

RESEARCH

# INVESTING IN EUROPE: **PRIVATE EQUITY ACTIVITY 2023**

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Statistics on Fundraising, Investments, & Divestments



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## Version

Presentation as of 01/05/2024

# 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. We have over 650 members, split roughly equally between private equity, venture capital and limited partners - with some 110 associate members representing advisers to our ecosystem. Those members are based in 57 countries, including 42 in Europe, and manage 60% of the European private equity and venture capital industry's €1,004 billion of capital under management. Businesses with private capital investment employ 10.9 million people across Europe, 5% of the region's workforce.
- > 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 31 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 and venture capital statistics

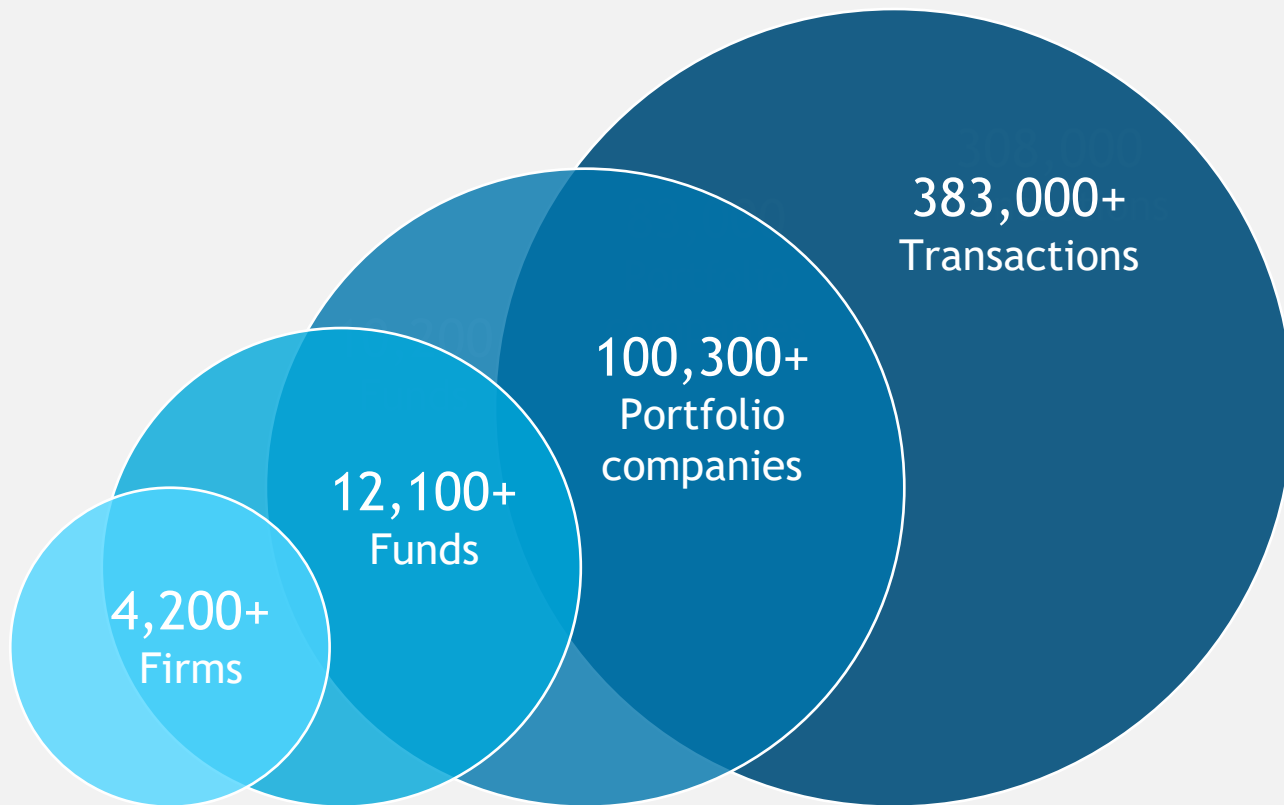
This year, all data from 2007 onwards have been **restated** and supplemented with additional information. This update was coordinated in close collaboration with data providers and partner national associations to ensure comprehensive coverage and uniform methodology.

- > 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](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.

# European Data Cooperative

What is the EDC?

## EuropeanDataCooperative



**1,150+**

fund managers across Europe contributed to 2023 data collection effort

**90%**

of the €1,004bn in capital under management in Europe covered (as of end-2022)

# What's inside?

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## Foreword



Eric de Montgolfier, CEO, Invest Europe

“  
These figures reflect the confidence of long-term investors in the ability of European managers to generate returns that can grow the pensions and savings of citizens. ”

After two exceptional years for fundraising and investment in the immediate recovery from the COVID pandemic, the challenges facing the private equity and venture capital industry in 2023 were well documented. **Yet far from enduring a crash, the European industry had a soft landing, returning to pre-pandemic levels or higher across buyouts, growth and venture capital.**

The power of Invest Europe’s research is its comprehensiveness, covering over 1,150 fund managers and 90% of the €1 trillion in European capital under management. That enables us to take an authoritative look at activity over the long-term to identify industry trends and trajectories. Through this high-powered lens, we see that incremental fundraising did fall to €133 billion from 2022’s stratospheric high of €195 billion, **but nonetheless ranked as the third best year ever for industry-wide capital raising - and the second best for buyouts with €95 billion raised. On some metrics, it was even a record year - the €137 billion achieved by funds at final closing is the highest level ever registered.**

It is a similar story for investment. Deployment contracted from 2021 and 2022 highs, but reached €100 billion for the fourth year in the last five, in line with 2019 levels. Less than a decade ago, the European industry had yet to breach the €50 billion mark. That kind of context is important to understand where European private equity and venture capital is coming from and the path it is on.

As important as the quantum of capital, is where the money is going. Of the 8,391 companies receiving investment in 2023, 85% were SMEs, and almost half were in the Information Communications Technology (ICT) and Biotech & Healthcare sectors. Energy & Environment was a top-five sector for overall investment and a leading sector for VC. This means companies at the heart of Europe’s green and digital transitions, as well as those making medical discoveries that will transform health and lives. Moreover, that investment comes with expertise to help drive innovation, growth and job creation.

**The challenges can never be underestimated, but the ecosystem is working and delivering investment and skills that build better businesses at the heart of a functioning economy and society.**

A handwritten signature in blue ink, appearing to read 'Eric de Montgolfier'.

Eric de Montgolfier  
CEO, Invest Europe

# Executive Summary

## FUNDRAISING

**Total fundraising in Europe during 2023 reached €132.9bn, representing a 3% decline from the previous five-year average. A total of 744 funds raised capital during the year, in line with numbers seen in 2020.**

Pension funds accounted for 24% of the funds raised, followed by sovereign wealth funds (12%) and fund of funds (11%). North America provided the highest proportion of capital for fundraising (23%), followed by France & Benelux (22%).

242 funds reached their final closing during 2023, raising a total amount of €137bn since inception. This is the highest amount of funds raised at final closing in any year ever recorded.

Venture fundraising reached €14.2bn during 2023, representing a 21% decrease from the previous five-year average. A total of 278 venture funds raised capital in 2023; 70 of the them were first-time funds. The top three sources of funds were government agencies (37%), corporate investors (13%), and private individuals (10%).

In 2023, buyout fundraising reached €95.4bn, representing 72% of the total amount raised during the year. This amount is 5% above the average for the previous five years. A total of 184 buyout funds raised capital in 2023, slightly above the average from the previous five years. Pension funds provided the most capital, as in previous years. Regionally, the primary source of capital was North America.

Growth fundraising reached €17.2bn during the year, representing 13% of the total amount raised and in line with the average from the previous five years. A total of 192 growth funds raised capital in 2023. Pension funds and private individuals provided the top two sources of capital for the year, accounting for 19% and 18% respectively.

## INVESTMENTS

**The total equity amount invested in European companies in 2023 was €99.8bn, a 25% decrease from the previous year and 11% below the previous five-year average. 8,391 companies received investment, 85% of which were SMEs. ICT received over €24bn of investments and combined with consumer goods & services accounted for more than 43% of investments by amount.**

Venture capital investment reached €12.9bn in 2023. This is roughly 5% less than the average from the past five years average. 4,764 companies received a venture investment in 2023 - 99% of these being SMEs - representing around 56% of the total number of companies backed during the year. This year in terms of amount the Start-up stage within Venture received the most amount of investment: €6.4bn, or 49% of the total for venture. By sector, ICT received around 43% of venture capital investment.

Buyout investments reached €62.6bn in 2023. The mid-market buyout segment saw the highest amount of investments within buyout (38% of total buyout amount). In terms of number of companies, the percentage was 31%. The mega investment segment (> €300m), accounted for just over 36% of total amount into the space. By sector, business products & services and consumer goods & services received the most investment, exhibiting a total of €27.4bn roughly split equally.

Growth investments saw a 30% decrease from 2022, reaching €21.1bn for the year. VC-backed growth investments received a total of €3.6bn. The number of companies receiving growth investment reached 2,255. ICT received the highest level of investment (26%).

Investments by European Private Equity & Venture capital funds reached 0.44% of European GDP in 2023.

## DIVESTMENTS

**Divestments at cost in 2023 reached €30.6bn, representing a 15% decrease from the previous year. A total of 3,094 European companies were exited during the year, a 12% decrease from 2022. The main exit route by value was sale to another private equity firm, accounting for 35% of the total.**

Venture divestments in 2023 reached €2.4bn, representing a 16% decrease from the year before. This is also 14% below the average for the past five years: €2.8bn. A total of 1,168 companies were exited, which is slightly below the average of the previous five years. The main exit route was trade sale, accounting for 35% of the total amounts. While 39% of exited companies were in the ICT sector.

In 2023, there was an 8% year-on-year decline in buyout divestments, totaling €22.4 billion divested throughout the year. The number of divested companies decreased by 17% compared to 2022, with 662 companies divested. The main exit route by both amount and number of companies was sale to another private equity firm, representing 38% and 29% of all exits, respectively. Business products and services sector accounted for the largest number of exits in terms of both amount (26%) and number of companies (29%).

The total value of Growth divestments in 2023 was €5.3bn, representing a 35% decrease from 2022 and 20% below the average for the previous five years (€6.6bn). A total of 1,350 growth companies were divested. The main exit route by value was sale to another private equity firm (29%), followed by trade sale (28%). The companies in the business products and services sector saw the most exits (28%), while the ICT sector accounted for the largest value of exits (23%).

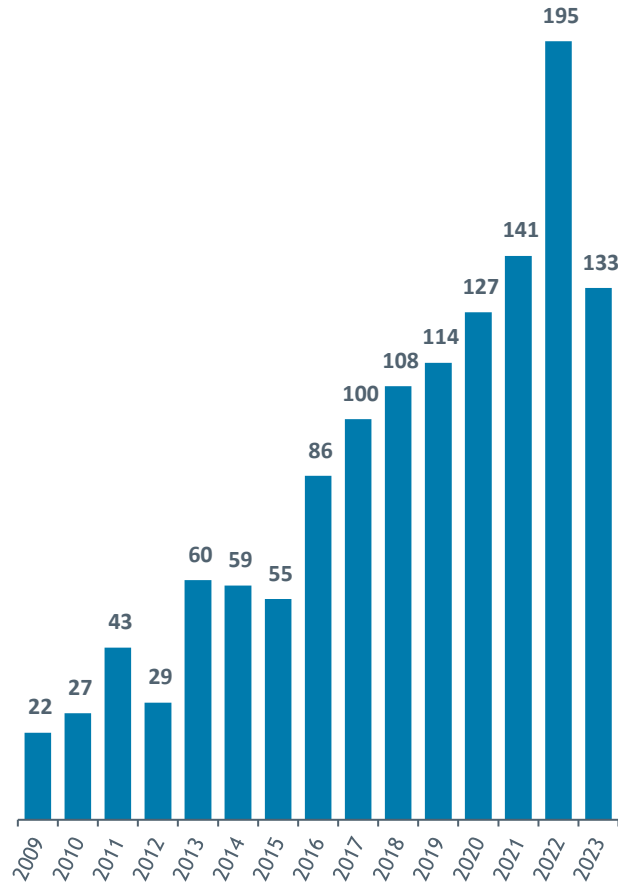
Note: For the sector analysis write-offs were not considered.



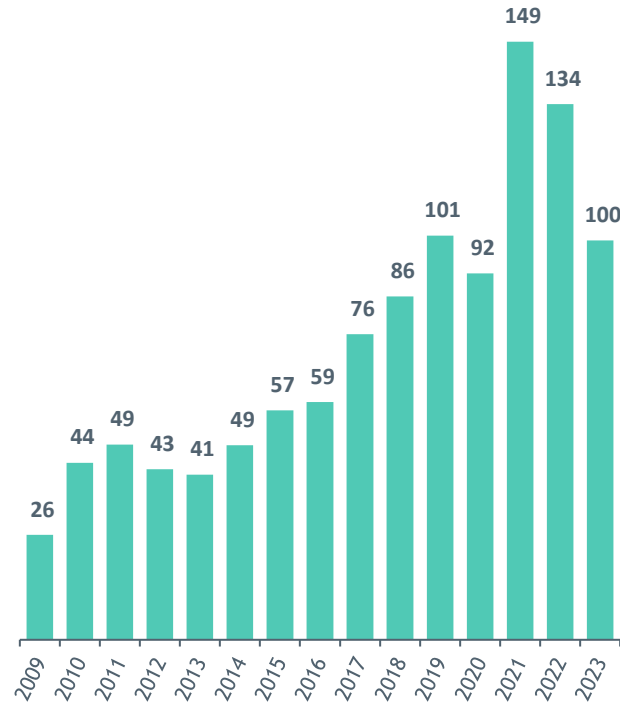
# Overview - All Private Equity - Fundraising, Investments, & Divestments

Amount over time (€ billion)

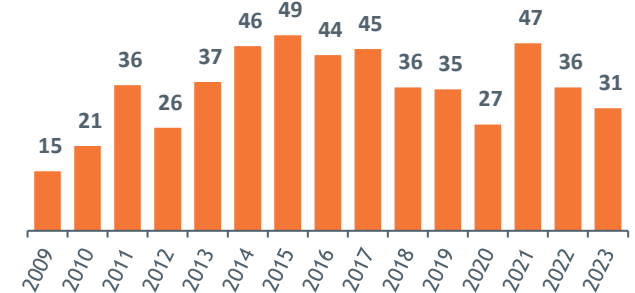
## FUNDRAISING



## INVESTMENTS



## DIVESTMENTS



Source: Invest Europe / EDC

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ACTIVITY 2023

# FUNDRAISING



# Fundraising at a glance

## 2023 - Analysis

### All Private Equity

Amount raised **€133bn** by **744** funds

Final closing **€137bn** by **242** funds

### Venture Capital

Amount raised **€14bn** by **278** funds

Final closing **€12bn** by **83** funds

### Buyout

Amount raised **€95bn** by **184** funds

Final closing **€106bn** by **83** funds

### Growth

Amount raised **€17bn** by **192** funds

Final closing **€14bn** by **52** funds

- > Total fundraising in Europe during 2023 reached €132.9bn, representing a 3% decline from the previous five-year average. A total of 744 funds raised capital during the year, in line with numbers seen in 2020, and 6% below the average number of funds raising capital over the previous five years.
- > Pension funds accounted for 24% of the funds raised, followed by sovereign wealth funds (12%) and fund of funds (11%). North America provided the highest proportion of capital for fundraising (23%), followed by France & Benelux (22%), and Asia & Australia (20%). In total, 47% was committed by investors from outside Europe.
- > 242 funds reached their final closing during 2023, raising a total amount of €137bn since inception. This is the highest amount of funds raised at final closing in any year ever recorded.
- > Venture fundraising reached €14.2bn during 2023, representing a 21% decrease from the previous five-year average. Funds focusing on all VC raised 61% of the total venture for the year. A total of 278 venture funds raised capital in 2023; 70 of the them were first-time funds. The top three sources of funds were government agencies (37%), corporate investors (13%), and private individuals (10%). The France & Benelux region continued to be the principal source of capital, with 37% of funds committed coming from the region.
- > In 2023, buyout fundraising reached €95.4bn, representing 72% of the total amount raised during the year. This amount is 5% above the average for the previous five years. A total of 184 buyout funds raised capital in 2023, which is slightly above the average from the previous five years. Pension funds continued to provide the most capital, accounting for 27% of the total, followed by sovereign wealth funds (16%), and fund of funds (12%). Pension funds provided the most capital, as in previous years. Regionally, the primary source of capital was North America, accounting for 27% of the total, followed by Asia & Australia (26%), and France & Benelux (16%).
- > Growth fundraising reached €17.2bn during the year, representing 13% of the total amount raised and in line with the average from the previous five years. A total of 192 growth funds raised capital in 2023. Pension funds and private individuals provided the top two sources of capital for the year, accounting for 19% and 18% respectively, followed by government agencies (15%), and fund of funds (13%).

NB: Amount raised represents incremental amount raised.  
Final closing represents cumulative amount raised.



# Fundraising at a glance

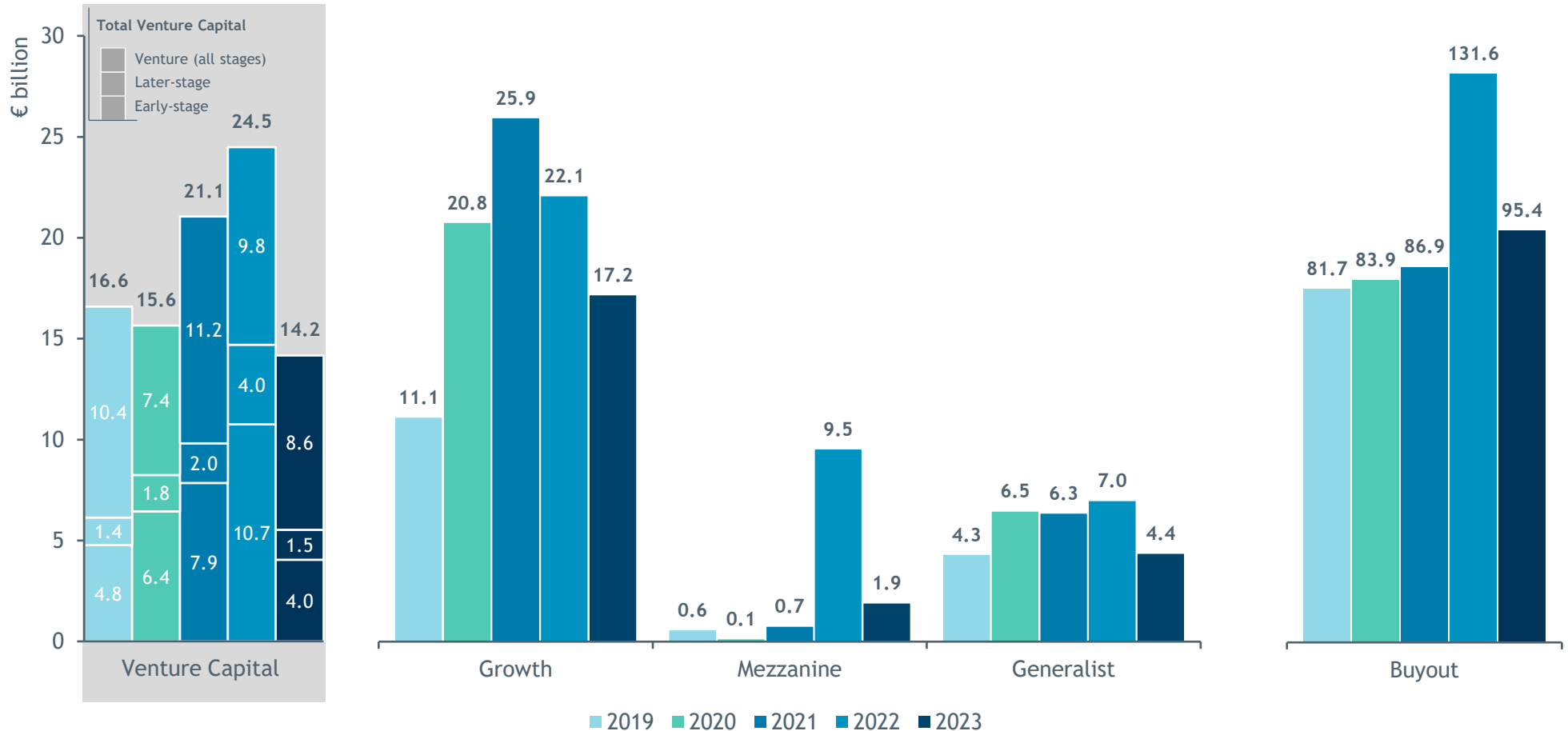
Europe - Incremental amount raised during the year



Source: Invest Europe / EDC. NB: Buyout includes turnaround/rescue and replacement capital funds

# Funds raised by fund stage focus

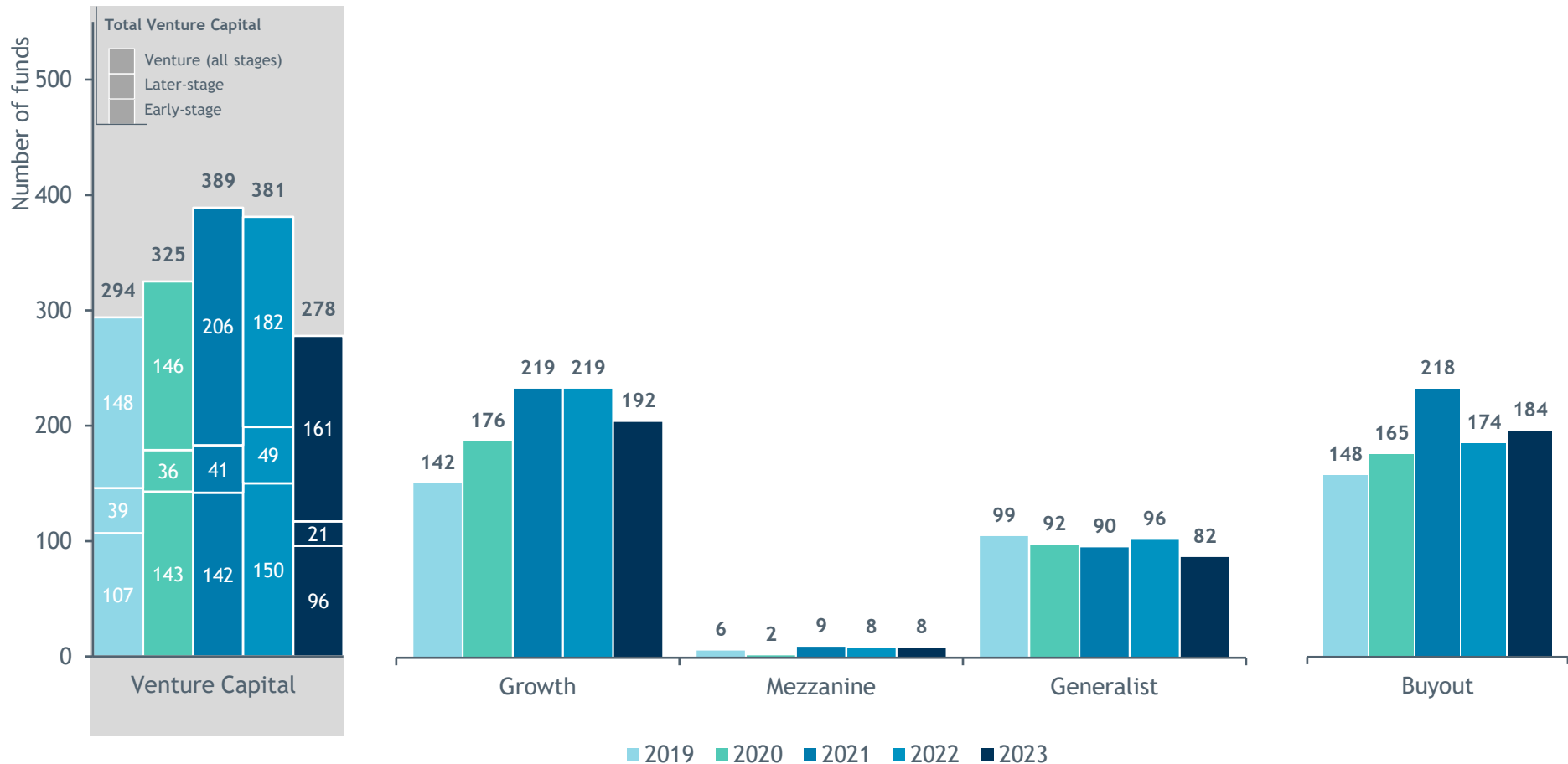
## Incremental amount raised during the year



