

RESEARCH

TRANSACTION VALUE: **PRIVATE CAPITAL ANALYSIS**

Statistics on European investments 2011-2020

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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

What is the EDC?

The EDC is the **most comprehensive database** of European private equity and venture capital statistics

- > The European Data Cooperative (EDC) is a **joint initiative** developed by Invest Europe and its national association partners to collect **Europe-wide industry activity** on fundraising, investments and divestments.
- > The EDC serves as the **single data entry point** for members of private equity* and venture capital associations and other contributors across Europe.
- > The EDC platform is **jointly owned** and operated by the private equity* and venture capital associations across Europe.
- > Using one platform with a **standardised methodology** allows us to have **consistent, robust pan-European statistics** that are comparable across the region.
- > As a result we produce the **most comprehensive overview of Europe's private equity and venture capital markets** available, allowing us to better inform fund managers, investors, policymakers, regulators and other stakeholders.
- > These efforts enhance Invest Europe's goal to be the most **trusted and comprehensive** source of European private equity* and venture capital market data.

European Data Cooperative

What is the EDC?

EuropeanDataCooperative

The EDC database brings together:

3,400

Firms

9,500

Funds

75,000

Portfolio companies

280,000

Transactions

With data on more than **1,600** European private equity and venture capital firms, the 2020 annual statistics covered **90%** of the **€754bn** in capital under management in Europe.

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

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Scope of the study

The transaction value analysis captures all capital that is allocated to a company via a private equity investment. The transaction value is defined as the sum of the amount invested by the fund, the amount invested by co-investors, and the leverage provided by banks or other sources, if applicable.

Executive summary - Transaction value

All Private Equity

- > Across all stages, the decade concluded with €177.7bn invested in 2020 in terms of transaction value - more than double the amount invested in 2011. The 2020 total represents a 16% decrease compared to the record level of €211.2bn invested in 2019.
- > Buyout transactions accounted for 75% of the total transaction value in 2020, whilst venture & growth investments represented 11% and 12% respectively.
- > The number of transactions remained high, with 8,302 taking place in 2020, representing only a 5% decrease compared to 2019.
- > Whilst 2019 saw ICT (€51.5bn) narrowly obtaining 1st place in terms of capital allocated compared to Consumer goods & services (€50.4bn), the gap widened significantly in 2020 - ICT reached €68.4bn, with €31.6bn being allocated to Biotech & Healthcare, and €30.2bn to Consumer goods & services.

Growth Capital

- > Growth Capital investments reached their second highest transaction value level in 2020 with €21.8bn invested across Europe, after reaching a peak in 2019 at €27.4bn. 2020 represents a 22% increase over the average of the last 5-years.
- > By sector, ICT accounted for 38% of the value and 28% of the number of transactions, followed by Consumer goods and services (19%, 25%).
- > Growth transactions bigger than €30m took an ever-increasing share of the total number of transactions: from 5% of the total in 2016 to 8% in 2020. They represented 67% in terms of value in 2020.
- > Growth co-investments have become more popular over the past decade: in 2020 38% of the transactions had a co-investor, versus 19% in 2011.

Venture Capital

- > Transaction value for Venture Capital investments has constantly risen over the last 9 years, reaching €20bn in 2020. Whilst the total equity* amount invested increased, the average equity* ratio per transaction has decreased since 2012: from 83% in 2011 to 72% in 2020.
- > Venture investments into ICT, combined with Biotech & Healthcare, received 75% of the total VC transaction value amount in 2020, with €9.2bn and €5.8bn invested into these sectors respectively.
- > All European regions, except UK & Ireland, reached a record level in terms of Venture Capital investments in 2020.

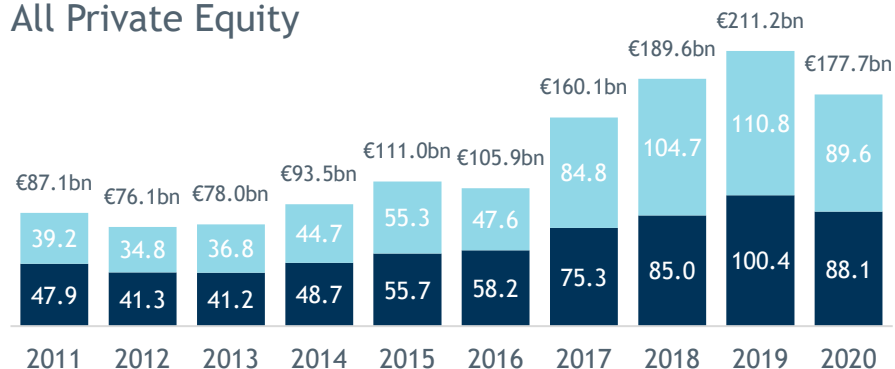
Buyout

- > Buyout transaction value reached €133.3bn in 2020, an 18% decrease from the record levels of 2019. The number of buyout transactions in 2020 reduced by 16% to 1,256. The average equity* ratio within transactions remained stable at 67%.
- > Mega transactions (>€1bn) reached their second highest level in 2020 with €67.2bn, behind the decade record of €75.2bn invested in 2019.
- > ICT (€50.6bn) took the lion's share of Buyout capital, with Biotech & Healthcare (€23.4bn), Consumer goods & services (€22.8bn) and Business products & services (€22.2bn) being the next closest.
- > In 2020, portfolio companies located in the France & Benelux region have attracted the most investment in terms of Buyout transaction value (€36bn), followed by the UK & Ireland (€32.8bn), DACH (€31.9bn), Southern Europe (€21.8bn), Nordics (€9.4bn), and the CEE region (€1.4bn).

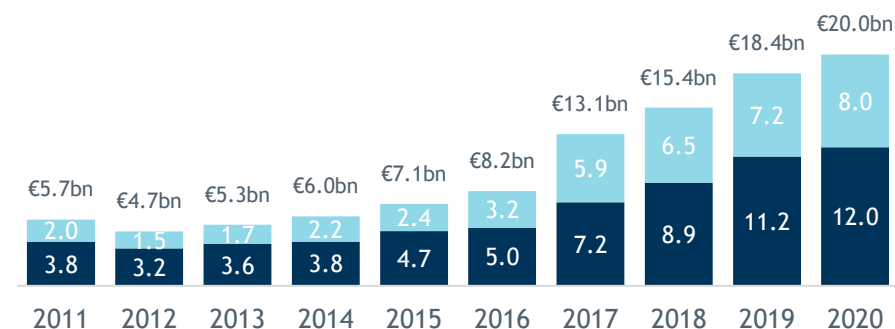
Executive summary - Transaction value

2011-2020 - Market statistics - Amount

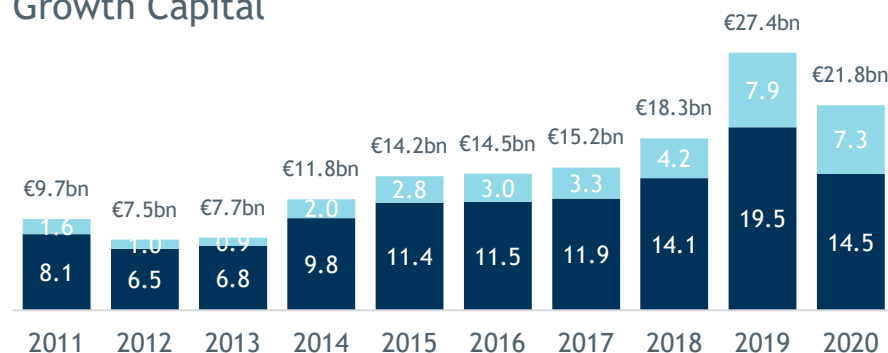
All Private Equity



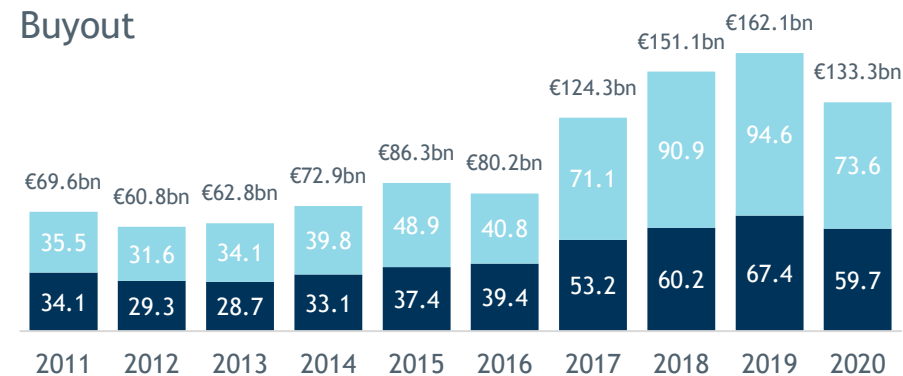
Venture Capital



Growth Capital



Buyout



■ Equity* ■ Leverage and co-investments

Source: Invest Europe / EDC

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*includes equity, quasi-equity, mezzanine, unsecured and secured debt provided by the fund.

