

RESEARCH

INVESTING IN EUROPE: PRIVATE EQUITY ACTIVITY H1 2022

Statistics on Fundraising, Investments, & Divestments

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Version

Presentation as of 07/11/2022

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 27 employees in Brussels, Belgium.
- > For more information please visit www.investeurope.eu

European Data Cooperative

What is the EDC?

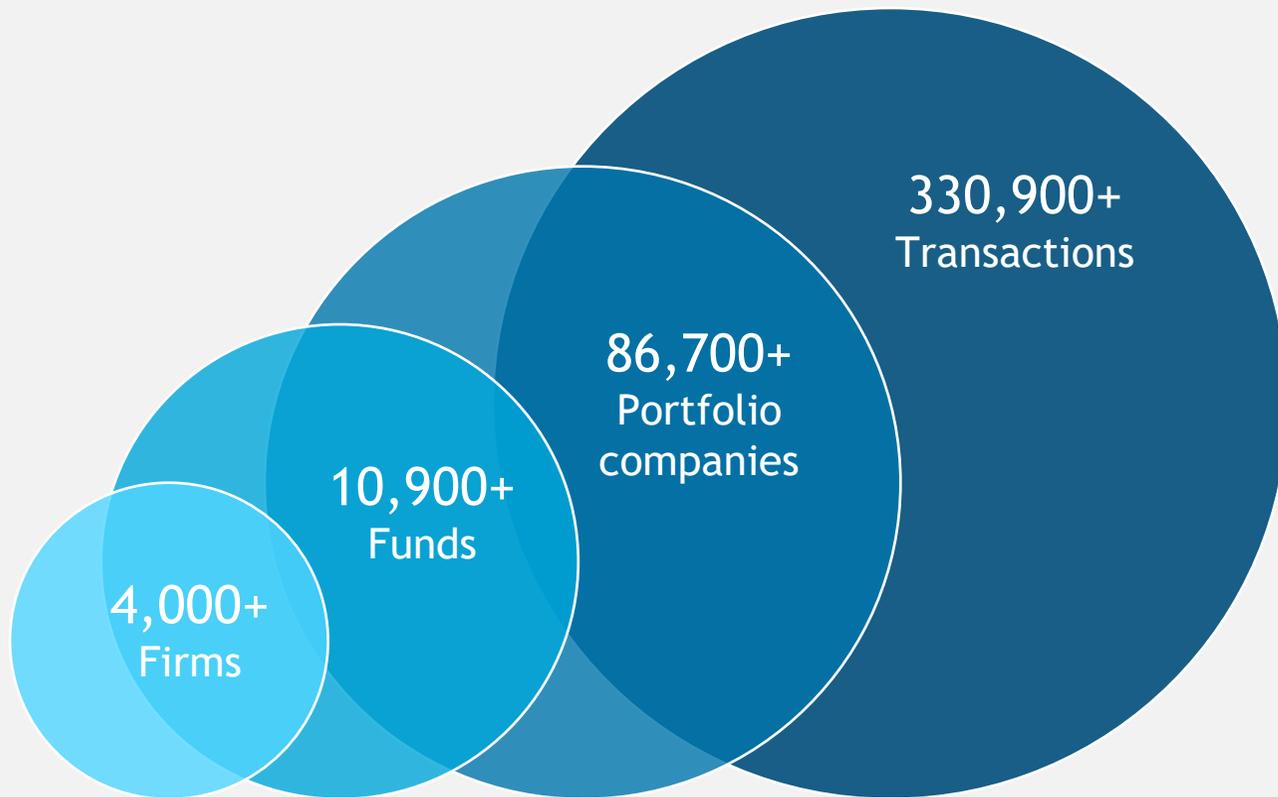
The EDC is the **most comprehensive database** of European private equity and venture capital statistics

- > The European Data Cooperative (EDC) is a joint initiative which is owned & operated by Invest Europe and its national association partners to collect Europe-wide private equity and venture capital industry data.
- > The EDC serves as a single data entry point for members of private equity and venture capital associations and other contributors across the continent.
- > Using one platform with a standardised methodology allows us to have consistent, robust pan-European statistics that are comparable across the region.
- > Audit efforts are conducted in close coordination with data contributors and partnering national associations to ensure the best coverage and consistent application of methodology
- > 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.
- > Invest Europe processes all available information at the time of the data collection cut-off to produce its annual statistics. Any differences between Invest Europe's statistics and those of other associations partnering in the EDC may be related to different reporting approaches, restatements and timing of data collection cut-offs.
- > The most recent data publications are always available on Invest Europe's website (www.investeurope.eu/research) or by contacting the research team (research@investeurope.eu).
- > Invest Europe members and data contributors are eligible to receive dedicated research and data support from our research team. Please contact us at research@investeurope.eu to find out more about how to use this service.

European Data Cooperative

What is the EDC?

EuropeanDataCooperative



1,250+

fund managers across
Europe contributed to 2021
Annual data collection
effort

91%

of the €754bn in capital
under management in
Europe covered (as of end-2020)

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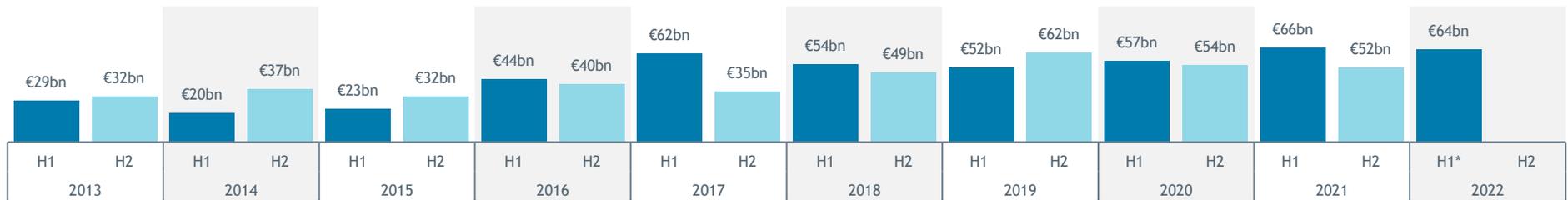
MARKET STATISTICS

BY INITIAL INVESTMENT STAGE	29
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Overview - All Private Equity - Fundraising, Investments, & Divestments

Time series - Market statistics - Amount

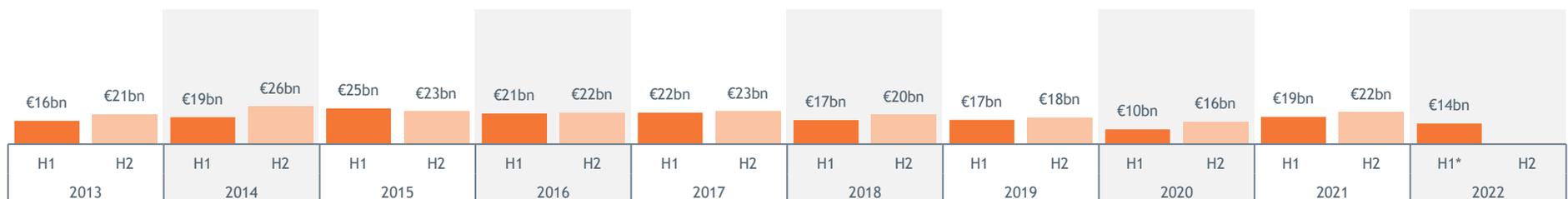
FUNDRAISING



INVESTMENTS



DIVESTMENTS



Source: Invest Europe / EDC

* Data is preliminary and subject to change

Executive summary

FUNDRAISING

Preliminary H1 2022 fundraising figures for Europe reached €64.5bn. This is close to H1 2021's record figure - for the past decade - of €66.0bn, and 19% above the average for any half year period over the past five years.

This year saw 382 funds completing a fundraising during the six months. This is a slight dip compared to the average for the past five years, due principally to strong fundraising from H2 2020 - H2 2021.

Venture fundraising reached €9.9bn. This is the highest level recorded in any half year period over the past ten years, and 34% above the average for the previous five years.

Buyout fundraising in H1 2022 reached €42.0bn, 16% above the average raised for all half year periods during the past five years. Over the past decade this level of fundraising is the fourth highest level seen in any half year period.

Growth funds raised €9.3bn in H1 2022. This is a 23% increase from H1 2021, and 40% above the average amount raised for any period in the previous five years.

INVESTMENTS

Preliminary figures show that €56.8bn of equity was invested into European companies throughout H1 2022. This is a drop from H1 2021's revised figure, but 16% above the average amount invested over all half year periods in the previous five years.

Venture Capital investments saw their second highest levels for the past decade: €10.5bn. ICT remains the key sector for Venture investments, receiving 49% of the total.

Buyout investments reached €30.8bn for the first half of 2022. This is a slight reduction from H1 2021's revised figure of €33.5bn, and in line with the average for the past five years. Levels of investment seen this half year do fall within a range whereby 2022 full yearly investment levels could land in line with or above those seen in the recent past. ICT, at 32% of the total, accounted for most investments, followed by Consumer goods & services (21%).

Growth investments reached €15.0bn in H1 2022. This, excluding investment in 2021, is the highest level seen in the past decade. ICT remains the sector attracting the most Growth investments (41% of total) followed by Consumer goods & services (12%).

DIVESTMENTS

Divestments at cost* for H1 2022 reached €14.3bn. This is below the majority of figures seen in the past decade, and may represent the decision of GPs to support companies through the uncertain economic times of this first half of 2022.

Relative importance of divestment exit routes remained roughly similar to that seen over the recent years: trade sale and sale to another private equity firm remaining the most common divestment routes, together totalling 77% of the amount at cost divested within H1 2022.

According to initial investment stage** of the divested companies: Venture stage divestments totalled €1.7bn, the highest level in the past decade; Buyout stage divestments totalled €9.6bn; And, finally, Growth stage investments totalled €2.9bn.

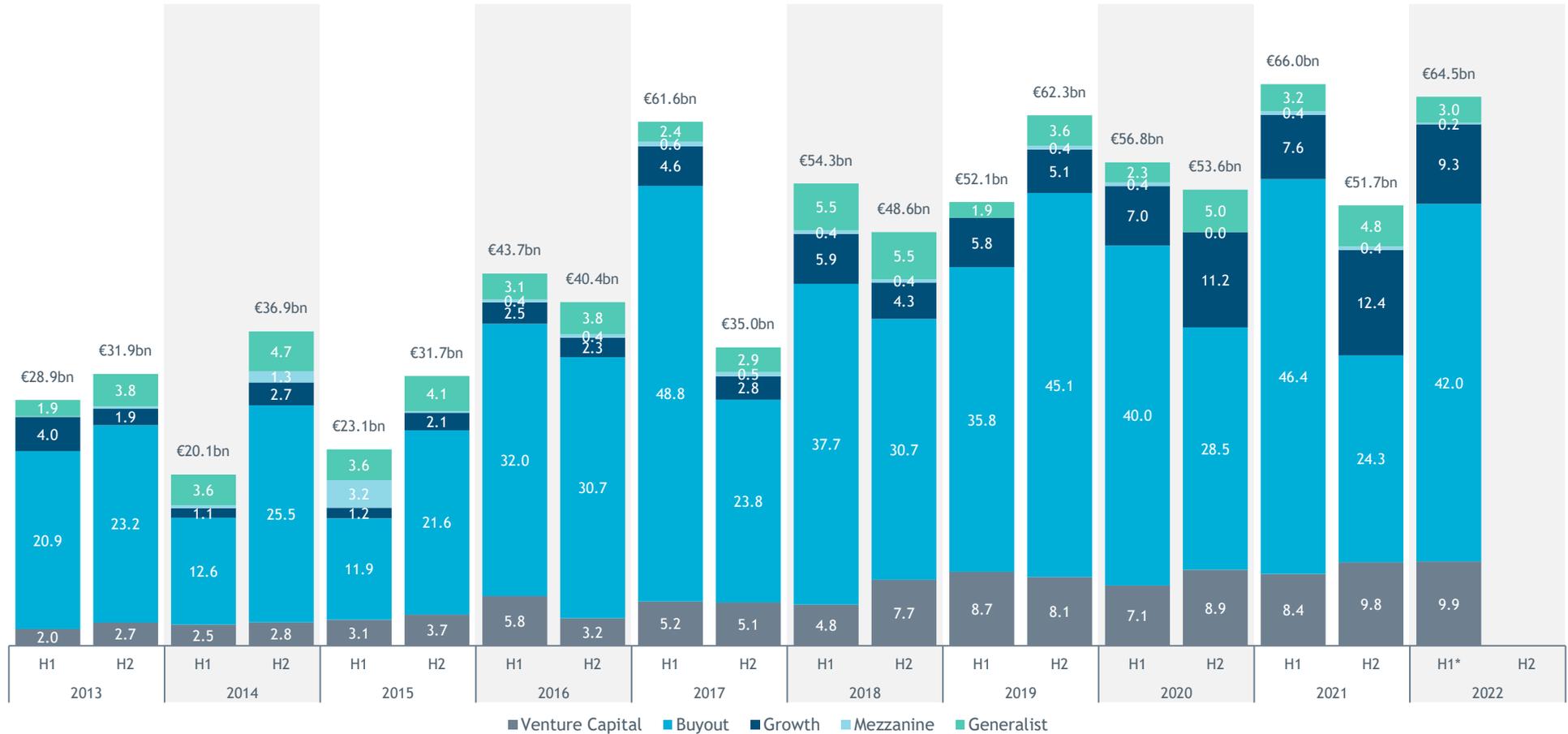
* Meaning total amount divested is equal to total amount invested before
** Divested companies categorised by the stage they were at when initially invested