Source: Invest Europe / EDC

# Funds raised by fund stage focus

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

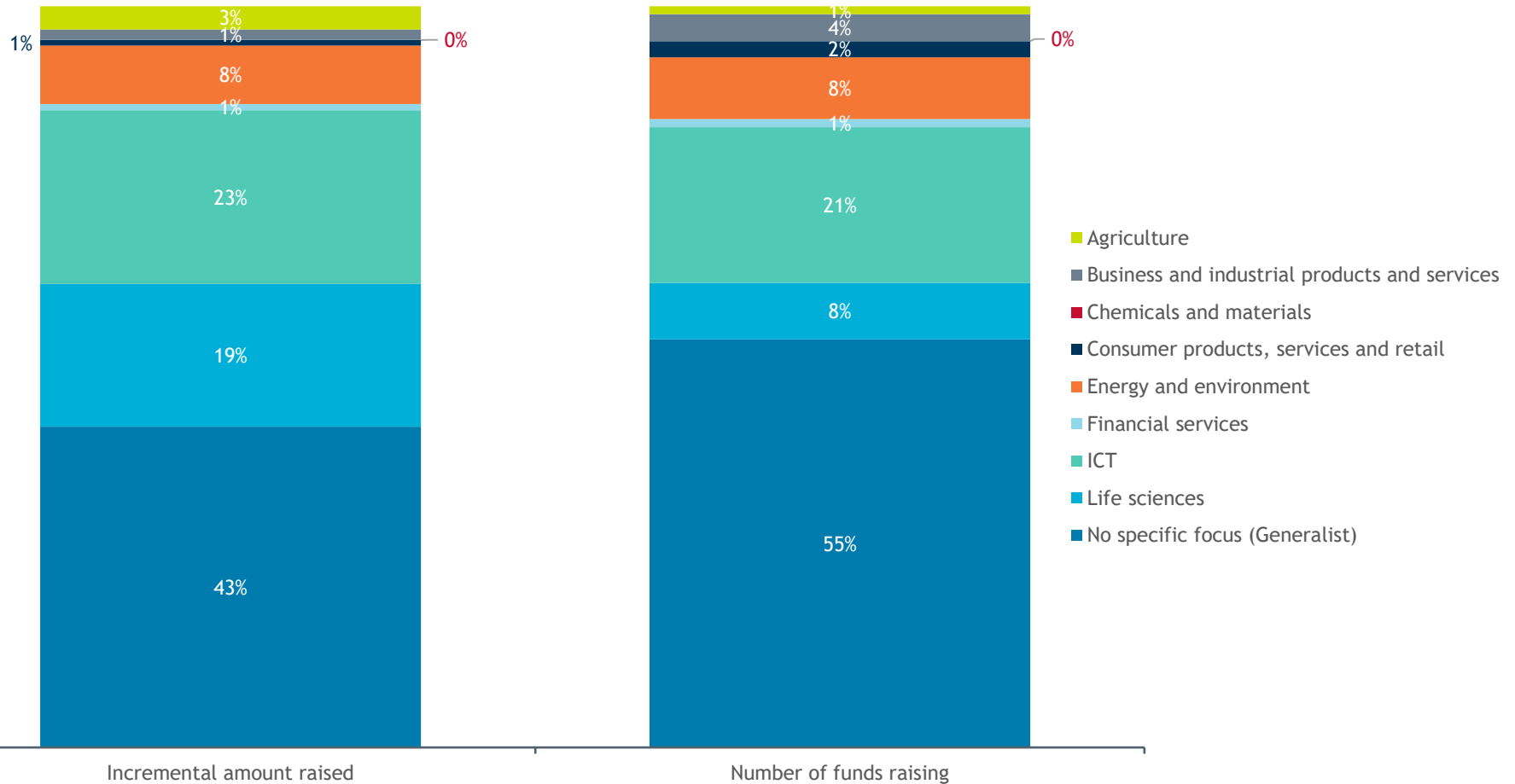


Source: Invest Europe / EDC



# Venture Capital - Funds raised by fund sector focus

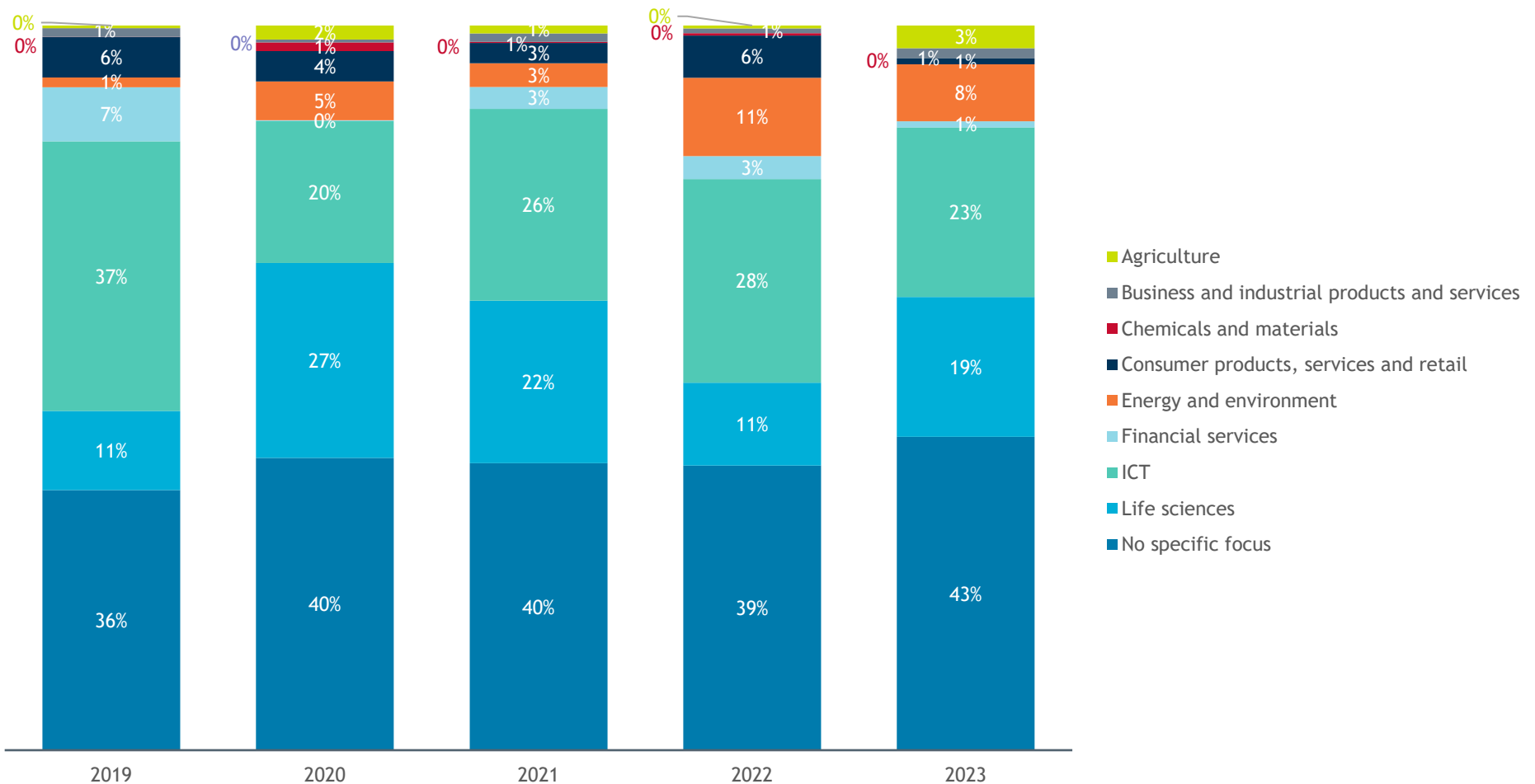
## 2023 - Incremental amount raised & number of funds



Source: Invest Europe / EDC

# Venture Capital - Funds raised by fund sector focus

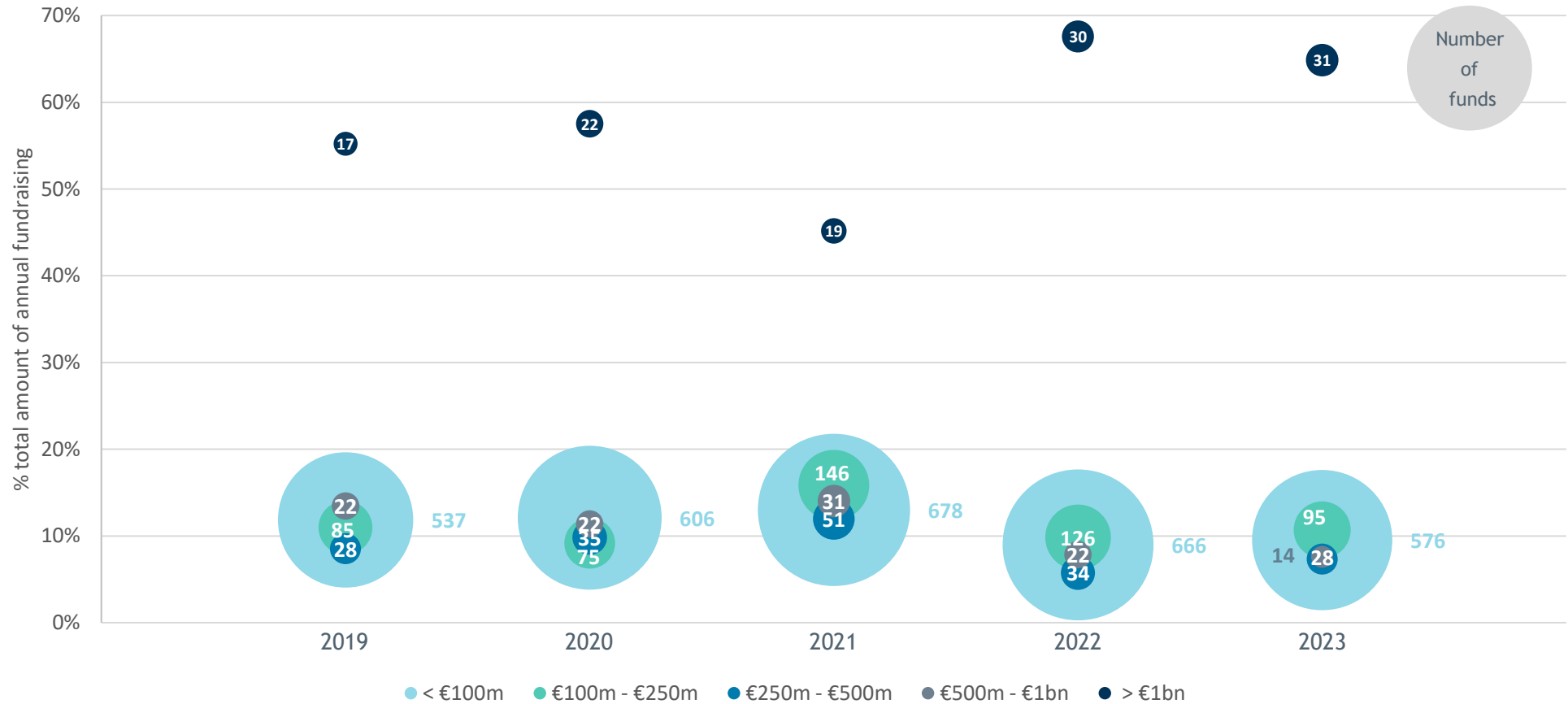
Incremental amount raised during the year



Source: Invest Europe / EDC

# All Private Equity - Concentration of capital

Incremental fundraising by amount bracket per fund during the year

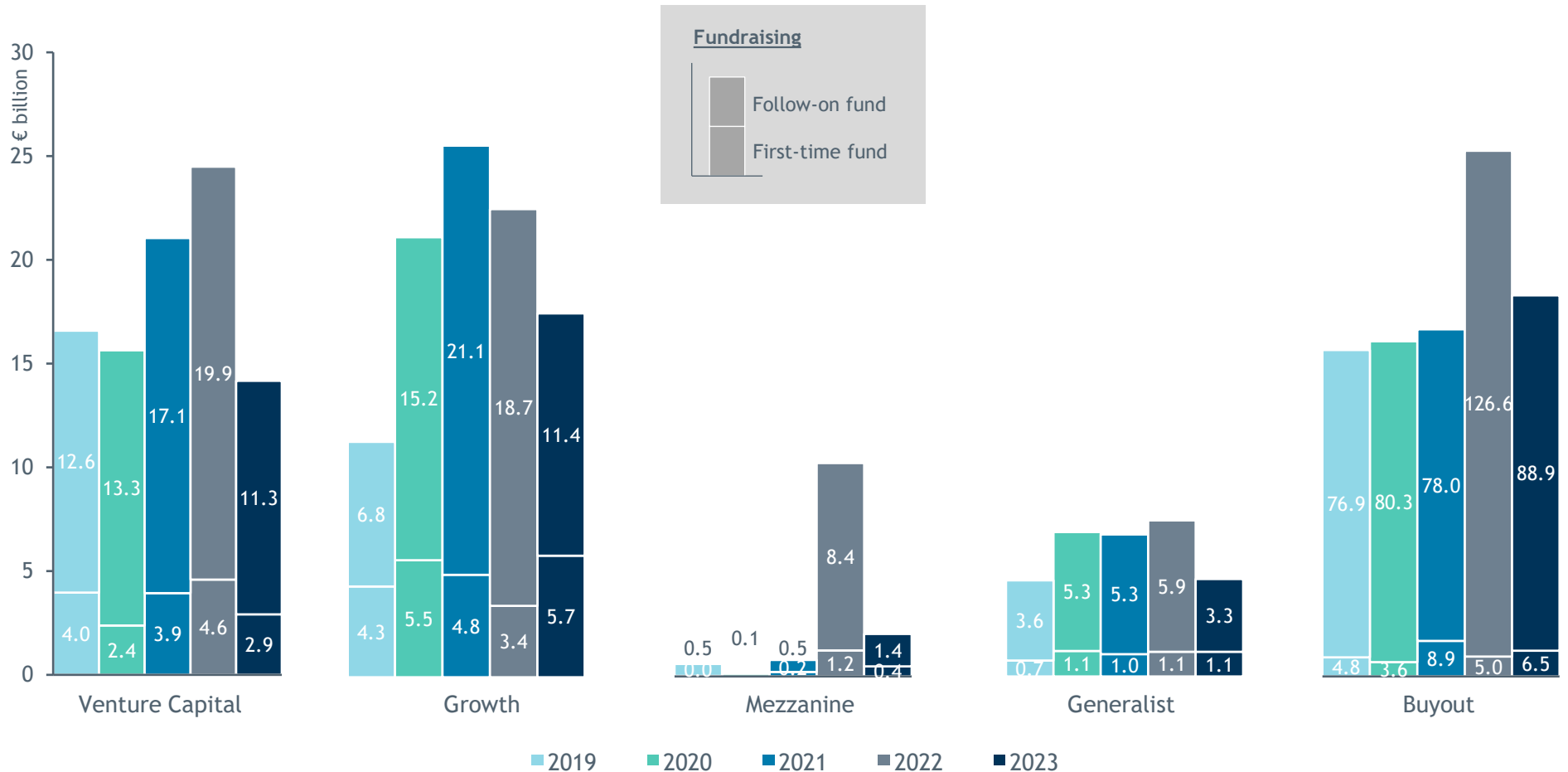


Source: Invest Europe / EDC



# All Private Equity - Funds raised by first-time and follow-on funds

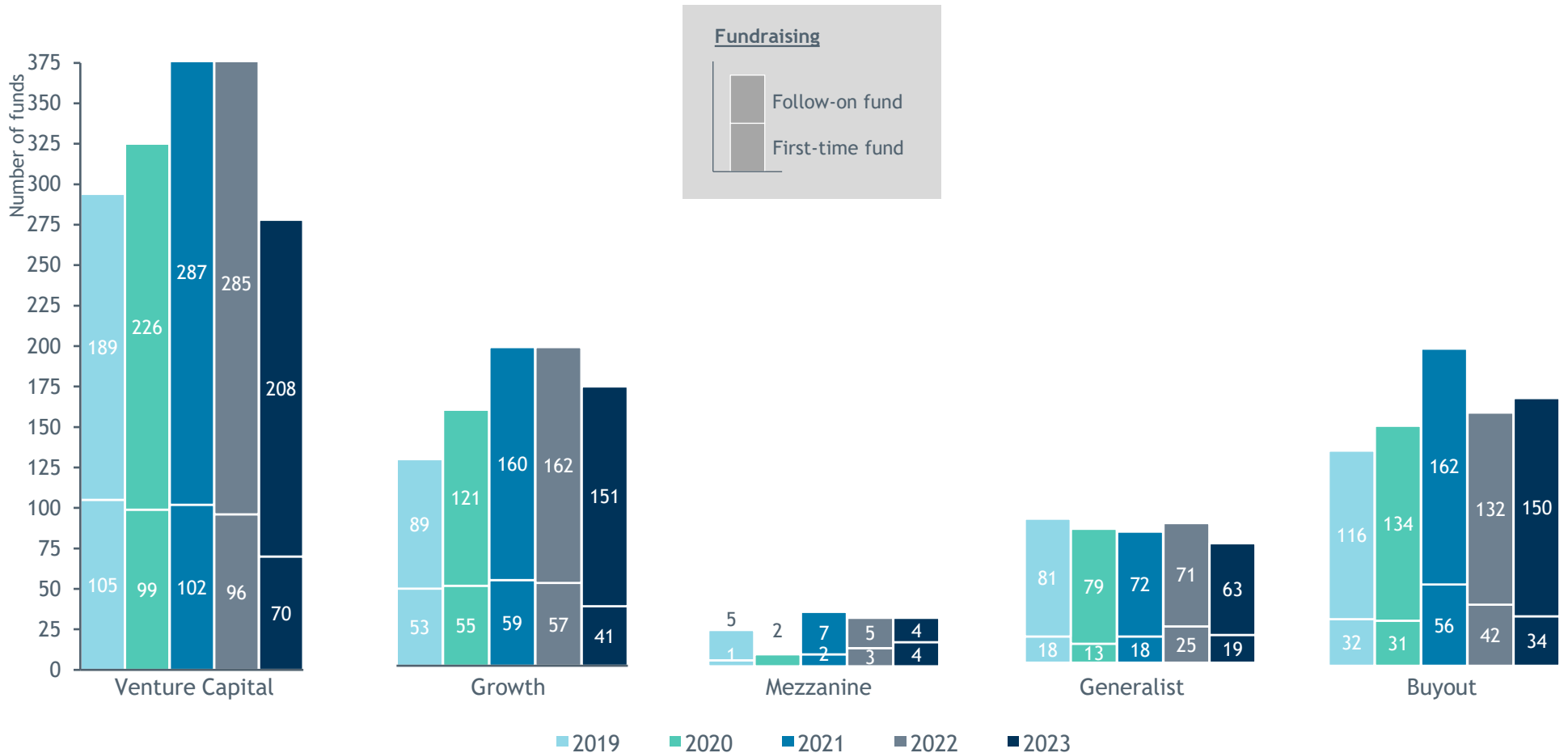
Incremental amount raised during the year



Source: Invest Europe / EDC

# All Private Equity - Funds raised by first-time fund and follow-on fund

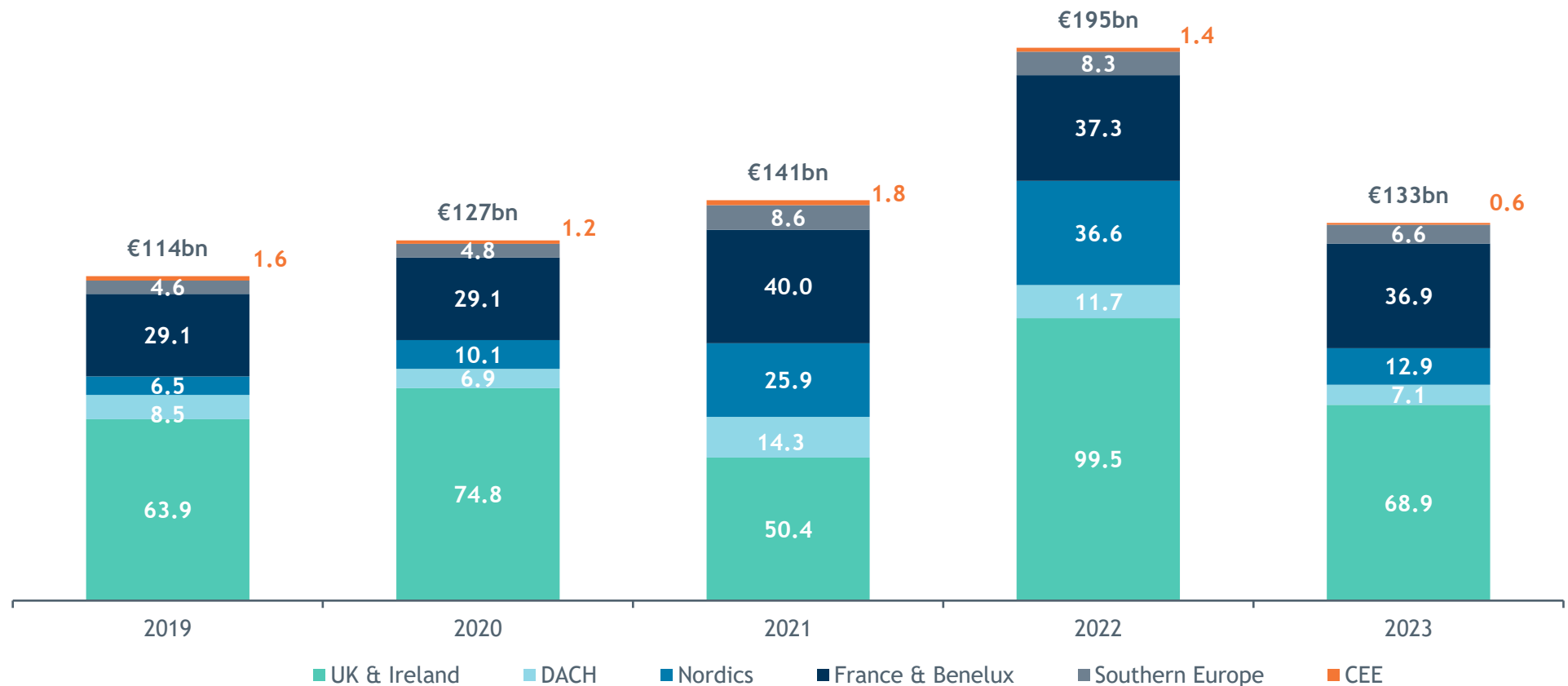
Number of funds that reached first, intermediate or final closing during the year



Source: Invest Europe / EDC

# All Private Equity - Funds raised by region of management

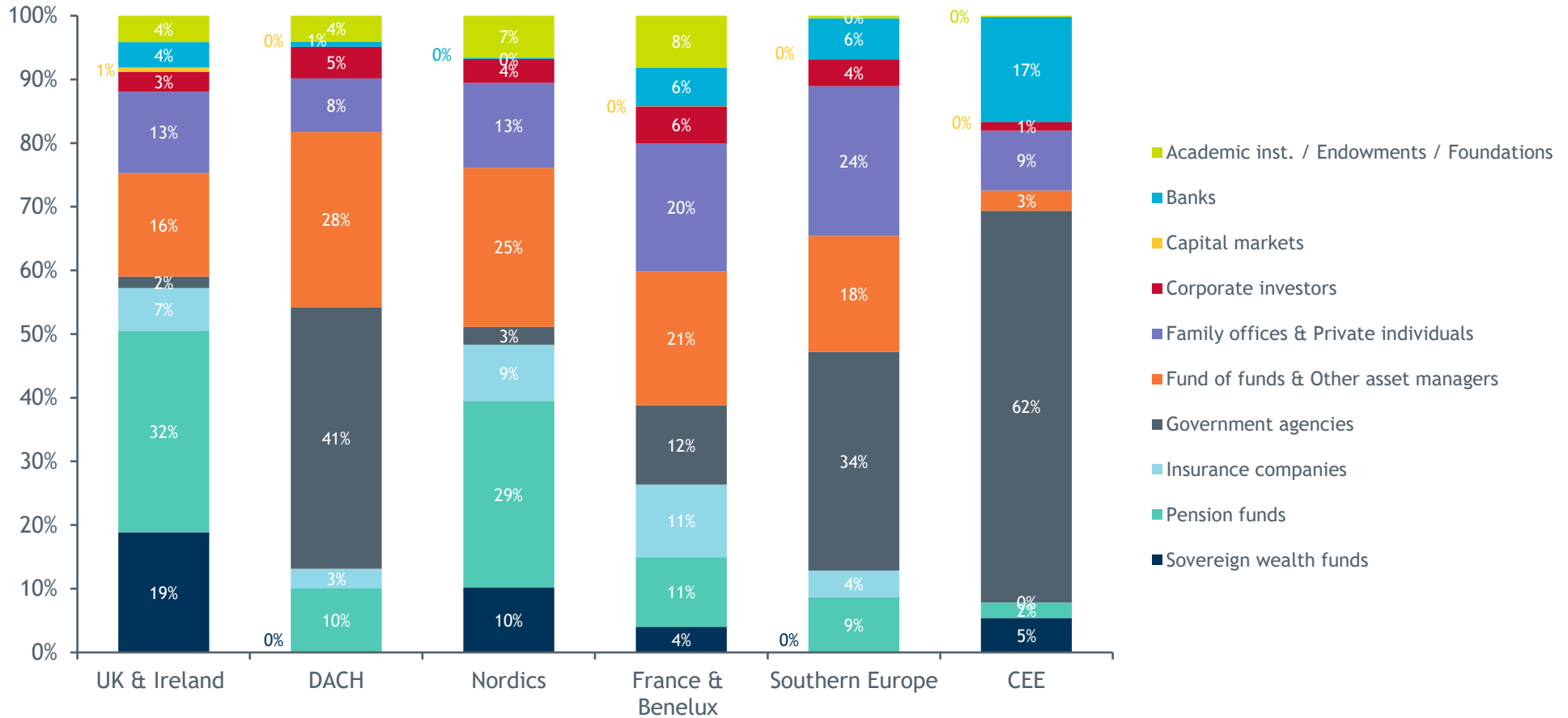
Incremental amount raised during the year - € billion