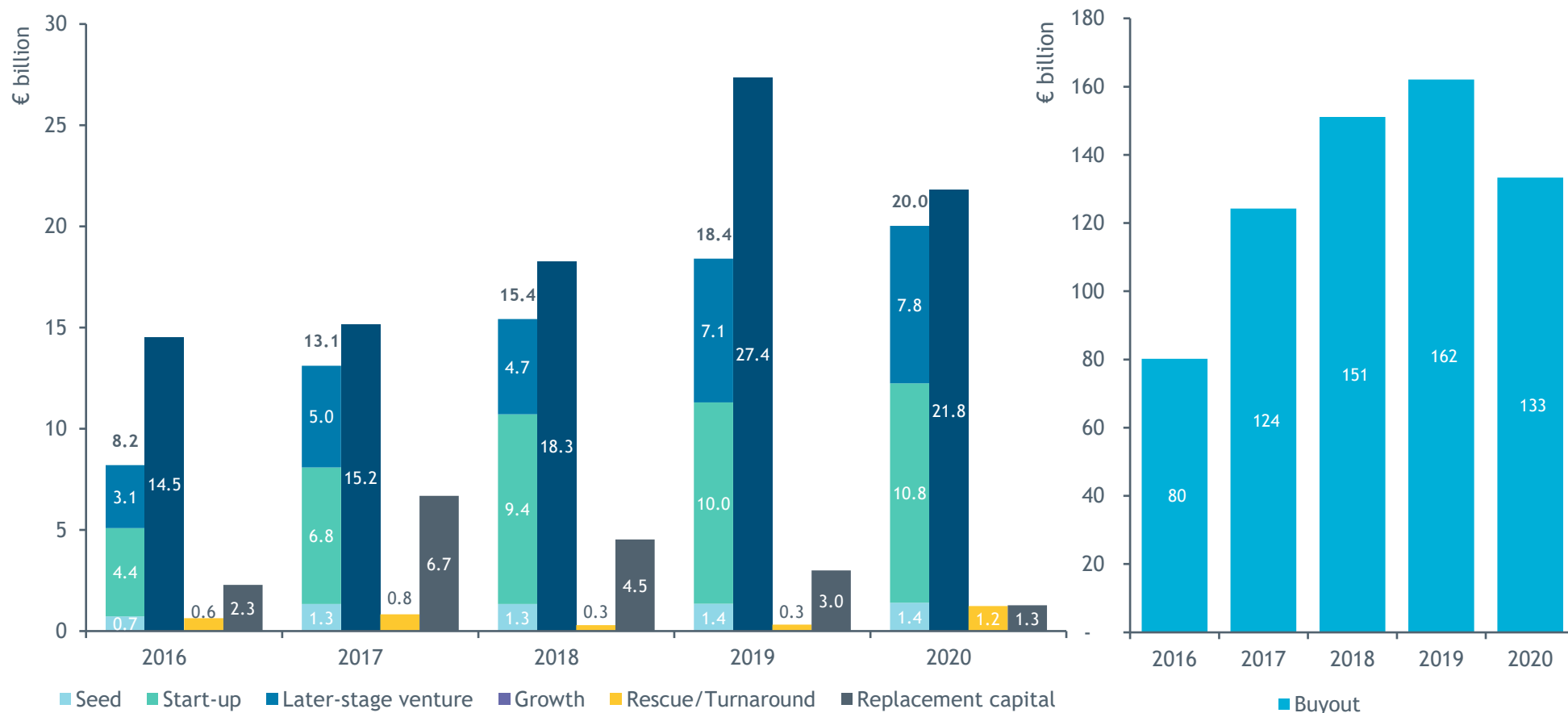


TRANSACTION VALUE

All Private equity

All Private Equity - Transaction value by investment stage

2016-2020 - Market statistics - Amount

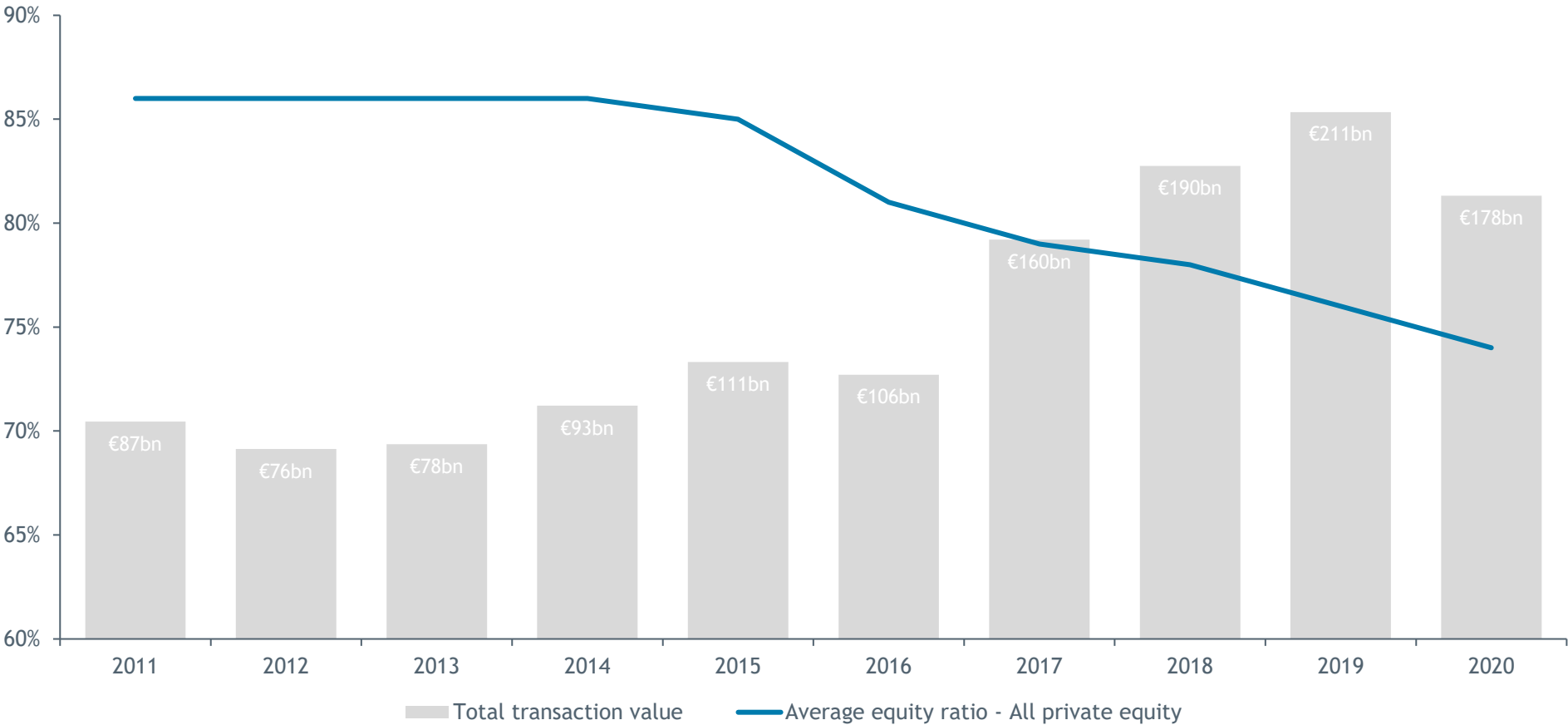


Source: Invest Europe / EDC

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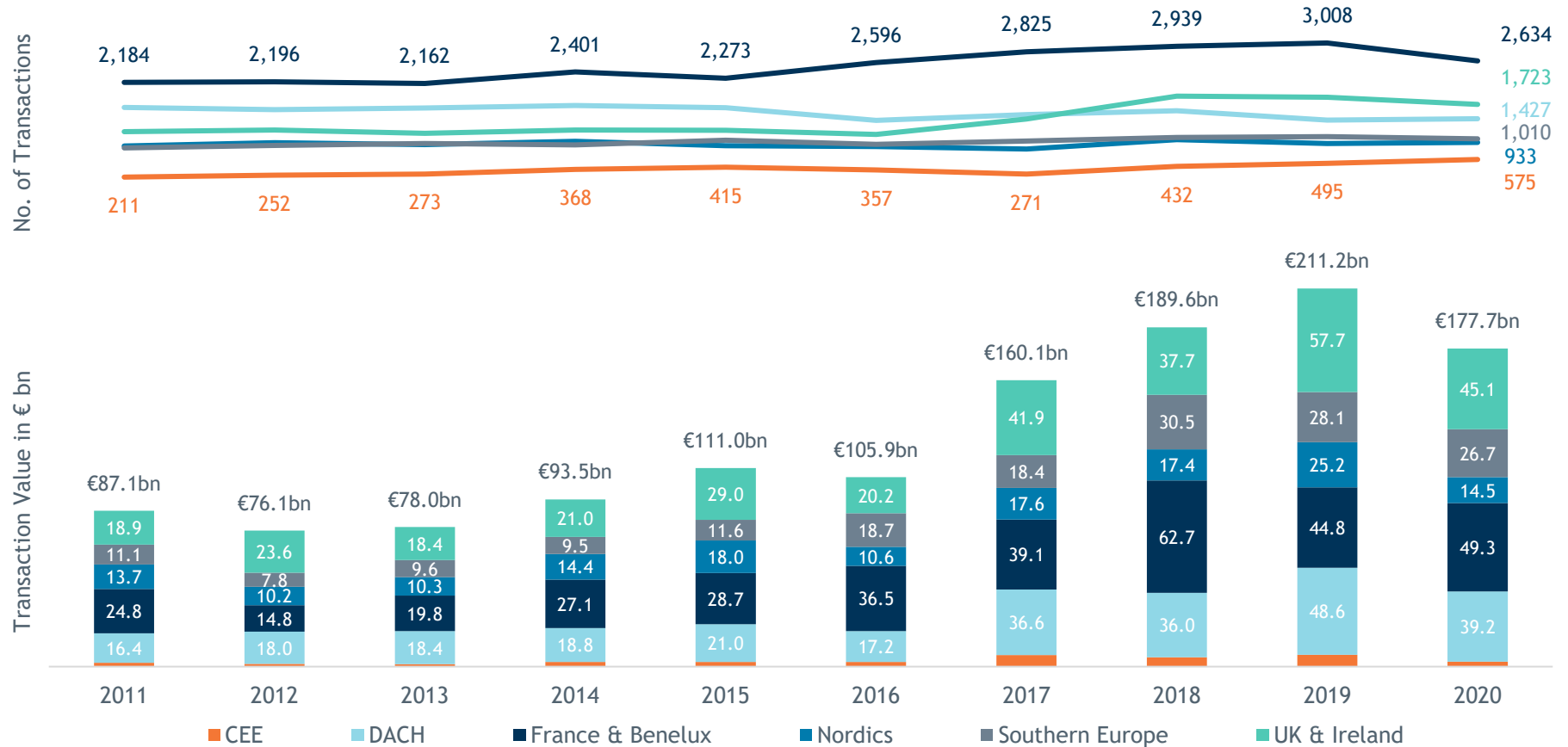
All Private Equity - Average equity ratio

2011-2020 - Market statistics - Average equity* ratio per transaction



All Private Equity - Transaction value by region of portfolio company

2011-2020 - Market statistics - Amount & number of transactions

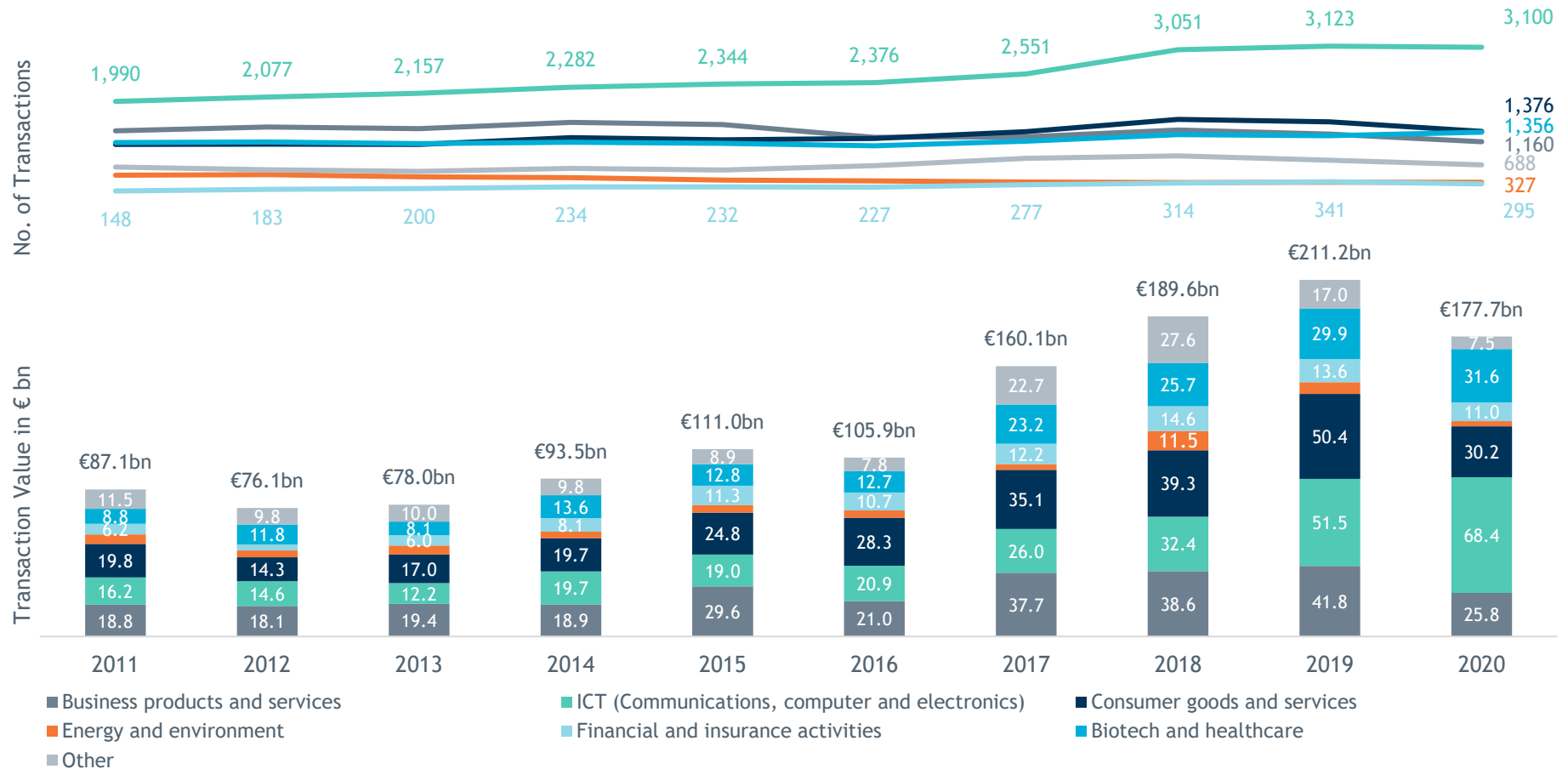


Source: Invest Europe / EDC

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All Private Equity - Transaction value by sector of portfolio company

2011-2020 - Market statistics - Amount & number of transactions

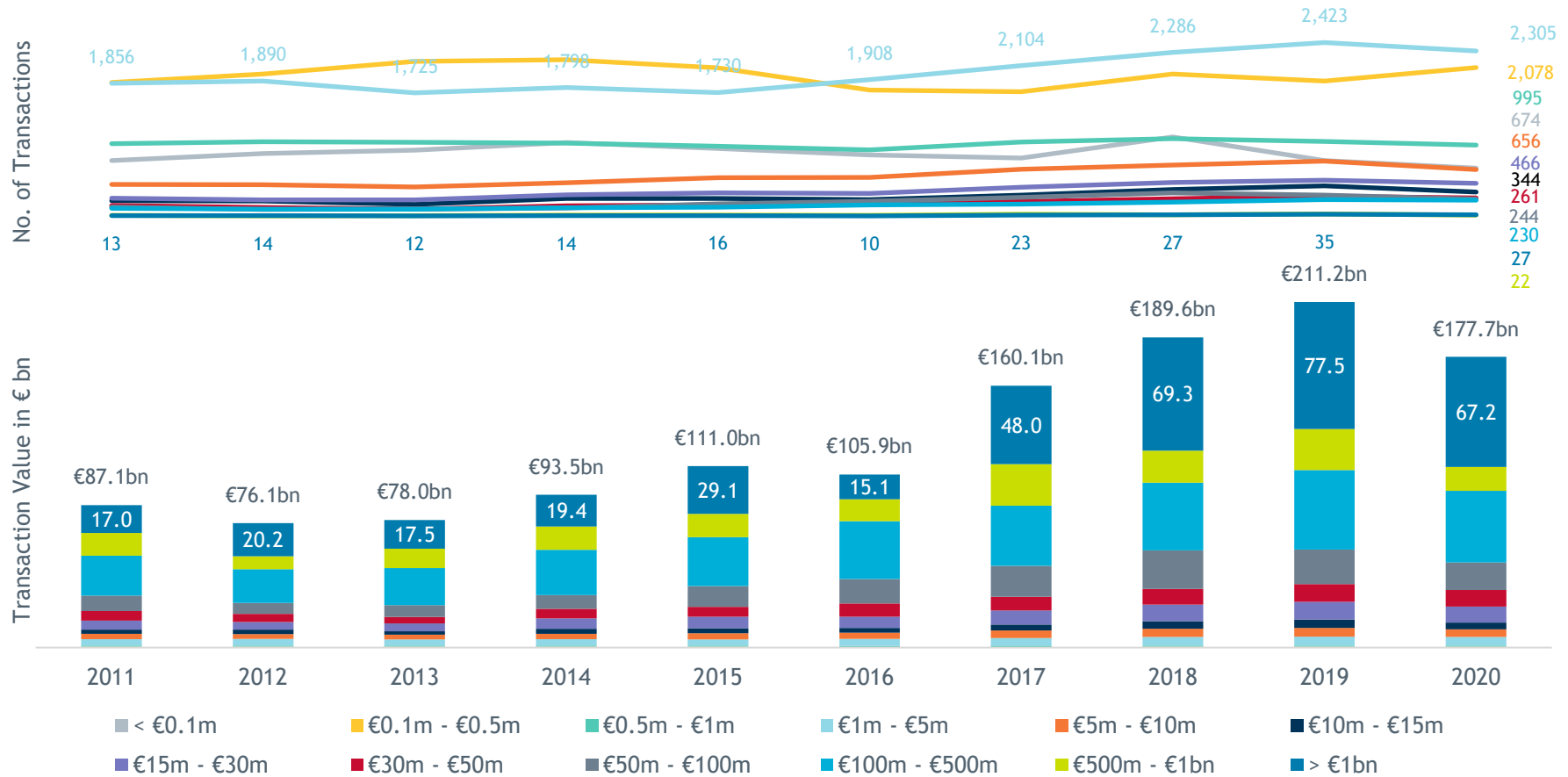


Source: Invest Europe / EDC

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All Private Equity - Transaction value by transaction size