ACTIVITY H1 2022

FUNDRAISING

All Private Equity - Funds raised by fund stage focus

Time series - Incremental amount raised during the year

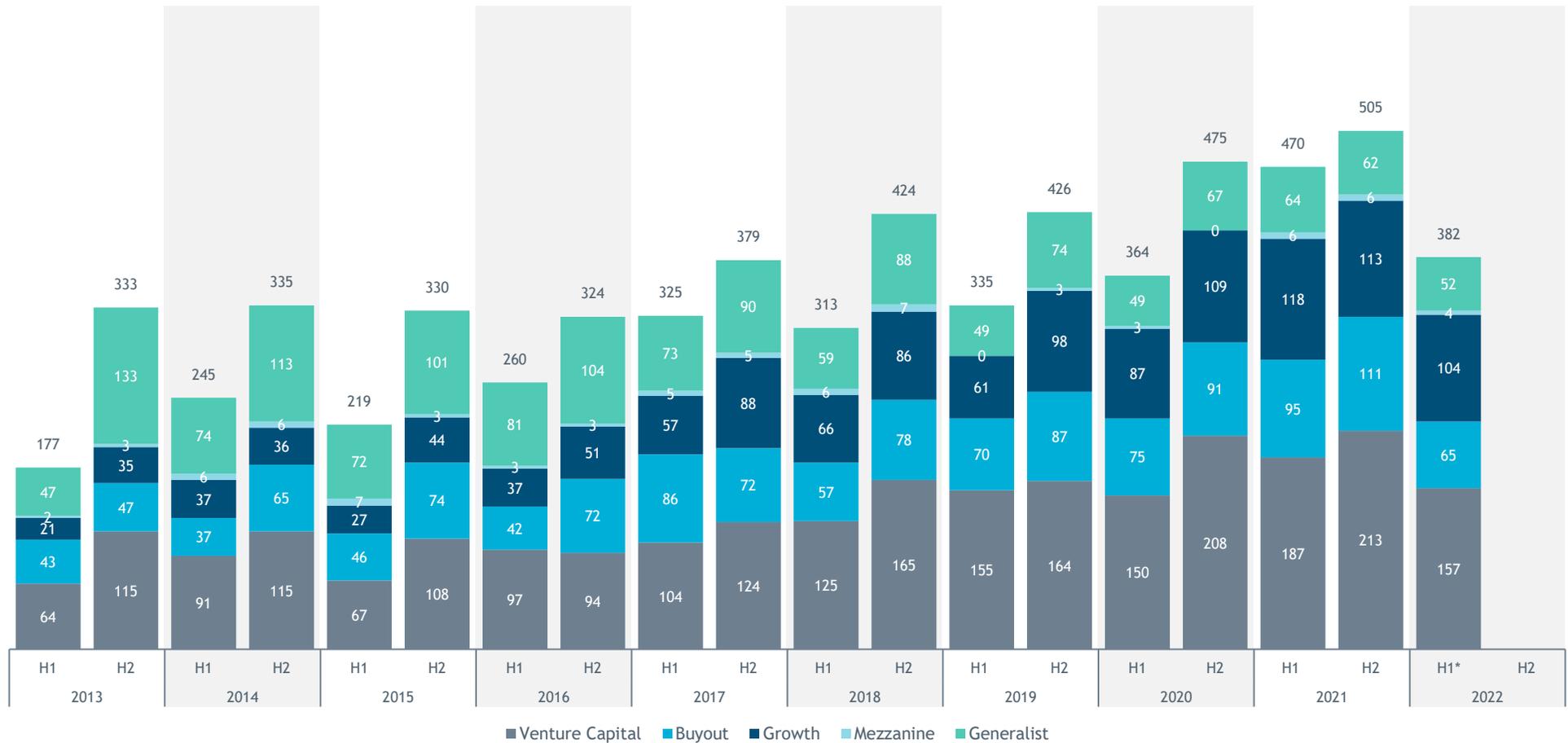


Source: Invest Europe / EDC

* Data is preliminary and subject to change

All Private Equity - Funds raised by fund stage focus

Time series - Number of Funds raised during the year

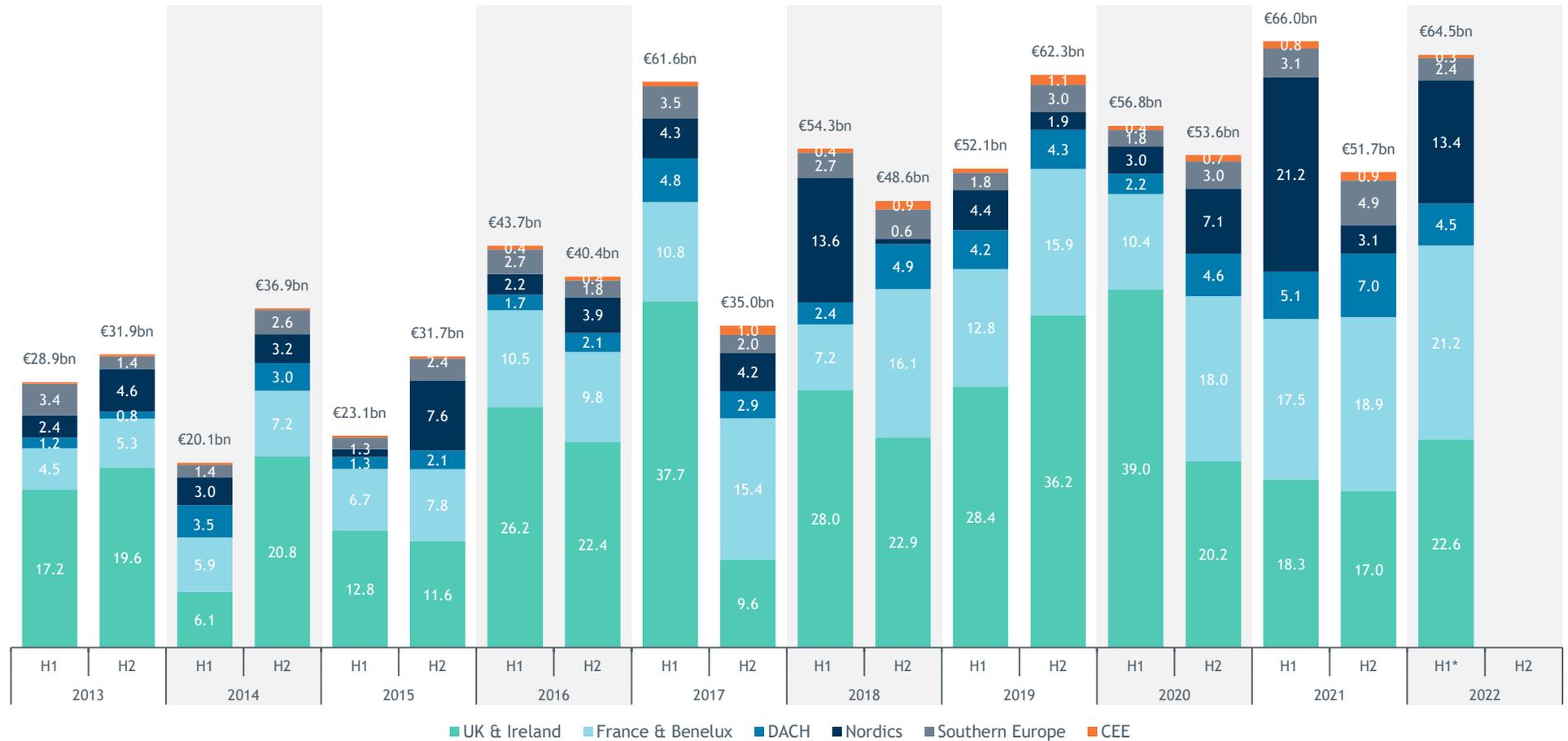


Source: Invest Europe / EDC

* Data is preliminary and subject to change

All Private Equity - Funds raised by region

Time series - Incremental amount raised during the year

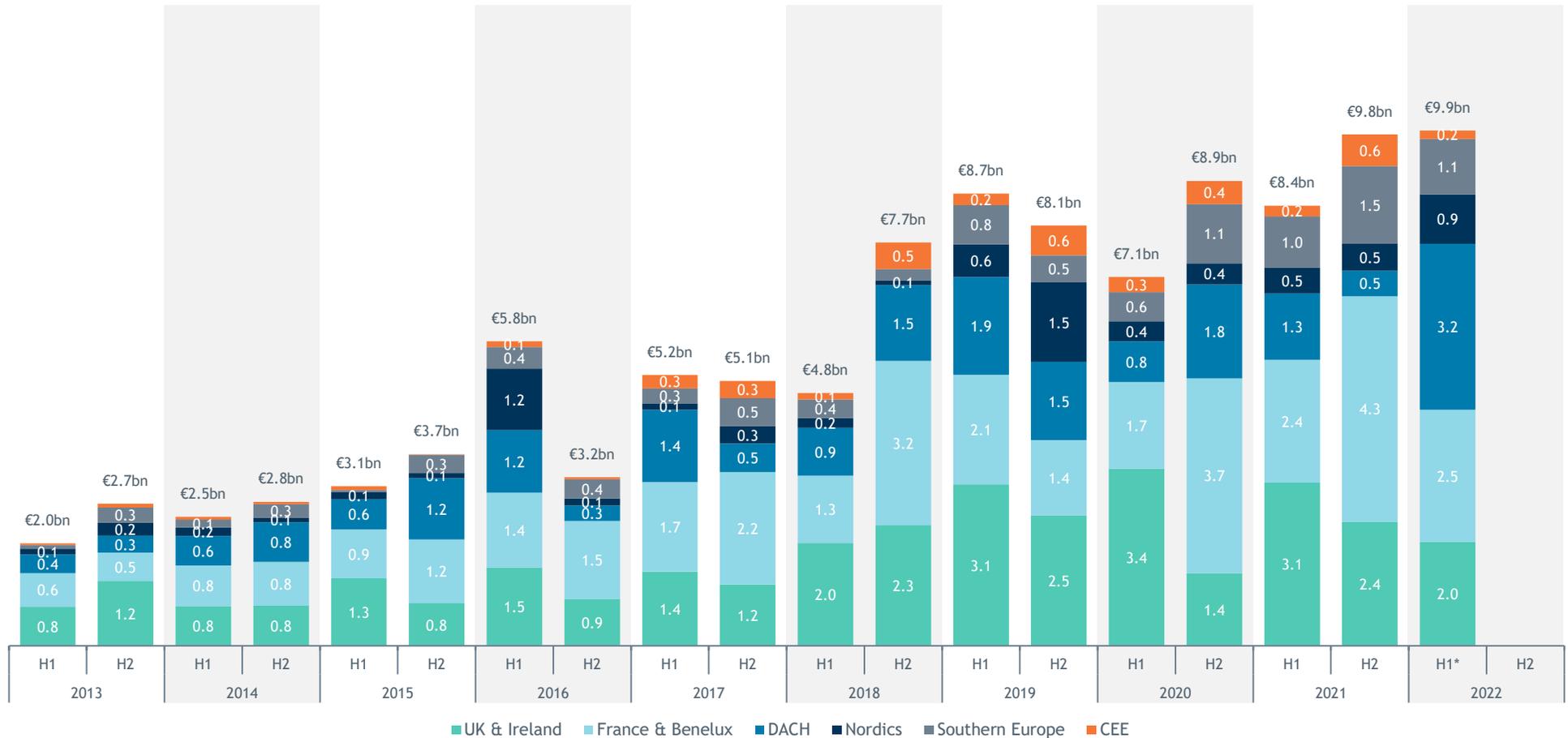


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Venture Capital - Funds raised by region

Time series - Incremental amount raised during the year

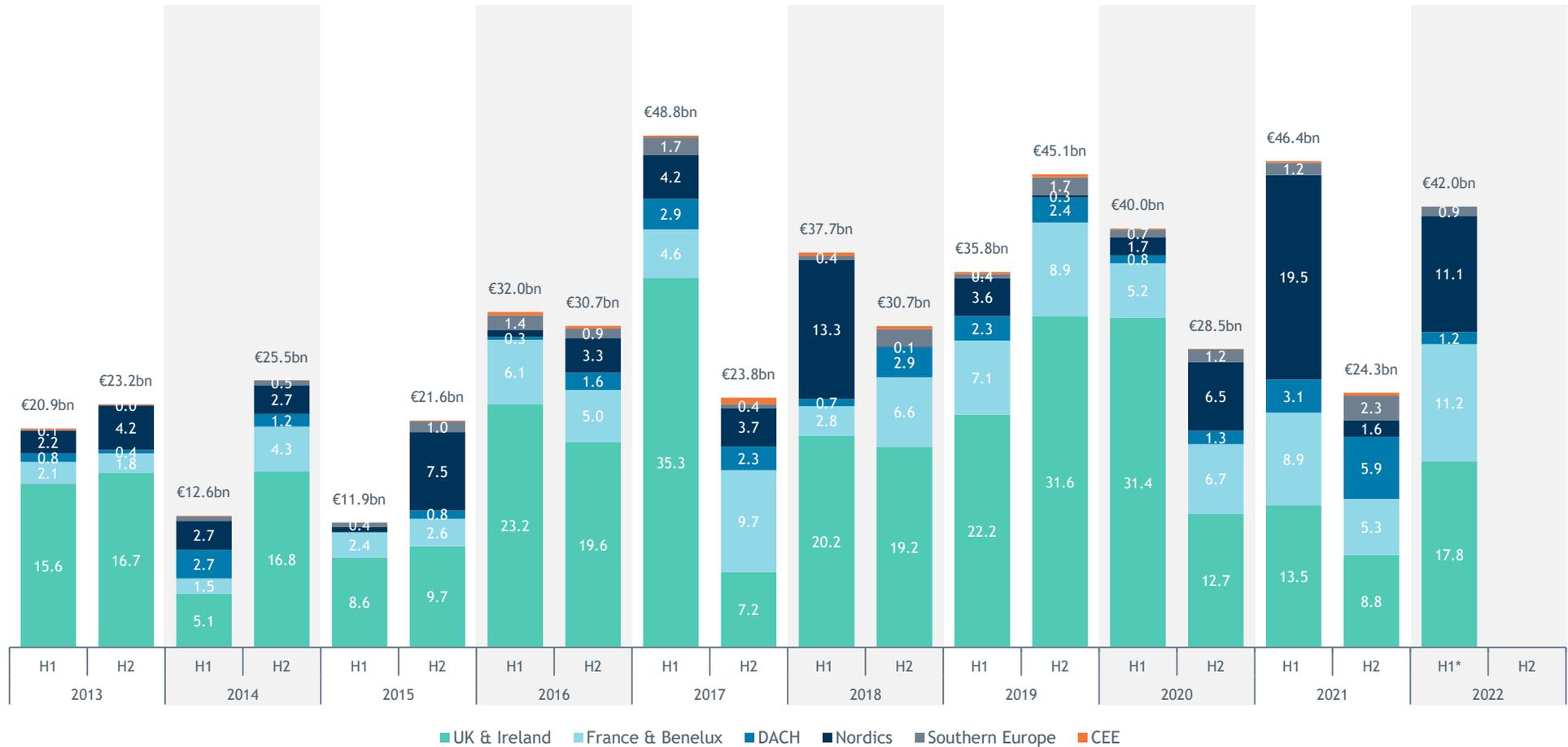


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Buyout - Funds raised by fund region