Source: Invest Europe / EDC

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

## 2023 - Incremental amount raised during the year - % of total amount



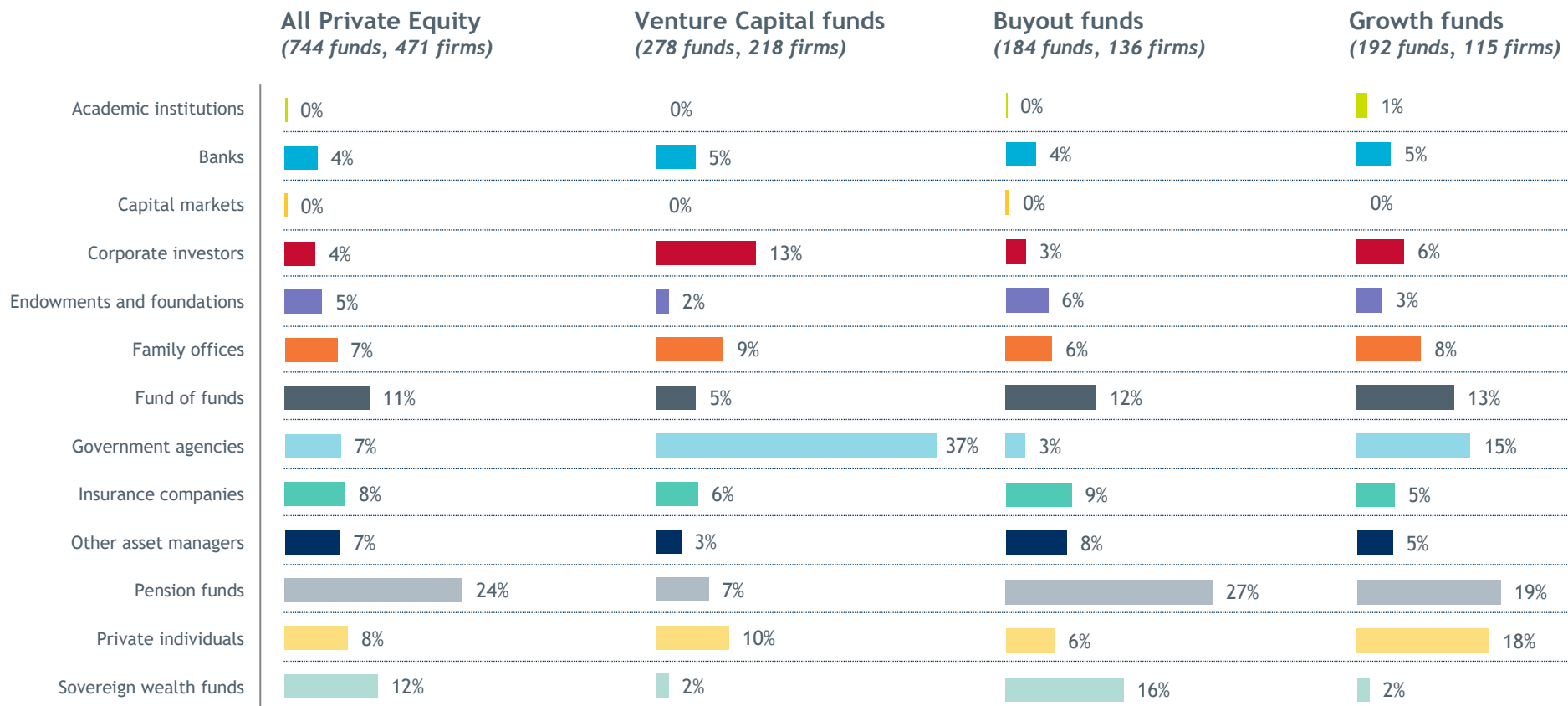
Source: Invest Europe / EDC

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

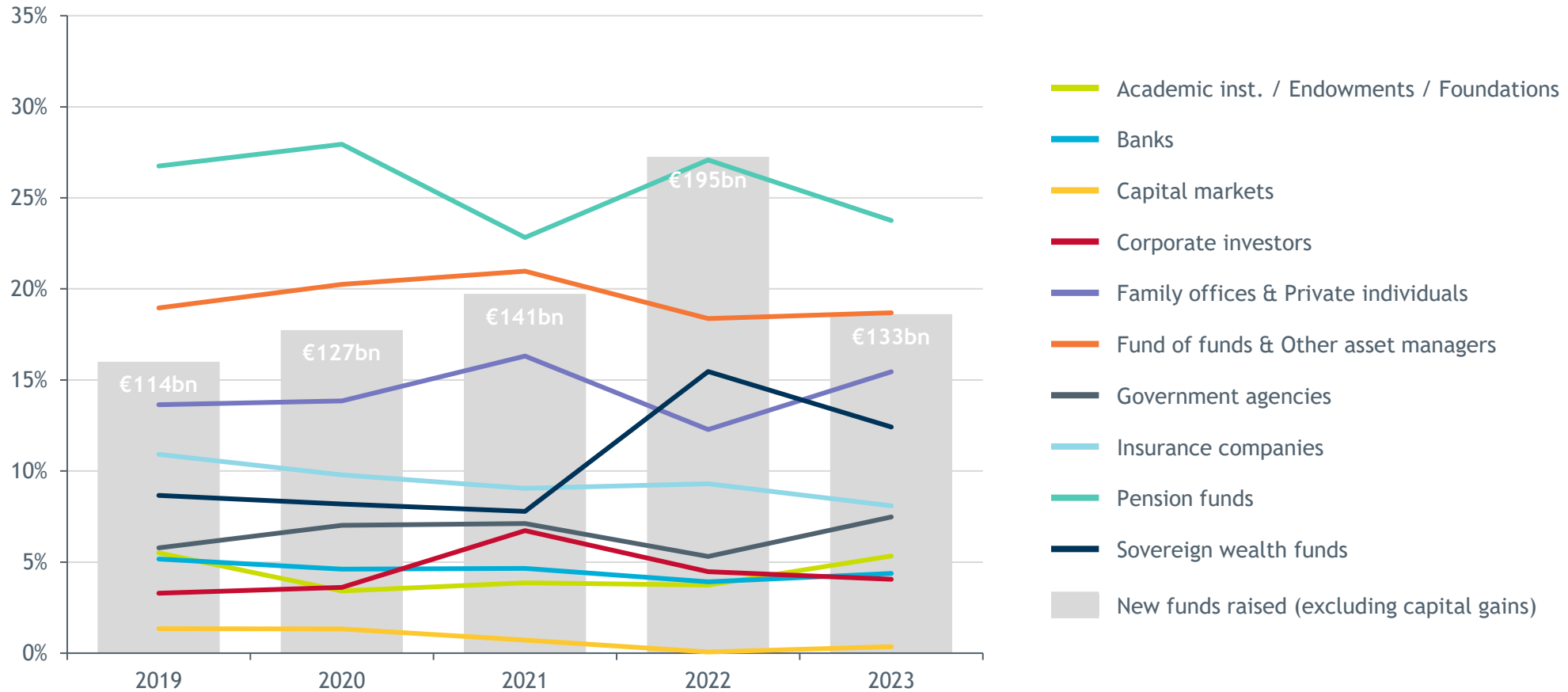
2023 - Incremental amount raised during the year - % of total amount



Source: Invest Europe / EDC

# All Private Equity - Funds raised by type of investor

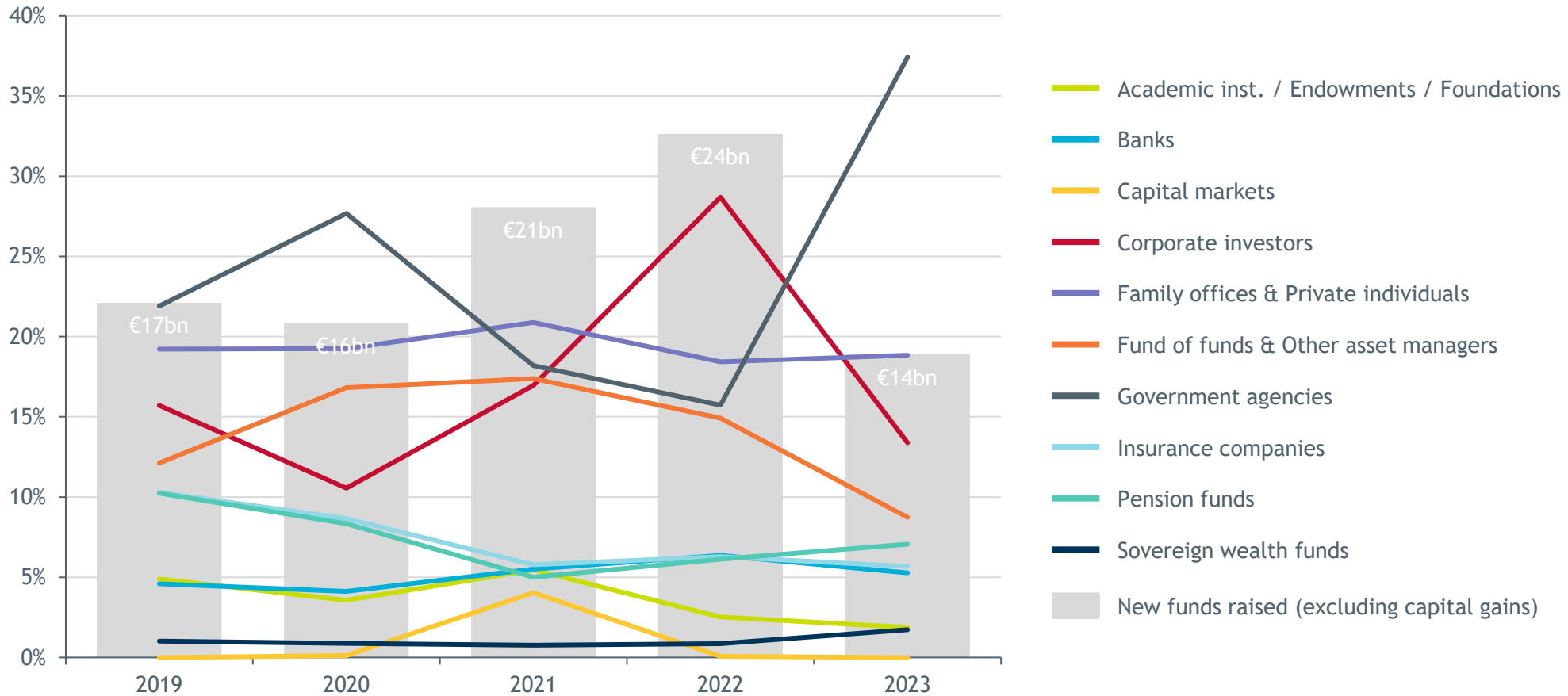
Incremental amount raised during the year - % of total amount



Source: Invest Europe / EDC

# Venture Capital - Funds raised by type of investor

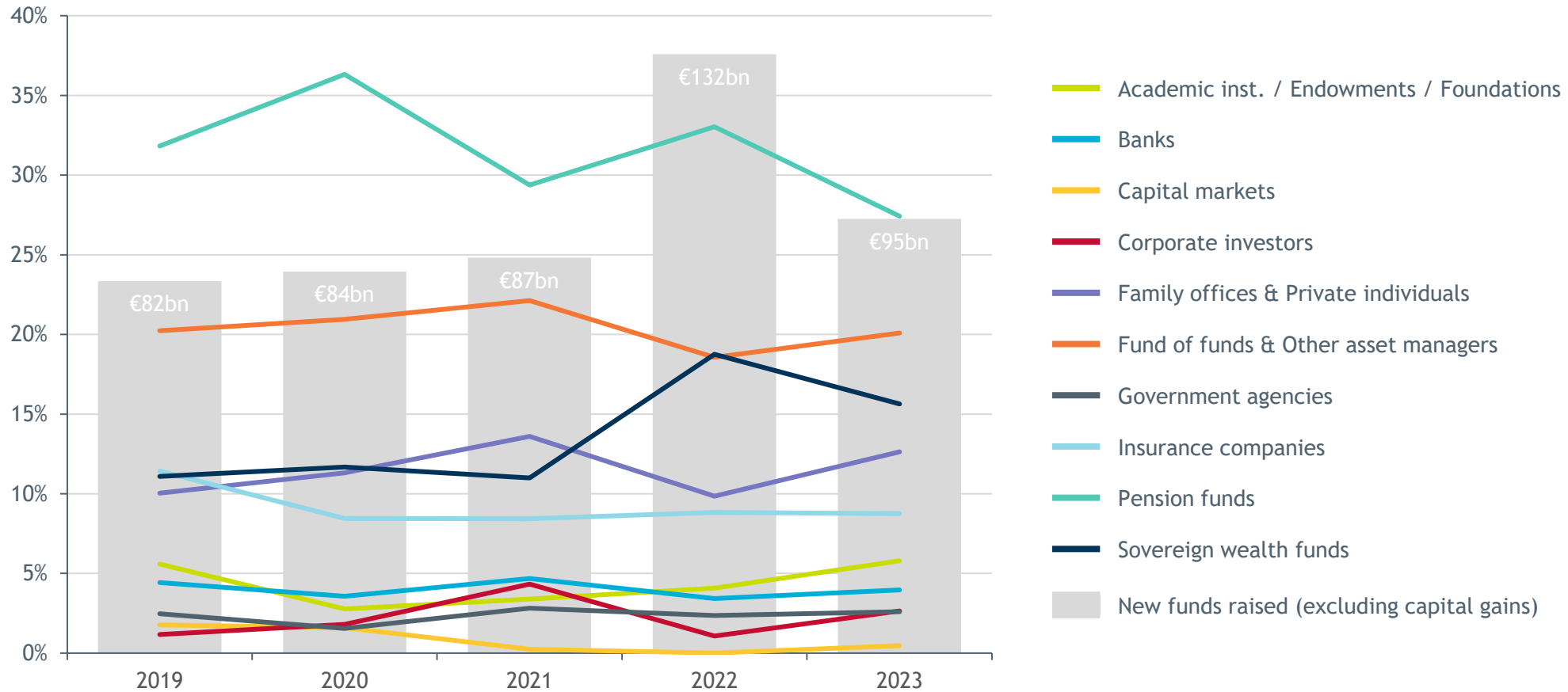
Incremental amount raised during the year - % of total amount



Source: Invest Europe / EDC

# Buyout - Funds raised by type of investor

Incremental amount raised during the year - % of total amount

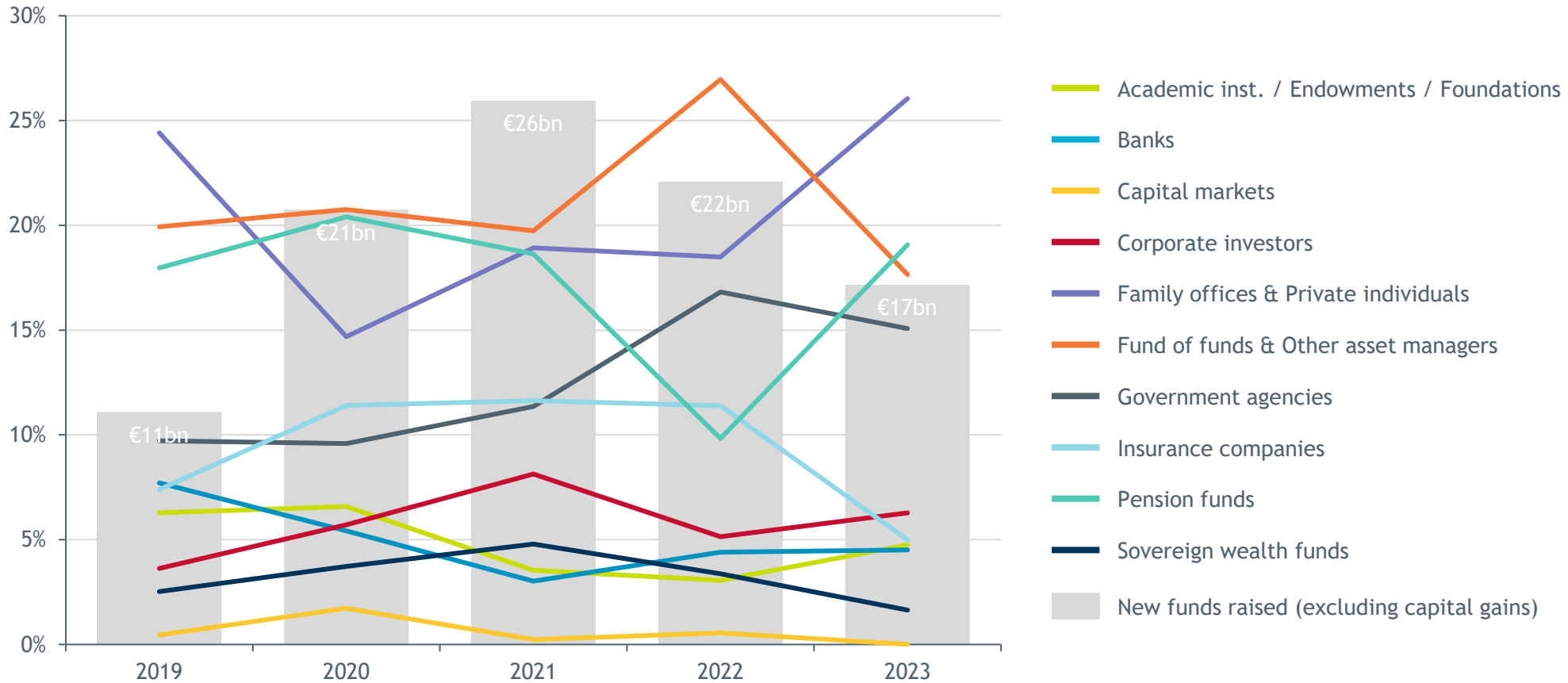


Source: Invest Europe / EDC



# Growth - Funds raised by type of investor

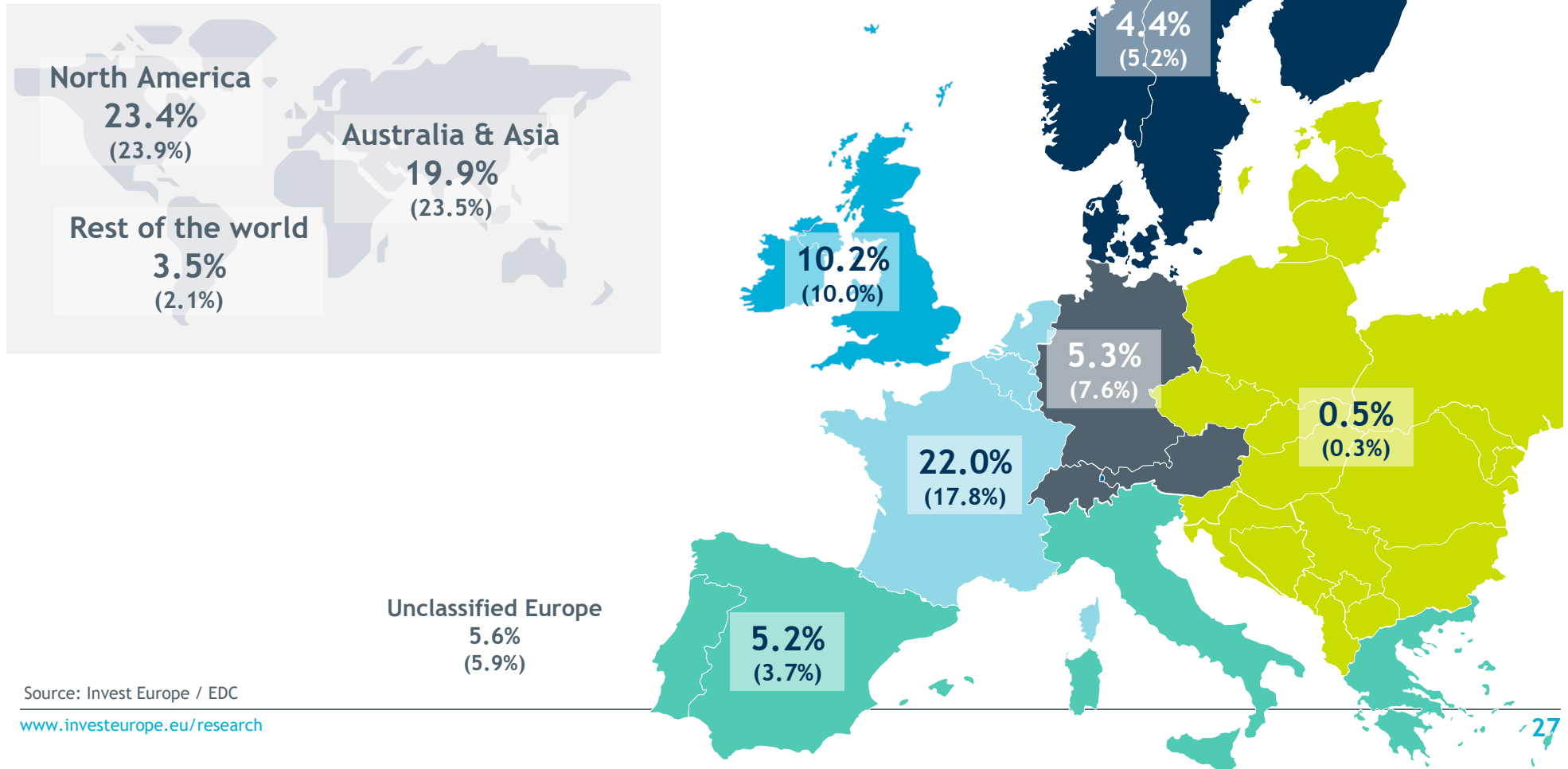
Incremental amount raised during the year - % of total amount



Source: Invest Europe / EDC

# All Private Equity - Fundraising geographic breakdown

2023 (2022) - Source of funds - % of total amount

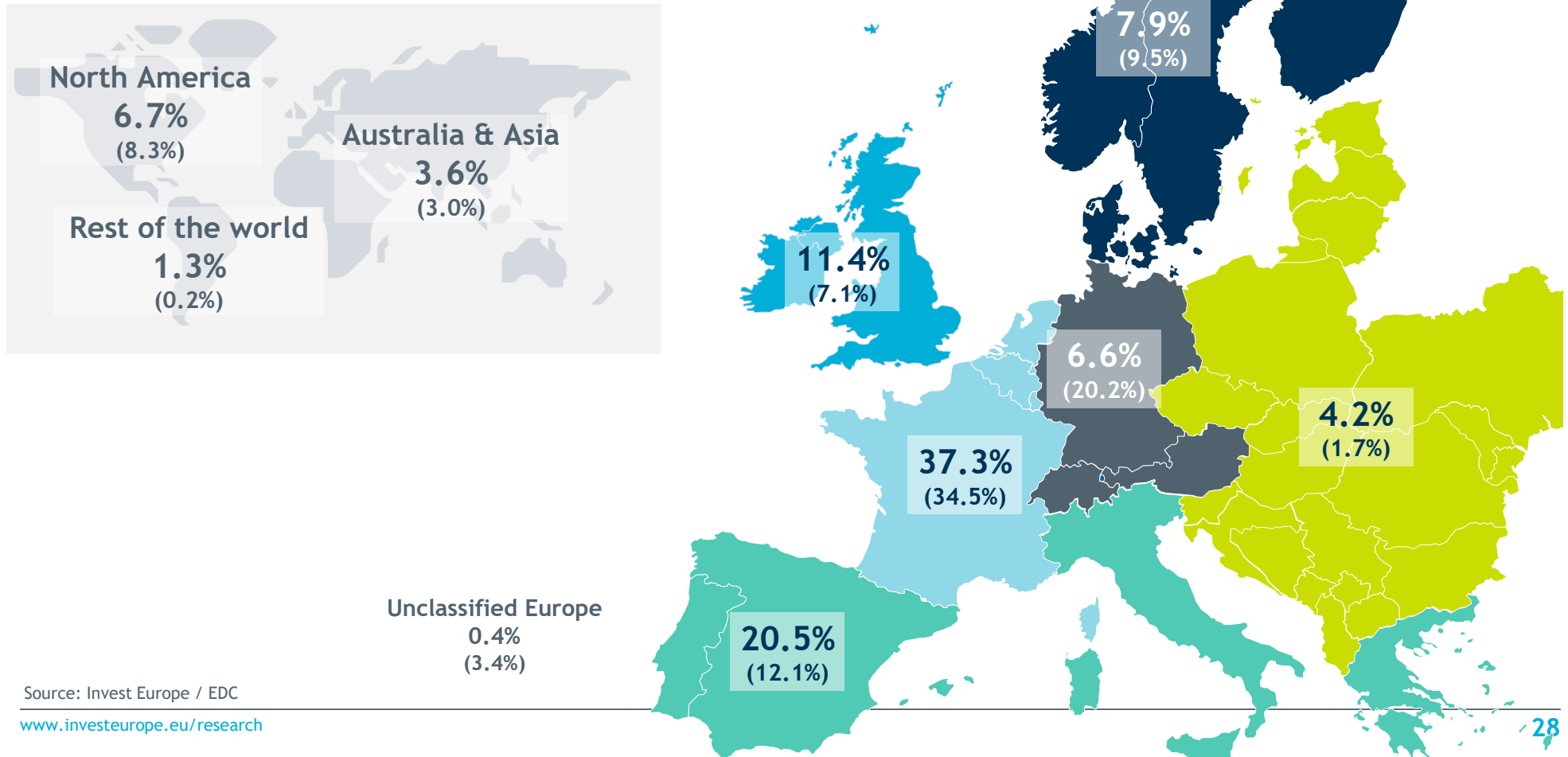


Source: Invest Europe / EDC

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# Venture Capital - Fundraising geographic breakdown

2023 (2022) - Source of funds - % of total amount

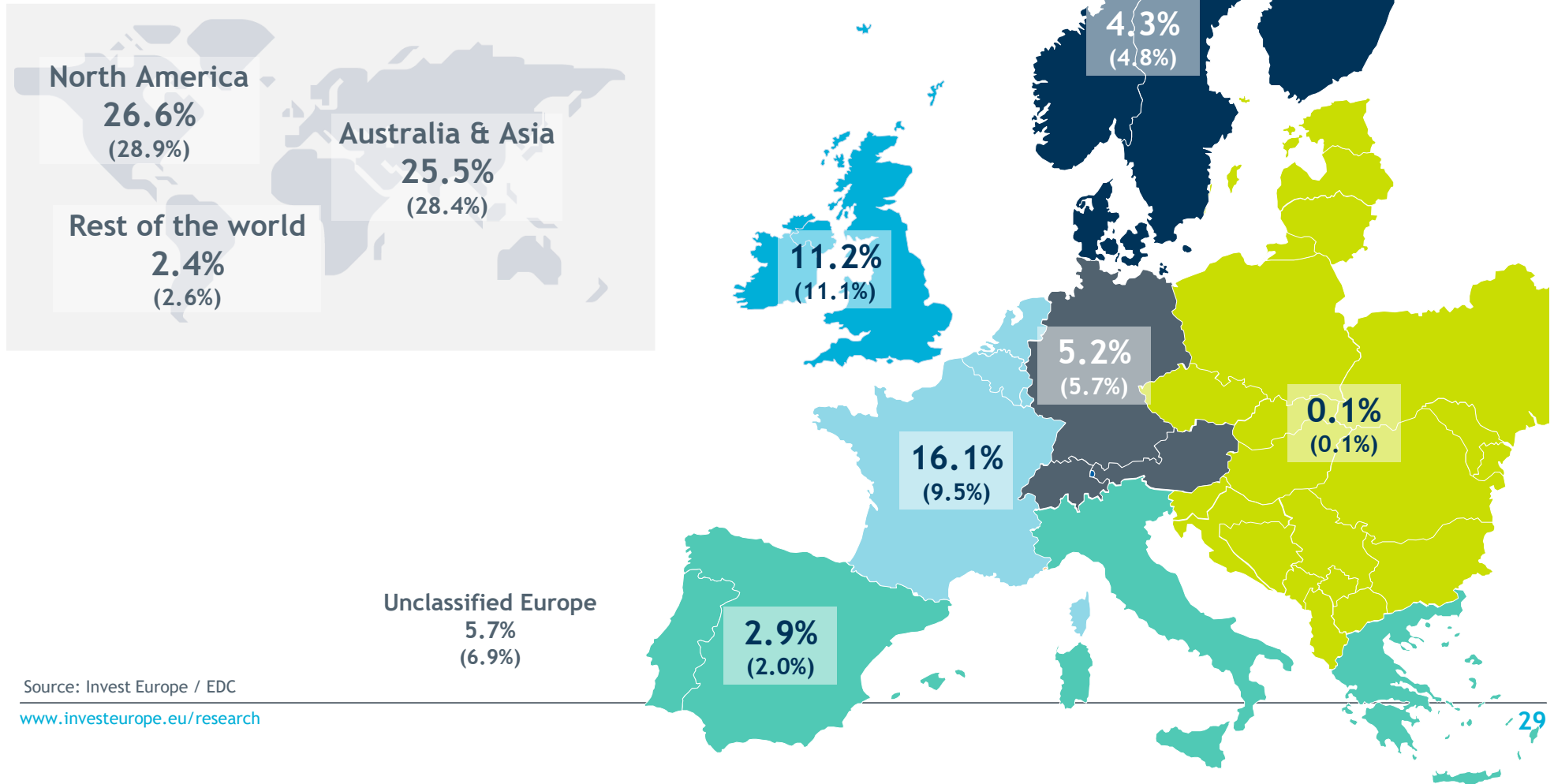


Source: Invest Europe / EDC

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# Buyout - Fundraising geographic breakdown