2011-2020 - Market statistics - Amount & number of transactions

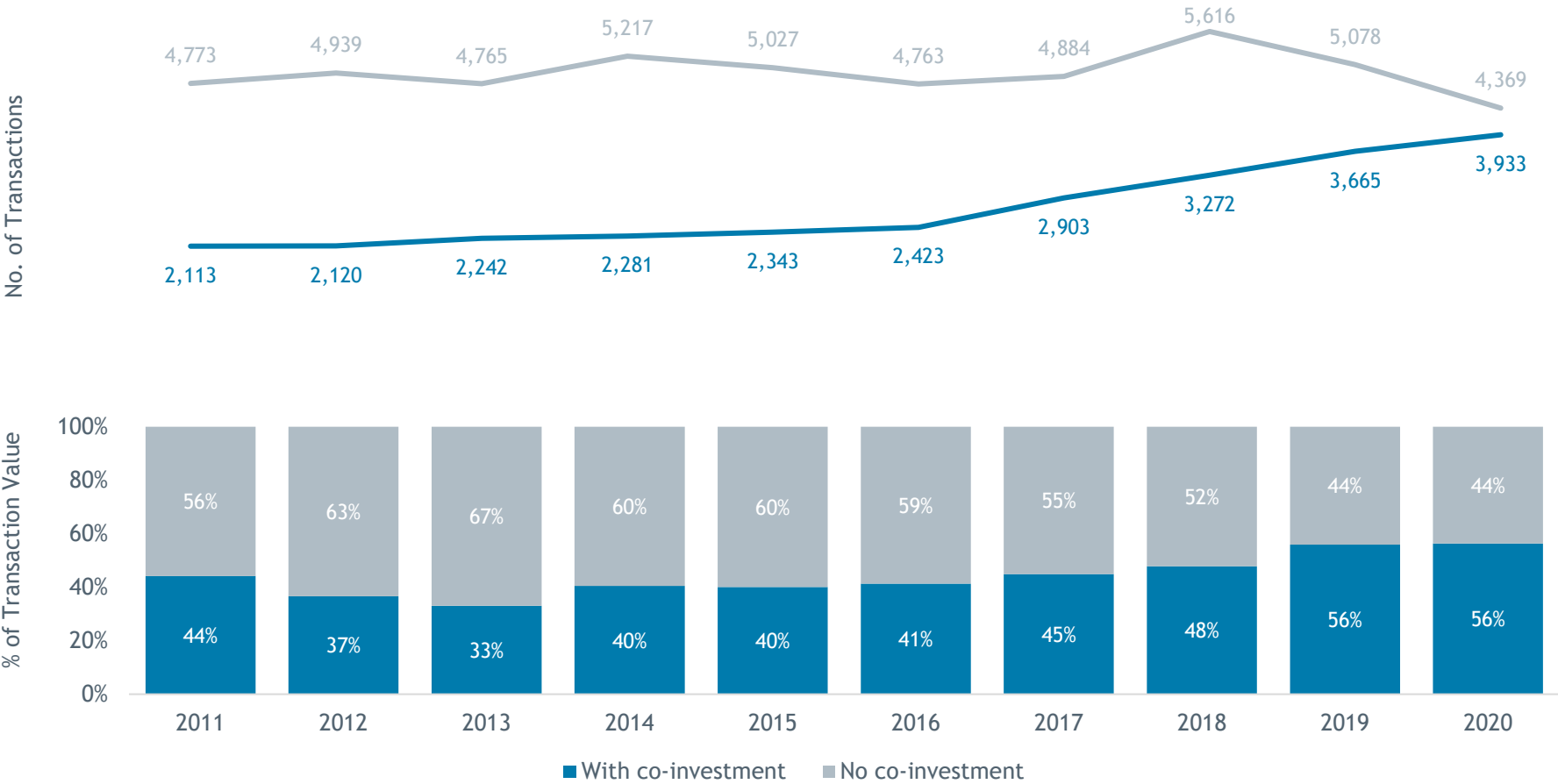


Source: Invest Europe / EDC

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All Private Equity - Transaction value by co-investment

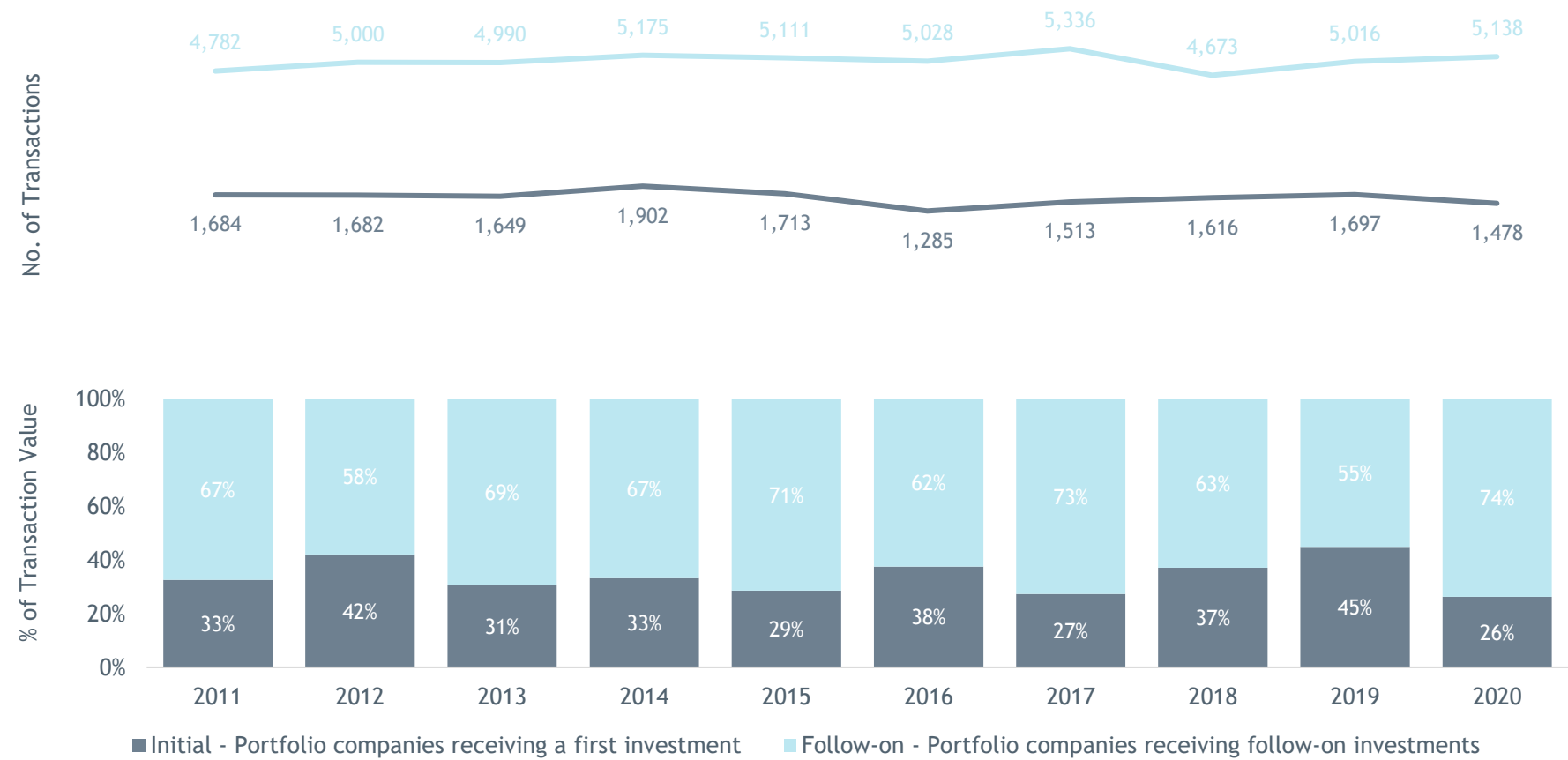
2011-2020 - Market statistics - % of transaction value amount & number of transactions



Source: Invest Europe / EDC

All Private Equity - Transaction value by portfolio company investment round

2011-2020 - Market statistics - % of transaction value amount & number of transactions

