

RESEARCH

POSITIONED FOR THE CHALLENGE:  
**Capital Under Management  
& Dry Powder 2020**

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Statistics on European private equity funds

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#### Version

Presentation as of 27/01/2022

# 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](http://www.investeurope.eu)

# European Data Cooperative

What is the EDC?

The EDC is the **most comprehensive database** of European private equity 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 associations and other contributors across Europe.
- > The EDC platform is **jointly owned** and operated by the private equity 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 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 market data.

# European Data Cooperative

## What is the EDC?

### EuropeanDataCooperative

The EDC database brings together more than:

**3,700**

Firms

**10,200**

Funds

**83,000**

Portfolio companies

**308,000**

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. 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](http://www.investeurope.eu/research)) or by contacting the research team ([research@investeurope.eu](mailto: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](mailto:research@investeurope.eu) to find out more about how to use this service.

# What's inside?

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## SCOPE OF THE STUDY

The study aims to report on the evolution of overall Capital Under Management and Dry Powder levels for the private equity industry in Europe.

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

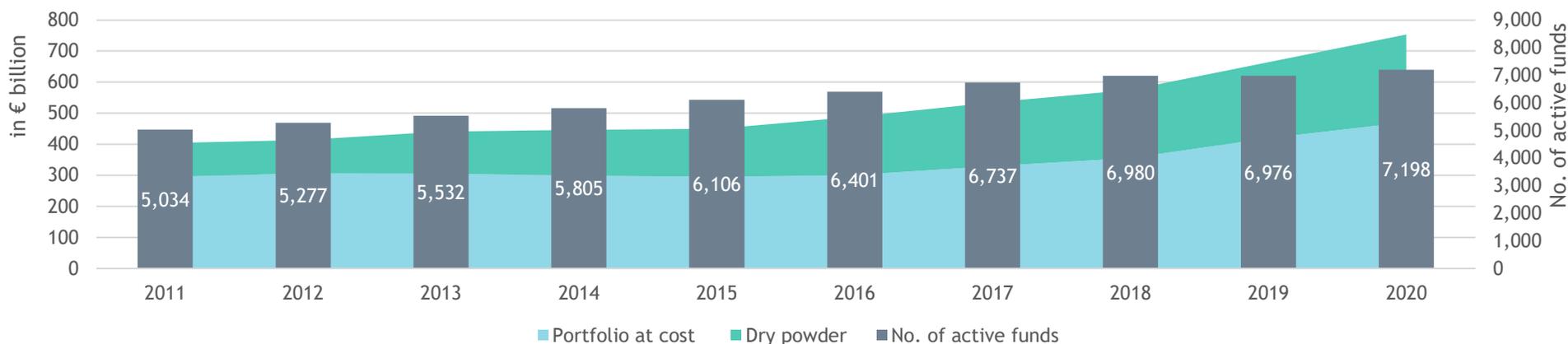
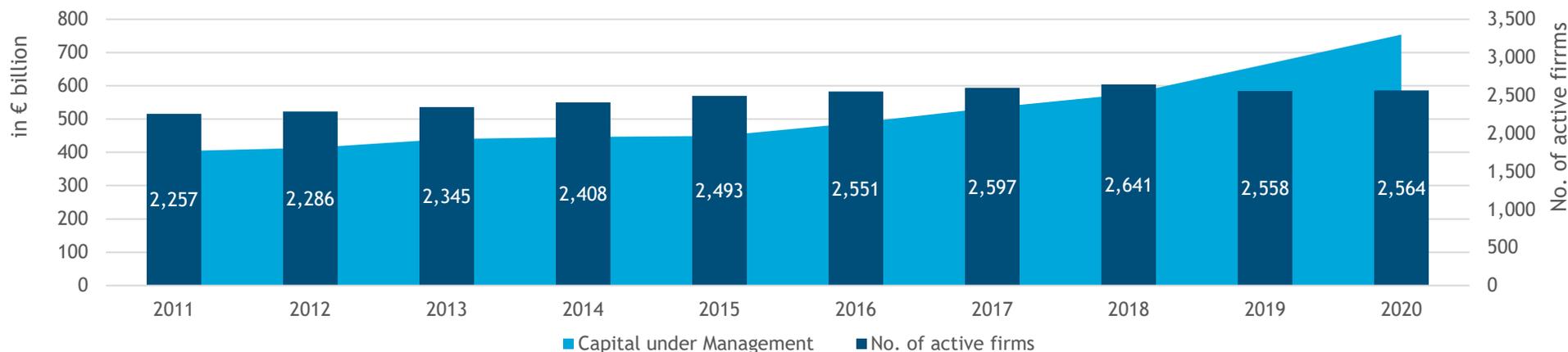
## BACKGROUND

This report joins a growing library of in-depth research that tracks private equity activity, as well as the industry's contribution to the European economy. Through this work, Invest Europe is shining a light not only on capital raised from investors and invested into companies, but also how those businesses are fuelling job creation, economic development and improvement in areas including ESG standards.

We are also demonstrating how fund managers are delivering returns to investors - the pension funds, insurers and other long-term investors that invest on behalf of Europe's pensioners and savers.

# Overview - Capital Under Management & Dry Powder in Europe

2011-2020 - Amount in € billion - Number of firms & funds



Source: Invest Europe / EDC

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# Executive summary

## Capital Under Management and Dry Powder analysis

Capital Under Management (CUM) reached €754bn in 2020, spread across 2,564 firms. €283bn of this constituted Dry Powder (DP), interestingly almost equivalent to the amount invested from 2018-2020, the remainder - €471bn - being Portfolio At Cost (PAC). The historical trend shows that from 2011 CUM has consistently grown year-on-year, seeing a maximum growth of 15% from 2018-2019 (and 13% from 2019-2020).

Within both DP and PAC, funds located in the UK & Ireland held the most amount of Capital (52% of respective totals) in 2020, with funds from France & BENELUX holding the next largest amount (25% & 24% of respective totals). From 2011-2020 the breakdown of PAC and DP by region has held roughly steady.

Buyout funds in Europe held the most amount of CUM of all fund stage focuses, with €187bn of DP and €299bn of PAC in 2020. The historical trend shows that this fund stage focus has held a minimum of 65% of DP and 63% of PAC for any given year. Generalist funds held the second largest amount of PAC in 2020 (€73bn), whilst in the case of DP this was Venture Capital funds (€39bn).

Source: Invest Europe / EDC

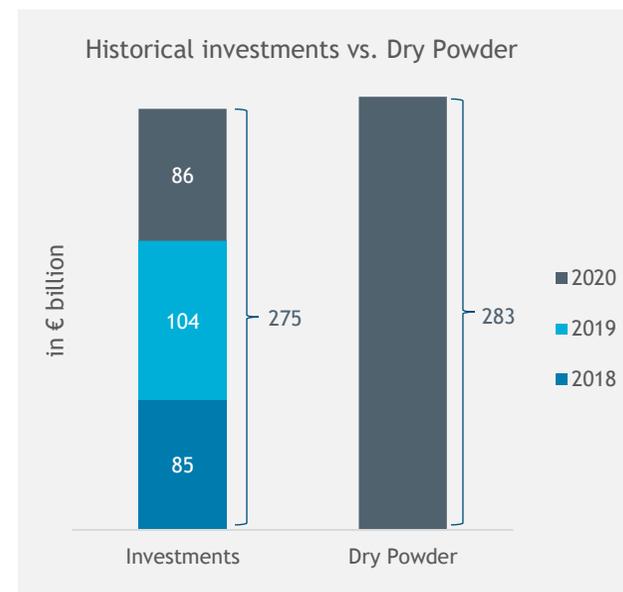
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Funds reaching final closing of size >€1bn within Buyout held the majority of Buyout CUM in 2020 (€282bn). Within other fund stage focuses, the distribution of CUM was more spread across several size ranges, the fund size ranges holding the largest amount of CUM per fund stage focus for the year being: €100-250m in Venture and Generalist, and >€1bn for Growth.

Funds with vintage years 2017-2020 that registered final closings held the majority of total DP for 2020: €185bn, or 85% of the total. Time taken for funds to see DP as a % of funds raised to date below 30% is roughly consistent across vintages studied: around 4-5 years. This time taken is similar for vintage years to reach their maximum PAC as % of funds raised to date.

Follow-on funds have historically held most DP & PAC when compared to First-time funds. In 2020 Follow-on funds held 89% of DP and 78% of PAC. In recent years, First-time funds have seen consistent growth in CUM, reaching a total of €134bn in 2020. Since 2011, 1,497 new First-time funds have entered the market.

Of Dry Powder held by funds in 2020, uncalled commitments\* coming from Pension funds were the largest contributor (29% of total DP for the year). They were followed by Fund of funds & other asset managers (18% of total DP for the year) and Family offices & private individuals (13% of total DP for the year). Sources of funds to DP in 2020 vary depending on both geography and fund stage focus.



