



EUROPEAN PRIVATE EQUITY AND
VENTURE CAPITAL ASSOCIATION

2013 European Private Equity Activity

Statistics on Fundraising,
Investments & Divestments



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Version

Presentation as of 05/05/2014



The EVCA is the voice of European private equity.

Our membership covers the full range of private equity activity, from early-stage venture capital to the largest private equity firms, investors such as pension funds, insurance companies, fund-of-funds and family offices and associate members from related professions. We represent 700 member firms and 500 affiliate members.

The EVCA shapes the future direction of the industry, while promoting it to stakeholders such as entrepreneurs, business owners and employee representatives.

We explain private equity to the public and help shape public policy, so that our members can conduct their business effectively.

The EVCA is responsible for the industry's professional standards, demanding accountability, good governance and transparency from our members and spreading best practice through our training courses.

We have the facts when it comes to European private equity, thanks to our trusted and authoritative research and analysis.

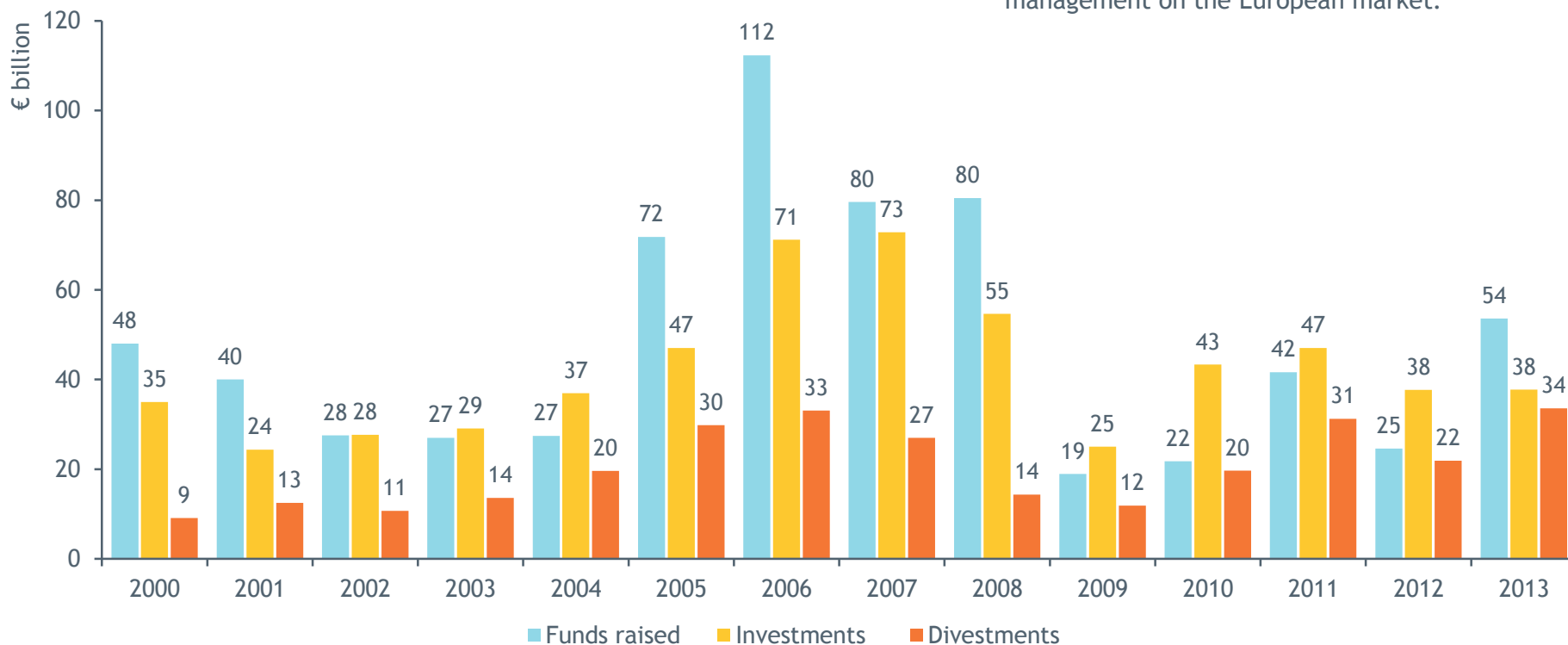
The EVCA has 25 dedicated staff working in Brussels to make sure that our industry is heard.

Overview - All Private Equity - Fundraising, Investments & Divestments



2000-2013 - Industry statistics - Amount

With data on more than **1,200** European private equity firms, the 2013 statistics cover **90%** of the **€555bn** in capital under management on the European market.



EVCA statistics explained: This graph shows “industry statistics” capturing activity by private equity firm’s 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 since 2007.

Source: Thomson Reuters / EVCA (2000-2006) & EVCA / PEREP_Analytics (2007-2013)

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1 Fundraising

In 2013 the total fundraising of €53.6bn was more than twice the volume of 2012. This increase was driven by buyout funds of which 12 funds raised more than €1bn each and represented 66% of the total fundraising. The number of funds in fundraising decreased from 266 to 253.

Pension funds provided almost 40% of sources of funds. Fund of funds contributed 16%, followed by sovereign wealth funds (11%) and insurance companies (11%). Around half of the amount (€26.2bn) was raised from institutional investors outside Europe.

Venture capital accounted for 8% of the total fundraising. The €4bn raised showed an increase of 4% compared to 2012. The contribution from government agencies remained stable at 38%. Family offices and private individuals contributed 23% and fund of funds 12%. Buyout fundraising increased from €16.7bn in 2012 to €44.9bn representing 84% of all fundraising. Growth fundraising more than doubled to €1.2bn.

2 Investments

Overall investments in European companies remained stable. More than 5,000 companies were backed in 2013 as in the previous year. Equity investments decreased by 3% to €35.7bn. More than 40% of the companies that received investments in 2013 were backed for the first time.

The total amount of venture capital invested had increased by 5% to €3.4bn. More than 3,000 companies were venture-backed. Start-up stage investments accounted for the majority of venture capital activity by amount (55%) and number of companies (59%).

More than 800 companies received buyout investments. The related equity amount invested reduced by 2% and the number of companies by 9%.

Again more than 1,000 companies had attracted growth investments. This represented an increase of 6% by the number of companies and a 10% decrease in the amount of equity invested.

3 Divestments

A total of 2,290 European companies were exited representing former equity investments of €33.2bn. The number of companies increased by almost 10% while the amount divested at cost increased by 54%. The most prominent exit routes by amount were trade sale (27%), sale to another private equity firm (26%) and sale of quoted equity (14%). Almost 40% of the divested companies followed these exit routes.

The strength of public markets in 2013 was reflected by the steep increase in divestments by flotation (IPO). This exit route increased more than seven times by amount at cost (€2.2bn) and almost four times by number of companies (23).

Divestments from venture capital investments by equity amount at cost increased by 21% to €2.2bn. Buyout related exits at cost increased by 53% to €28bn. For growth the total amount divested at cost increased by 54% to €1.8bn.

Fundraising

1

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.

For more data visit www.evca.eu/research

Glossary

Fund stage focus

Balanced fund

A venture capital fund focused on both early-stage and development, with no particular concentration on either.

Buyout fund

A fund whose strategy is predominantly to acquire controlling stakes in established companies.

Early-stage fund

A venture capital fund focused on investing in companies in their primary development stage.

Generalist fund

A fund with either a stated focus of investing in all stages of private equity investment, or with a broad area of investment activity.

Growth fund

Funds whose strategy is to invest in relatively mature companies that are looking for capital to expand or restructure operations.

Later-stage fund

A venture capital fund focused on investing in later-stage companies in need of expansion capital.

Mezzanine fund

A fund that provides (generally subordinated) debt to facilitate the financing of buyouts, frequently alongside a right to some of the equity upside.

Types of investors

Corporate investor

Corporations that deliver non-financial products and services.

Endowment

An institution that is bestowed money (and possibly other assets) via a donation with the stipulation to invest it and use the gains for specific objectives so that the principal remains intact.

Family office

An office that provides investment management and other financial services to one or several families.

Foundations

A non-profit organisation through which private wealth is contributed and distributed for public or charitable purposes.

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 (including structures such as the EBRD or EIF).

Other asset manager

Financial institutions (other than bank, endowment, family office, foundation, insurance company or pension fund) managing a pool of capital by investing it across asset classes to generate financial returns.

Pension funds

A pension fund that is regulated under private or public sector law.

Sovereign wealth funds

State-owned investment fund managing a pool of money derived from a country's reserves.

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.

Independent and captive funds

Captive funds

Funds that are 100% owned by the parent organisation.

Independent funds

Semi-captive funds (those in which the parent owns less than 100%) as well as wholly independent funds.

2013 Fundraising at a glance



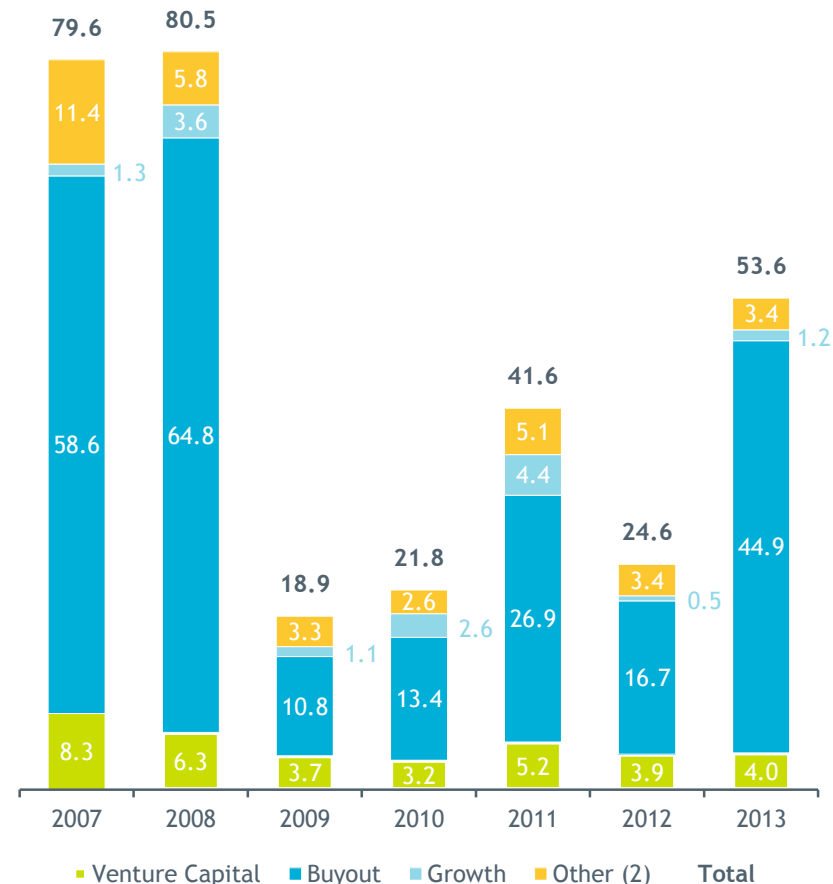
- In 2013 the **total fundraising** of €53.6bn was more than twice the volume of 2012. This increase was driven by buyout funds of which 12 funds raised more than €1bn each and represented 66% of the total fundraising.
- The **number of funds** in fundraising decreased from 266 to 253.
- Pension funds provided almost 40% of **sources of funds**. Fund of funds contributed 16%, followed by sovereign wealth funds (11%) and insurance companies (11%).
- Around half of the amount (€26.2bn) was raised from **institutional investors outside Europe**. In 2013 the share from North American institutional investors increased to 36% from 24% in 2012.
- **Venture capital** accounted for 8% of the total fundraising. The €4bn raised showed an increase of 4% compared to 2012. The contribution from government agencies remained stable at 38%. Family offices and private individuals contributed 23% and fund of funds 12%.
- **Buyout** fundraising increased from €16.7bn in 2012 to € 44.9bn representing 84% of all fundraising. Pension funds remained the largest institutional investor (over 40%) in European buyout funds. 40% of sources of funds were raised from North American institutional investors surpassing the 31% level of 2012.
- **Growth** fundraising more than doubled to €1.2bn. In 2013 the number of growth funds raising capital increased from 18 in 2012 to 22. Fund of funds provided the largest contribution of almost 30%.

2013	All Private Equity	Venture Capital ⁽¹⁾	Buyout ⁽¹⁾	Growth ⁽¹⁾
Incremental - Amounts raised	€53.6bn	€4.0bn	€44.9bn	€1.2bn
Incremental - No. of funds	253	105	77	22
Final closings - Cumulative amount since inception	€55.0bn	€2.7bn	€49.6bn	€0.8bn
Final closings - No. of funds	111	39	44	10

Source: EVCA / PEREP_Analytics

Note: (1) relates to fund focus

Incremental amounts raised during the year (€ billion)

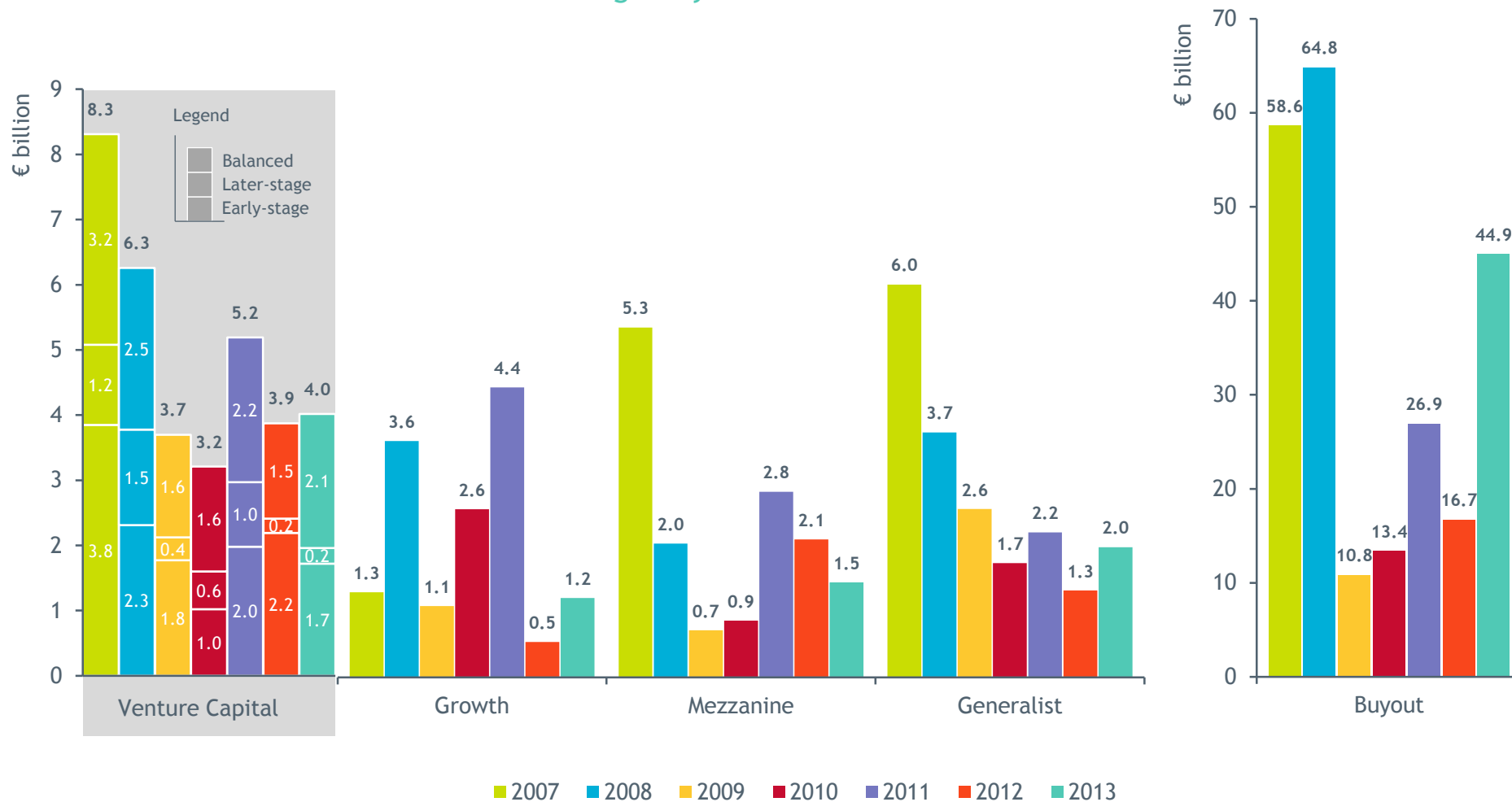


Source: EVCA / PEREP_Analytics

Note: (2) Other includes Mezzanine and Generalist funds

Funds raised by fund stage focus

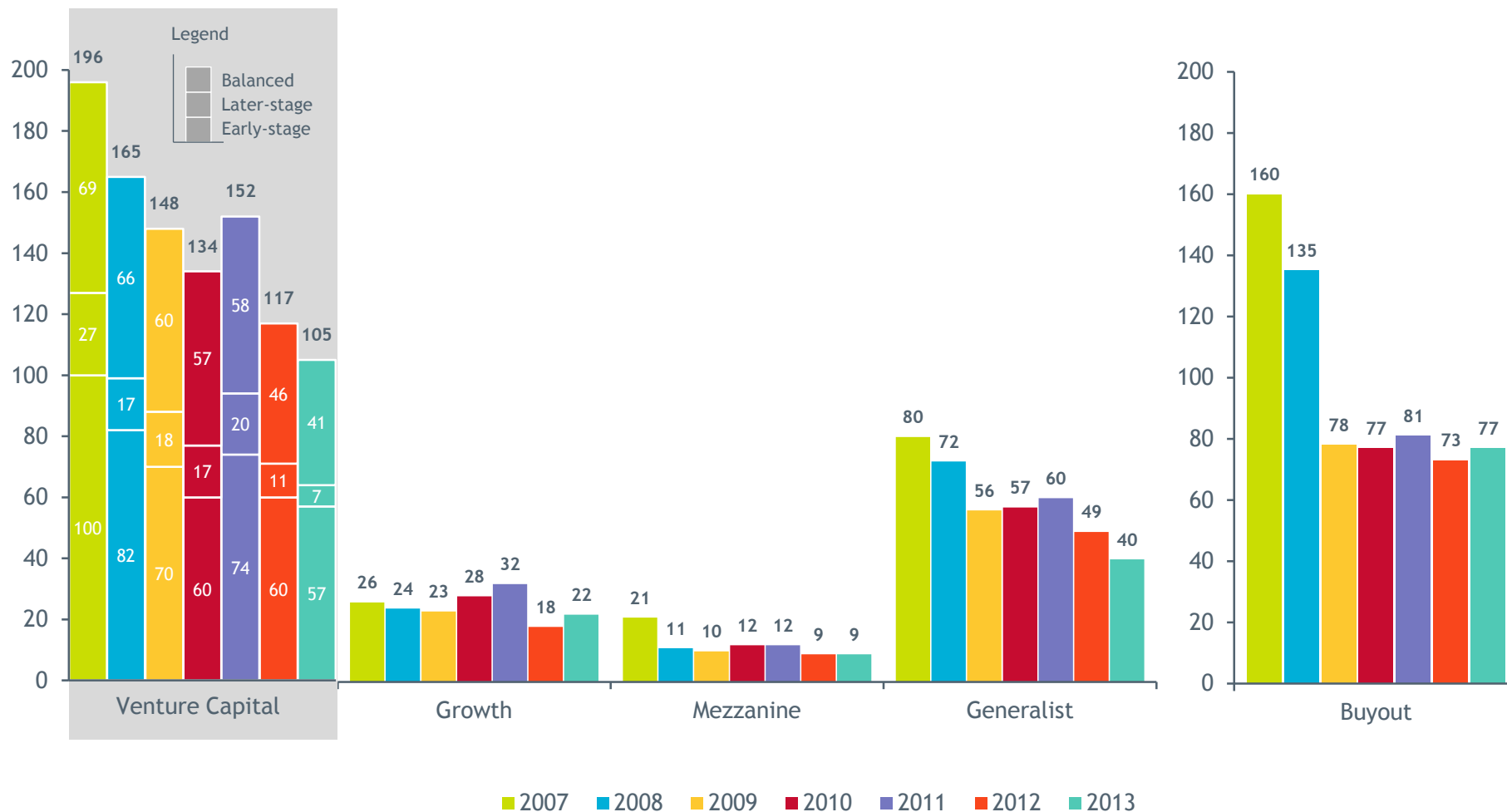
2007-2013 - Incremental amount raised during the year



Source: EVCA / PEREP_Analytics

Funds raised by fund stage focus

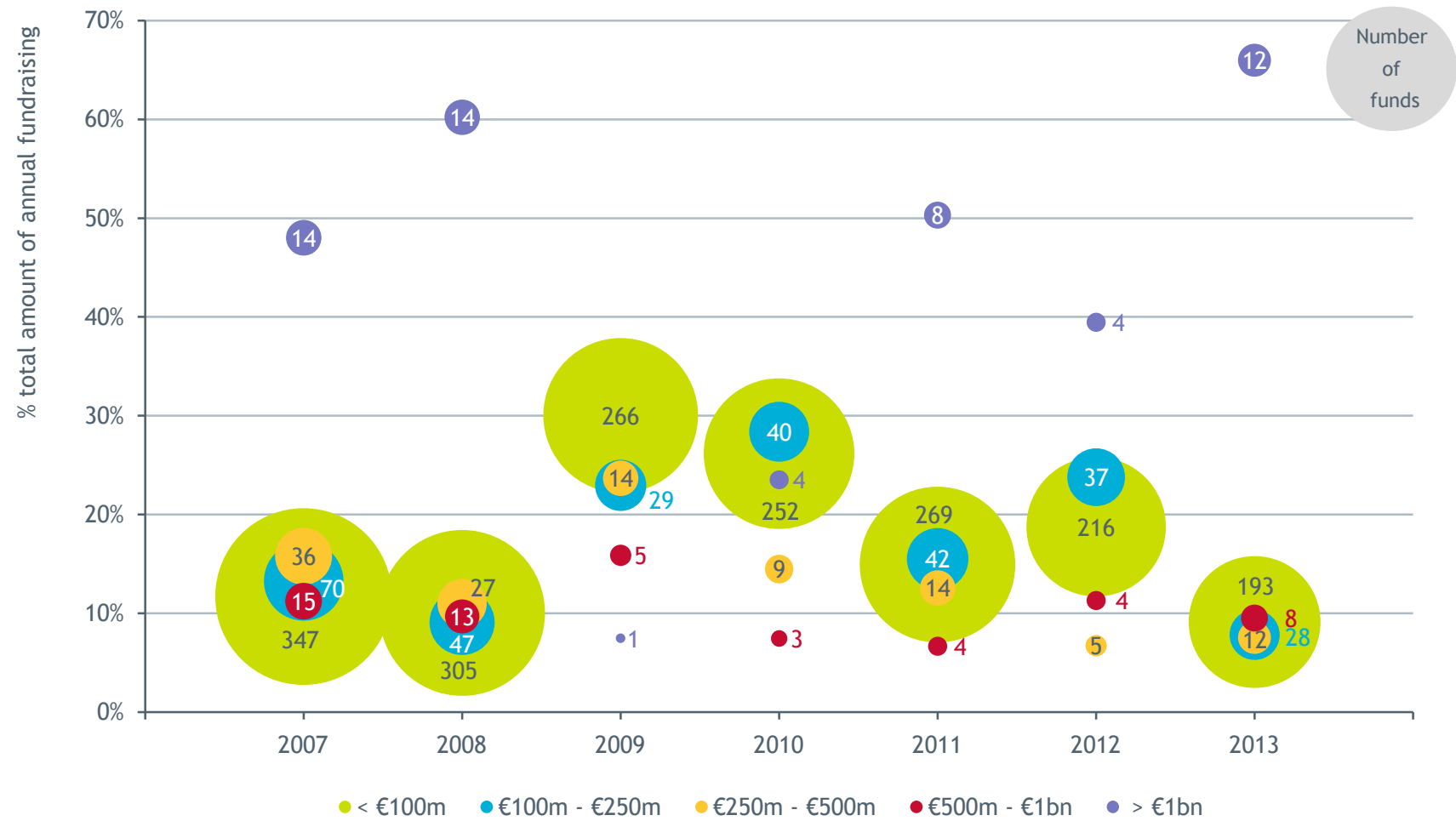
2007-2013 - Number of funds that reached first, intermediate or final closing during the year