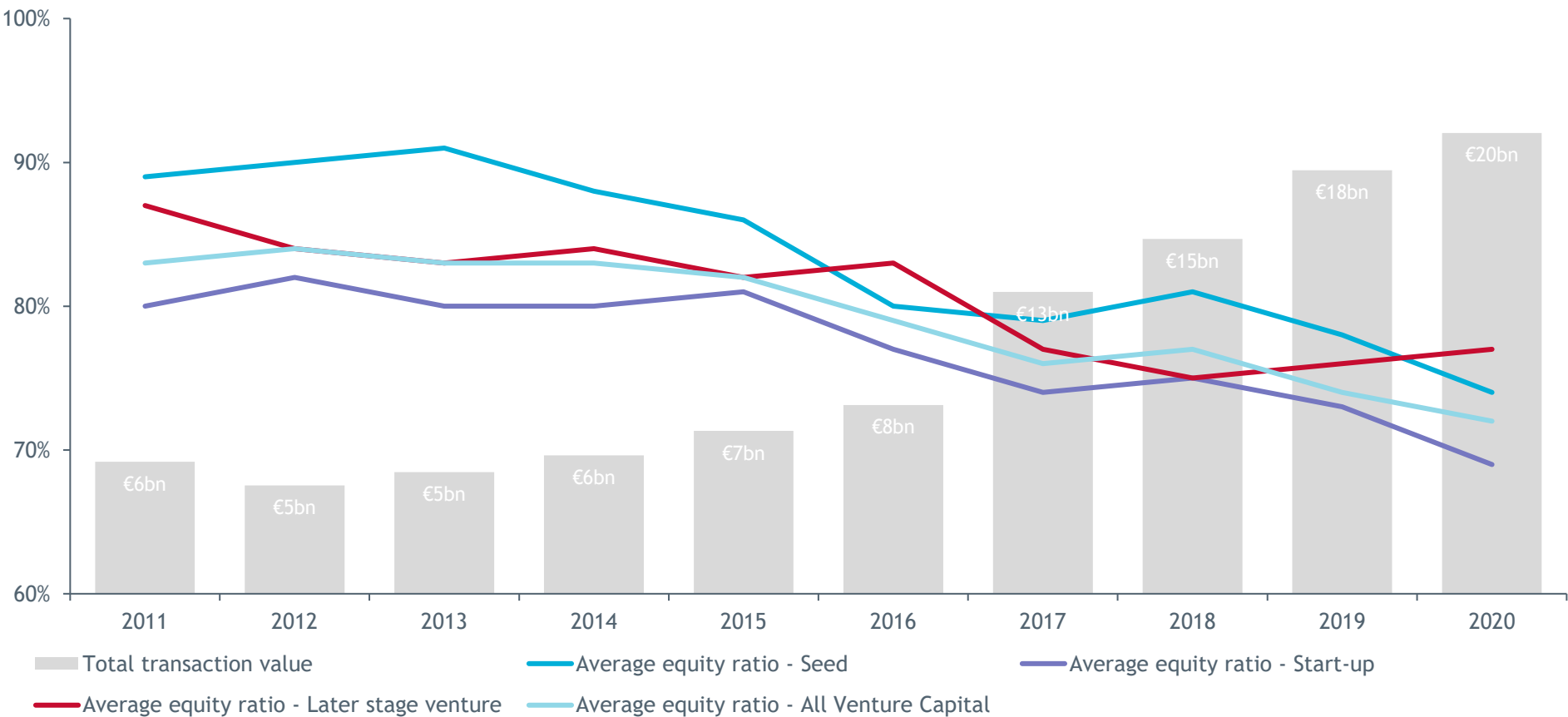


TRANSACTION VALUE

Venture Capital

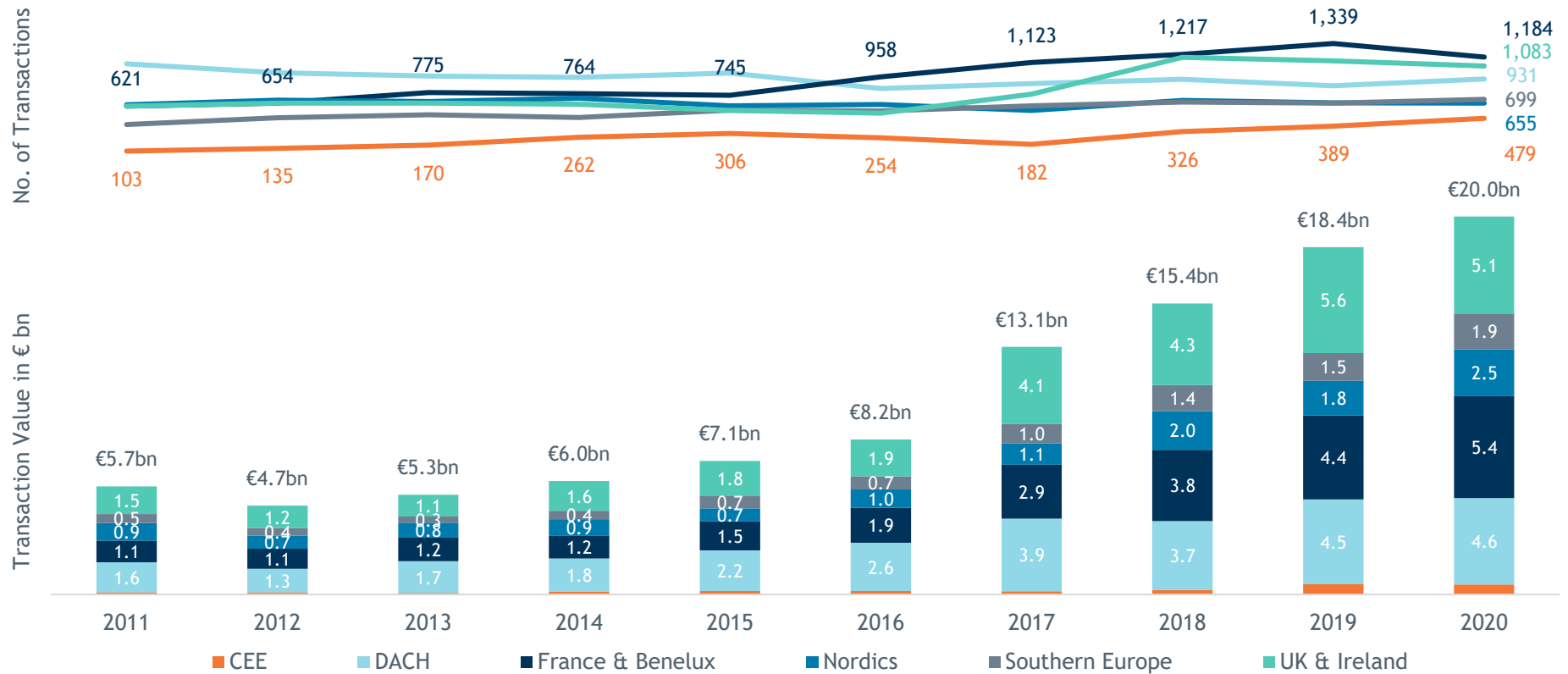
Venture Capital - Average equity ratio

2011-2020 - Market statistics - Average equity* ratio per transaction



Venture Capital - Transaction value by region of portfolio company

2011-2020 - Market statistics - Amount & number of transactions

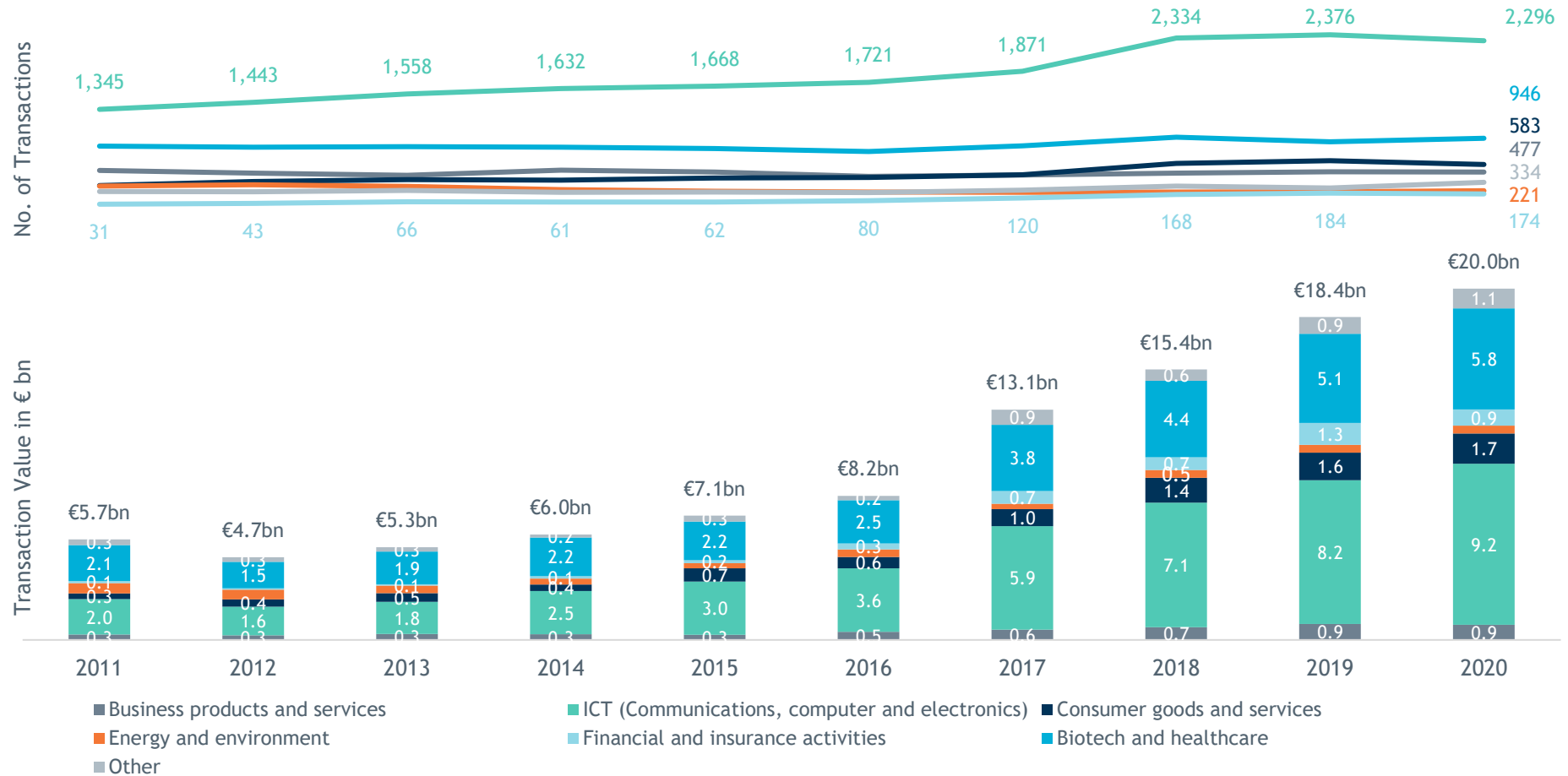


Source: Invest Europe / EDC

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Venture Capital - Transaction value by sector of portfolio company

2011-2020 - Market statistics - Amount & number of transactions

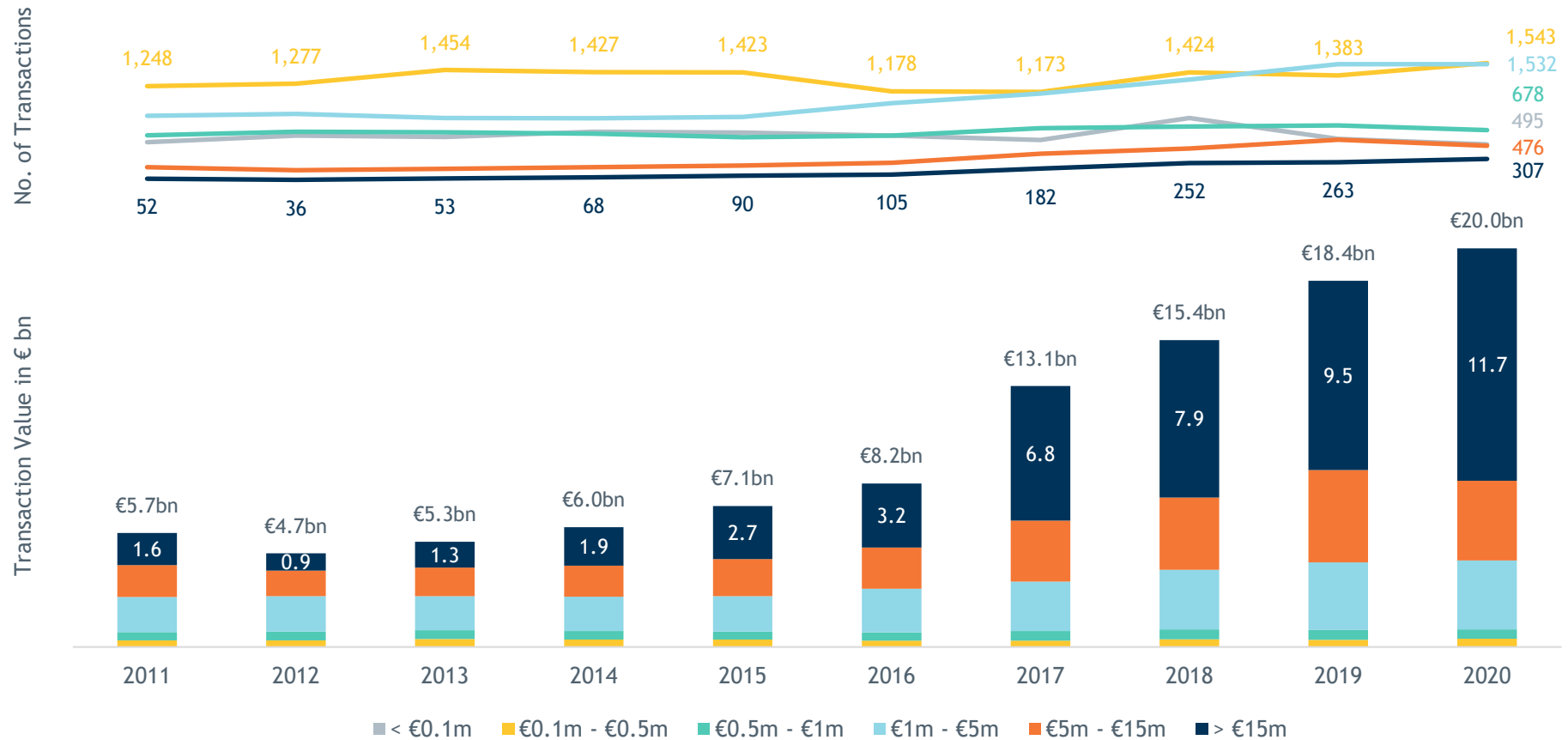


Source: Invest Europe / EDC

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Venture Capital - Transaction value by transaction size

2011-2020 - Market statistics - Amount & number of transactions

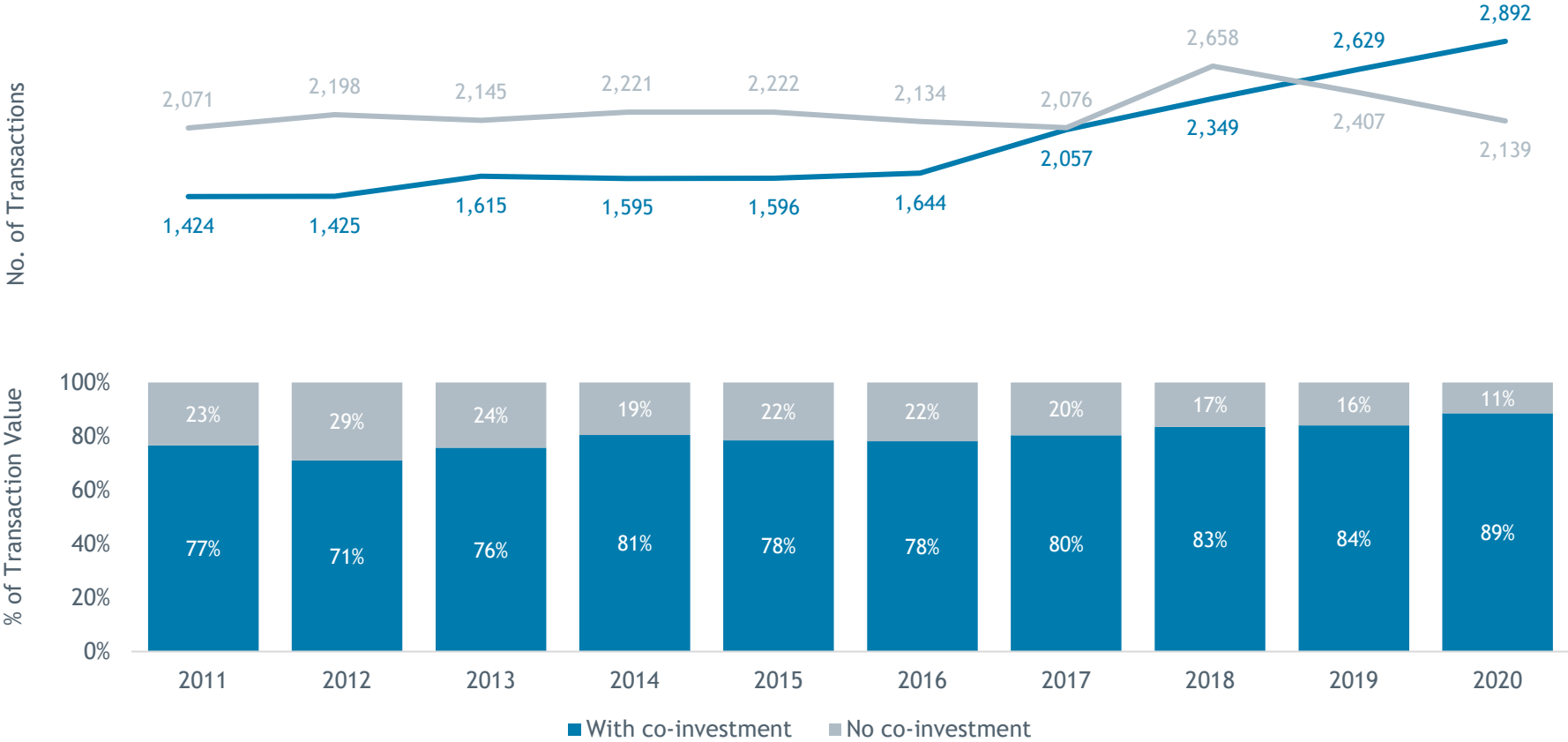


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Venture Capital - Transaction value by co-investment