Time series - Incremental amount raised during the year

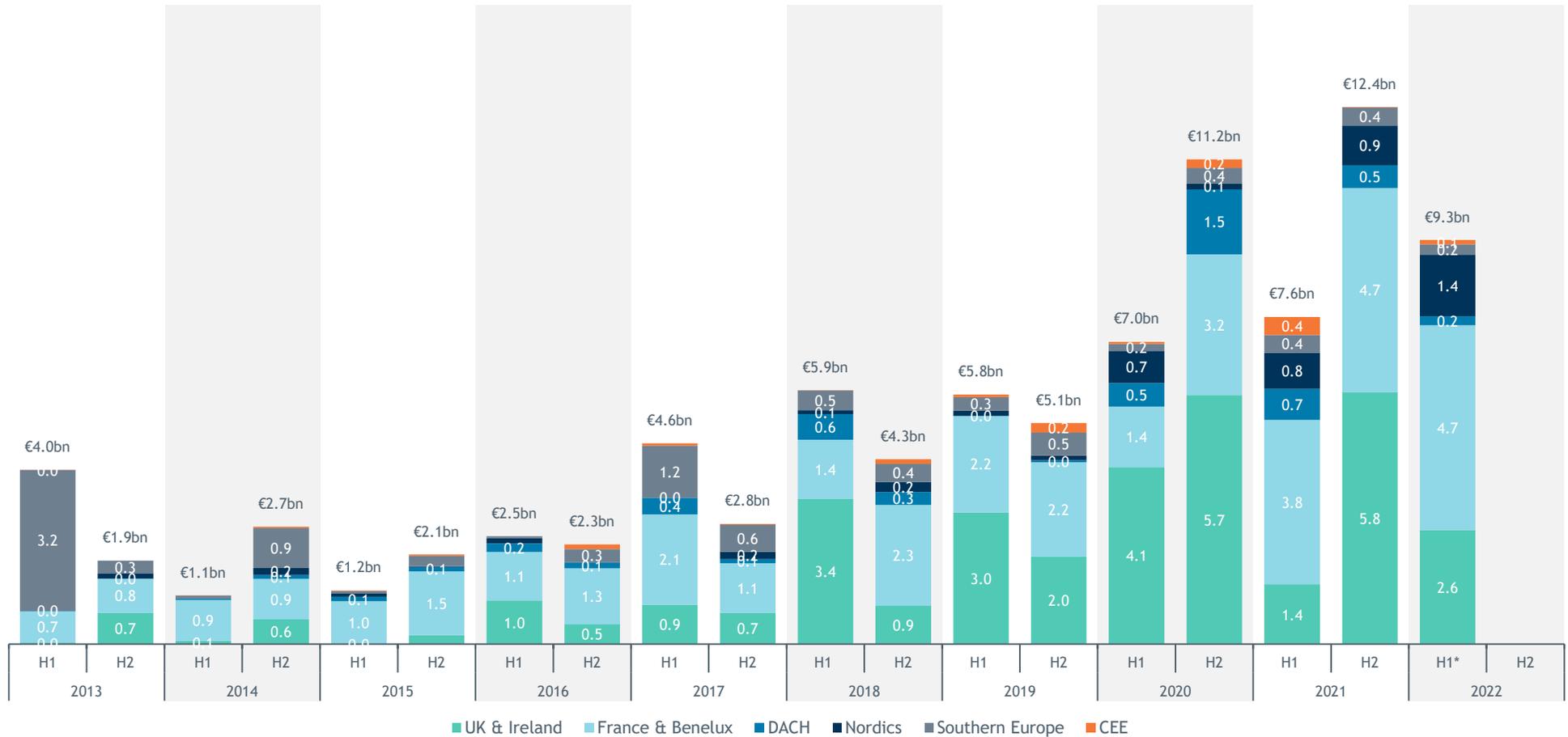


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Growth - Funds raised by region

Time series - Incremental amount raised during the year



Source: Invest Europe / EDC

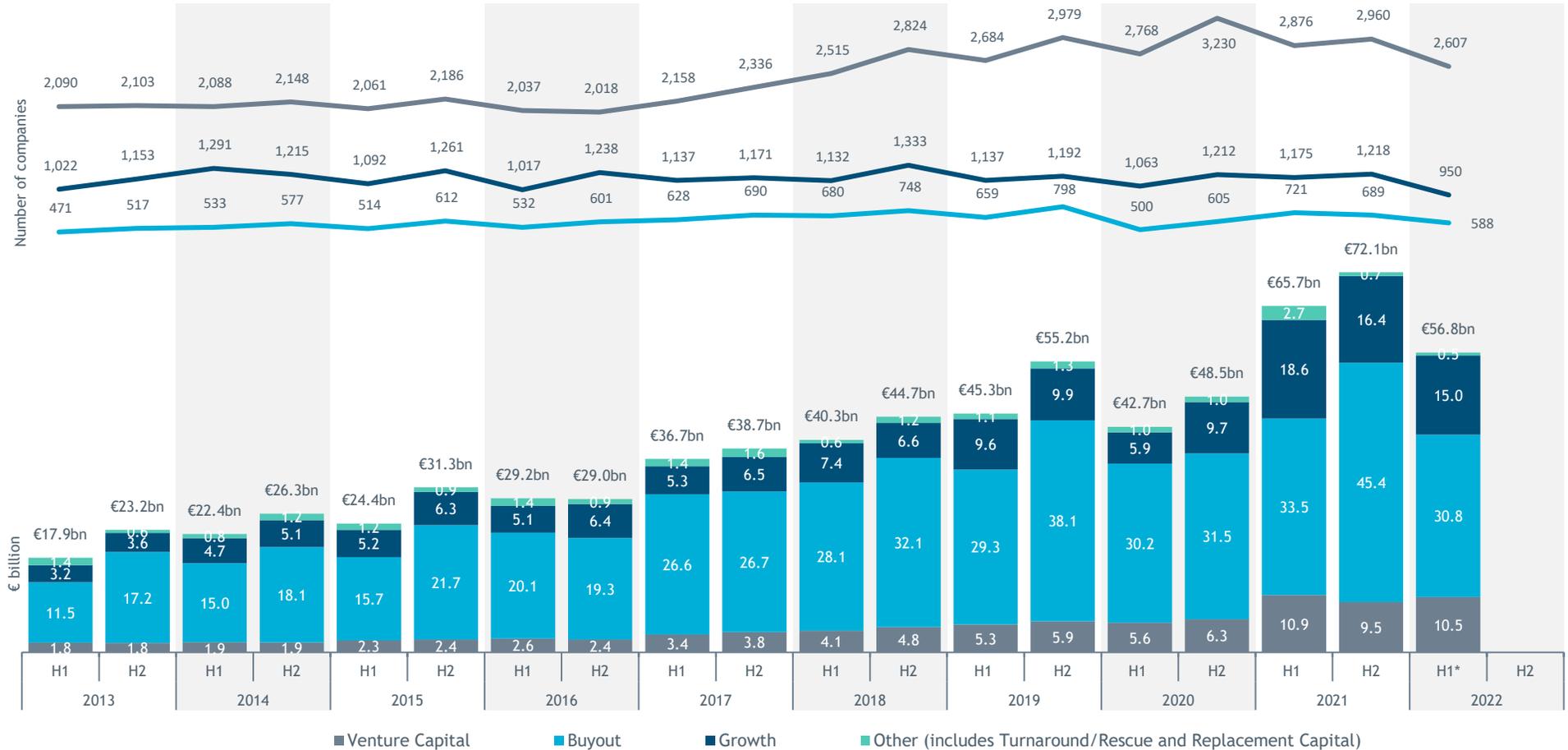
* Data is preliminary and subject to change

ACTIVITY H1 2022

INVESTMENTS

All Private Equity - Investments by stage

Time series - Investments - Market Statistics - Amount & Number of companies

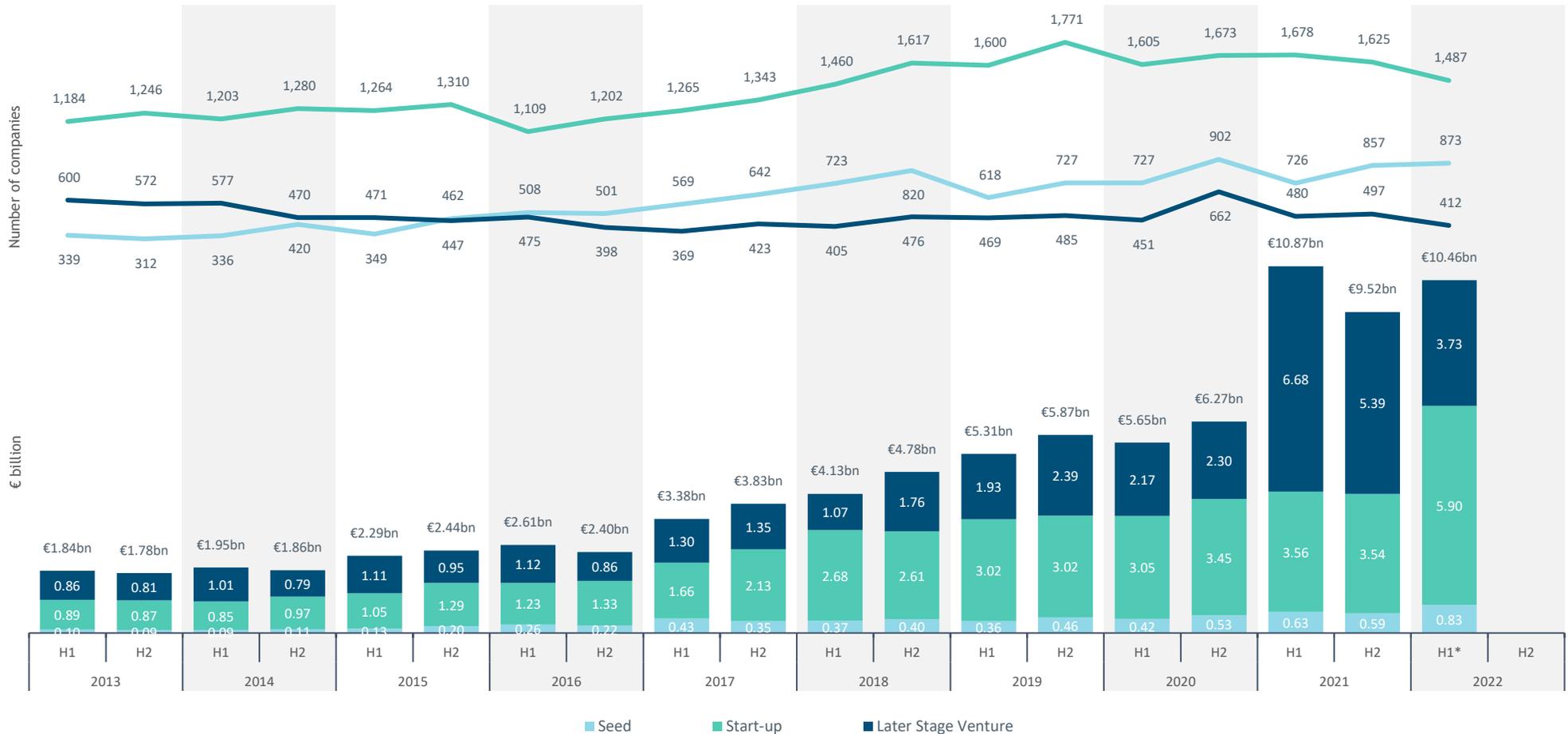


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Venture Capital - Investments by stage

Time series - Investments - Market Statistics - Amount & Number of companies

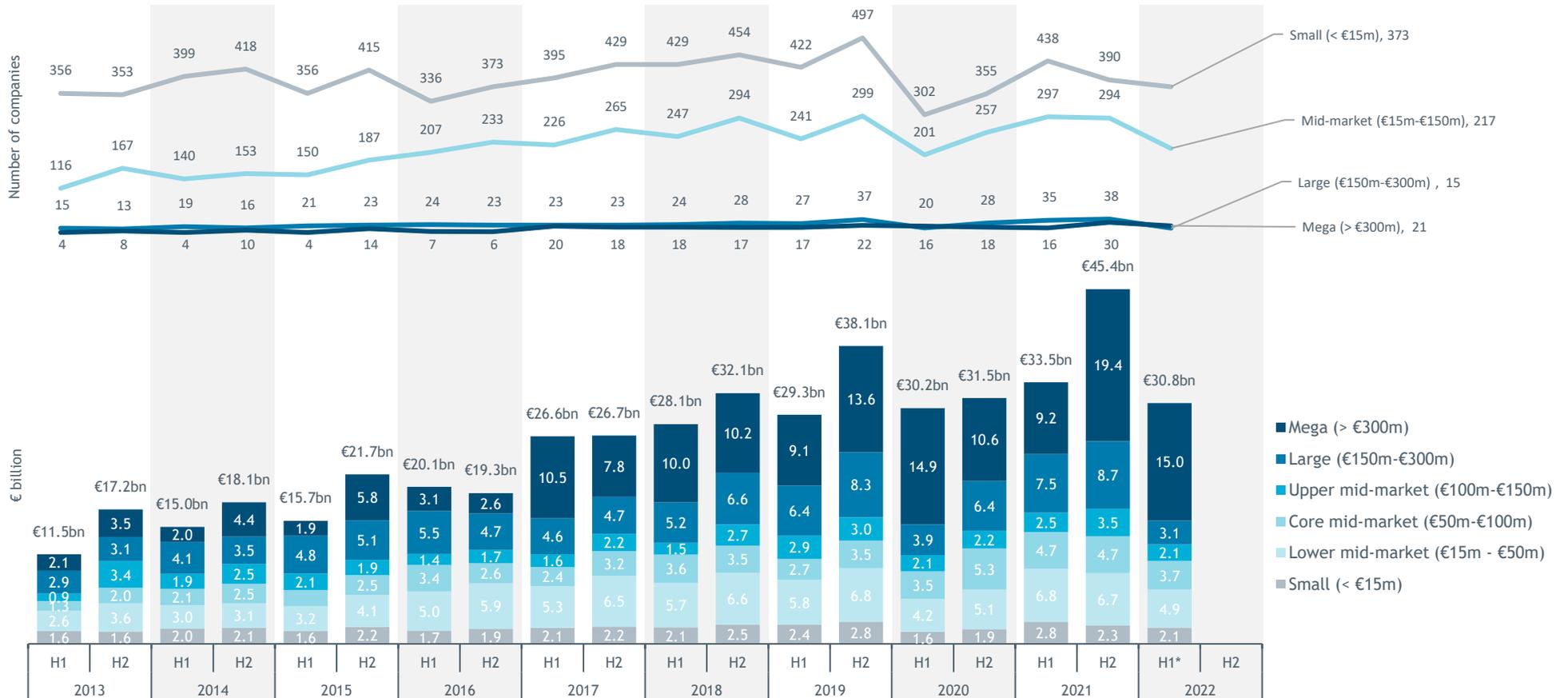


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Buyout - Investments by stage