Source: EVCA / PEREP_Analytics

All Private Equity - Concentration of capital

2007-2013 - Incremental fundraising by amount bracket per fund during the year

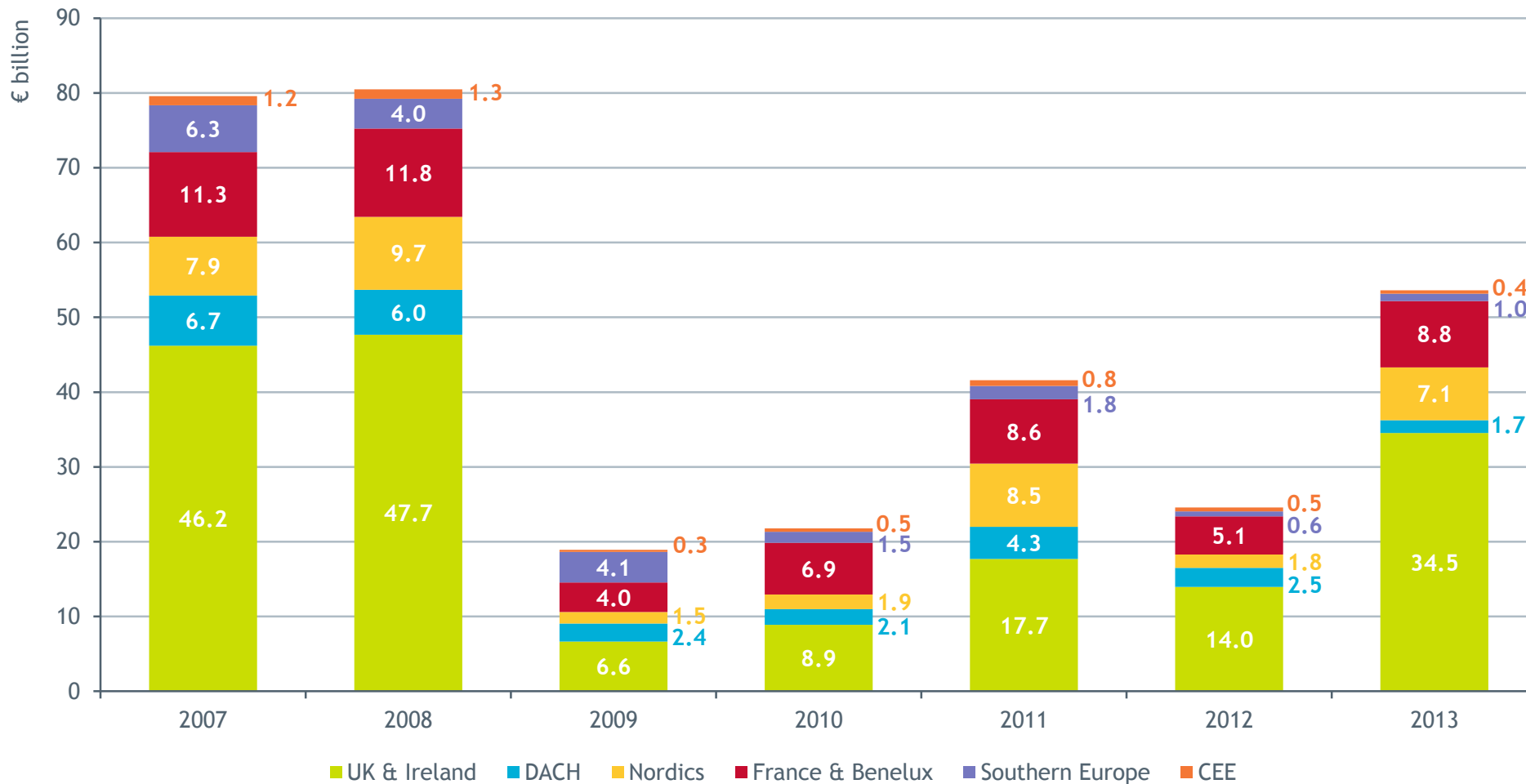


Source: EVCA / PEREP_Analytics

All Private Equity - Funds raised by region of management



2007-2013 - Incremental amount raised during the year

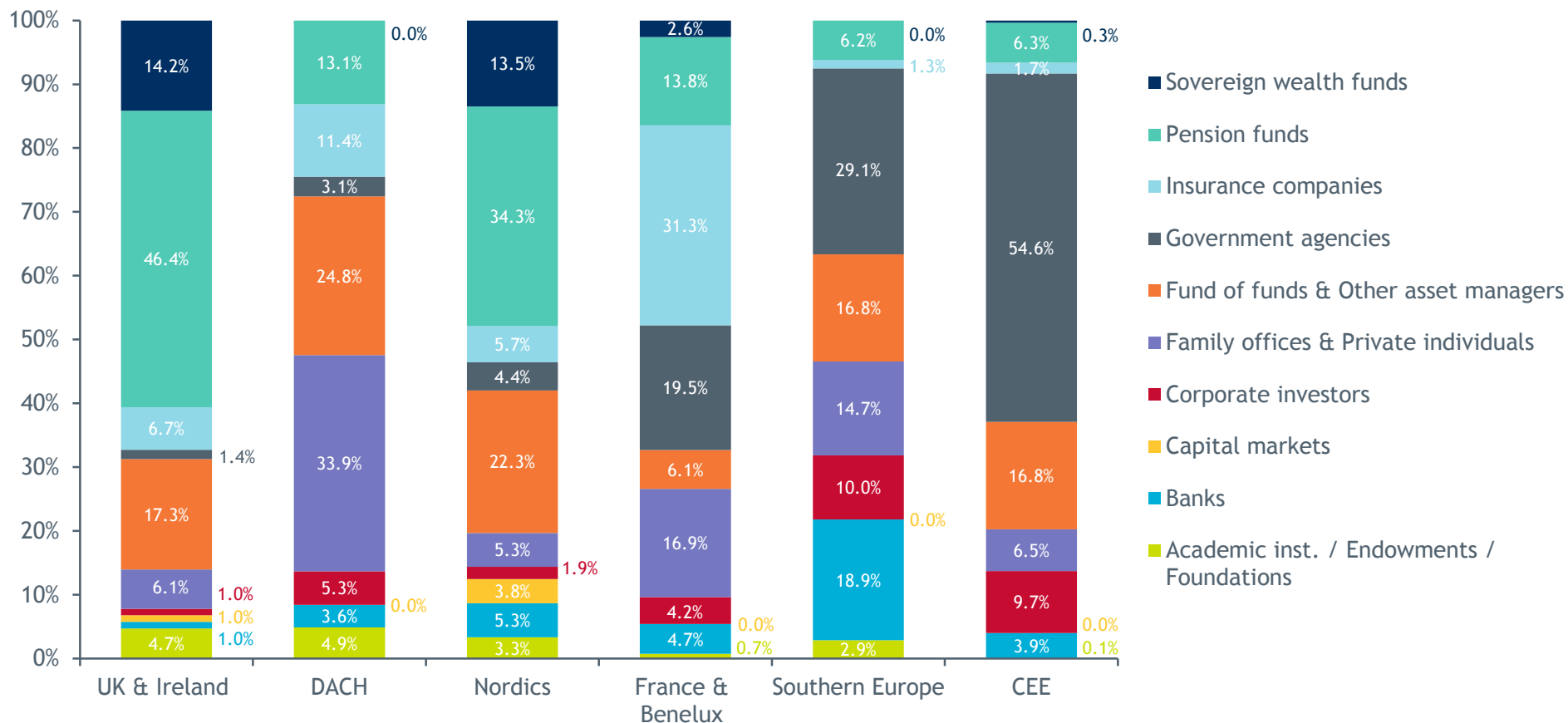


Source: EVCA / PEREP_Analytics

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

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

2013 - Incremental amount raised during the year



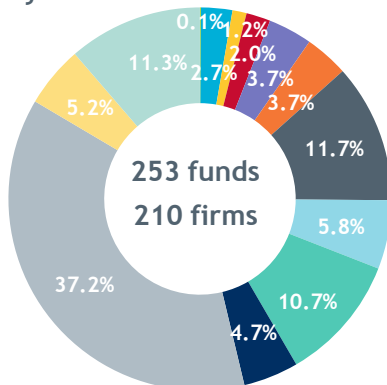
Source: EVCA / PEREP_Analytics

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

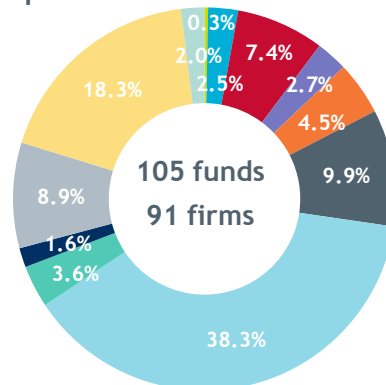
Funds raised by type of investor

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

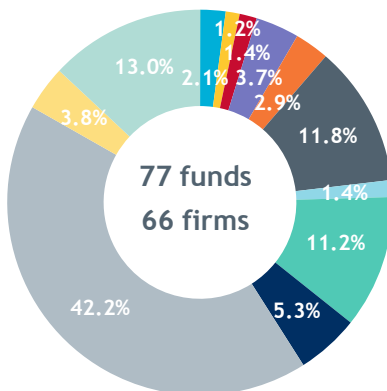
All Private Equity funds



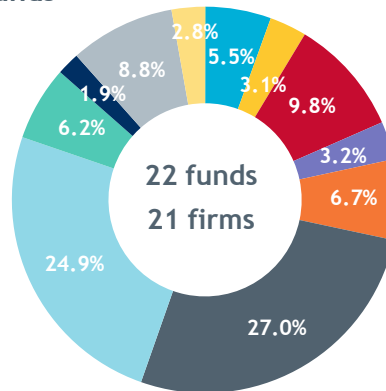
Venture Capital funds



Buyout funds



Growth funds

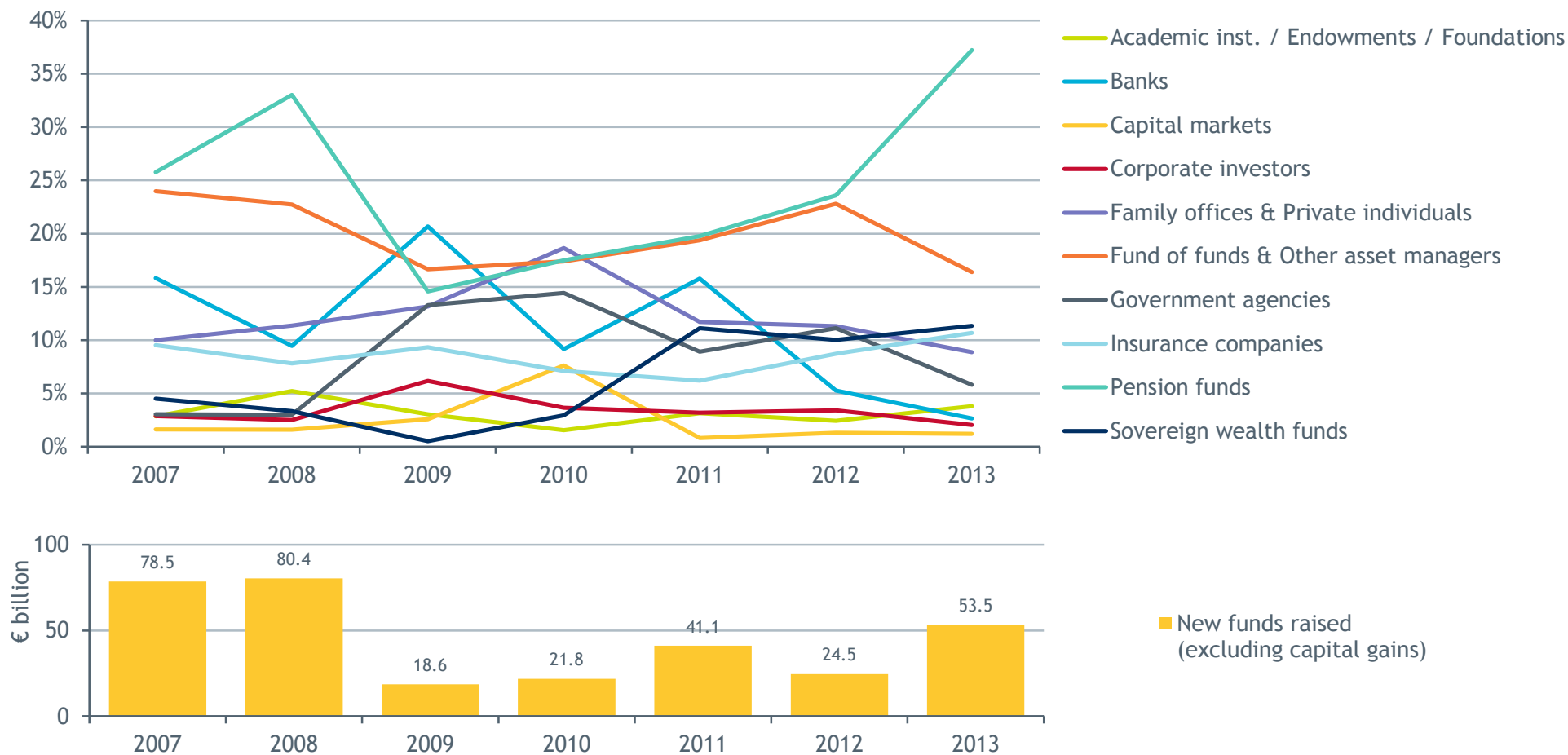


- Academic institutions
- Banks
- Capital markets
- Corporate investors
- Endowments and foundations
- Family offices
- Fund of funds
- Government agencies
- Insurance companies
- Other asset managers
- Pension funds
- Private individuals
- Sovereign wealth funds

Source: EVCA / PEREP_Analytics

All Private Equity - Funds raised by type of investor

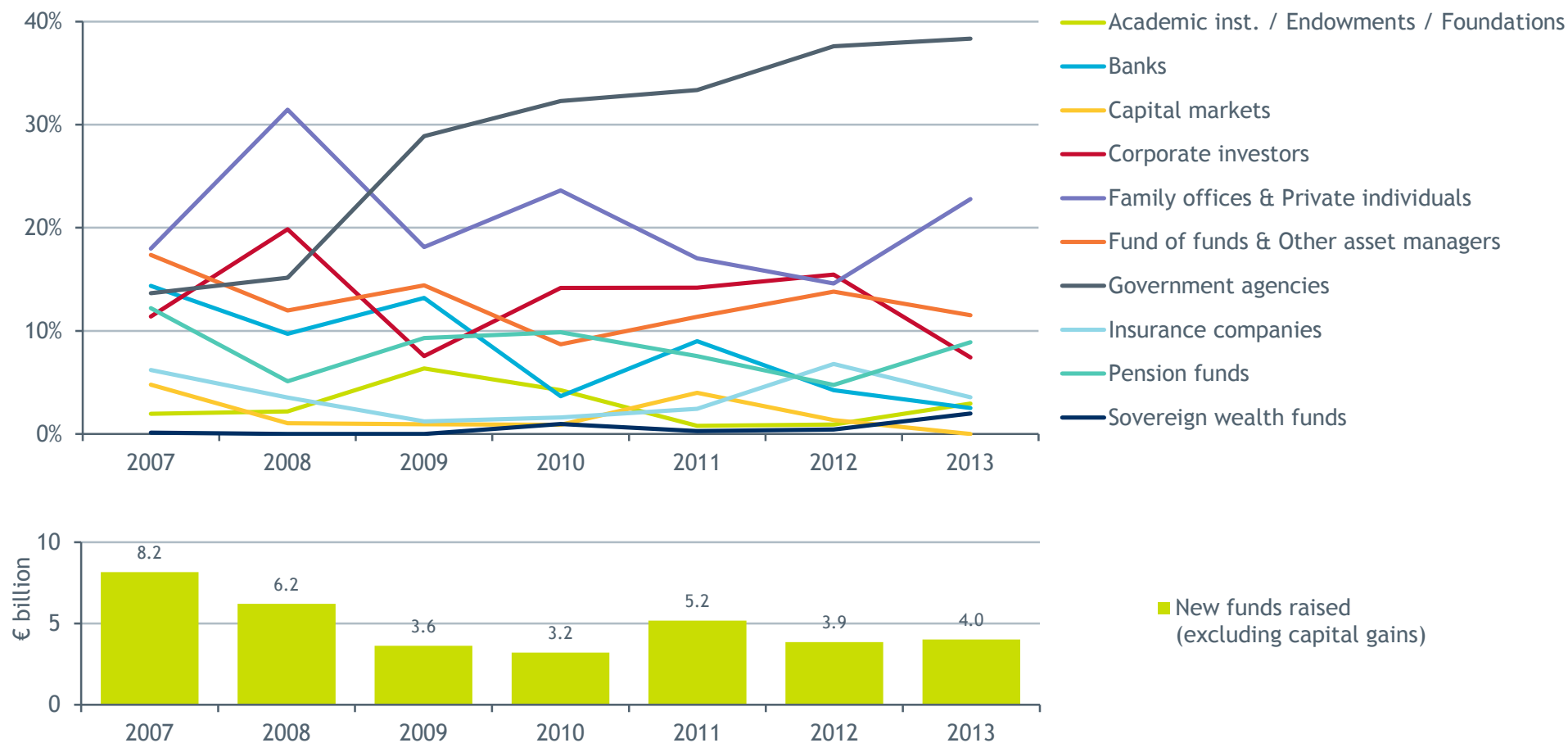
2007-2013 - Incremental amount raised during the year - % of total amount



Source: EVCA / PEREP_Analytics

Venture Capital - Funds raised by type of investor

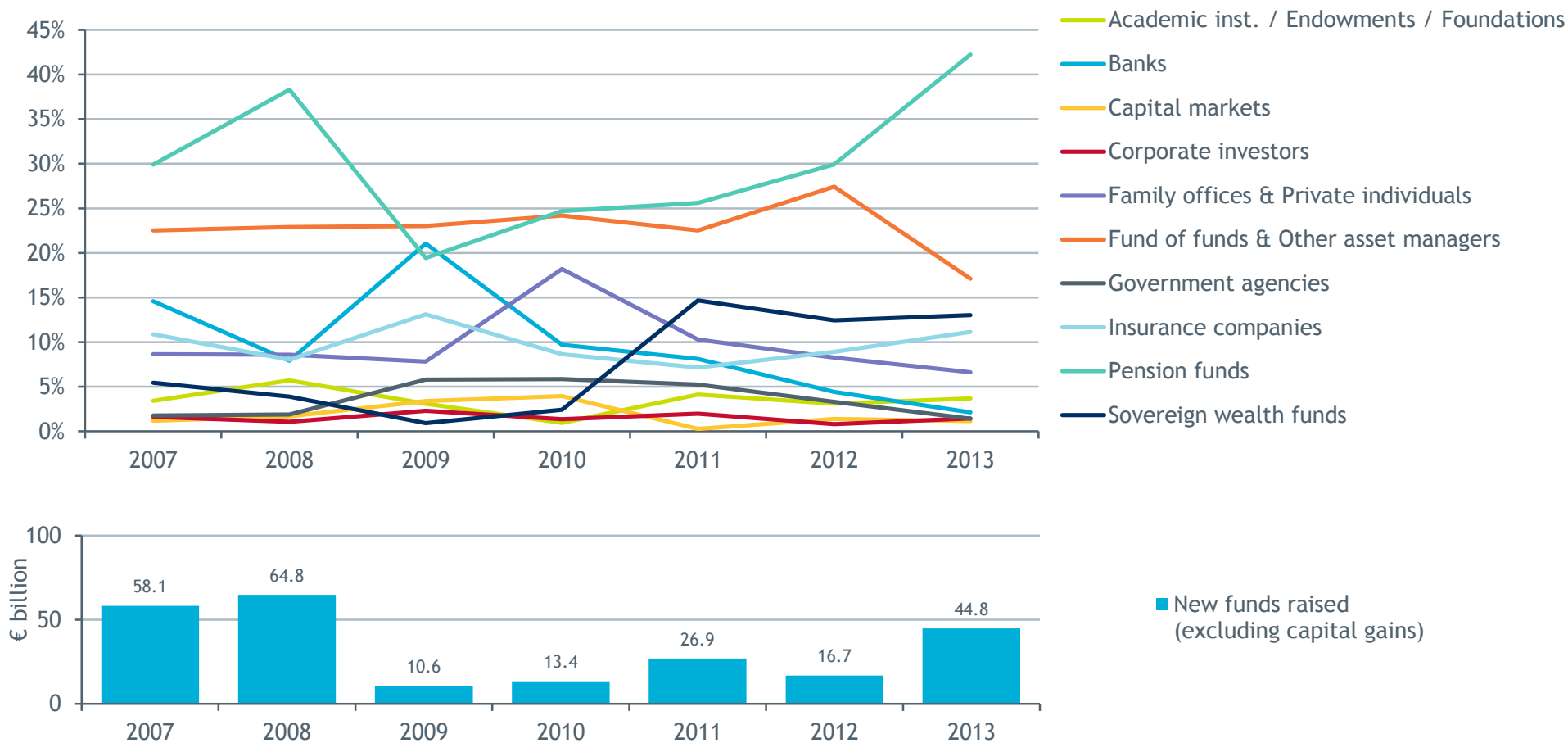
2007-2013 - Incremental amount raised during the year - % of total amount



Source: EVCA / PEREP_Analytics

Buyout - Funds raised by type of investor

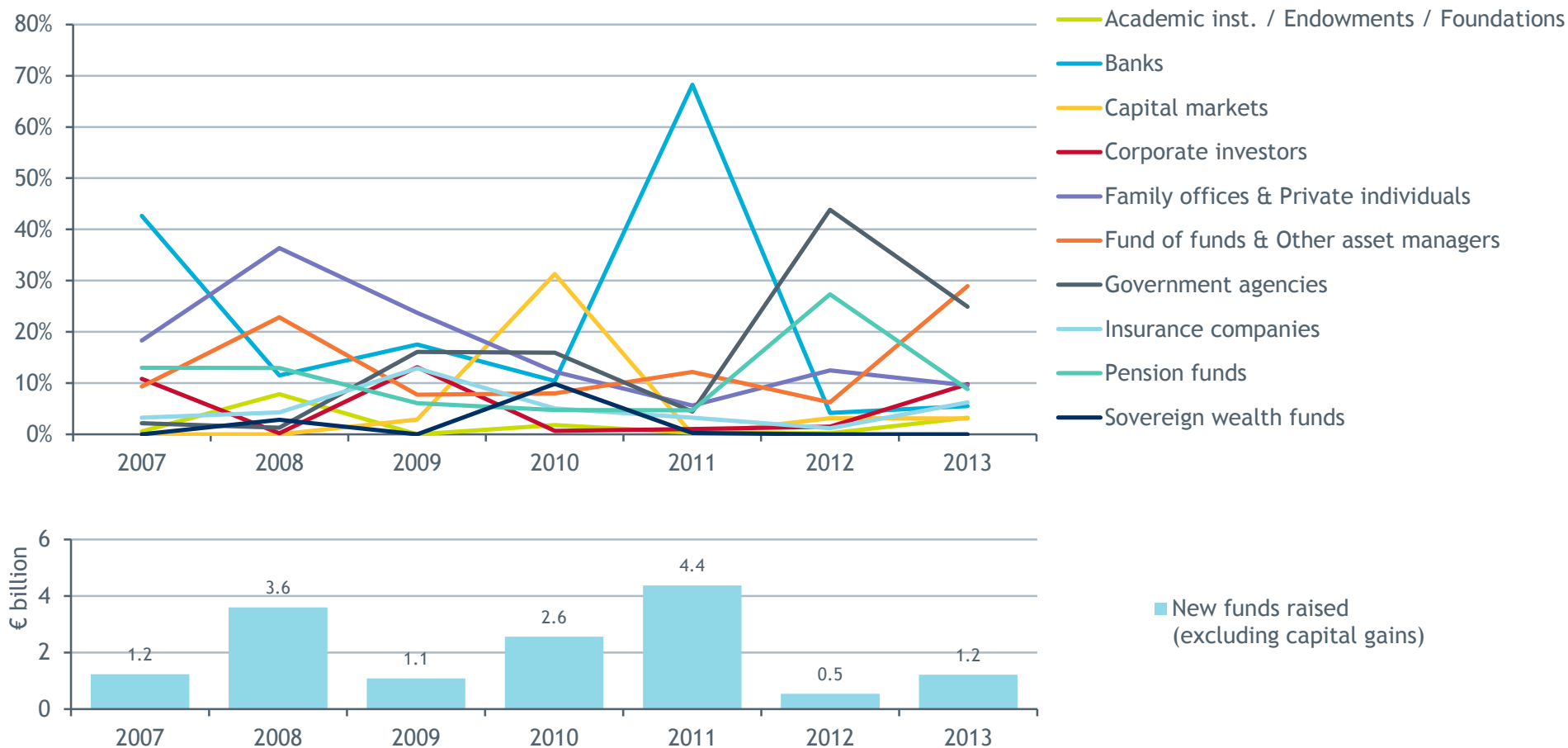
2007-2013 - Incremental amount raised during the year - % of total amount



Source: EVCA / PEREP_Analytics

Growth - Funds raised by type of investor

2007-2013 - Incremental amount raised during the year - % of total amount



Source: EVCA / PEREP_Analytics

All Private Equity - Fundraising geographic breakdown

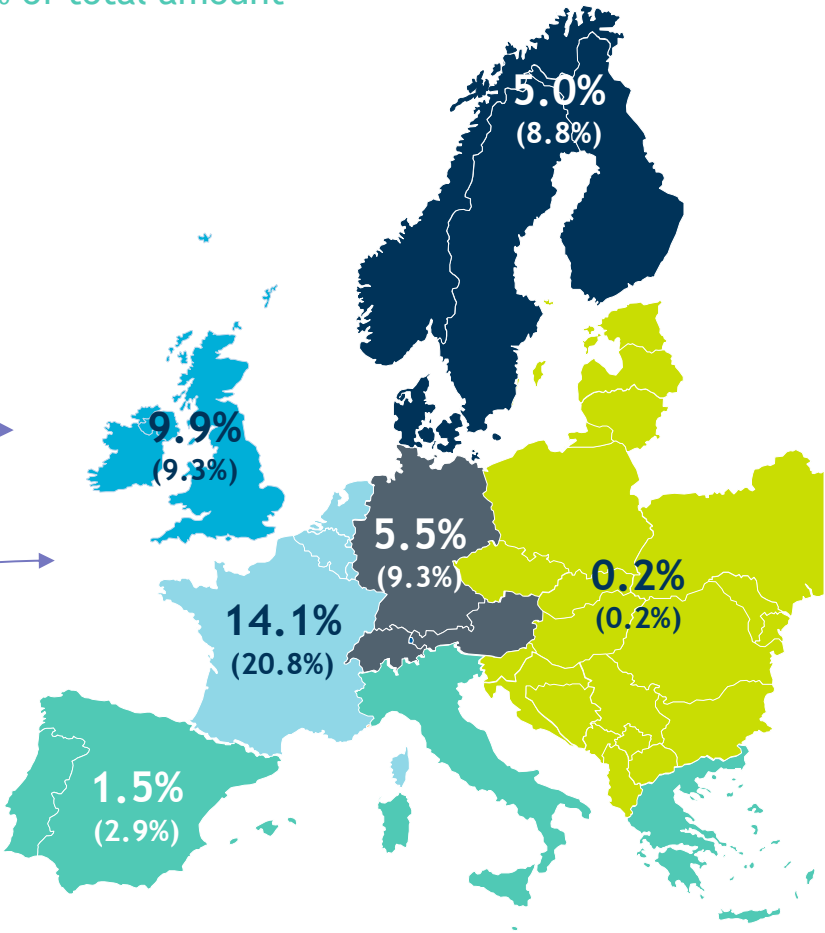
2013 (2012) - Source of funds - % of total amount

North America

36.2%
(24.3%)

Rest of world

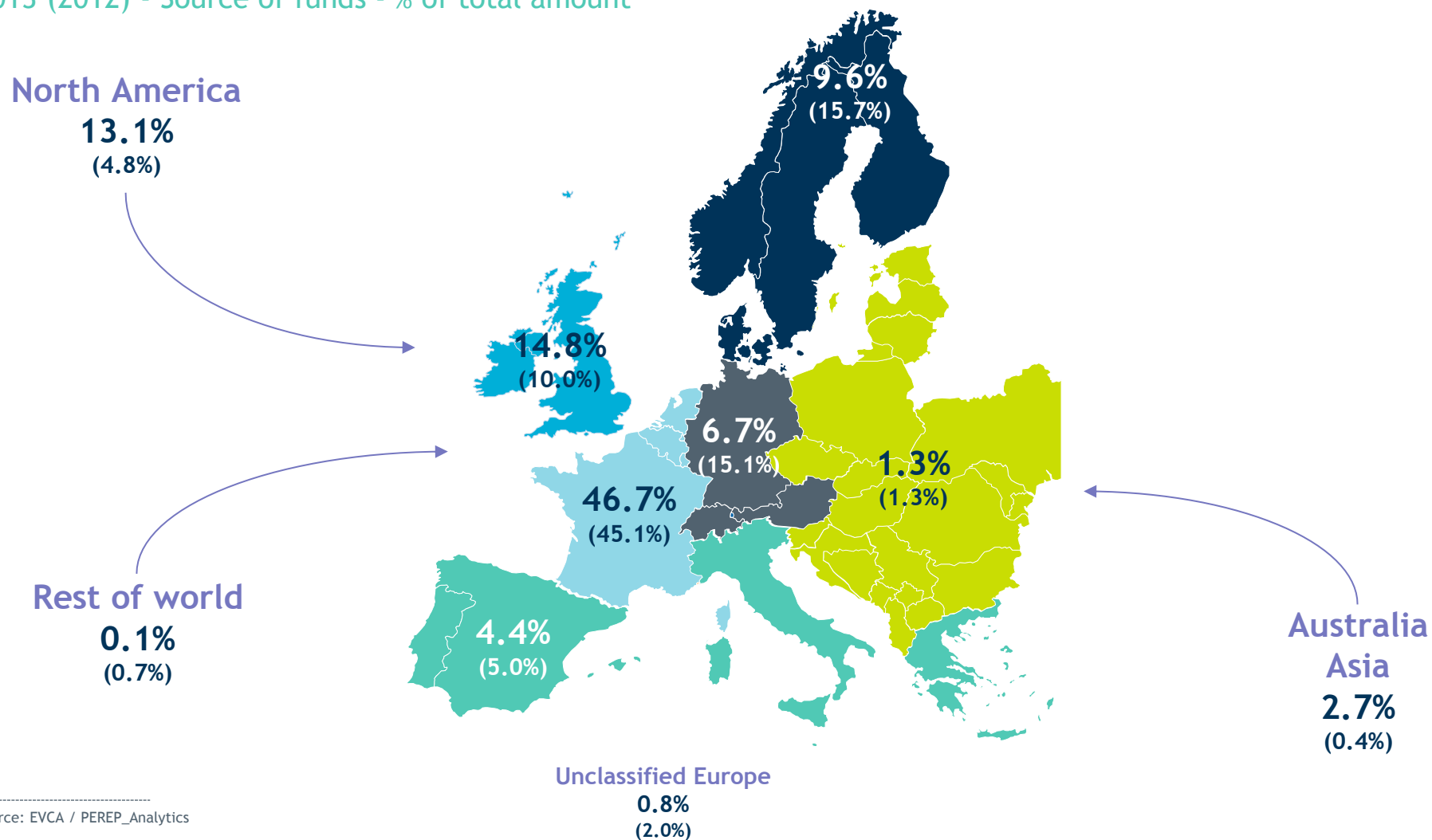
5.3%
(0.6%)



Source: EVCA / PEREP_Analytics

Venture Capital - Fundraising geographic breakdown

2013 (2012) - Source of funds - % of total amount



Buyout - Fundraising geographic breakdown

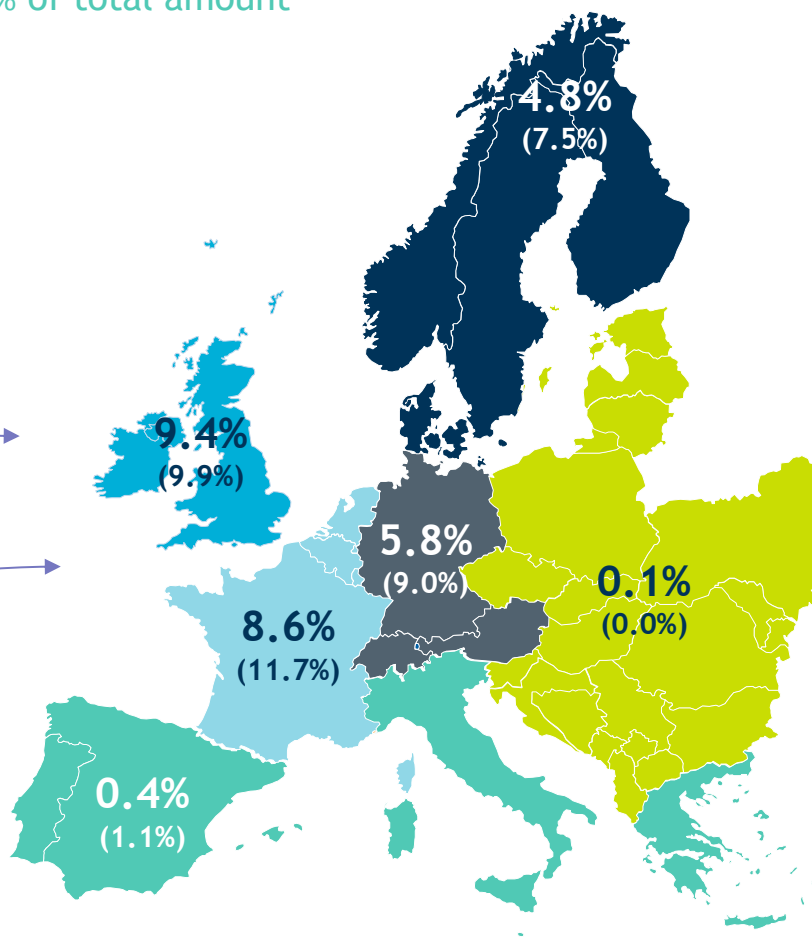
2013 (2012) - Source of funds - % of total amount

North America

40.2%
(31.2%)

