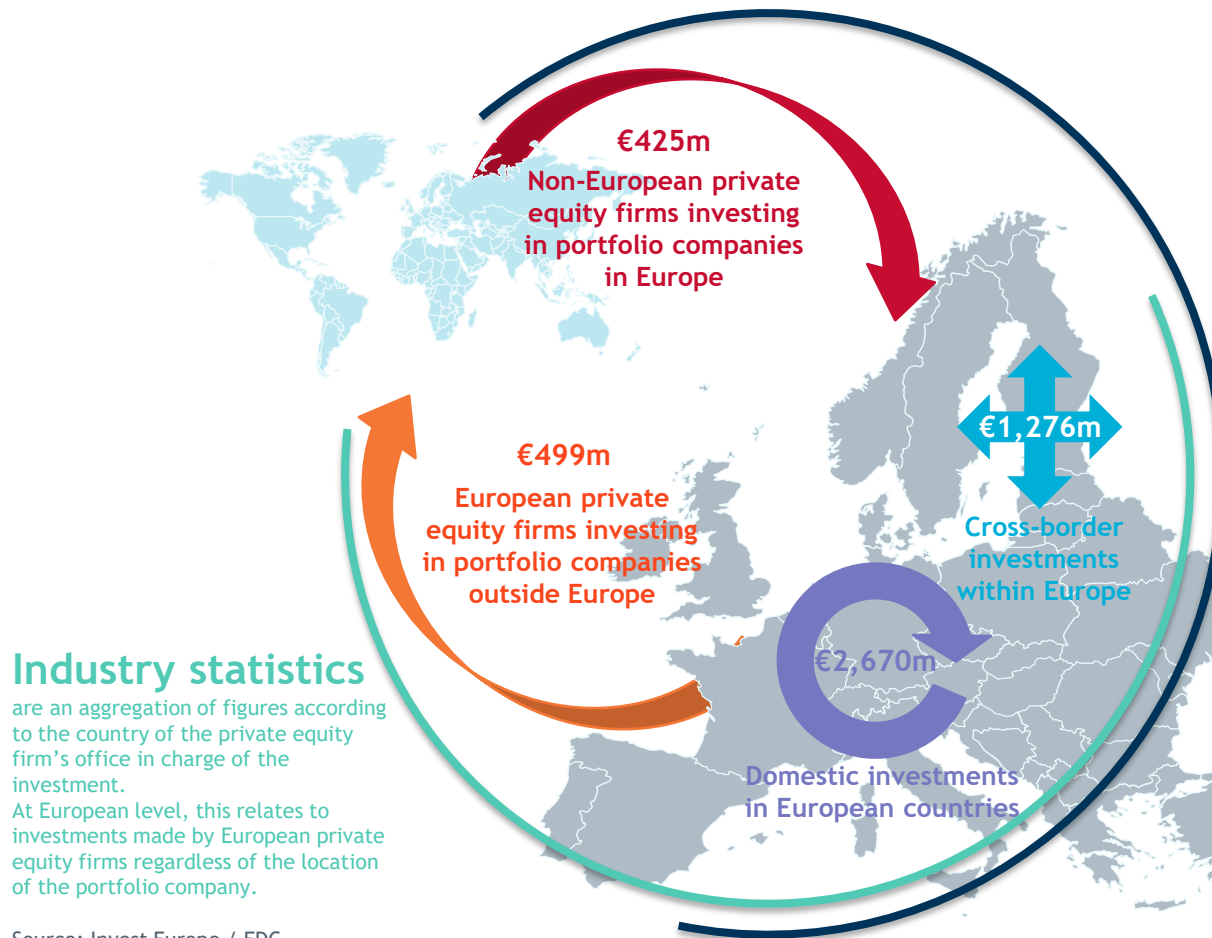
Austria, Baltic countries (Estonia, Latvia, Lithuania), Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Other CEE (Bosnia-Herzegovina, Croatia, Macedonia, Montenegro, Serbia, Slovenia, Slovakia), Poland, Portugal,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

Source: Invest Europe / EDC

2016 European Private Equity Activity

Venture Capital - Geographical investment flows

2016 - 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, Montenegro, Serbia, Slovenia, Slovakia), Poland, Portugal, Romania, Spain, Sweden, Switzerland, Ukraine, United Kingdom

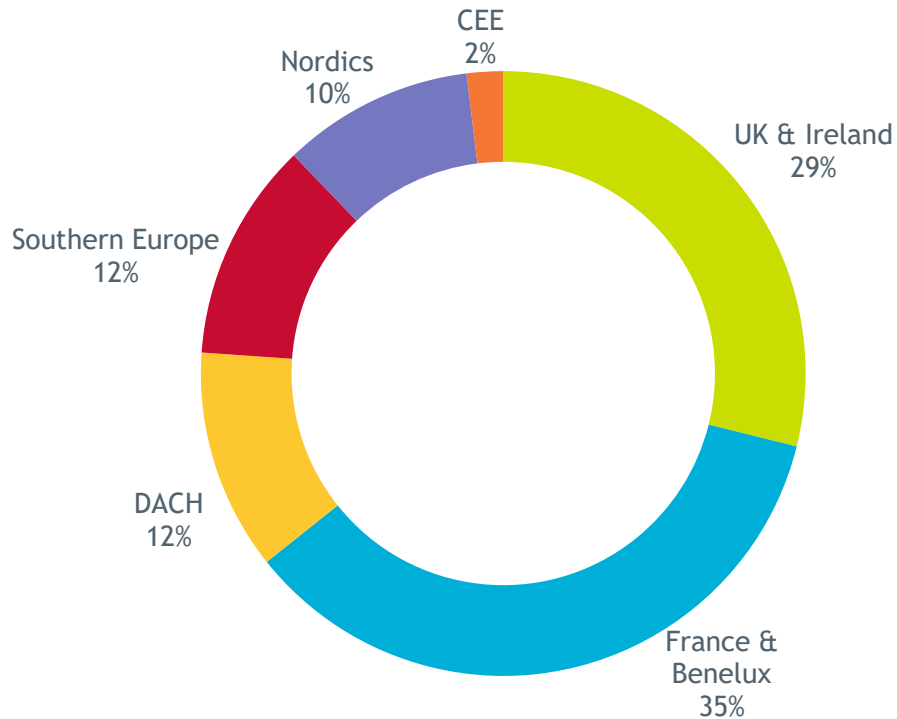
Source: Invest Europe / EDC

2016 European Private Equity Activity

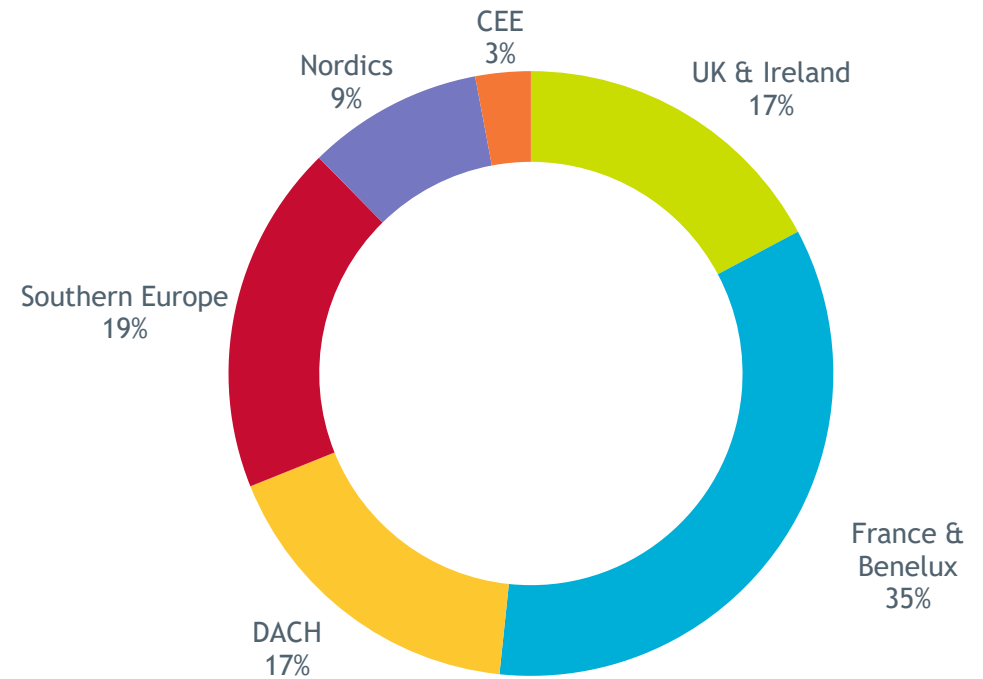
All Private Equity - Investments by region

2016 - 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

2016 European Private Equity Activity

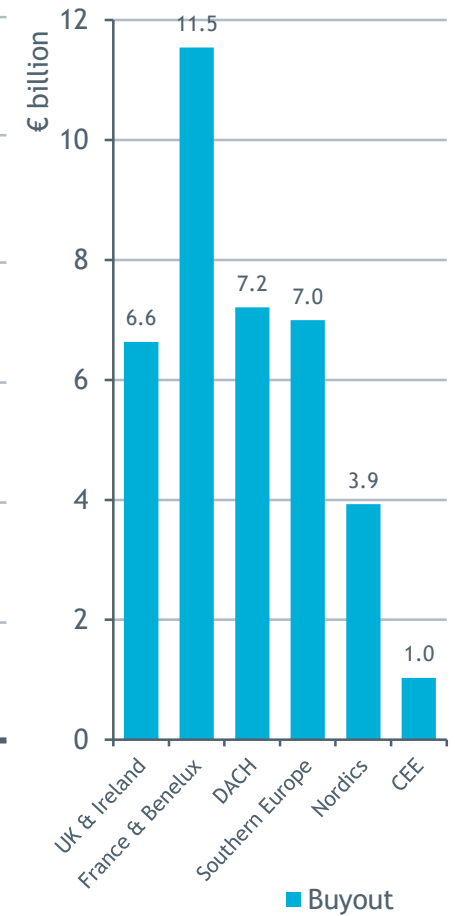
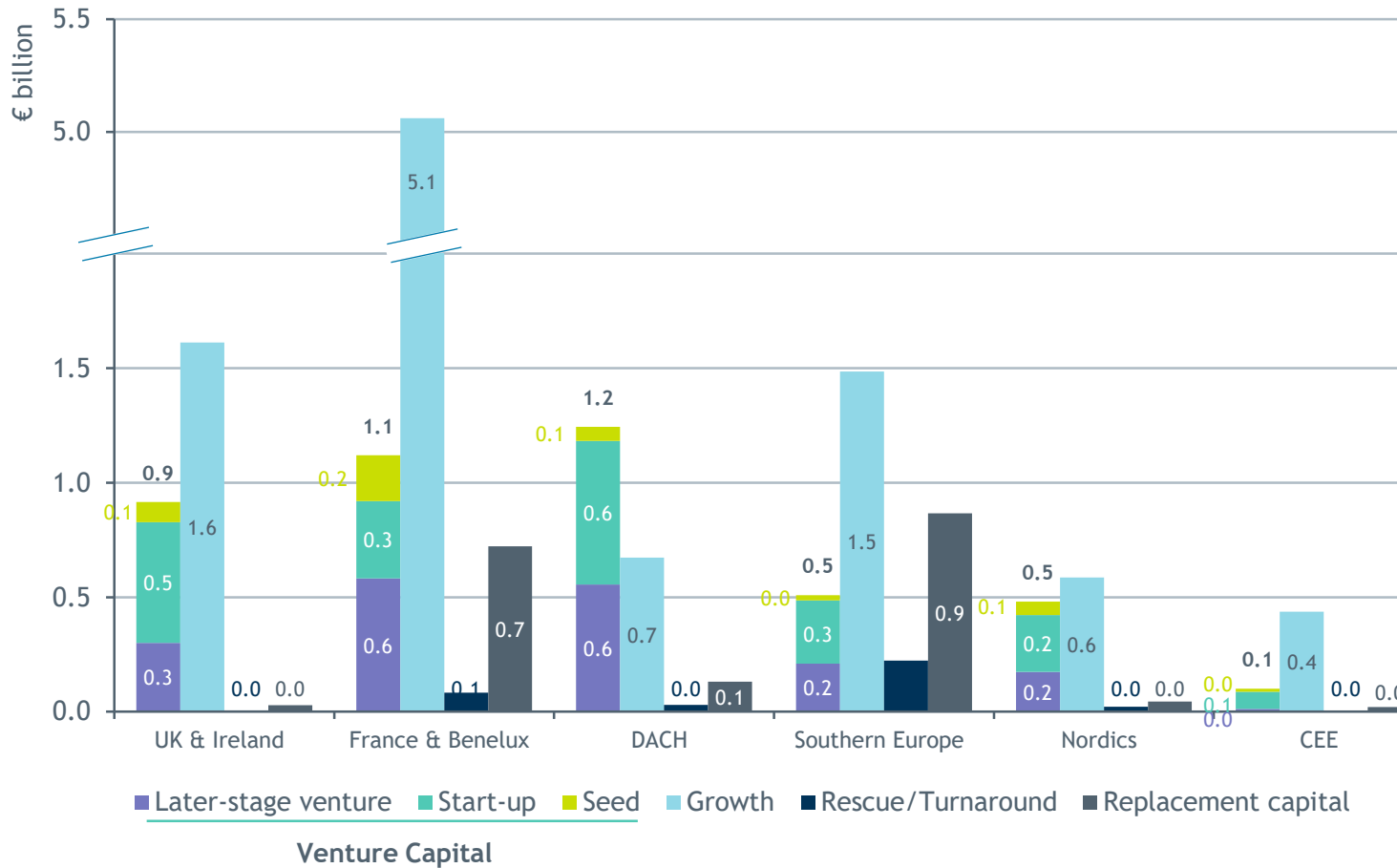
FUNDRAISING