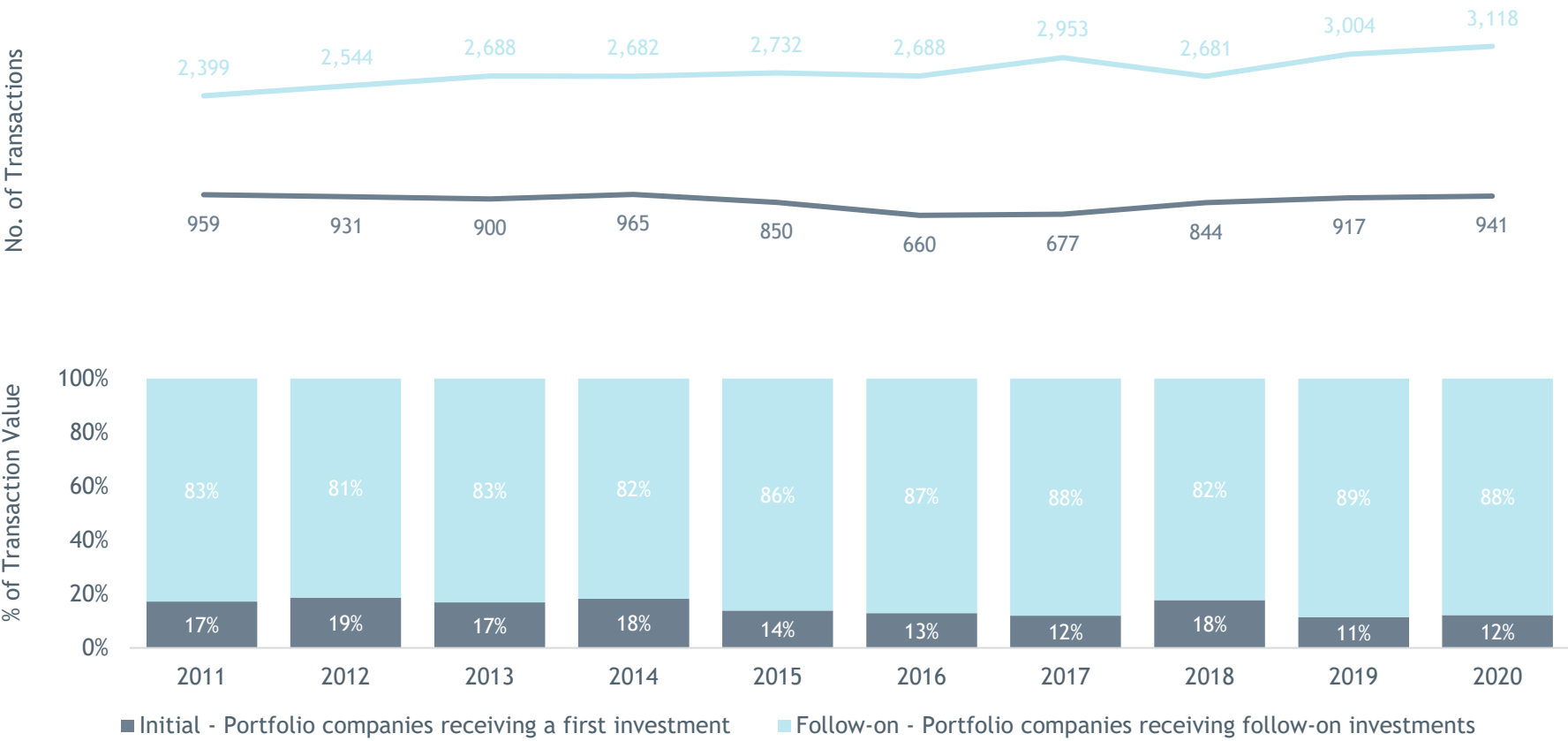
2011-2020 - Market statistics - % of transaction value amount & number of transactions



Source: Invest Europe / EDC

Venture Capital - Transaction value by portfolio company investment round

2011-2020 - Market statistics - % of transaction value amount & number of transactions



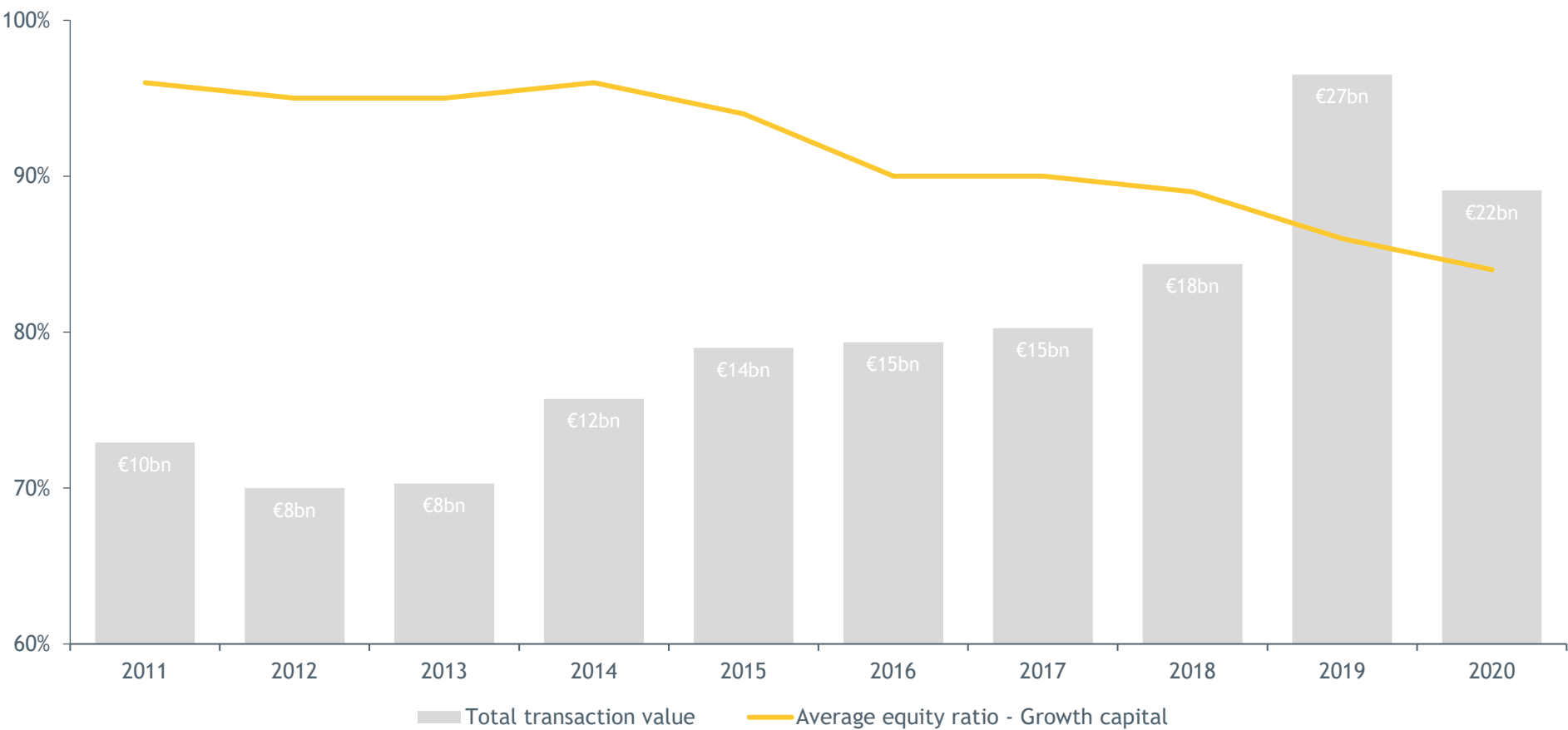
A close-up, shallow depth-of-field photograph of numerous small, clear plastic petri dishes arranged in rows. Each dish contains a small amount of dark soil and a young green seedling with two leaves. The seedlings are in various stages of growth, and the background is softly blurred, suggesting a laboratory or greenhouse setting.

TRANSACTION VALUE

Growth Capital

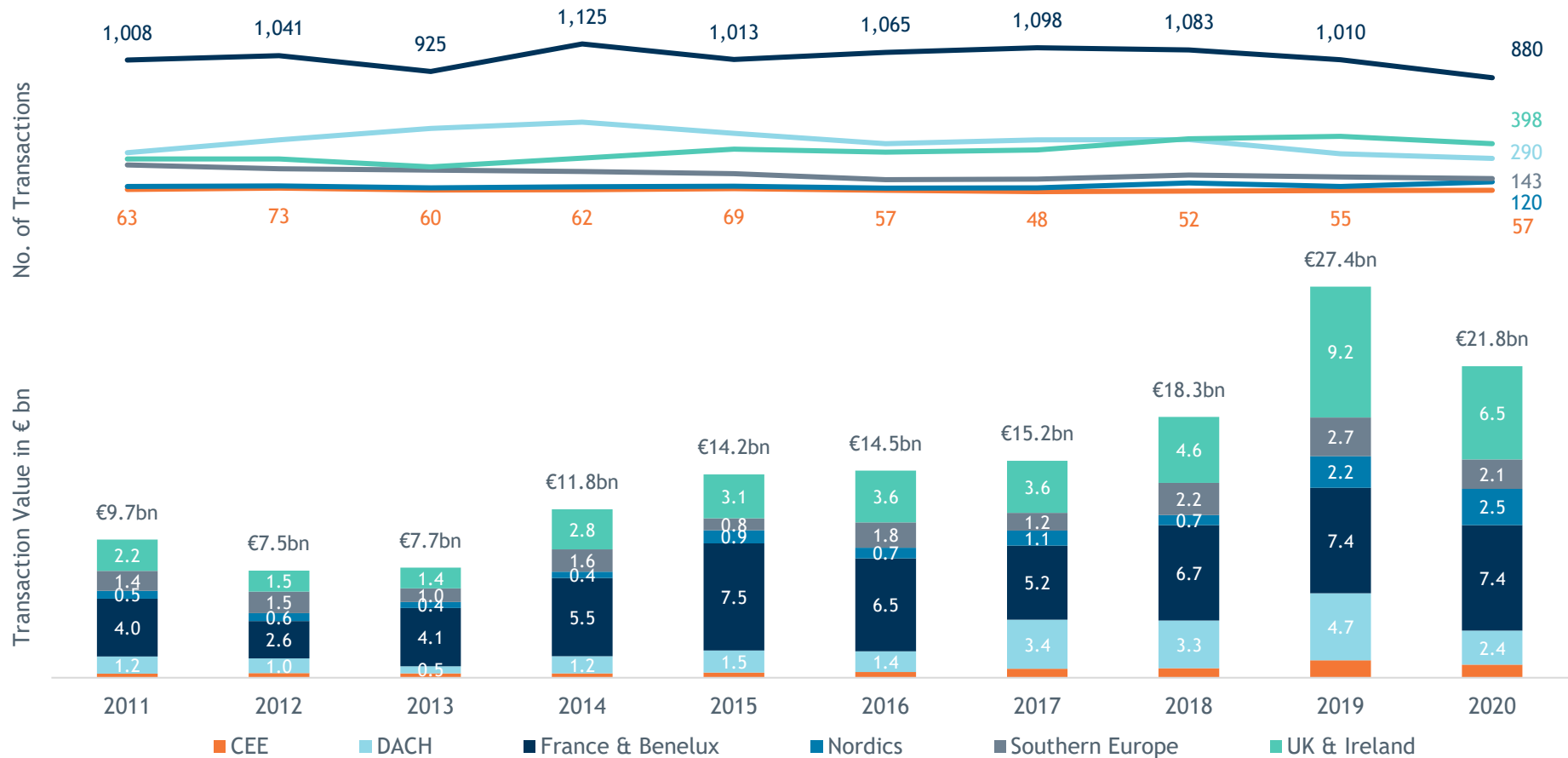
Growth Capital - Average equity ratio

2011-2020 - Market statistics - Average equity* ratio per transaction



Growth Capital - Transaction value by region of portfolio company

2011-2020 - Market statistics - Amount & number of transactions

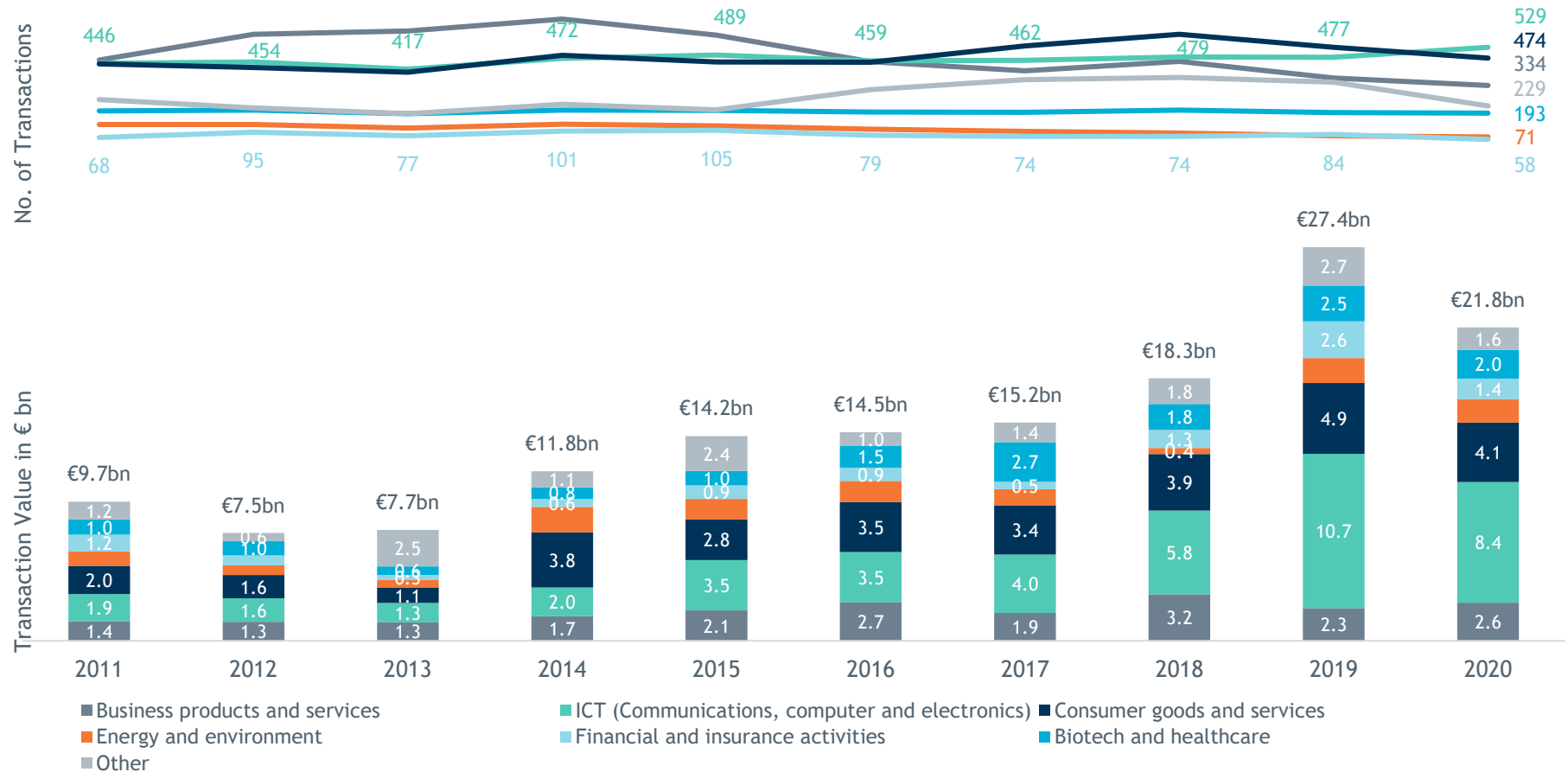


Source: Invest Europe / EDC

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Growth Capital - Transaction value by sector of portfolio company