Time series - Investments - Market Statistics - Amount & Number of companies

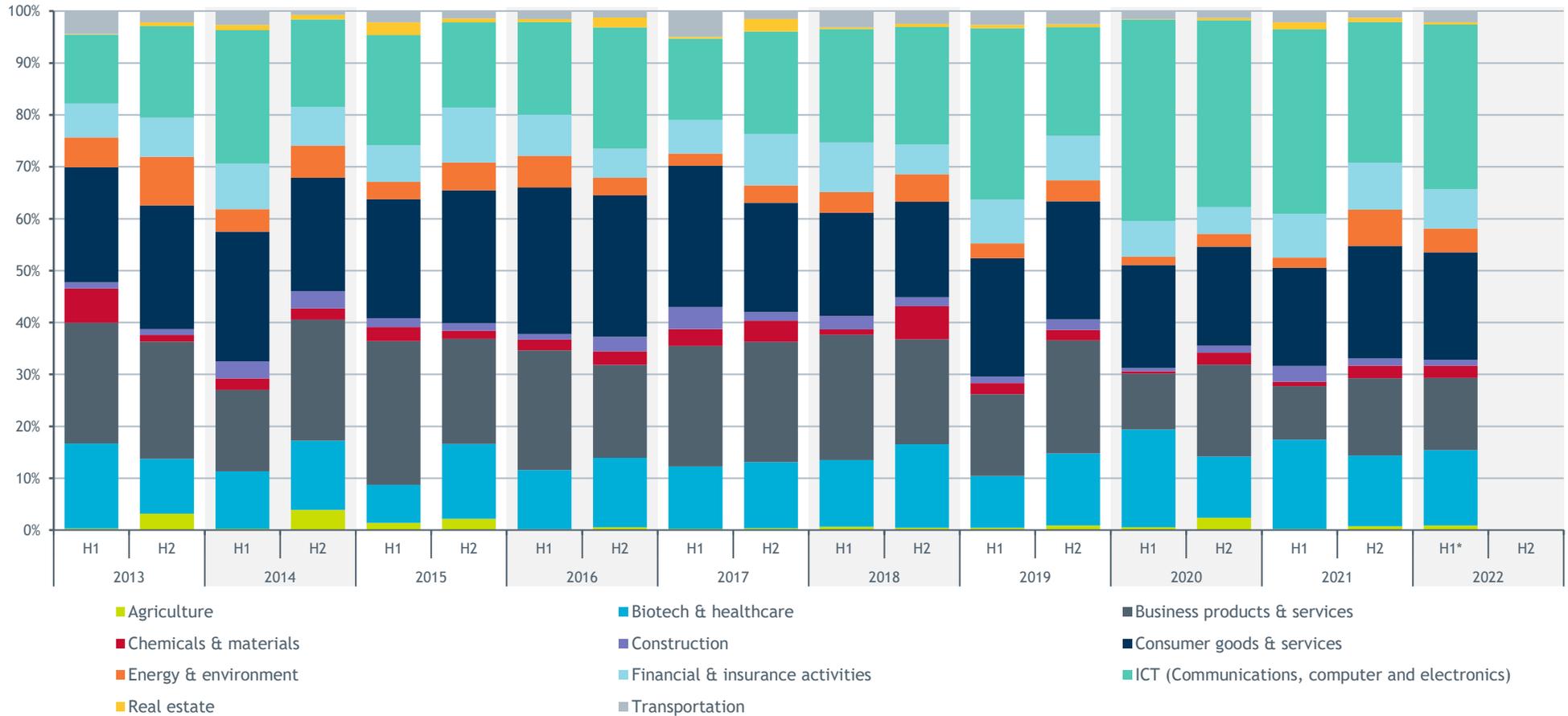


Source: Invest Europe / EDC

* Data is preliminary and subject to change

All Private Equity - Investments by sector

Time series - Investments - Market Statistics - Amount

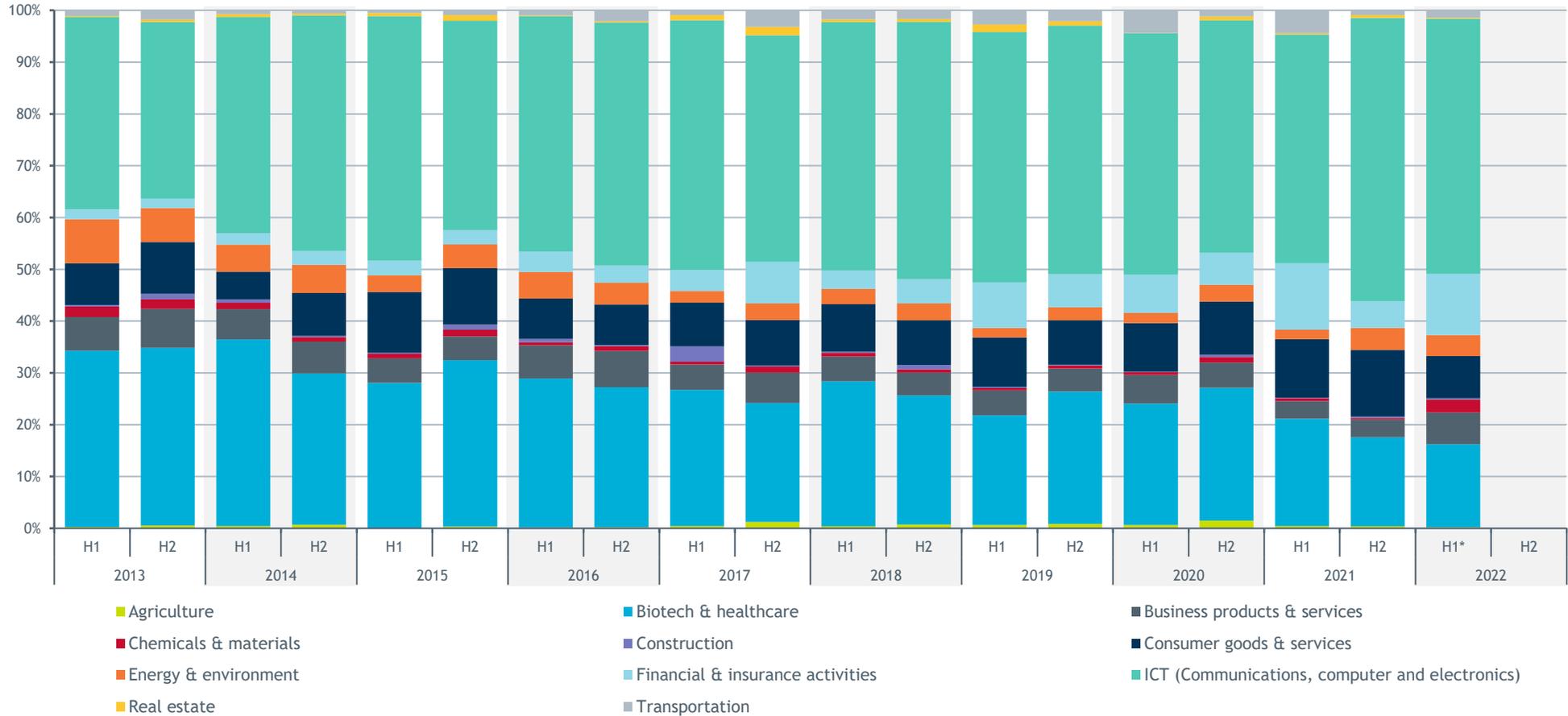


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Venture Capital - Investments by sector

Time series - Investments - Market Statistics - Amount

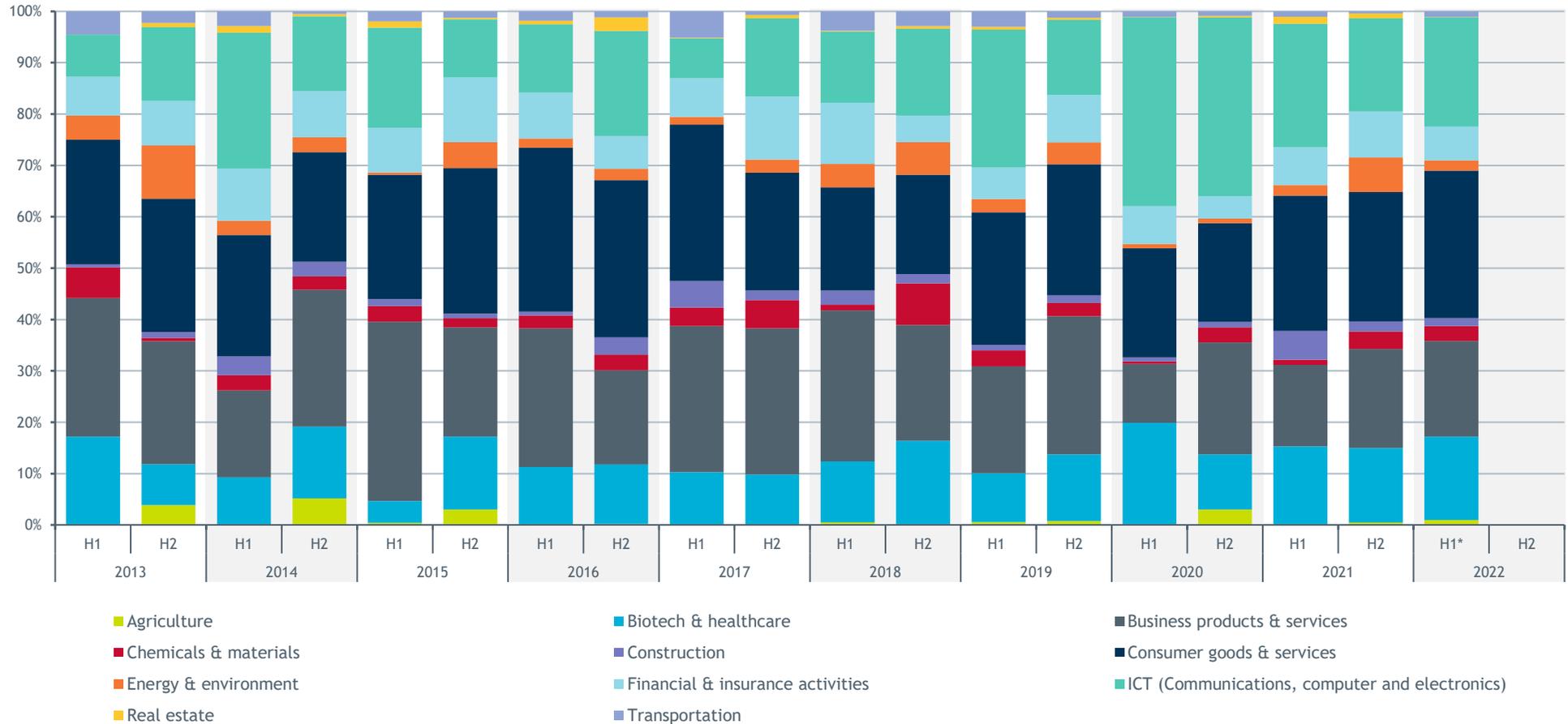


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Buyout - Investments by sector

Time series - Investments - Market Statistics - Amount

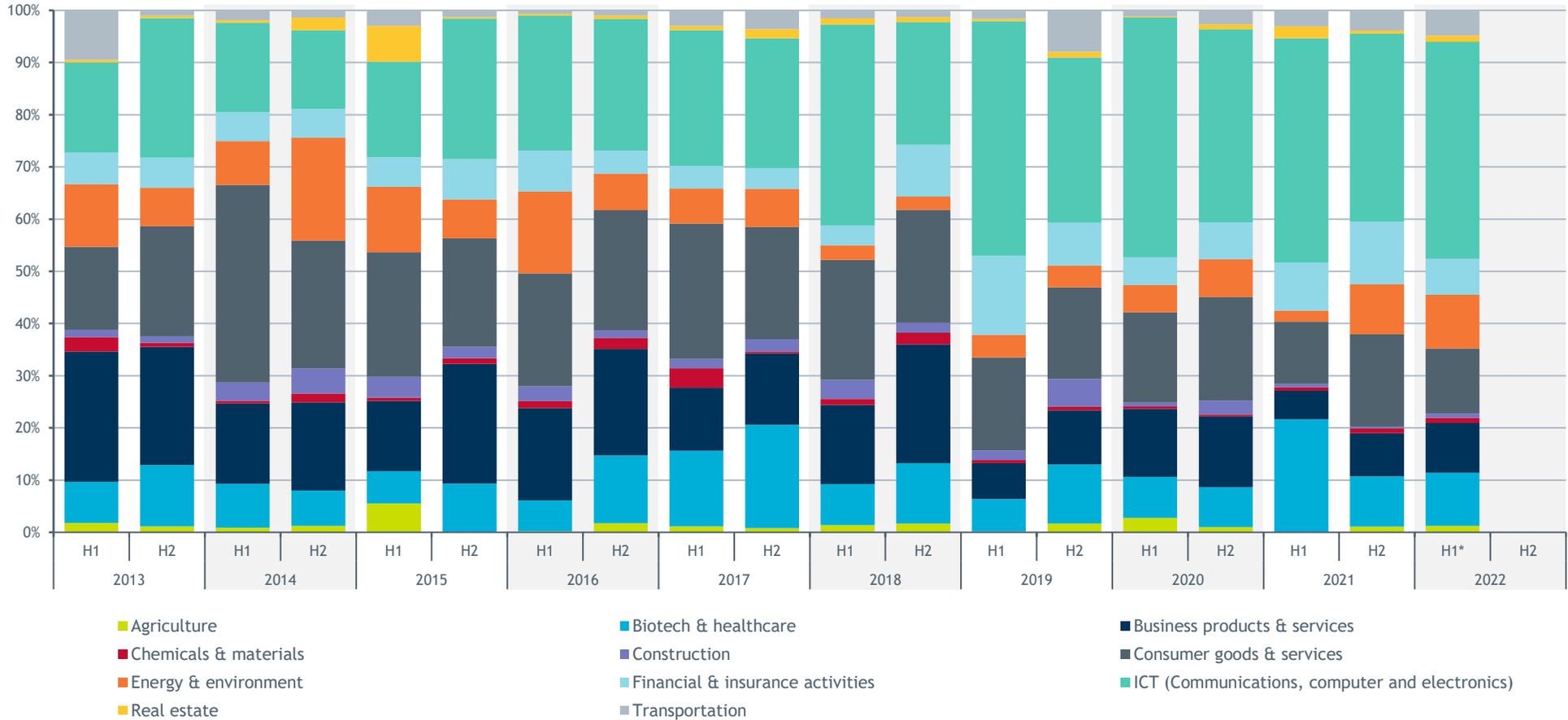


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Growth - Investments by sector