INVESTMENTS

DIVESTMENTS

Investments by stage and regions

2016 - Market statistics - Amount



Source: Invest Europe / EDC

2016 European Private Equity Activity

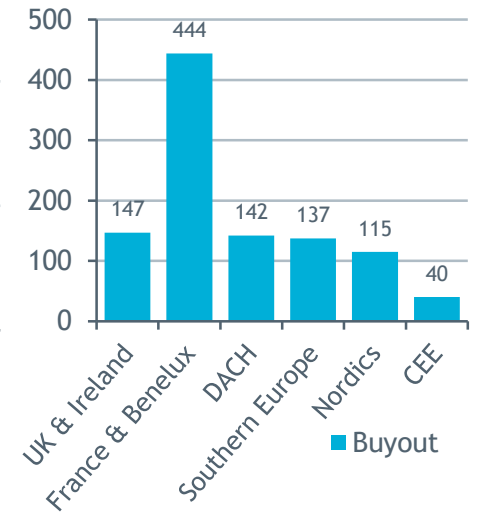
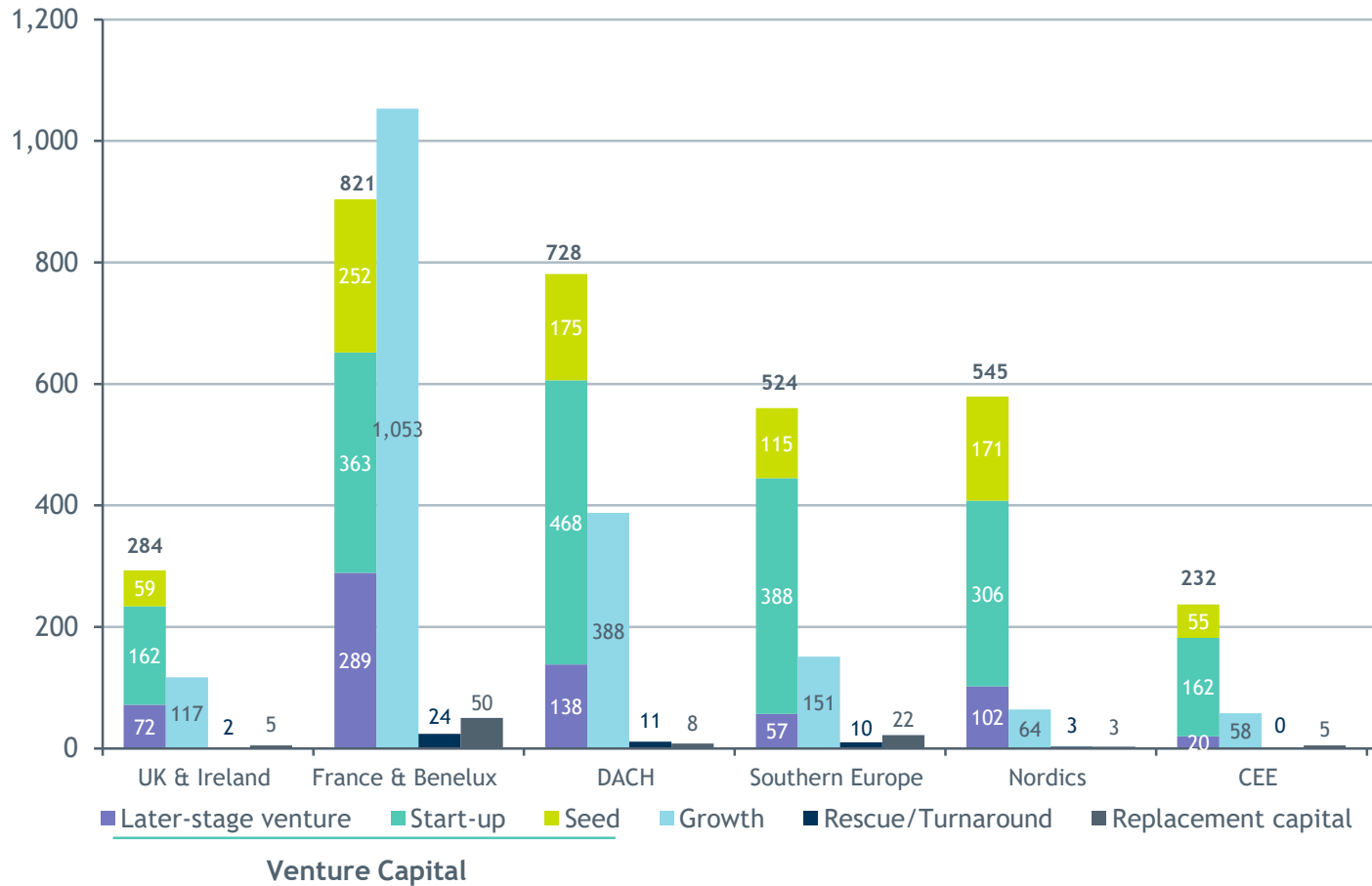
FUNDRAISING

INVESTMENTS

DIVESTMENTS

Investments by stage and regions

2016 - Market statistics - Number of companies



Source: Invest Europe / EDC

2016 European Private Equity Activity

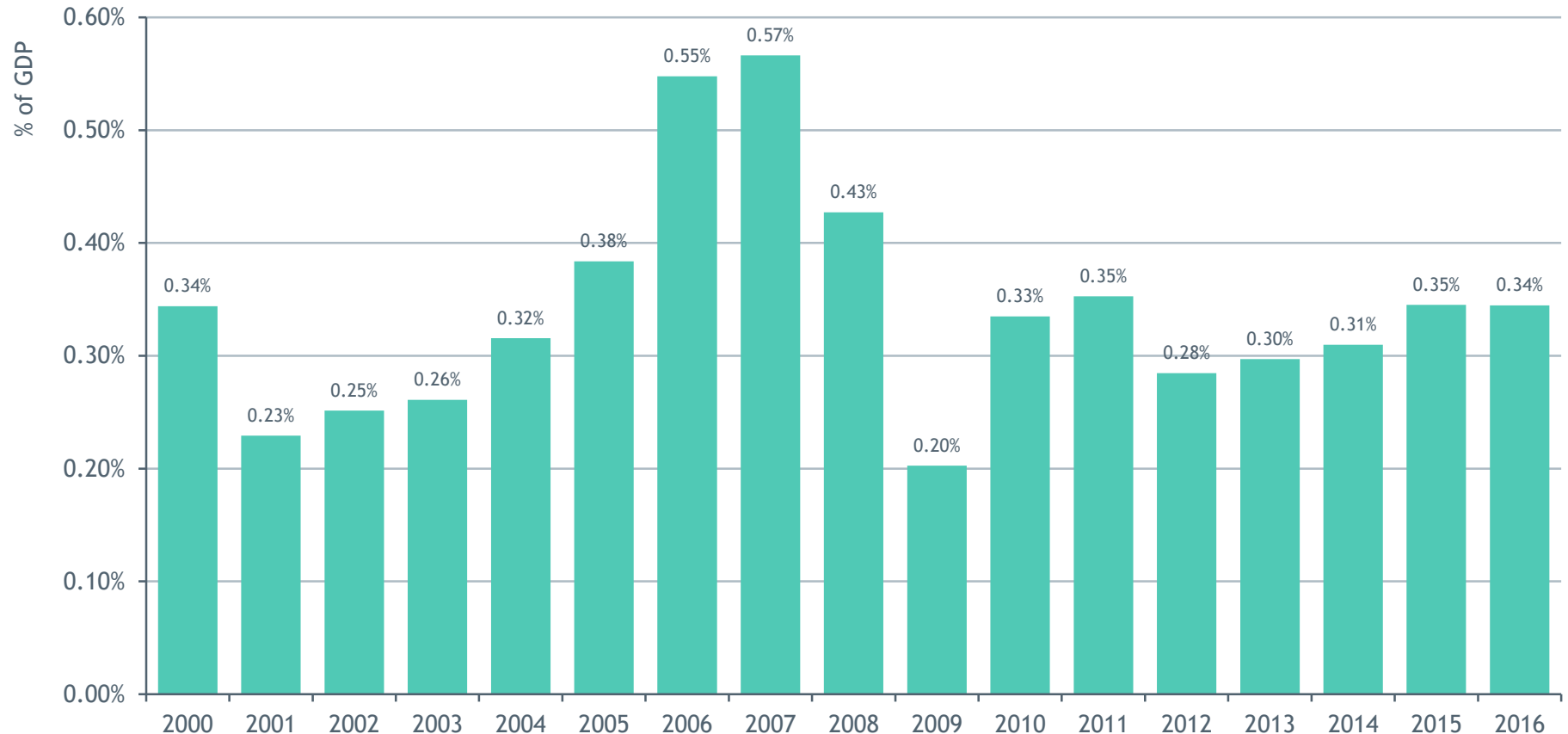
FUNDRAISING

INVESTMENTS

DIVESTMENTS

All Private Equity - Investments as % of European GDP

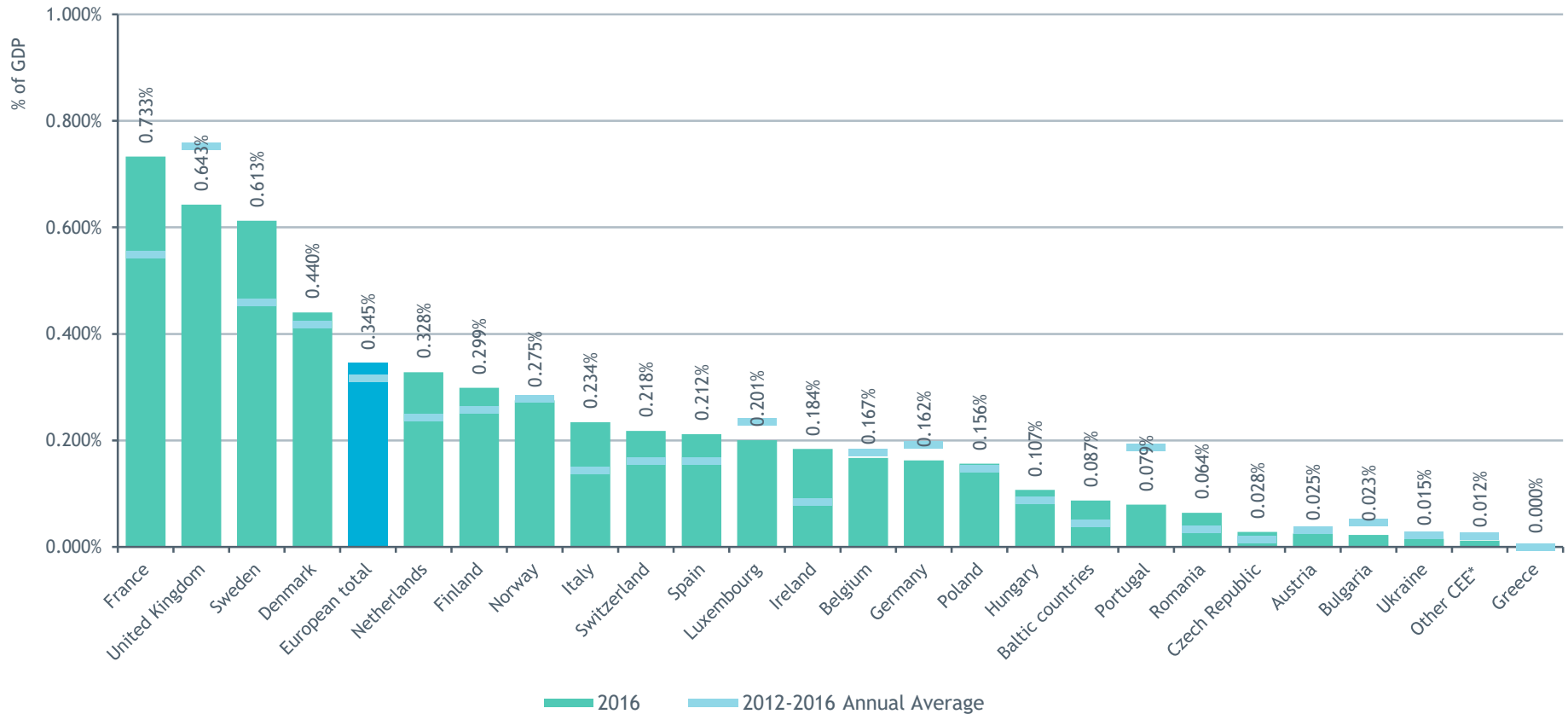
2000-2016 - Industry statistics: Location of the PE firm



Source: IMF, World Economic Outlook Database (GDP) / Thomson Reuters (2000-2006) & Invest Europe / EDC (2007-2016)