2011-2020 - Market statistics - Amount & number of transactions

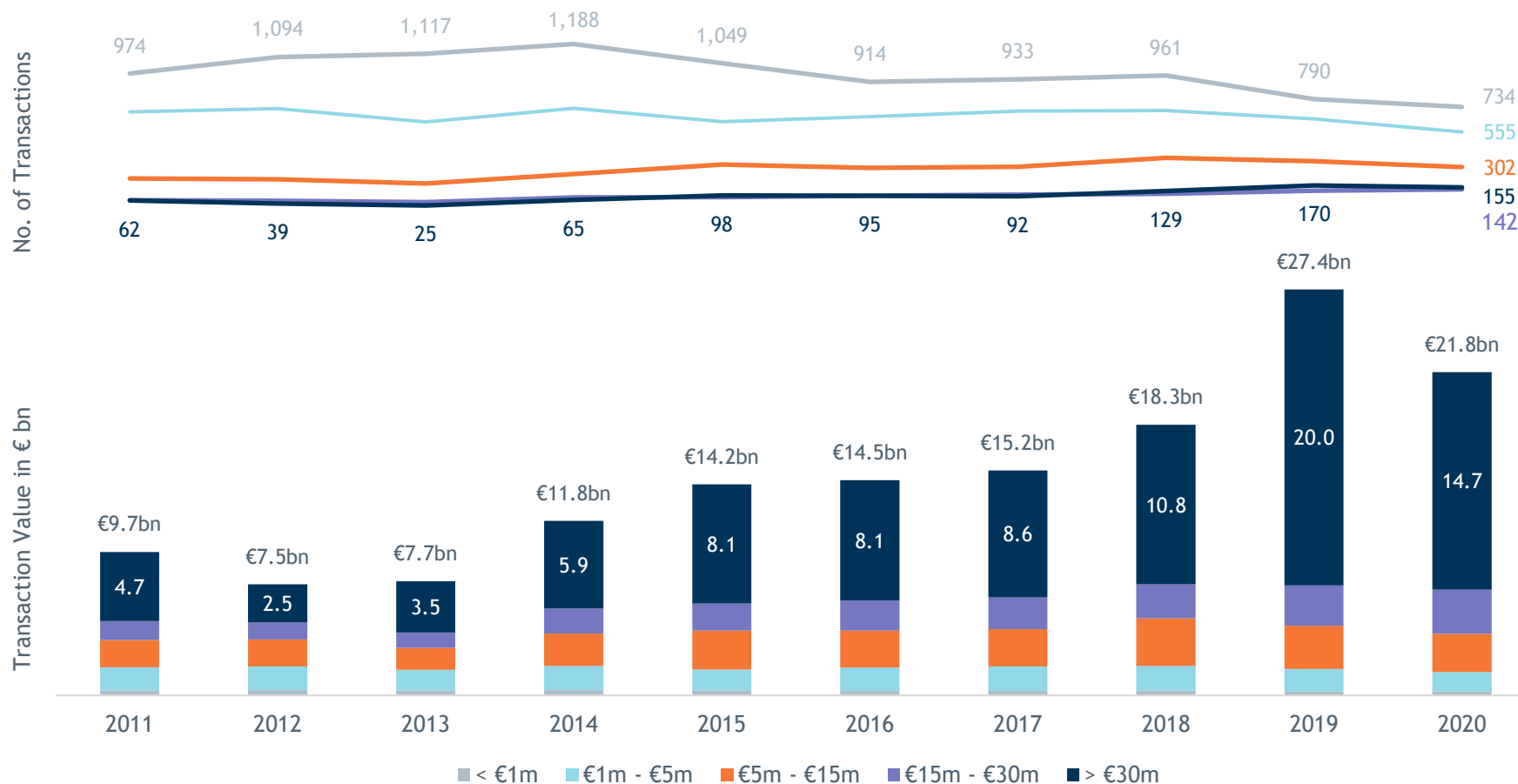


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Growth Capital - Transaction value by transaction size

2011-2020 - Market statistics - Amount & number of transactions

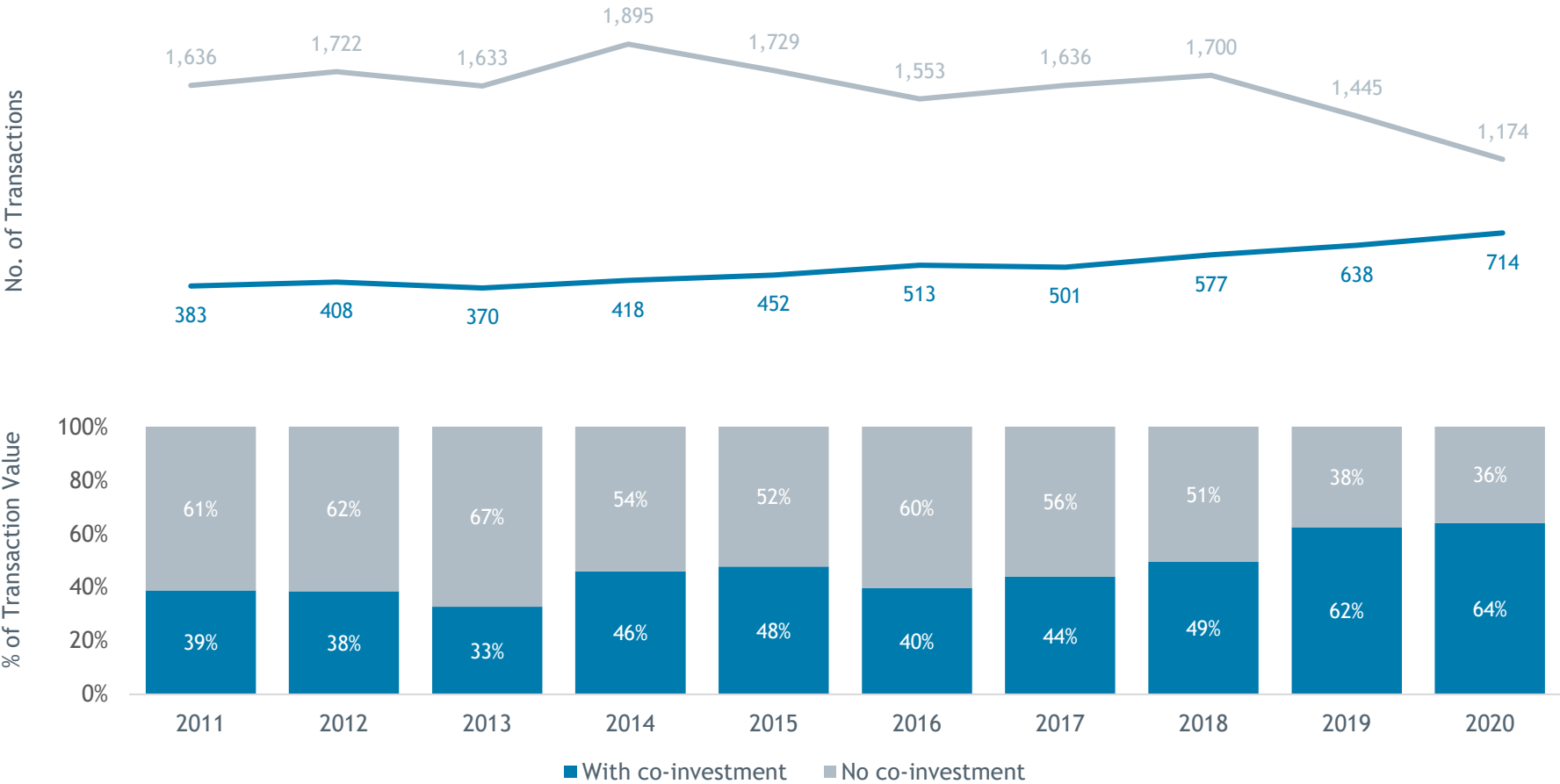


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Growth Capital - Transaction value by co-investment

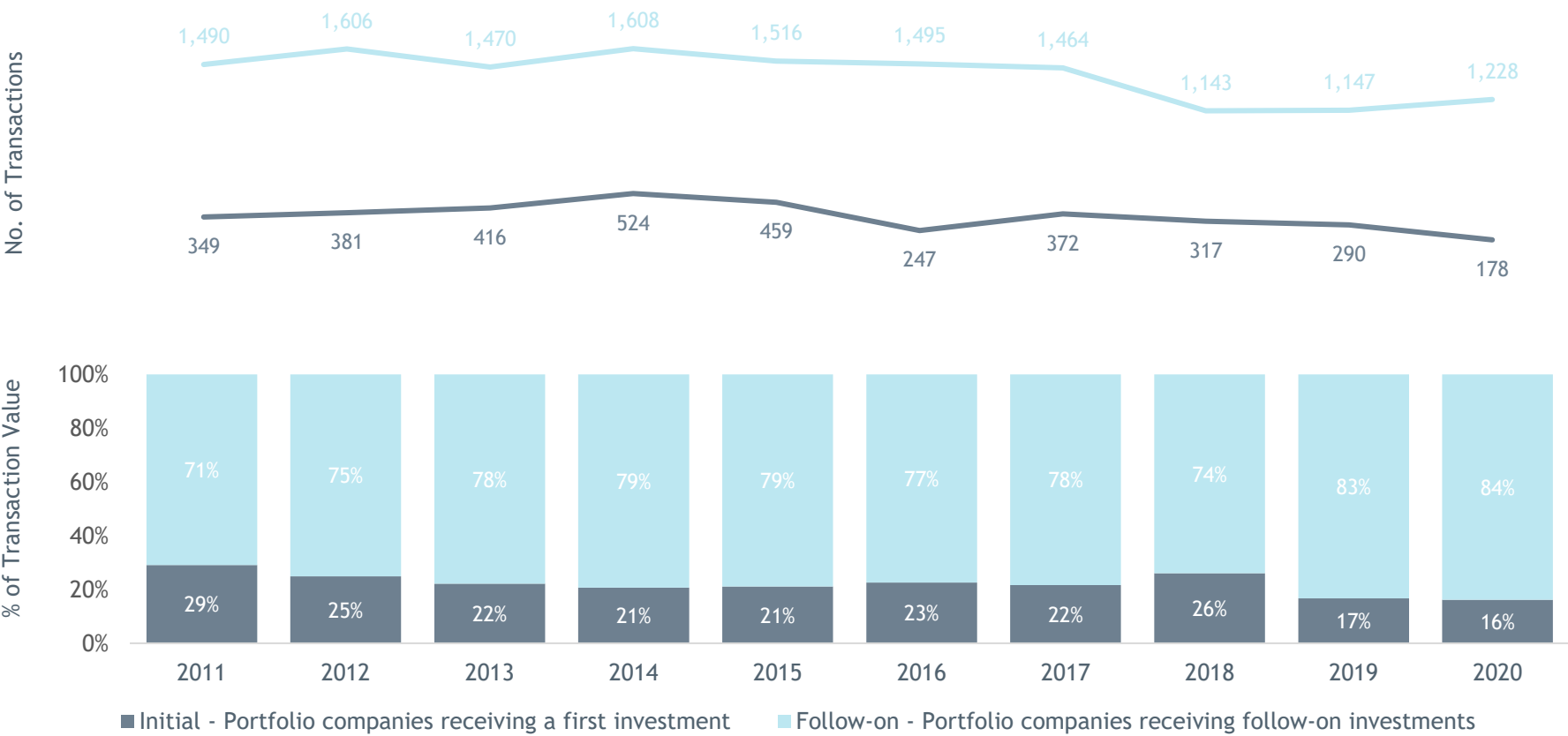
2011-2020 - Market statistics - % of transaction value amount & number of transactions



Source: Invest Europe / EDC

Growth Capital - Transaction value by portfolio company investment round

2011-2020 - Market statistics - % of transaction value amount & number of transactions