Rest of world

6.0%
(0.8%)



Unclassified Europe

8.8%
(12.8%)

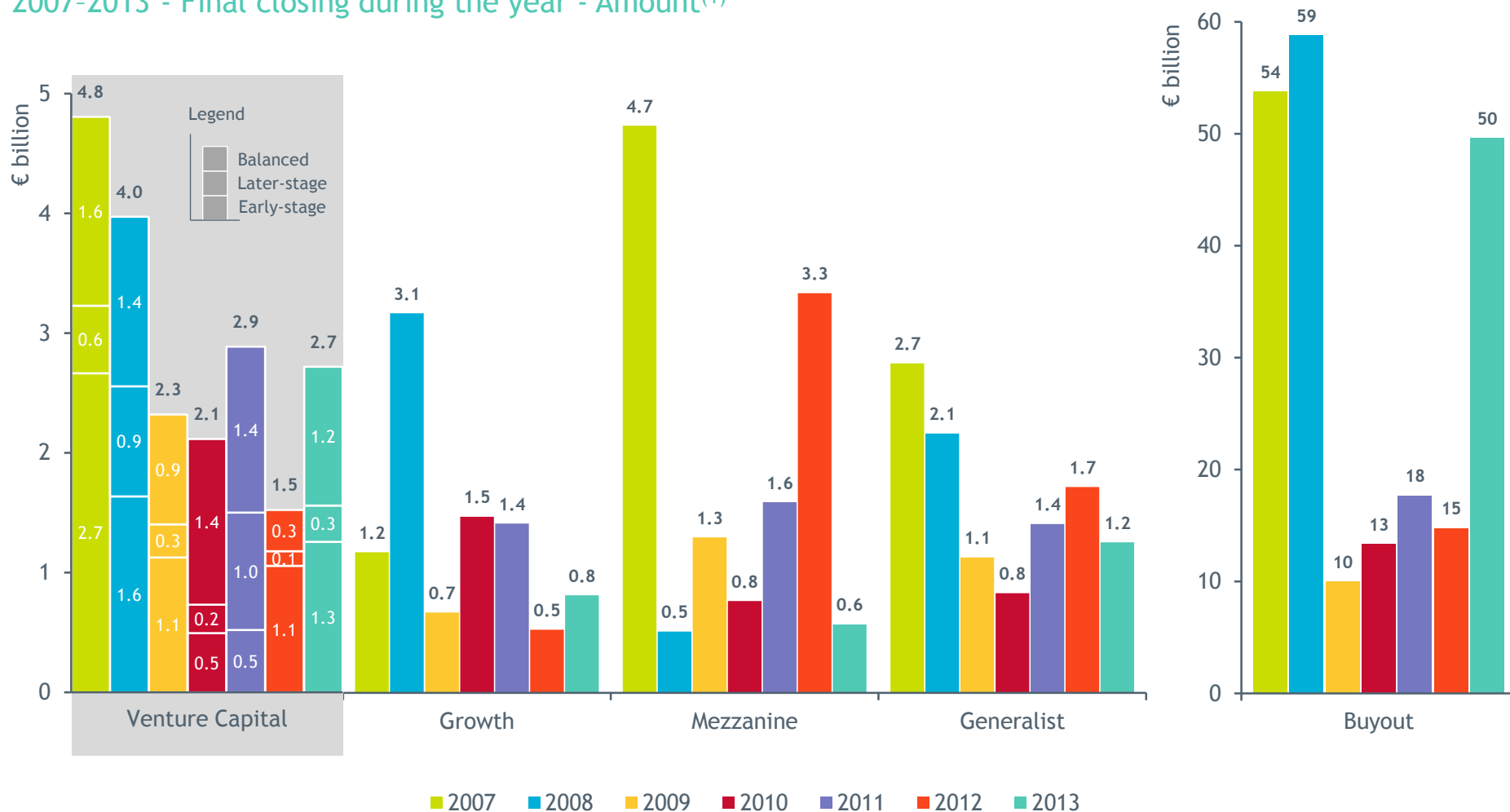
Australia

Asia
15.9%
(16.2%)

Source: EVCA / PEREP_Analytics

Final closing - Funds raised by fund stage focus

2007-2013 - Final closing during the year - Amount⁽¹⁾

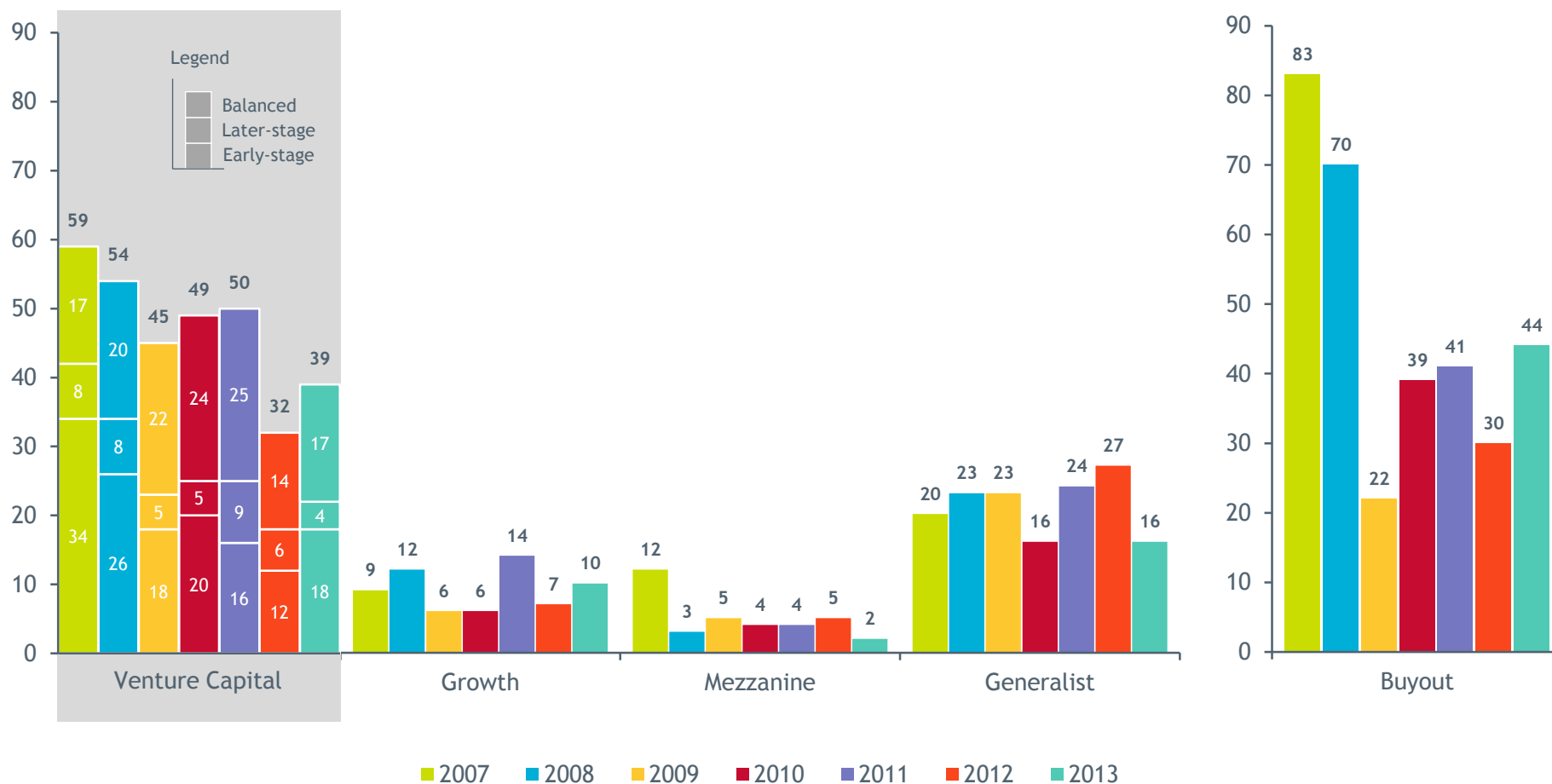


Source: EVCA / PEREP_Analytics

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

2007-2013 - Final closing during the year - Number of funds⁽¹⁾

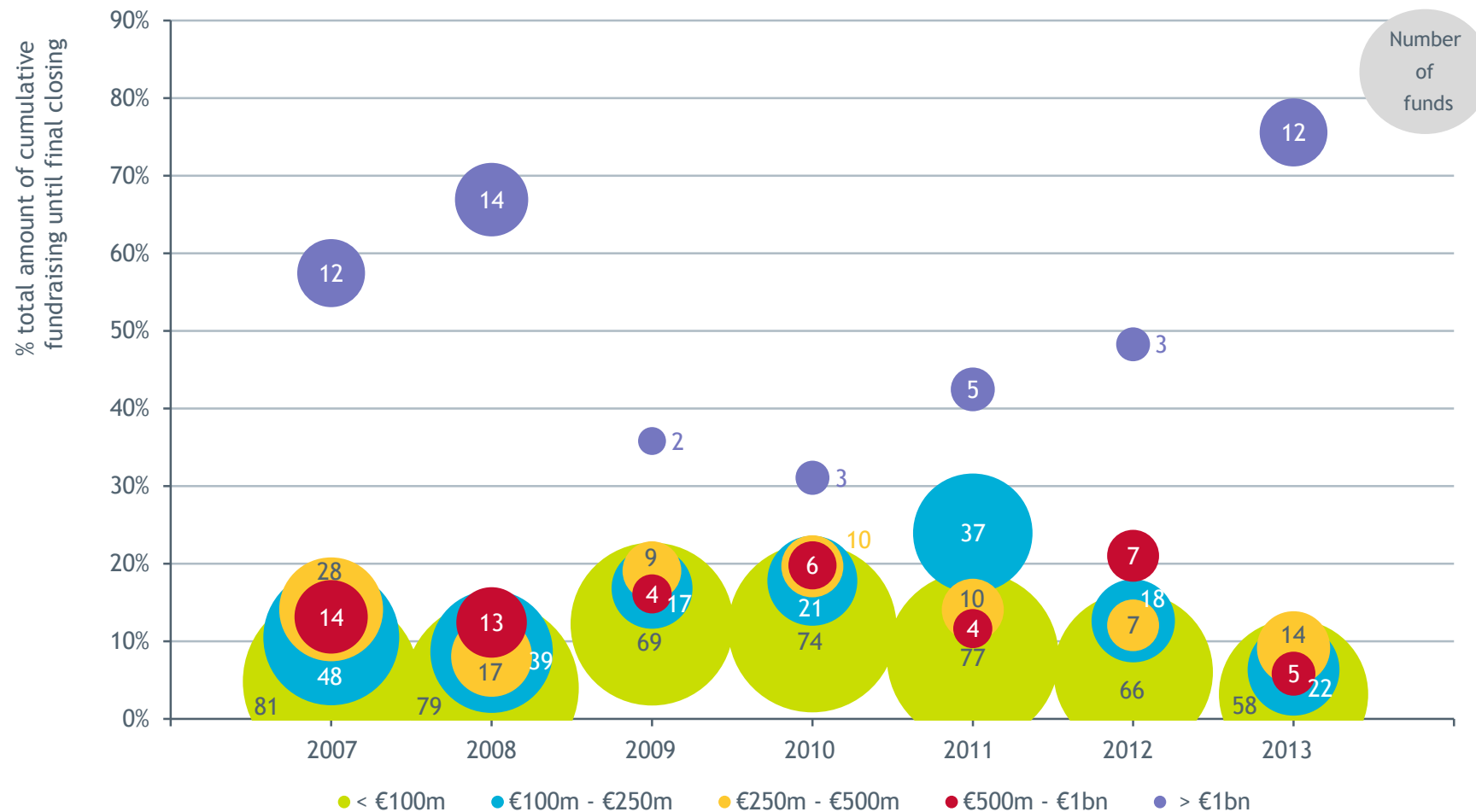


Source: EVCA / PEREP_Analytics

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

2007-2013 - Final closing during the year - Amount⁽¹⁾ & Number of funds⁽²⁾



Source: EVCA / PEREP_Analytics 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.

Investments

2

Investments statistics explained

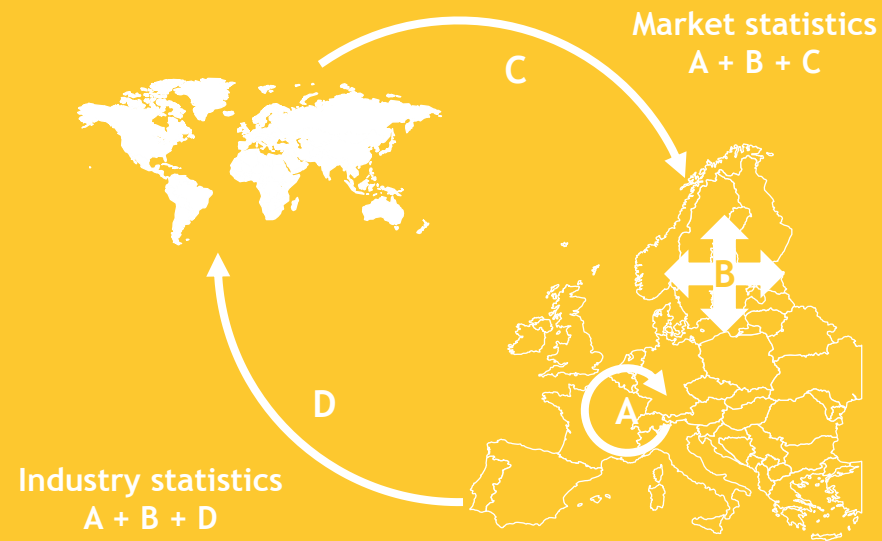
Industry statistics are an aggregation of figures according to the country of the private equity firm's office in charge of the investment. At European level, this relates to investments made by European private equity firms regardless of the location of the target company.

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 firm.

For more data visit www.evca.eu/research

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

For more data visit www.evca.eu/research

Glossary

Venture Capital

Seed

Financing provided to research, assess and develop an initial concept before a business has reached the start-up phase.

Start-up

Financing provided to companies for product development and initial marketing. Companies may be in the process of being set up or may have been in business for a short time, but have not sold their product commercially.

Later-stage venture

Financing provided for the expansion of an operating company, which may or may not be breaking even or trading profitably. Later-stage venture tends to finance companies already backed by venture capital firms.

Growth

A type of private equity investment - most often a minority investment but not necessarily - in relatively mature companies that are looking for capital to expand operations, restructure operations or enter new markets.

Buyout

Financing provided to acquire a company. It may use a significant amount of borrowed money to meet the cost of acquisition.

Rescue/Turnaround

Financing made available to an existing business, which has experienced trading difficulties, with a view to re-establishing prosperity.

Replacement capital

The purchase of a minority stake of existing shares in a company from another private equity firm or from another shareholder or shareholders.

2013 Investments at a glance

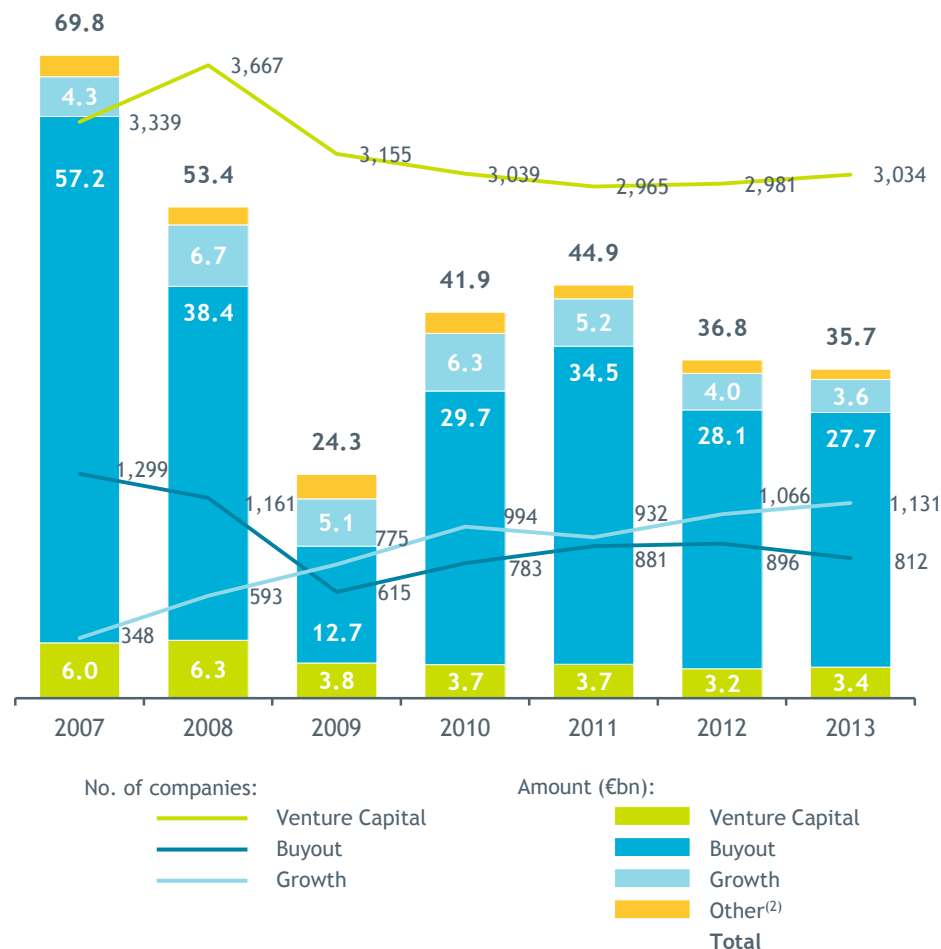
- Overall **investments in European companies** remained stable. More than 5,000 companies were backed in 2013, as it was the case in the previous year. Equity investments decreased by 3% to €35.7bn.
- More than 40% of the companies that received investments in 2013 were backed for the first time.
- The total amount of **venture capital invested** had increased by 5% to €3.4bn. More than 3,000 companies were venture-backed. Start-up stage investments were the majority of venture capital activity by amount (55%) and number of companies (59%). The *life sciences*, *computer & consumer electronics*, *communications* and *energy & environment* sectors accounted for over 70% of all venture capital investments.
- More than 800 companies received **buyout investments**. The related equity amount invested reduced by 2% and the number of companies by 9% compared to 2012. More than half of buyout investments concentrated on companies active in *business & industrial products*, *consumer goods & retail*, *business & industrial services* and *life sciences*.
- As in 2012, more than 1,000 companies attracted **growth investments**. This represented an increase of 6% by number of companies and a 10% decrease in the amount of equity invested. About 50% concentrated on companies active in *business & industrial services*, *business & industrial products*, *computer & consumer electronics* and *communications*.

2013 - Market statistics	All Private Equity	Venture Capital ⁽¹⁾	Buyout ⁽¹⁾	Growth ⁽¹⁾
Amount	€35.7bn	€3.4bn	€27.7bn	€3.6bn
No. of companies	5,089	3,034	812	1,131
No. of firms	1,073	641	420	334
No. of funds	1,654	994	552	500

Source: EVCA / PEREP_Analytics

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

Investments - Market statistics - Amount & No. of companies



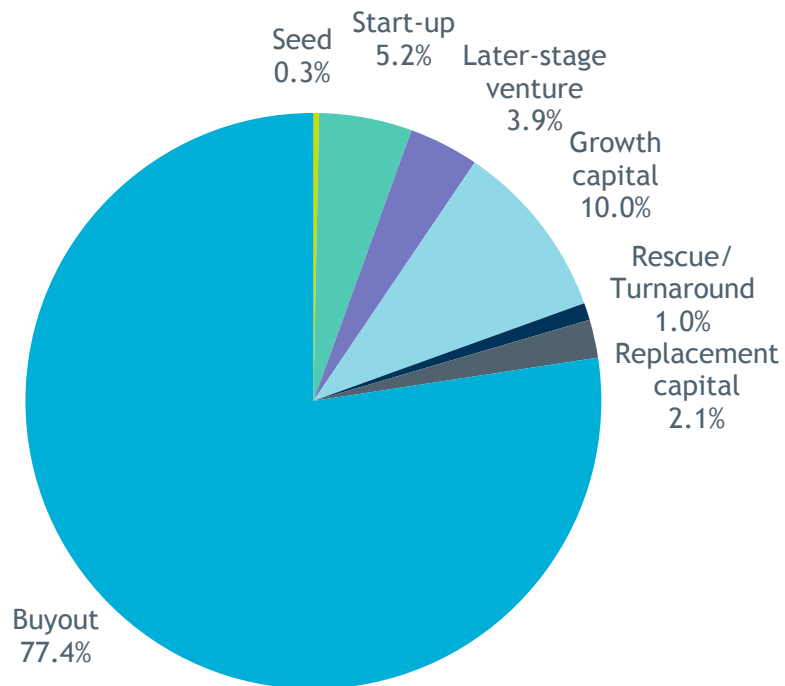
Source: EVCA / PEREP_Analytics

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

Investments by stage focus

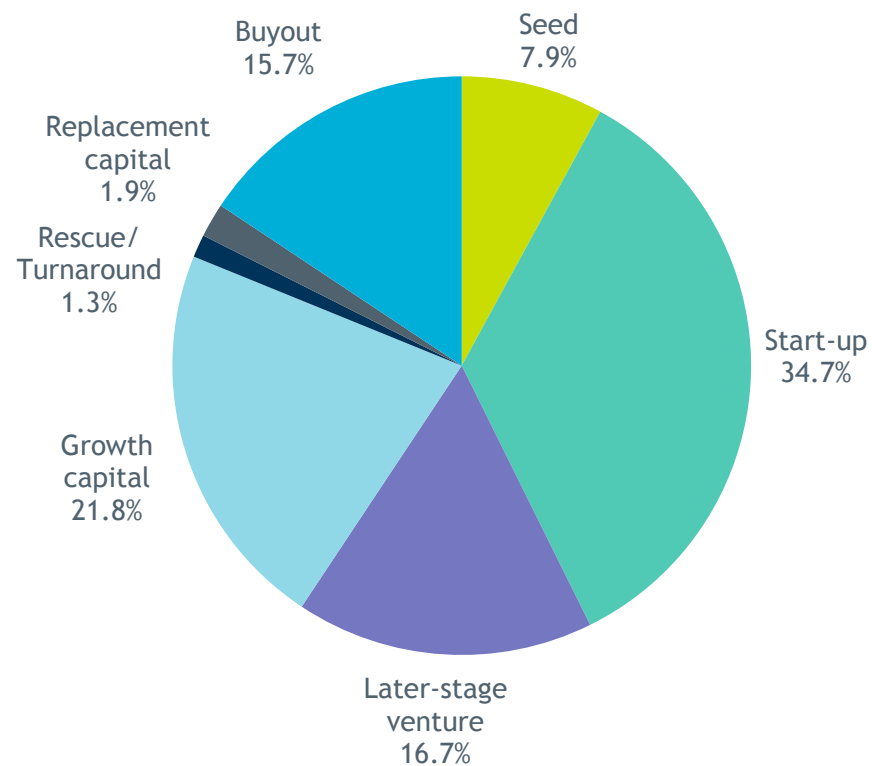
2013 - Market statistics - % of Amount & Number of companies