All Private Equity - Investments as % of GDP

2016 - Industry statistics: Location of the PE firm



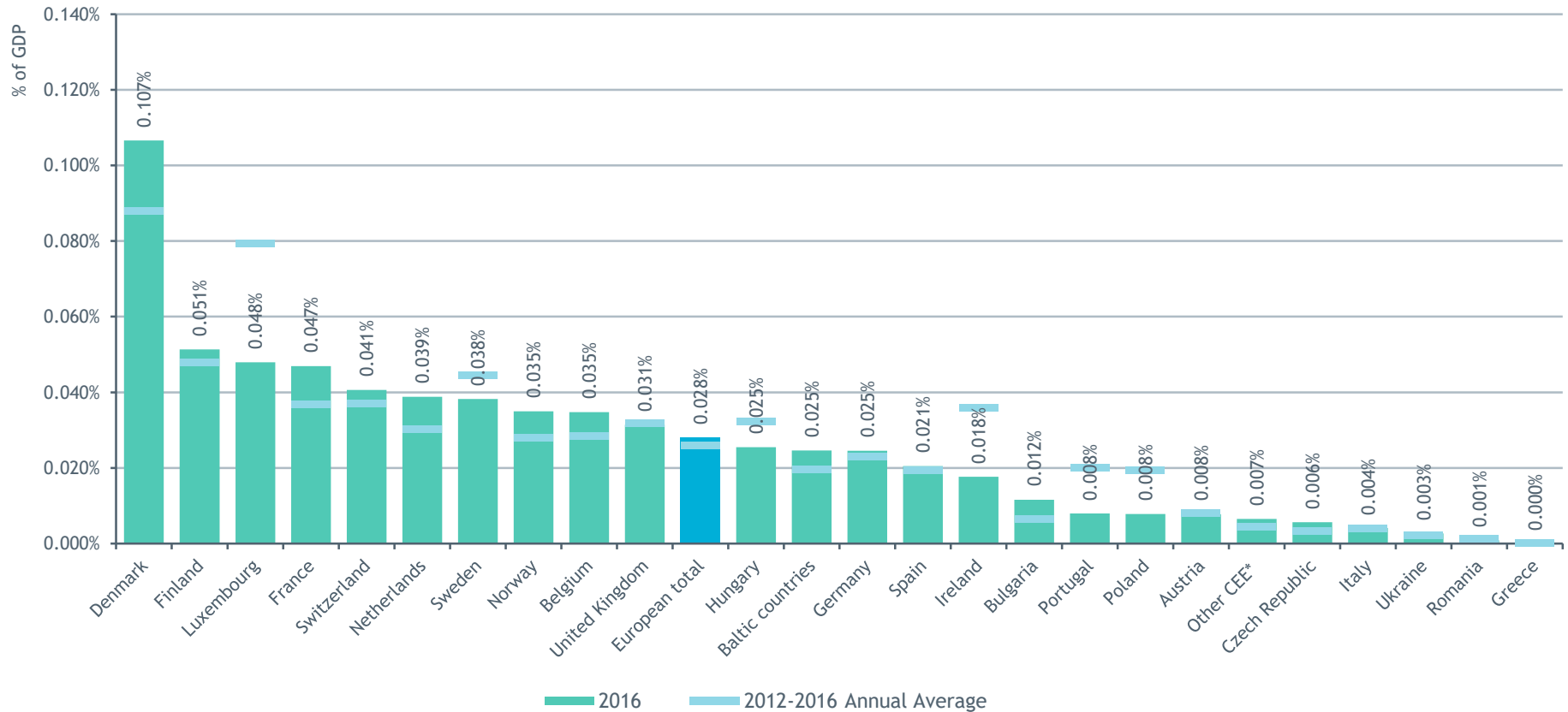
Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: *Other CEE consists of Ex-Yugoslavia and Slovakia



Venture Capital - Investments as % of GDP

2016 - Industry statistics: Location of the PE firm



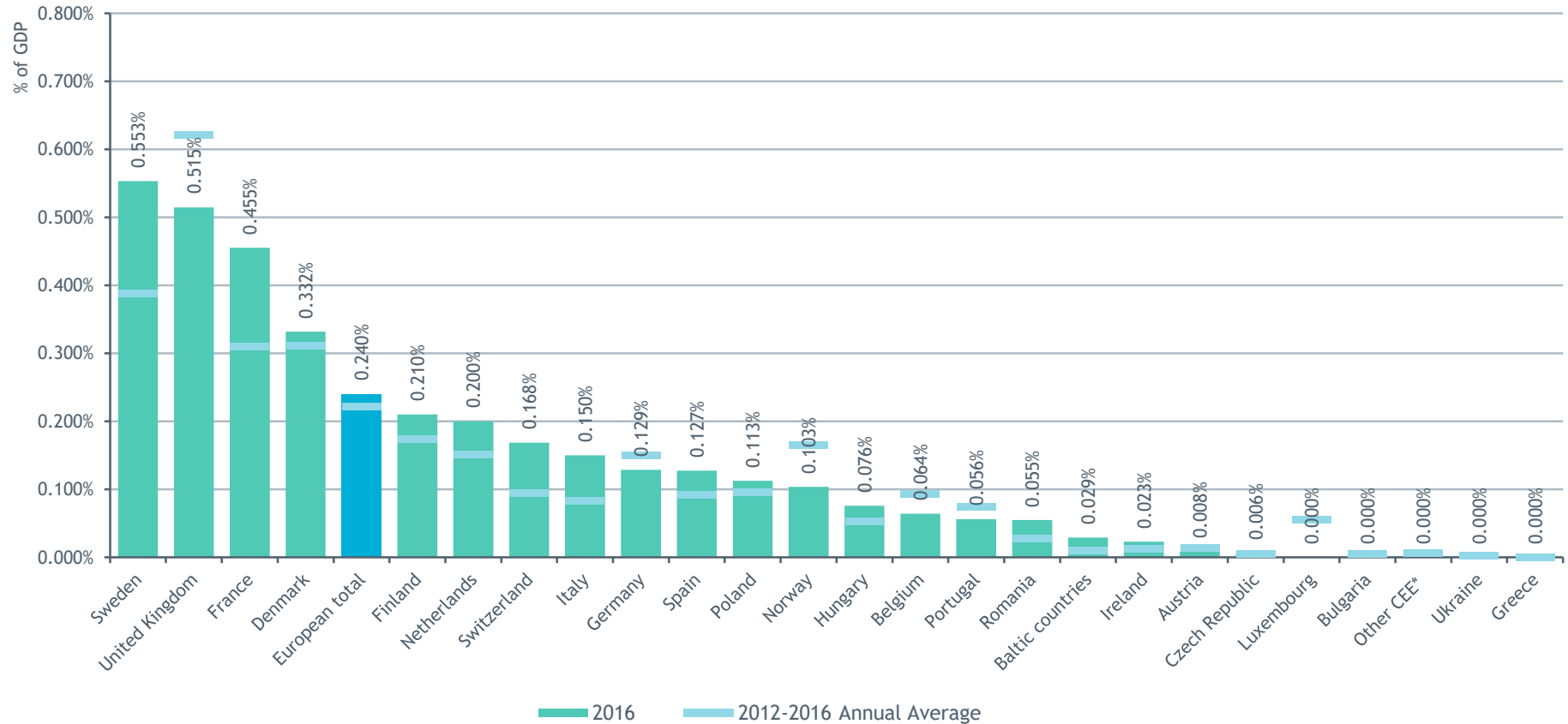
Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: *Other CEE consists of Ex-Yugoslavia and Slovakia



Buyout - Investments as % of GDP

2016 - Industry statistics: Location of the PE firm



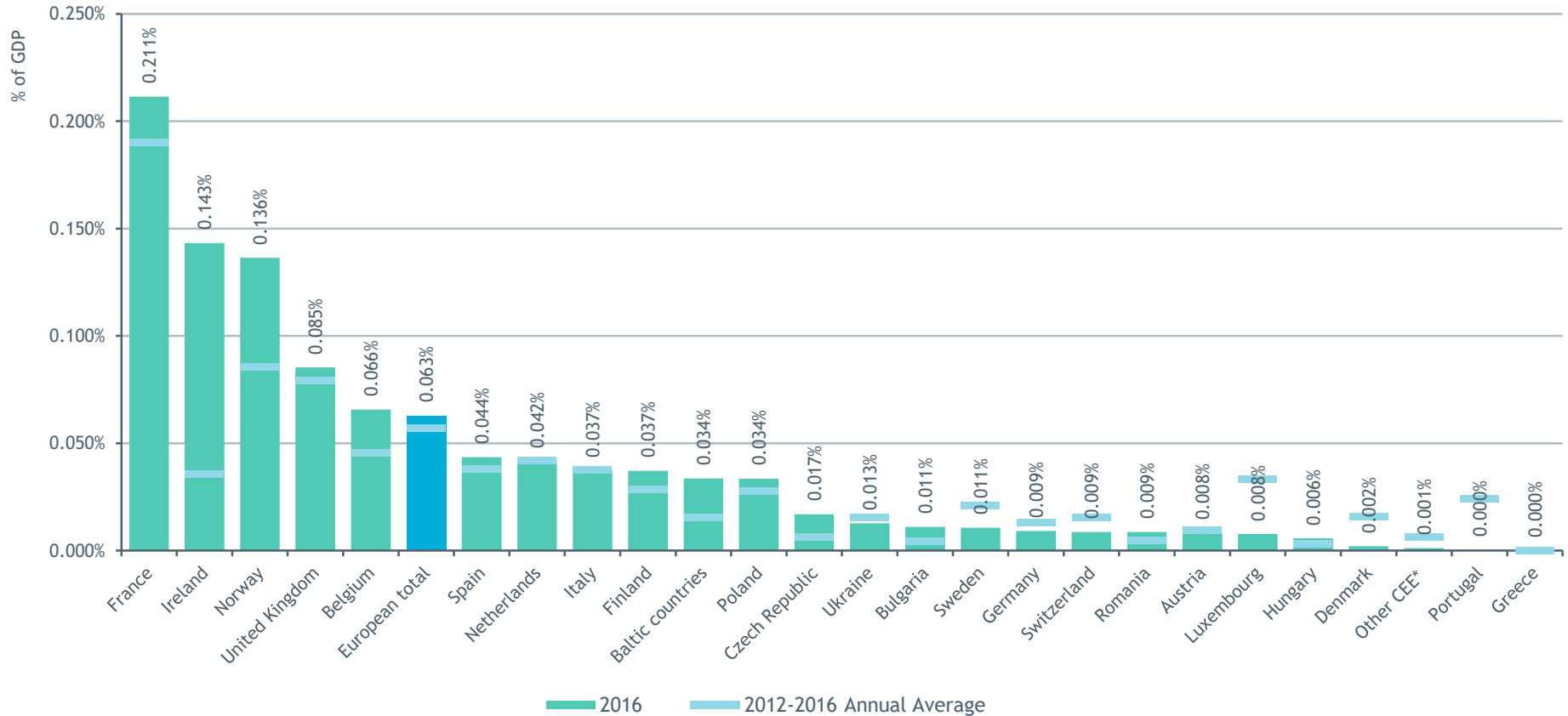
Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: *Other CEE consists of Ex-Yugoslavia and Slovakia



Growth - Investments as % of GDP

2016 - Industry statistics: Location of the PE firm



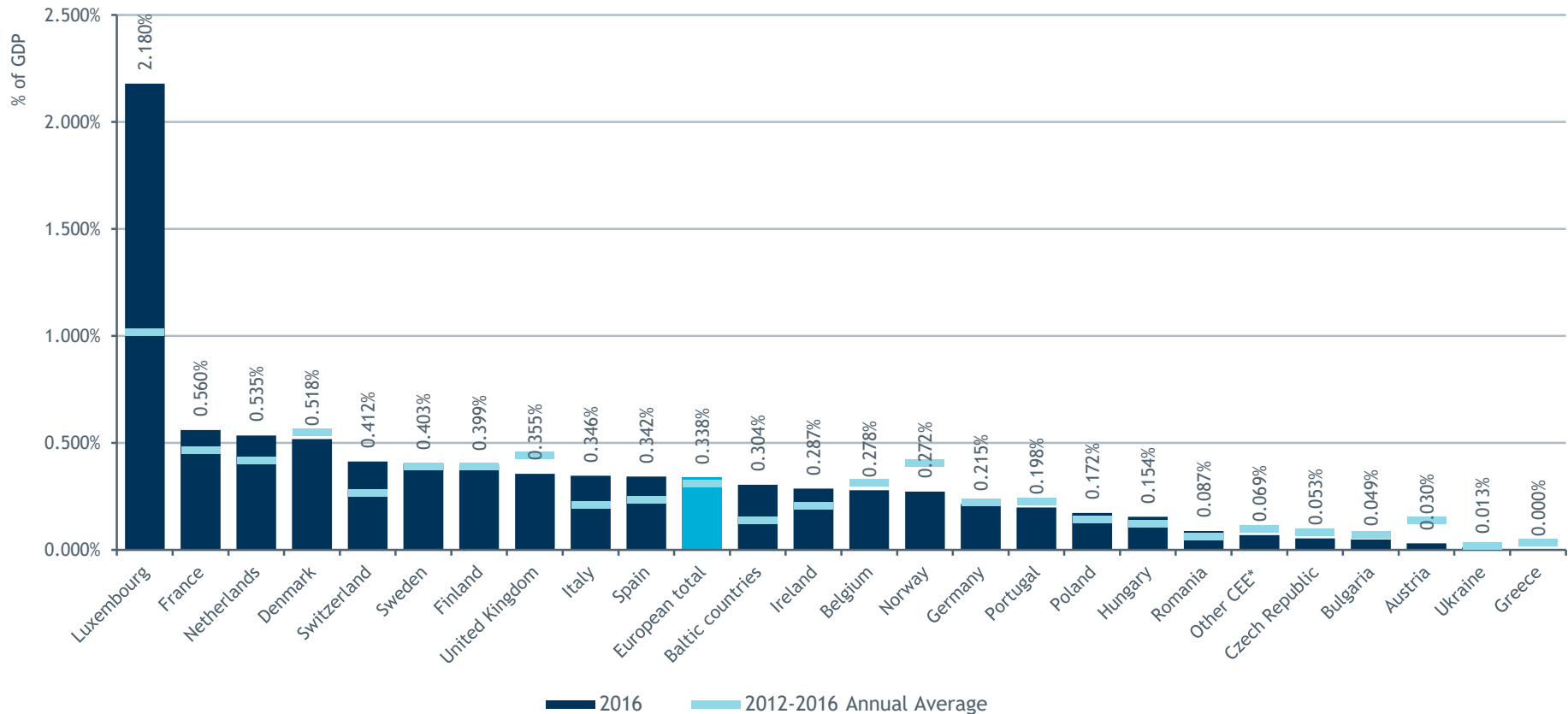
Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: *Other CEE consists of Ex-Yugoslavia and Slovakia