Time series - Investments - Market Statistics - Amount

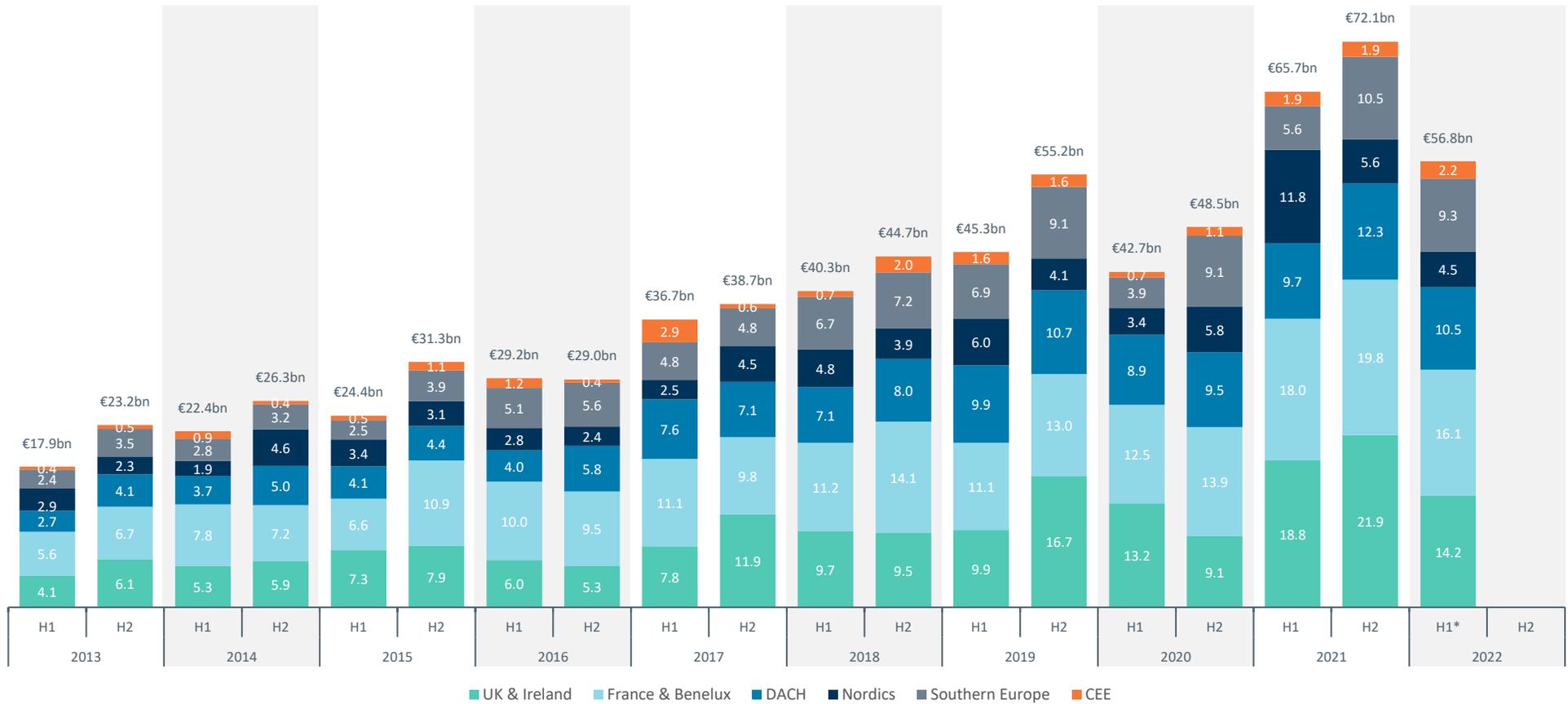


Source: Invest Europe / EDC

* Data is preliminary and subject to change

All Private Equity - Investments by region

Time series - Investments - Market Statistics - Amount

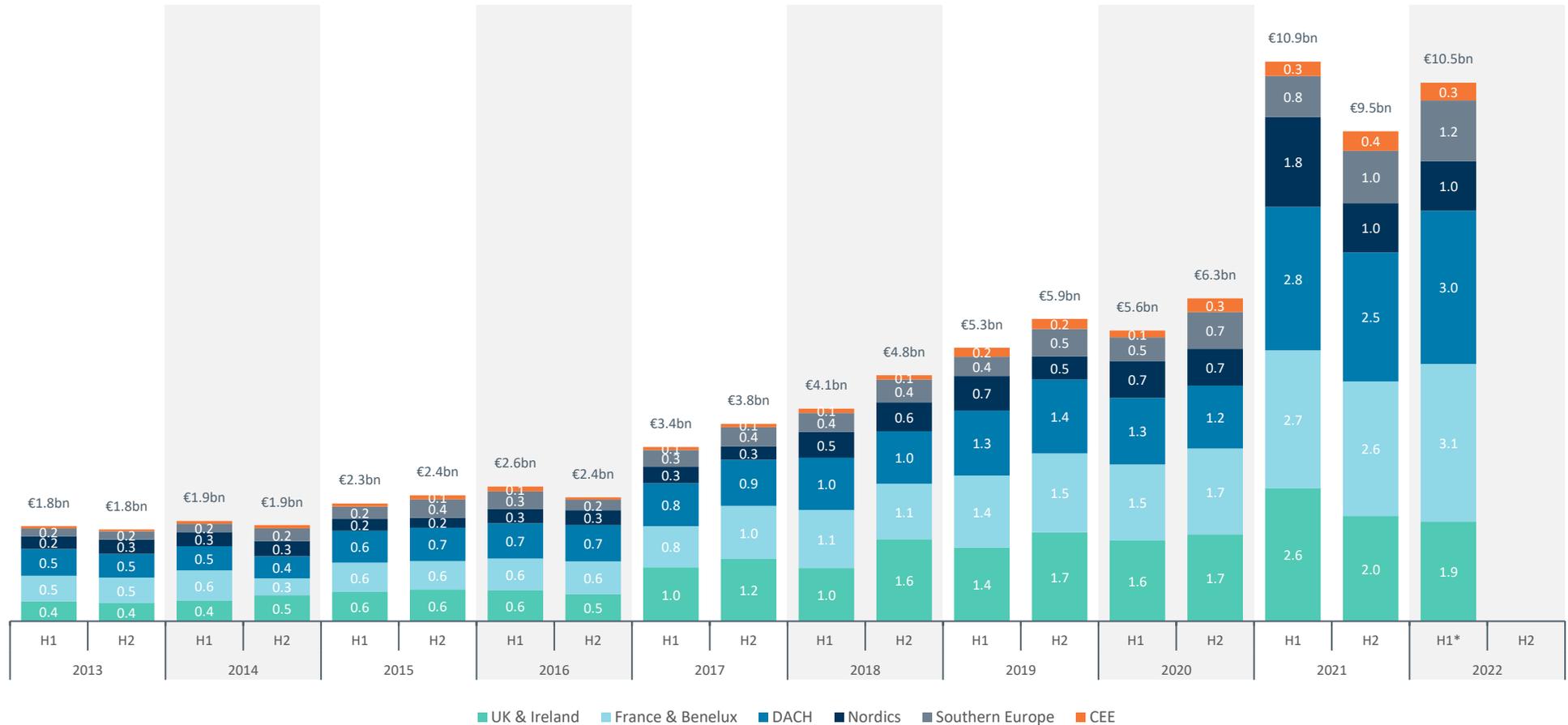


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Venture Capital - Investments by region

Time series - Investments - Market Statistics - Amount

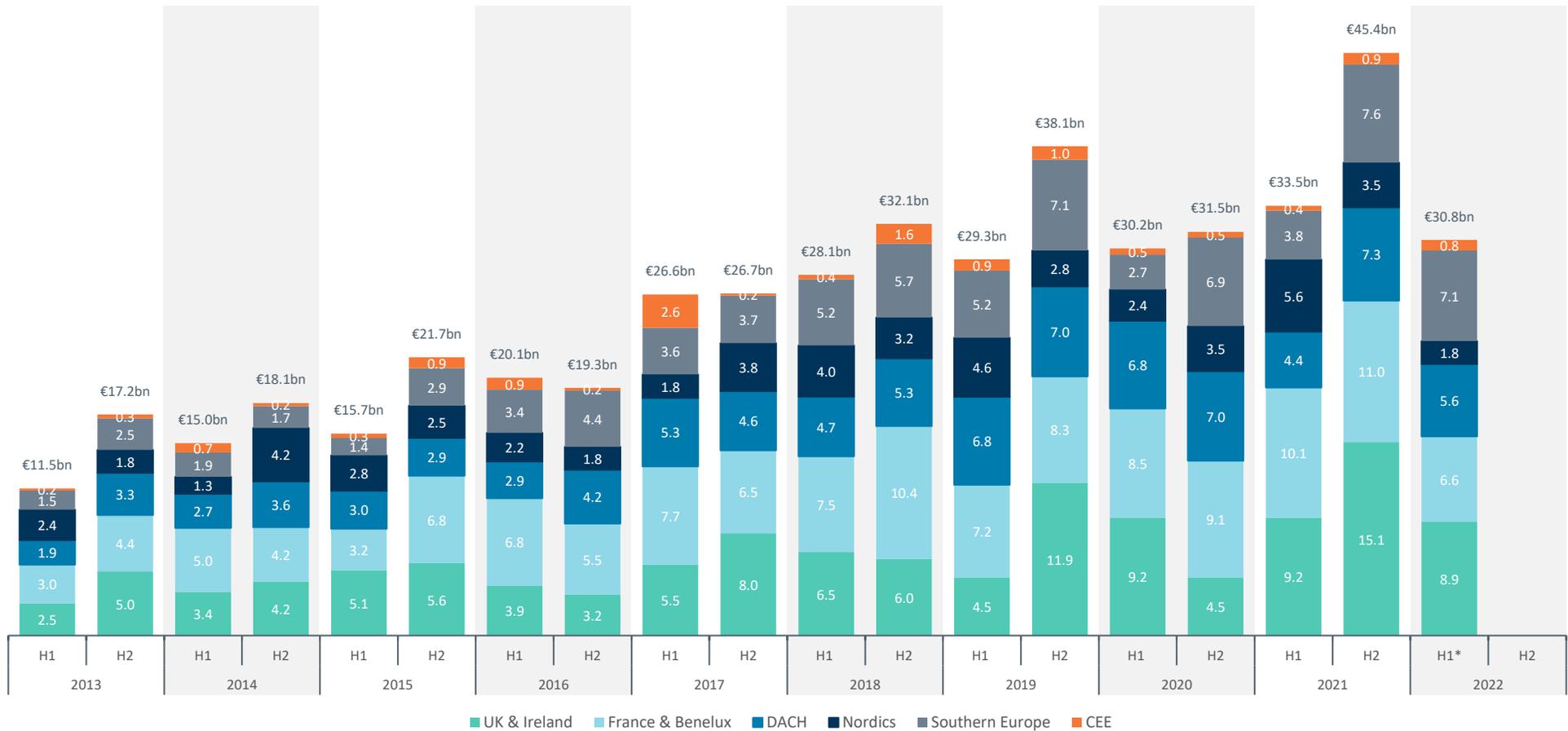


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Buyout - Investments by region

Time series - Investments - Market Statistics - Amount

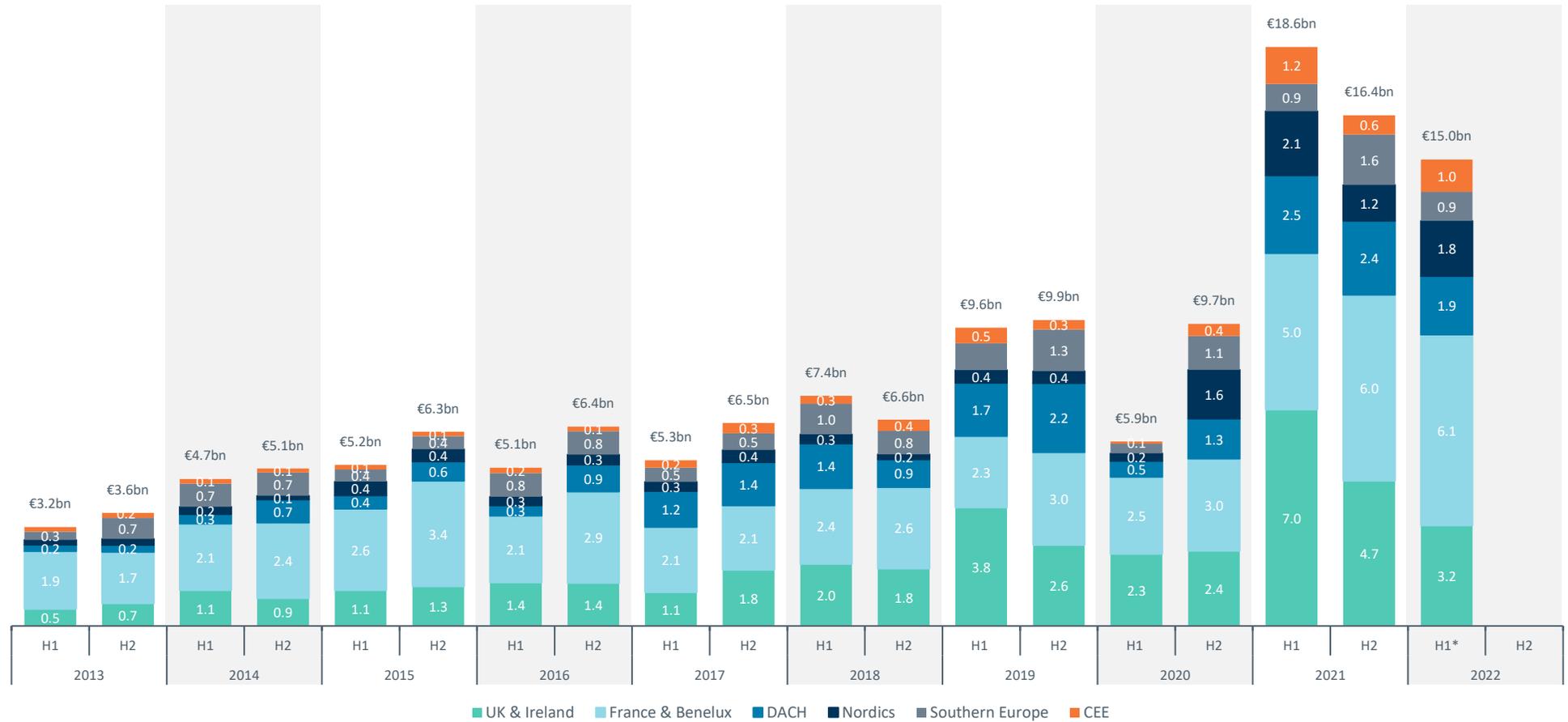


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Growth - Investments by region