2023 (2022) - Source of funds - % of total amount

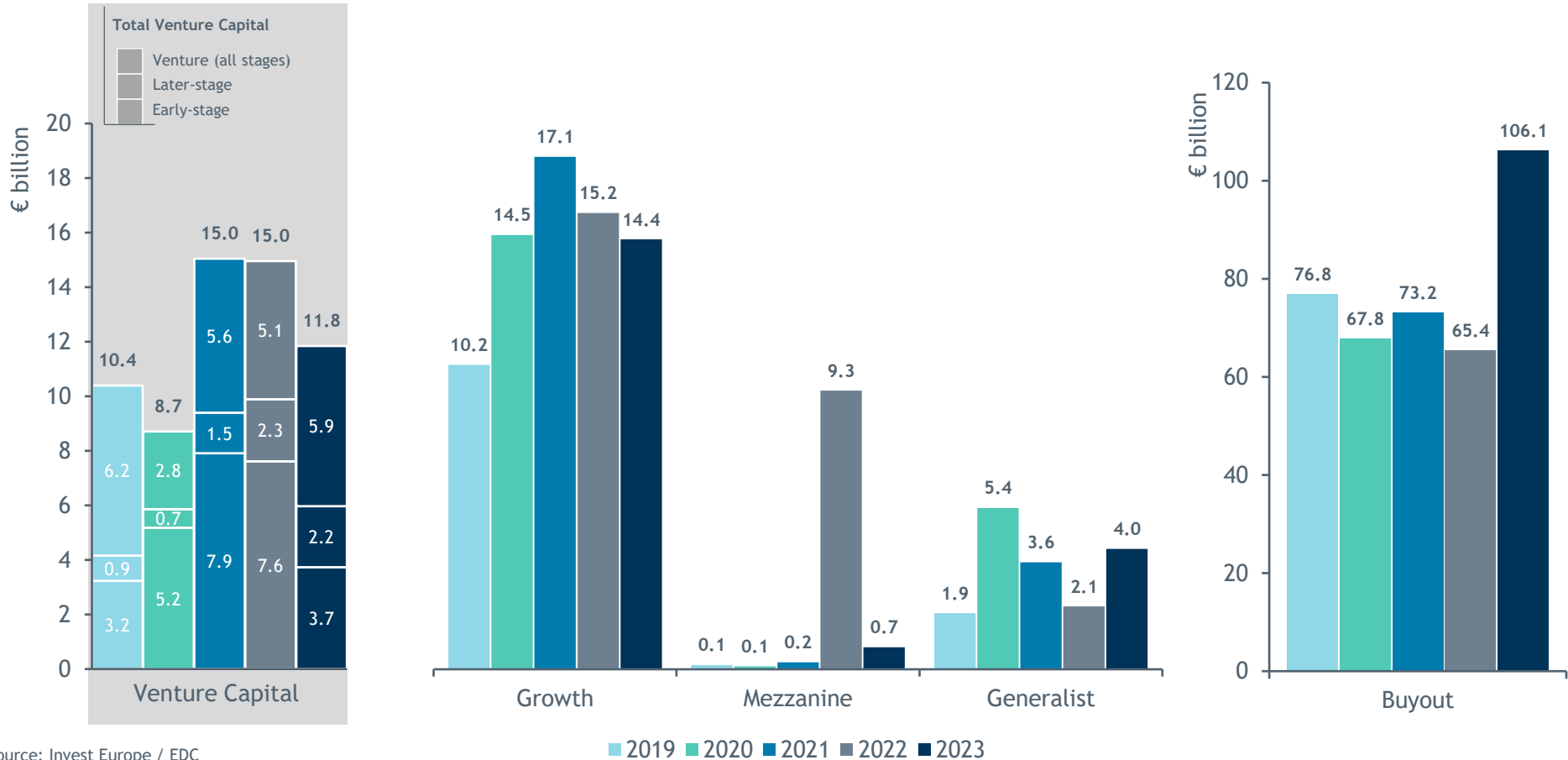


Source: Invest Europe / EDC

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# Final closing - Funds raised by fund stage focus

Final closing during the year - Amount<sup>(1)</sup>



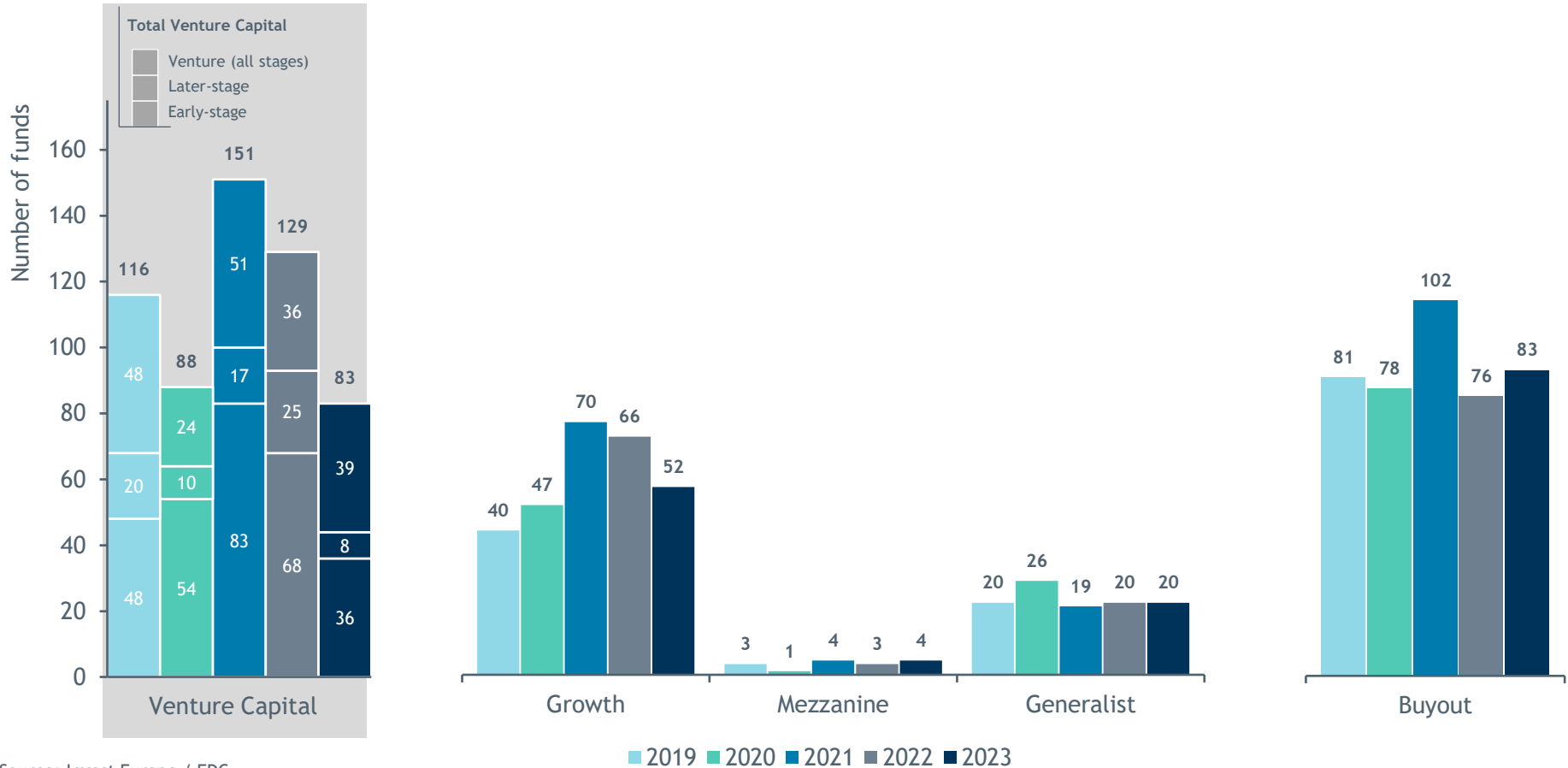
Source: Invest Europe / EDC

Note: (1) The total amount raised by funds that reached a final closing in the year. Amounts from previous incremental fundraising closings and years are aggregated to the final amount raised.



# Final closing - Funds raised by fund stage focus

Final closing during the year - Number of funds<sup>(1)</sup>

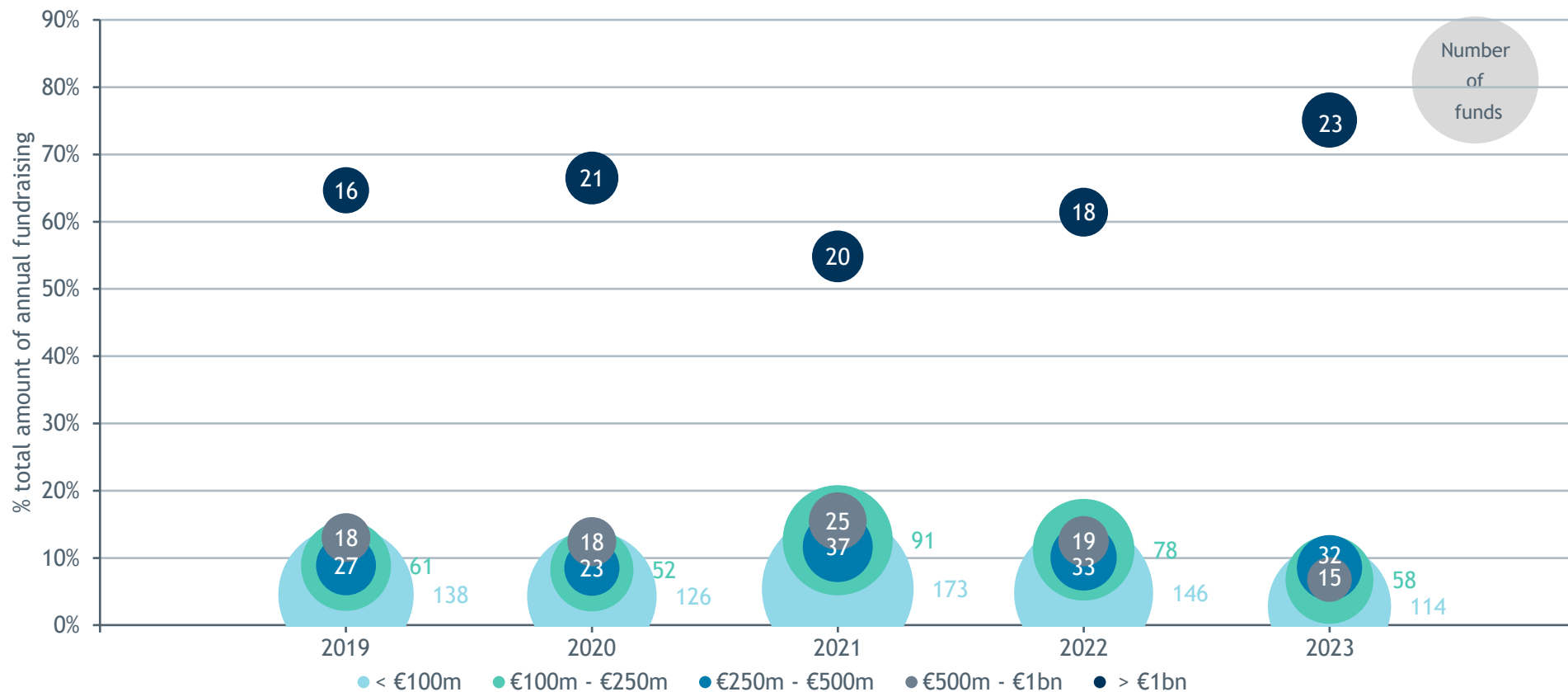


Source: Invest Europe / EDC

Note: (1) The number of funds that reached a final closing in the year. Each fund is captured only once, when the full amount has been raised.

# Final closing - All Private Equity - Concentration of capital

Final closing during the year - Amount<sup>(1)</sup> & Number of funds<sup>(2)</sup>

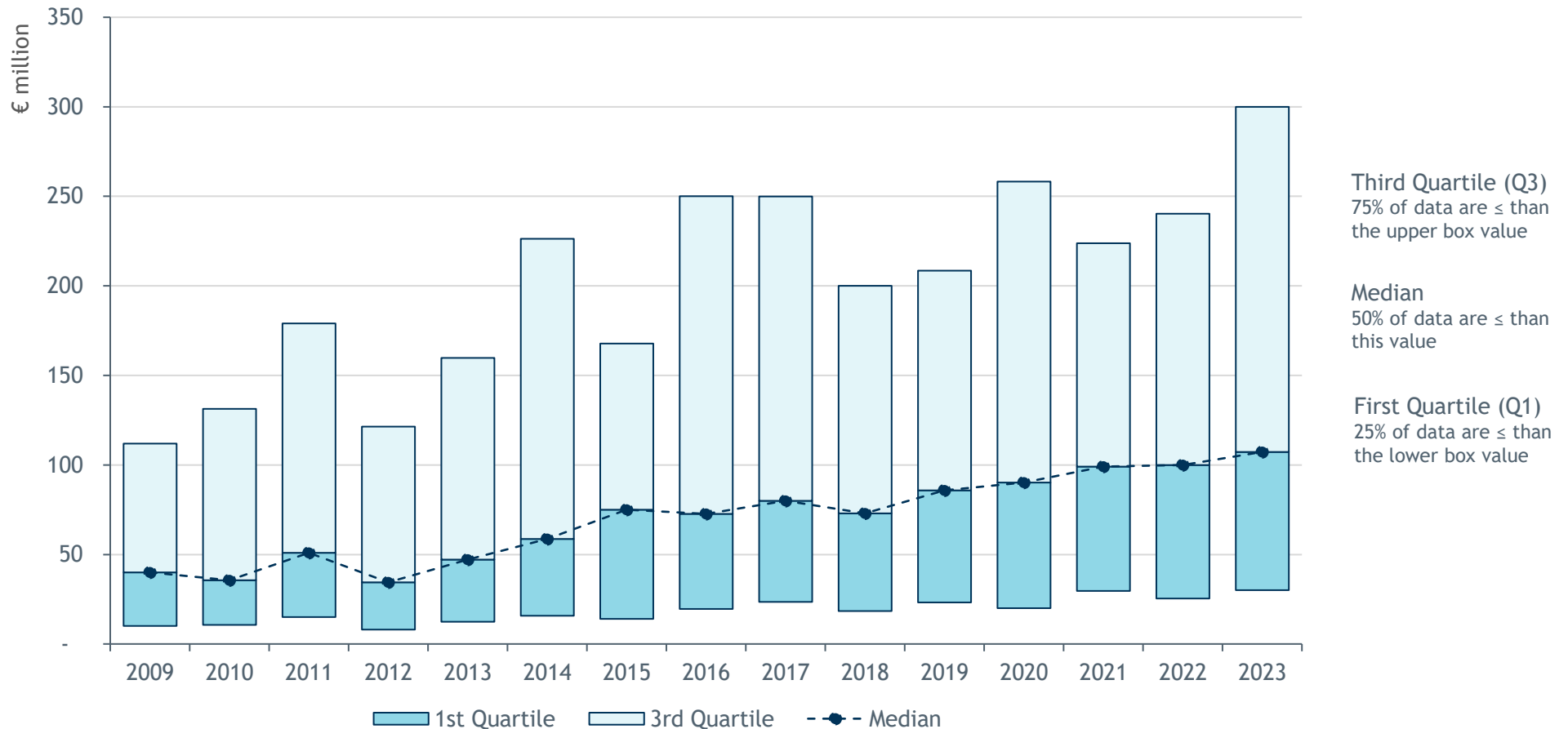


Source: Invest Europe / EDC

Note: (1) The total amount raised by funds that reached a final closing in the year. Amounts from previous incremental fundraising rounds and years are aggregated to the final amount.  
(2) The number of funds that reached a final closing in the year. Each fund is captured only once, when the full amount has been raised.

# Final closing - All Private Equity - box-and-whisker plot

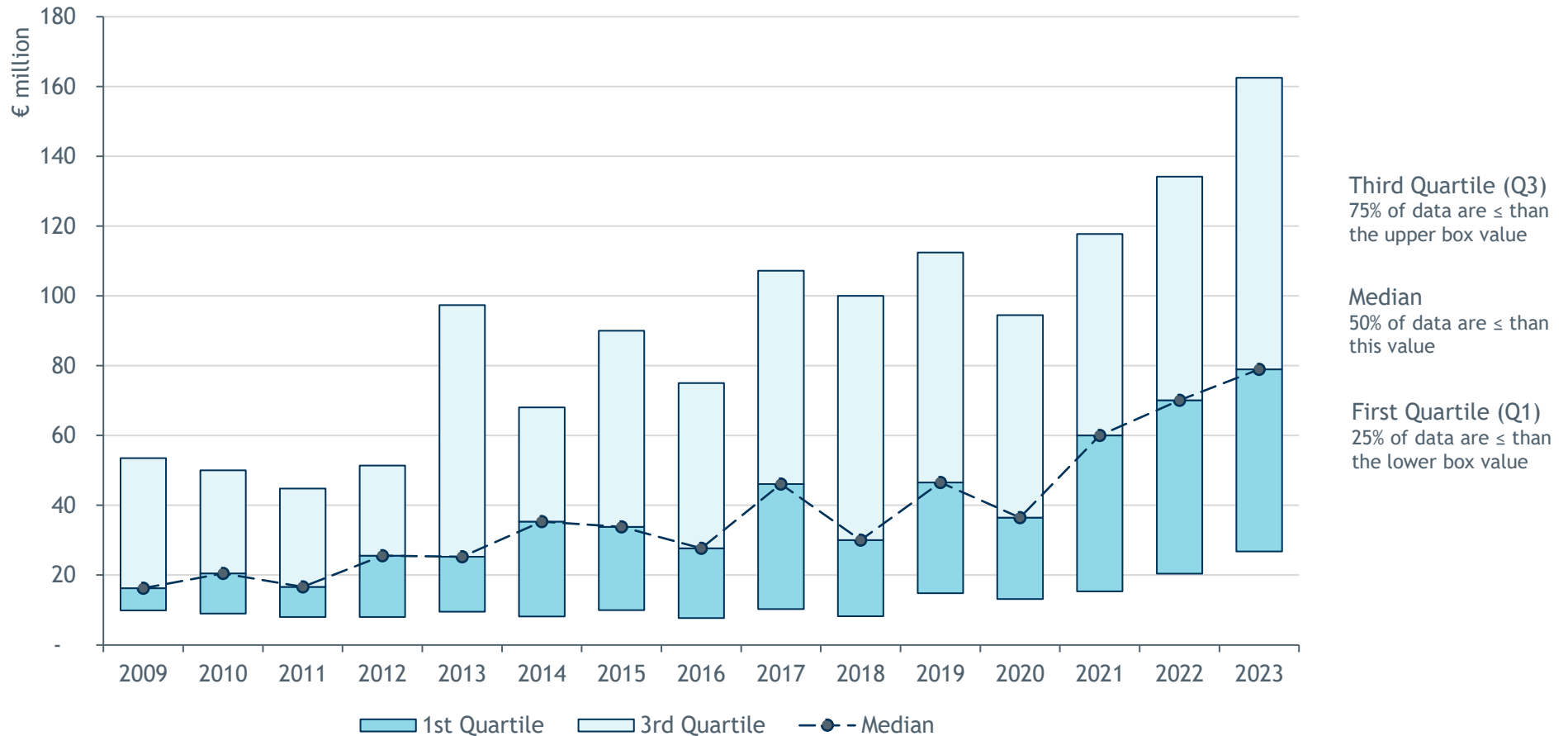
Final closing during the year - Median & Interquartile range



Source: Invest Europe / EDC

# Final closing - Venture Capital - box-and-whisker plot

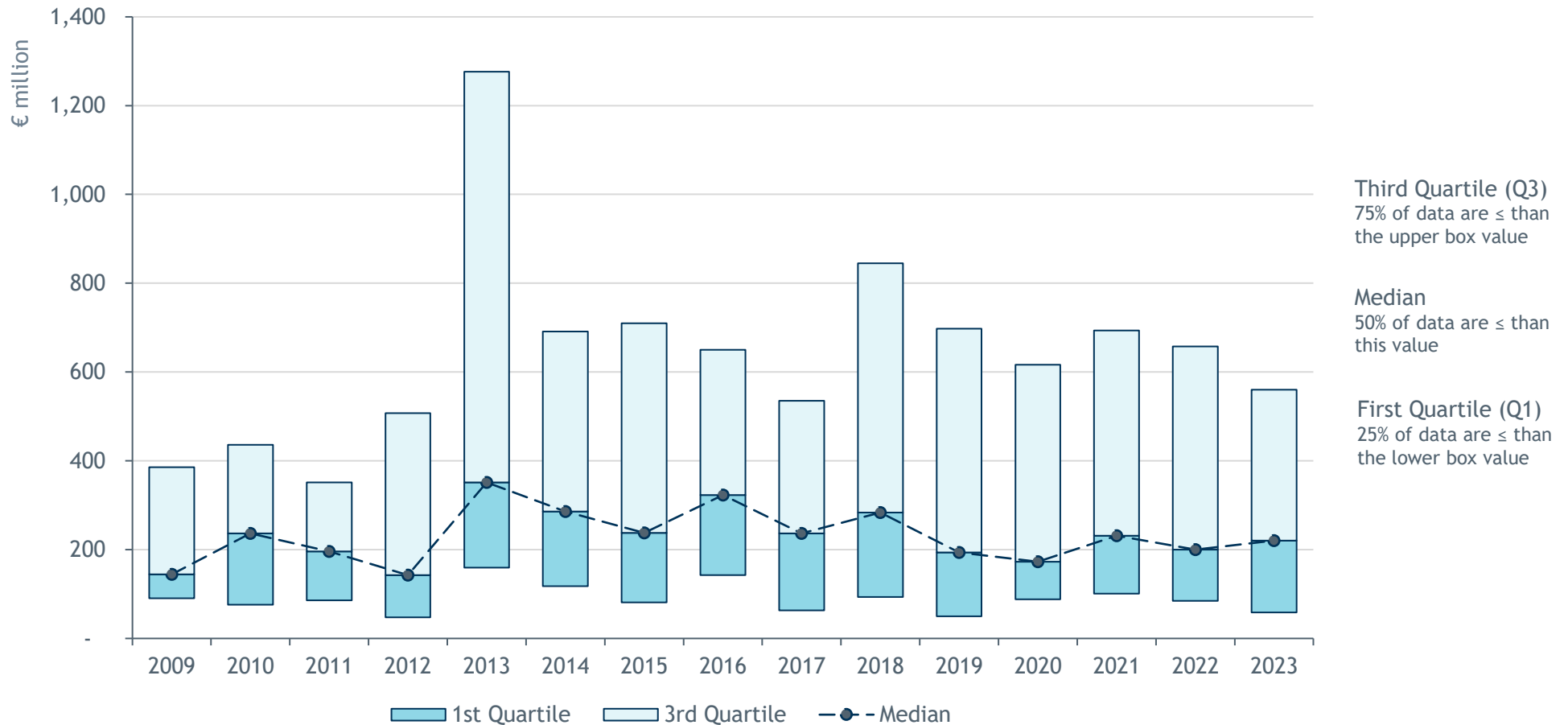
Final closing during the year - Median & Interquartile range



Source: Invest Europe / EDC

# Final closing - Buyout - box-and-whisker plot

Final closing during the year - Median & Interquartile range

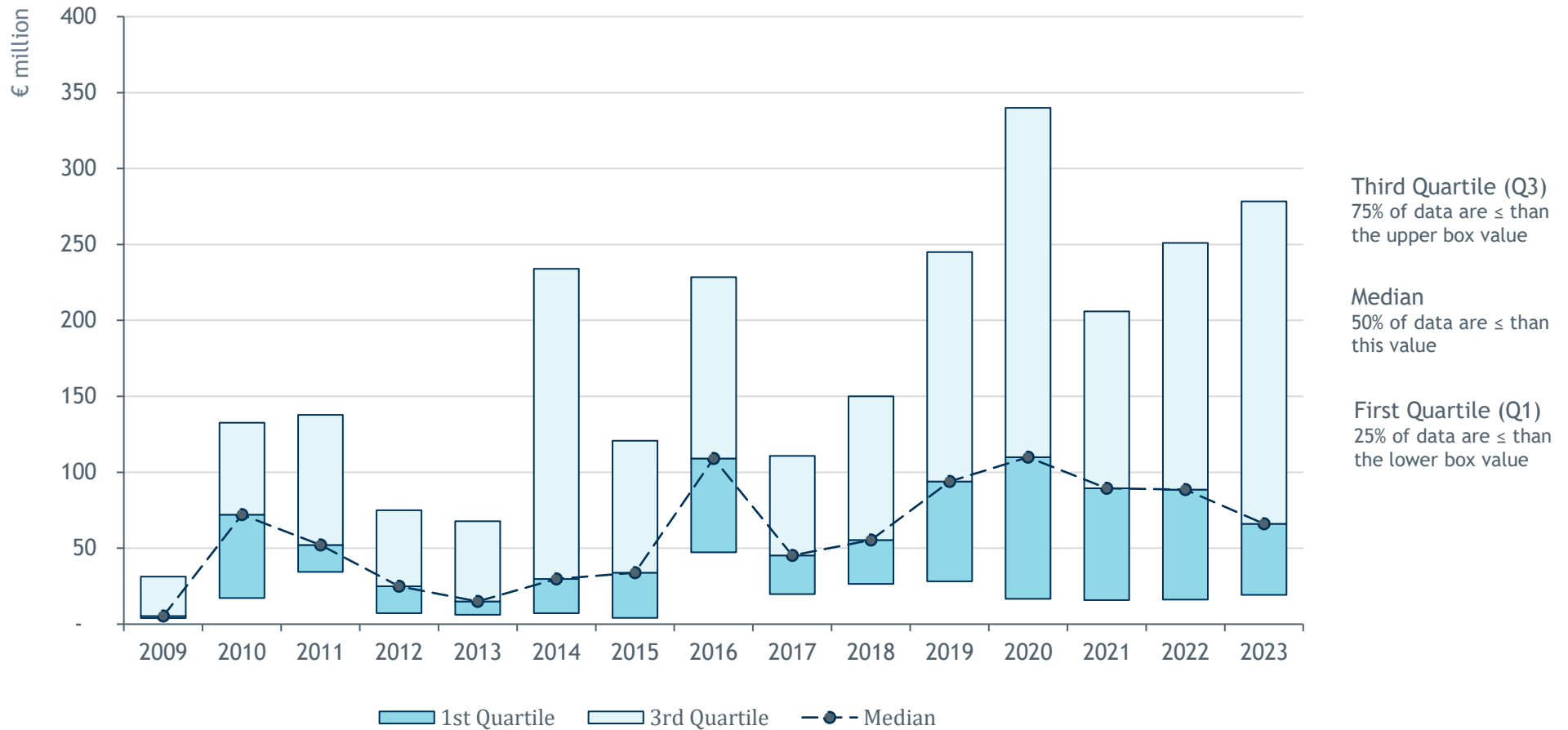


Source: Invest Europe / EDC



# Final closing - Growth - box-and-whisker plot

Final closing during the year - Median & Interquartile range



Source: Invest Europe / EDC





ACTIVITY 2023

# INVESTMENTS



# Investments at a glance

## 2023 - Analysis

### All Private Equity

€100bn into 8,391 companies  
by 1,664 firms & 3,457 funds

> The total equity amount invested in European companies in 2023 was €99.8bn, a 25% decrease from the previous year and 11% below the previous five-year average. 8,391 companies received investment, 5% below the average for the previous five years, 85% of which were SMEs. 65% of equity invested was domestic (within the country), 29% was intra-European, and the remainder was from non-European sources. Investments (by number of companies) were concentrated in four sectors: ICT (33%), biotech & healthcare (16%), consumer goods & services (16%), and business products & services (15%). ICT received over €24bn of investments and combined with consumer goods & services accounted for more than 44% of investments by amount.

### Venture Capital

€13bn into 4,764 companies  
by 1,059 firms & 1,868 funds

> Venture capital investment reached €12.9bn in 2023. This is roughly 5% less than the average from the past five years. 4,764 companies received a venture investment in 2023 - 99% of these being SMEs - representing around 56% of the total number of companies backed during the year. This year in terms of amount the Start-up stage within Venture received the most amount of investment: €6.4bn, or 49% of the total for venture. By sector, ICT received around 43% of venture capital investment, followed by biotech & healthcare (24%), and energy and environment (9%).