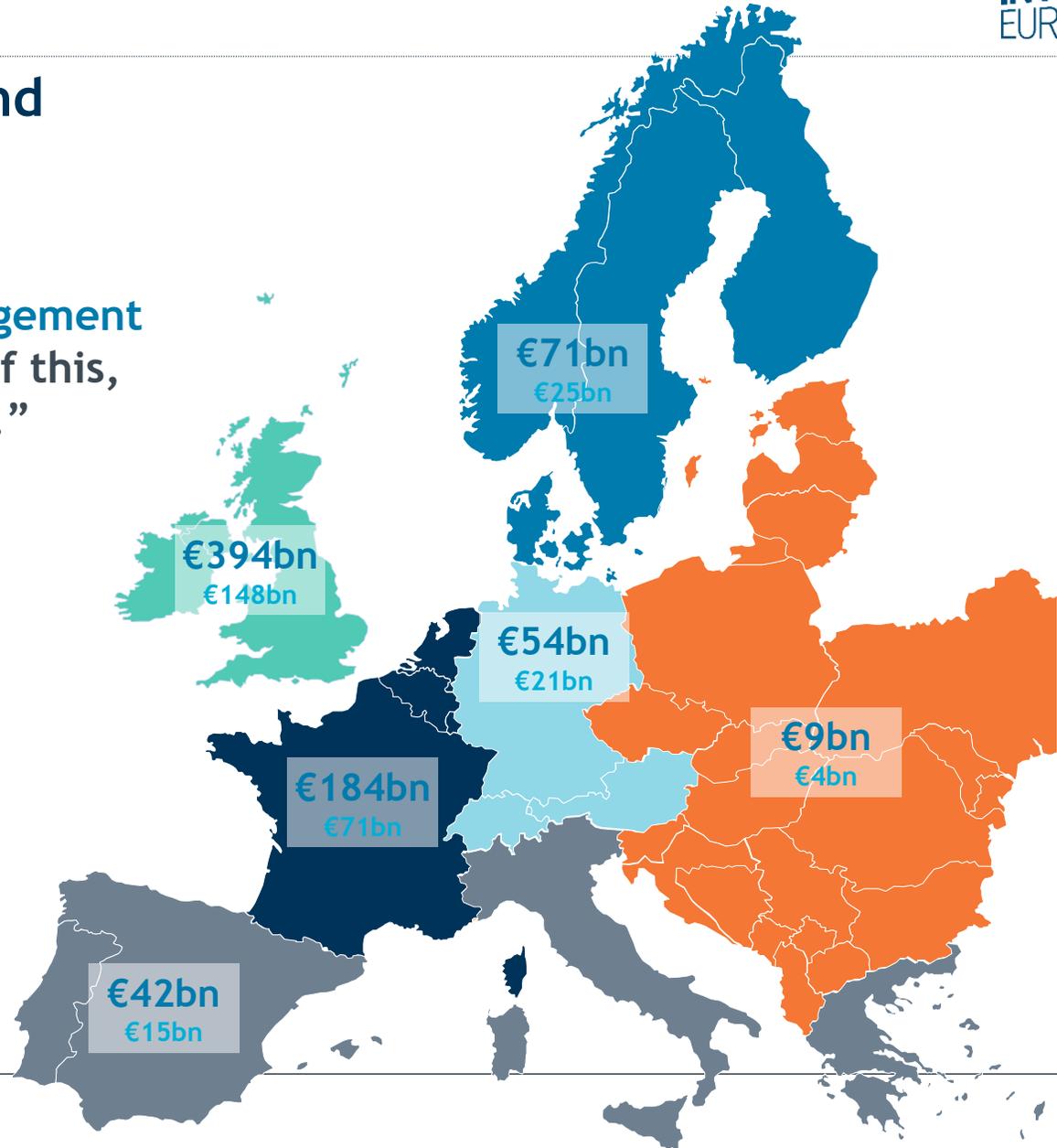
\* Often referred to as Dry Powder

## By the location of the fund

2020 - Amount in € billion

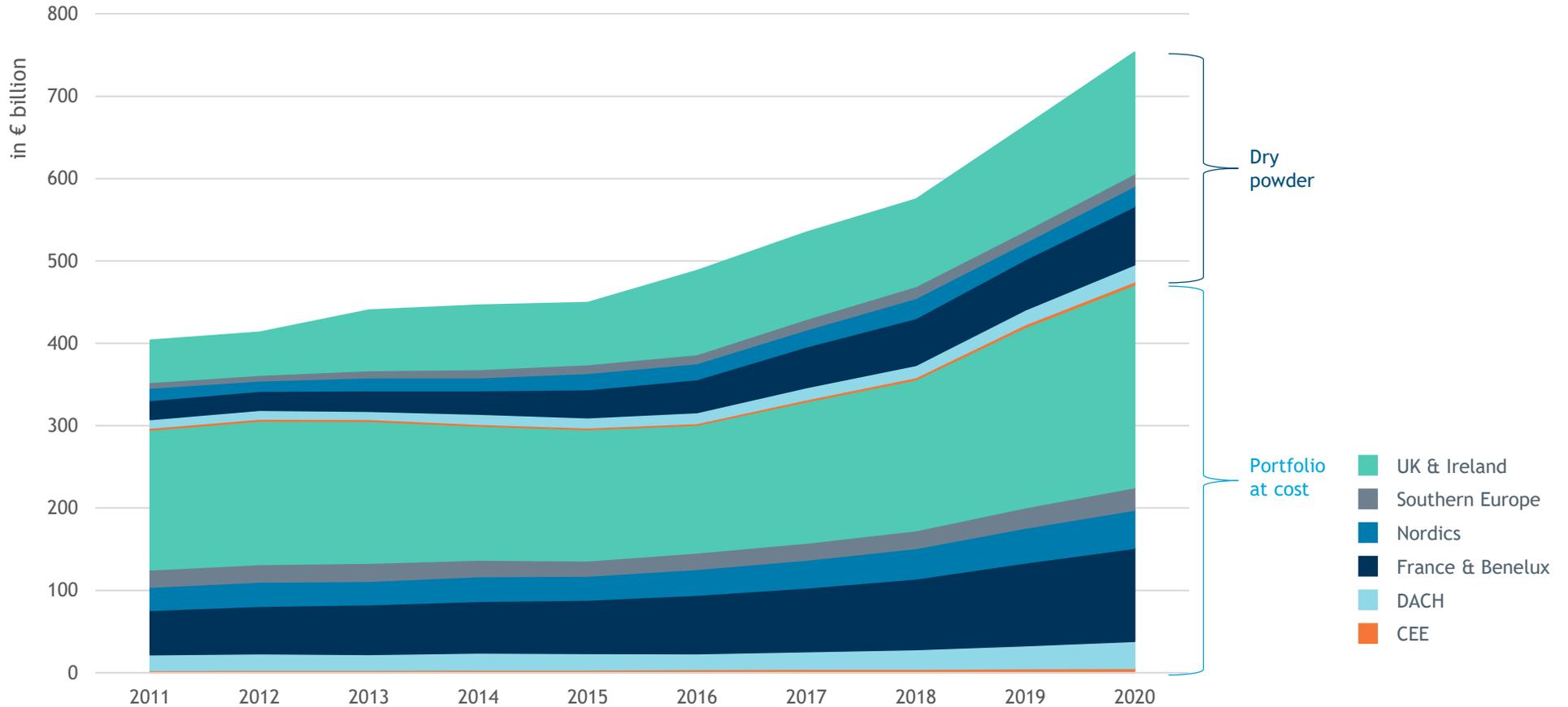
“In 2020, Capital Under Management in Europe totalled €754bn. Of this, €283bn was **Dry Powder.**”