% of Amount



Venture Capital	€3.4bn
Buyout	€27.7bn
Growth	€3.6bn

% of Number of companies

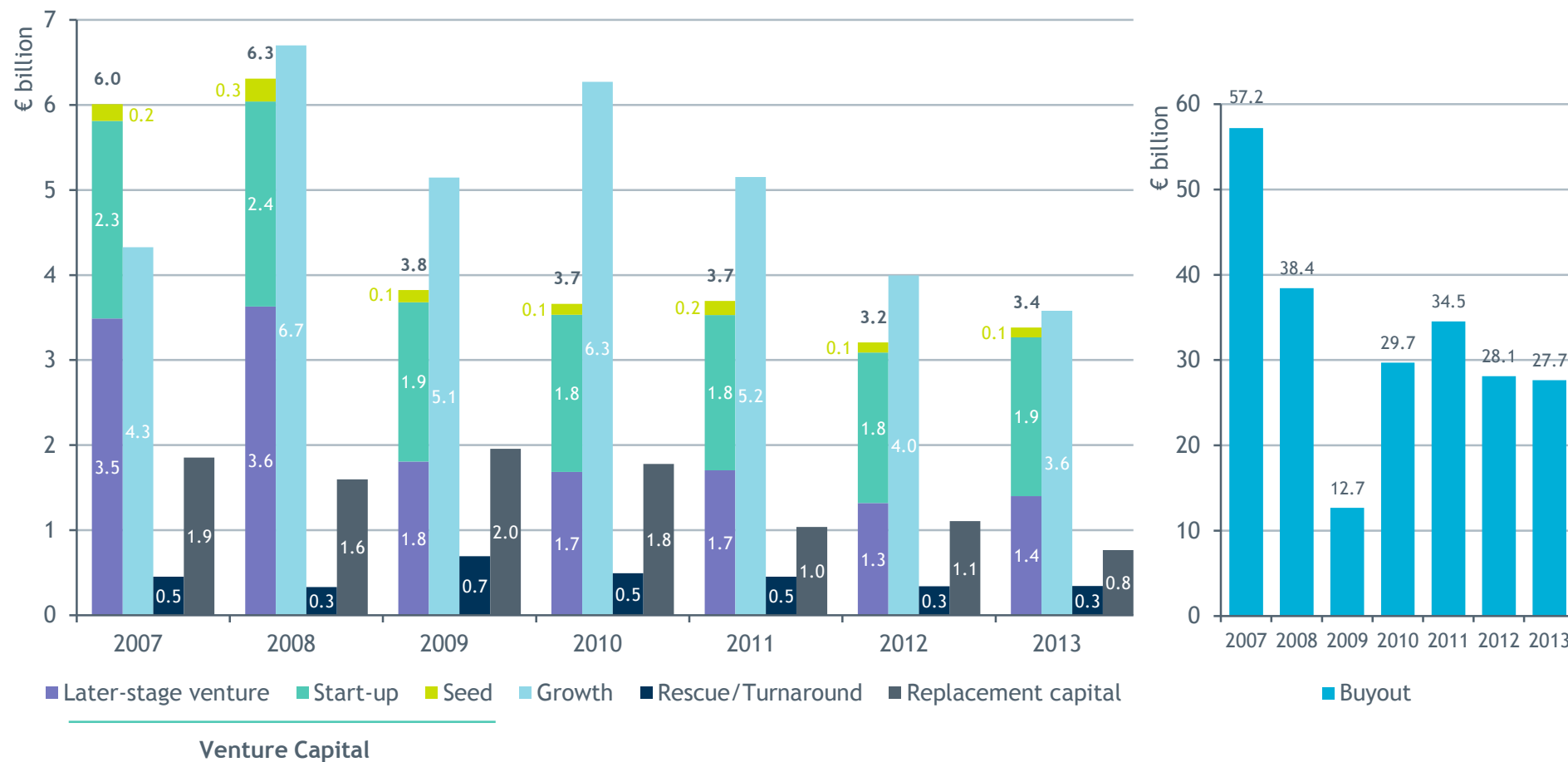


Venture Capital	3,034 Companies
Buyout	812 Companies
Growth	1,131 Companies

Source: EVCA / PEREP_Analytics

Investments by stage focus

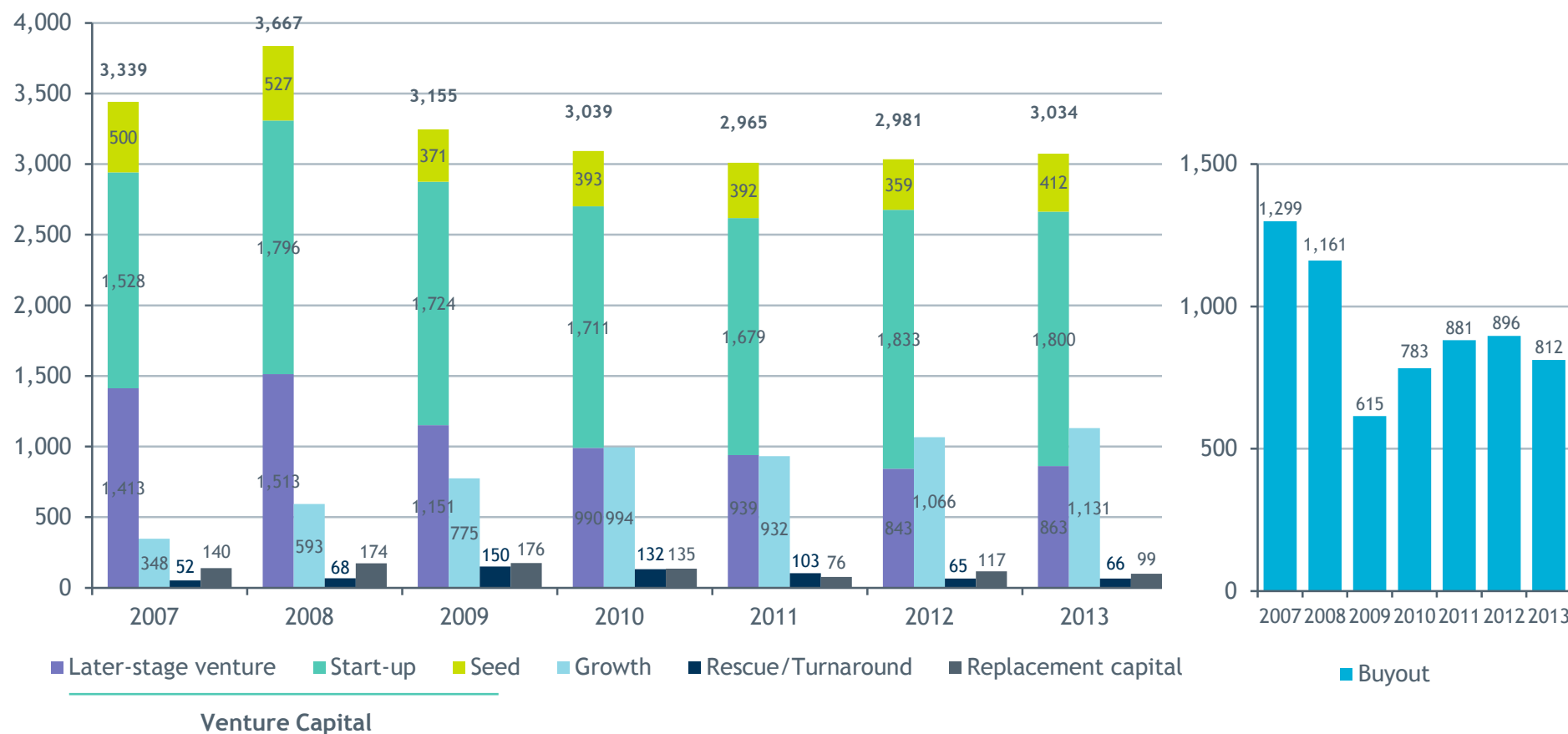
2007-2013 - Market statistics - Amount



Source: EVCA / PEREP_Analytics

Investments by stage focus

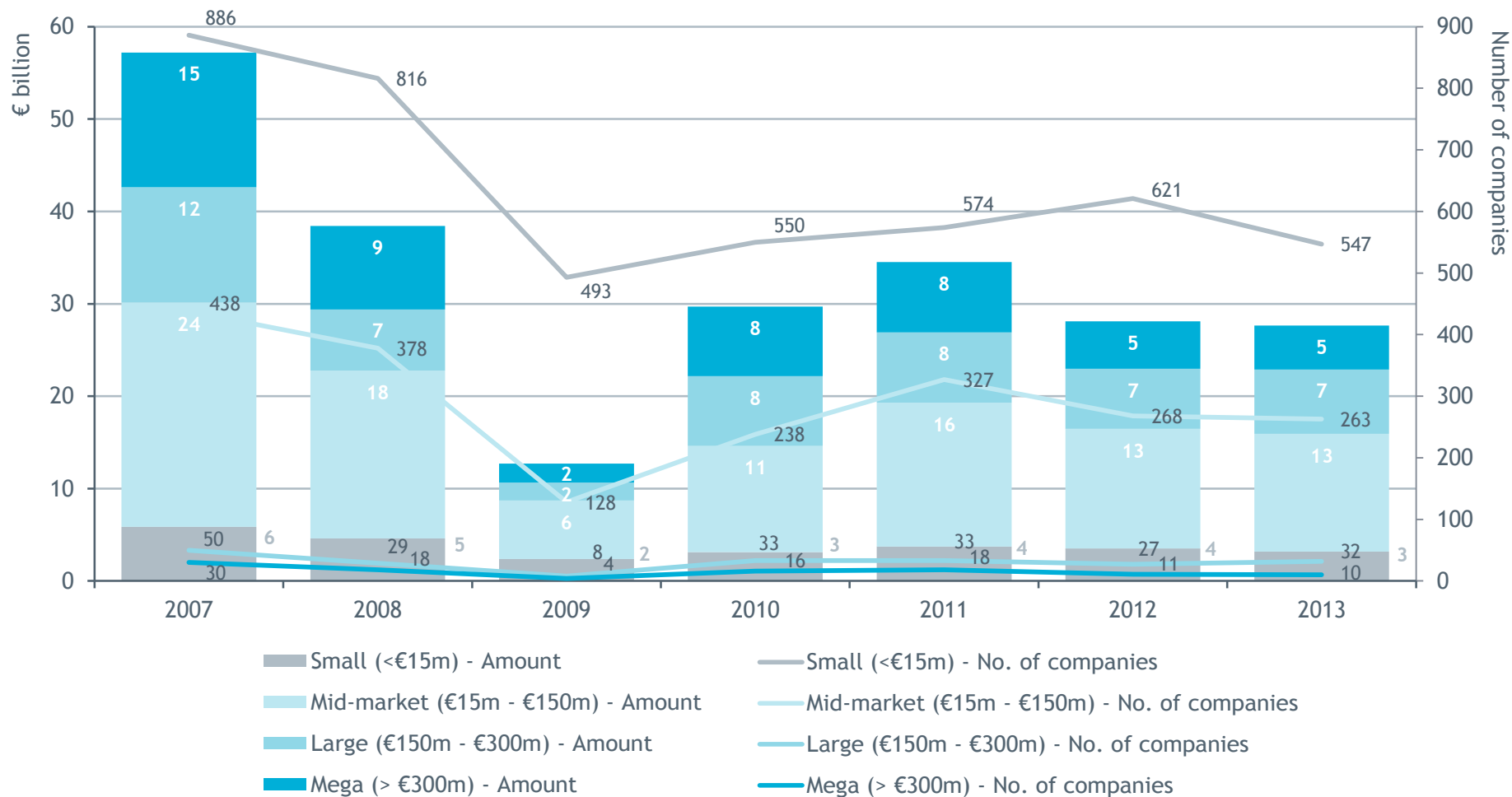
2007-2013 - Market statistics - Number of companies



Source: EVCA / PEREP_Analytics

Buyout - Investments by equity bracket

2007-2013 - Market statistics - Amount & Number of companies



Source: EVCA / PEREP_Analytics

Investments by stage focus

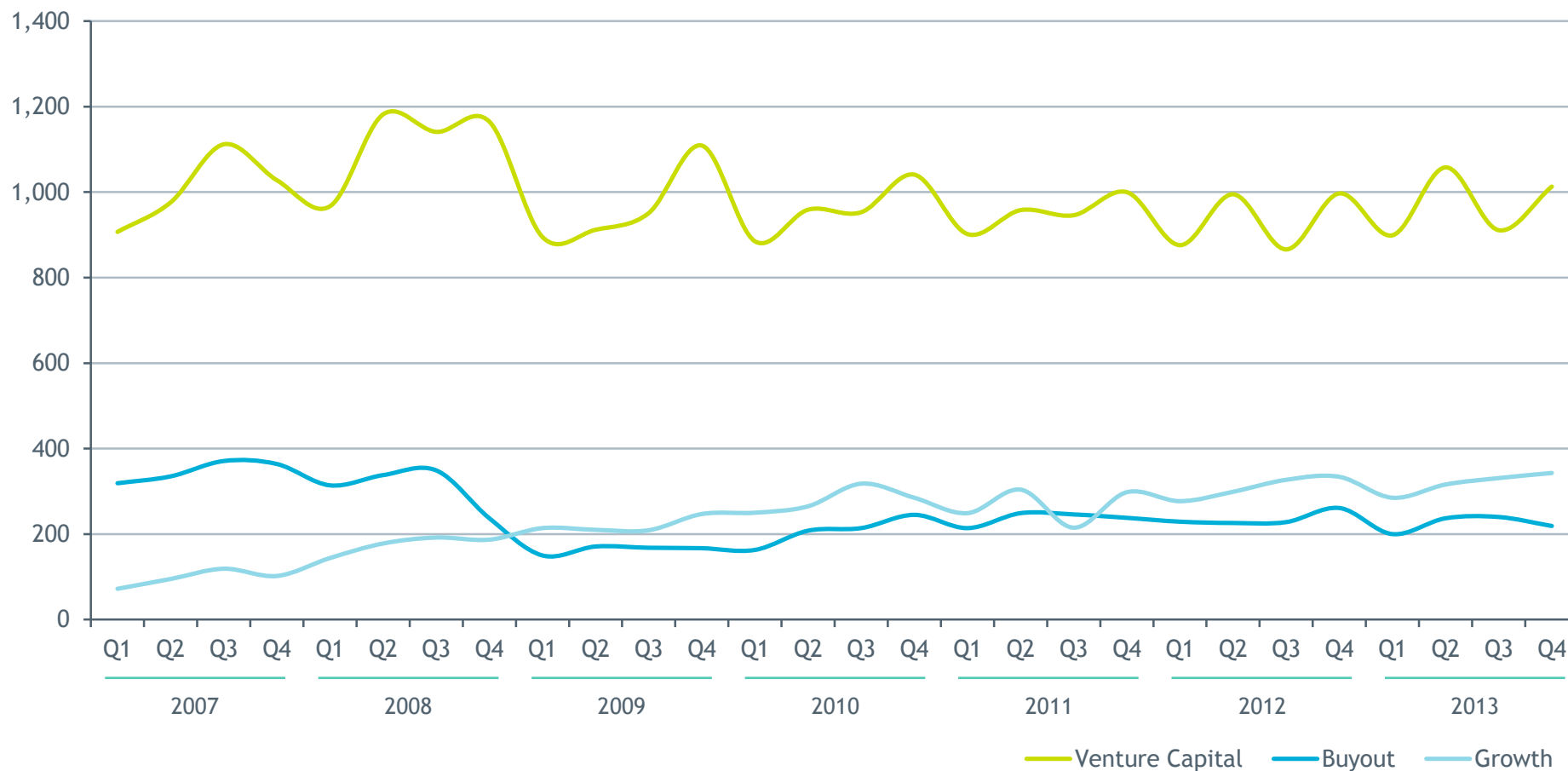
Quarterly trend Q1 2007 - Q4 2013 - Market statistics - Amount



Source: EVCA / PEREP_Analytics

Investments by stage focus

Quarterly trend Q1 2007 - Q4 2013 - Market statistics - Number of companies



Source: EVCA / PEREP_Analytics

Venture Capital - Investments by stage focus



Quarterly trend Q1 2007 - Q4 2013 - Market statistics - Amount

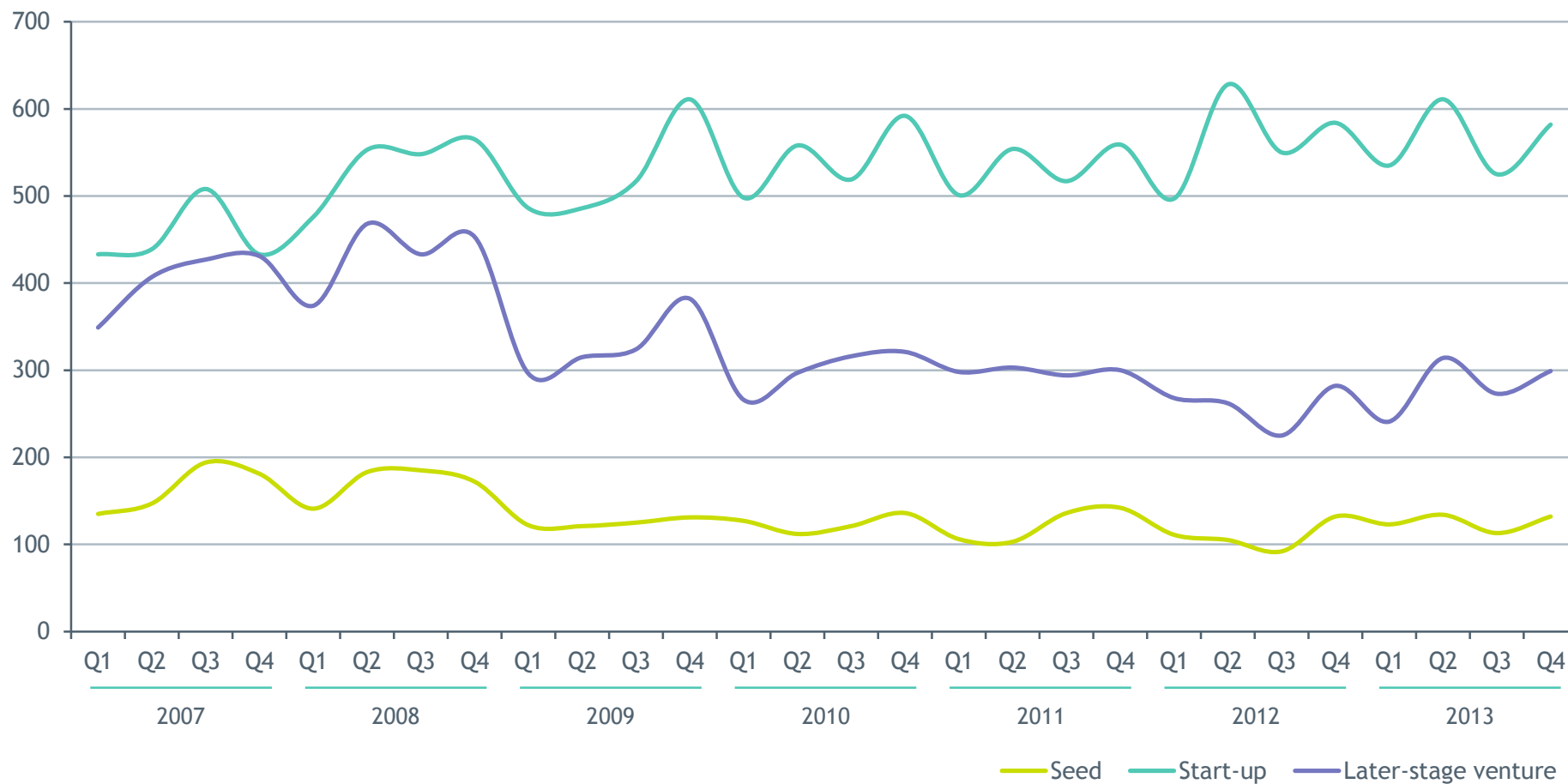


Source: EVCA / PEREP_Analytics

Venture Capital - Investments by stage focus



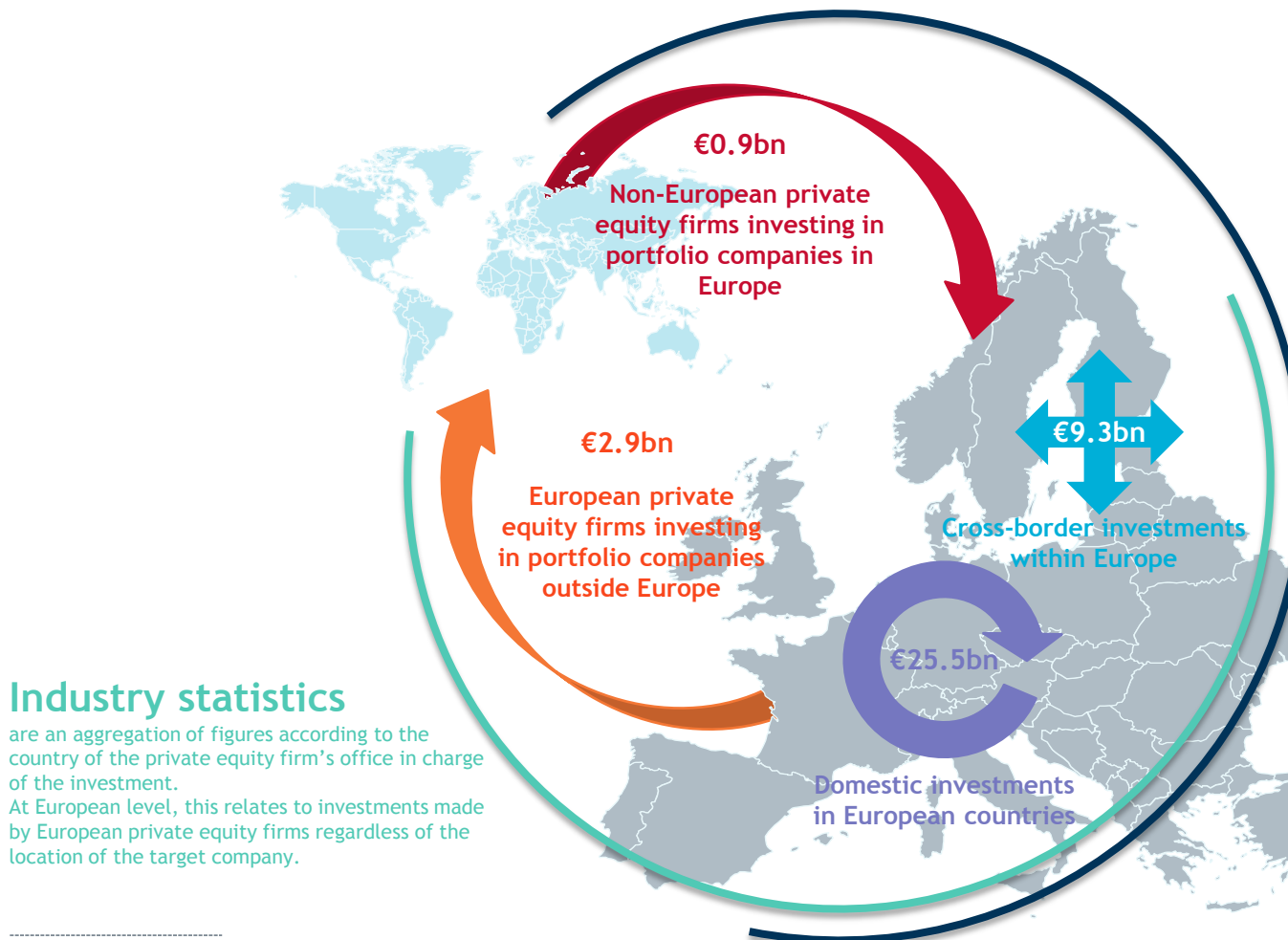
Quarterly trend Q1 2007 - Q4 2013 - Market statistics - Number of companies



Source: EVCA / PEREP_Analytics

All Private Equity - Geographic investment flows

2013 - Industry vs. Market statistics - Amount



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.

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 target company.

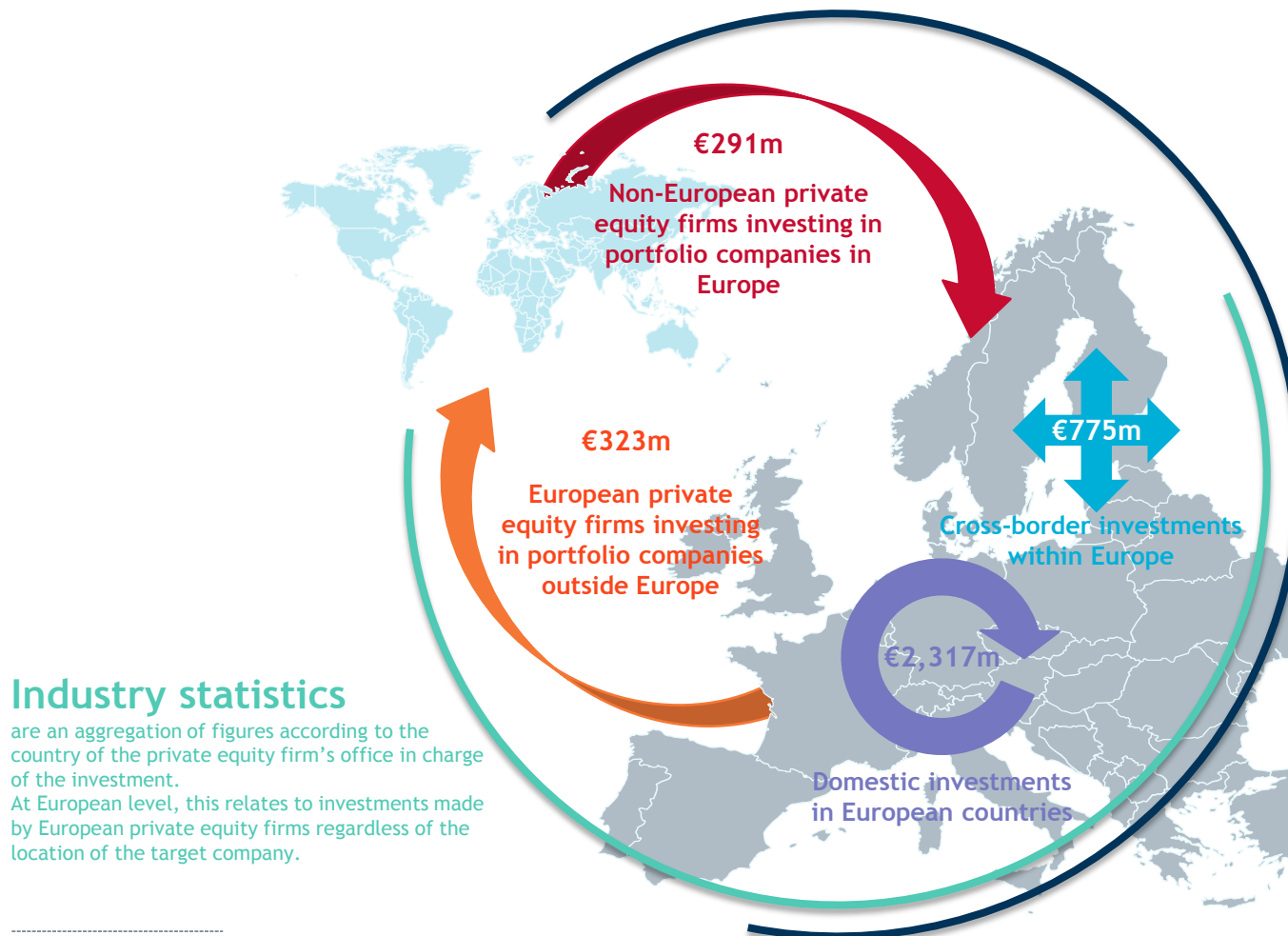
Europe includes:

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: EVCA / PEREP_Analytics

Venture Capital - Geographic investment flows

2013 - Industry vs. Market statistics - Amount



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.

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 target company.

Europe includes:

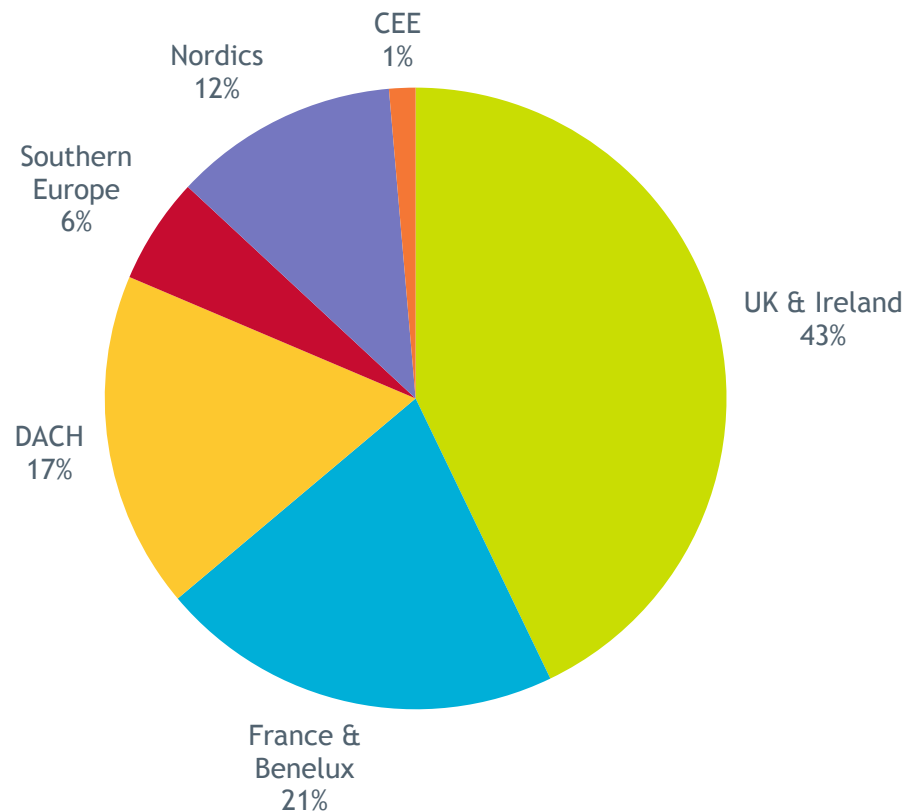
Austria, Baltic countries (Estonia, Latvia, Lithuania), Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Other CEE (Bosnia-Herzegovina, Croatia, Macedonia, Montenegro, Serbia, Slovenia, Slovakia), Poland, Portugal,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

Source: EVCA / PEREP_Analytics

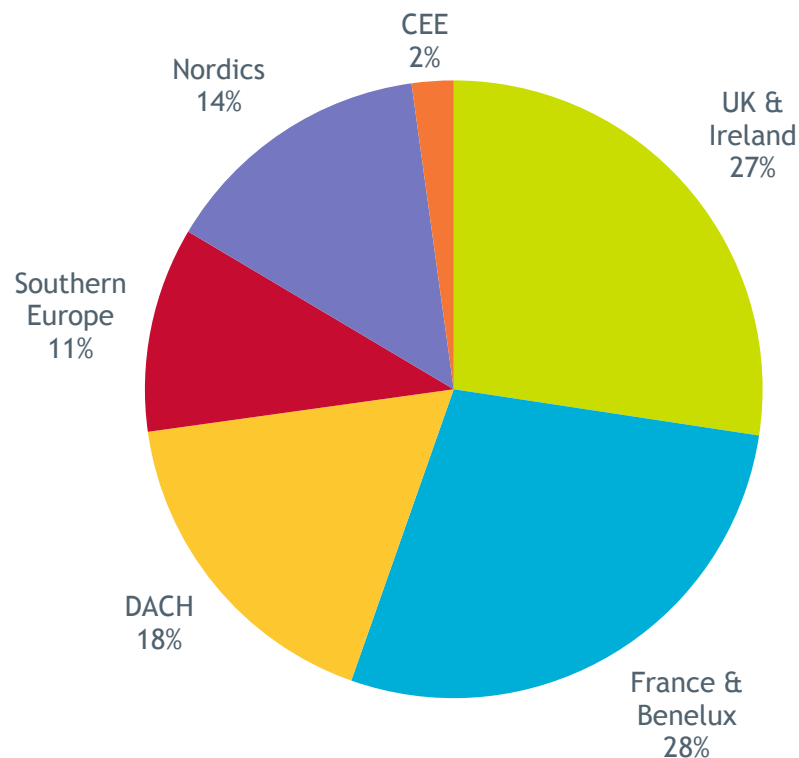
All Private Equity - Investments by region