All Private Equity - Investments as % of GDP

2016 - Market statistics: Location of the portfolio company

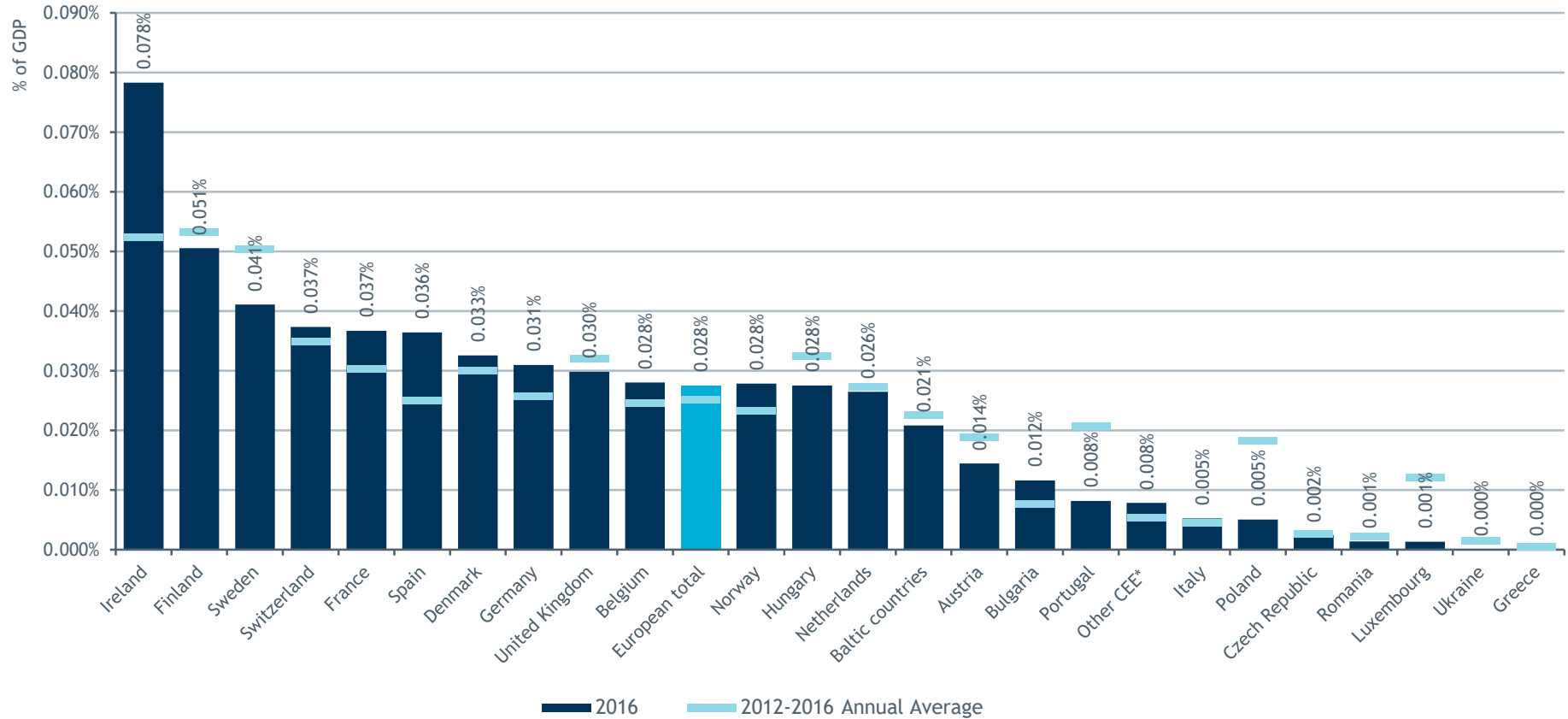


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: *Other CEE consists of Ex-Yugoslavia and Slovakia

Venture Capital - Investments as % of GDP

2016 - Market statistics: Location of the portfolio company



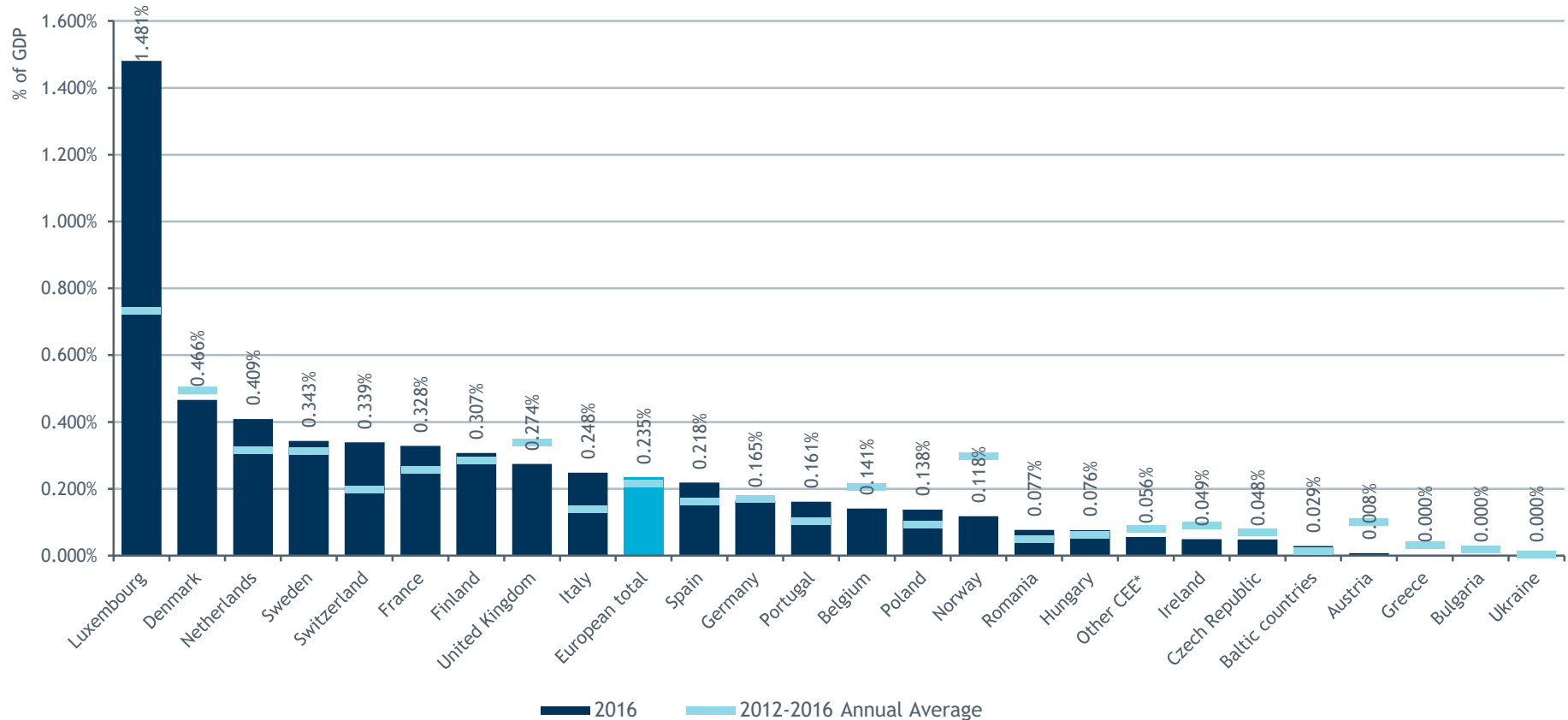
Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: *Other CEE consists of Ex-Yugoslavia and Slovakia



Buyout - Investments as % of GDP

2016 - Market statistics: Location of the portfolio company



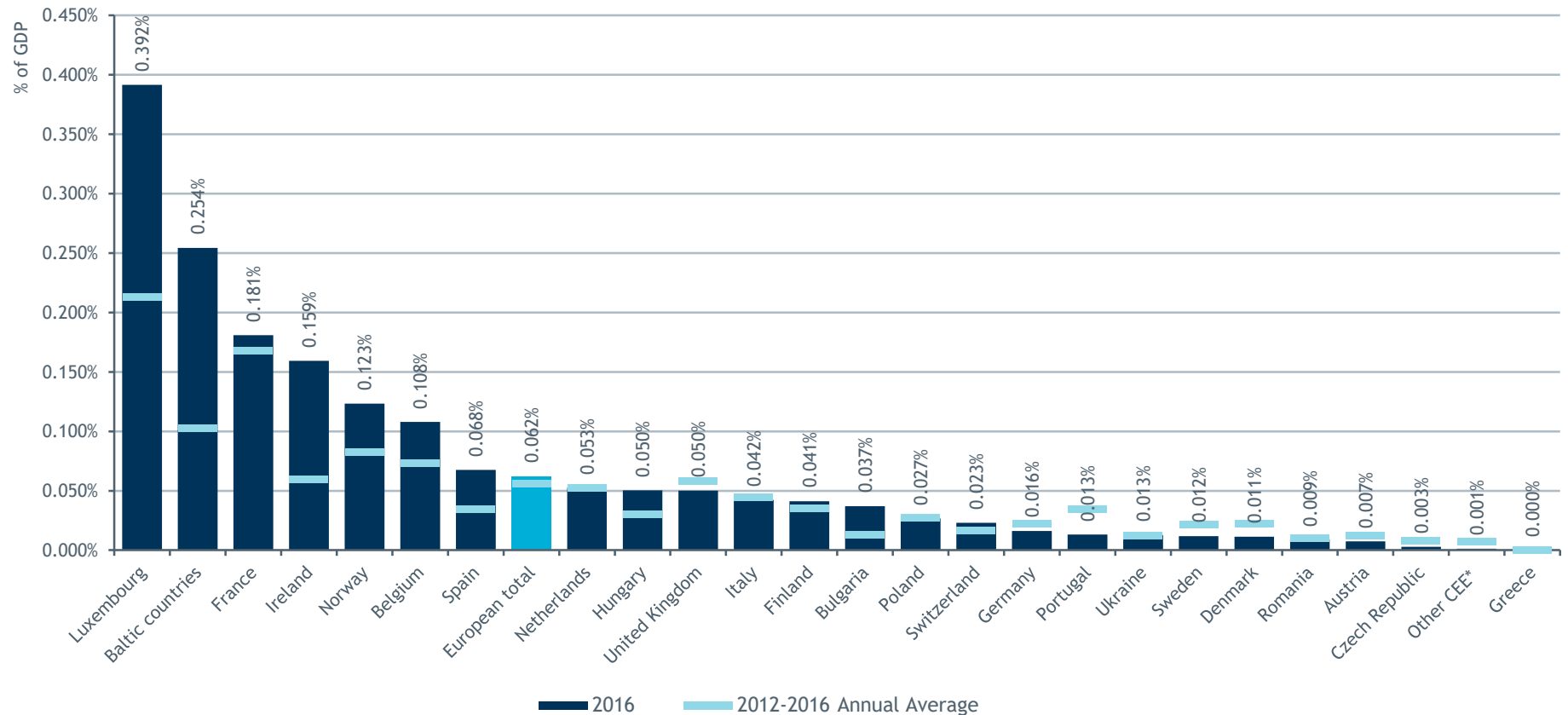
Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: *Other CEE consists of Ex-Yugoslavia and Slovakia



Growth - Investments as % of GDP

2016 - Market statistics: Location of the portfolio company



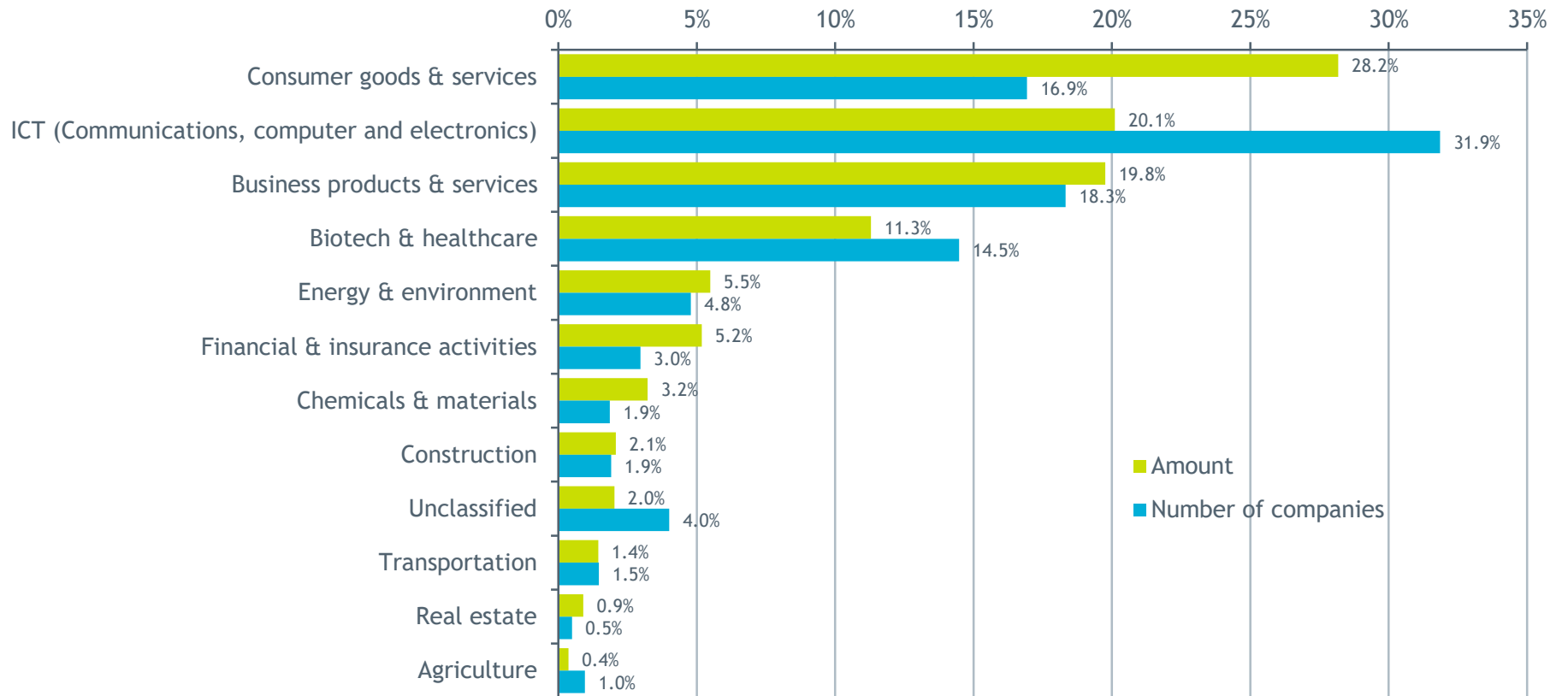
Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: *Other CEE consists of Ex-Yugoslavia and Slovakia