Time series - Investments - Market Statistics - Amount



Source: Invest Europe / EDC

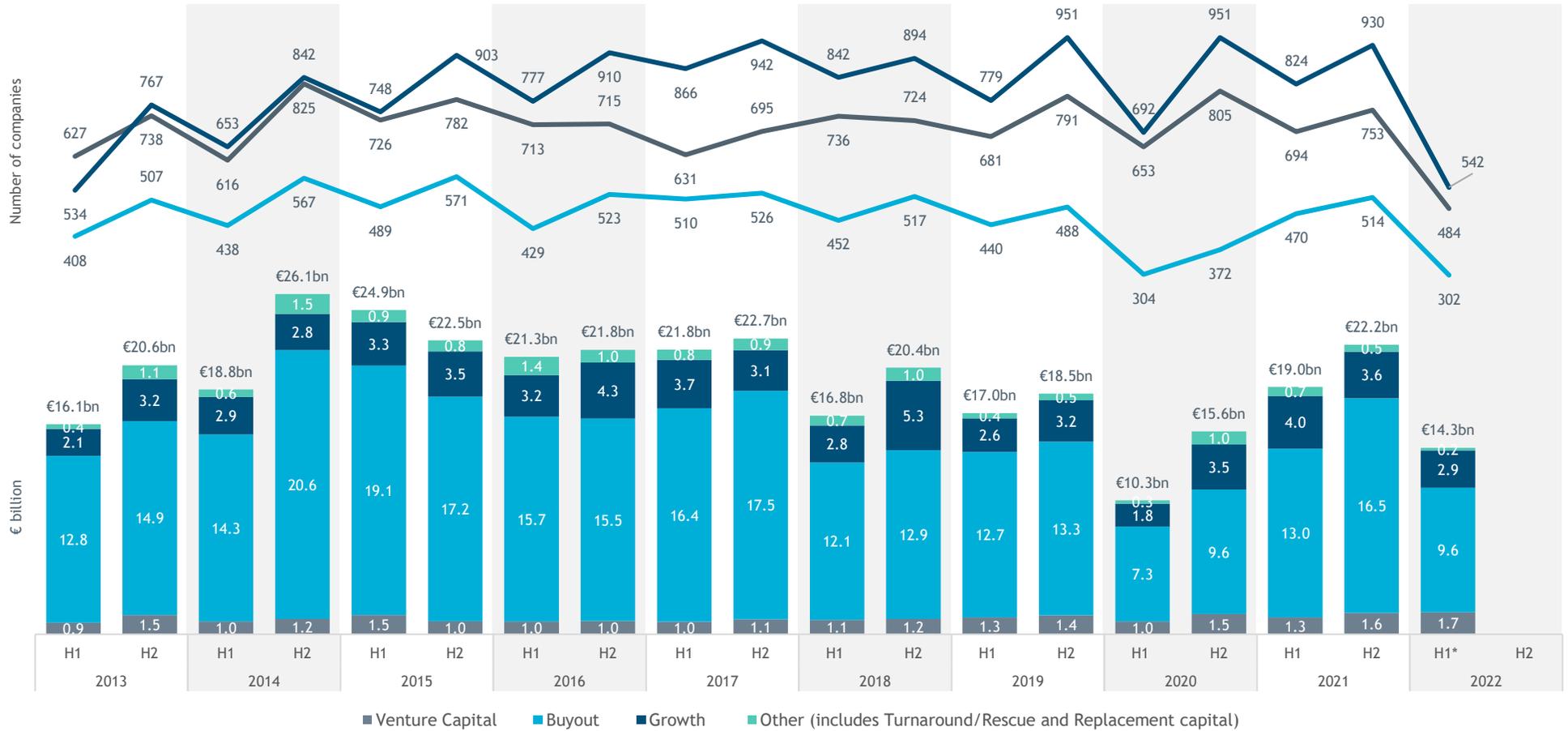
* Data is preliminary and subject to change

ACTIVITY H1 2022

DIVESTMENTS

Divestments at cost - Venture Capital / Buyout / Growth

Time series - Market Statistics - Amount

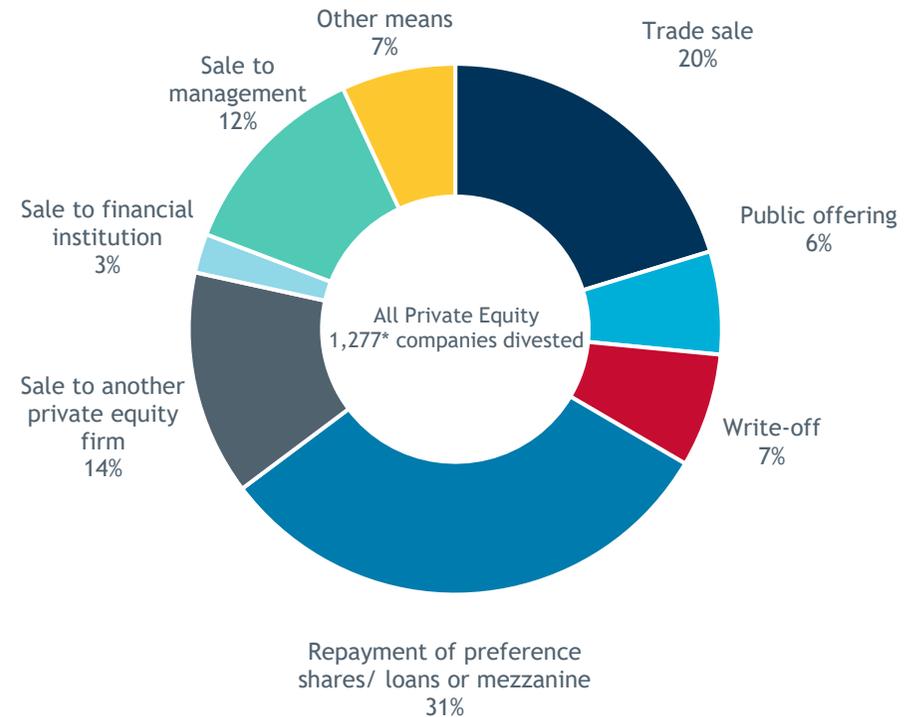
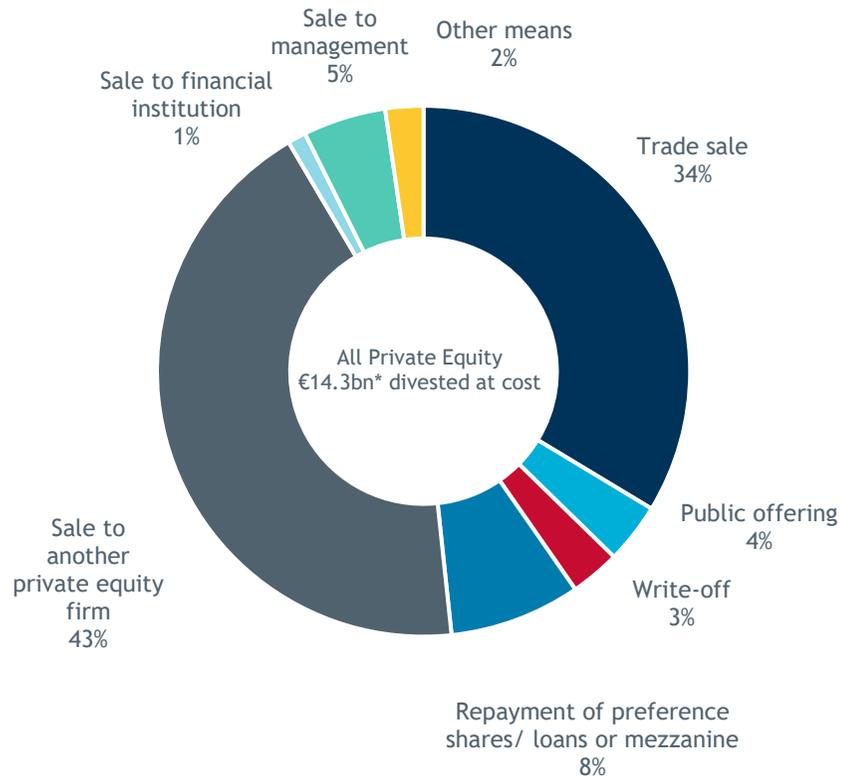


Source: Invest Europe / EDC

* Data is preliminary and subject to change

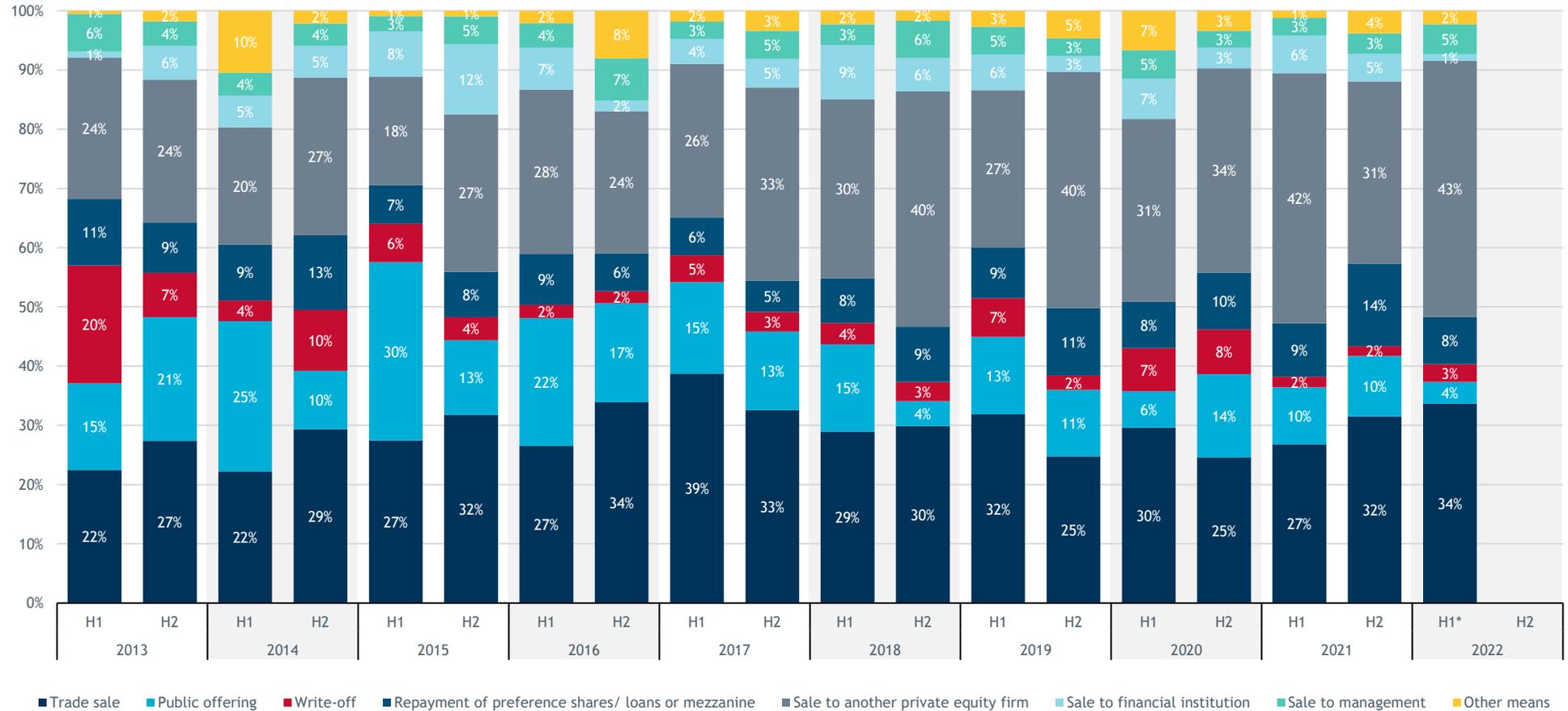
Divestments at cost - All Private Equity

Current half year - Market Statistics - % of Amount - Number of companies



All Private Equity - Divestments at cost by exit route

Time series - Market Statistics - % of total amount at cost

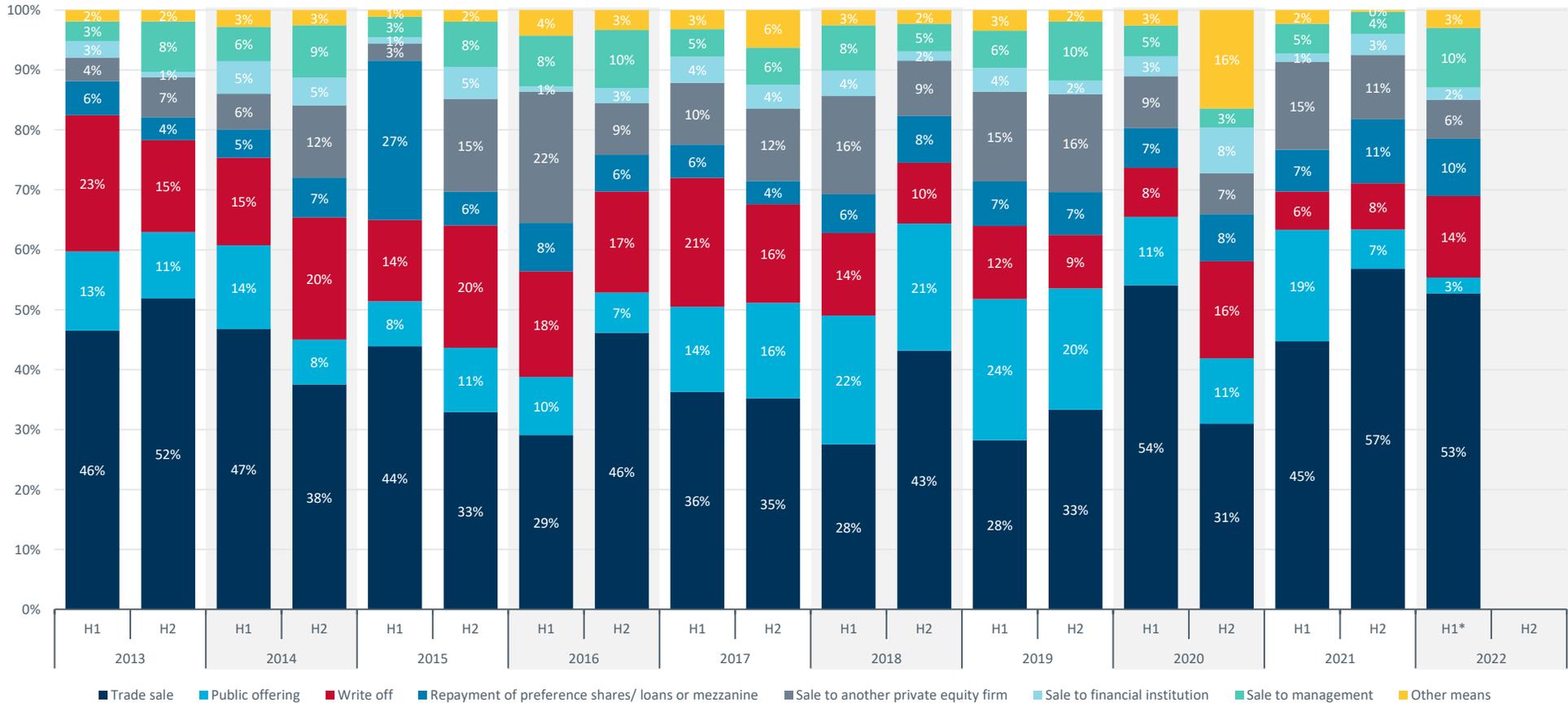


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Venture Capital - Divestments at cost by exit route