2013 - Industry vs. Market statistics - Amount

Industry statistics



Market statistics

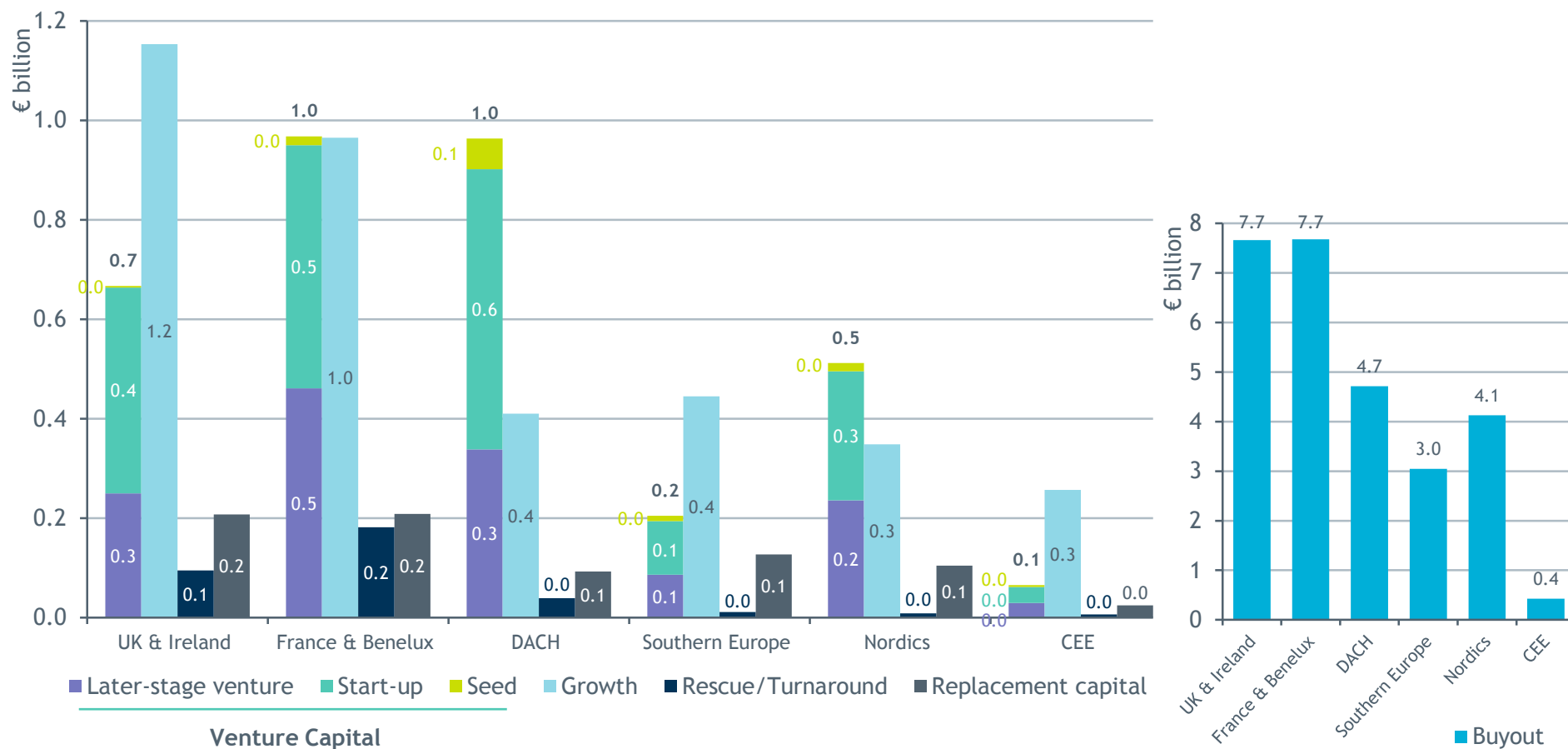


Source: EVCA / PEREP_Analytics

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

Investments by stage focus & regions

2013 - Market statistics - Amount

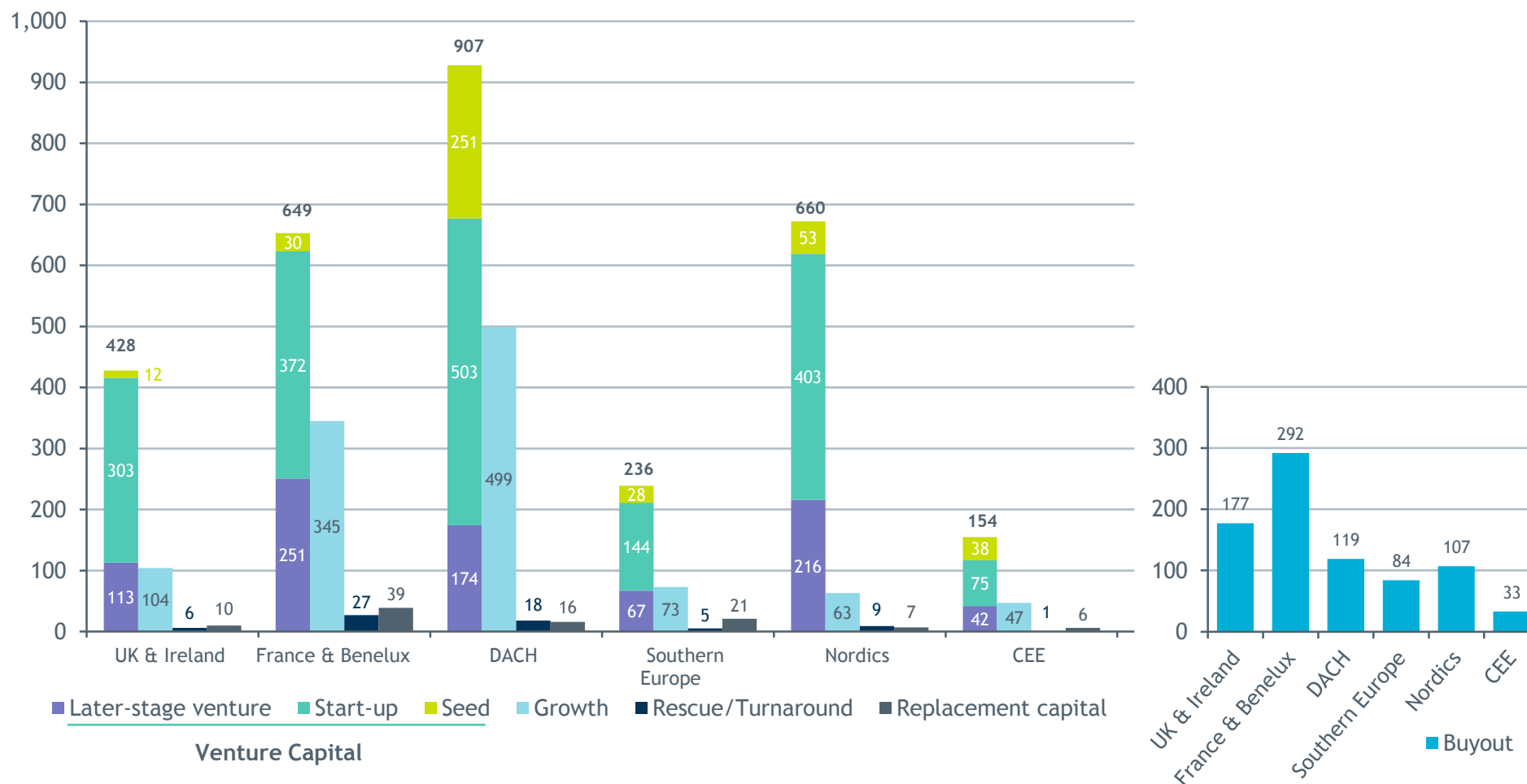


Source: EVCA / PEREP_Analytics

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

Investments by stage focus & regions

2013 - Market statistics - Number of companies



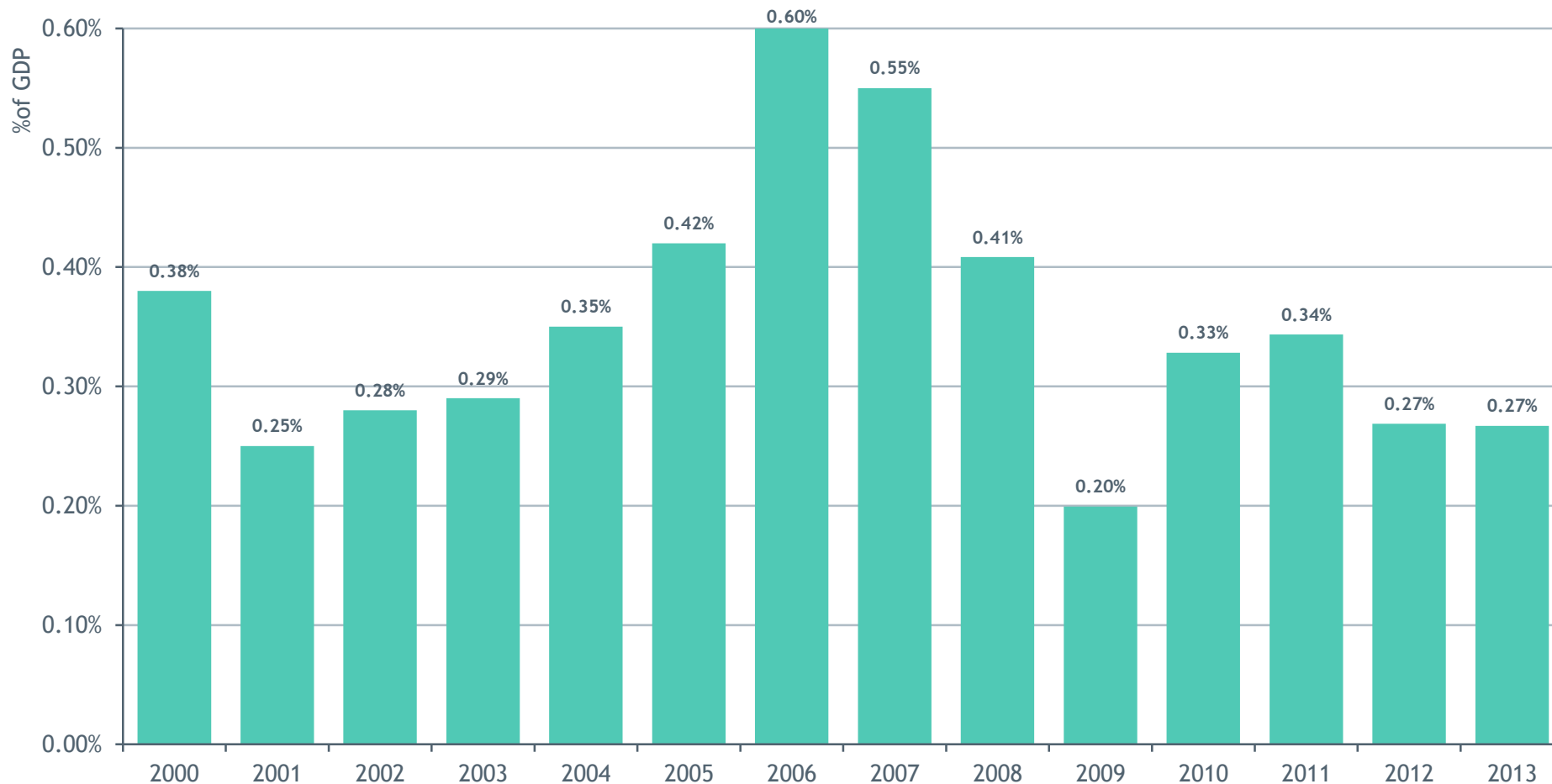
Source: EVCA / PEREP_Analytics

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

All Private Equity - Investments as % of European GDP - Industry statistics



2000-2013 - Industry statistics - % of GDP

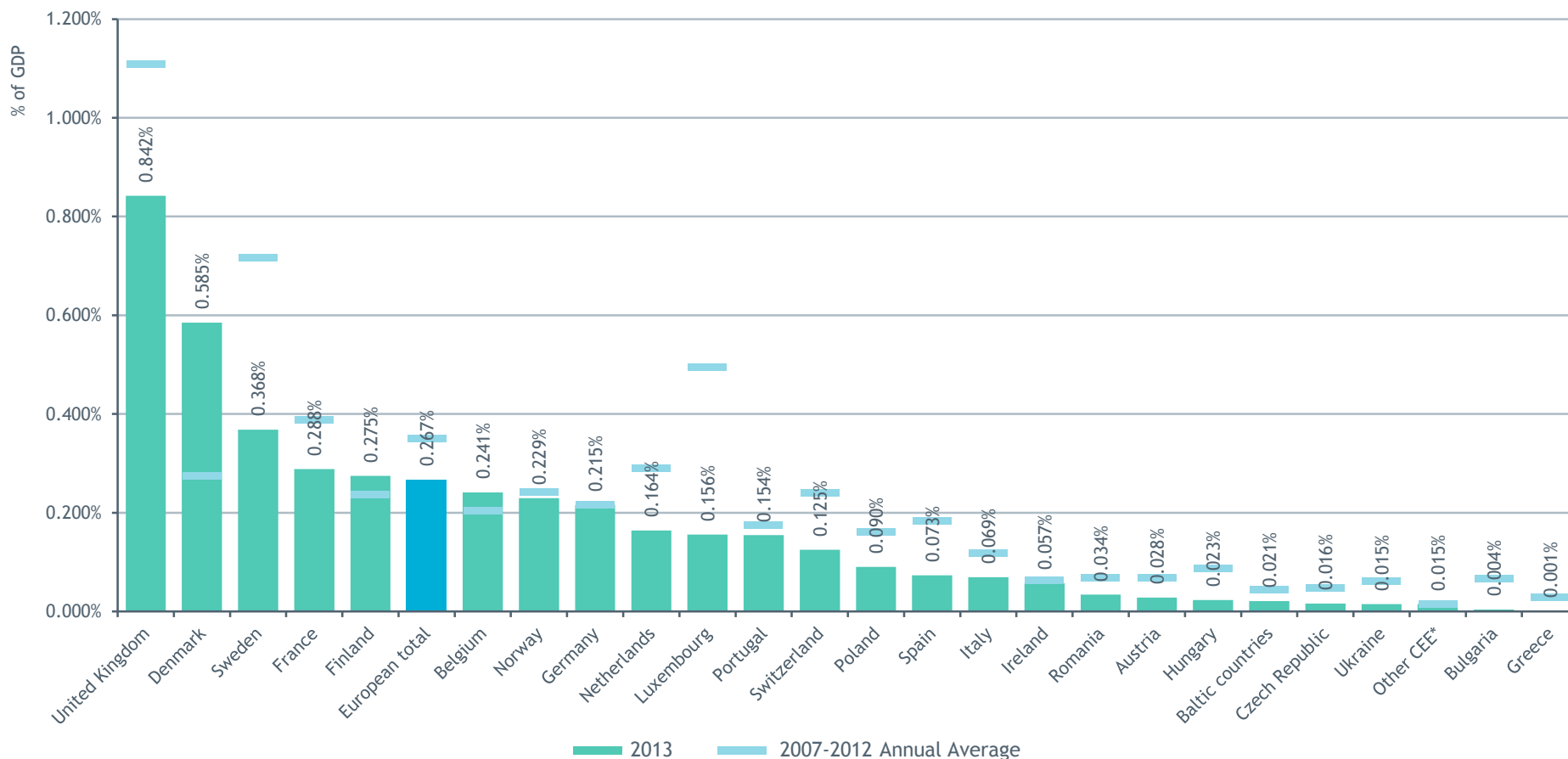


Source: Thomson Reuters Datastream (GDP) / Thomson Reuters / EVCA (2000-2006) & EVCA / PEREP_Analytics (2007-2013)

All Private Equity - Investments as % of GDP - Industry statistics



2013 - Industry statistics



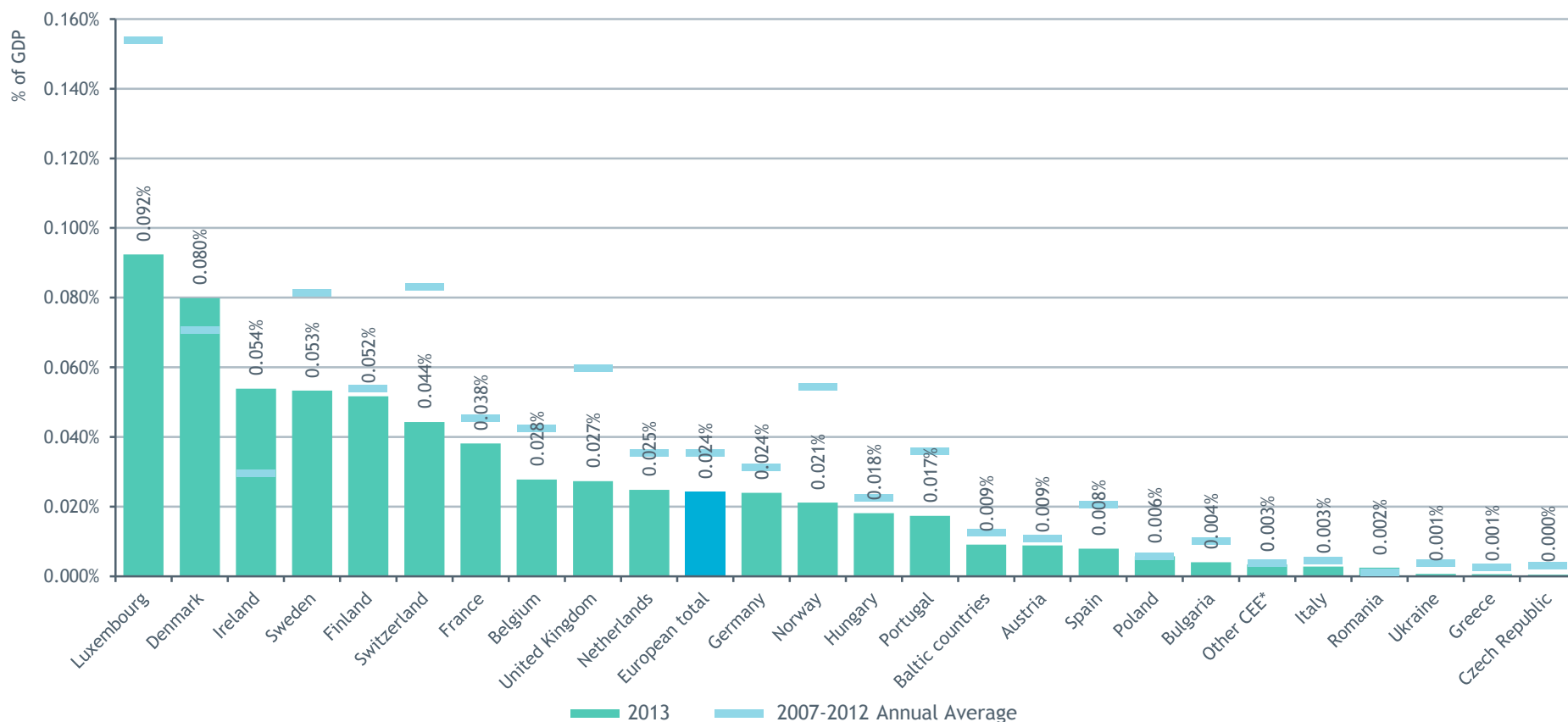
Source: Thomson Reuters Datastream (GDP) / EVCA / PEREP_Analytics

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

Venture Capital - Investments as % of GDP - Industry statistics



2013 - Industry statistics



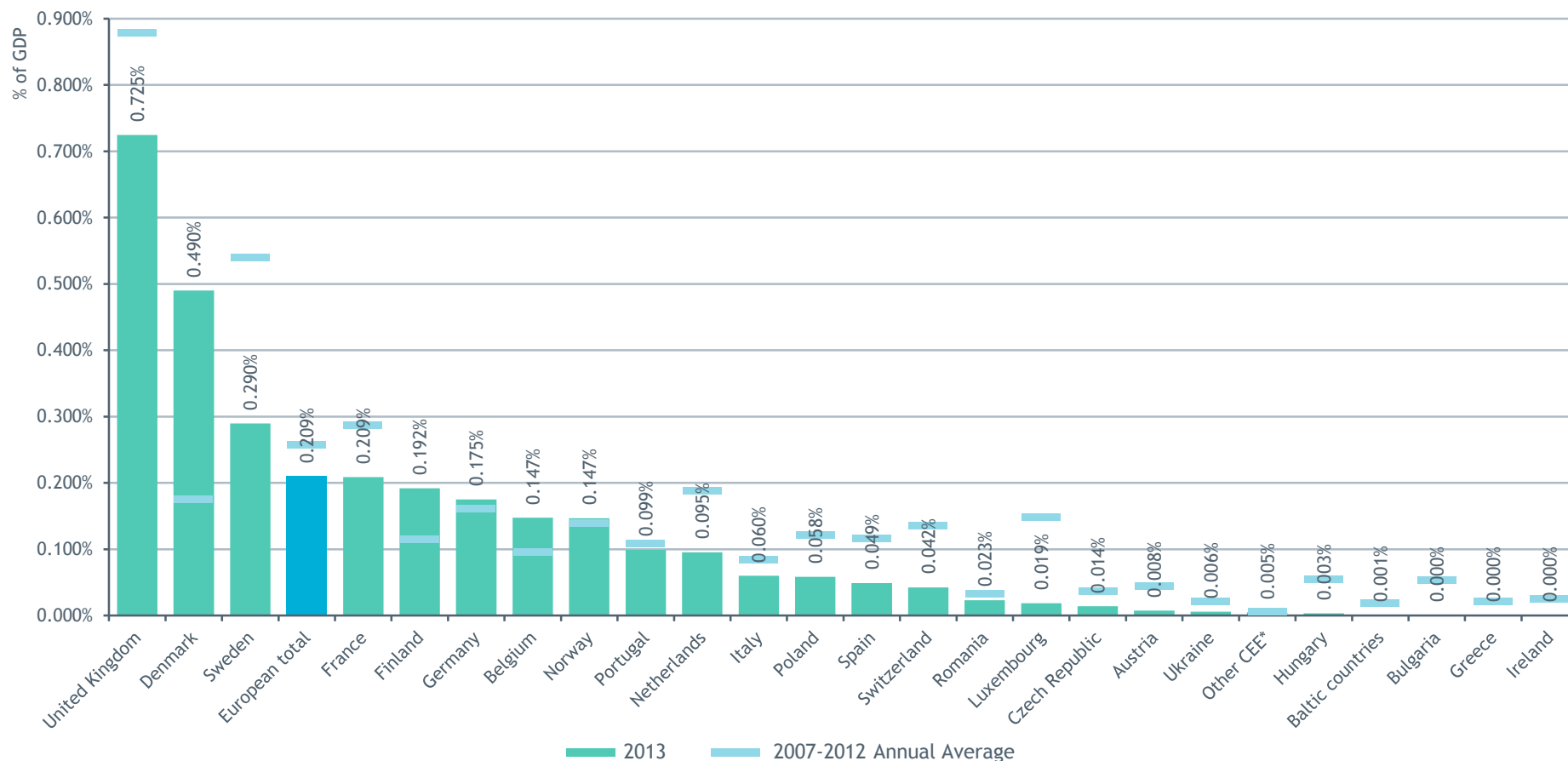
Source: Thomson Reuters Datastream (GDP) / EVCA / PEREP_Analytics

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

Buyout - Investments as % of GDP - Industry statistics



2013 - Industry statistics



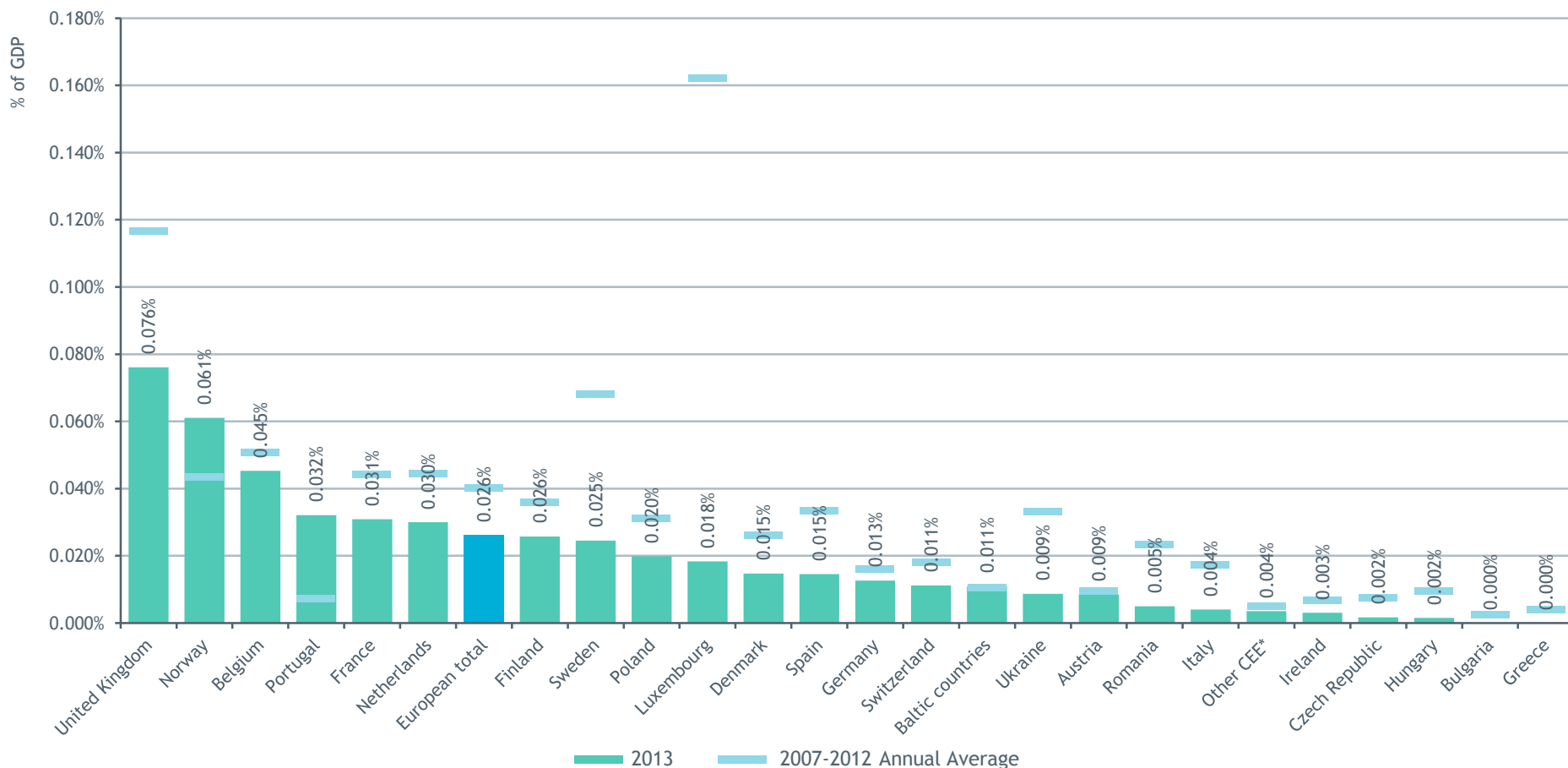
Source: Thomson Reuters Datastream (GDP) / EVCA / PEREP_Analytics

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

Growth - Investments as % of GDP - Industry statistics



2013 - Industry statistics



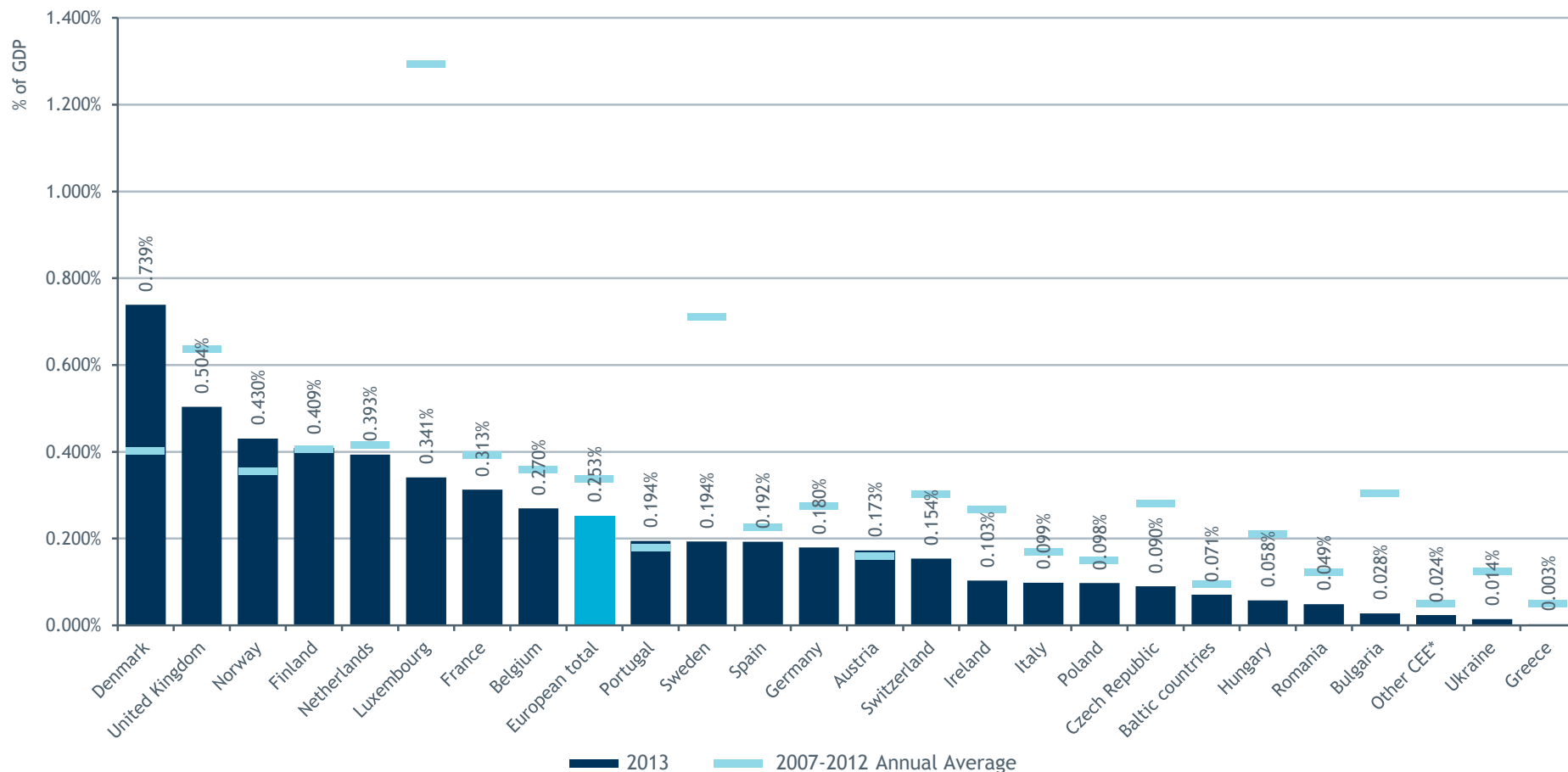
Source: Thomson Reuters Datastream (GDP) / EVCA / PEREP_Analytics