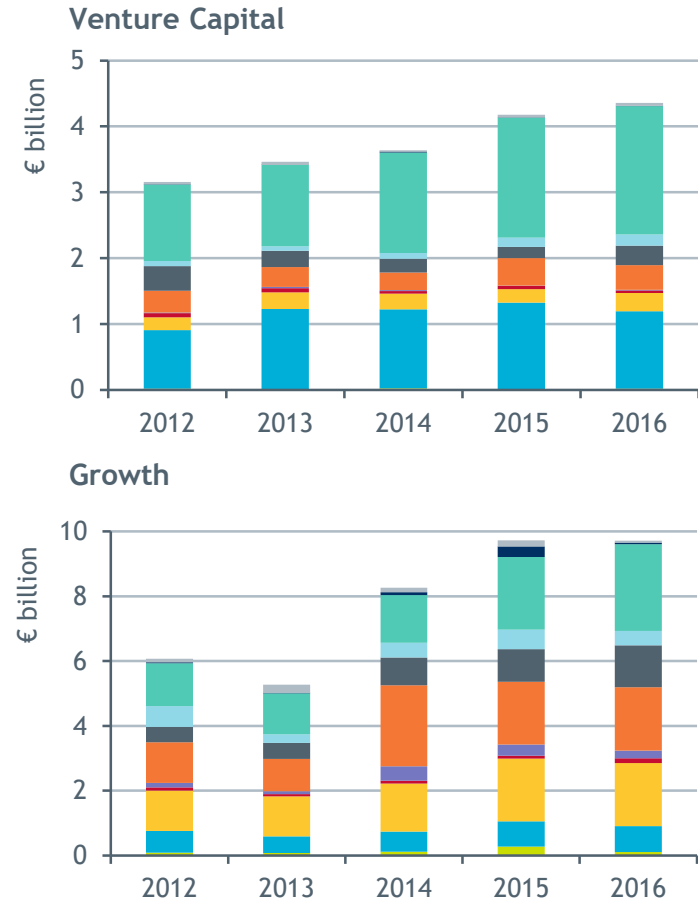
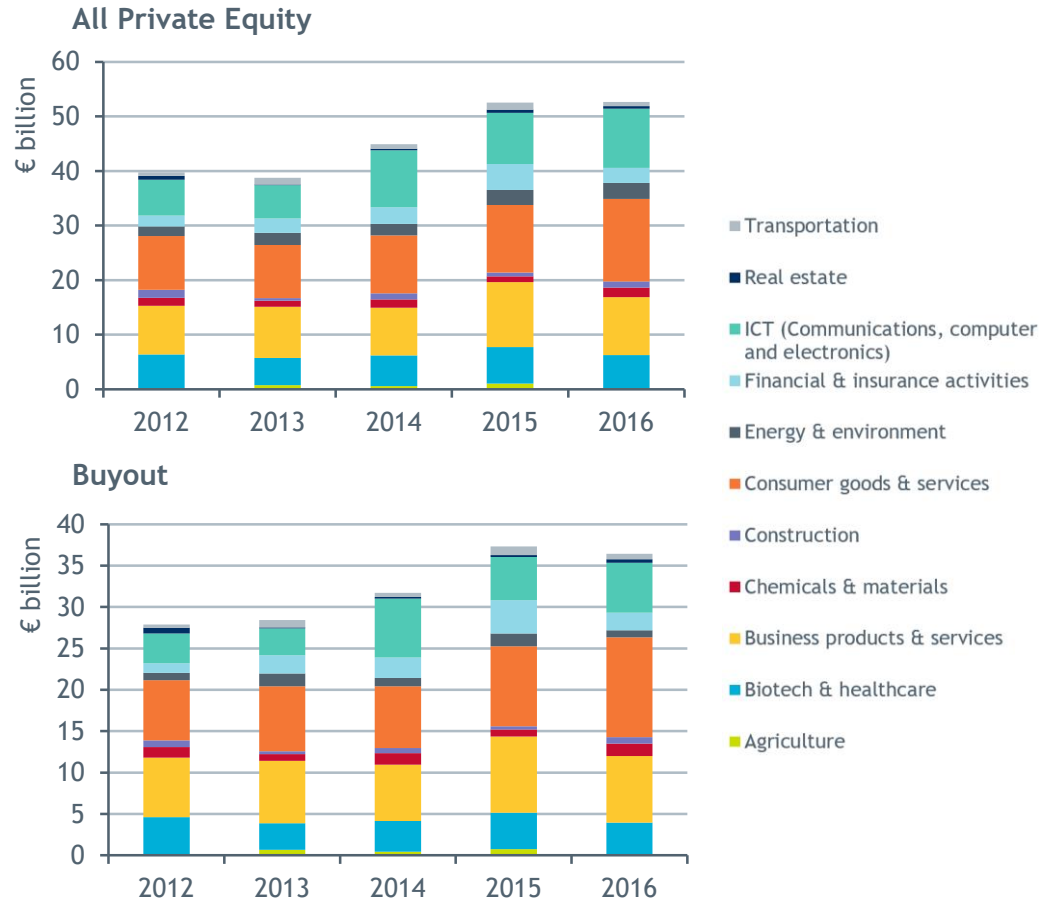
All Private Equity - Investments by sector

2016 - Market statistics - % of Amount & Number of companies



Investments by sector

2012-2016 - Market statistics - Amount



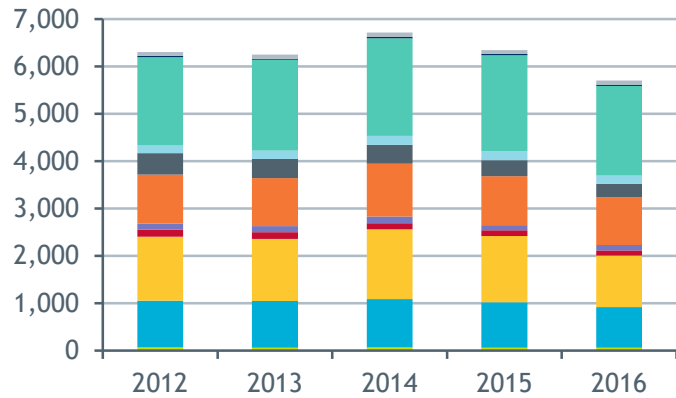
Source: Invest Europe / EDC

2016 European Private Equity Activity

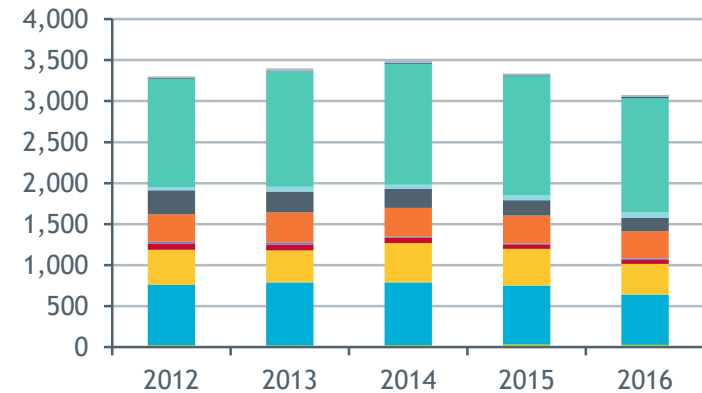
Investments by sector

2012-2016 - Market statistics - Number of companies

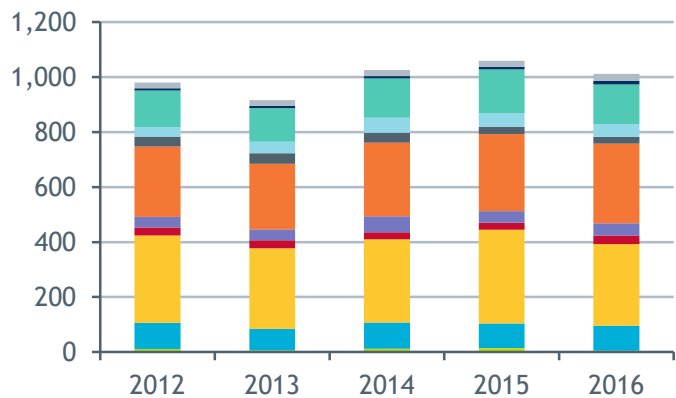
All Private Equity



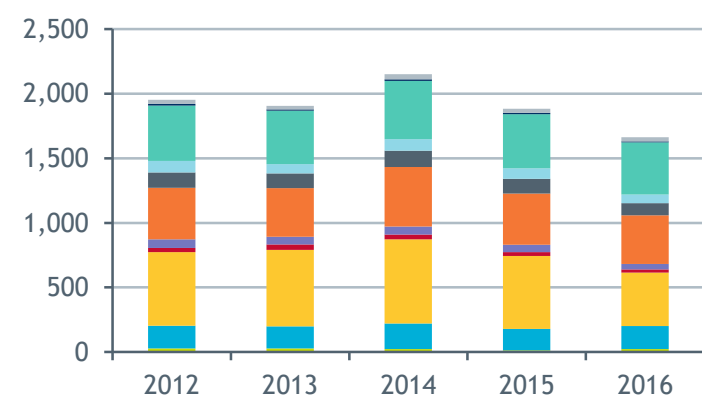
Venture Capital



Buyout



Growth



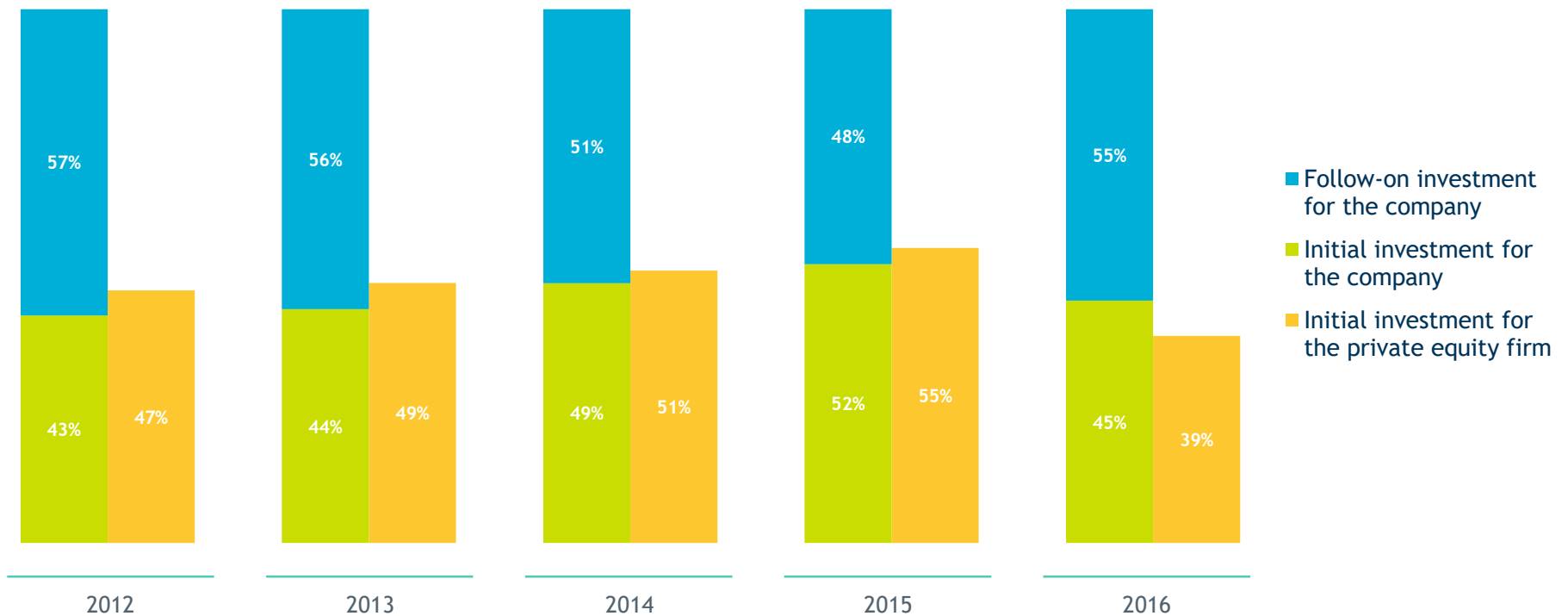
Source: Invest Europe / EDC

2016 European Private Equity Activity



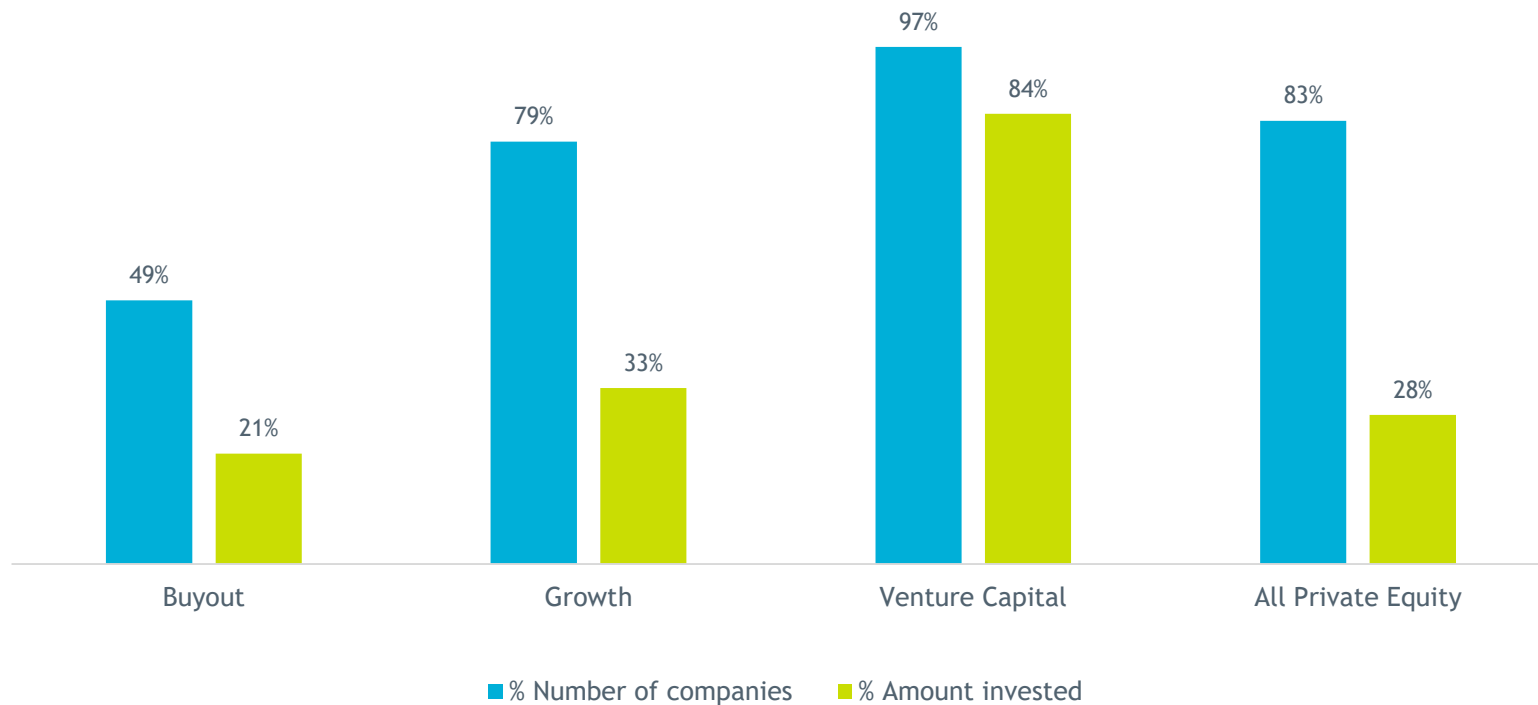
All Private Equity - Initial / Follow-on investments

2016 - Market statistics - % of Number of companies



Investments in SMEs

2016 - Market statistics - % of Number of companies & Amount



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.