**EUROPE**  
€754bn  
€283bn



# By the location of the fund

2011-2020 - Amount in € billion

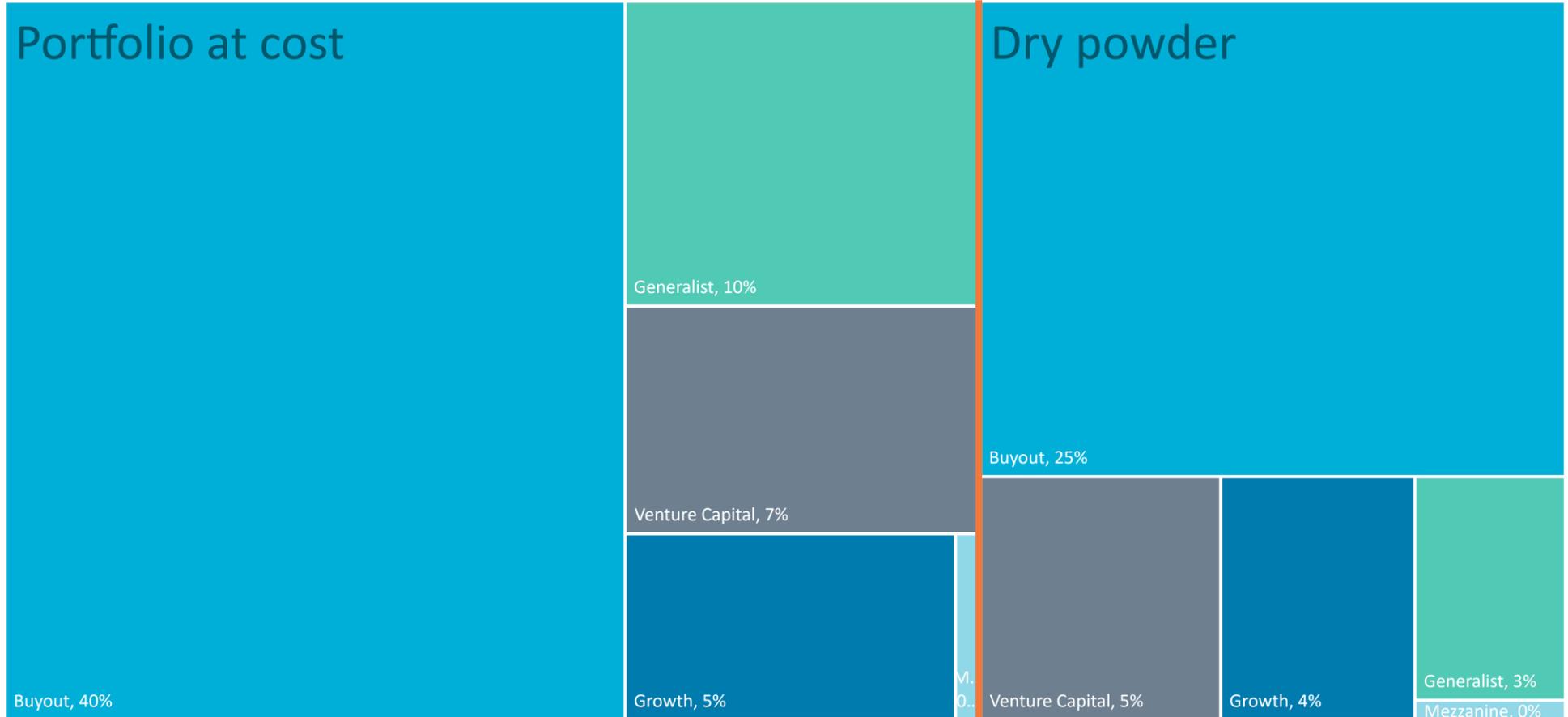


Source: Invest Europe / EDC

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

# By fund stage focus

2020 - % of amount in € billion

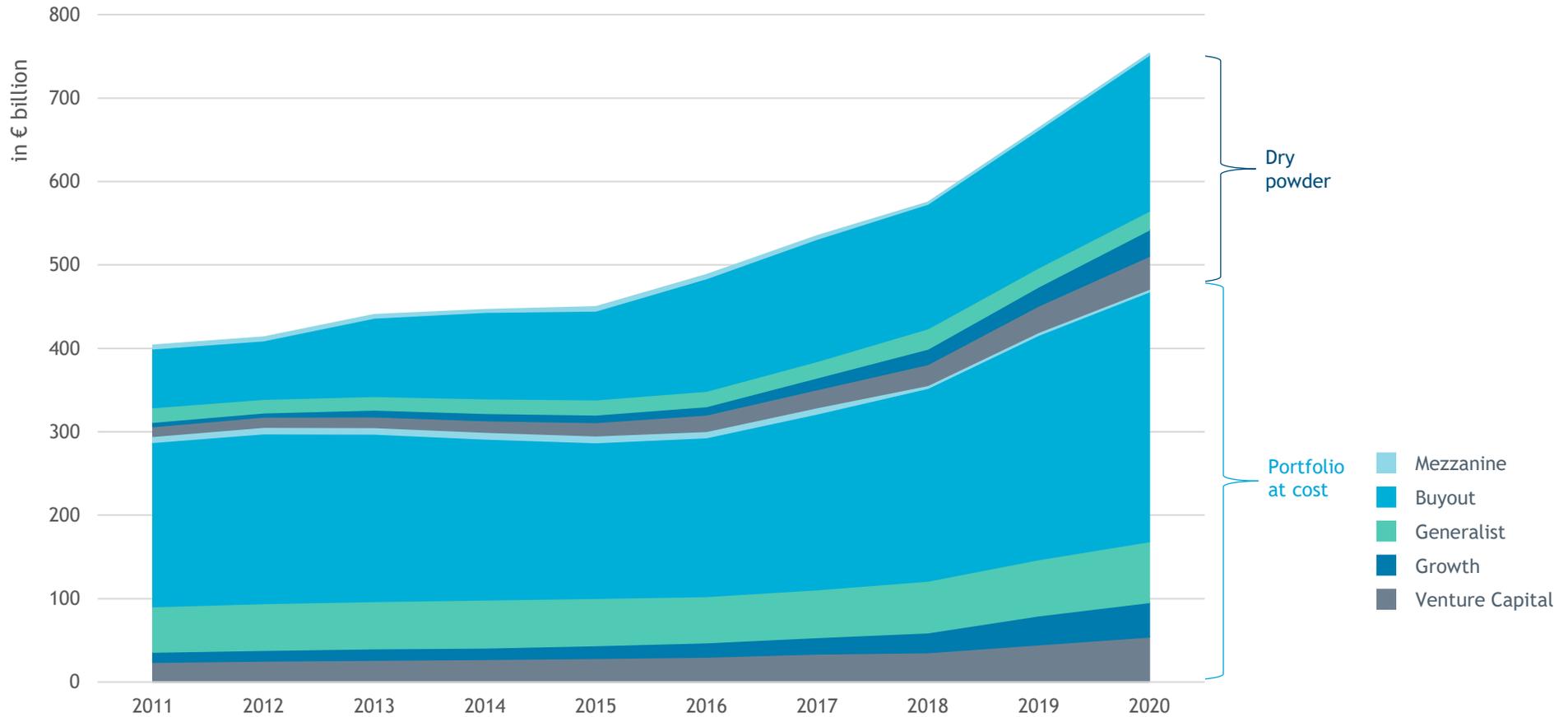


Source: Invest Europe / EDC

Note: the lightest blue colour in Portfolio at cost refers to Mezzanine, and is at 0%

# By fund stage focus

2011-2020 - Amount in € billion

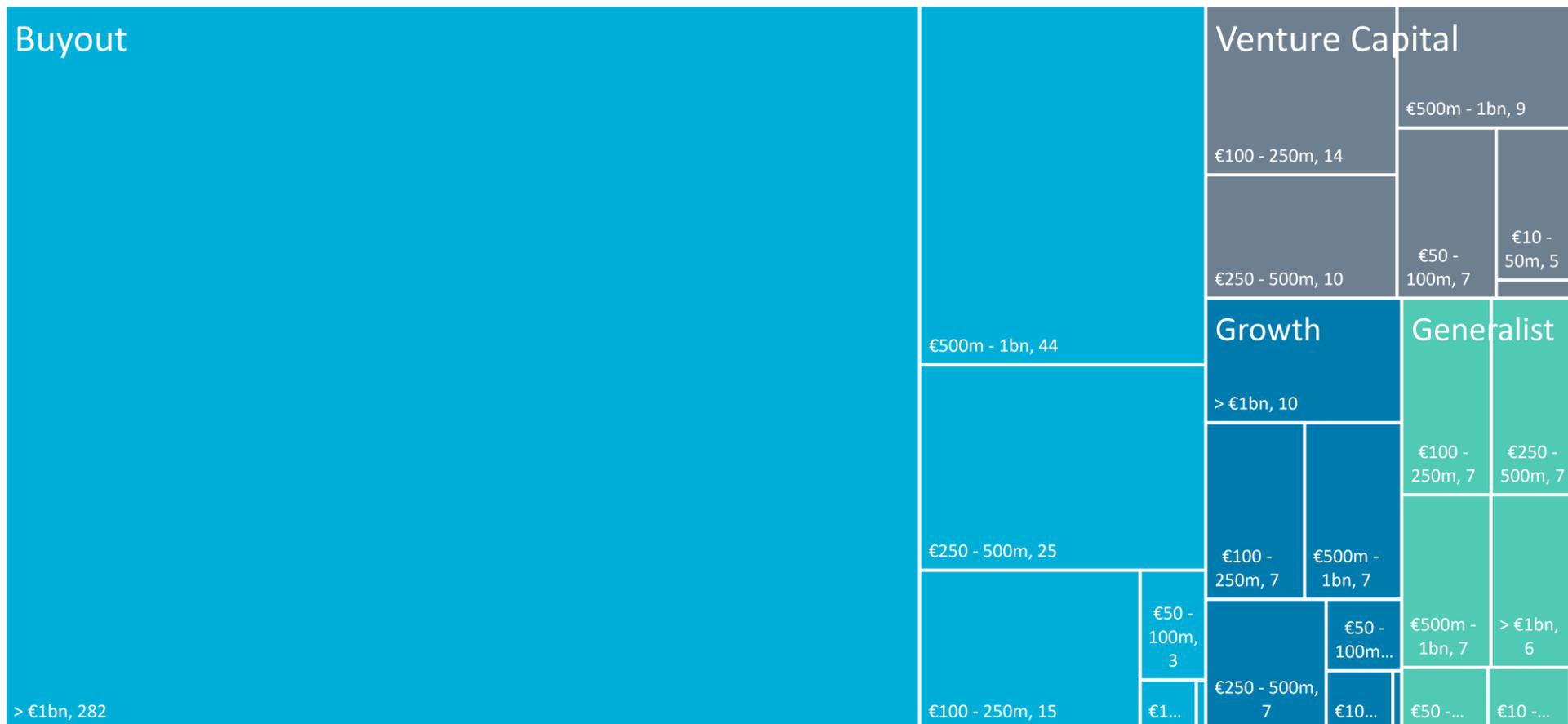


Source: Invest Europe / EDC

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# By fund size - Capital Under Management