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

All Private Equity - Investments as % of GDP - Market statistics



2013 - Market statistics



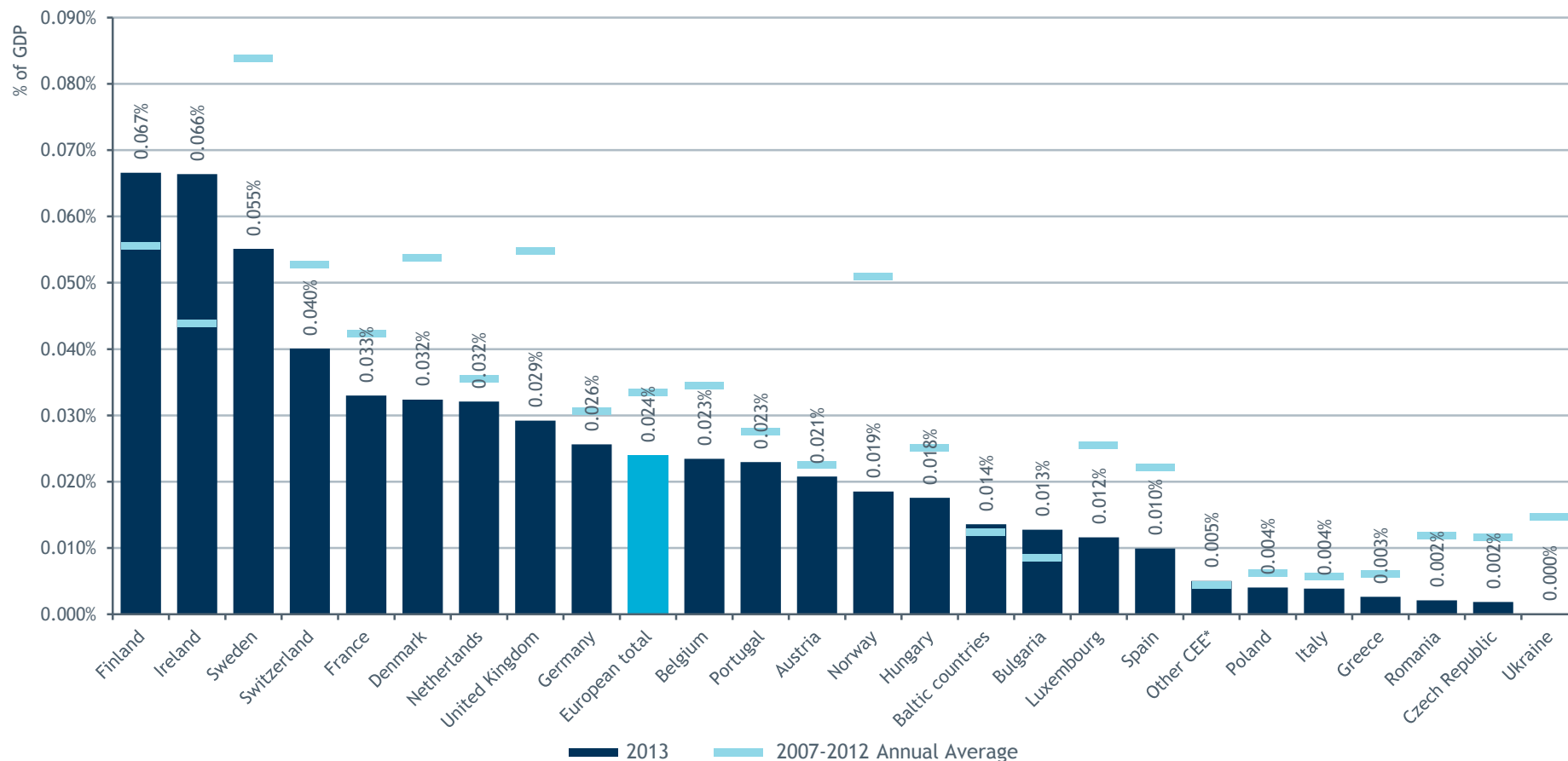
Source: Thomson Reuters Datastream (GDP) / EVCA / PEREP_Analytics

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

Venture Capital - Investments as % of GDP - Market statistics



2013 - Market statistics



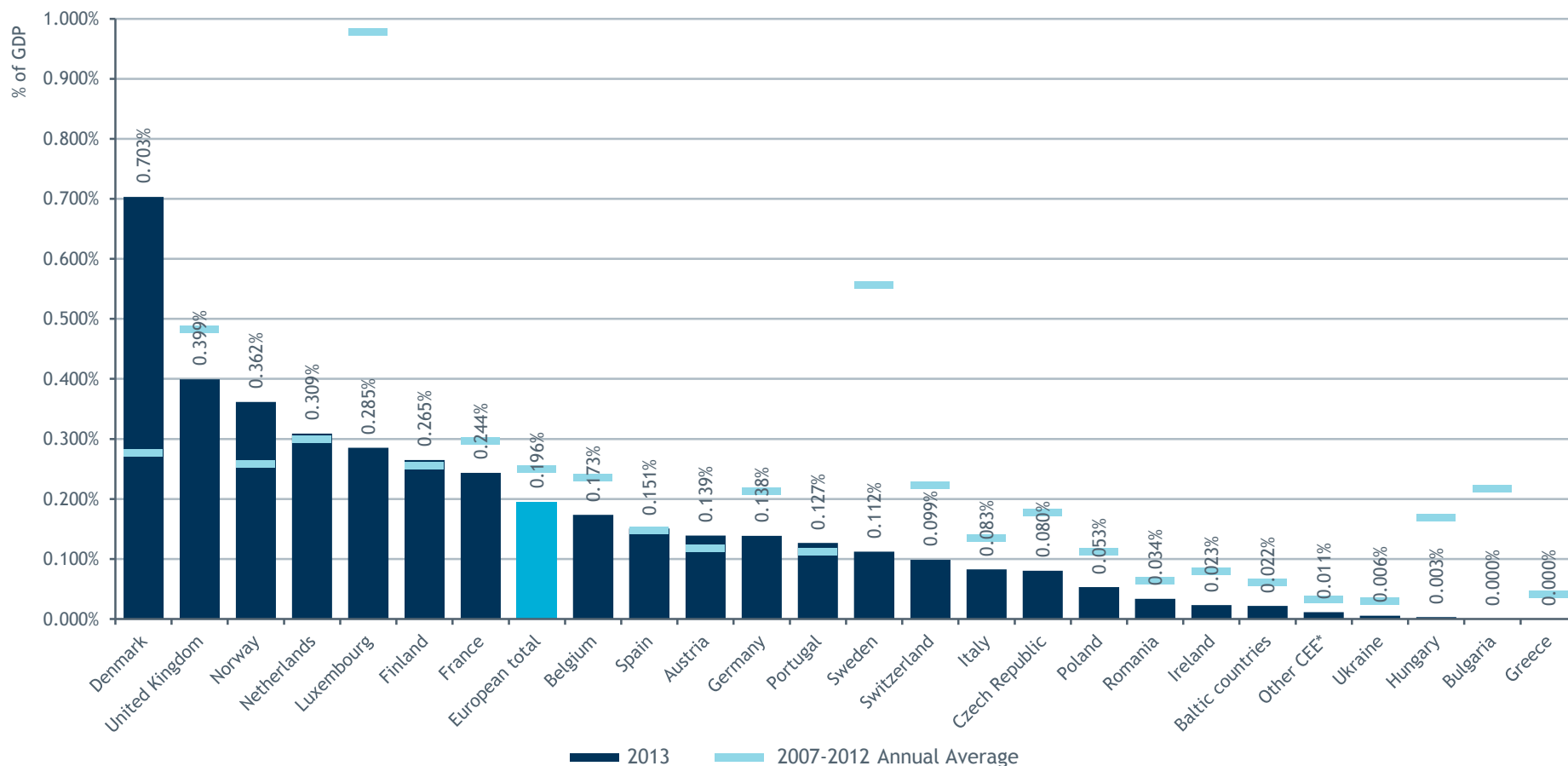
Source: Thomson Reuters Datastream (GDP) / EVCA / PEREP_Analytics

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

Buyout - Investments as % of GDP - Market statistics



2013 - Market statistics



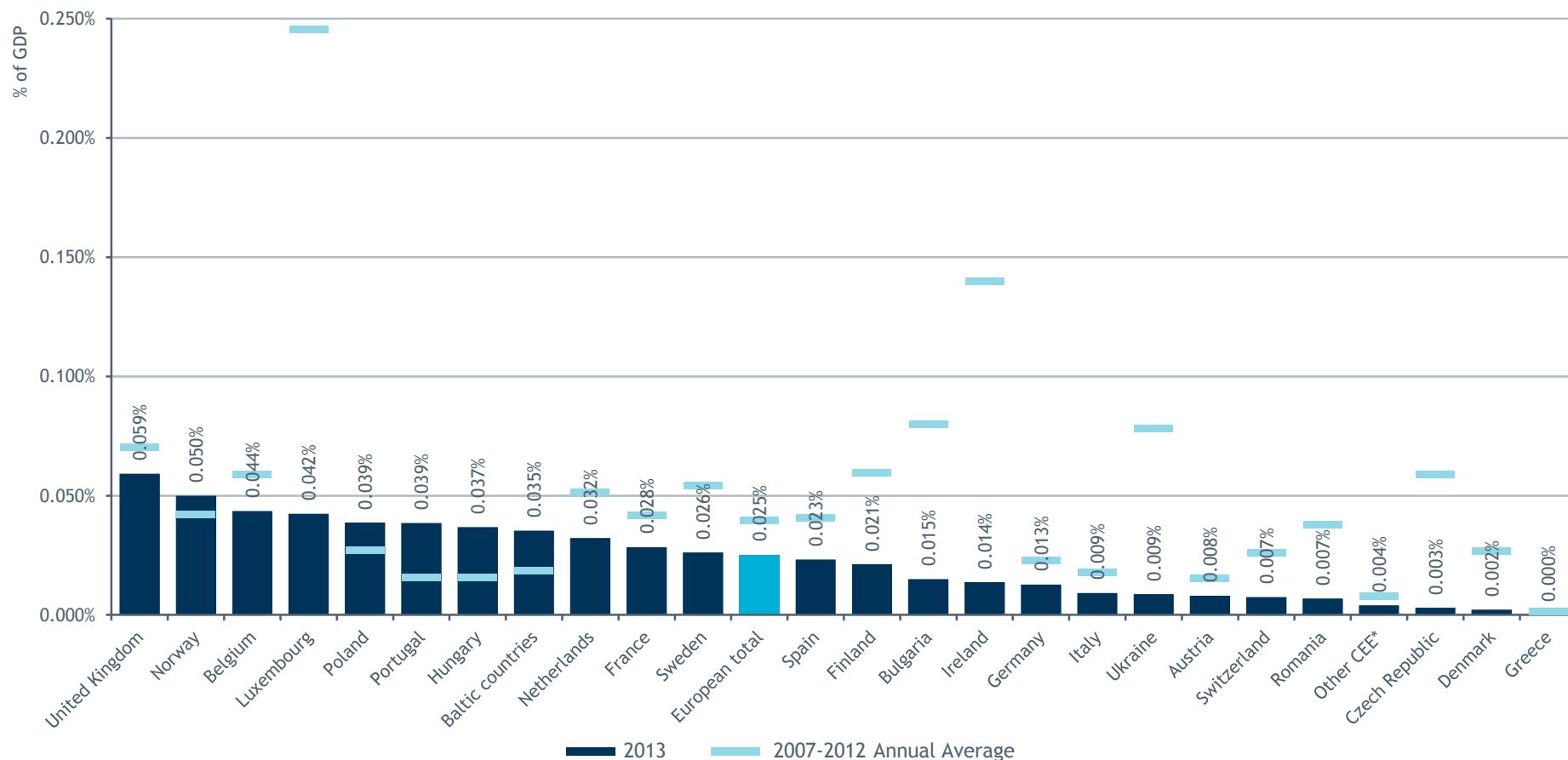
Source: Thomson Reuters Datastream (GDP) / EVCA / PEREP_Analytics

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

Growth - Investments as % of GDP - Market statistics



2013 - Market statistics



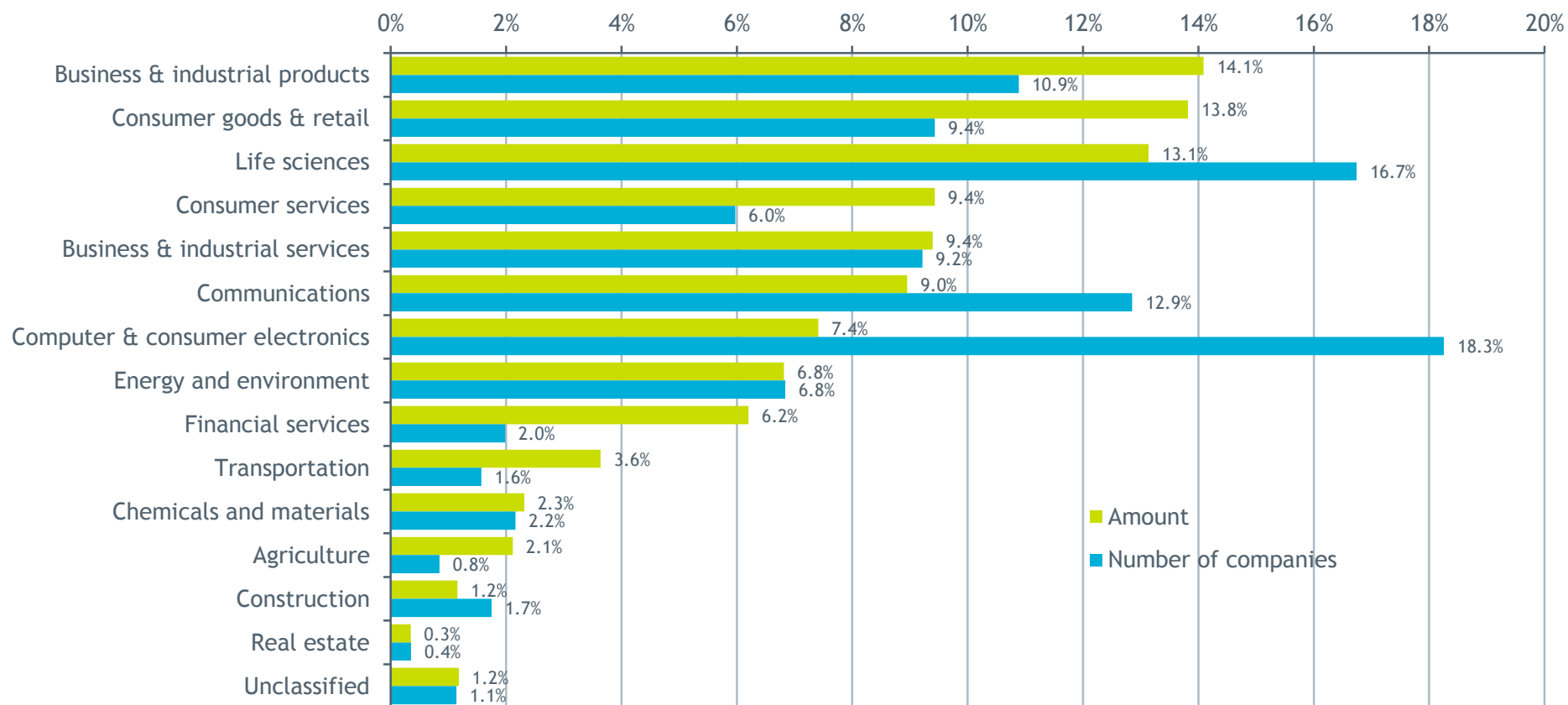
Source: Thomson Reuters Datastream (GDP) / EVCA / PEREP_Analytics