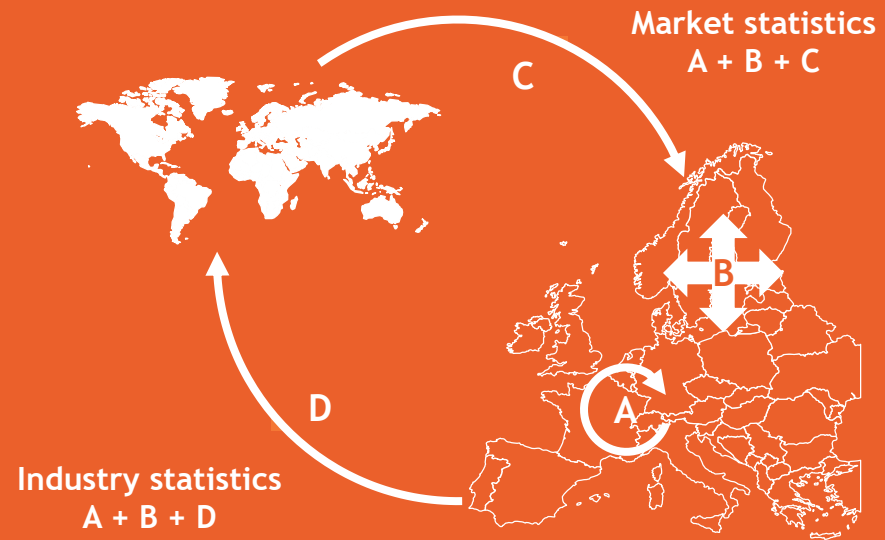
Market statistics are an aggregation of figures according to the location of the portfolio company. At European level, this relates to divestments of European companies regardless of the location of the private equity firm.

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.

2016 Divestments at a glance

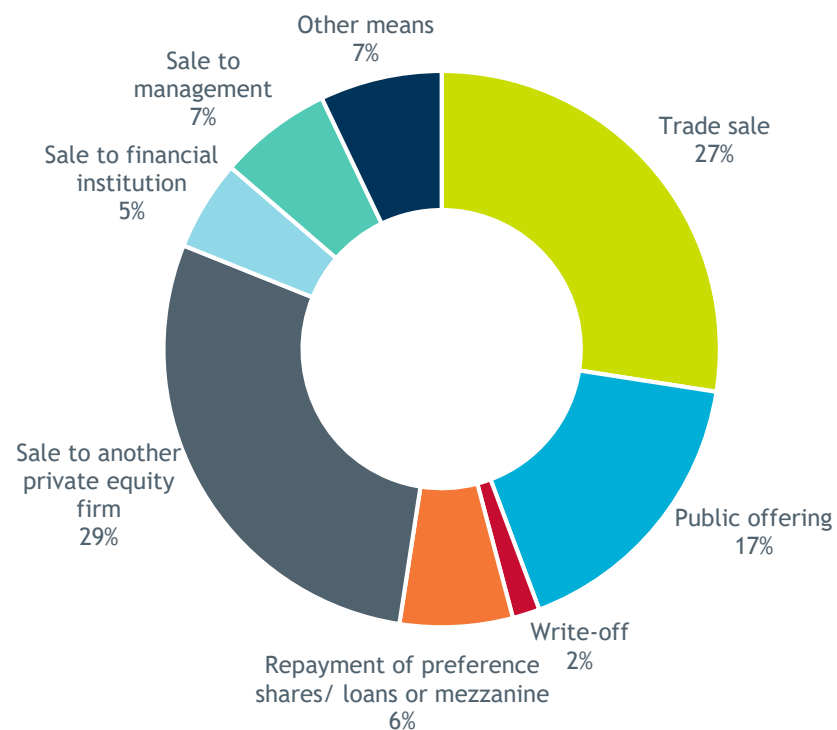
- Over 3,500 European companies were exited in 2016, representing former equity investments (divestments at cost) of €38.9bn. Despite a decrease of 14% compared to 2015, the figure is in line with the annual average since 2012.
- The most prominent exit routes by amount at cost were sale to another private equity firm (29%), trade sale (27%) and public offering (17%). By number of companies these three exit routes accounted for more than a third of all divestments.
- Exits from venture capital investments represented nearly 1,300 exited companies or about 35% of all divested companies in Europe. The equity amount divested increased by 14% to €2.5bn in 2016 and accounted for 6% of the amount divested at cost. Trade sale, management/owner buy-back, sale to a financial institution, and write-off were the most prominent exit routes.
- Buyout divestments' share of all divestments in 2016 was 73% of the equity amount at cost and 23% by number of companies. The amount divested decreased by 18% to €28.4bn, with over 800 companies exited. The figures follow two very strong exit years in 2014 and 2015 but were similar to the level recorded in 2013. Sale to another private equity firm, trade sale, and divestment by public offering were the most prominent exit routes.
- Growth divestments represented 15% of all divestments by equity amount at cost and 40% by number of companies. The amount divested decreased by 17% to €6.0bn and the number of companies decreased by 6% to 1,401. Trade sale, sale to another private equity firm, and management/owner buy-back were the most prominent exit routes.

2016 - Market statistics	All Private Equity	Venture Capital ⁽¹⁾	Buyout ⁽¹⁾	Growth ⁽¹⁾
Divestments - Amount	€38.9bn	€2.5bn	€28.4bn	€6.0bn
Divestments - No. Companies	3,508	1,297	804	1,401
Number of Firms	615	281	300	261
Number of Funds	1,692	652	584	810

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

2016 European Private Equity Activity

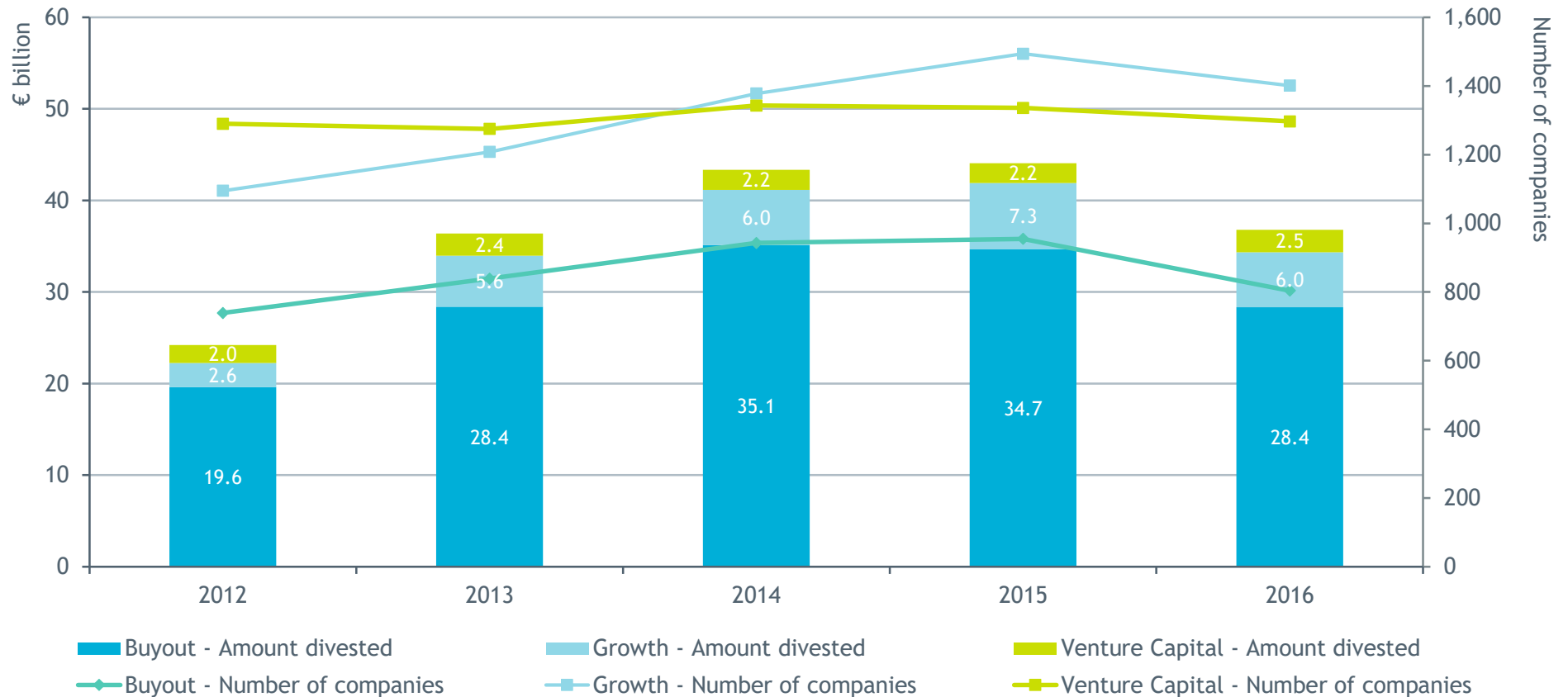
Divestments - Market statistics - % total amount divested at cost



Source: Invest Europe / EDC

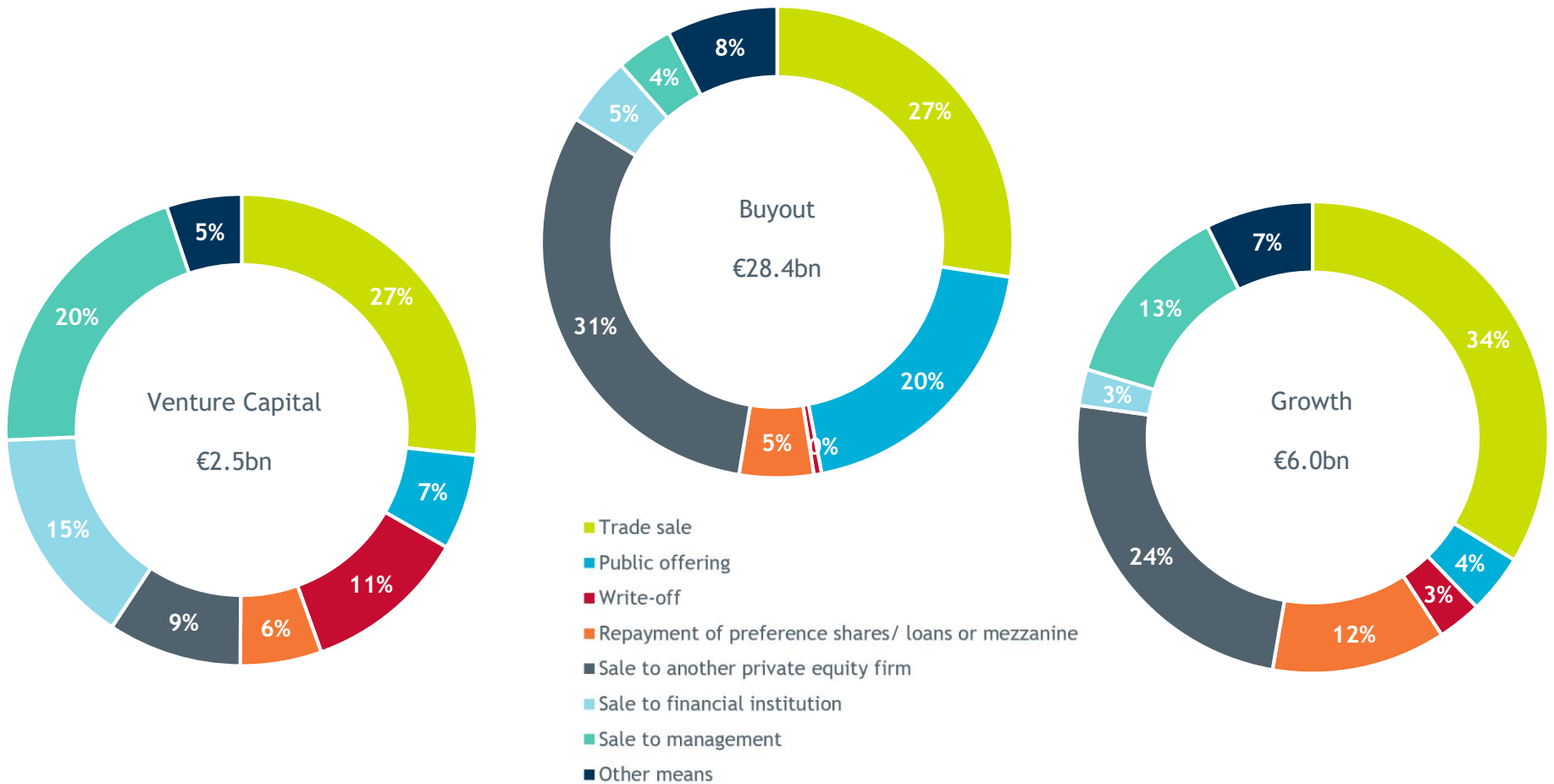
Divestments at cost - Venture Capital / Buyout / Growth