2020 - Amount in € billion - Funds with final closings

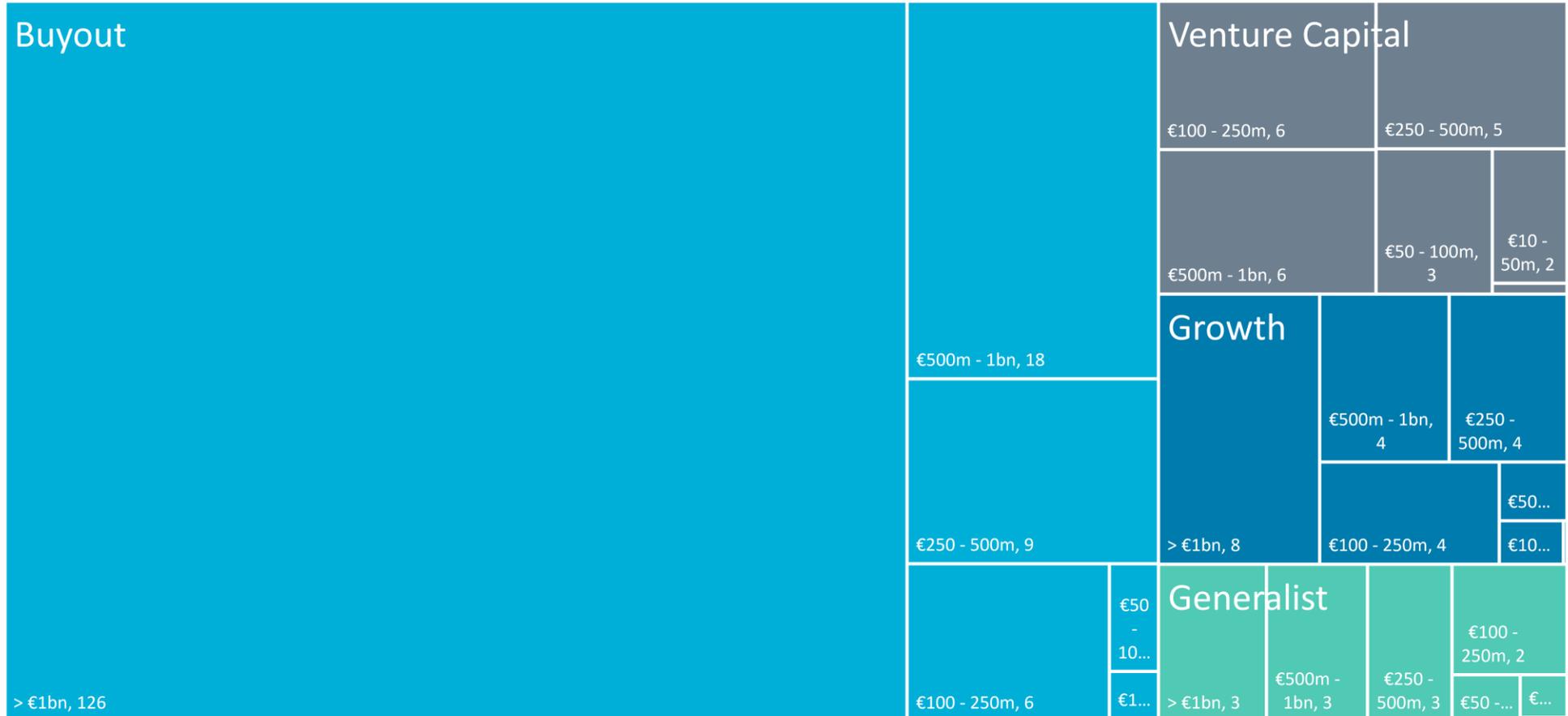


Source: Invest Europe / EDC

Note: unreadable squares refer to: Buyout (€50-100m = 3 & €10-50m = 1 & <€10m = 0); Venture (<€10m = 1); Growth (€50-100m = 2 & <€10m = 0); Generalist (€10-50m = 2 & <€10m = 0)

# By fund size - Dry Powder

2020 - Amount in € billion - Funds with final closings

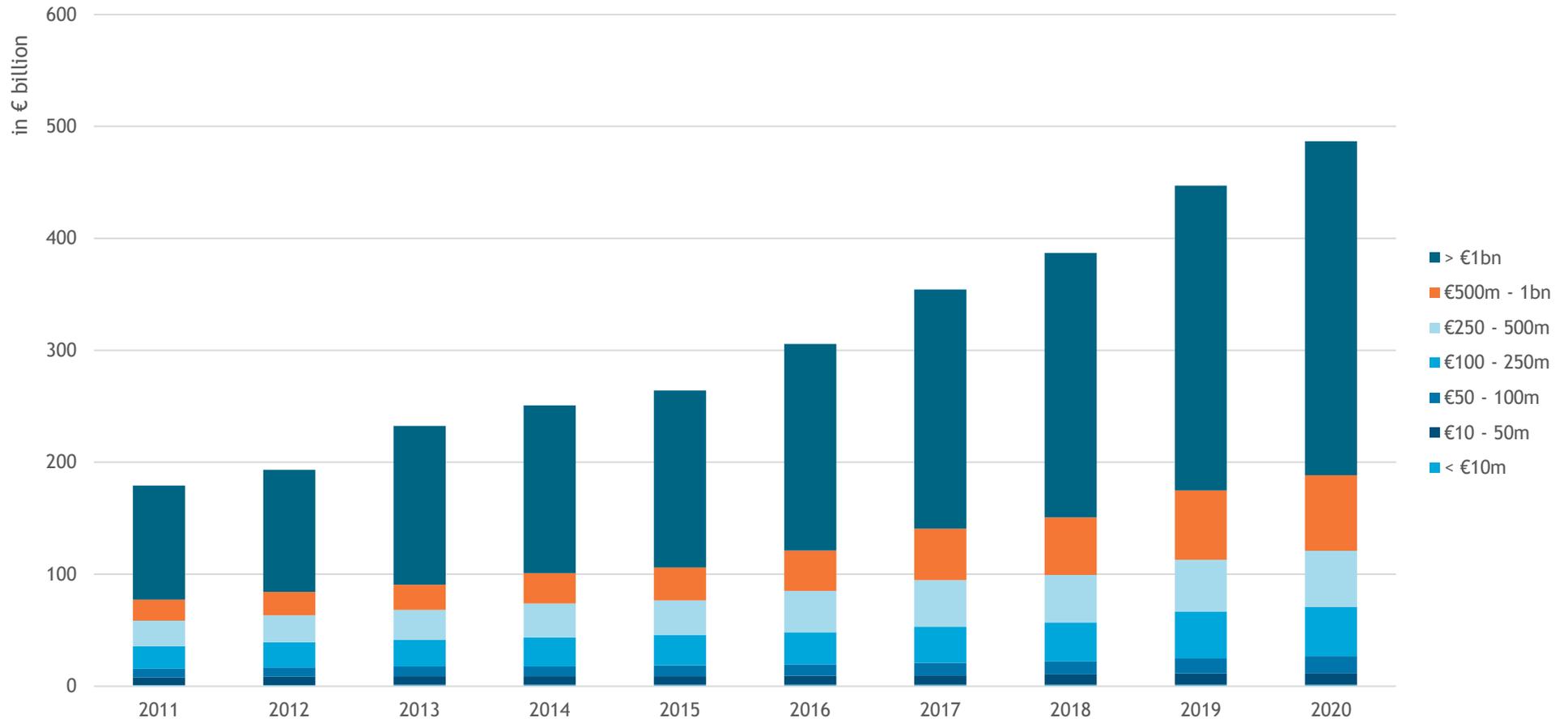


Source: Invest Europe / EDC

Note: unreadable squares refer to: Buyout (€50-100m = 1 & €10m-50m = 0); Venture (<€10m = 0); Growth (€10-50m = 0 & <€10m = 0); Generalist (€50-100m = 1 & €10-50m = 0 & <€10m = 0)