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

All Private Equity - Investments by sector



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

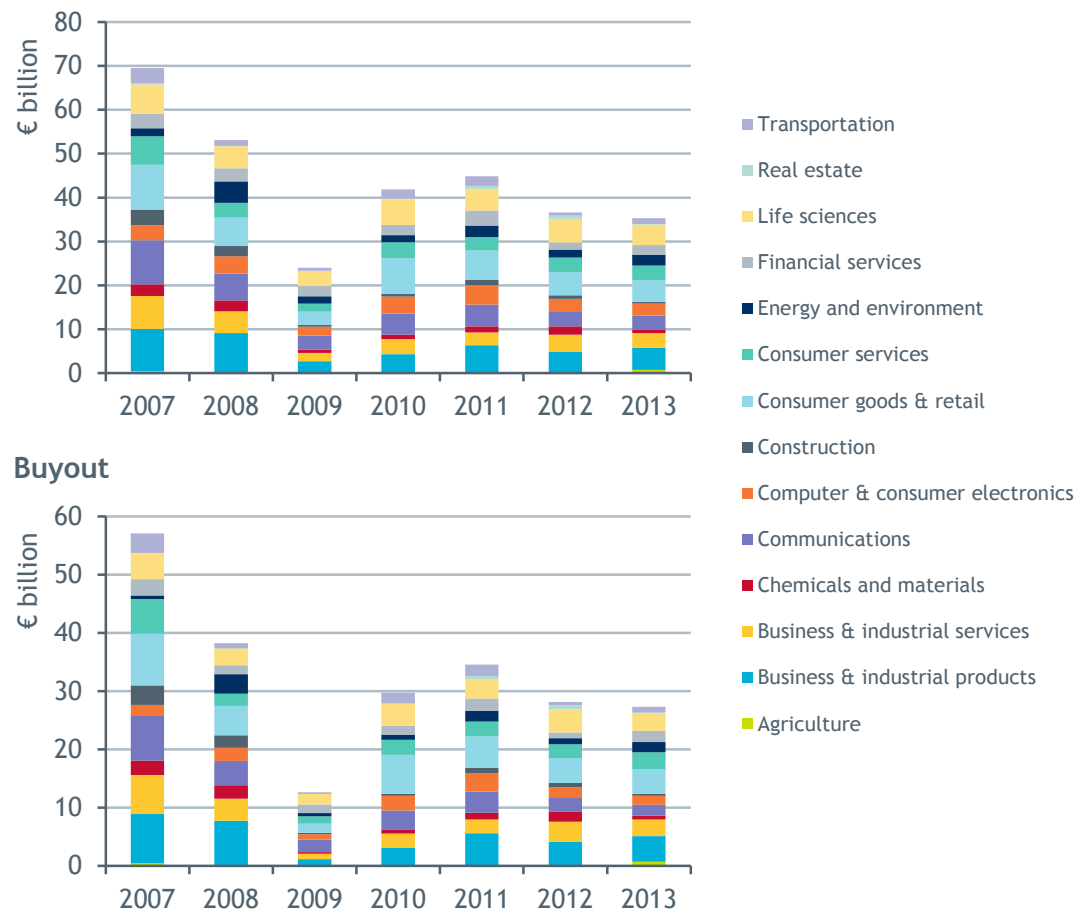


Source: EVCA / PEREP_Analytics

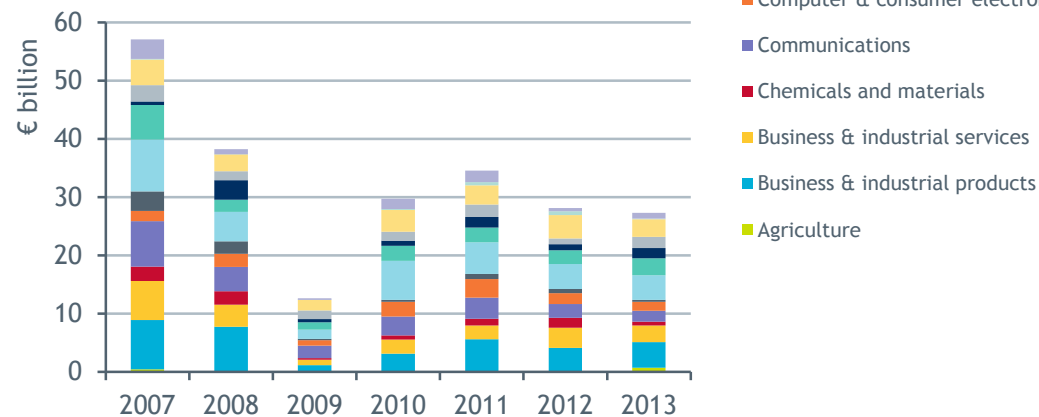
Investments by sector

2007-2013 - Market statistics - Amount

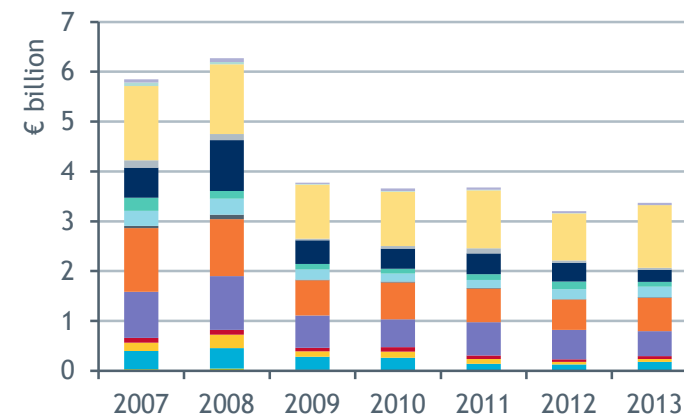
All Private Equity



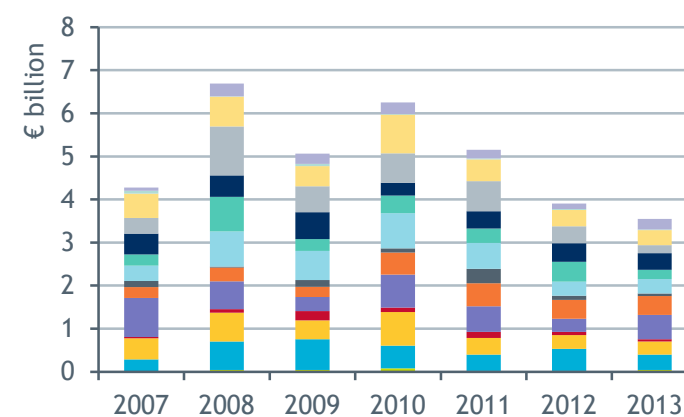
Buyout



Venture Capital



Growth

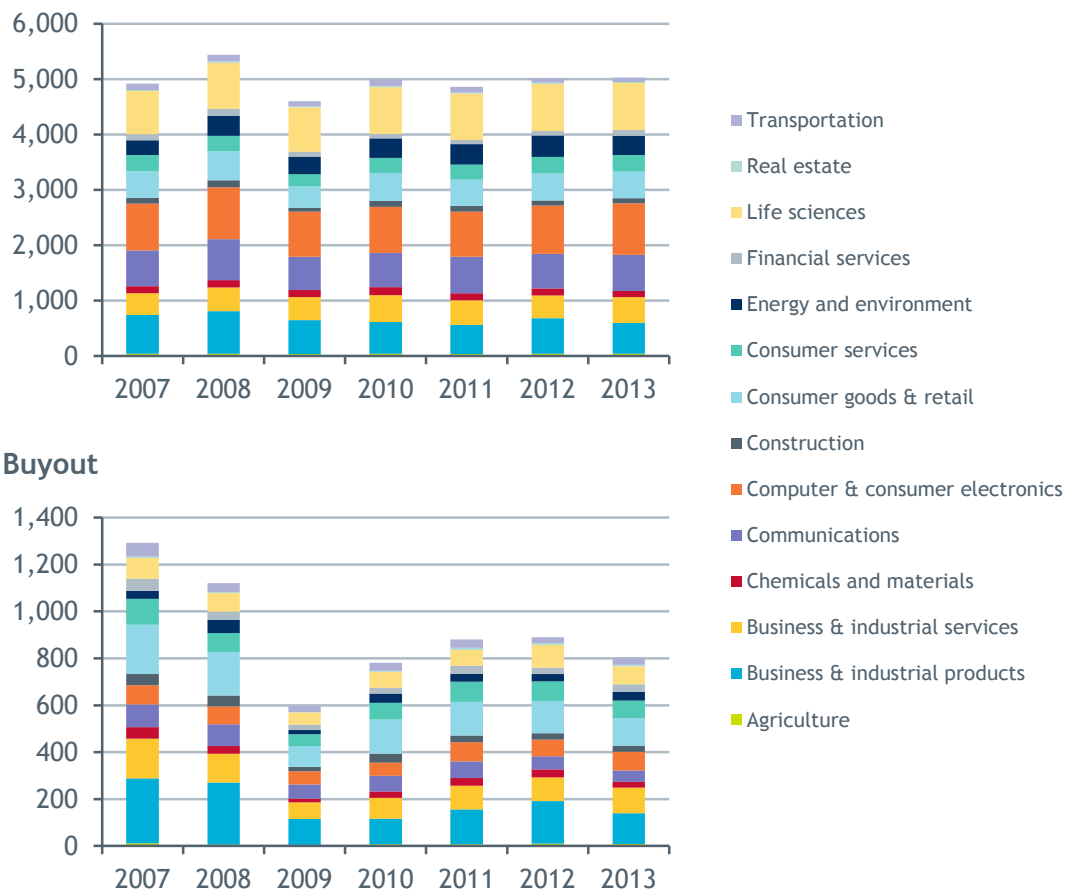


Source: EVCA / PEREP_Analytics

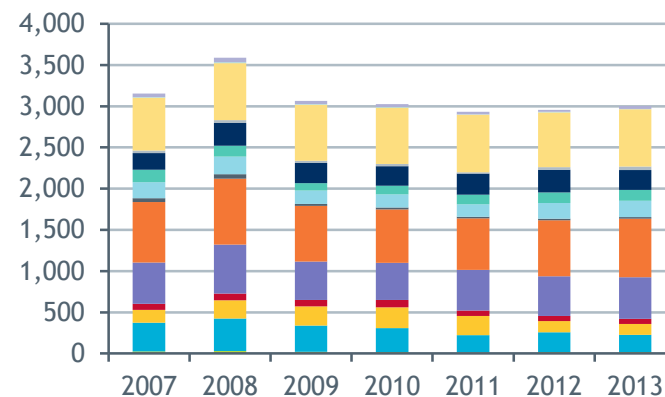
Investments by sector

2007-2013 - Market statistics - Number of companies

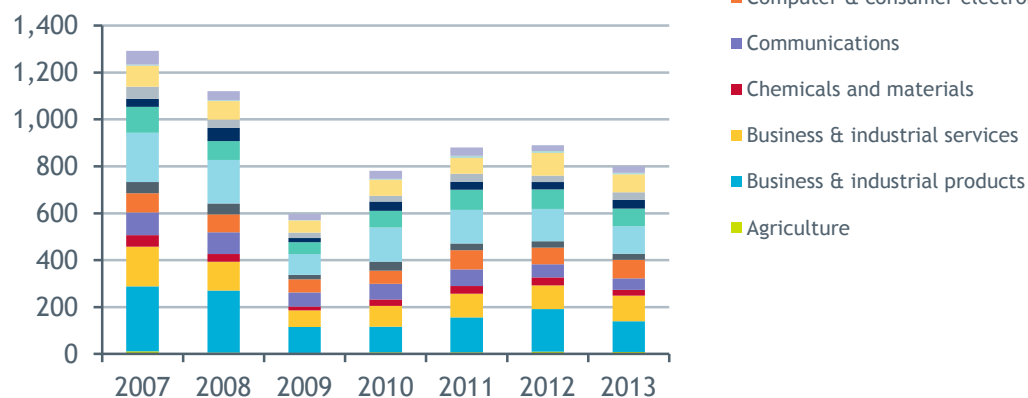
All Private Equity



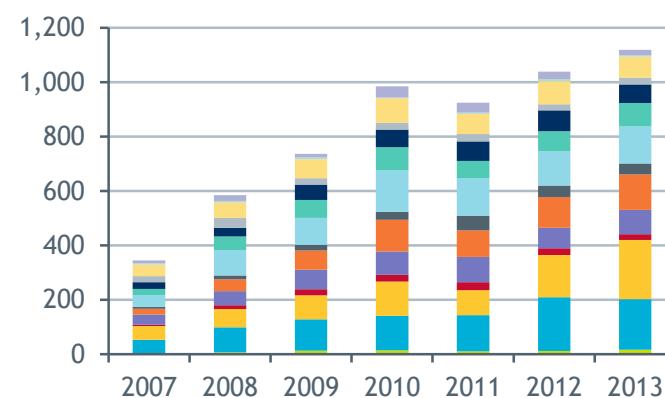
Venture Capital



Buyout



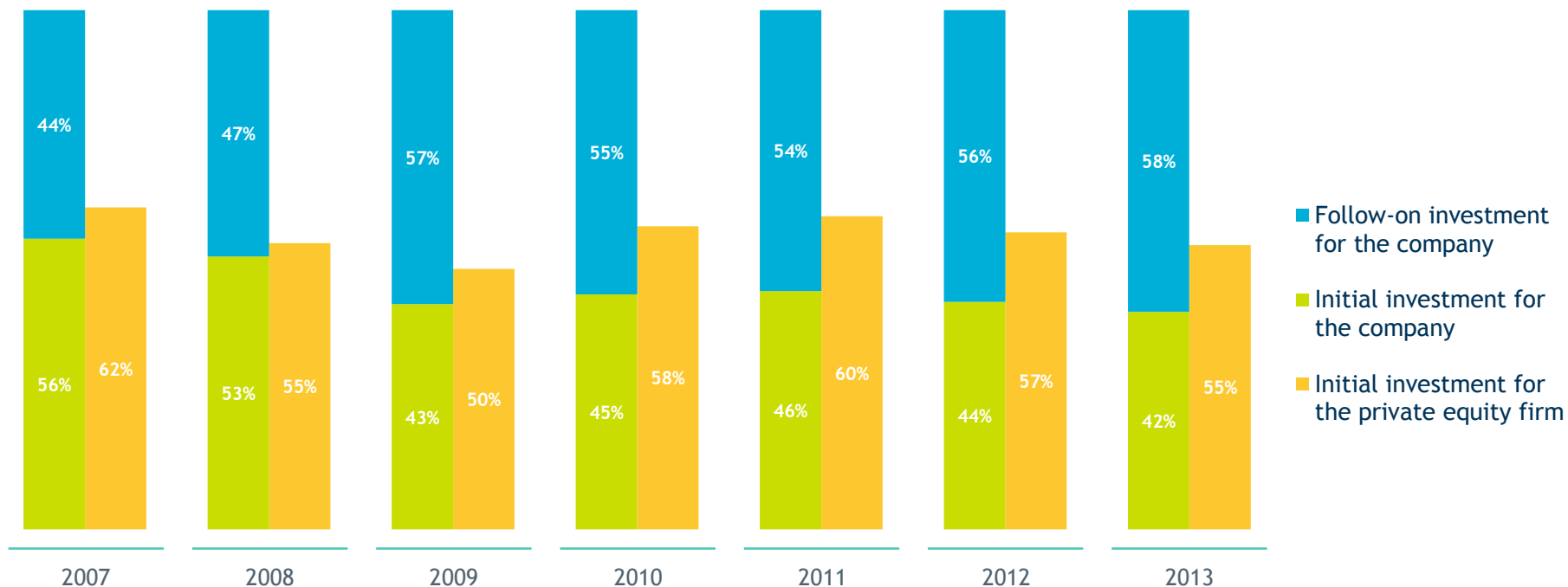
Growth



Source: EVCA / PEREP_Analytics

All Private Equity - Initial / Follow-on investments

2013 - Market statistics - % of Number of companies

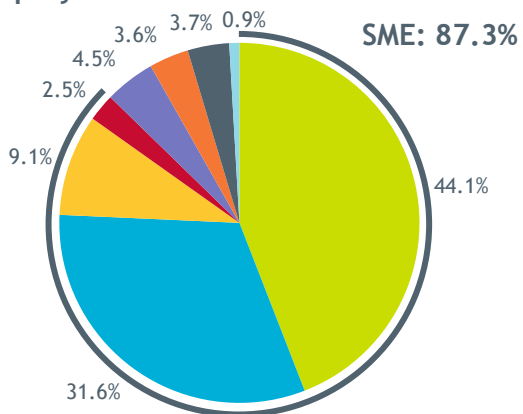


Source: EVCA / PEREP_Analytics

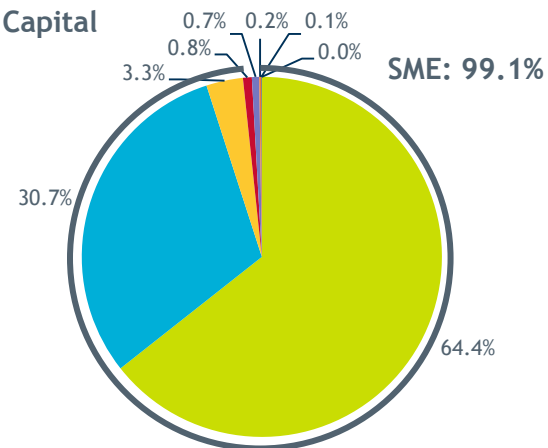
Investments by number of employees

2013 - Market statistics - % of Number of companies

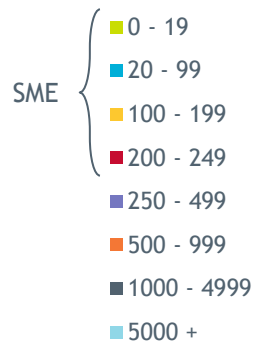
All Private Equity



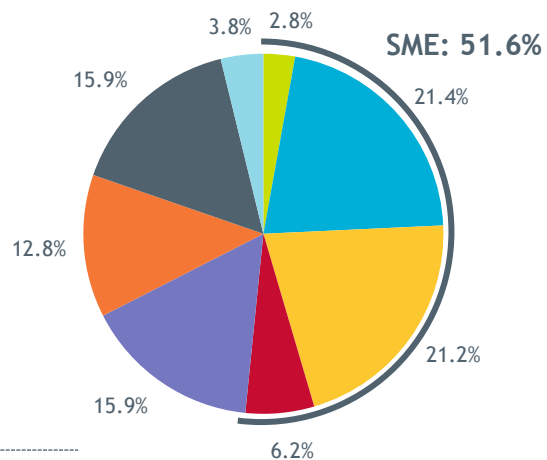
Venture Capital



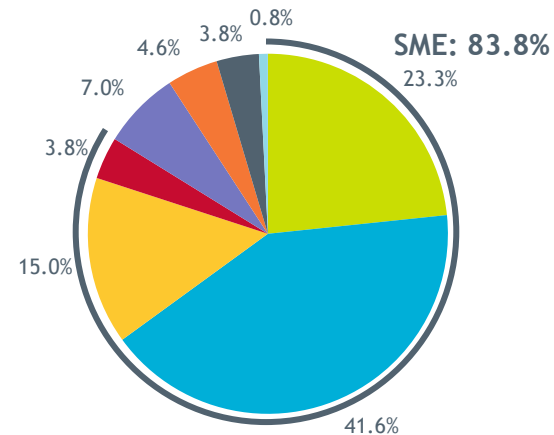
Full-time equivalent staff by interval



Buyout



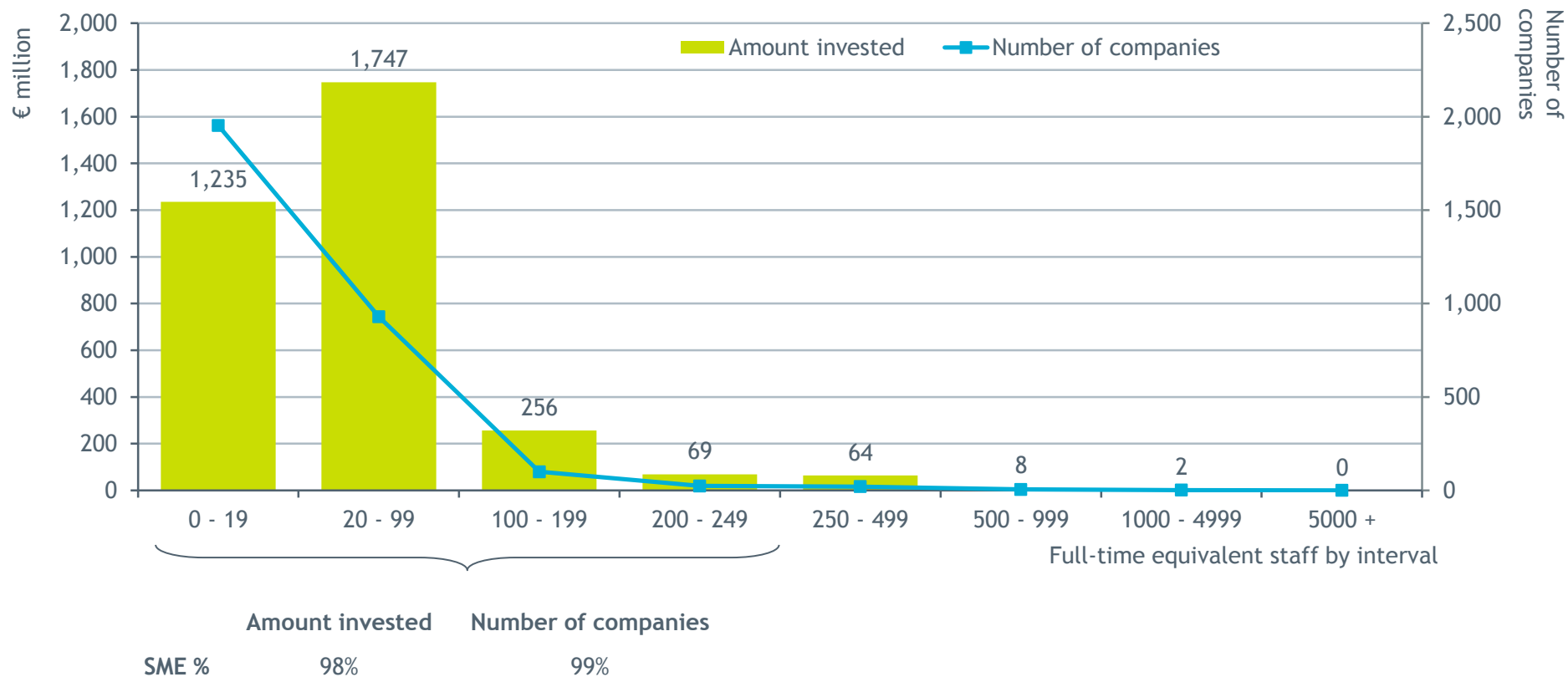
Growth



Source: EVCA / PEREP_Analytics

Venture Capital - Investments by number of employees

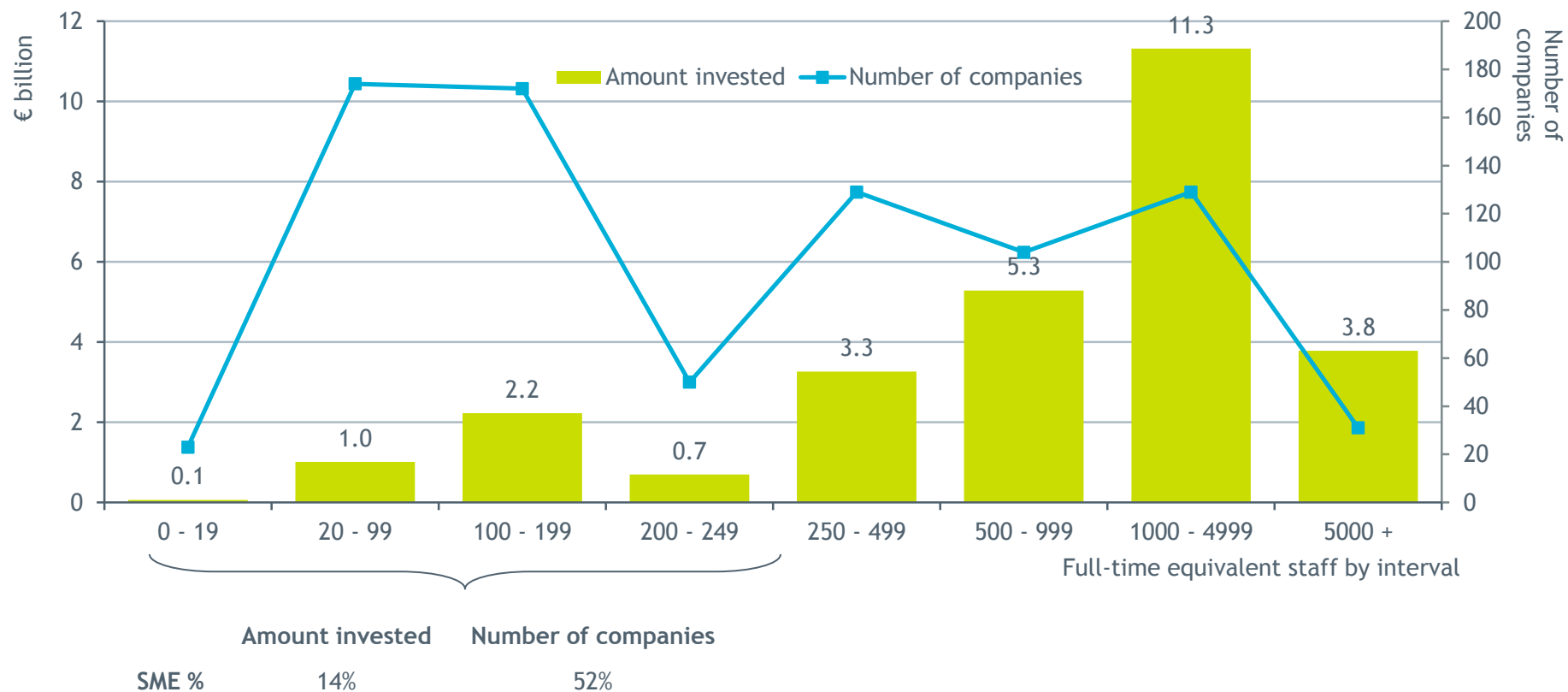
2013 - Market statistics - Amount & Number of companies



Source: EVCA / PEREP_Analytics

Buyout - Investments by number of employees

2013 - Market statistics - Amount & Number of companies

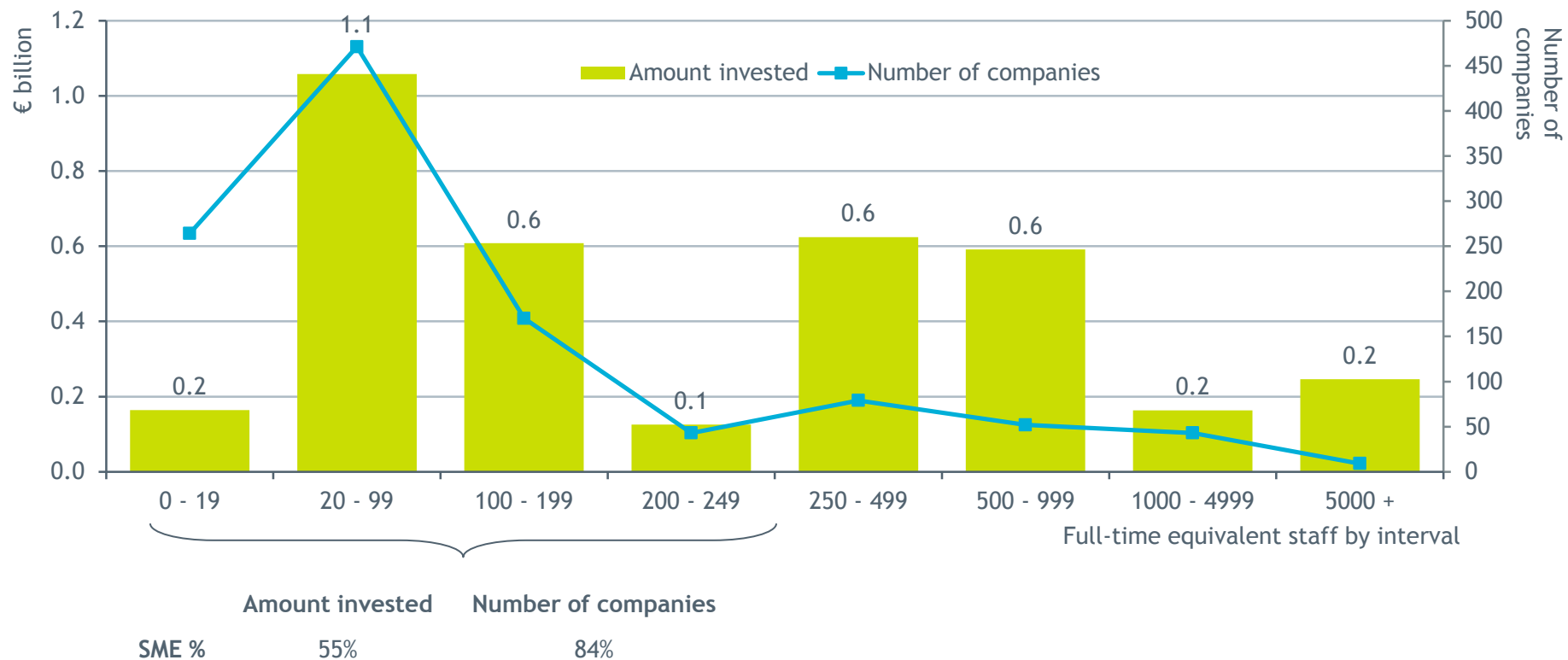


Source: EVCA / PEREP_Analytics

Growth - Investments by number of employees



2013 - Market statistics - Amount & Number of companies



Source: EVCA / PEREP_Analytics

Divestments

3

Divestments statistics explained

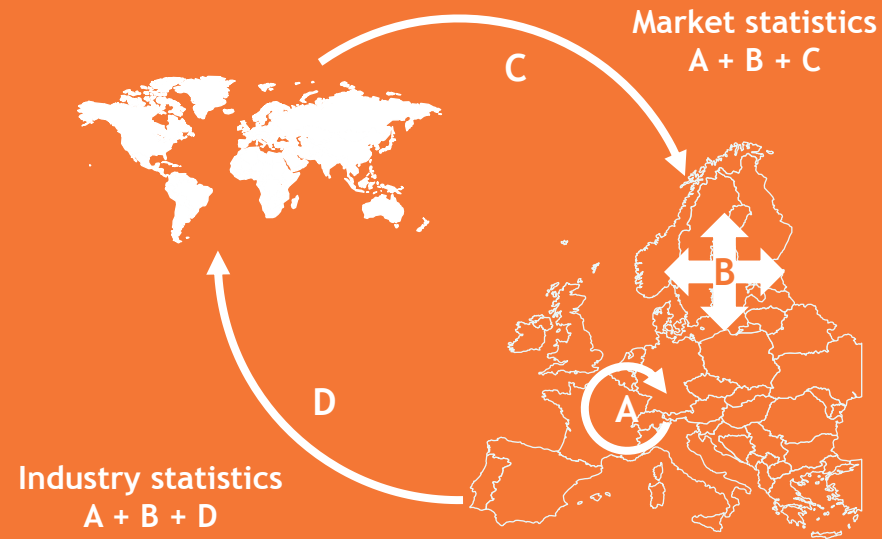
Industry statistics are an aggregation of figures according to the country of the private equity firm's office in charge of the divestment. At European level, this relates to divestments made by European private equity firms regardless of the location of the target company.

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).

For more data visit www.evca.eu/research

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

For more data visit www.evca.eu/research

Glossary

Initial public offering (IPO)

The sale or distribution of a company's shares to the public for the first time by listing the company on the stock exchange.

Repayment of principal loans

If a private equity firm provided loans or purchased preference shares in the company at the time of the 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.

Repayment of silent partnership

A silent partnership is a type of mezzanine financing instrument. It is similar to a long-term bank loan but, in contrast to a loan, a silent partnership is subject to a subordination clause, so that in the event of insolvency all other creditors are paid before the silent partner. The company has to repay the partnership and has to pay interest and possibly a profit-related compensation. The subordination clause gives the capital the status of equity despite its loan character. This financing instrument is frequently used in Germany.

Sale of quoted equity

The sale of quoted shares only if connected to a former private equity investment, e.g. sale of quoted shares after a lock-up period.

Sale to another private equity firm

The sale of company shares to another direct private equity firm.

Sale to financial institution

The sale of company shares to banks, insurance companies, pension funds, endowments, foundations and other asset managers other than private equity firms.

Trade sale

The sale of company shares to industrial investors.

Write-off

The total or partial write-down of a portfolio company's value to zero or a symbolic amount (sale for a nominal amount) with the consequent exit from the company or reduction of the shares owned. The value of the investment is eliminated and the return to investors is a full or partial loss.

2013 Divestments at a glance

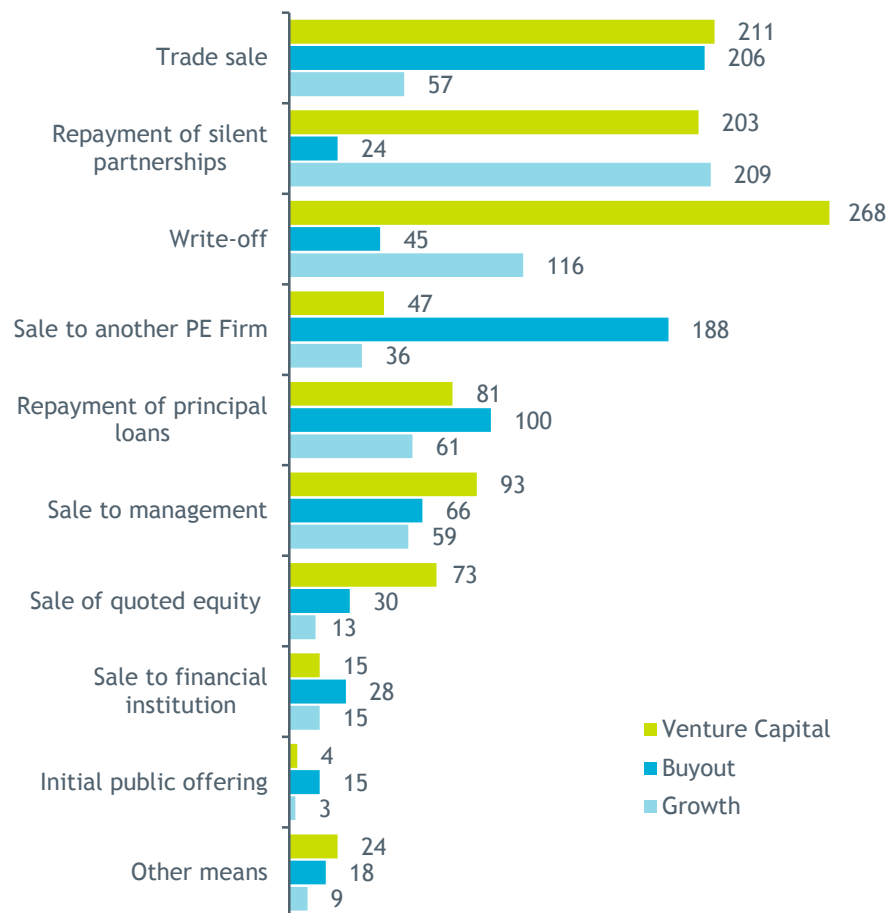
- A total of 2,290 European companies were exited representing former equity investments of €33.2bn. The number of companies increased by almost 10% while the amount divested at cost increased by 54%. The **most prominent exit routes** by amount were **trade sale** (27%), **sale to another private equity firm** (26%) and **sale of quoted equity** (14%) representing almost 40% of the divested companies.
- The strength of public markets in 2013 was reflected by the steep increase in **divestments by flotation (IPO)**. This exit route increased more than seven times by amount at cost (€2.2bn) and almost four times by number of companies (23).
- Divestments from **venture capital** investments represented 43% of all exited companies. They accounted for 7% of the amount divested at cost. The equity amount divested increased by 21% to €2.2 bn. The number of exited venture-backed companies decreased slightly by 2% to 994. Trade sale, write-off and sale of quoted equity were the most prominent exits routes.
- Buyout** divestments represented 85% of the equity amount at cost and 30% by the number of companies. The amount divested increased by 53% to €28bn. By the number of companies, divestments increased by 19% to 688. Sale to another private equity firm, trade sale and sale of quoted equity were the most prominent exit routes.
- Growth** divestments represented 5% of equity amount at cost and 25% by number of companies. The amount divested increased by 54% to €1.8bn. The number of companies divested increased by 21% to 574. Trade sale, sale to another private equity firm, write-off and sale to management were the most prominent exit routes.

2013 - Market statistics	All Private Equity	Venture Capital ⁽¹⁾	Buyout ⁽¹⁾	Growth ⁽¹⁾
Divestments - Amount	€33.2bn	€2.2bn	€28.0bn	€1.8bn
Divestments - No. Companies	2,290	994	688	574
Number of Firms	646	312	332	147
Number of Funds	1,133	550	510	221