2012-2016 - Market statistics - Amount & Number of companies



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

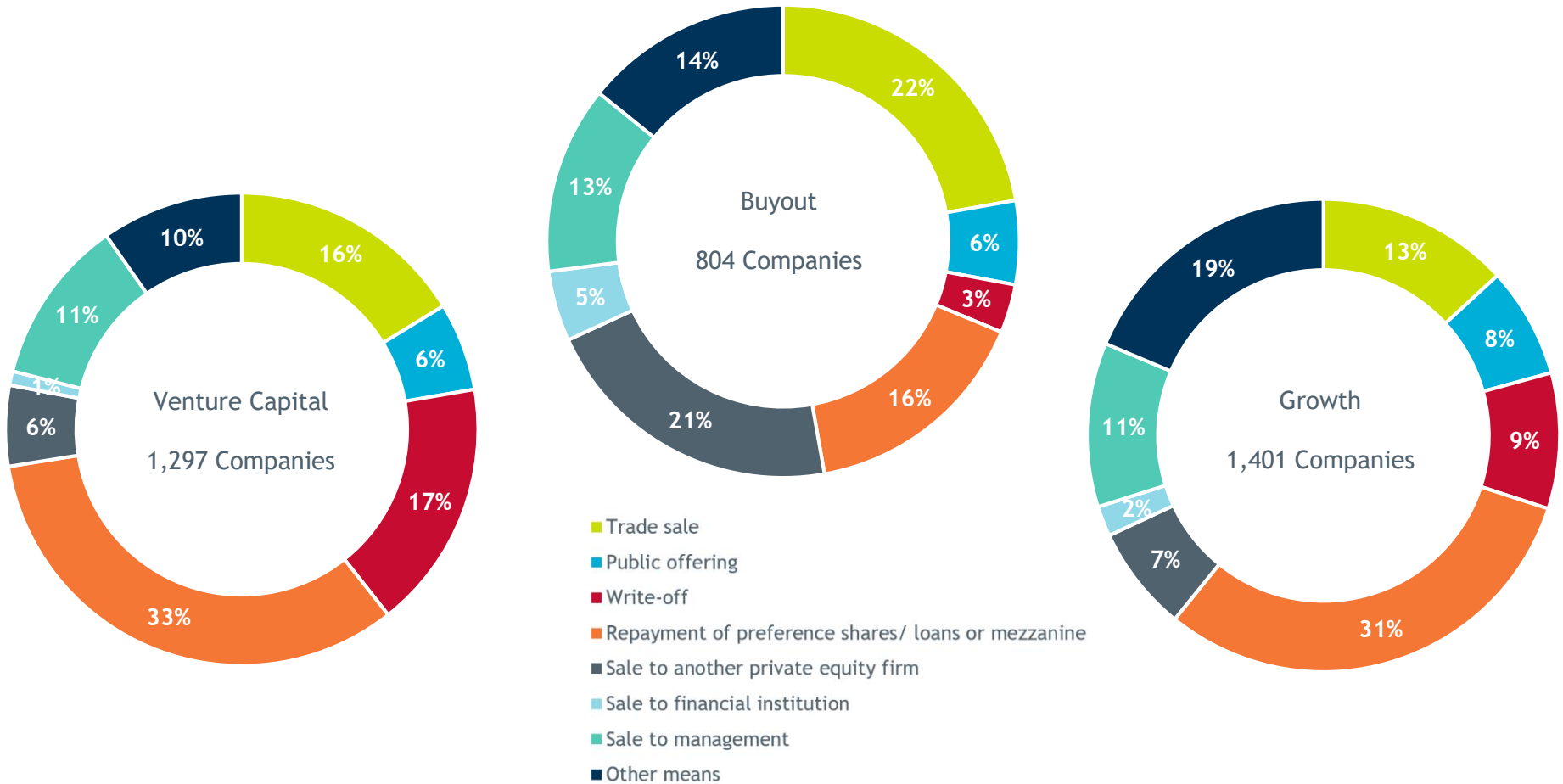
2016 - Market Statistics - % of Amount



Source: Invest Europe / EDC
2016 European Private Equity Activity

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

2016 - Market Statistics - % of Number of companies

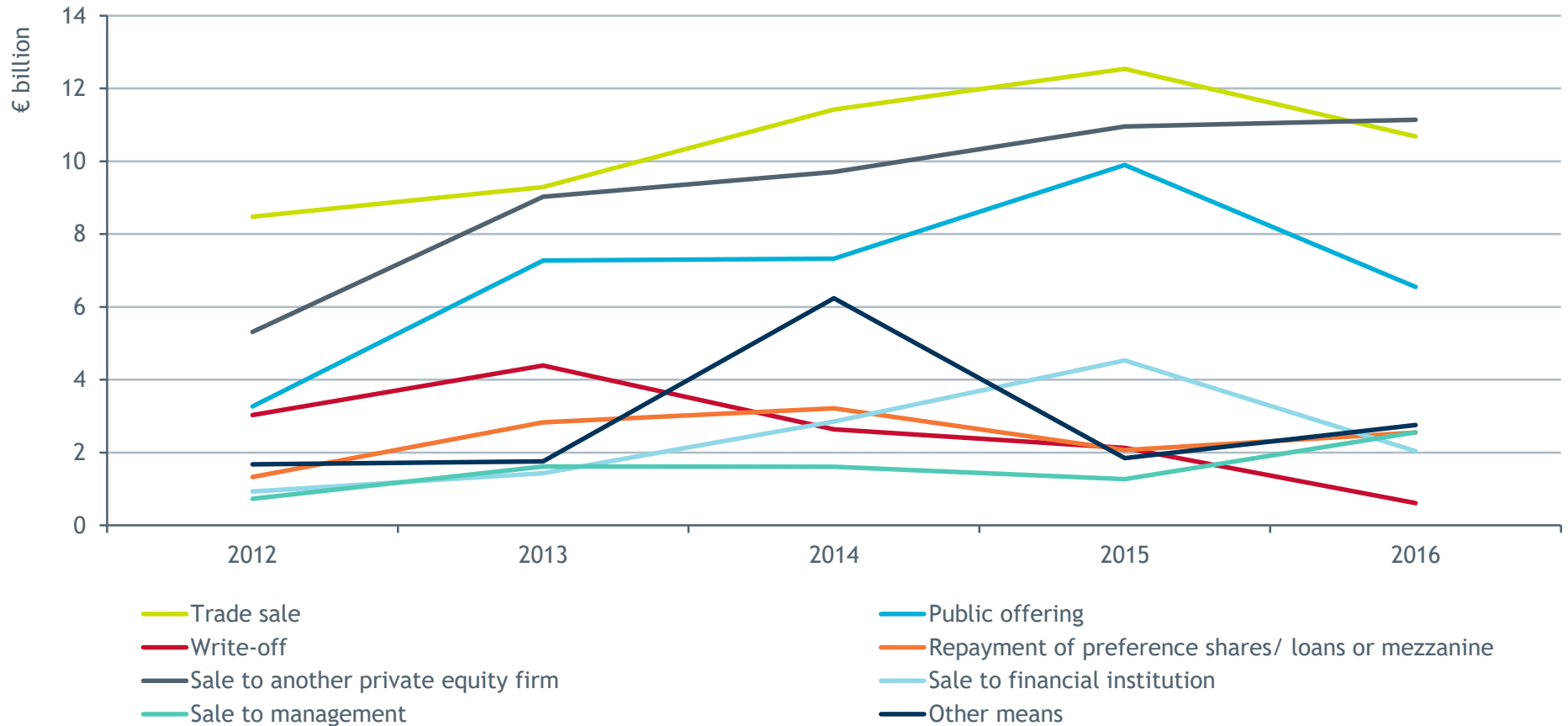


Source: Invest Europe / EDC
2016 European Private Equity Activity



All Private Equity - Divestments at cost by exit route

2012-2016 - Market statistics - Amount at cost



Source: Invest Europe / EDC

2016 European Private Equity Activity

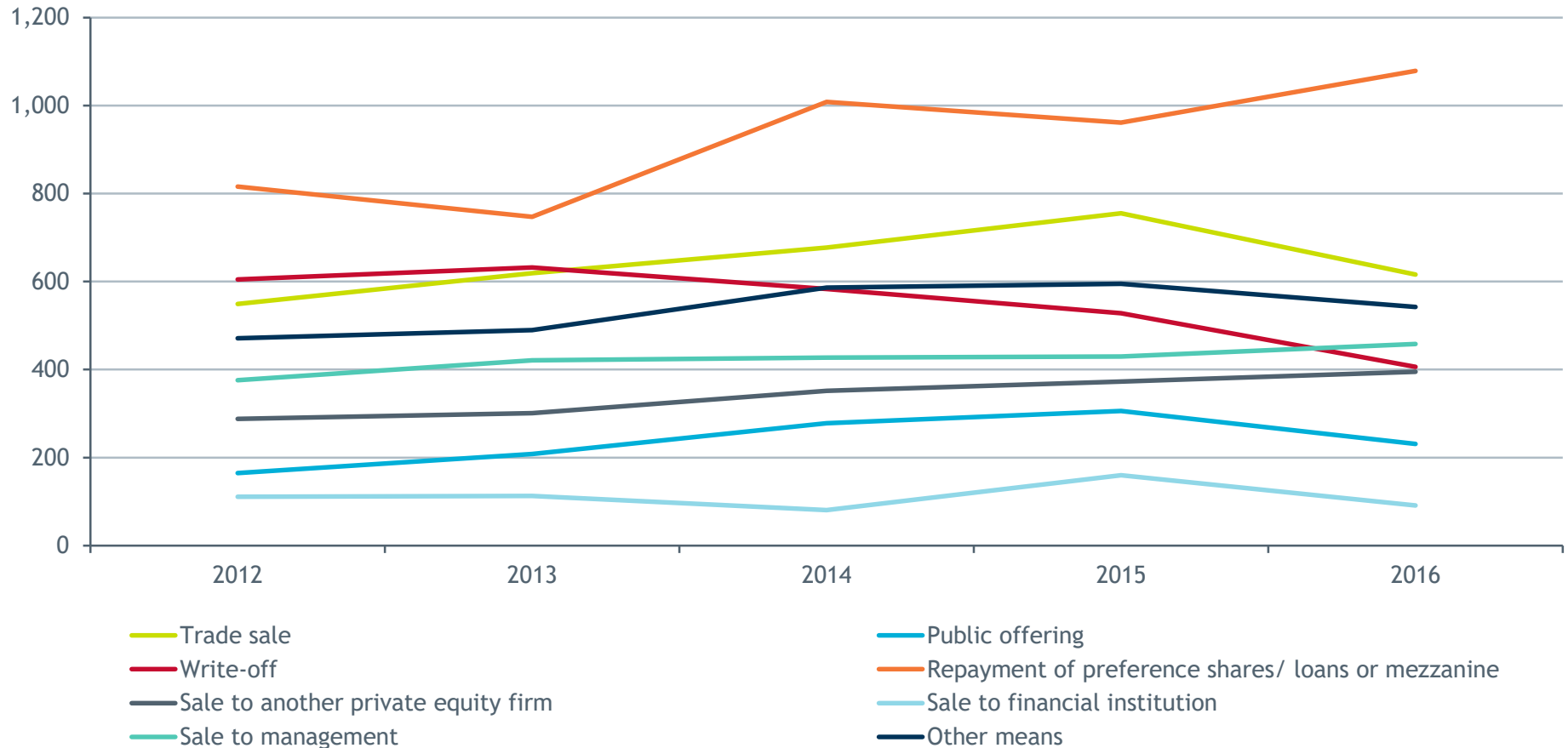
FUNDRAISING

INVESTMENTS

DIVESTMENTS

All Private Equity - Divestments at cost by exit route

2012-2016 - Market statistics - Number of companies



Source: Invest Europe / EDC

2016 European Private Equity Activity

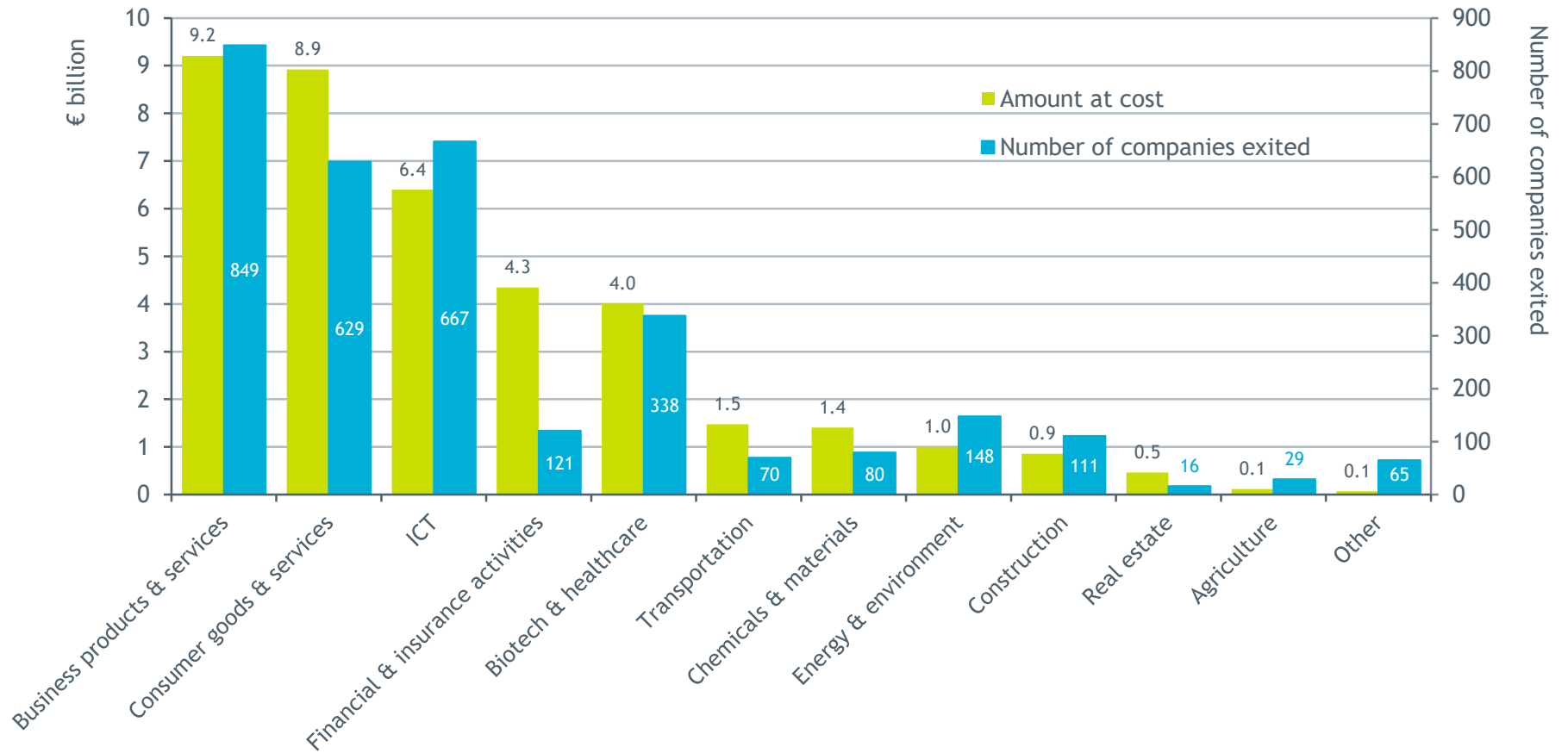
FUNDRAISING

INVESTMENTS

DIVESTMENTS

All Private Equity - Divestments at cost by sector

2016 - Market statistics - Amount & Number of companies (excluding write-offs)