# Capital Under Management by fund size - all private equity funds

2011-2020 - Amount in € billion - Funds with final closings

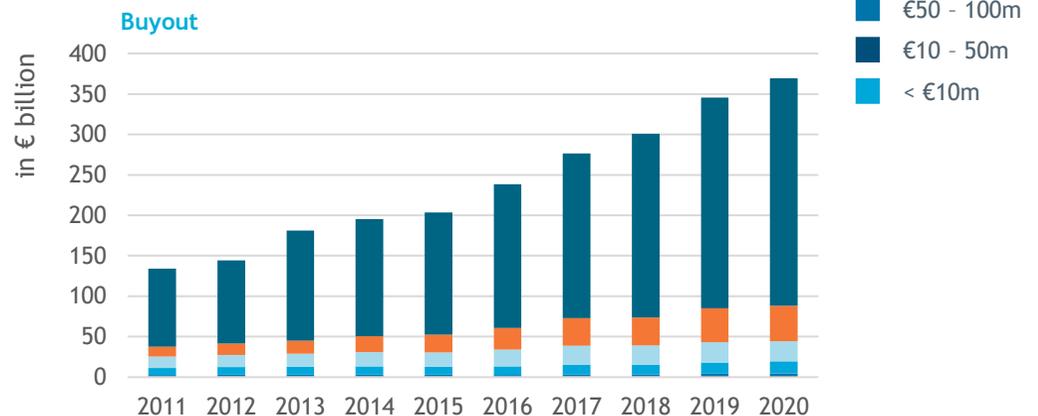
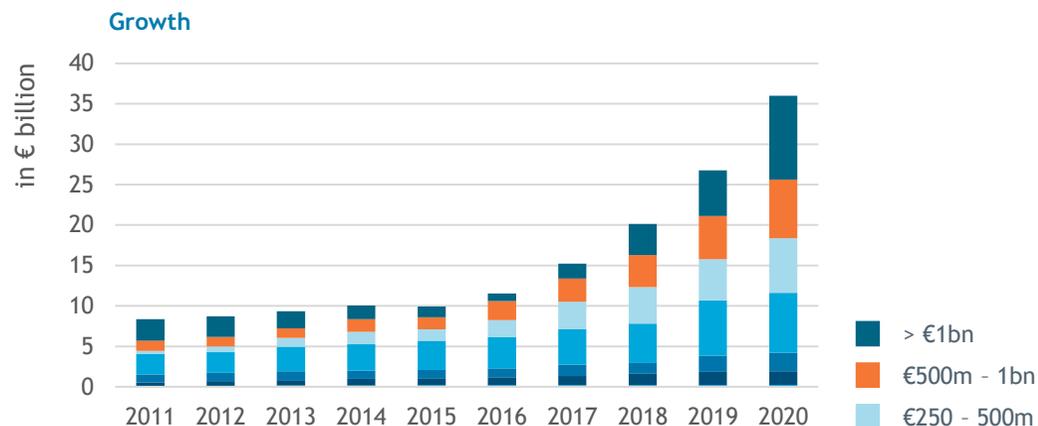


Source: Invest Europe / EDC

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# Capital Under Management by fund size - by fund focus

2011-2020 - Amount in € billion - Funds with final closings

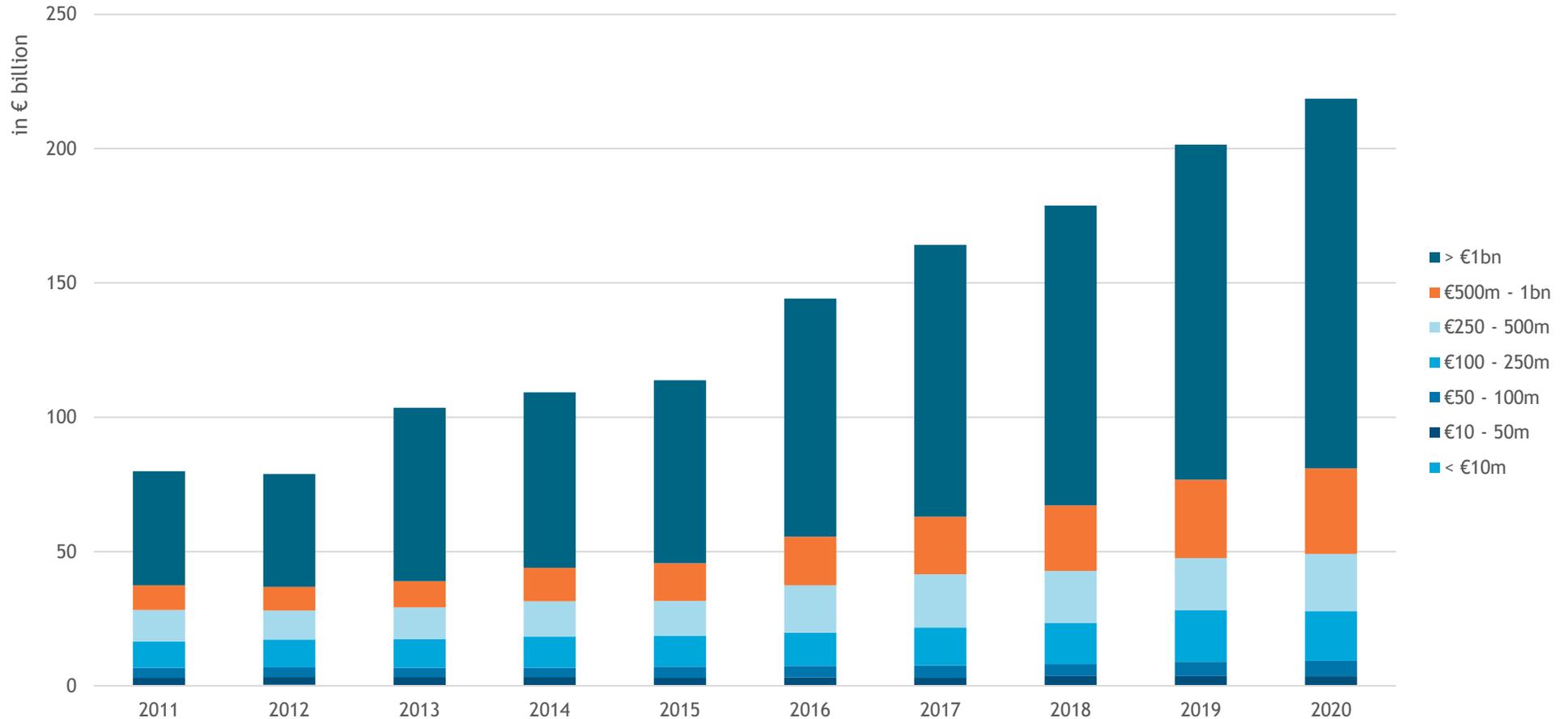


Source: Invest Europe / EDC

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# Dry Powder by fund size - all private equity funds

2011-2020 - Amount in € billion - Funds with final closings

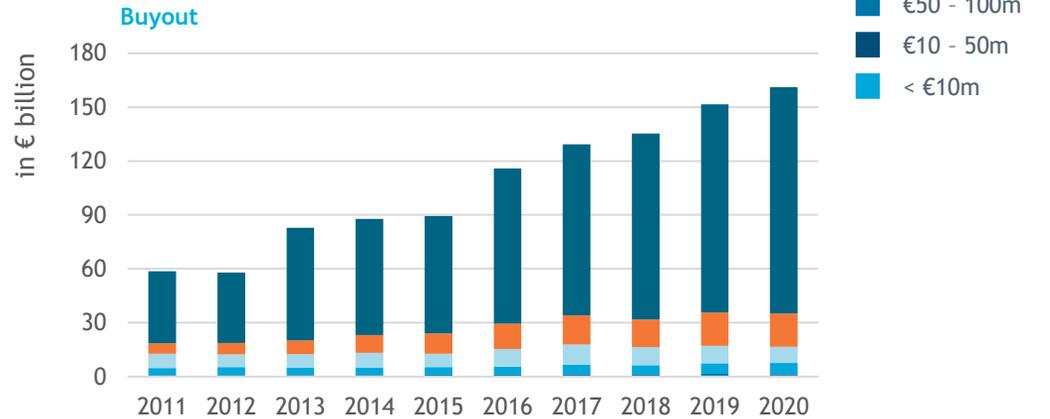
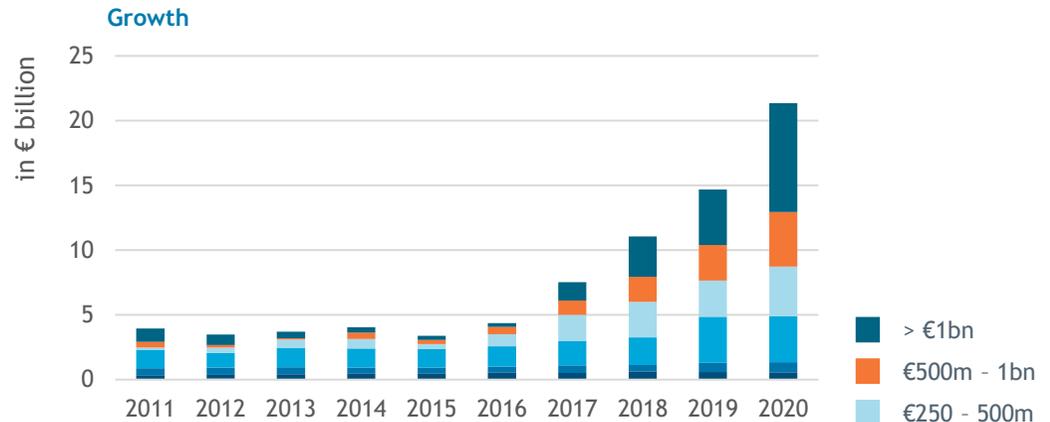
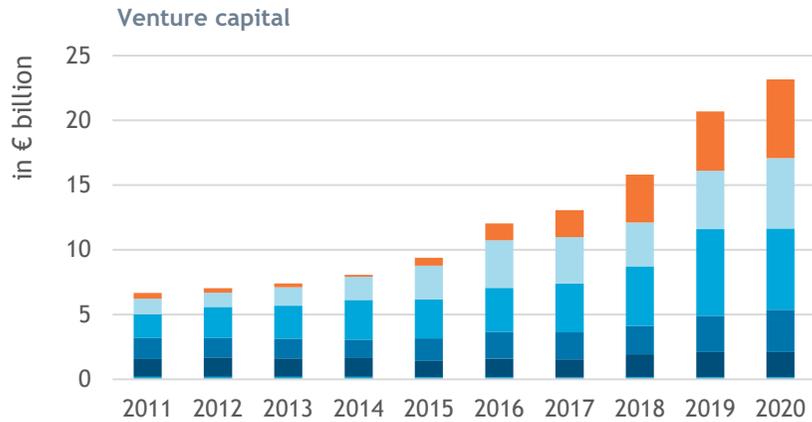