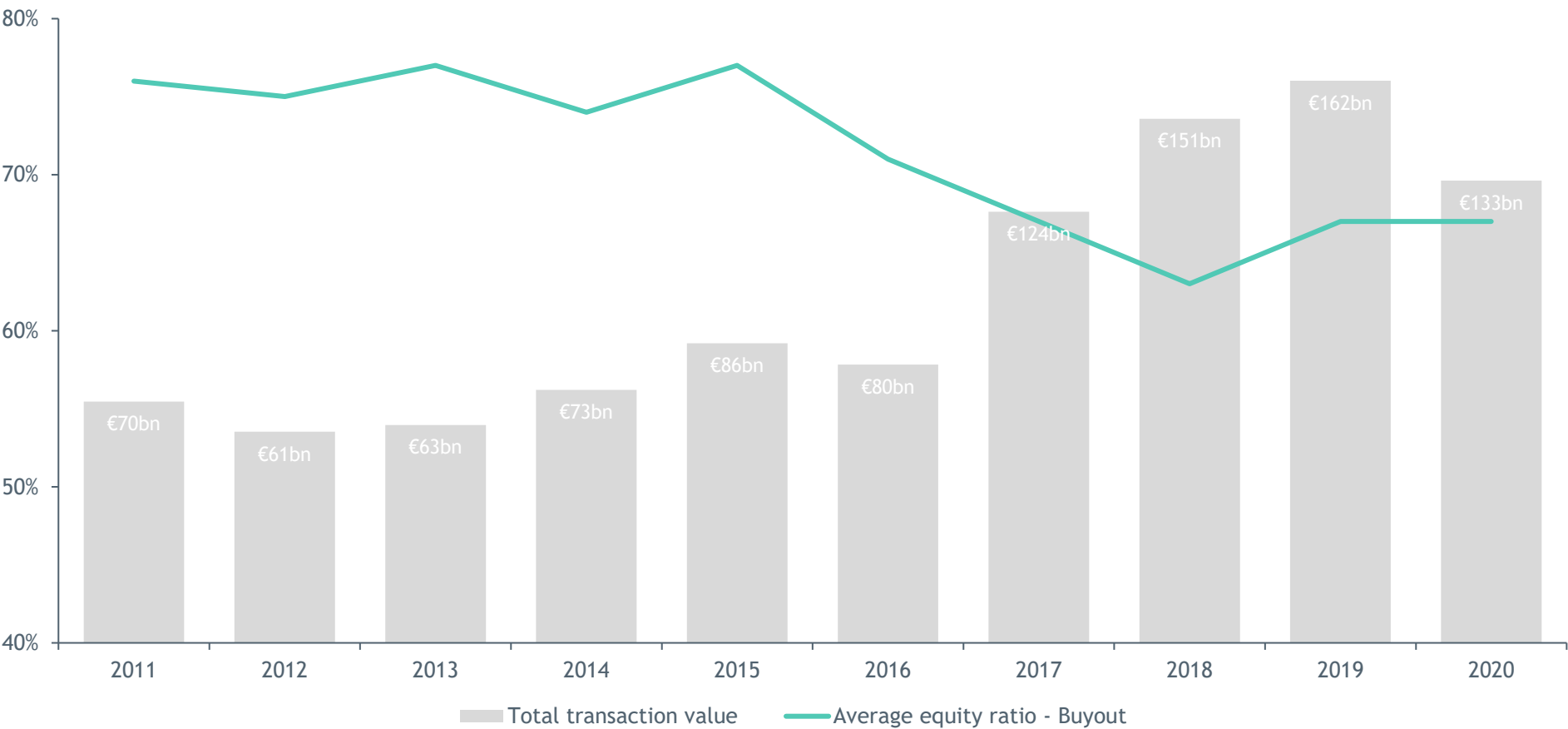


TRANSACTION VALUE

Buyout

Buyout - Average equity ratio

2011-2020 - Market statistics - Average equity* ratio per transaction

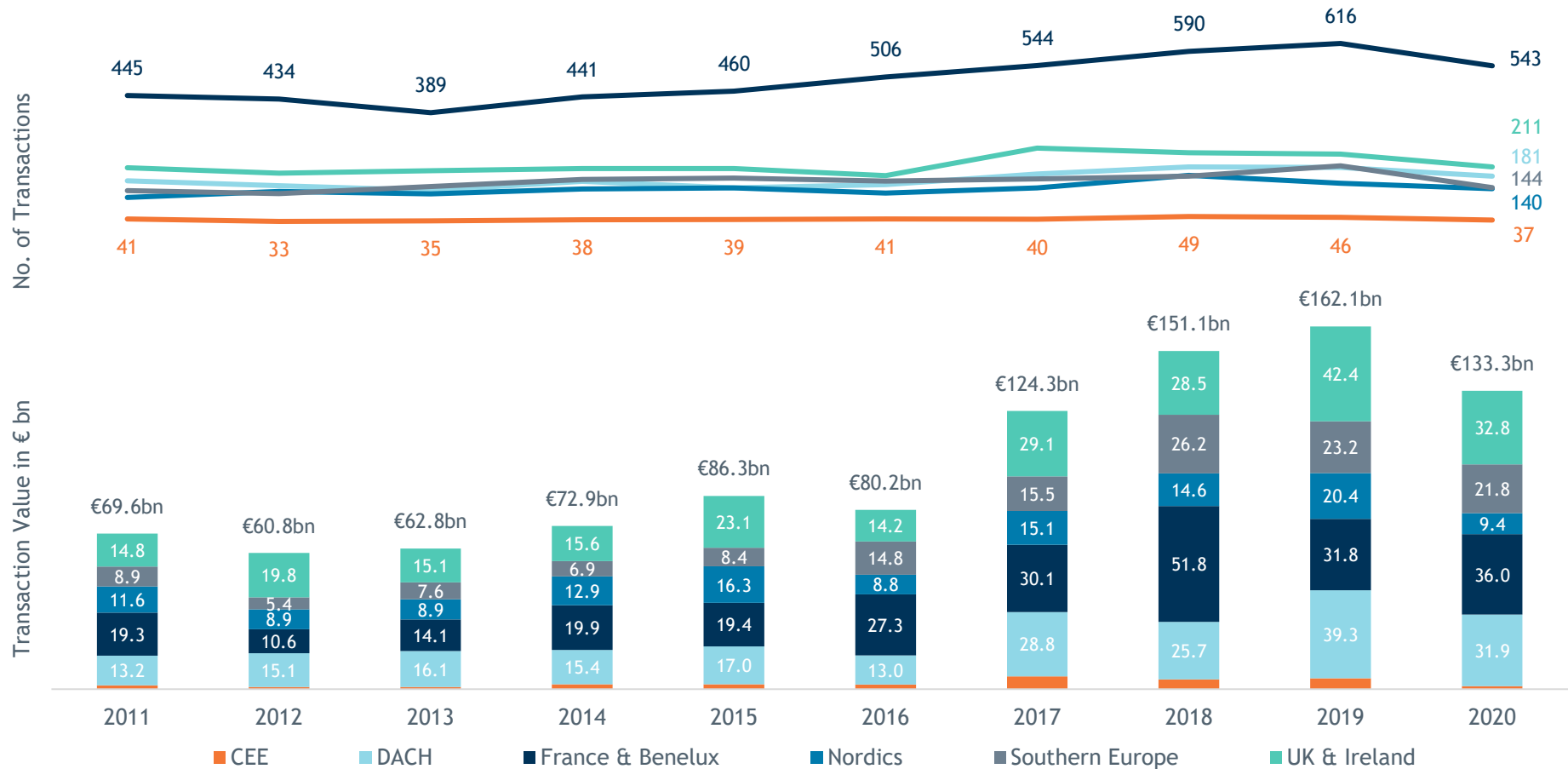


Source: Invest Europe / EDC

*includes equity, quasi-equity, mezzanine, unsecured and secured debt provided by the fund.

Buyout - Transaction value by region of portfolio company

2011-2020 - Market statistics - Amount & number of transactions

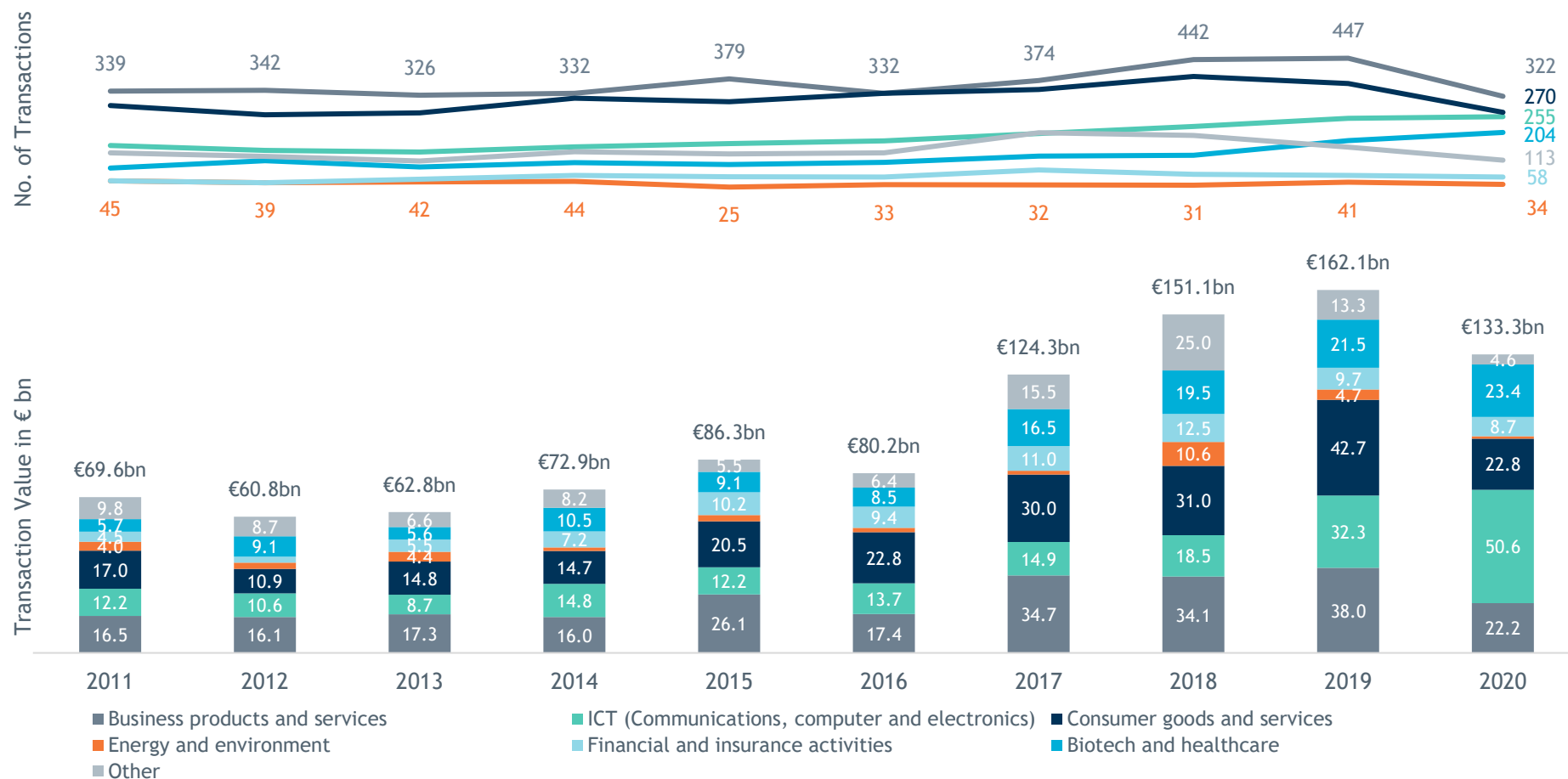


Source: Invest Europe / EDC

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Buyout - Transaction value by sector of portfolio company

2011-2020 - Market statistics - Amount & number of transactions

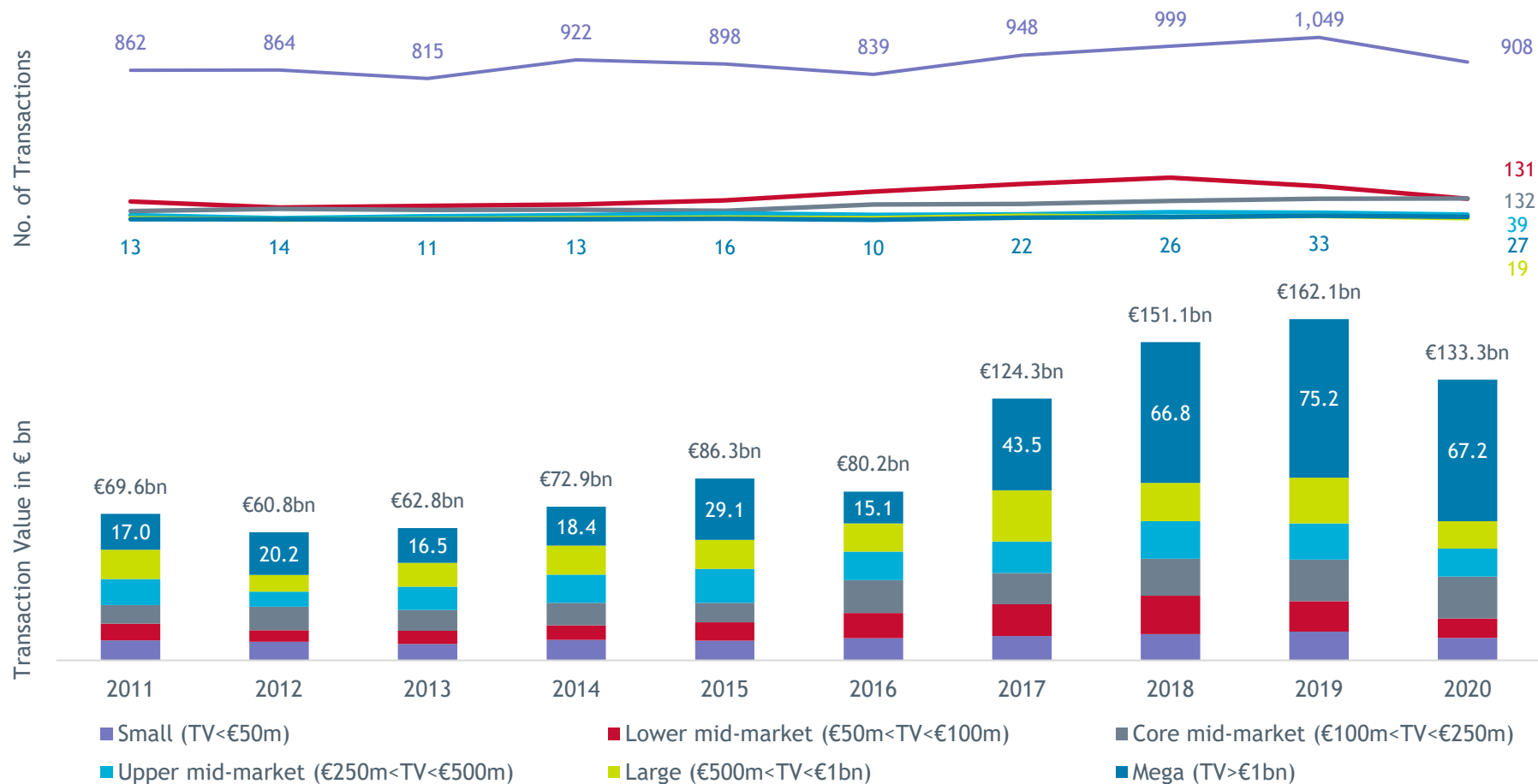


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Buyout - Transaction value by transaction size