Time series - Market Statistics - % of total amount at cost

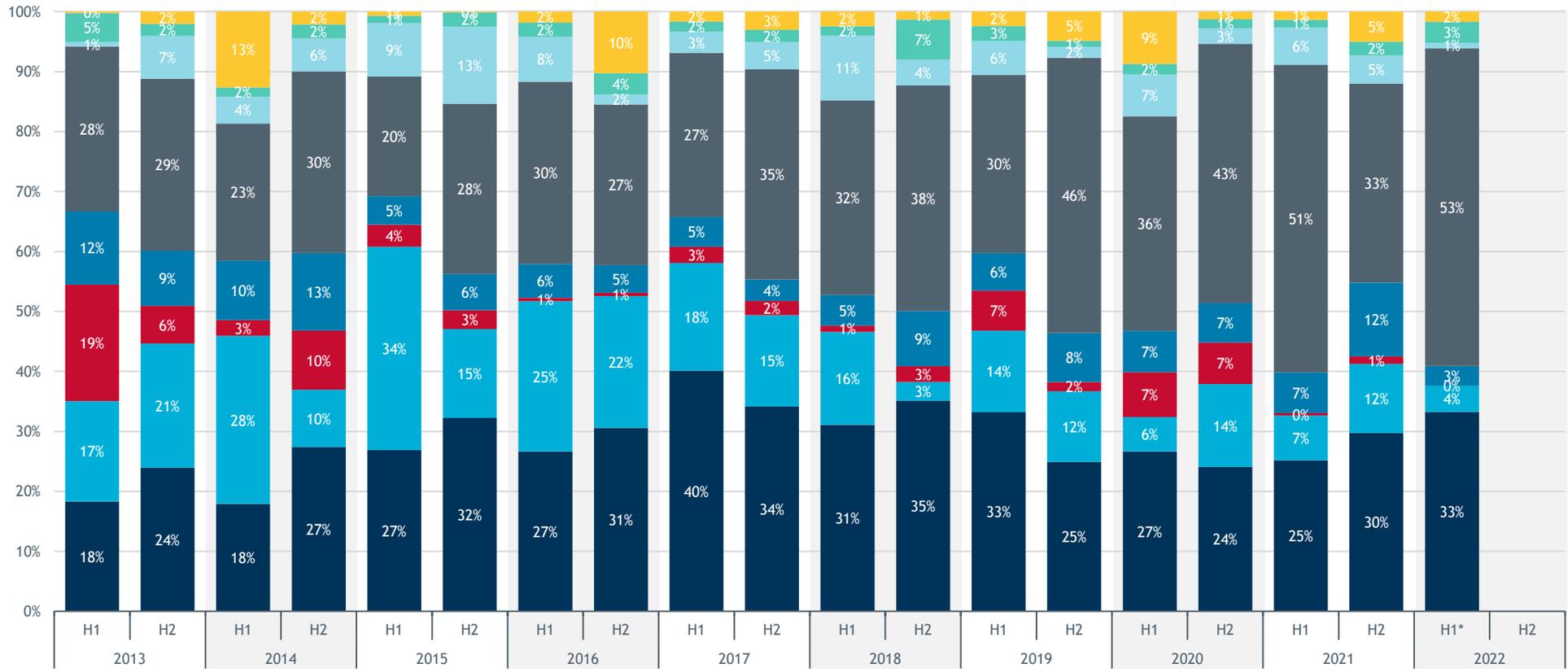


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Buyout - Divestments at cost by exit route

Time series - Market Statistics - % of total amount at cost



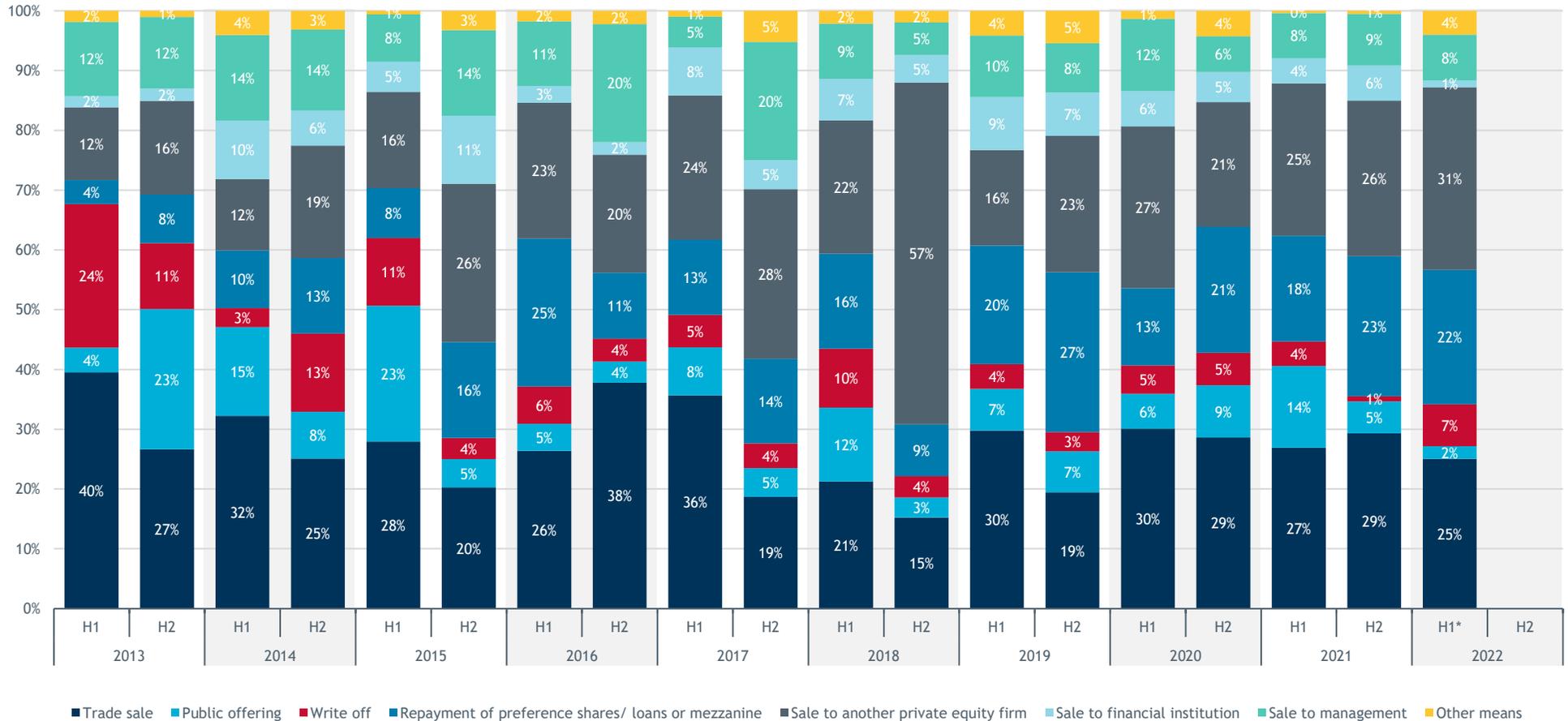
■ Trade sale
 ■ Public offering
 ■ Write off
 ■ Repayment of preference shares/ loans or mezzanine
 ■ Sale to another private equity firm
 ■ Sale to financial institution
 ■ Sale to management
 ■ Other means

Source: Invest Europe / EDC

* Data is preliminary and subject to change

Growth - Divestments at cost by exit route

Time series - Market Statistics - % of total amount at cost

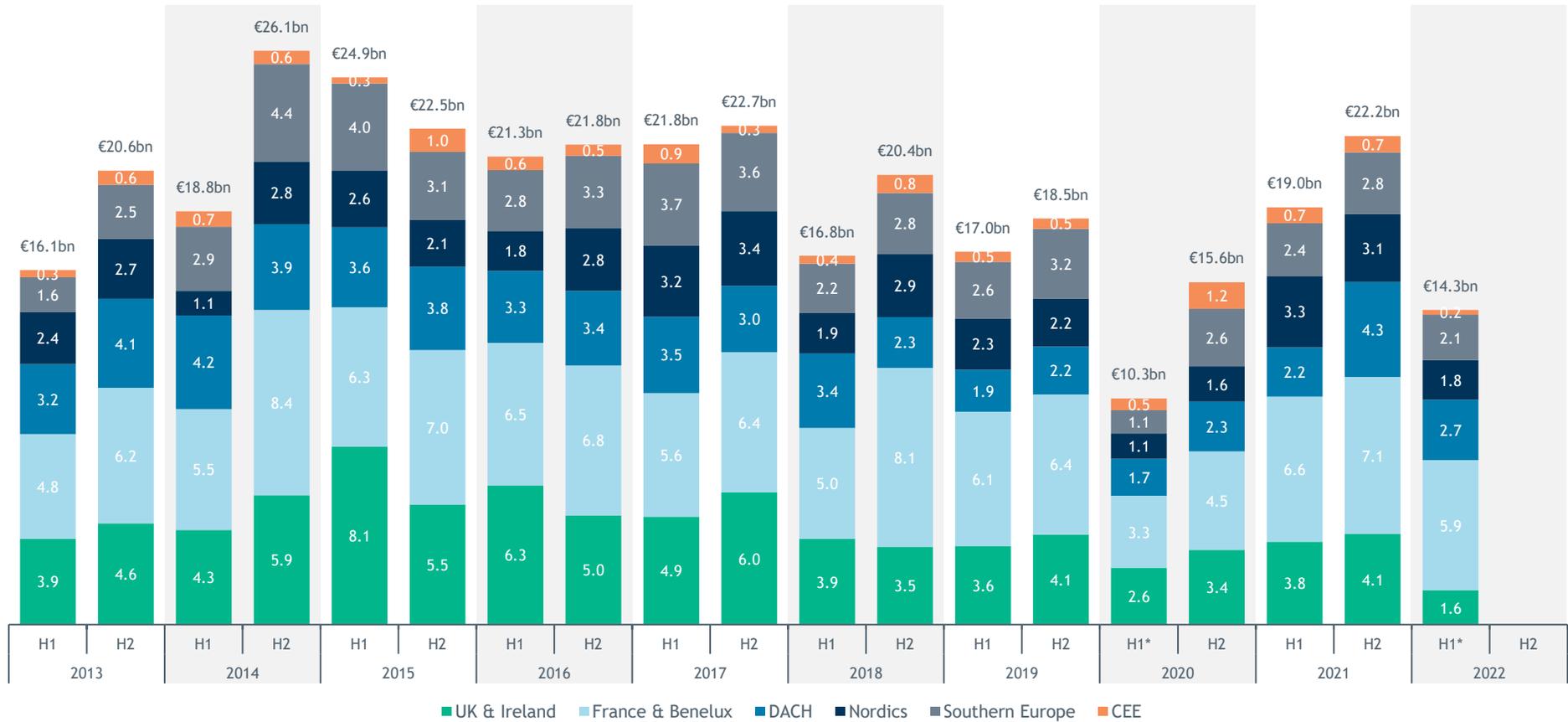


Source: Invest Europe / EDC

* Data is preliminary and subject to change

All Private Equity - Divestments at cost by region

Time series - Market Statistics - Amount at cost

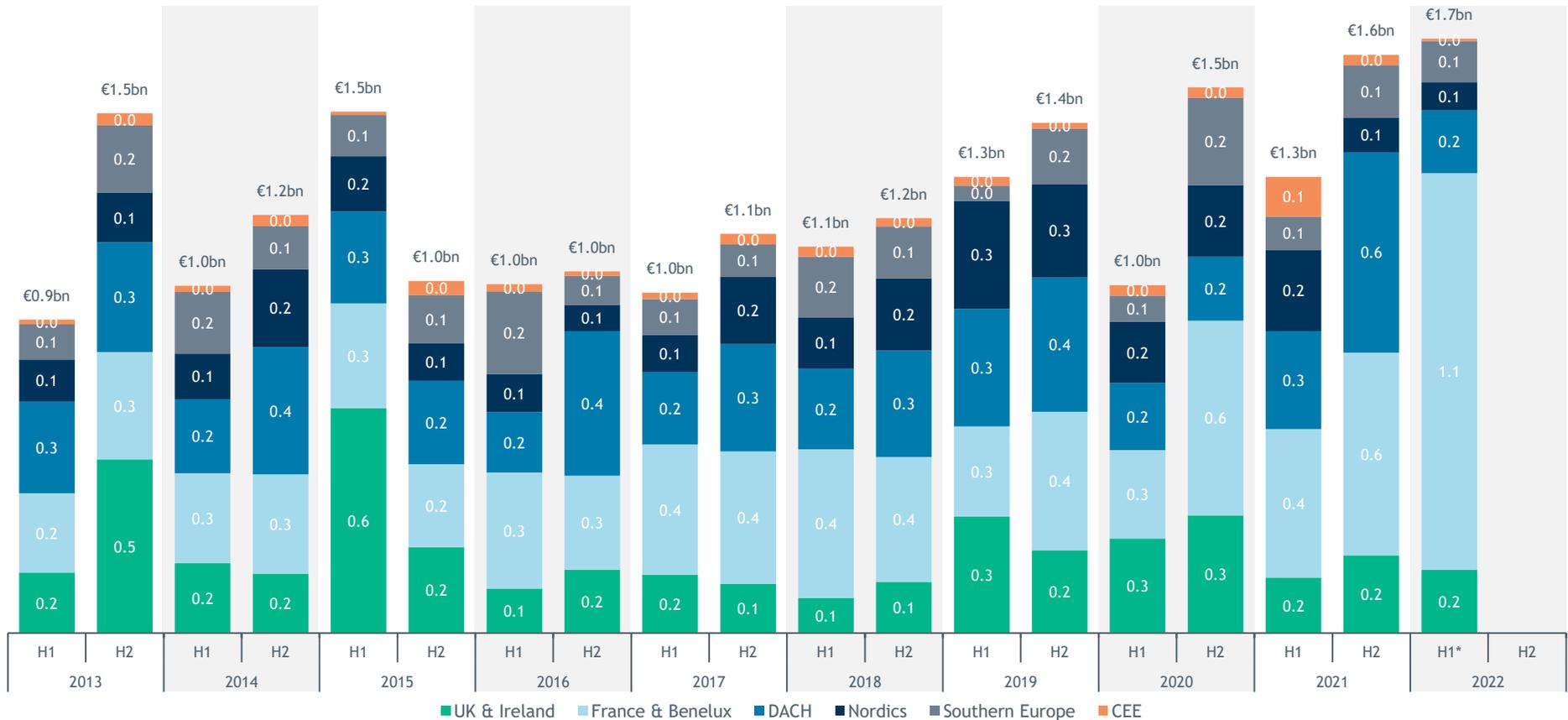


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Venture Capital - Divestments at cost by region