Source: Invest Europe / EDC

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# Dry Powder by fund size - by fund focus

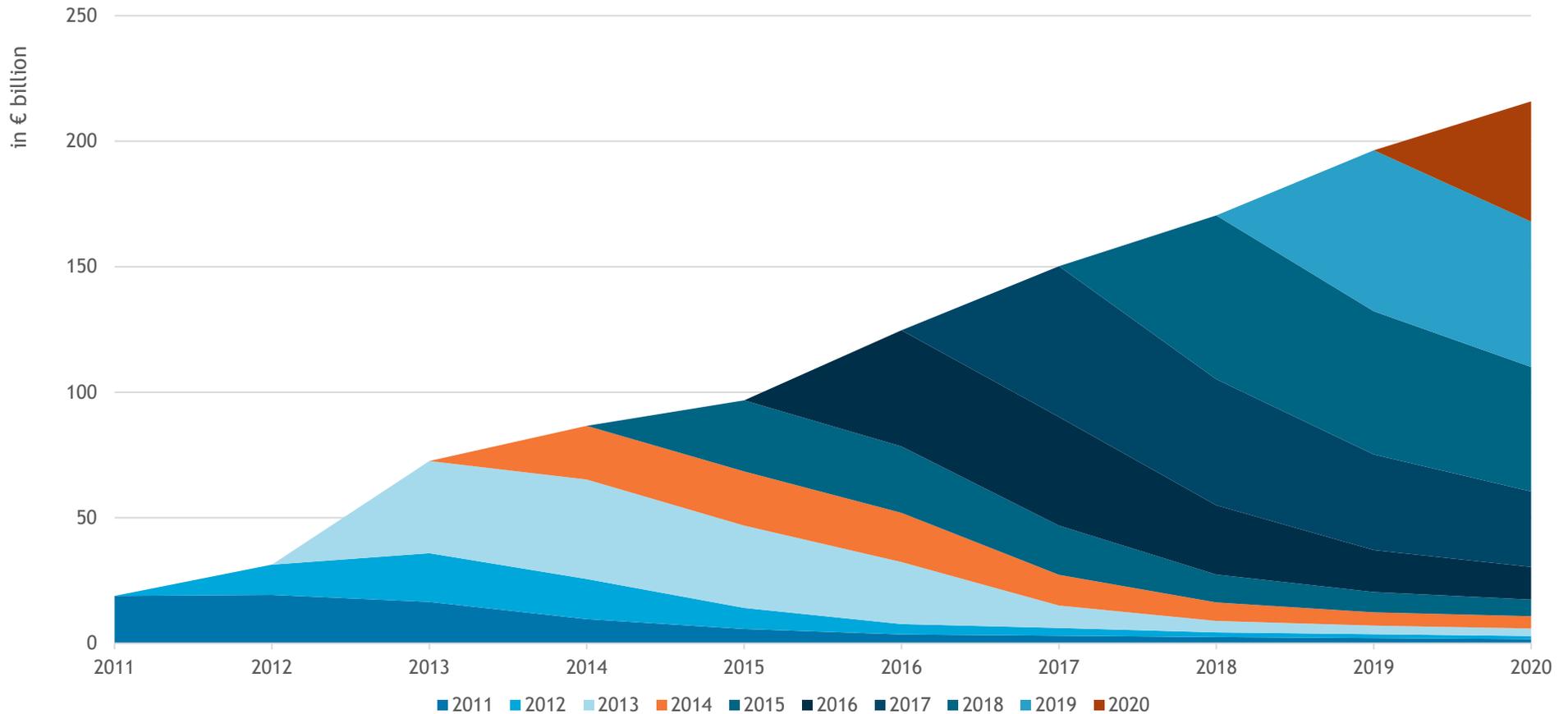
2011-2020 - Amount in € billion - Funds with final closings



Source: Invest Europe / EDC

# Dry Powder by vintage year

2011-2020 - Amount in € billion - All private equity funds with final closings, by vintage year

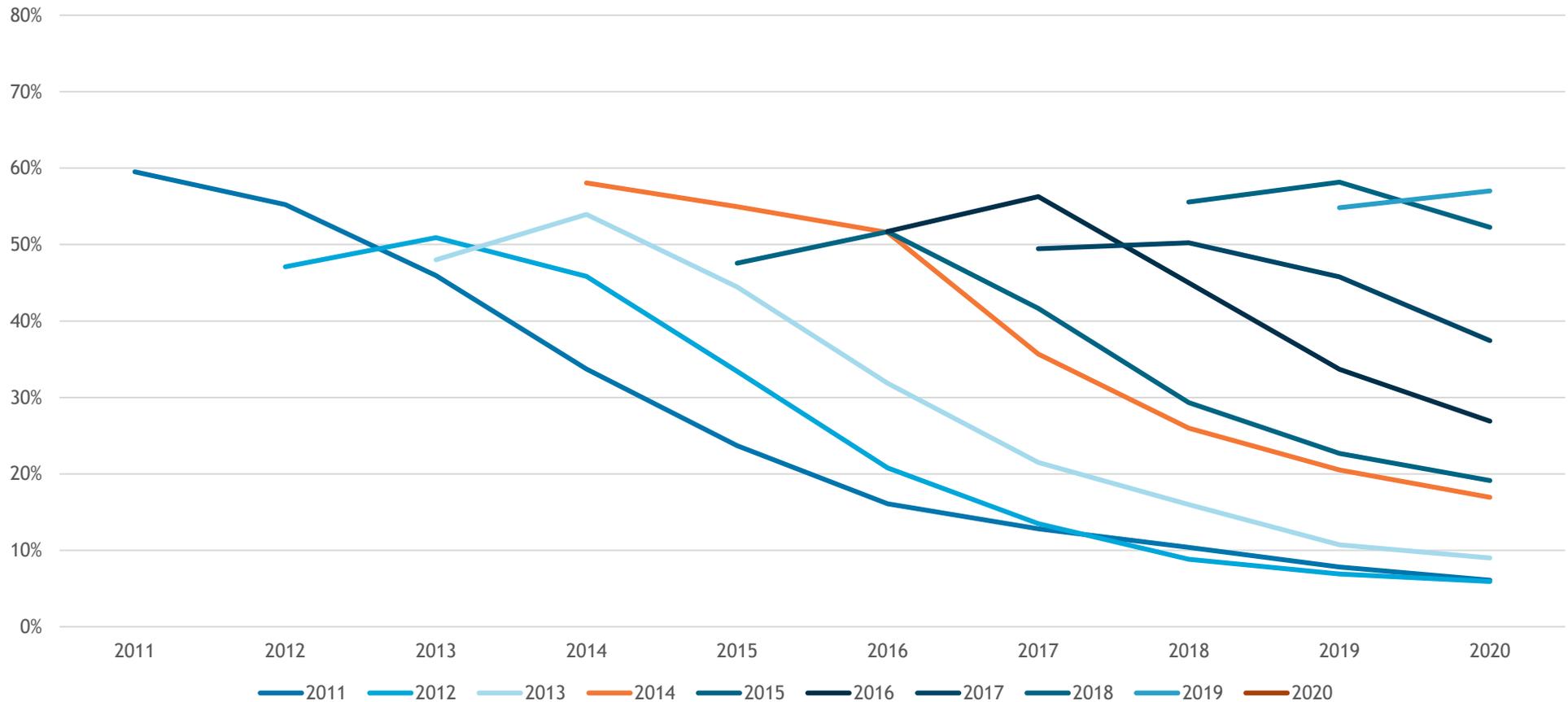


Source: Invest Europe / EDC

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# Dry Powder as % of total raised by fund to date