### Buyout

€63bn into 1,322 companies  
by 503 firms & 972 funds

> Buyout investments reached €62.6bn in 2023, 14% below the average for the past five years, with the category representing roughly 63% of total investment for 2023. This year the mid-market buyout segment saw the highest amount of investments within buyout (38% of total buyout amount). In terms of number of companies, the percentage was 31%. The mega investment segment (> €300m), accounted for just over 36% of total amount into the space. By sector, business products & services and consumer goods & services received the most investment, exhibiting a total of €27.4bn roughly split equally. This was followed by ICT at €12.5bn and biotech and healthcare at €8.8.

### Growth

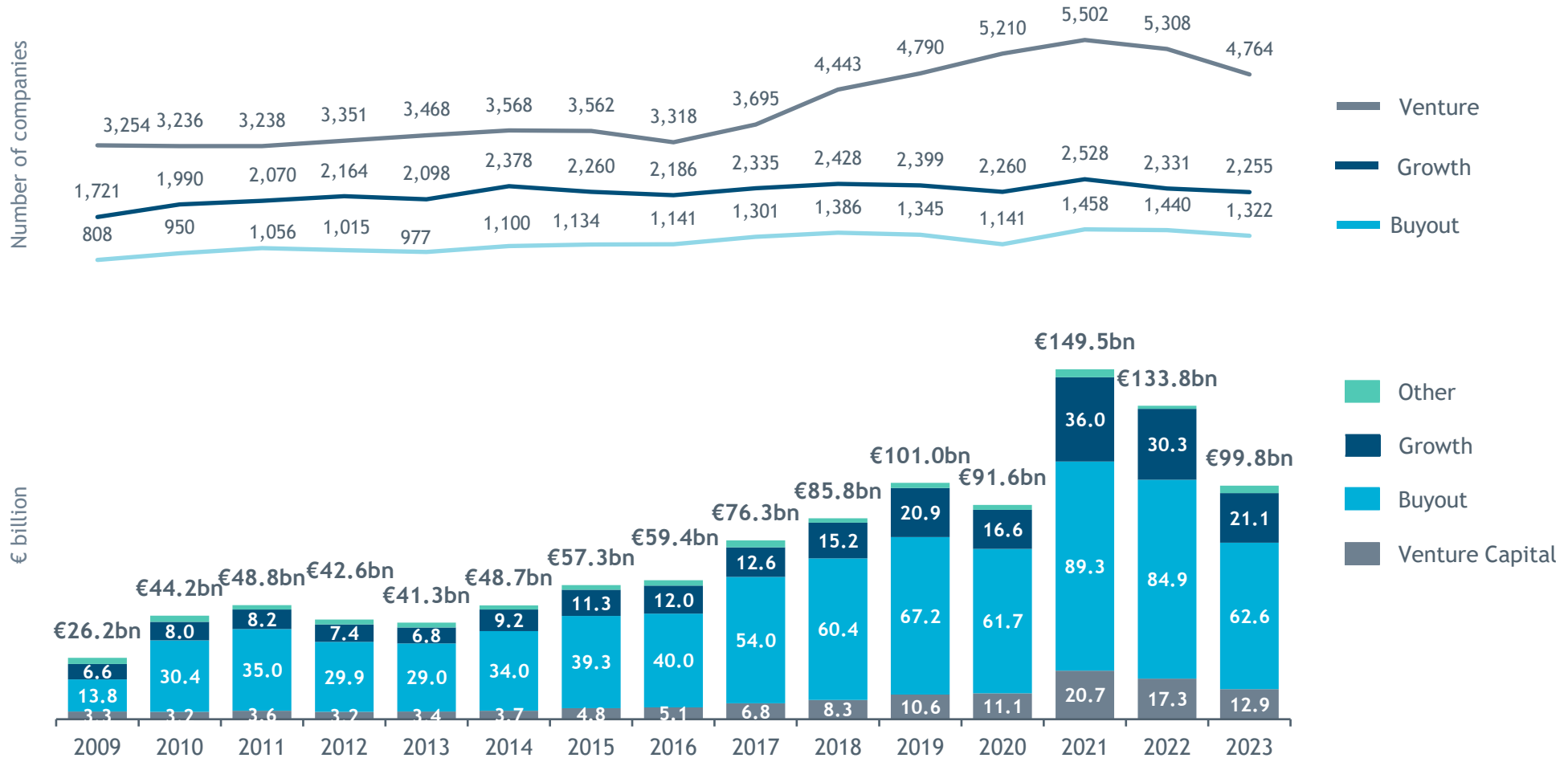
€21bn into 2,255 companies  
by 700 firms & 1,556 funds

> Growth investments saw a 30% decrease from 2022, reaching €21.1bn for the year. This is 11% below the average for the previous five years. VC-backed growth investments received a total of €3.6bn which is 17% of the sum of VC-backed and Non-VC backed growth. The number of companies receiving growth investment reached 2,255. ICT received the highest level of investment (26%), followed by consumer goods & services (20%) and business products and services (18%).

> Investments by European Private Equity & Venture capital funds reached 0.44% of European GDP in 2023, roughly in line with figures seen in 2017.

# Investments at a glance

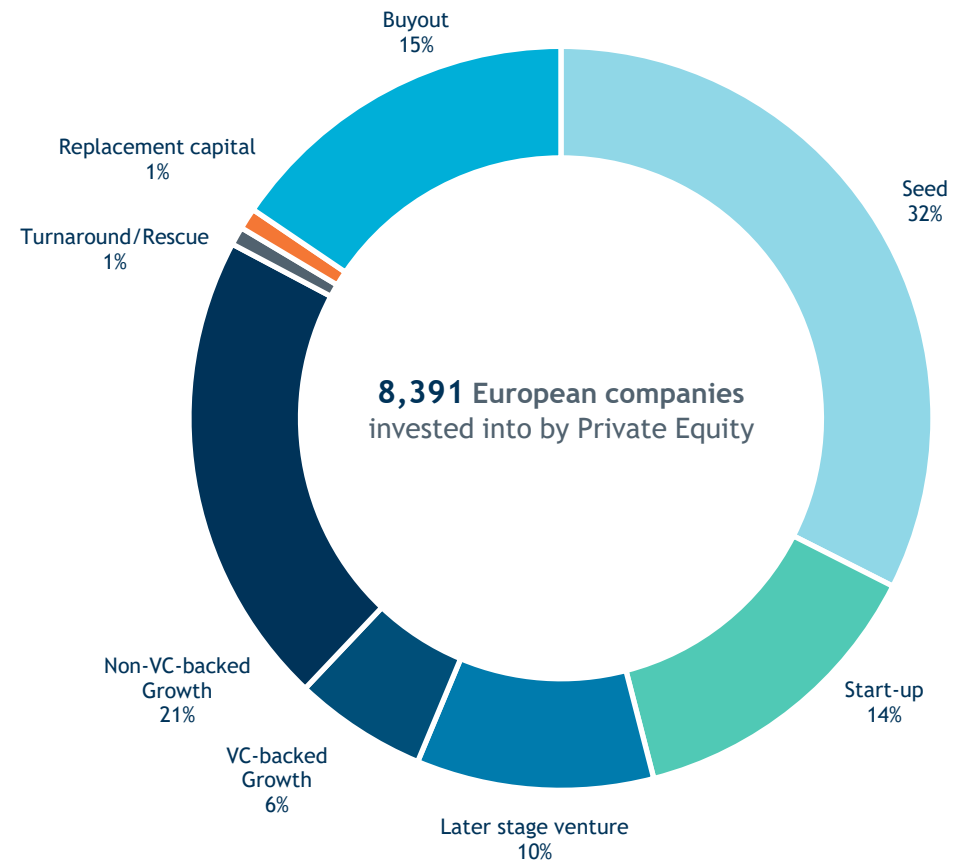
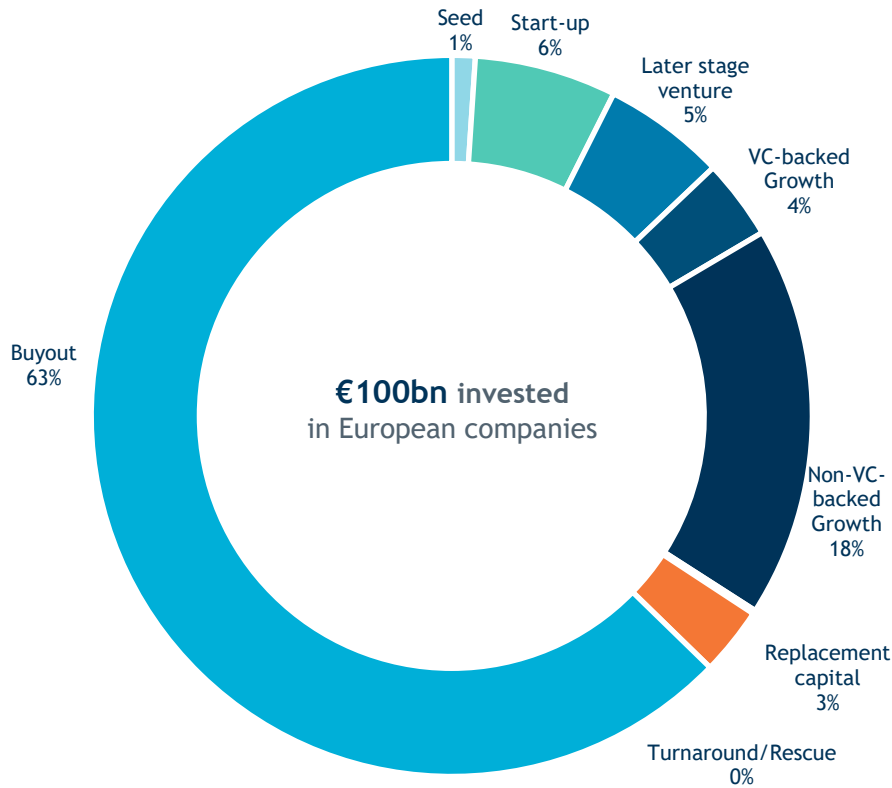
## Europe - Market statistics - Amount & Number of companies



Source: Invest Europe / EDC. Note: Other includes Turnaround/Rescue and Replacement capital

# Investments by stage

2023 - Market statistics - Amount & Number of companies

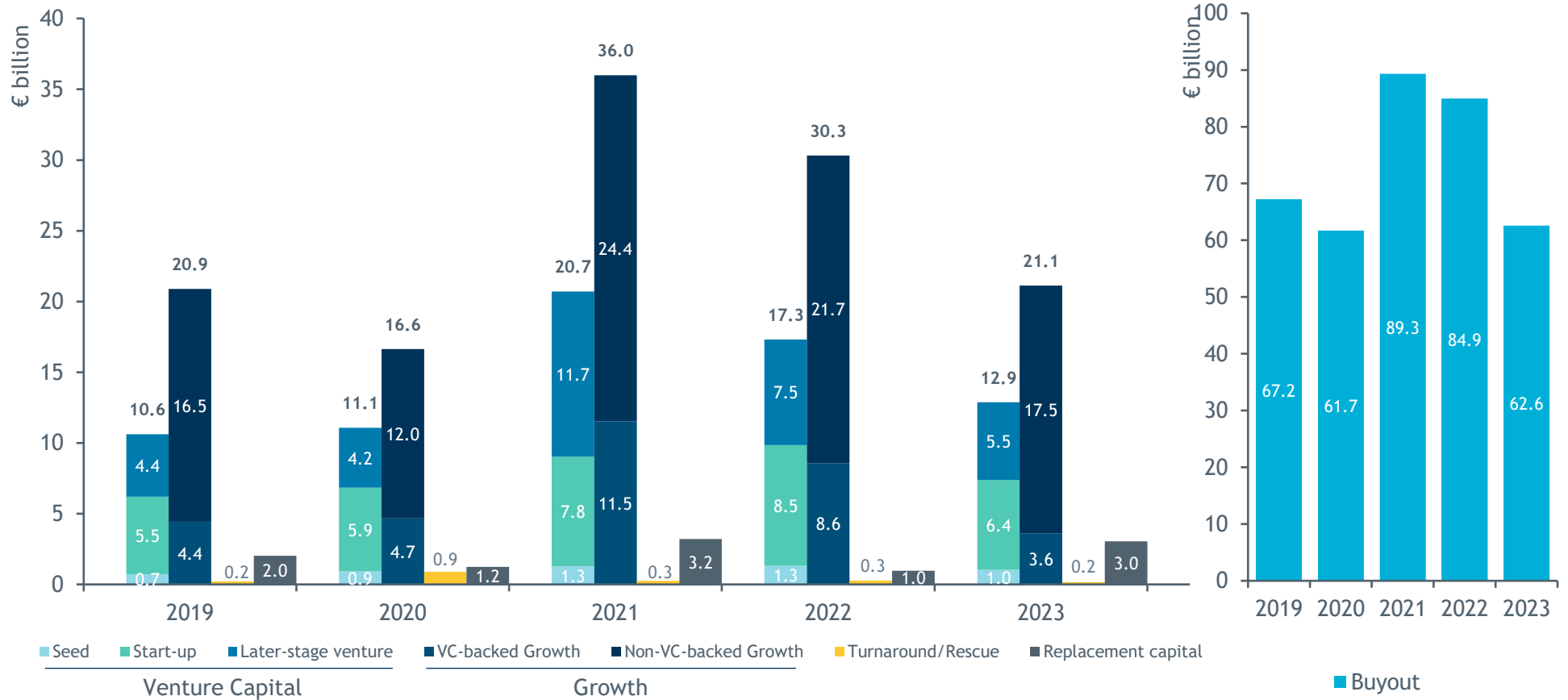


Source: Invest Europe / EDC



# Investments by stage

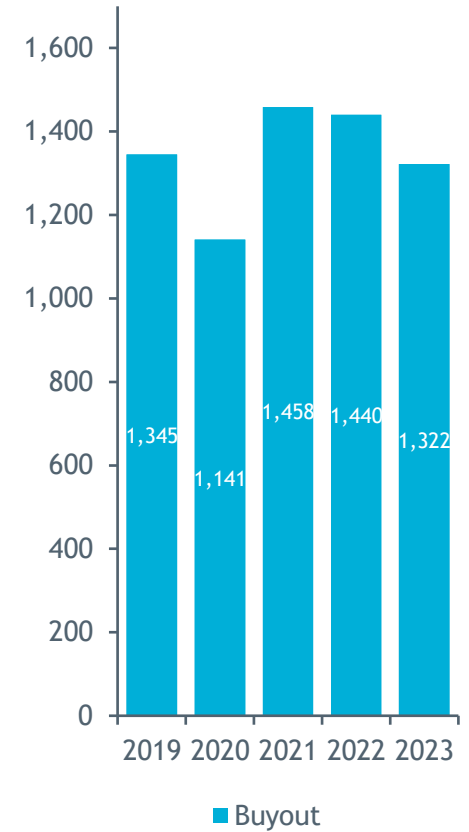
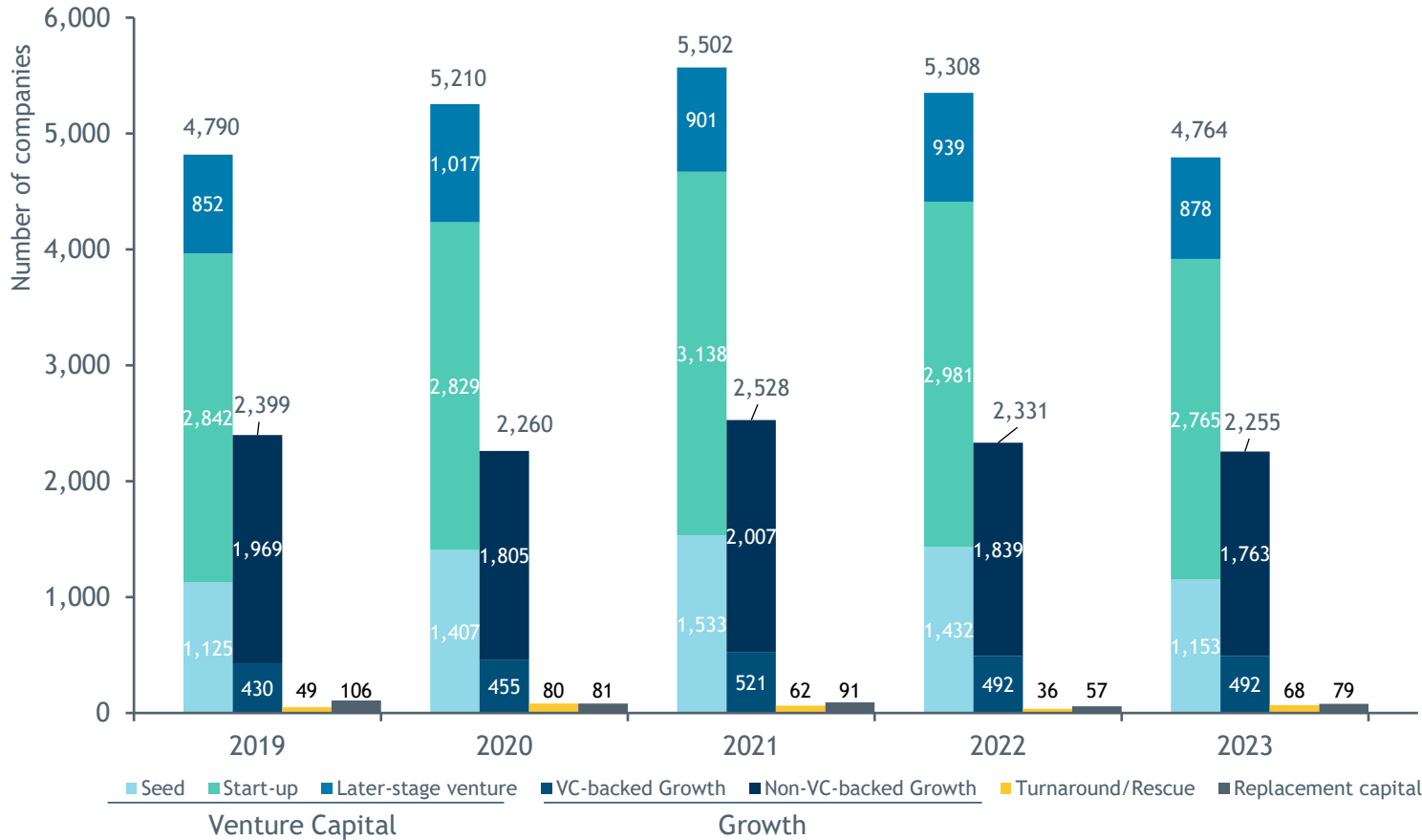
## Market statistics - Amount



Source: Invest Europe / EDC

# Investments by stage

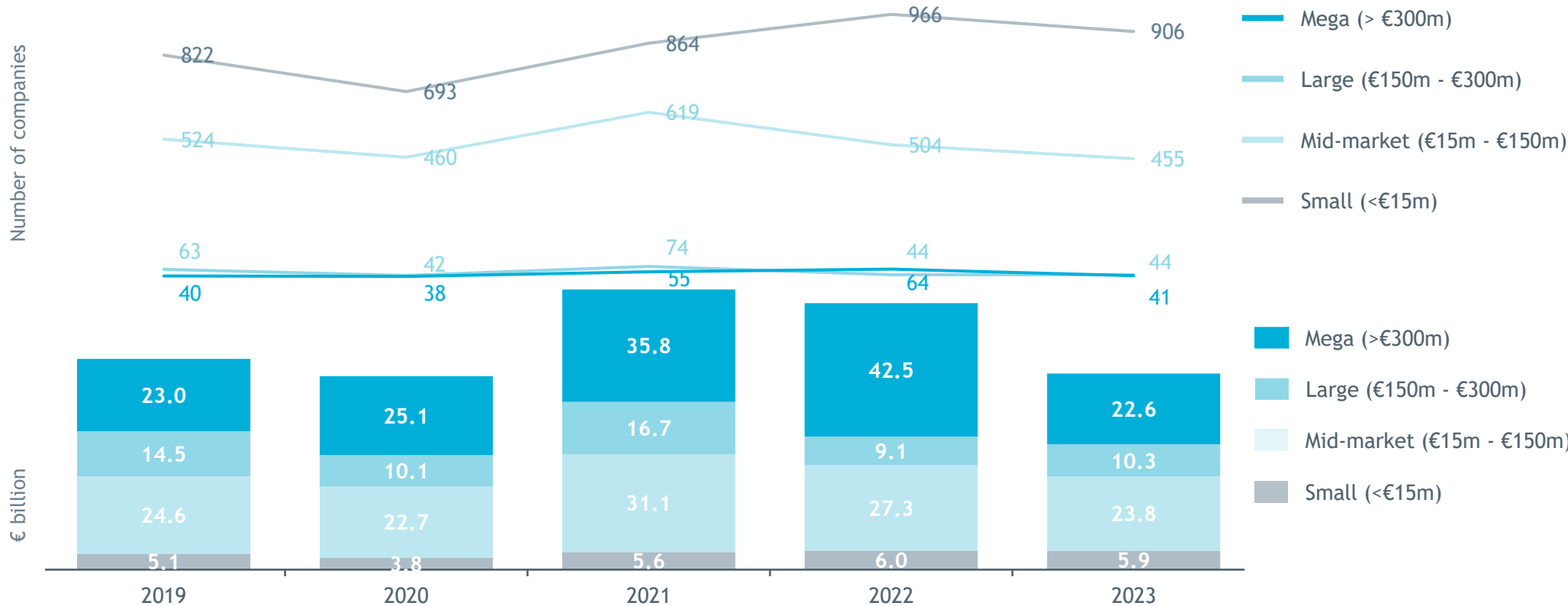
## Market statistics - Number of companies



Source: Invest Europe / EDC

# Buyout - Investments by equity bracket

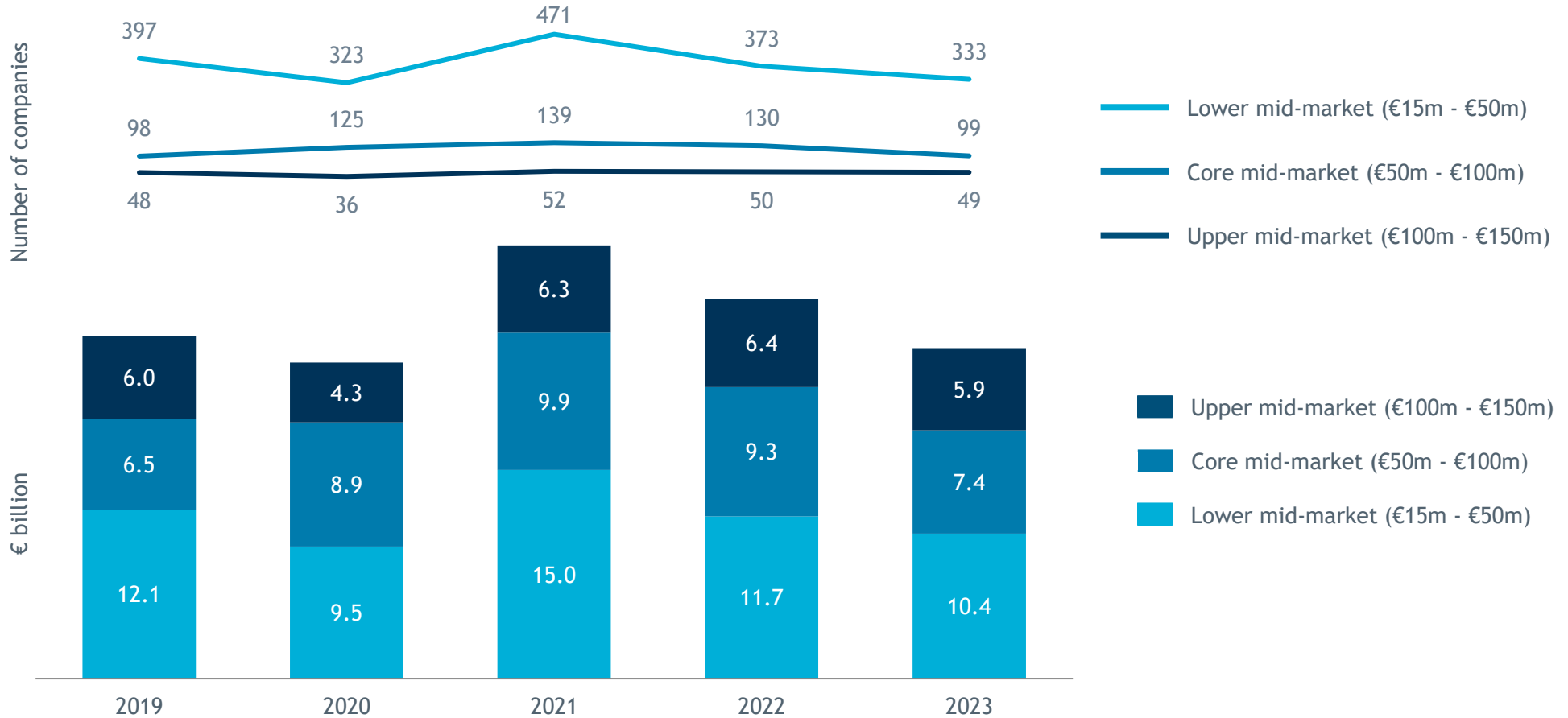
Market statistics - Amount & Number of companies