Source: Invest Europe / EDC

2016 European Private Equity Activity



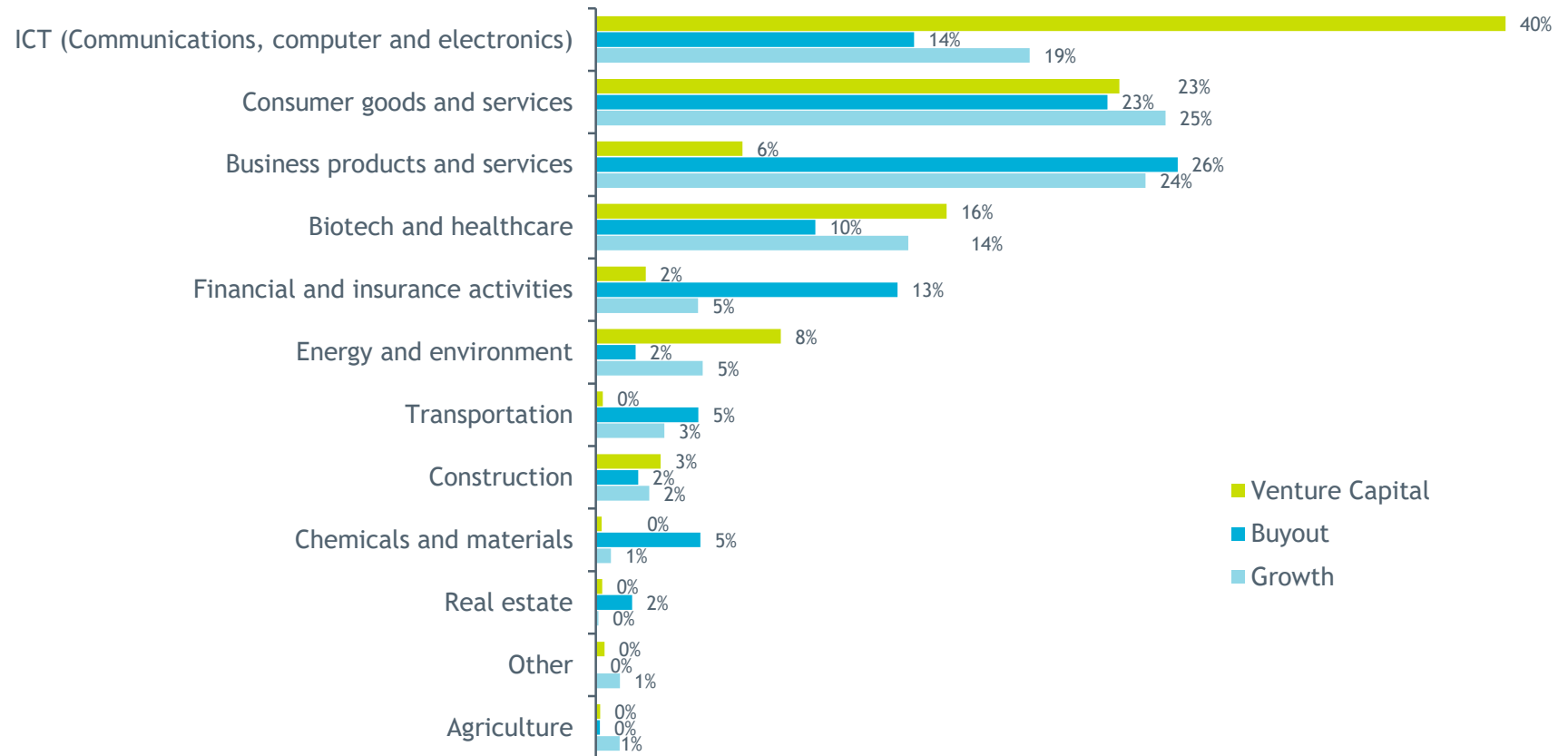
FUNDRAISING

INVESTMENTS

DIVESTMENTS

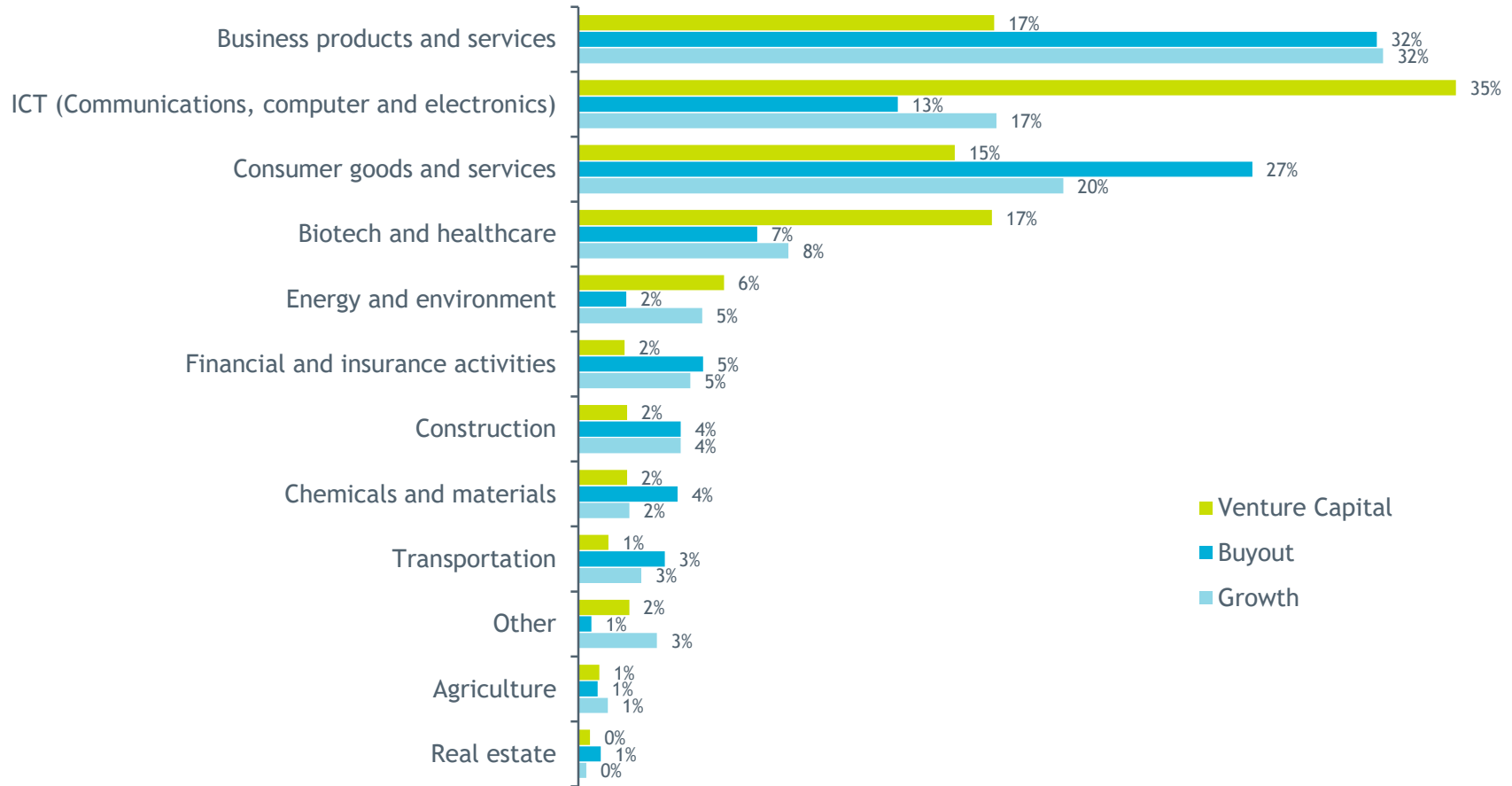
Divestments at cost by sector - Venture Capital / Buyout / Growth

2016 - Market statistics - Amount (excluding write-offs)



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

2016 - Market statistics - Number of companies (excluding write-offs)



Source: Invest Europe / EDC

2016 European Private Equity Activity

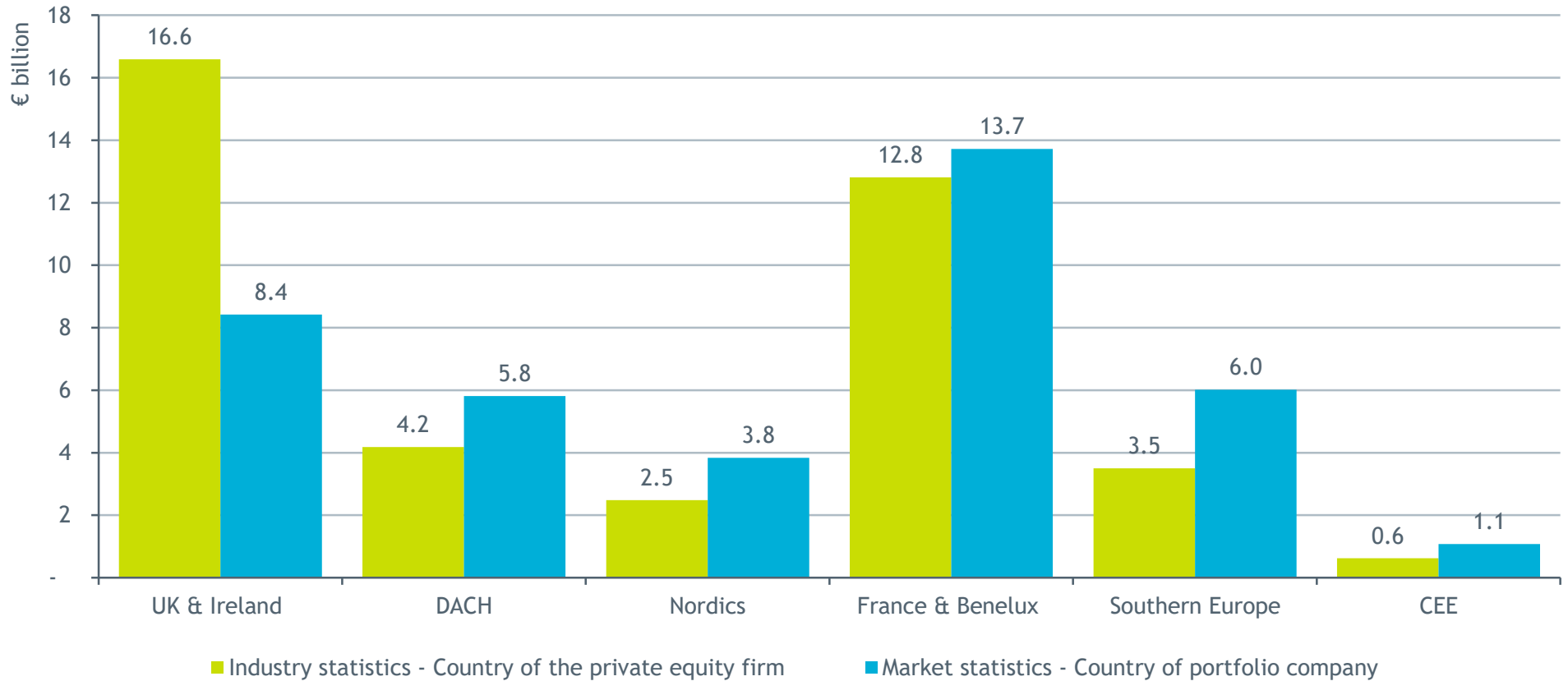
FUNDRAISING

INVESTMENTS

DIVESTMENTS

All Private Equity - Divestments at cost by region

2016 - Industry vs. Market statistics - % of Amount



Source: Invest Europe / EDC

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

ACKNOWLEDGEMENTS

Acknowledgements

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

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

AFIC - France

AIFI - Italy

ASCRI - Spain

BVA - Belgium

BVCA - UK

BVK - Germany

CVCA - The Czech Republic

DVCA - Denmark

FVCA - Finland

NVCA - Norway

NVP - The Netherlands

PSIK - Poland

SECA - Switzerland

SEEPEA - South Eastern Europe

SVCA - Sweden

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