Source: EVCA/PEREP Analytics

Note: (1) relates to the investment stage

Divestments - Market statistics - No. of companies by exit route

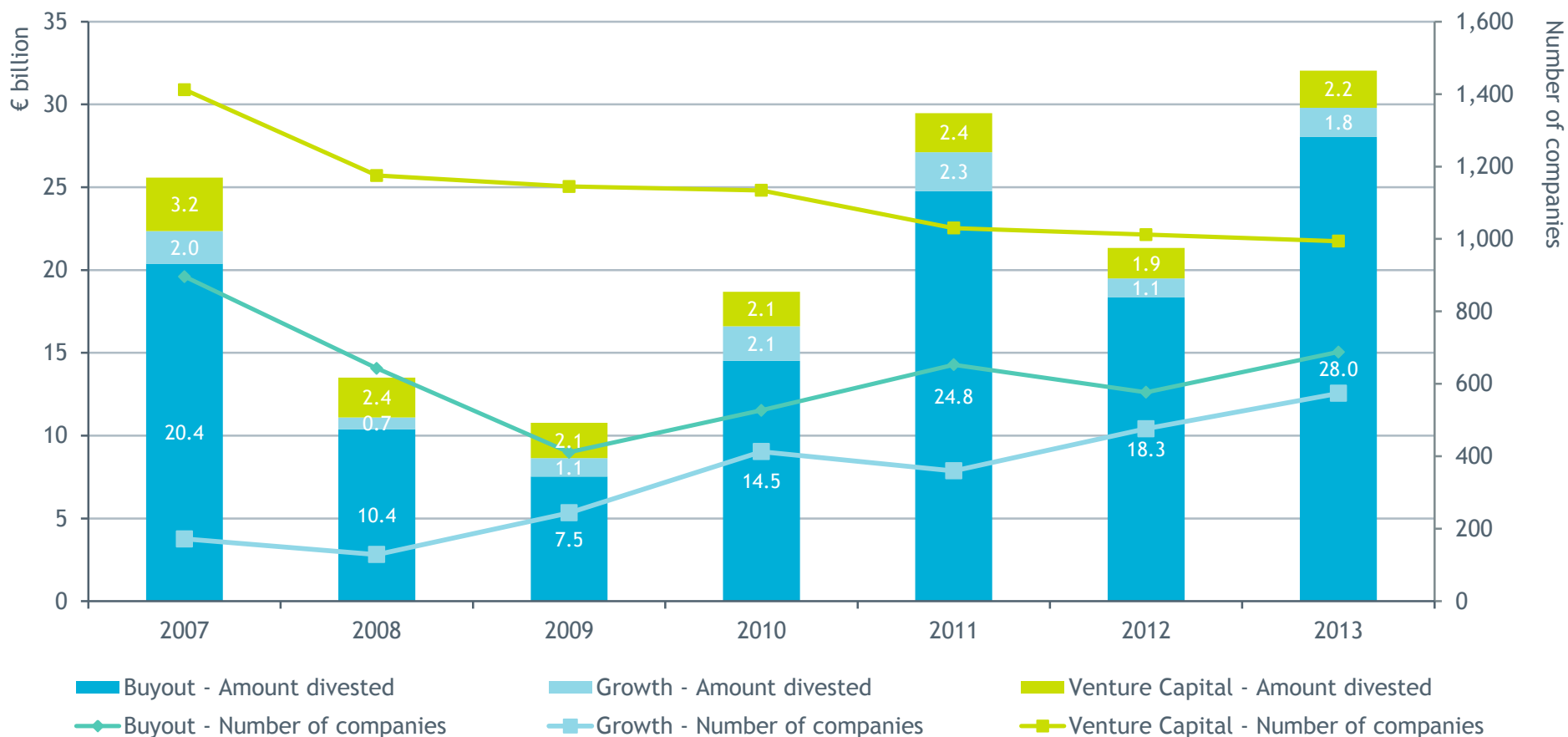


Source: EVCA/PEREP Analytics

Divestments at cost - Venture Capital / Buyout / Growth



2007-2013 - Market statistics - Amount & Number of companies

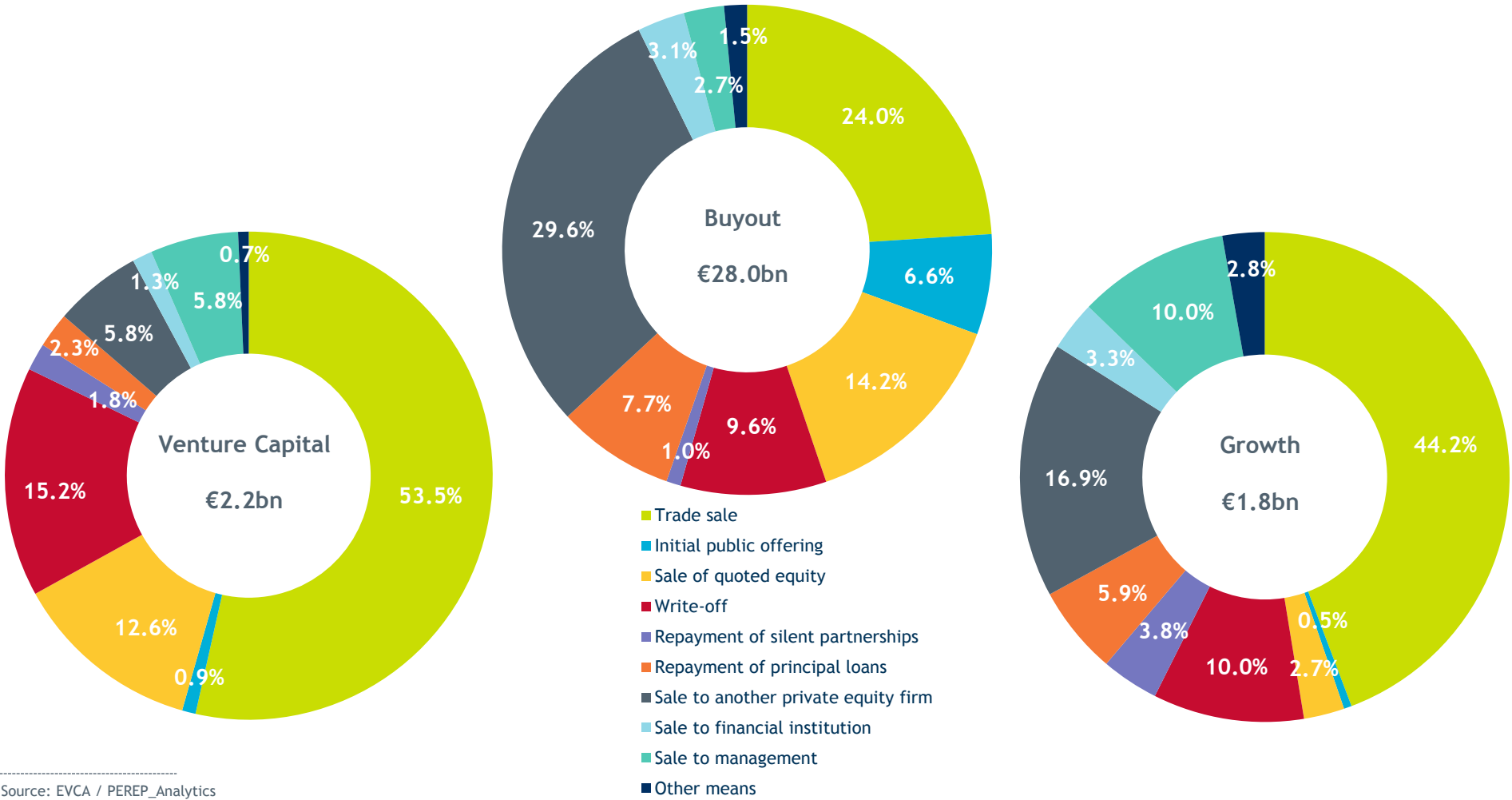


Source: EVCA / PEREP_Analytics

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



2013 - Market Statistics - % of Amount

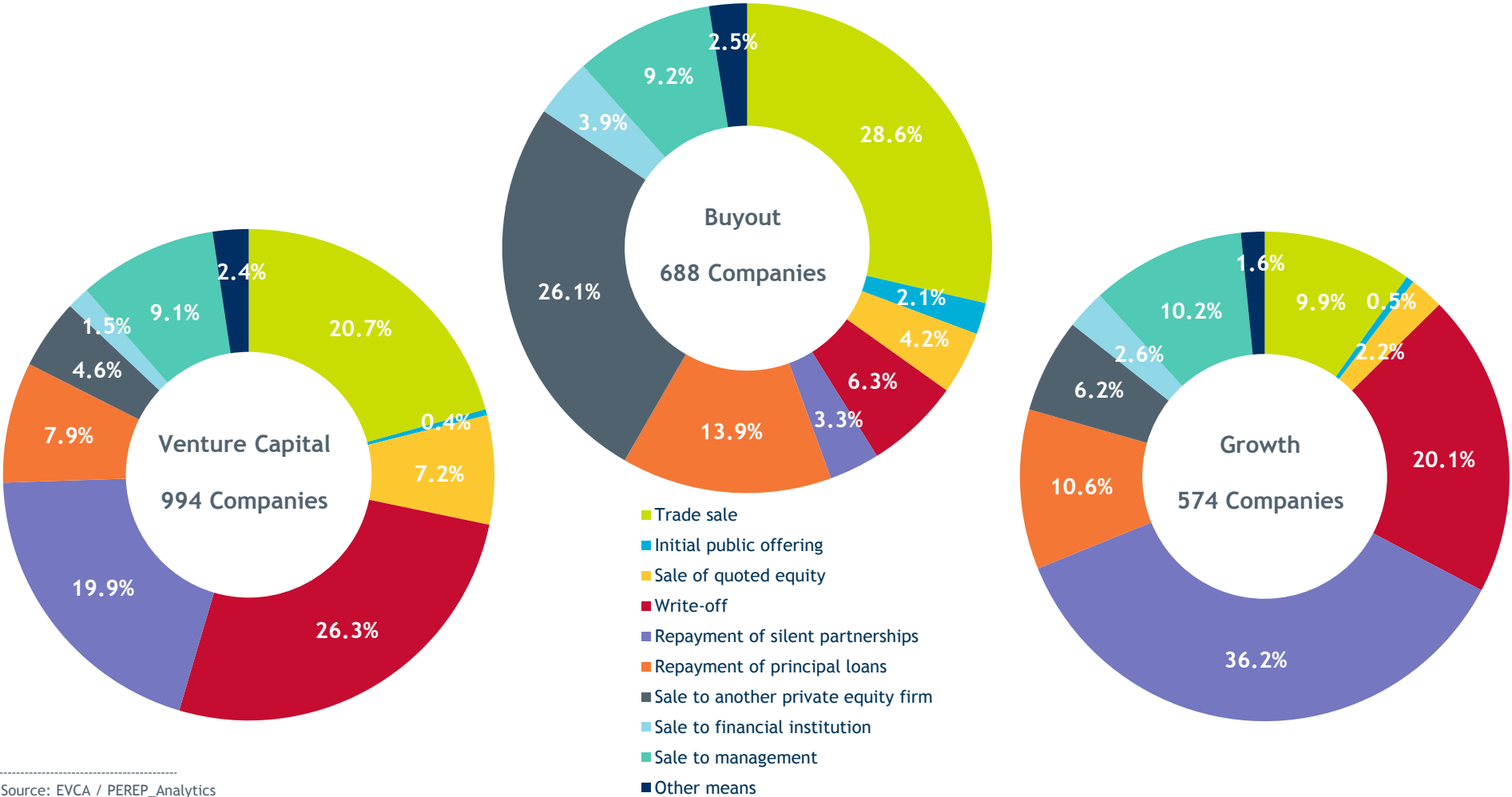


Source: EVCA / PEREP_Analytics

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



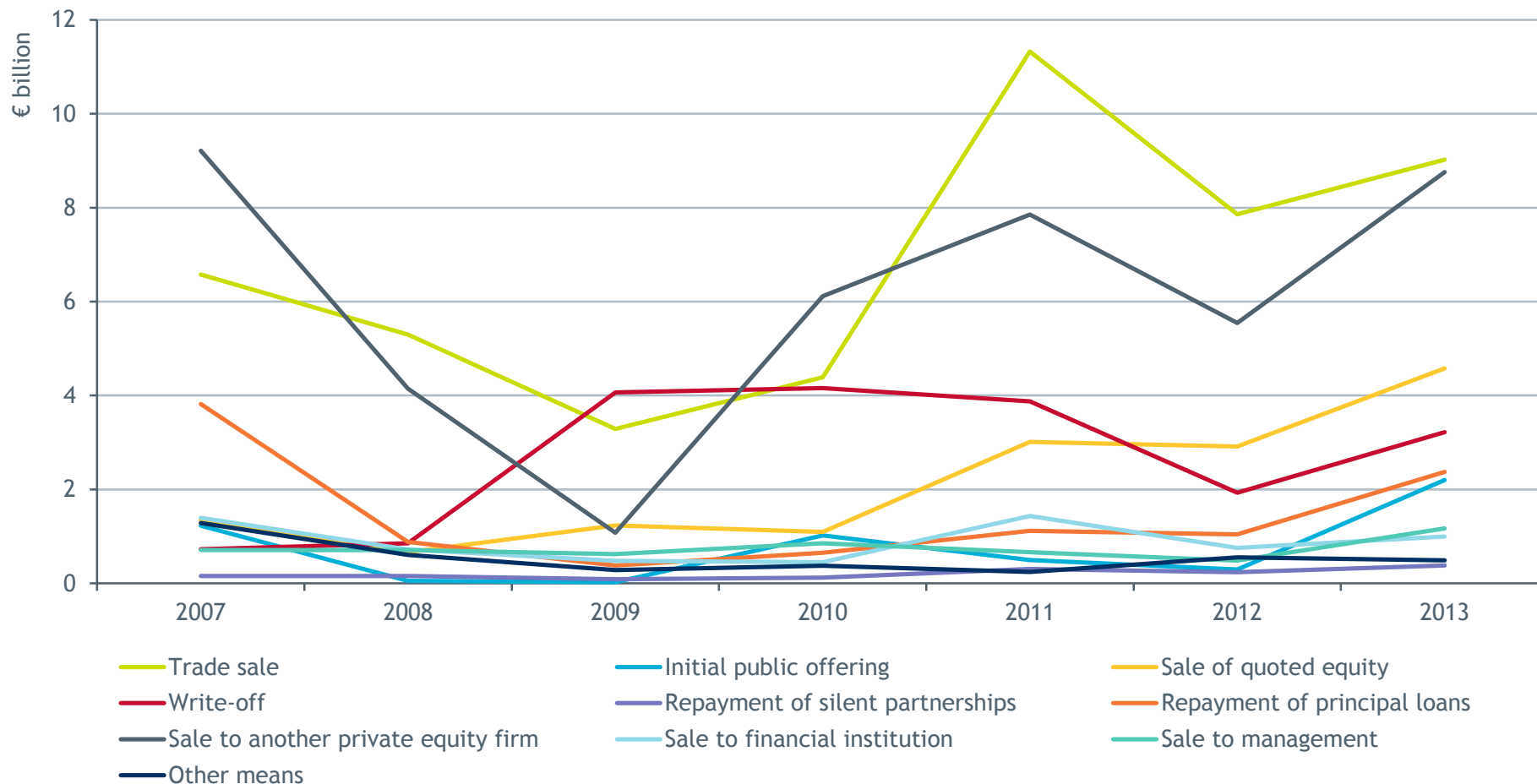
2013 - Market Statistics - % of Number of companies



Source: EVCA / PEREP_Analytics

All Private Equity - Divestments at cost by exit route

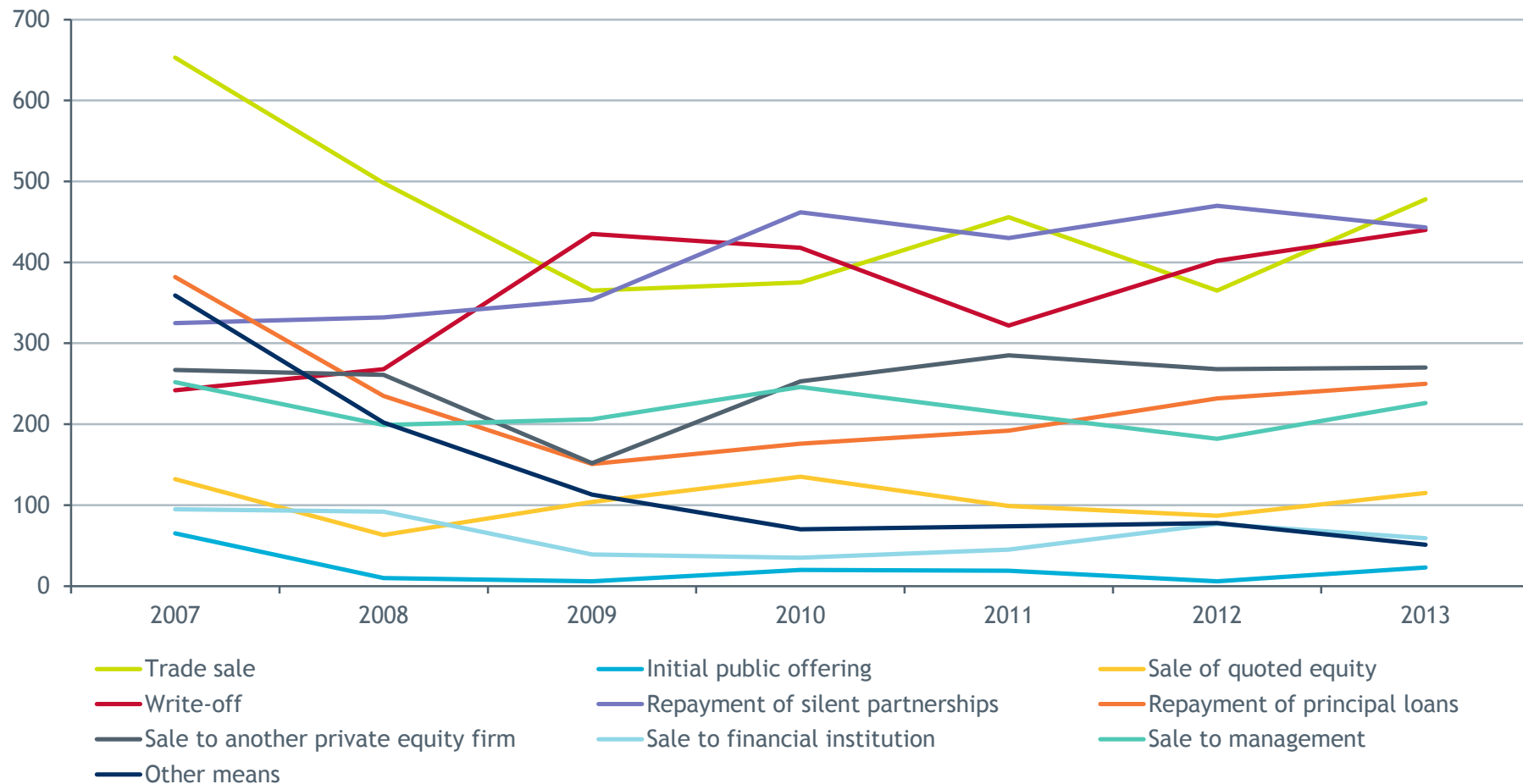
2007-2013 - Market statistics - Amount at cost



Source: EVCA / PEREP_Analytics

All Private Equity - Divestments at cost by exit route

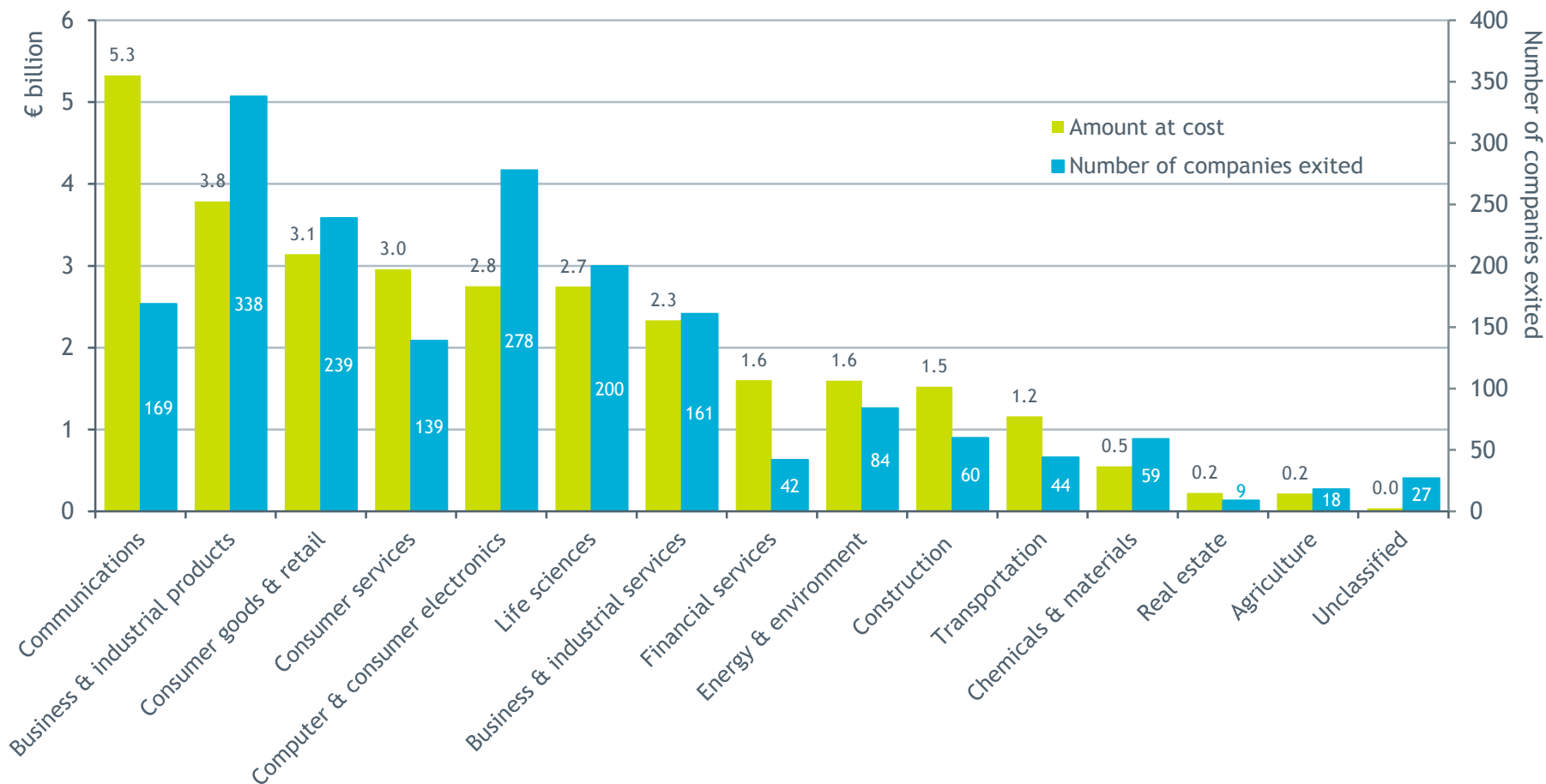
2007-2013 - Market statistics - Number of companies



Source: EVCA / PEREP_Analytics

All Private Equity - Divestments at cost by sector

2013 - Market statistics - Amount & Number of companies (excluding write-offs)

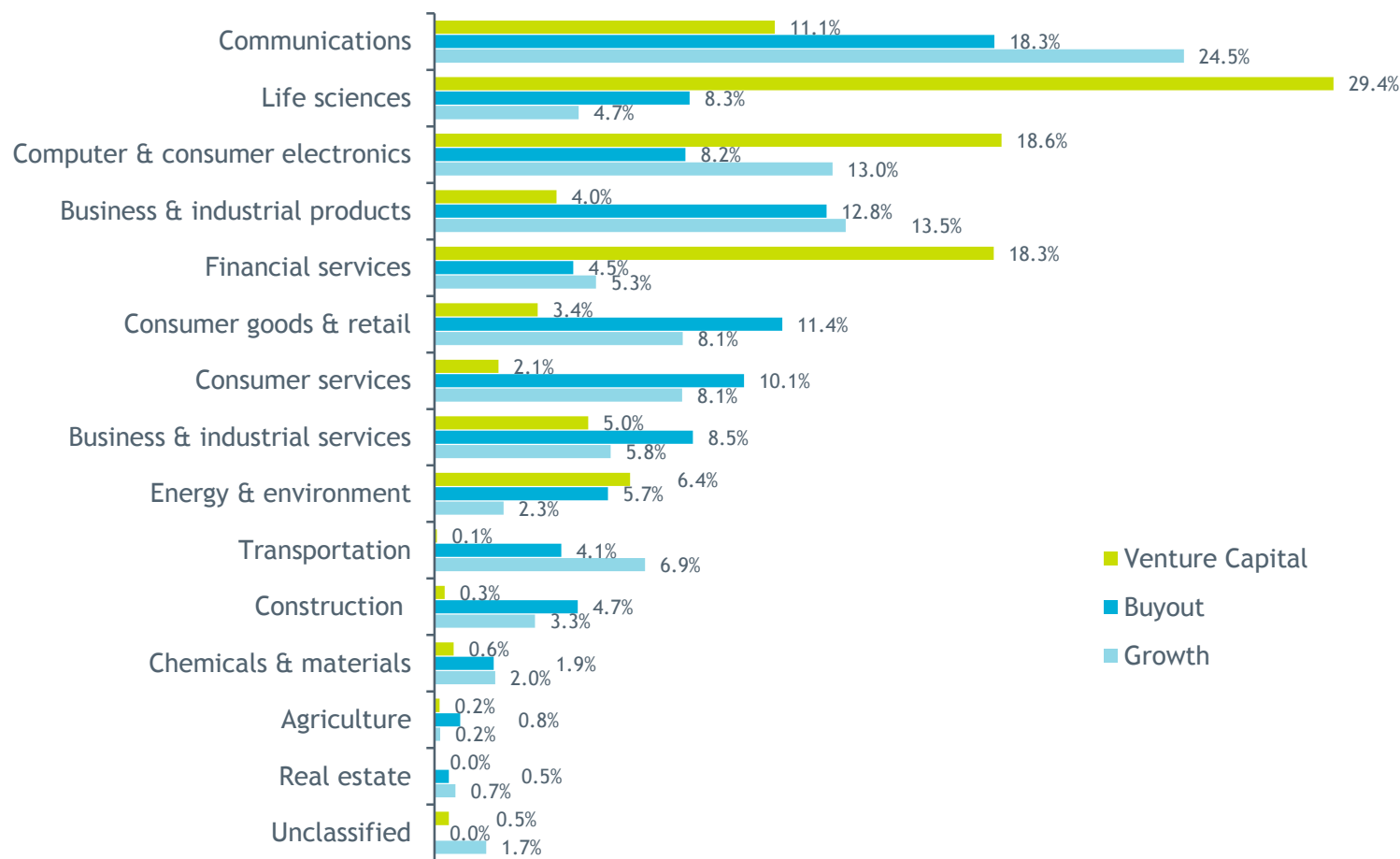


Source: EVCA / PEREP_Analytics

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



2013 - Market statistics - Amount (excluding write-offs)

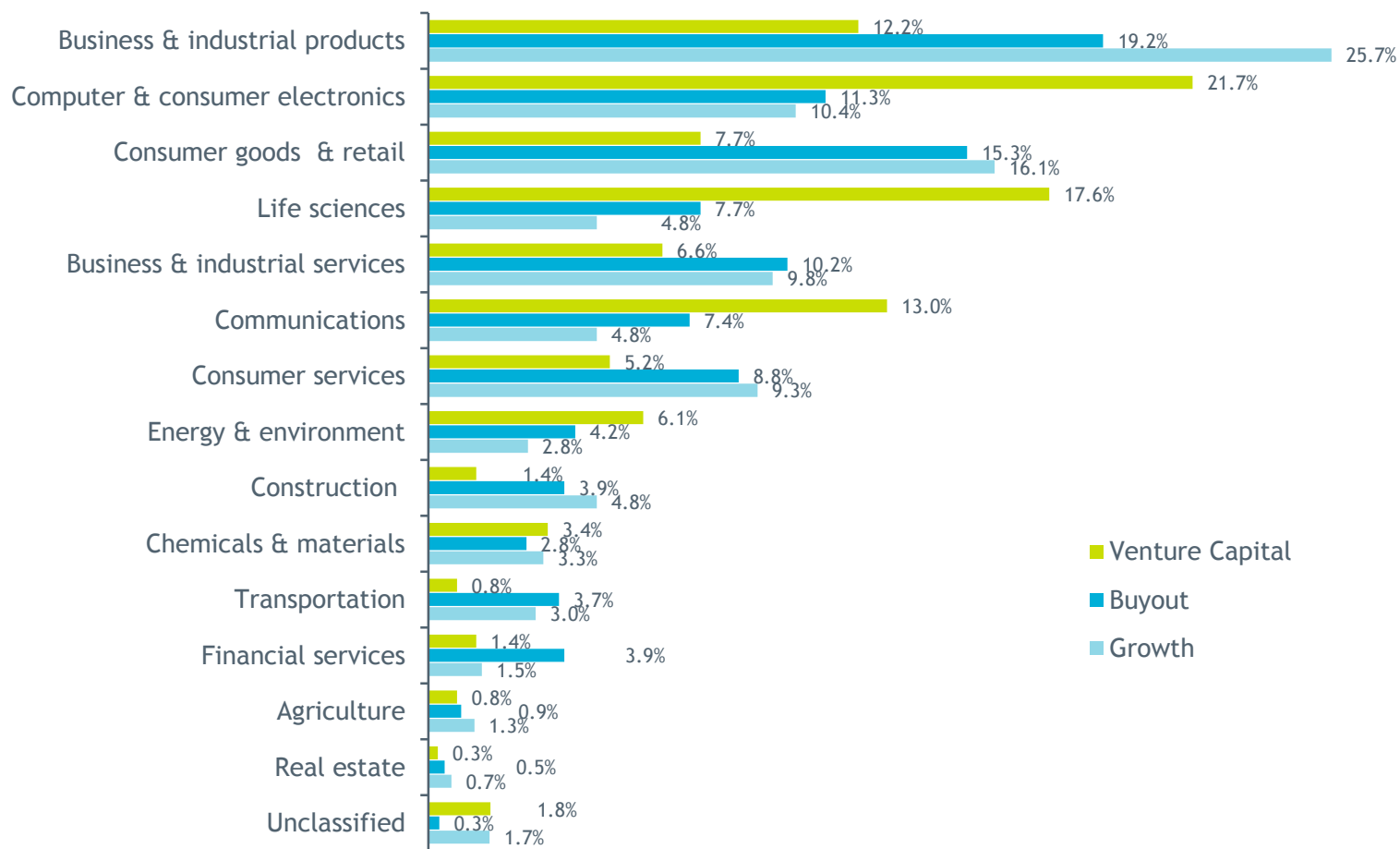


Source: EVCA / PEREP_Analytics

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



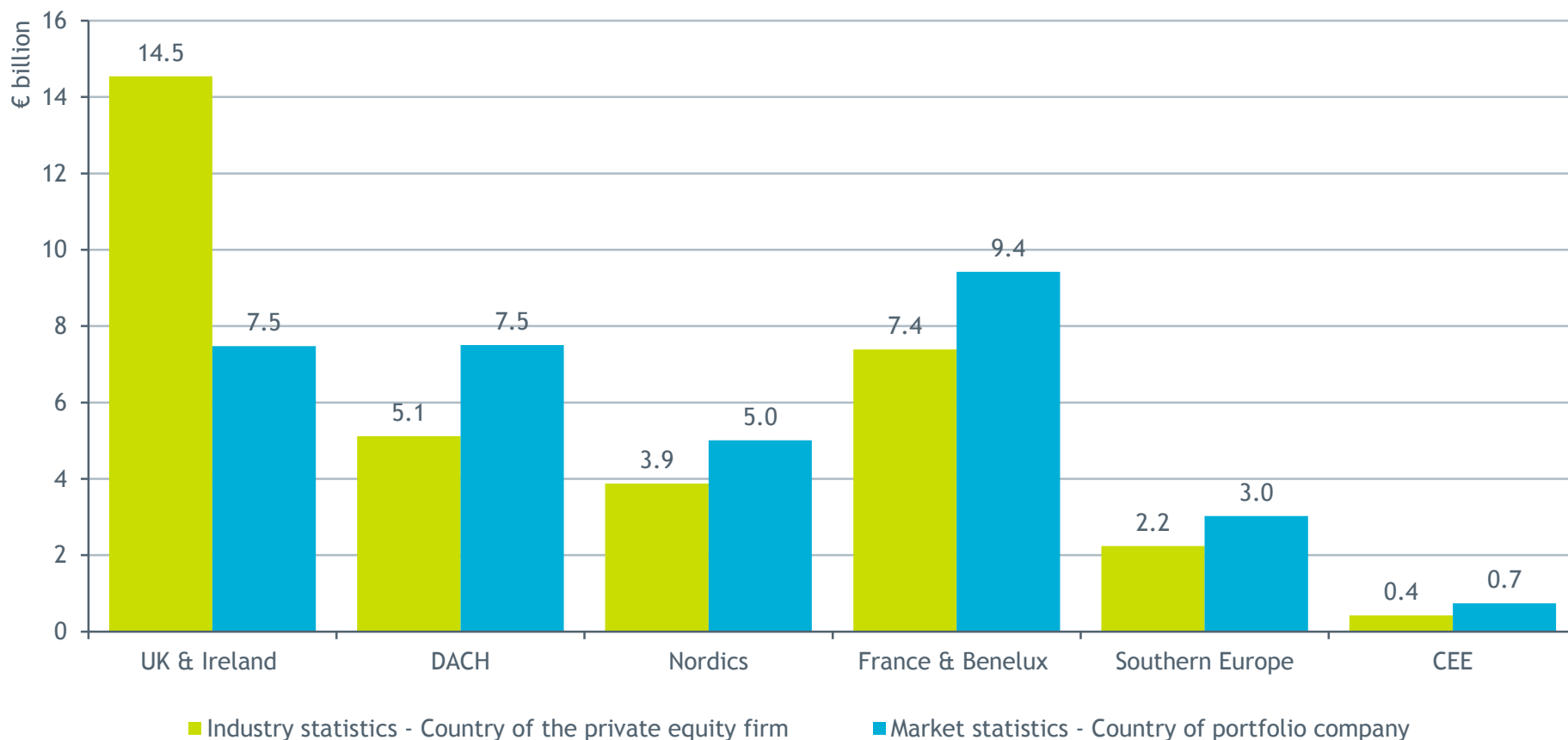
2013 - Market statistics - Number of companies (excluding write-offs)



Source: EVCA / PEREP_Analytics

All Private Equity - Divestments at cost by region

2013 - Industry vs. Market statistics - % of Amount



Source: EVCA / PEREP_Analytics

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 that collect their activity data via PEREP_Analytics, the pan-European statistic platform. We thank the following associations for their participation to make PEREP_Analytics the most comprehensive private equity database on private equity in Europe:

APCRI - Portugal	IVCA - Ireland
AVCO - Austria	LTVCA - Lithuania
BVA - Belgium	NVCA - Norway
BVK - Germany	NVP - The Netherlands
CVCA - Croatia	PSIK - Poland
CVCA - The Czech Republic	SECA - Switzerland
DVCA - Denmark	SEEPEA - South Eastern Europe
EstVCA - Estonia	SLOVCA - Slovakia
FVCA - Finland	SVCA - Sweden
HVCA - Hungary	

About PEREP_Analytics and EVCA Research



65%

The overall coverage rate of all European private equity firms based on 1,917 eligible private equity firms

90%

The 2013 annual survey covered 90% of the European market in terms of capital under management (base €555.4bn)

PEREP is a joint Pan-European statistics platform of the following private equity associations:

APCRI - Portugal



AVCO - Austria



BVA - Belgium



BVK - Germany



CVCA - Croatia



CVCA - The Czech Republic



DVCA - Denmark



EstVCA - Estonia



EVCA - Europe



FVCA - Finland



HVCA - Hungary



IVCA - Ireland



LTVCA - Lithuania



NVCA - Norway



NVP - The Netherlands



PSIK - Poland



SECA - Switzerland



SEEPEA - South Eastern Europe



SLOVCA - Slovakia



SVCA - Sweden



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