Source: Invest Europe / EDC

# Mid-market buyout - Investments by equity bracket

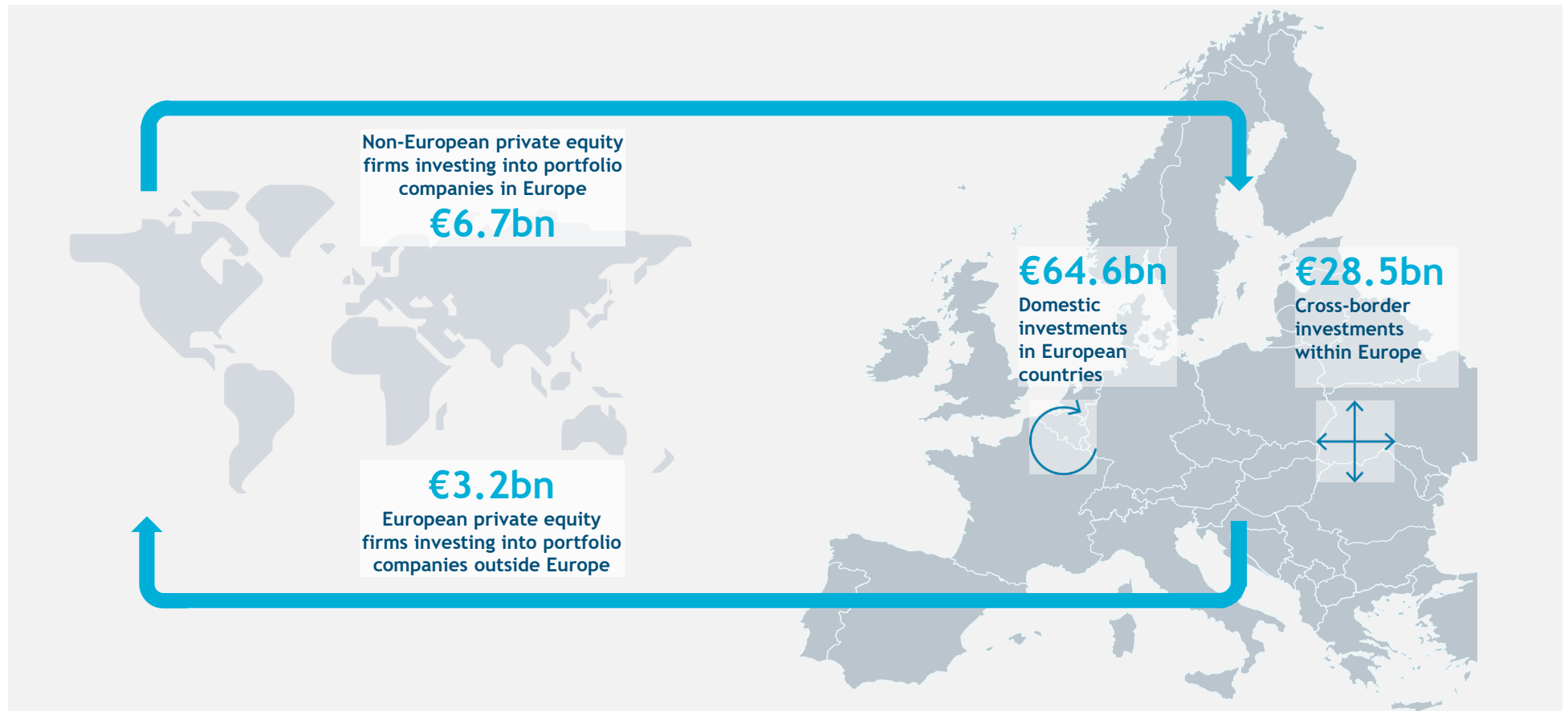
Market statistics - Amount & Number of companies



Source: Invest Europe / EDC

# All Private Equity - Geographical investment flows

2023 - Domestic vs. International investments - Amount

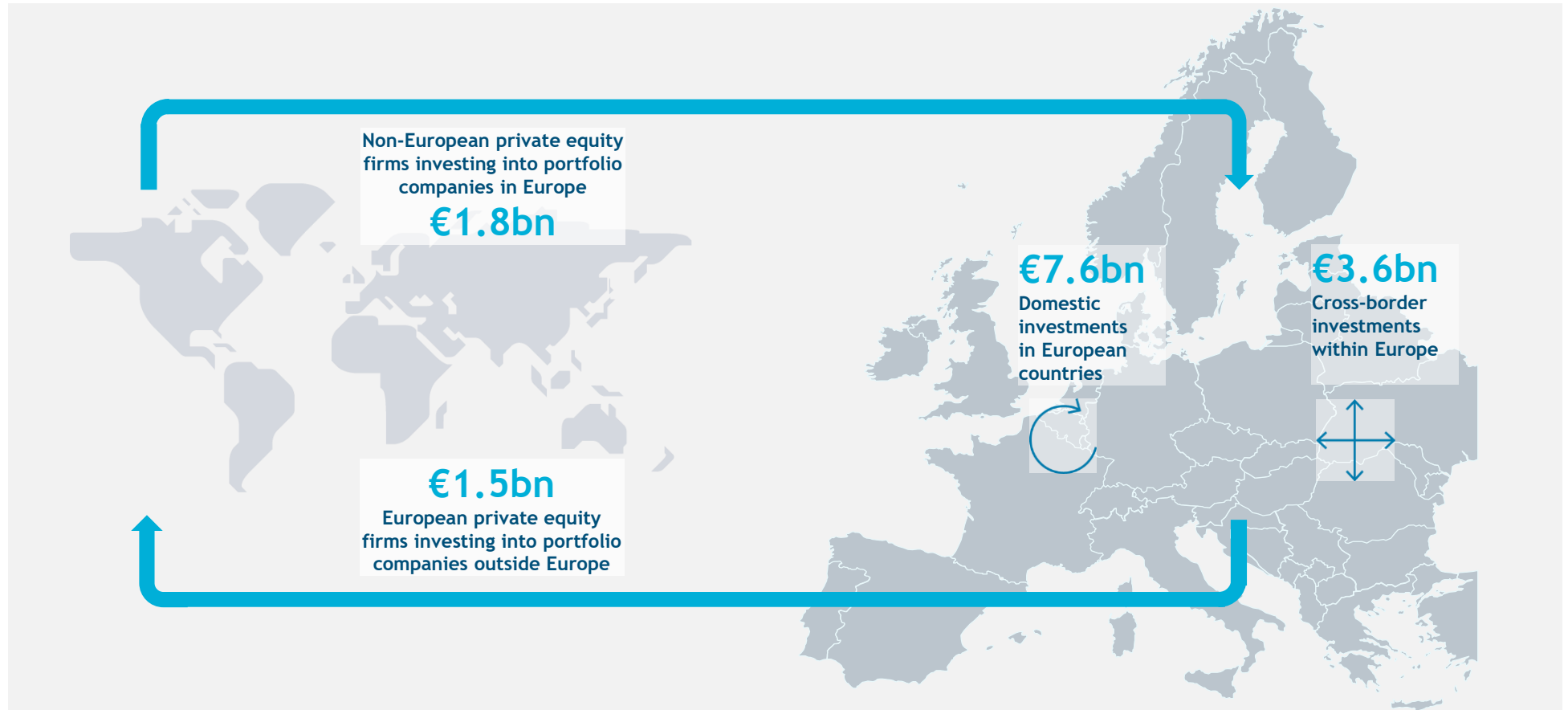


Source: Invest Europe / EDC

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# Venture Capital - Geographical investment flows

2023 - Domestic vs. International investments - Amount



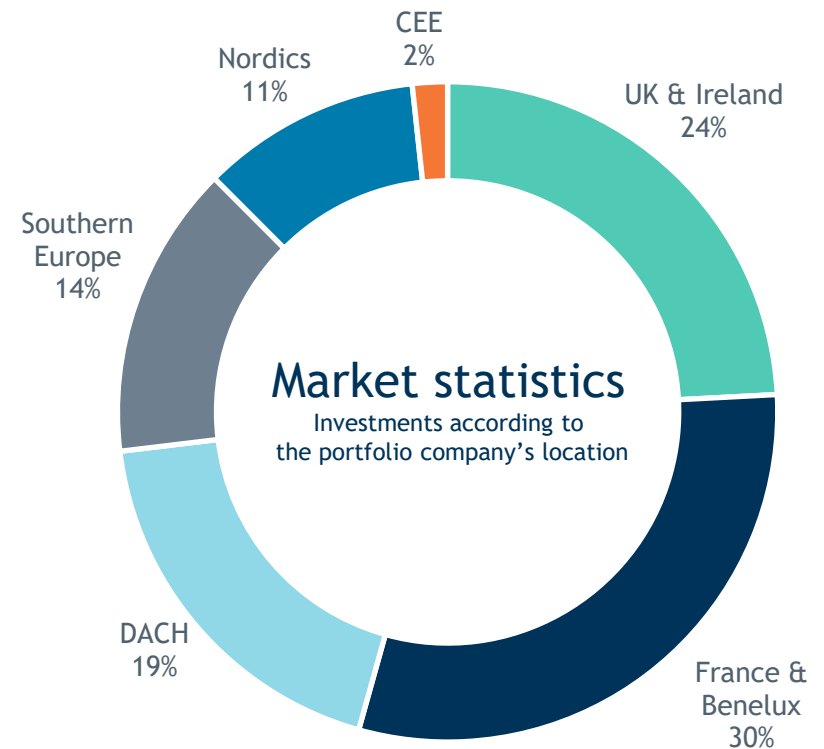
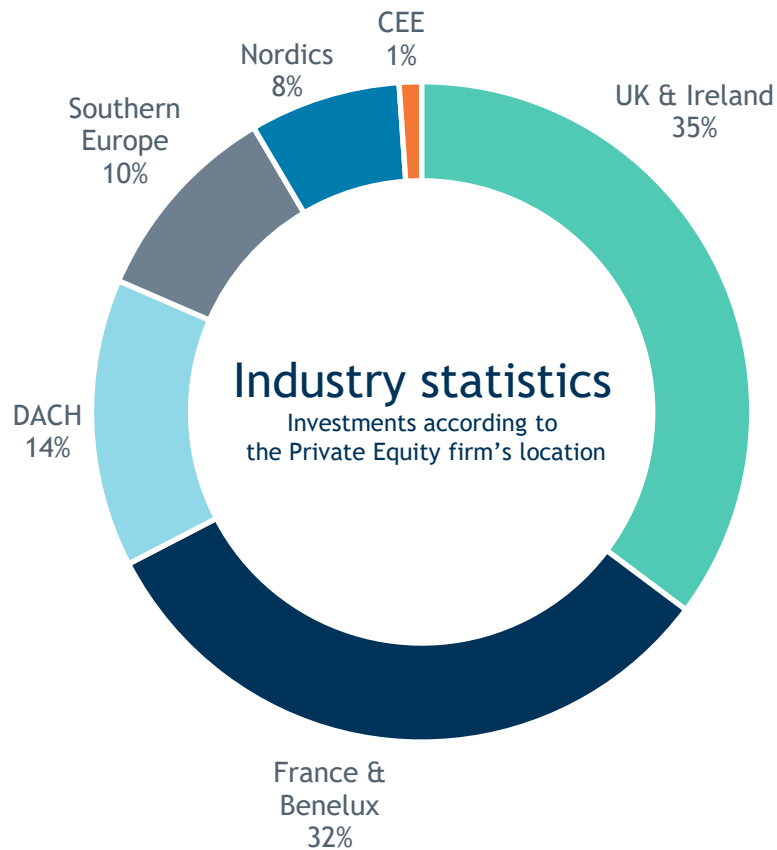
Source: Invest Europe / EDC

[www.investeurope.eu/research](http://www.investeurope.eu/research)



# All Private Equity - Investments by region

2023 - Industry vs. Market statistics - Amount

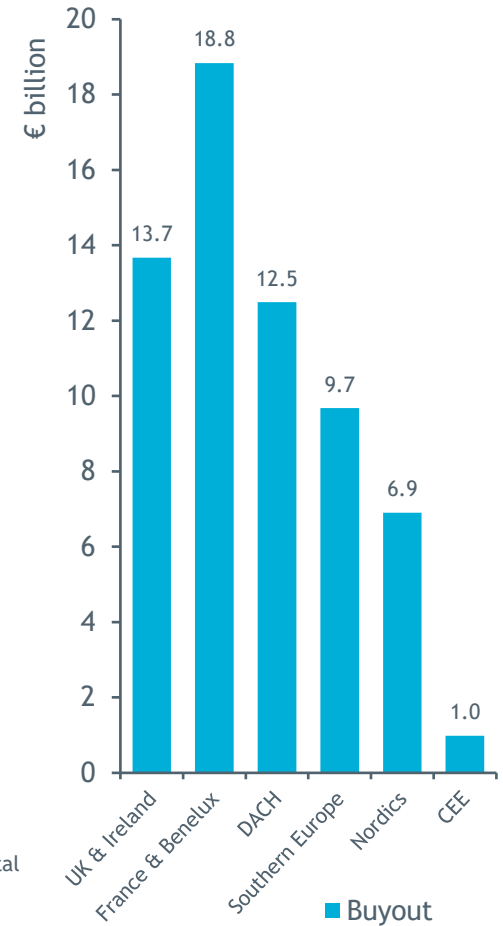
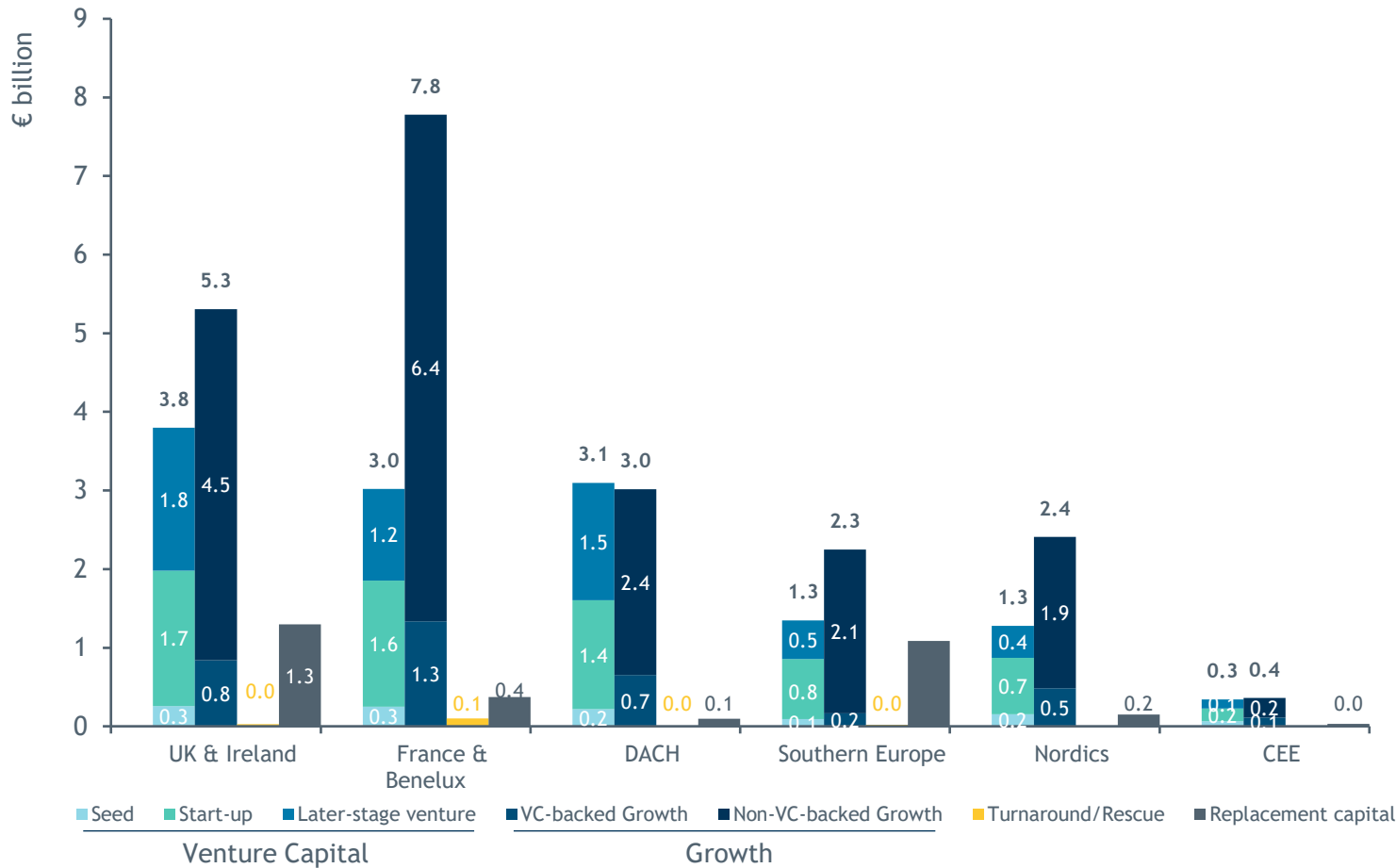


Source: Invest Europe / EDC

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

# Investments by stage and region

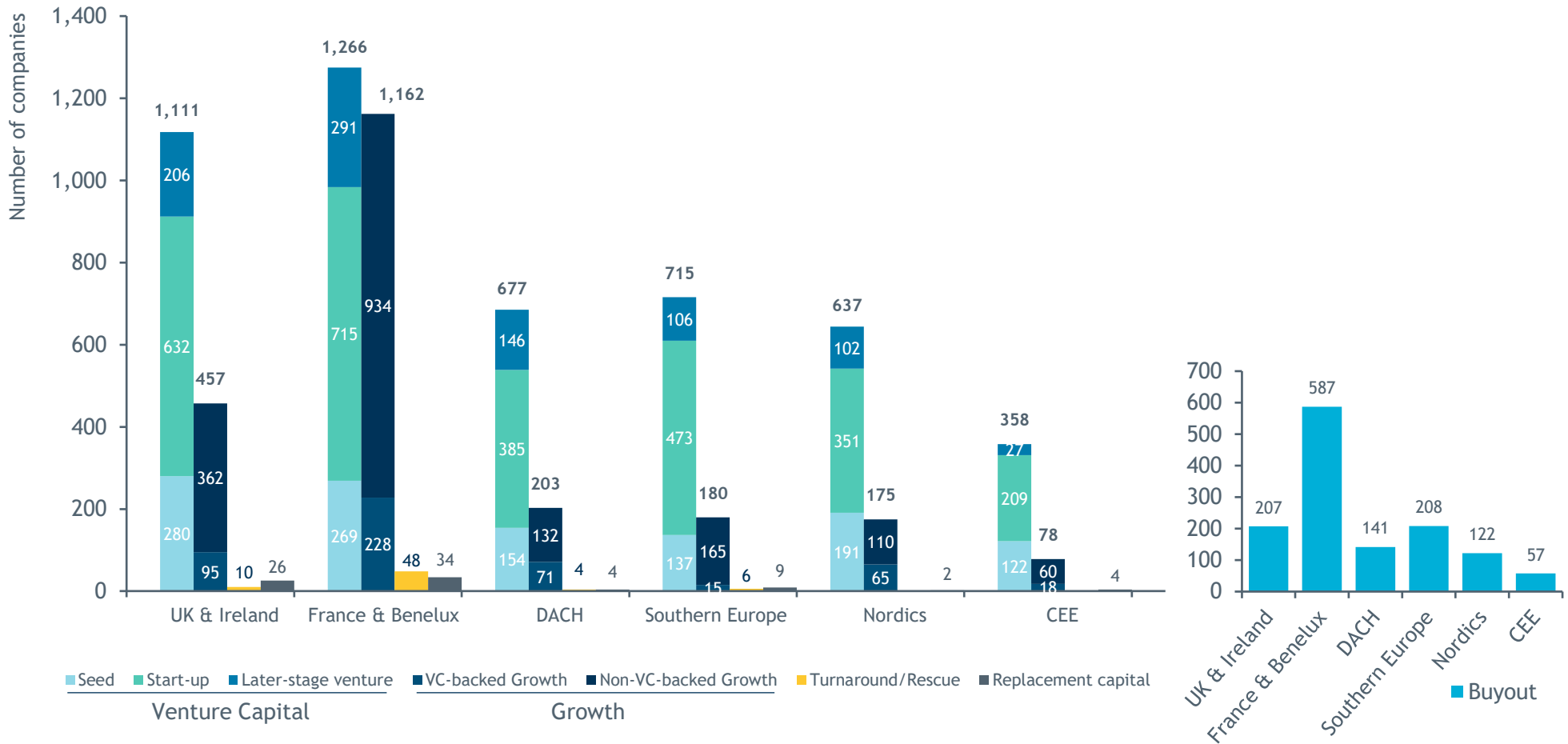
## 2023 - Market statistics - Amount



Source: Invest Europe / EDC

# Investments by stage and region

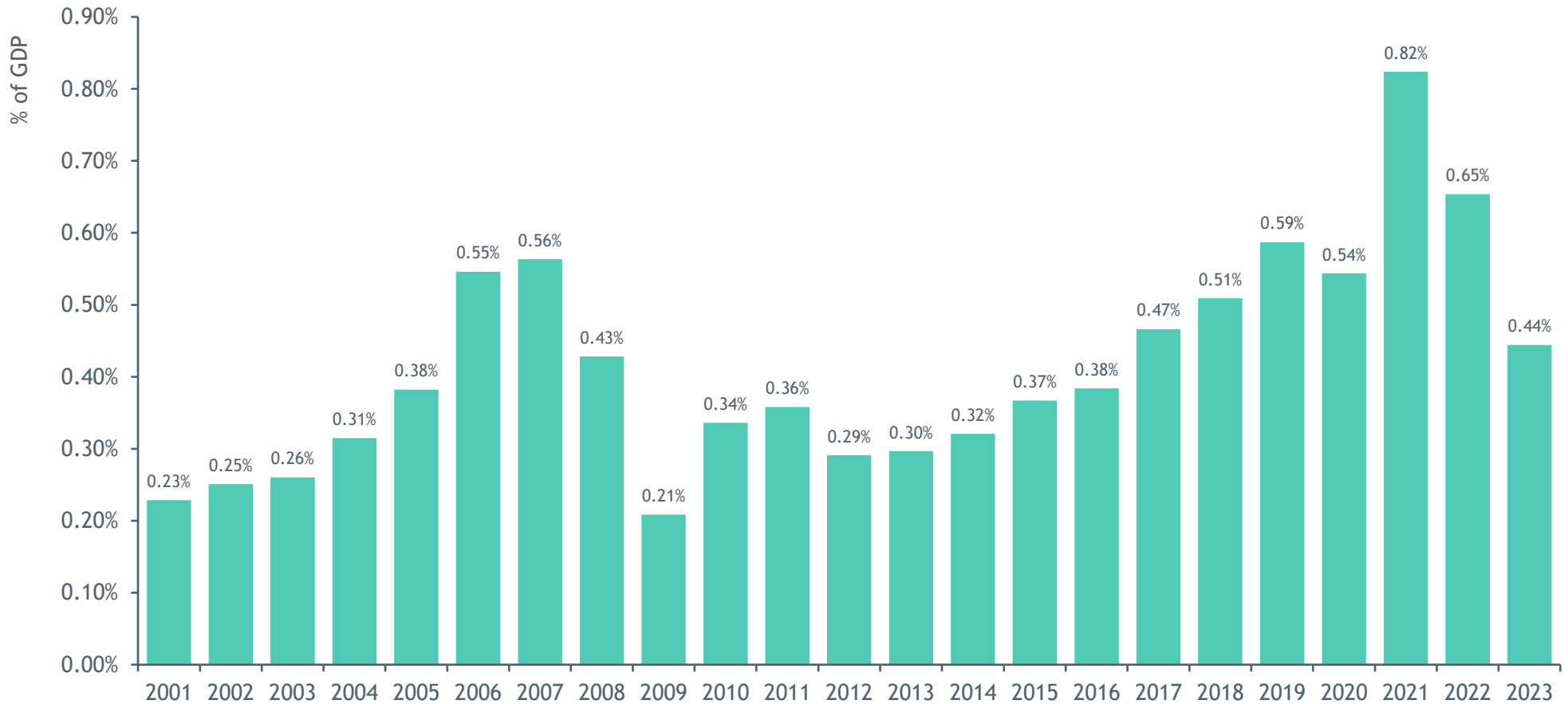
## 2023 - Market statistics - Number of Companies



Source: Invest Europe / EDC

# All Private Equity - Investments as % of European GDP

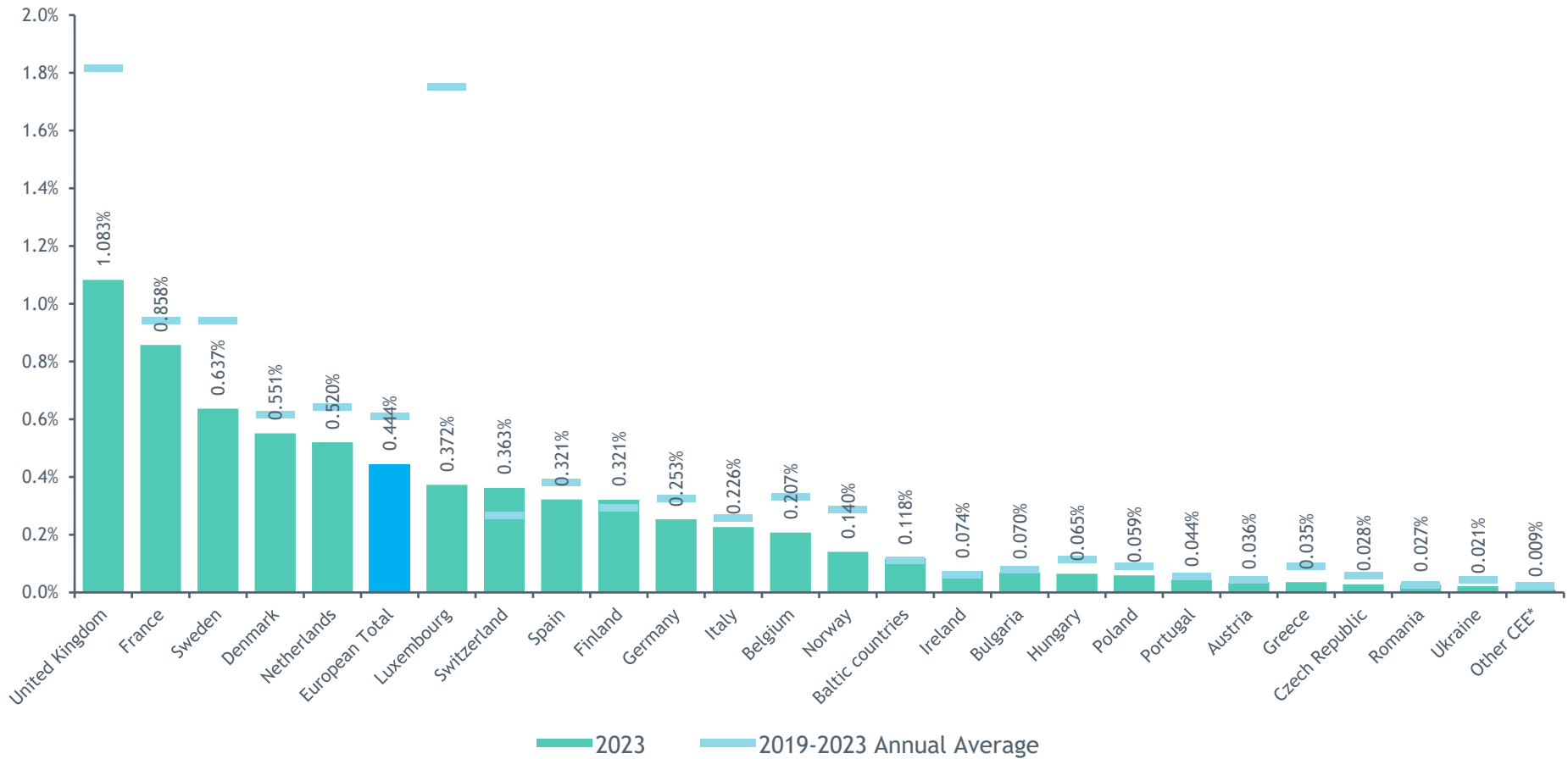
Industry statistics - Location of the private equity firm