2011-2020 - All private equity funds with final closings, by vintage year

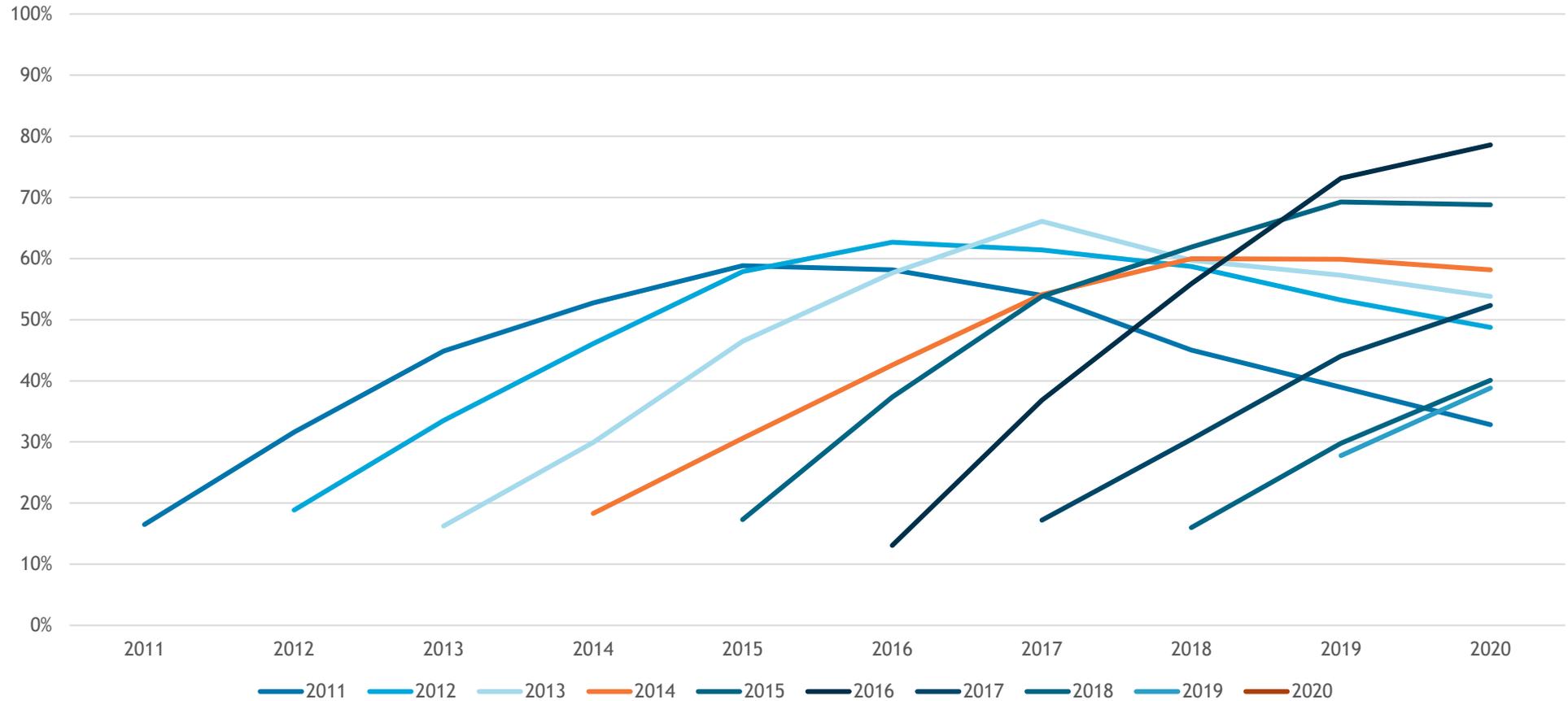


Source: Invest Europe / EDC

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# Portfolio At Cost as % of total raised by fund to date

2011-2020 - All private equity funds with final closings, by vintage year

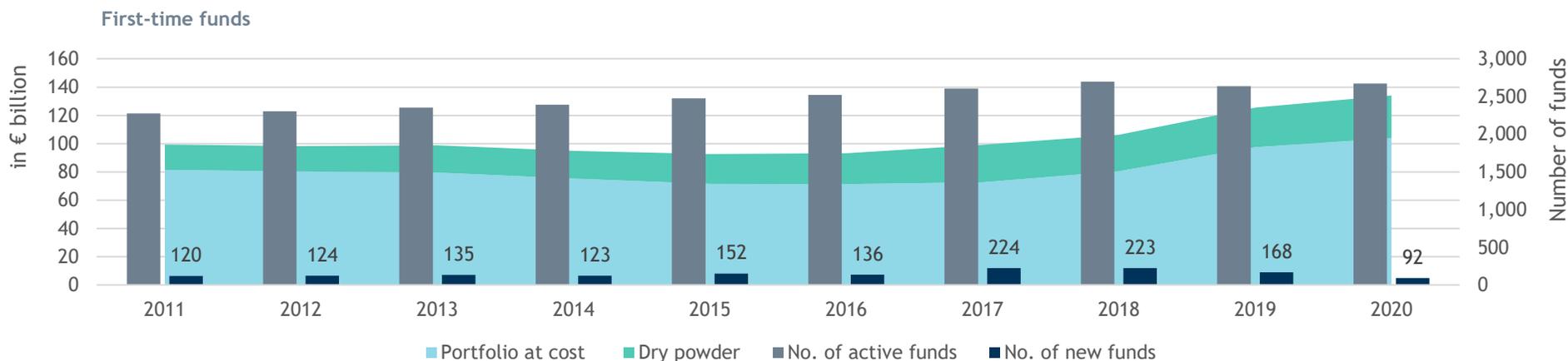
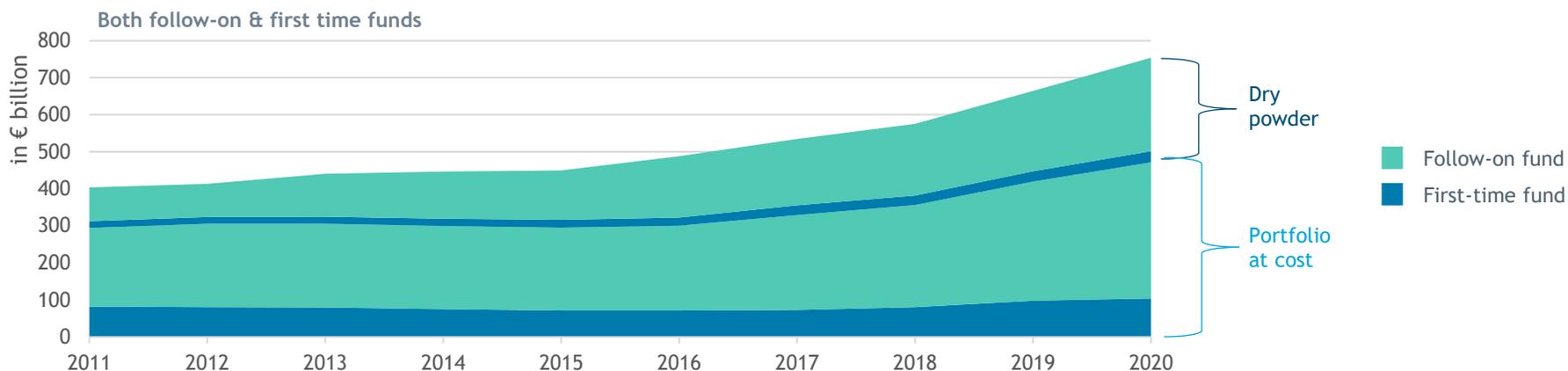


Source: Invest Europe / EDC

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# By fund experience (First-time / Follow-on funds)

2011-2020 - Amount in € billion & number of funds



Source: Invest Europe / EDC

# Uncalled commitments\* by investor type

2020 - % of total amount - All private equity funds with any fundraising closings

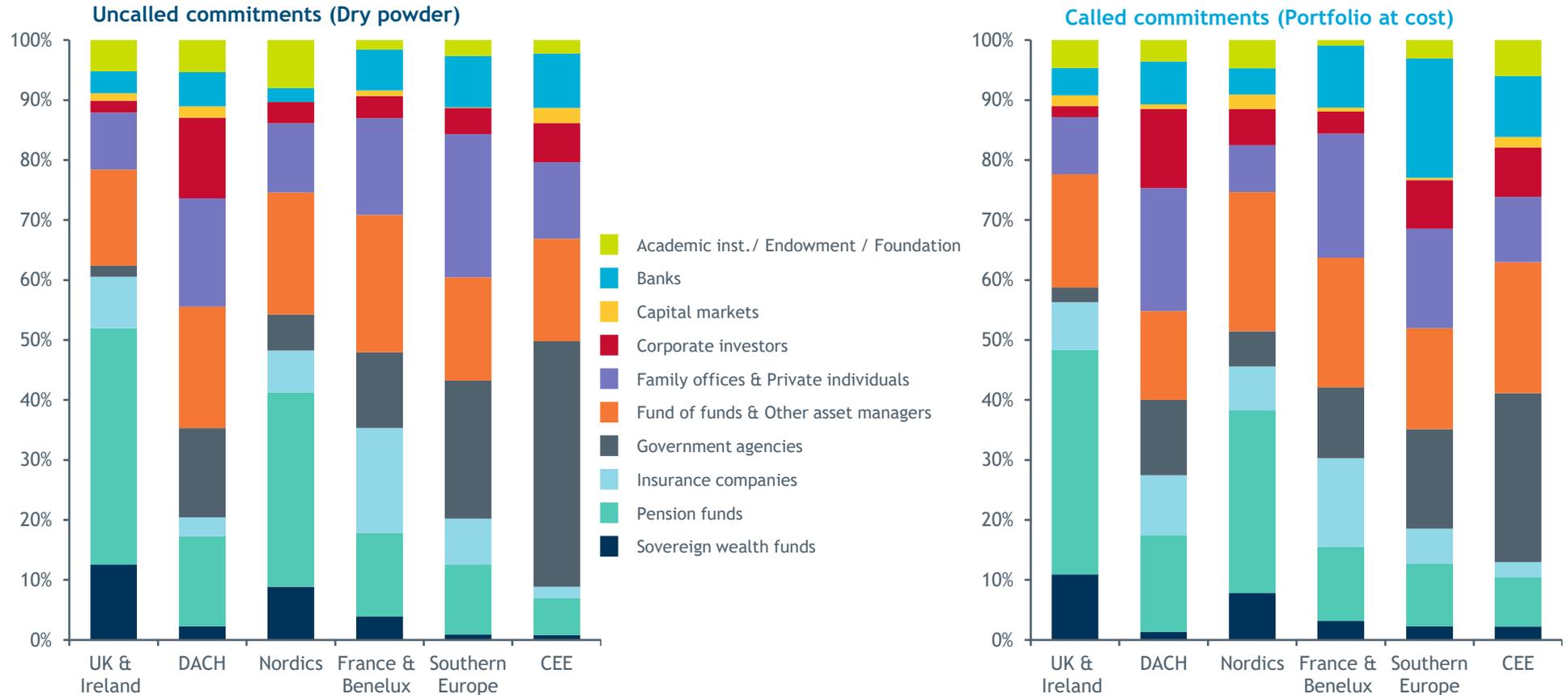


Source: Invest Europe / EDC

\* Often referred to as Dry Powder

# By region of management and investor type

2020 - % of total amount - All private equity funds with any fundraising closings