2011-2020 - Market statistics - Amount & number of transactions

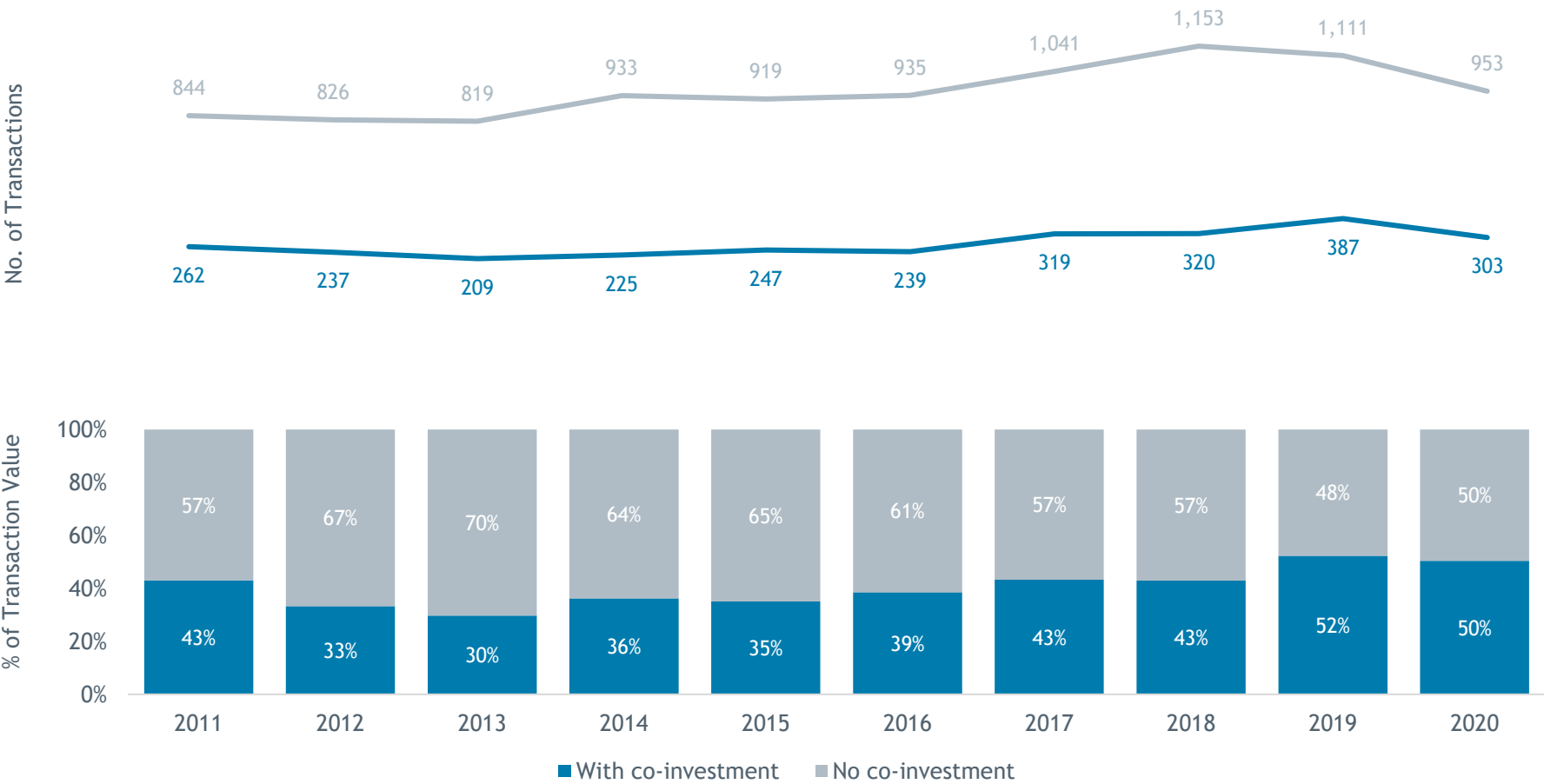


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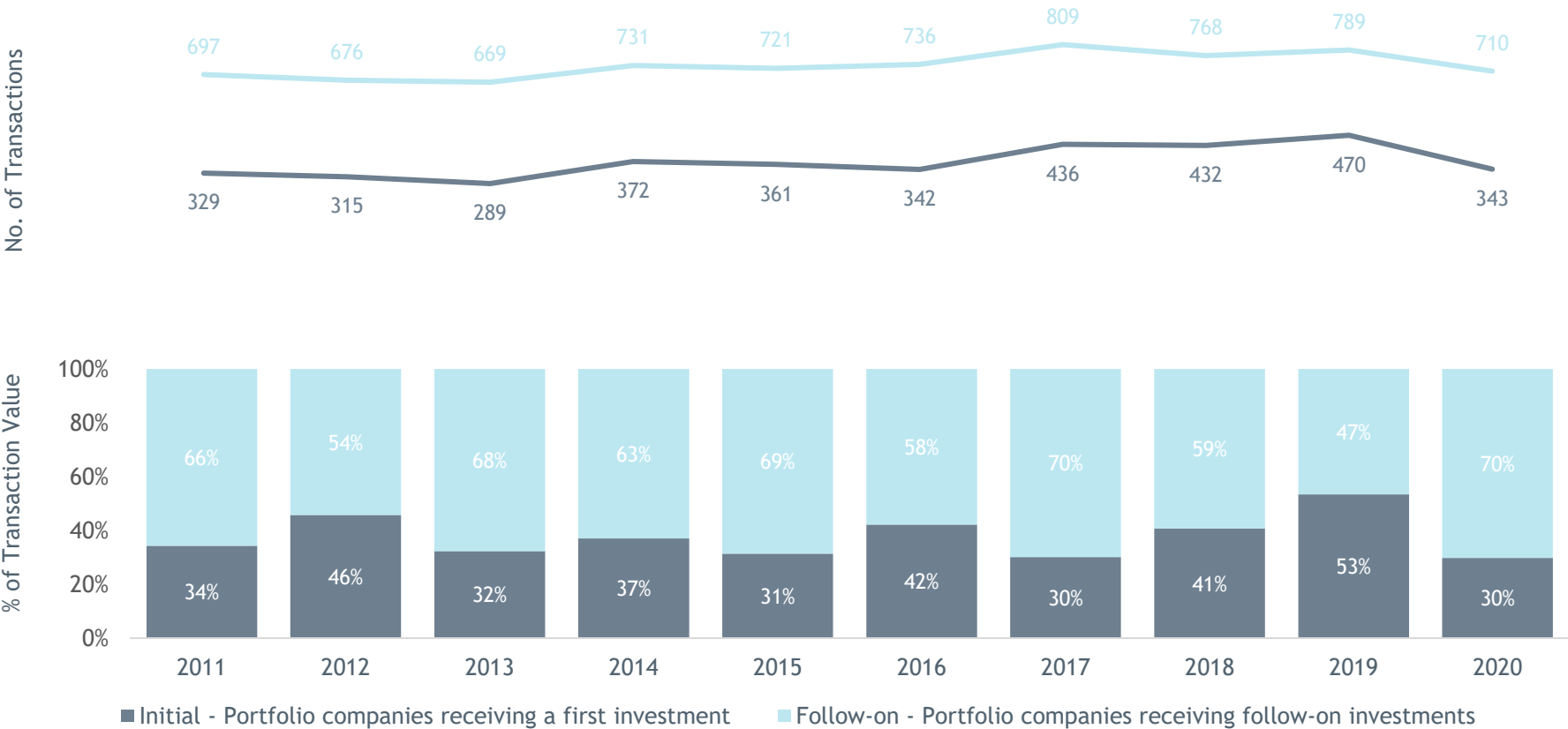
Buyout - Transaction value by co-investment

2011-2020 - Market statistics - % of transaction value amount & number of transactions



Buyout - Transaction value by portfolio company investment round

2011-2020 - Market statistics - % of transaction value amount & number of transactions



An aerial photograph of a dense, lush green forest. A narrow, light-colored dirt road or path winds through the center of the forest, curving from the left towards the right. The trees are tall and closely packed, creating a rich texture of green. The lighting suggests a bright day, with some areas of the forest appearing slightly brighter than others.

TRANSACTION VALUE

METHODOLOGY & GLOSSARY

Methodology & Glossary

Transaction value analysis

INVESTMENTS STATISTICS EXPLAINED

Transaction value statistics capture all capital that is allocated to a company via a private equity investment. The transaction value is defined as the sum of the total amount invested by the fund, including the total amount invested by co-investors and leverage provided by banks or other sources, if applicable.

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 a company. The equity value includes equity, quasi-equity, mezzanine, unsecured debt and secured debt provided by the private equity firm.

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

The following funds are excluded from the statistics: infrastructure funds, real estate funds, private debt funds, distressed debt funds, primary funds of funds, secondary funds of funds, accelerator/incubator funds, business angel activity.

INVESTMENT STAGES

Seed: Funding provided before the investee company has started mass production/distribution with the aim to complete research, product definition or product design, also including market tests and creating prototypes. This funding will not be used to start mass production/distribution.

Start-up: Funding provided to companies, once the product or service is fully developed, to start mass production/distribution and to cover initial marketing. Companies may be in the process of being set up or may have been in business for a shorter time, but have not sold their product commercially yet. The use of the capital would be mostly to cover capital expenditures and initial working capital. This stage also contains also the investments reported as **“Other early stage”** which represents funding provided to companies that have initiated commercial manufacturing but require further funds to cover additional capital expenditures and working capital before they reach the break-even point. Such companies will not be generating a profit yet.

Later-stage venture: Financing provided for an operating company, which may or may not be profitable. Later-stage venture tends to involve financing into companies already backed by VCs, typically in C or D rounds.

Growth: A type of private equity investment (often a minority investment) in relatively mature companies that are looking for primary capital to expand and improve operations or enter new markets to accelerate the growth of the business.

Buyout: Financing provided to acquire a company. It may use a significant amount of borrowed capital to meet the cost of acquisition. Typically involves purchasing majority or controlling stakes.

Rescue / Turnaround: Financing made available to an existing business, which has experienced financial distress, with a view to re-establishing prosperity.

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

TRANSACTION VALUE DATA AUDIT

The audit process was built on verifying the outlier transactions at country level. The largest transactions according to transaction value amount have been identified for each European country and investment stage. Each of these transactions have been checked for consistency between transaction value amount, equity* amount, investment stage, syndication information and leverage.

Methodology & Glossary

Transaction value analysis

MARKET STATISTICS

A Domestic investments / divestments in European countries

B Cross-border investments / divestments within Europe

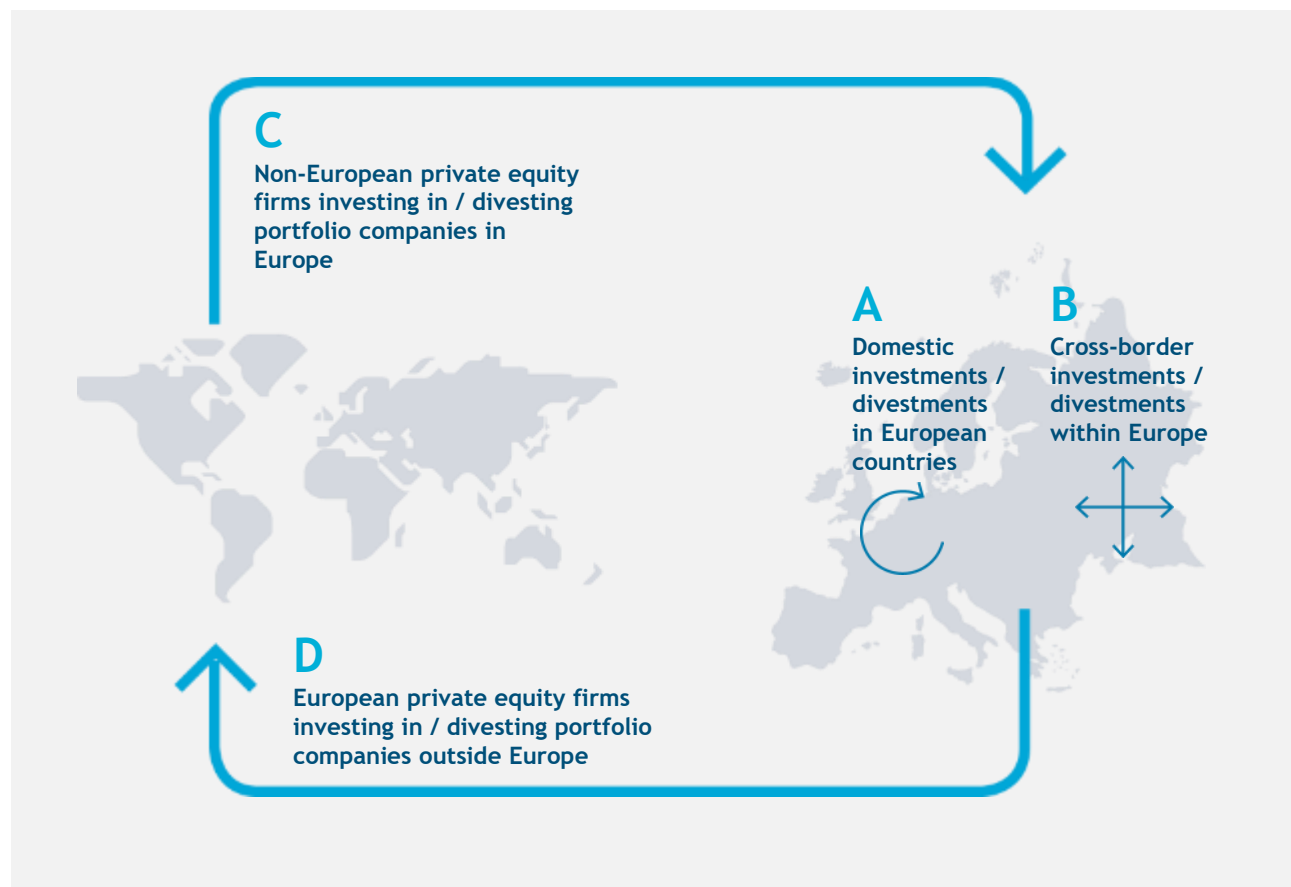
C Non-European private equity firms investing in / divesting portfolio companies in Europe

INDUSTRY STATISTICS

A Domestic investments / divestments in European countries

B Cross-border investments / divestments within Europe

D European private equity firms investing in / divesting portfolio companies outside Europe





TRANSACTION VALUE

ACKNOWLEDGEMENTS

Acknowledgements

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

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

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BVCA - Bulgaria	PSIK - Poland
BVCA - UK	ROPEA - Romania
BVK - Germany	SECA - Switzerland
CVCA - The Czech Republic	SVCA - Sweden
France Invest - France	

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Rigorous research has underpinned Invest Europe's work with policymakers, media, fund managers and other stakeholders since 1984. To deliver this robust, trusted research data and insight, Invest Europe collects data on more than 1,600 firms.

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