Time series - Market Statistics - Amount at cost

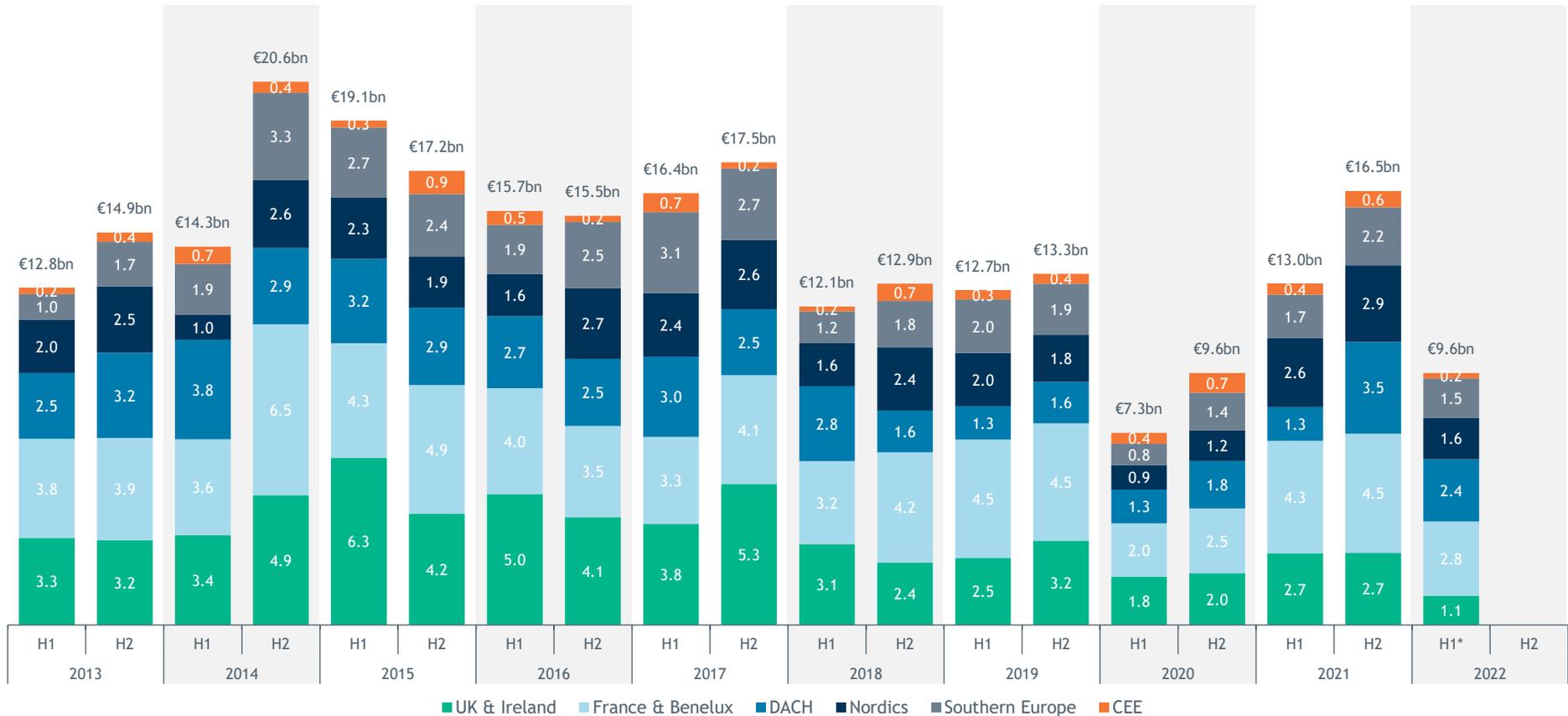


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Buyout - Divestments at cost by region

Time series - Market Statistics - Amount at cost

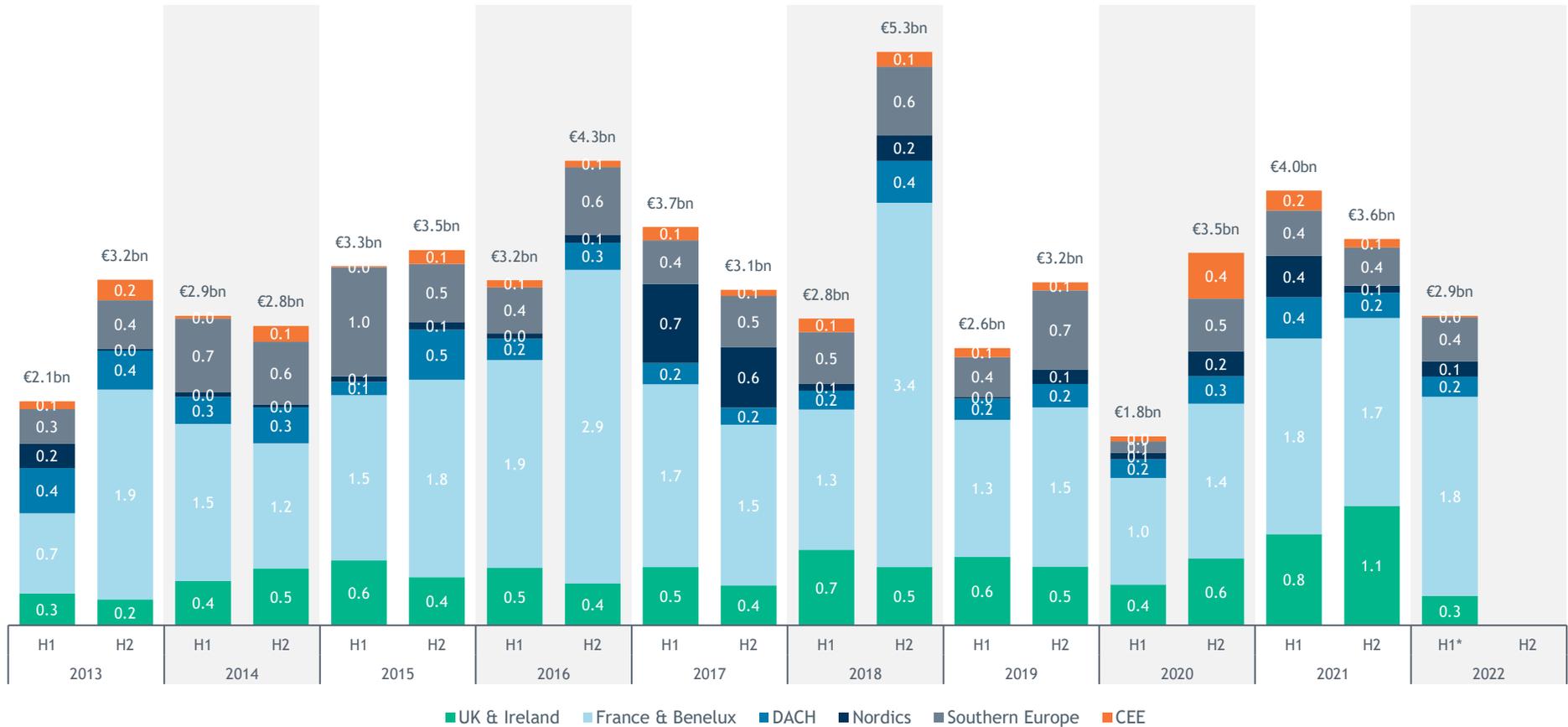


Source: Invest Europe / EDC

* Data is preliminary and subject to change

Growth - Divestments at cost by region

Time series - Market Statistics - Amount at cost



Source: Invest Europe / EDC

* Data is preliminary and subject to change

ACTIVITY H1 2022

METHODOLOGY & GLOSSARY

Methodology & Glossary

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 turnaround/rescue 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.

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.

Note: Fundraising amounts include capital gains. More comprehensive data is available here: www.investeurope.eu/research/

Methodology & Glossary

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 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 turnaround/rescue 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.

INVESTMENTS 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.

Turnaround/Rescue: 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.

Methodology & Glossary

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 turnaround/rescue 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.

EXIT ROUTE

Management/ Owner buyback: 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 Institutions other than direct private equity firms.

Trade sale: The sale of a company's shares to industrial investors.

Write-off: The value of the investment is eliminated and the return to investors is zero or negative.

Note: Recapitalisations are not considered in the divestment statistics.

Methodology and glossary

MARKET STATISTICS

A Domestic investments / divestments in European countries

B Cross-border investments / divestments within Europe

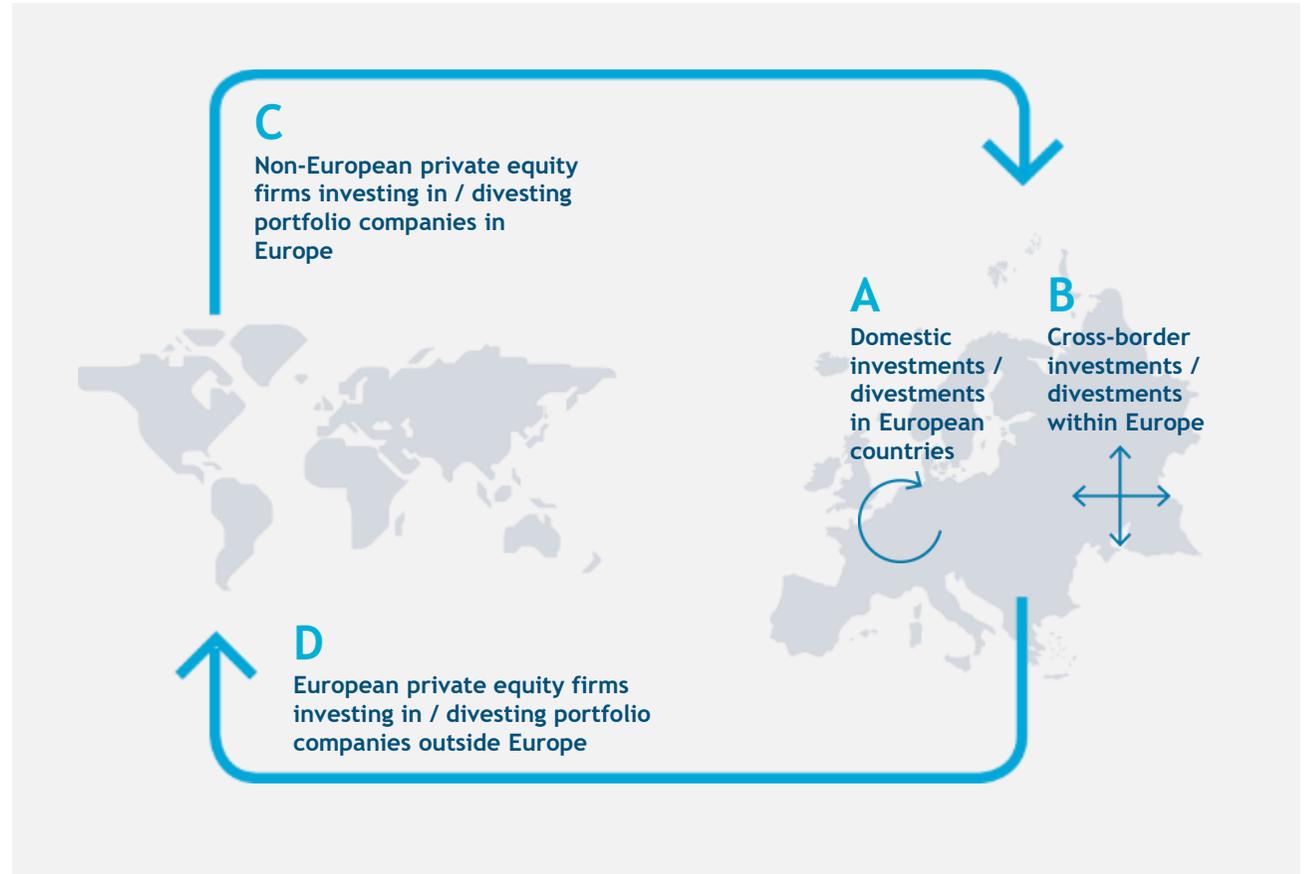
C Non-European private equity firms investing in / divesting portfolio companies in Europe

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



ACTIVITY H1 2022

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):

Active Owners Denmark - Denmark

AIFI - Italy

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

SPAINCAP - Spain

SVCA - Sweden

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Invest Europe is recognised as the authoritative data source for European private equity and venture capital by institutions including the European Commission and OECD (Organisation for Economic Co-operation and Development).

Rigorous research has underpinned Invest Europe's work with policymakers, media, fund managers, and other stakeholders since 1984. To deliver this robust, trusted research data and insight, Invest Europe collects data on more than 1,800 firms.

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