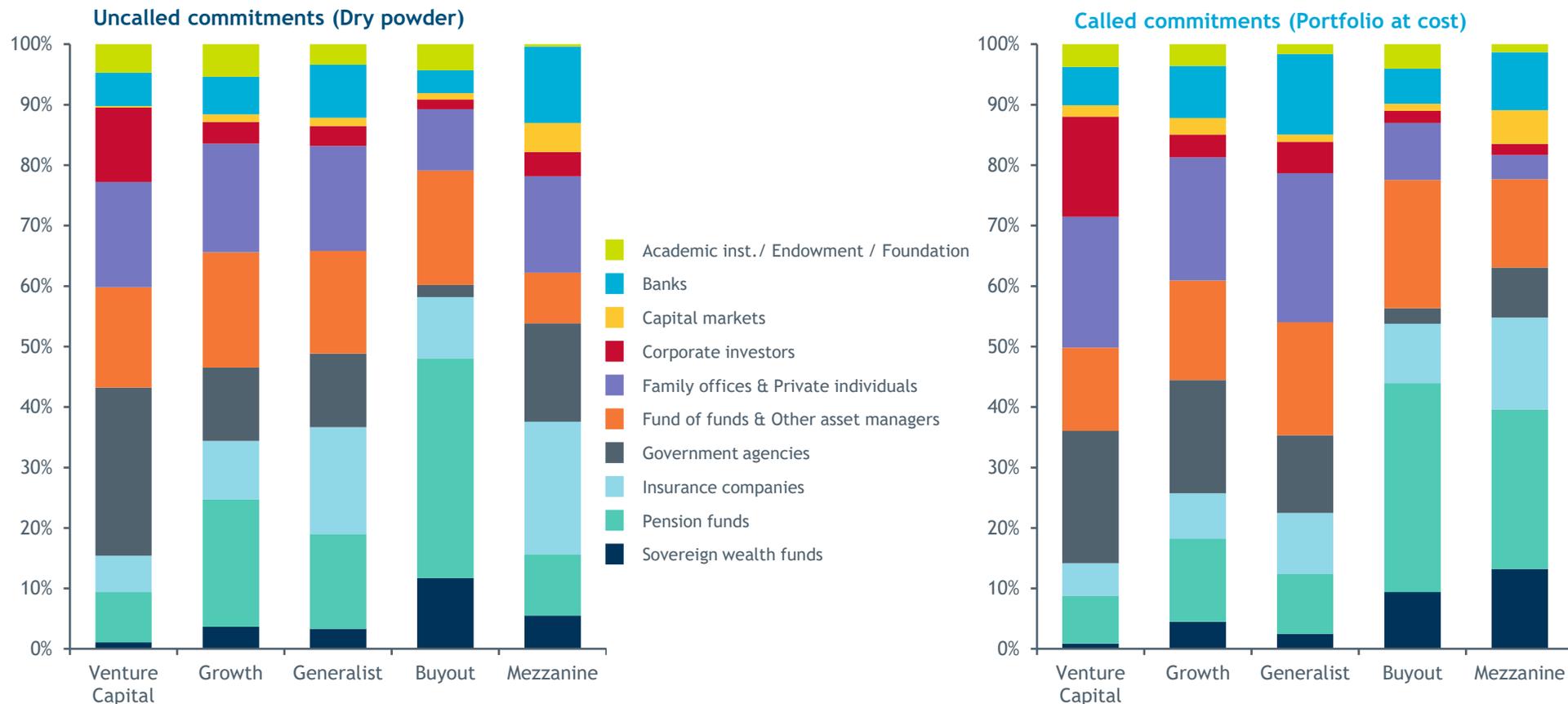


Source: Invest Europe / EDC

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# By fund stage focus and investor type

2020 - % of total amount - All private equity funds with any fundraising closings



Source: Invest Europe / EDC

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CAPITAL UNDER MANAGEMENT  
& DRY POWDER REPORT

# METHODOLOGY & GLOSSARY

# Methodology

## Capital Under Management & Dry Powder analysis

### STATISTICAL UNIVERSE

Only direct private equity\* funds that primarily focus on investments in Europe are monitored.

**3,224** no. of firms in dataset (2007-2020)

**9,975** no. of funds in dataset (2007-2020)

Data were analysed on the full historical trend available (2007-2019), in order to more accurately calculate information for the 2011-2020 trend shown in this presentation.

**European focus** This analysis considers all eligible funds of firms that are active on the European market. Only European capital under management has been considered. For private equity firms that are active globally or with offices outside Europe, only the capital under management related to their European activity has been taken into consideration.

**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.

### HISTORICAL DATA TREND RECONSTRUCTION

To preserve data consistency and a robust analysis over the years, we calculated or estimated data points when missing for certain funds and years following the below methodology.

#### Dry powder - 3 Scenarios

1. Without calculation if fully based on **submitted dry powder** data per fund.
2. With calculation based on **submitted fundraising and investment** data per fund. Dry powder historical data is estimated by adjusting the fundraising data with the investment amounts fund by fund.
3. With calculation based on **investment patterns** established by vintage on funds from scenario 1.

#### Portfolio at cost - 2 scenarios

1. With calculation based on **submitted investment and divestment** data per fund.
2. With calculation based on **estimated investment and/or divestment data**. Investment data being submitted or estimated thanks to the **dry powder sequence** (see above section) and divestment data being submitted or estimated thanks to an **average holding period per fund vintage year, fund stage focus and fund region** calculated on known transactions.

### ASSUMPTIONS

**Management fee:** Data is submitted excluding management fees. To avoid any over-estimation of the dry powder, a 10% correction coefficient on the total fundraising is deducted from the amount of dry powder when estimated.

### AUDIT & CONSISTENCY CHECK

**Capital under management at firm level:** Capital under management collected at firm level once a year by Invest Europe is used as audit metric to assess the accuracy of the dry powder and portfolio at cost data.

**Investment period:** Funds with more than 10% of dry powder out their total fundraising after the usual 5-year investment period are audited manually.

**Outliers:** Outlier values by country and by firm type are audited manually.

\* Private equity in this presentation encompasses: Buyout, Generalist, Growth, Mezzanine, and Venture Capital

# Glossary

## Capital Under Management & Dry Powder analysis

### DEFINITION

**Capital under management** is defined as the total amount of funds available to fund managers for future investments plus the amount of funds already invested (at cost) and not yet divested. Fees already paid to managers are excluded. Any future management fees are included.

**Dry powder** is defined as total amount of funds available to fund managers for future investments, including future management fees.

**Portfolio at cost** is defined as the total amount invested and not yet divested recorded 'at cost' (total amount divested will be equal to the total amount invested before).

**Fund vintage year** is defined in this report as the year of first closing of the fundraising process. If no record on fundraising, the year of first investment is considered.

**Fund country** is defined by the location of the investment or advisory team, not by the place of incorporation of the fund (fund domicile location).

**Follow on vs. First-time fund** The first fund of a certain investment focus raised by a GP is considered the first-time fund. All the other funds with the same fund stage focus that follow the first-time fund fundraising are considered follow-on funds.

### 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 its 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. The category may include private equity direct funds that occasionally do indirect investments but excludes fund of funds that are a standalone option.

**Sovereign wealth funds:** State-owned investment funds investing in foreign direct private equity funds to diversify their portfolio.

**Note:** In the presentation, percentages concerning the type of investor are based on known figures, therefore the implicit assumption is that data from funds with no information provided follow the same split as that of funds with information submitted.

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CAPITAL UNDER MANAGEMENT  
& DRY POWDER REPORT

# 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 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):

Active Owners Denmark - Denmark

AIFI - Italy

ASCRI - Spain

BVA - Belgium

BVCA - Bulgaria

BVCA - UK

BVK - Germany

CVCA - The Czech Republic

France Invest - France

FVCA - Finland

LPEA - Luxembourg

NVCA - Norway

NVP - The Netherlands

PSIK - Poland

ROPEA - Romania

SECA - Switzerland

SVCA - Sweden

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