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

# All Private Equity - Investments as % of GDP

## 2023 - Industry statistics - Location of the private equity firm

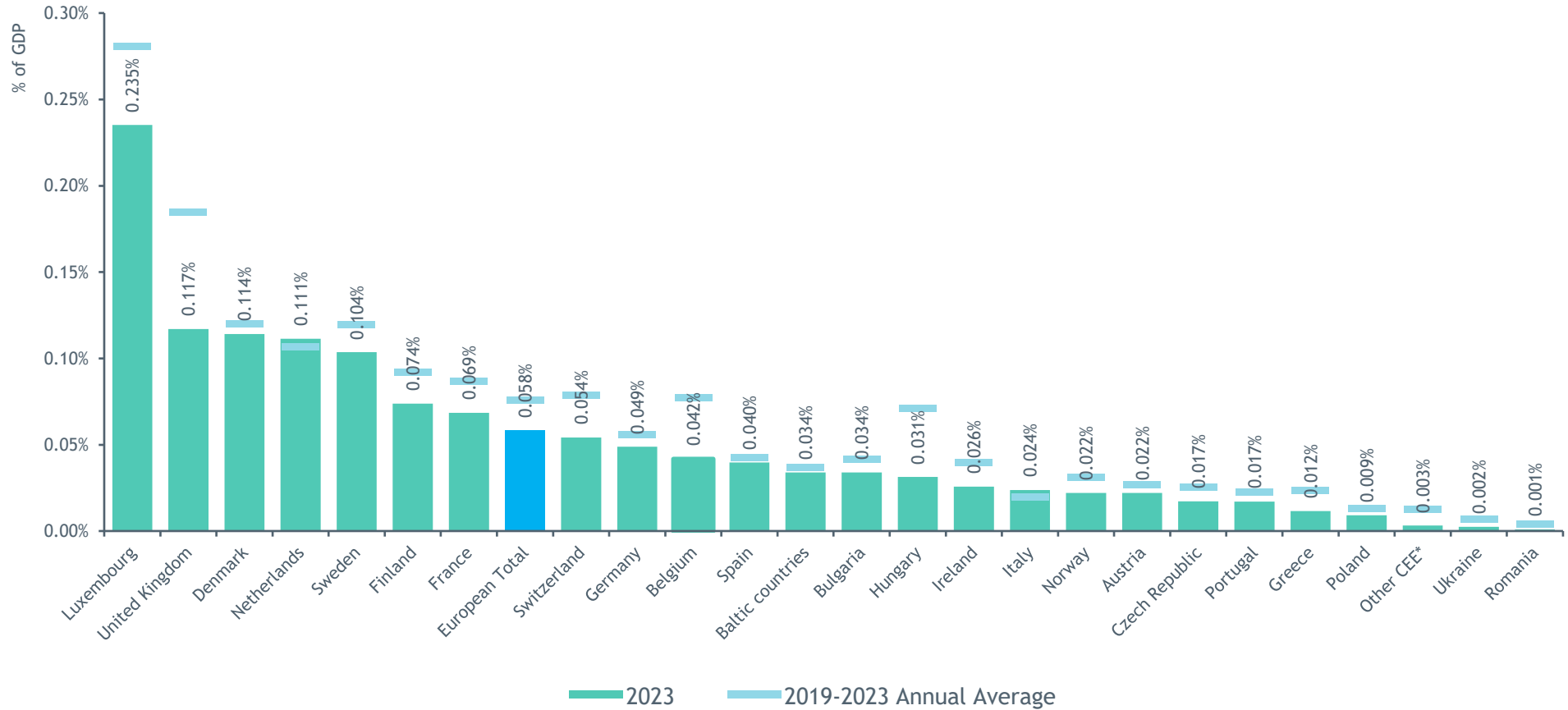


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: \*Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

# Venture Capital - Investments as % of GDP

## 2023 - Industry statistics - Location of the private equity firm



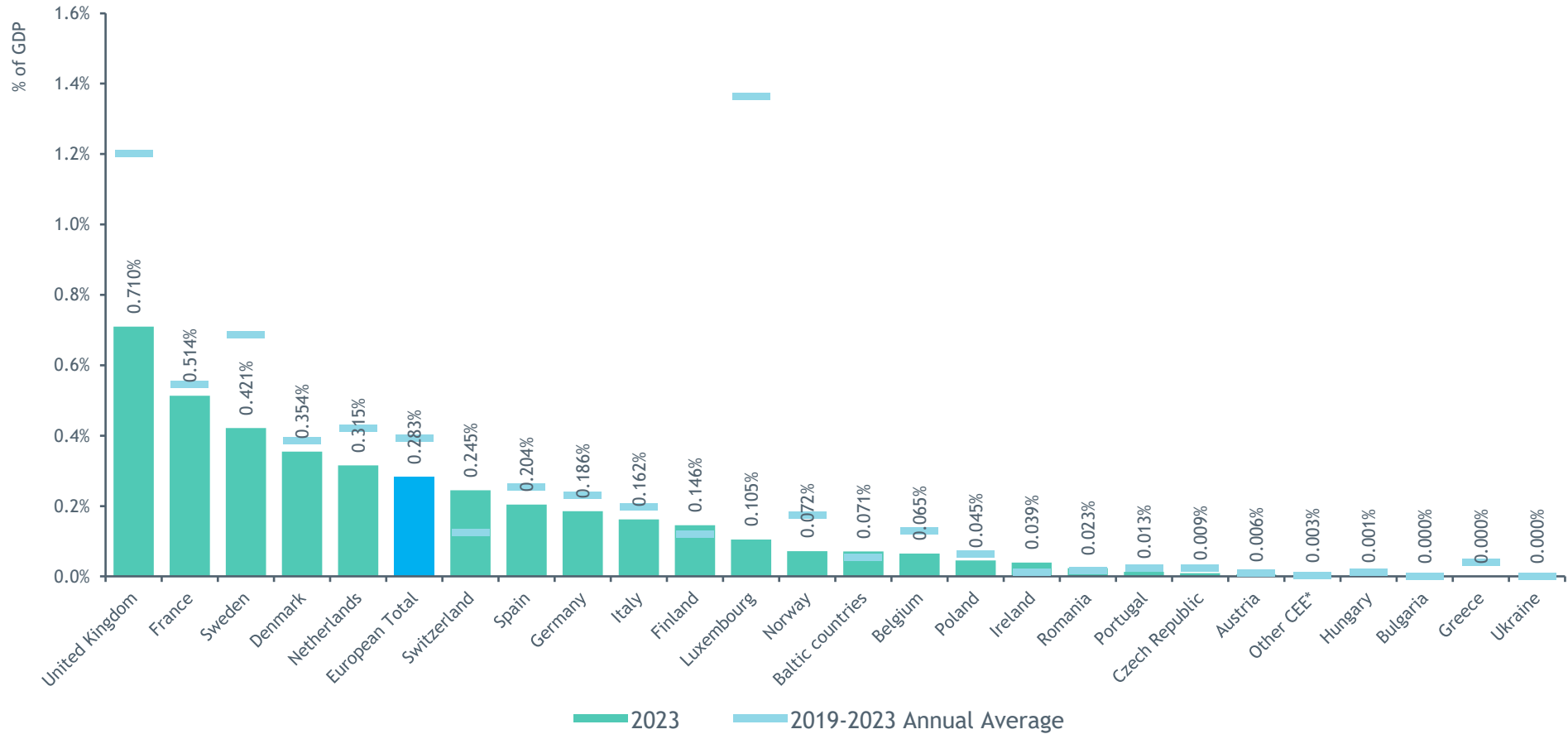
Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: \*Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia



# Buyout - Investments as % of GDP

2023 - Industry statistics - Location of the private equity firm

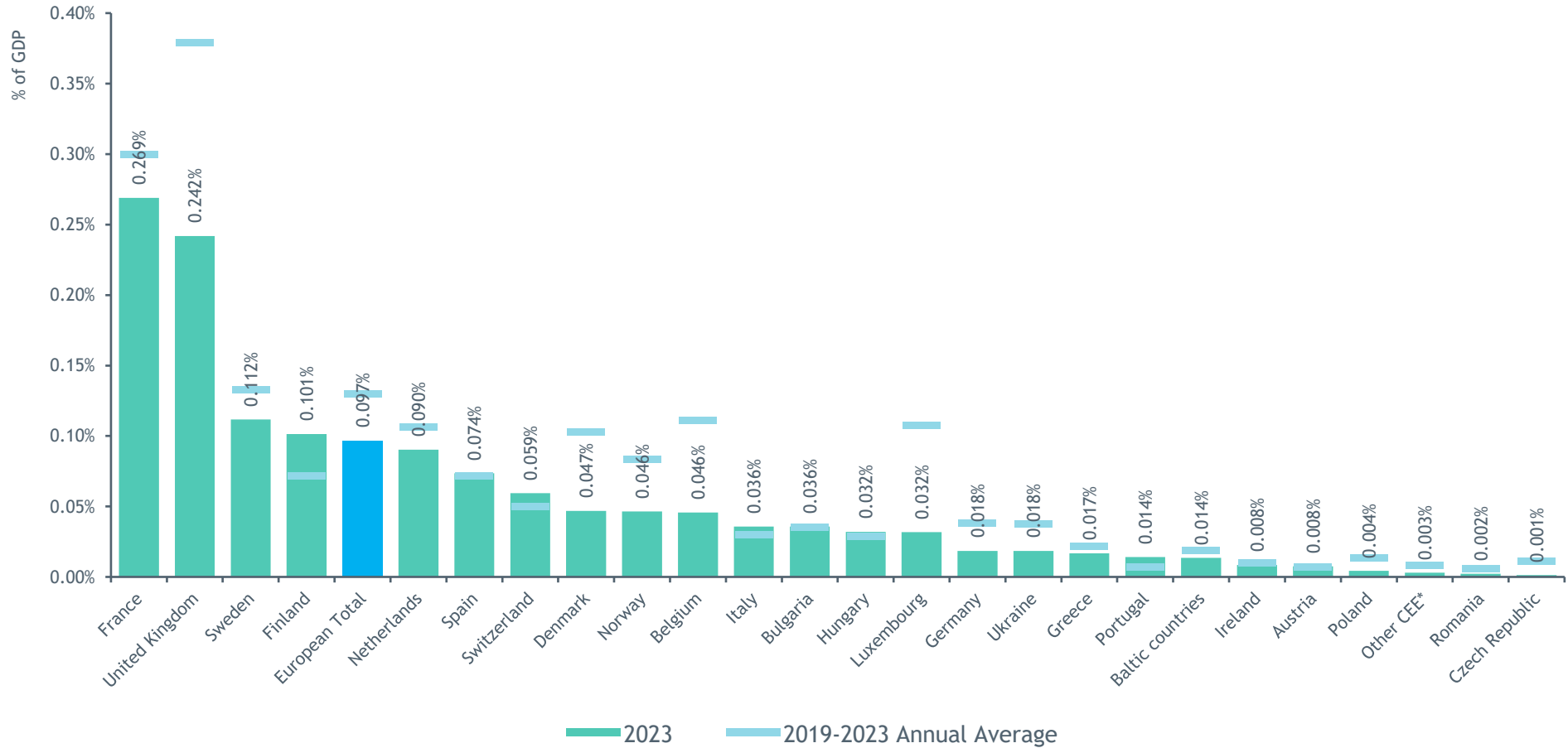


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: \*Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

# Growth - Investments as % of GDP

2023 - Industry statistics - Location of the private equity firm

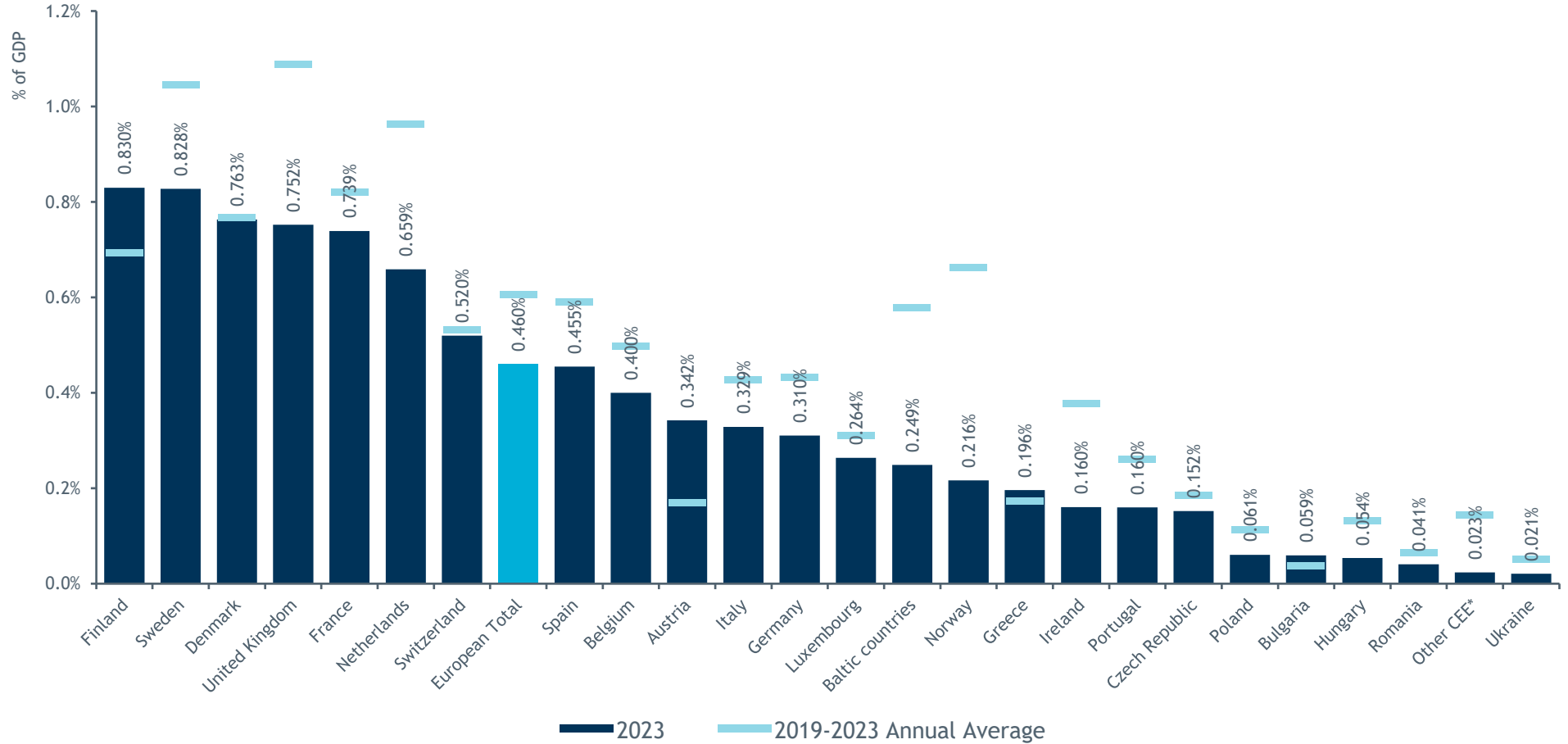


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: \*Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

# All Private Equity - Investments as % of GDP

## 2023 - Market statistics - Location of the portfolio company

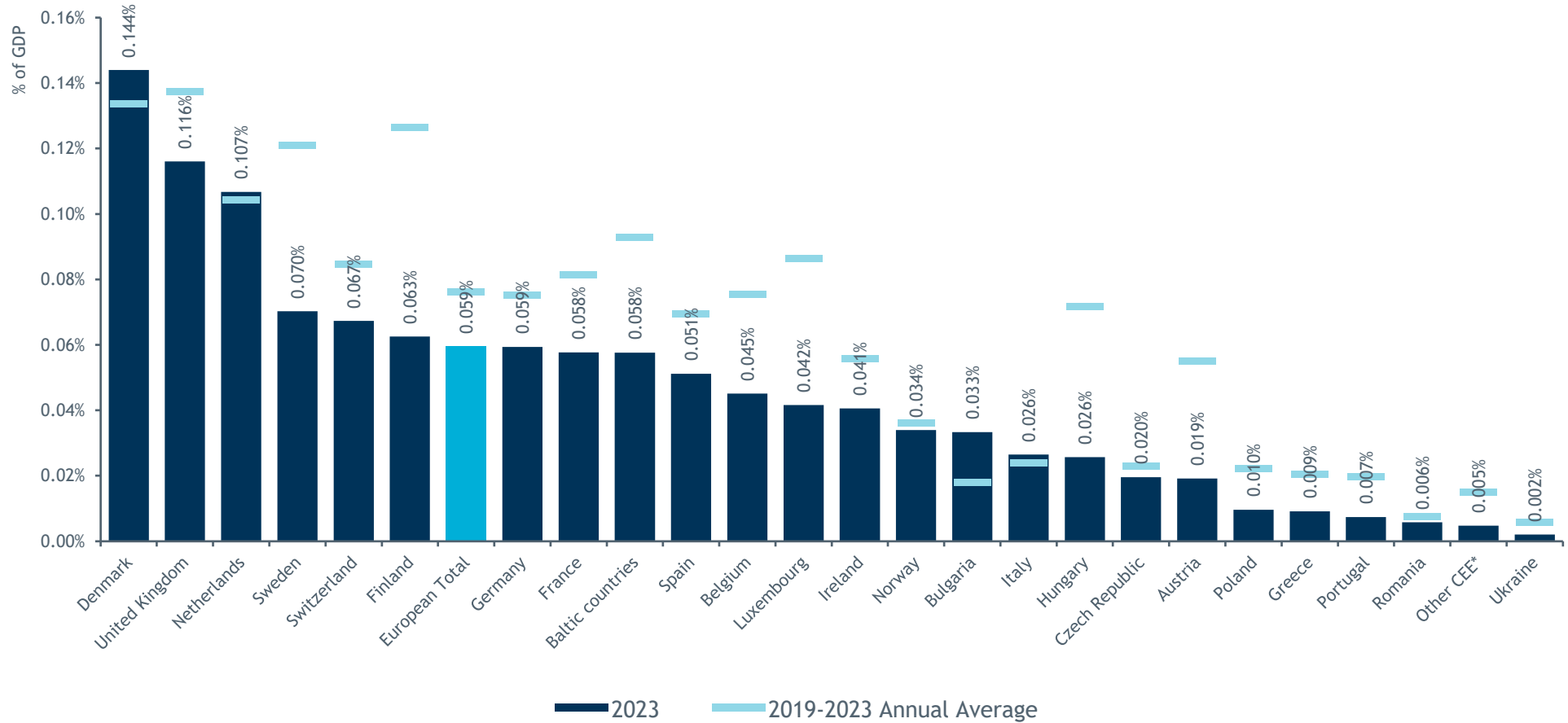


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: \*Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

# Venture Capital - Investments as % of GDP

## 2023 - Market statistics - Location of the portfolio company

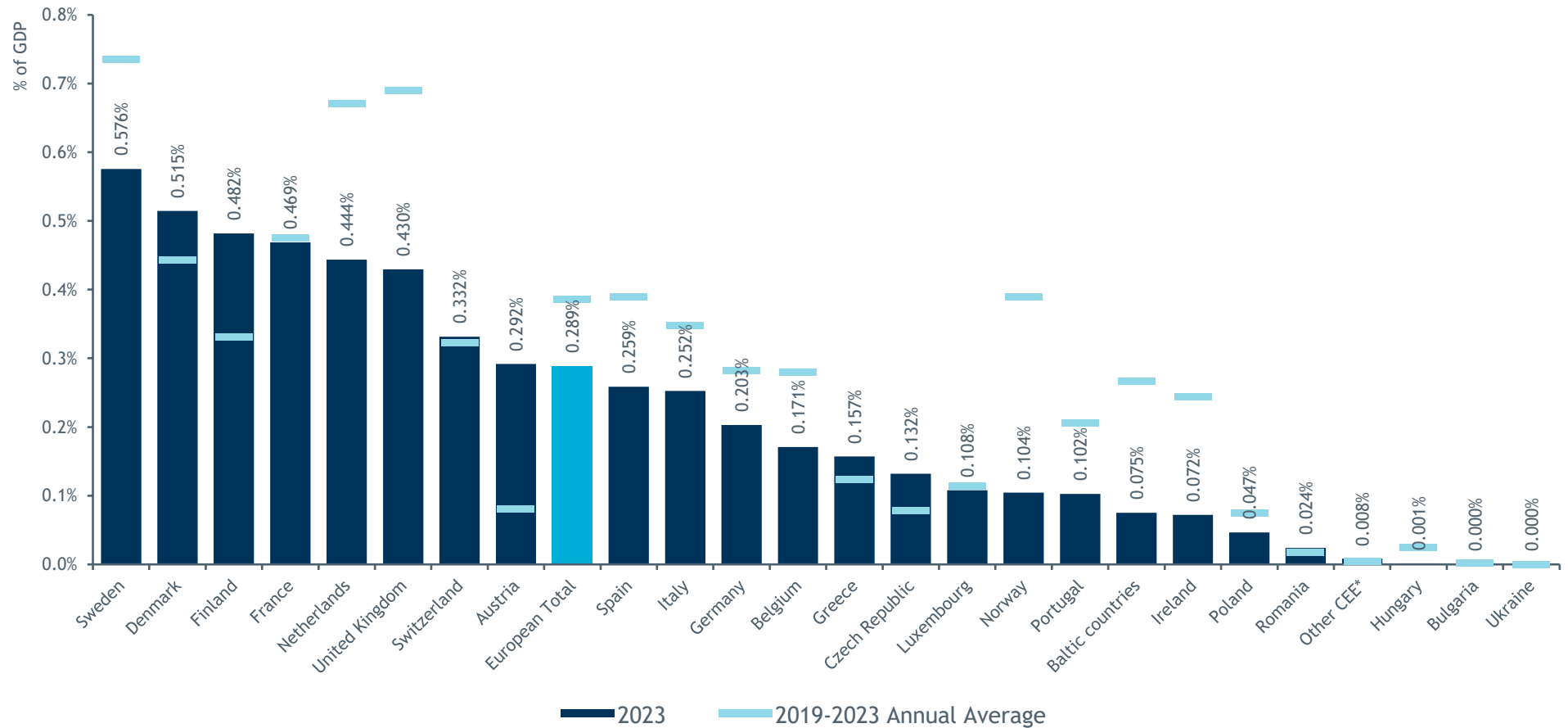


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: \*Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

# Buyout - Investments as % of GDP

2023 - Market statistics - Location of the portfolio company

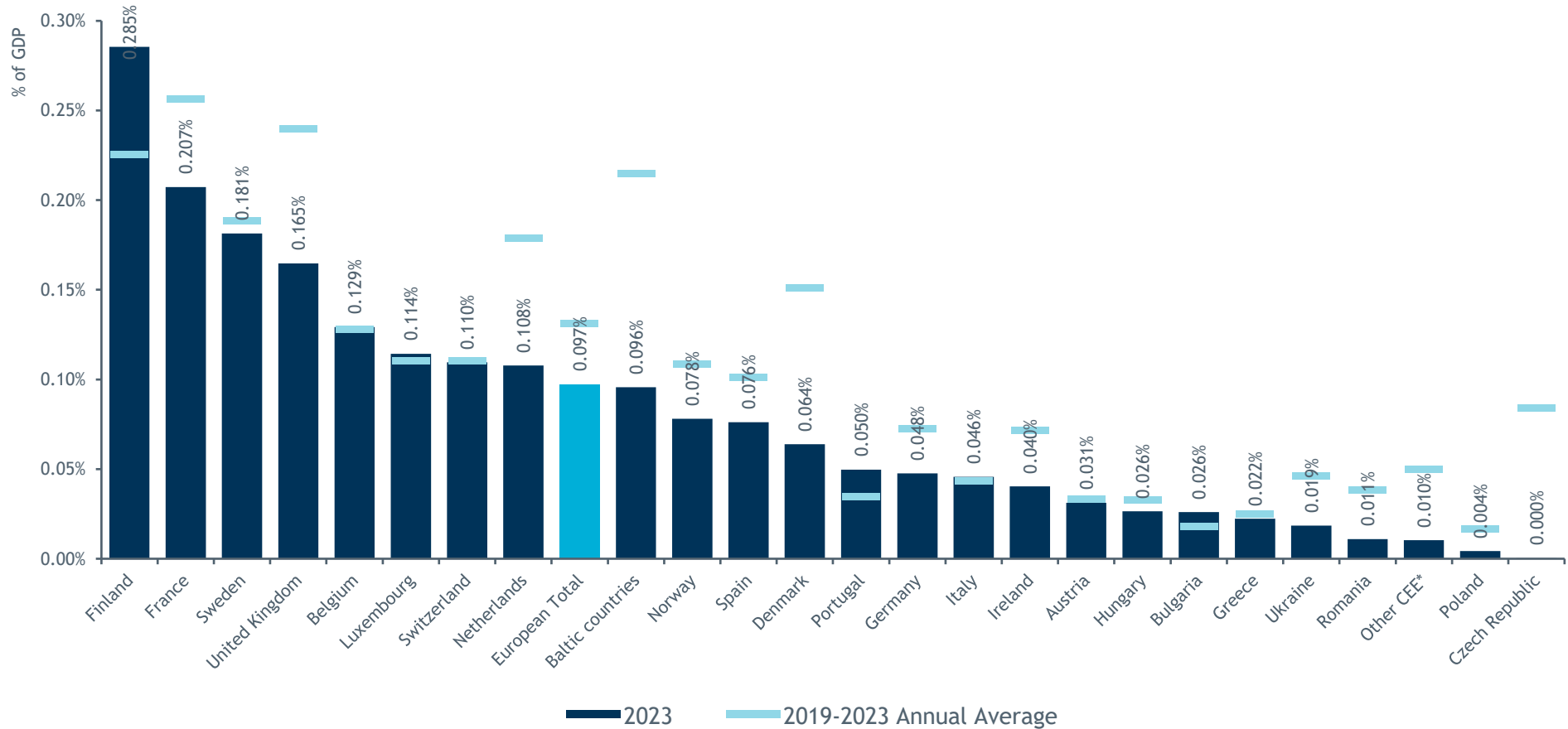


Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: \*Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia

# Growth - Investments as % of GDP

2023 - Market statistics - Location of the portfolio company



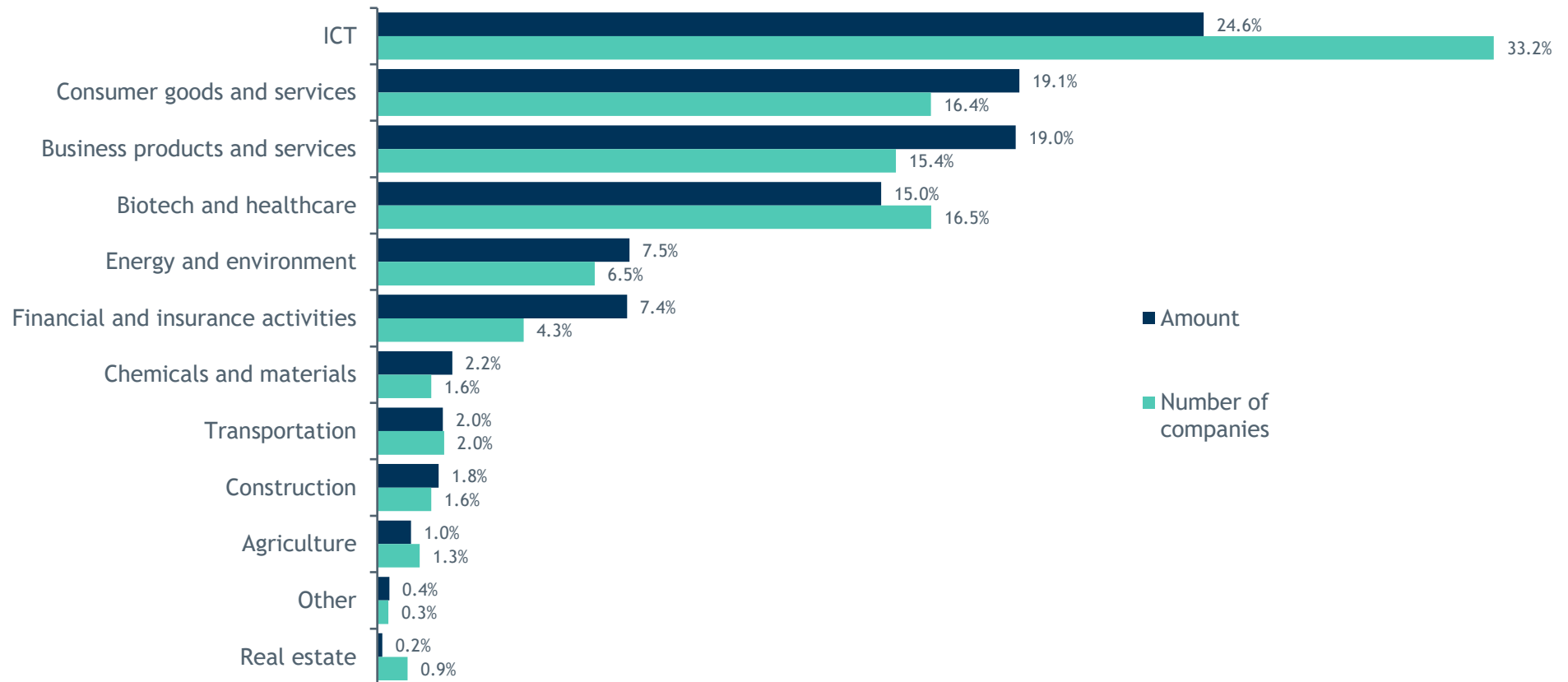
Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

Note: \*Other CEE consists of Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia



# All Private Equity - Investments by sector

## 2023 - Market statistics - % of Amount & Number of companies

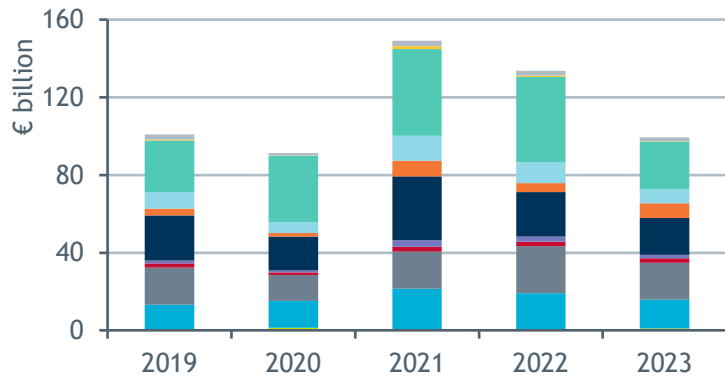


Source: Invest Europe / EDC

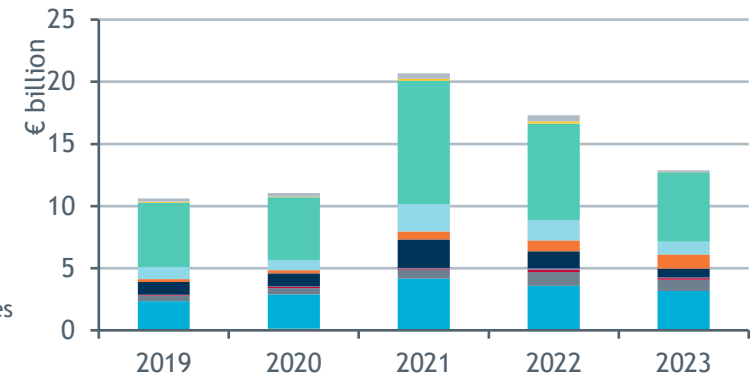
# Investments by sector

## Market statistics - Amount

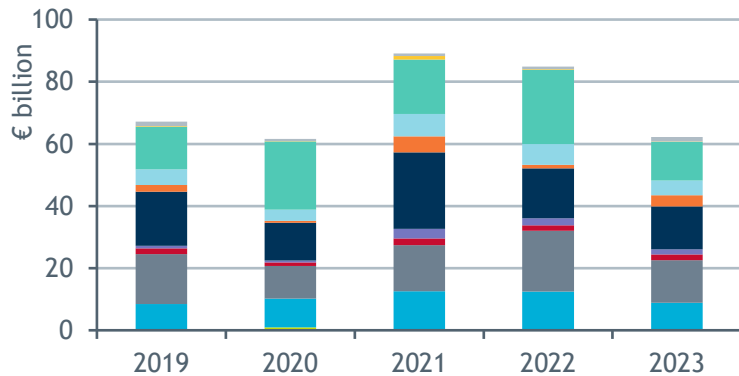
All Private Equity



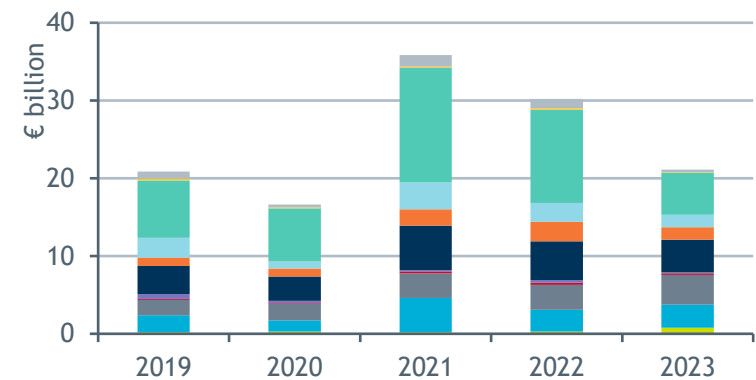
Venture Capital



Buyout



Growth



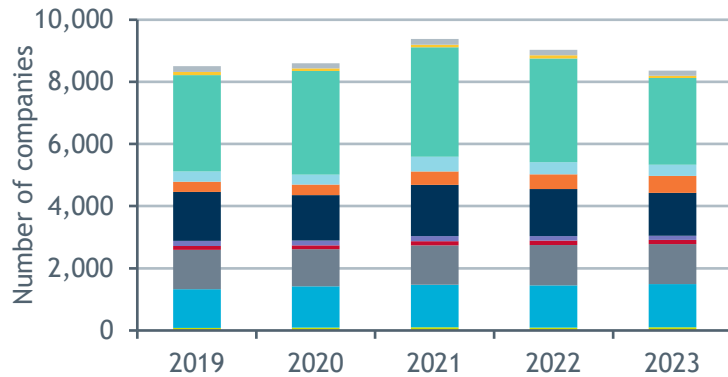
Source: Invest Europe / EDC

Note: The "Other" category is excluded from the graphs, resulting in totals that differ from previous slides.

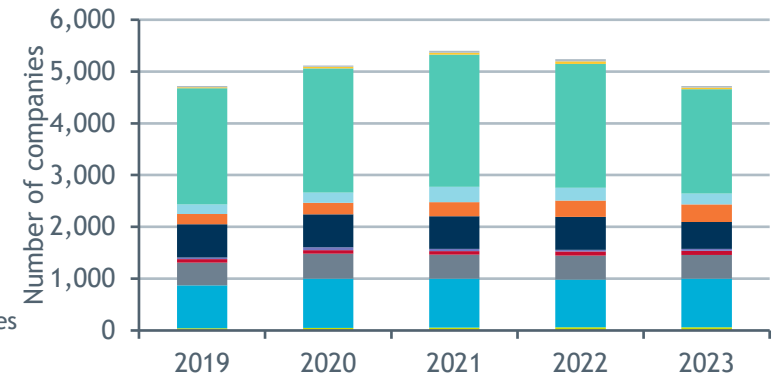
# Investments by sector

## Market statistics - Number of companies

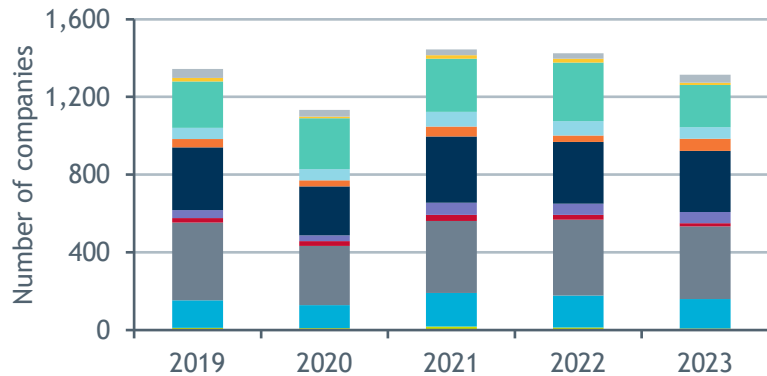
All Private Equity



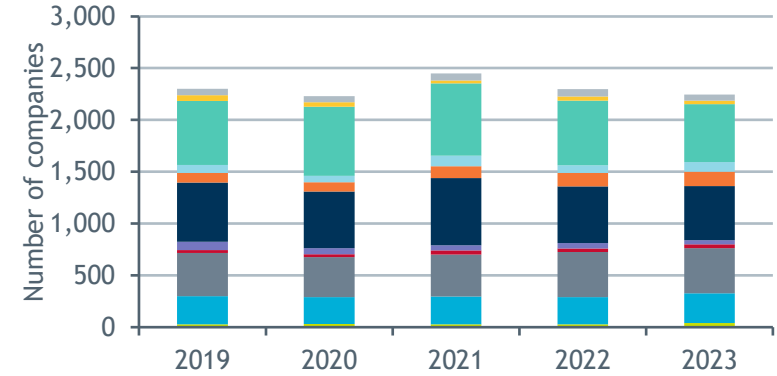
Venture Capital



Buyout



Growth

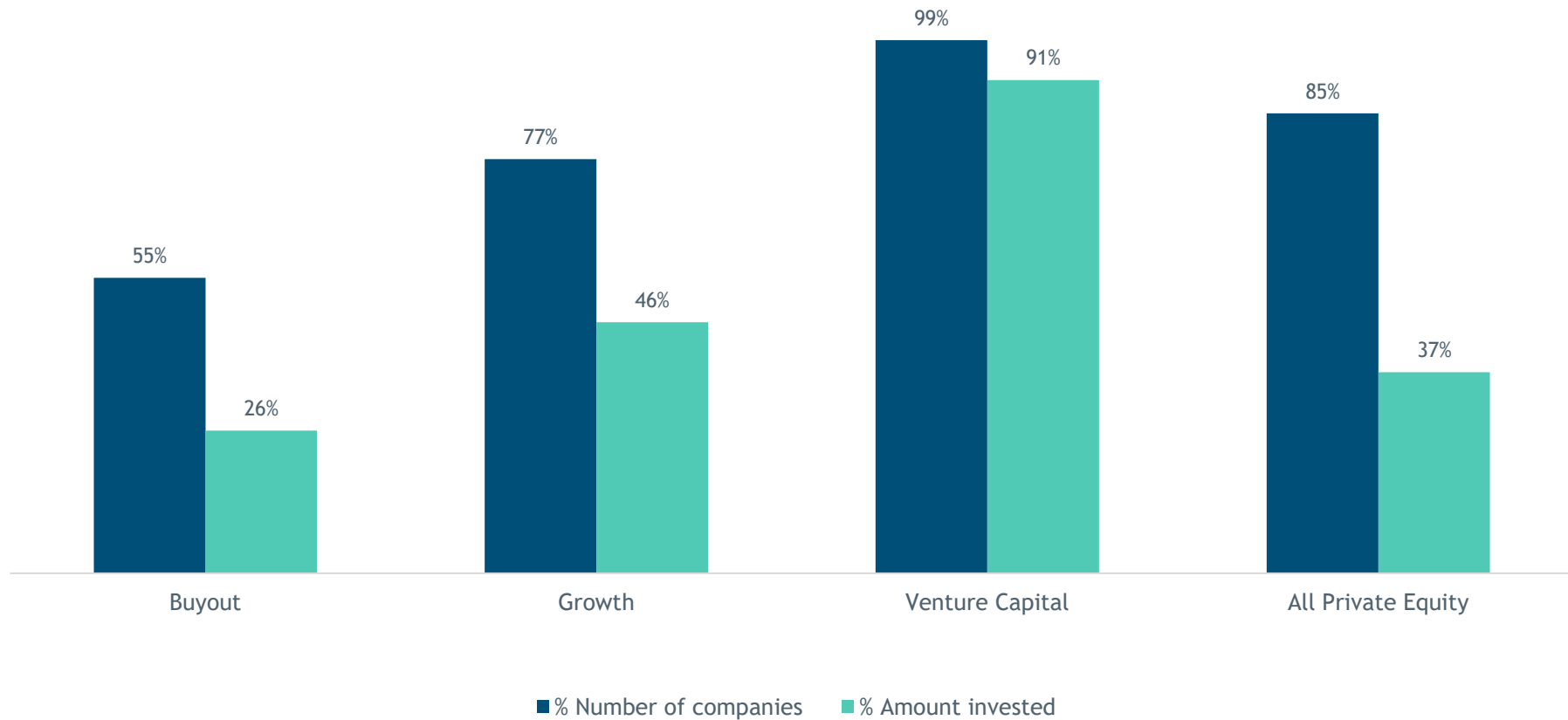


Source: Invest Europe / EDC

Note: The "Other" category is excluded from the graphs, resulting in totals that differ from previous slides.

# Investments in SMEs

2023 - Market statistics - % of Number of companies & Amount



Source: Invest Europe / EDC. Note: SMEs = companies with fewer than 250 full-time equivalent staff



ACTIVITY 2023

# DIVESTMENTS

# Divestments at a glance

## 2023 - Analysis

### All Private Equity

€30.6bn from 3,094 companies  
by 674 firms & 1,750 funds

### Venture Capital

€2.4bn from 1,168 companies  
by 346 firms & 780 funds

### Buyout

€22.4bn from 662 companies  
by 289 firms & 544 funds

### Growth

€5.3bn from 1350 companies  
by 263 firms & 699 funds

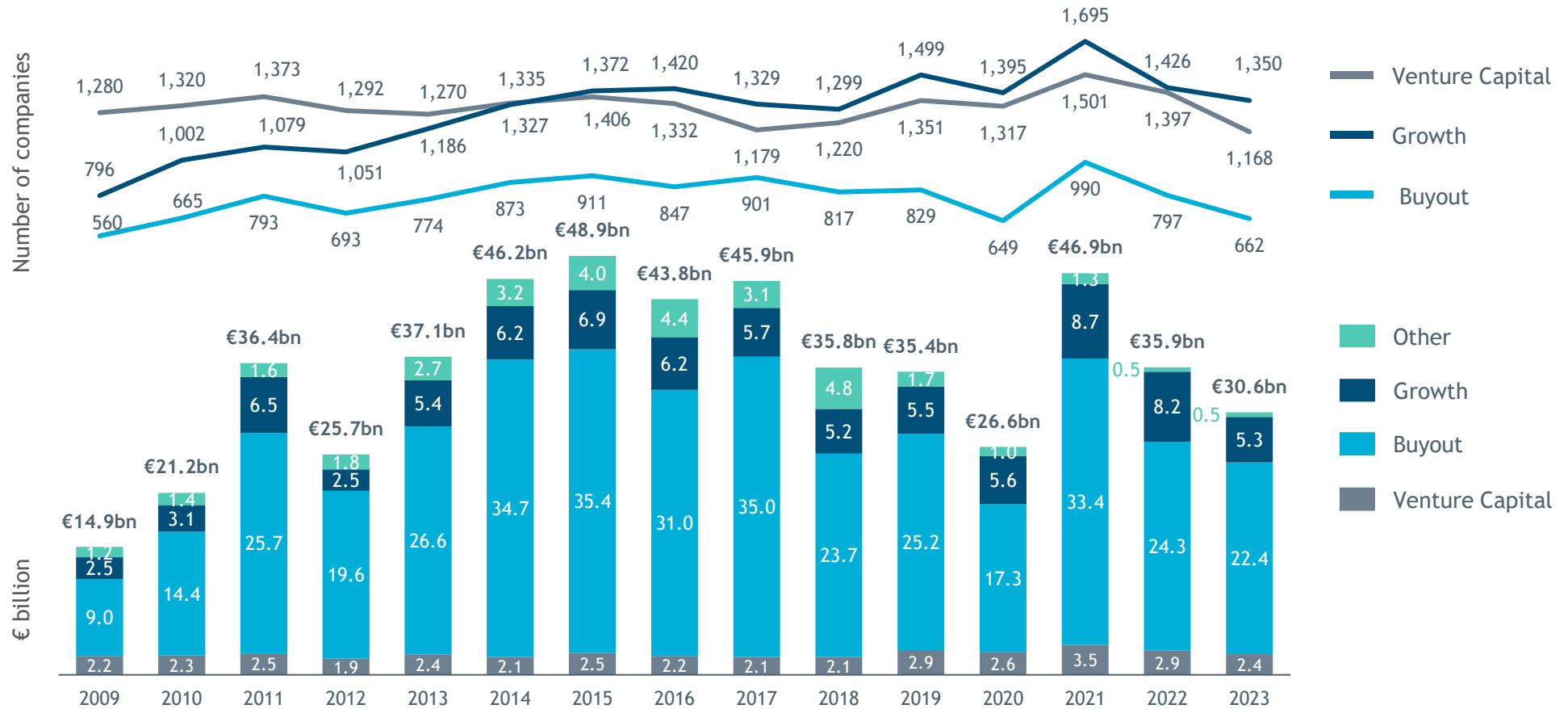
- > Divestments at cost in 2023 reached €30.6bn, representing a 15% decrease from the previous year. A total of 3,094 European companies were exited during the year, a 12% decrease from 2022. The main exit route by value was sale to another private equity firm, accounting for 35% of the total. This was followed by trade sale (33%) and then repayment of preference shares/loans or mezzanine and write-off at 7%. By looking at the number of companies, repayment of preference shares / loans or mezzanine was the exit route providing for the highest amounts, accounting for 34% of the total. The next most common exit route was trade sale (17%), followed by sale to another private equity firm (13%).
- > Venture divestments in 2023 reached €2.4bn, representing a 16% decrease from the year before. This is also 14% below the average for the past five years: €2.8bn. A total of 1,168 companies were exited, which is slightly below the average of the previous five years. The main exit route was trade sale, accounting for 35% of the total amounts. 39% of exited companies were in the ICT sector, followed by biotech and healthcare (19%), and consumer goods and services (15%).
- > In 2023, there was an 8% year-on-year decline in buyout divestments, totaling €22.4 billion divested throughout the year. The number of divested companies decreased by 17% compared to 2022, with 662 companies divested. The main exit route by both amount and number of companies was sale to another private equity firm, representing 38% and 29% of all exits, respectively. The next most common exit route was trade sale, accounting for 35% of the total value of exits and 22% of the total number of companies. Business products and services sector accounted for the largest number of exits in terms of both amount (26%) and number of companies (29%).
- > The total value of Growth divestments in 2023 was €5.3bn, representing a 35% decrease from 2022 and 20% below the average for the previous five years (€6.6bn). A total of 1,350 growth companies were divested. The main exit route by value was sale to another private equity firm (29%), followed by trade sale (28%). The companies in the business products and services sector saw the most exits (28%), while the ICT sector accounted for the largest value of exits (23%).

Note: the stages relate to the initial investment stage of the portfolio company



# Divestments at cost at a glance

Market statistics - Amount & Number of companies



Source: Invest Europe / EDC. NB: Other includes Turnaround/Rescue and Replacement capital



# Divestments at cost by exit route - All Private Equity

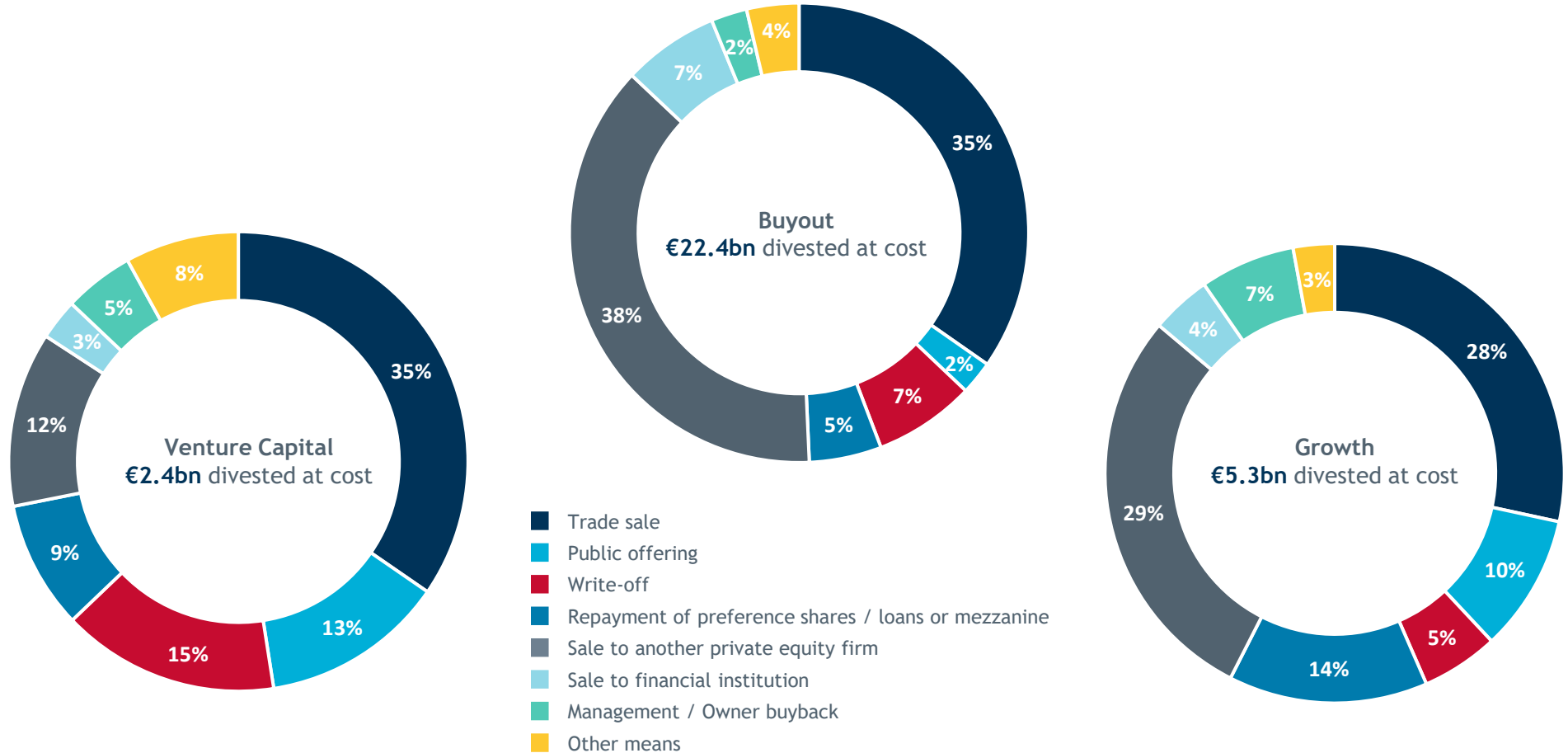
2023 - Market Statistics - % of Amount



Source: Invest Europe / EDC

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

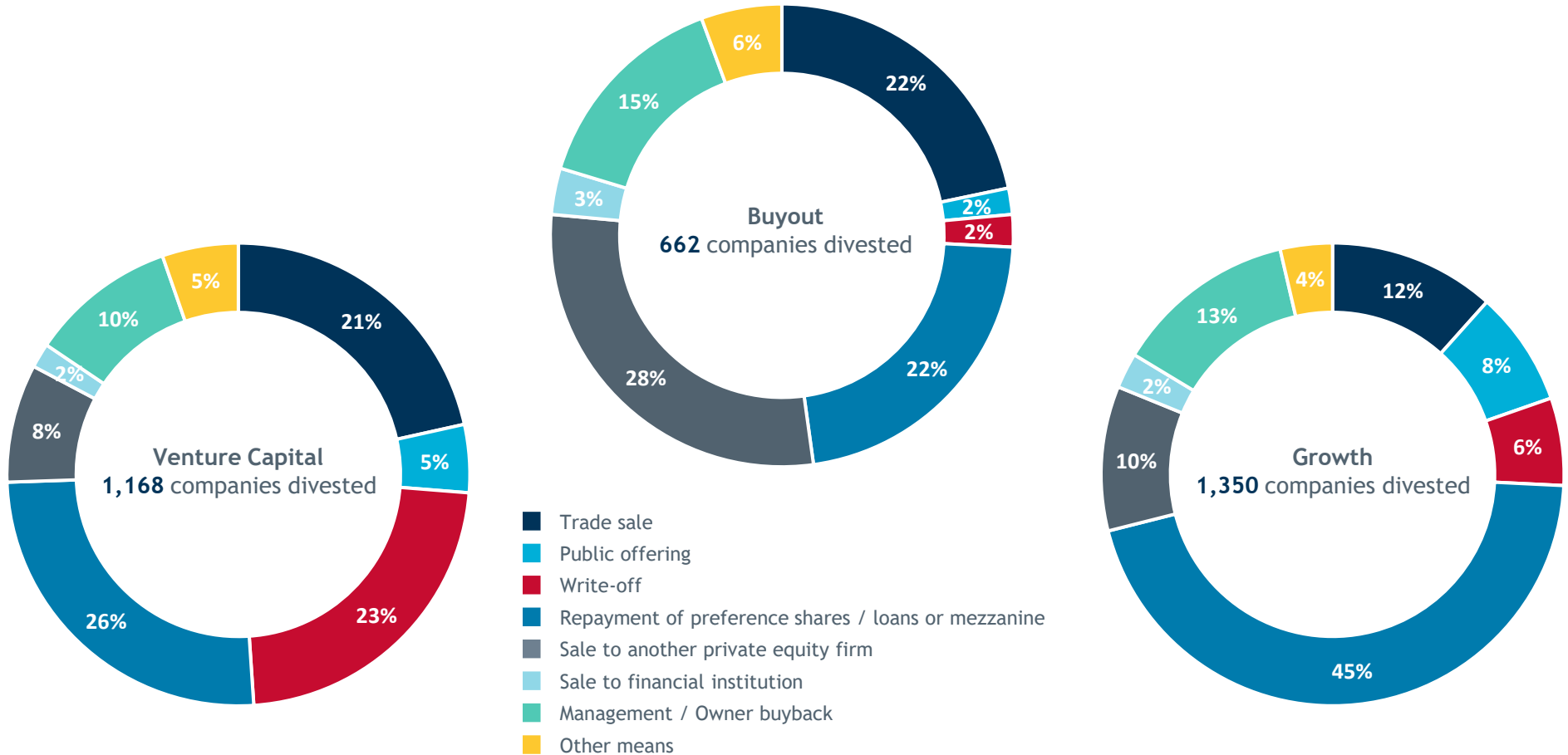
2023 - Market Statistics - % of Amount



Source: Invest Europe / EDC

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

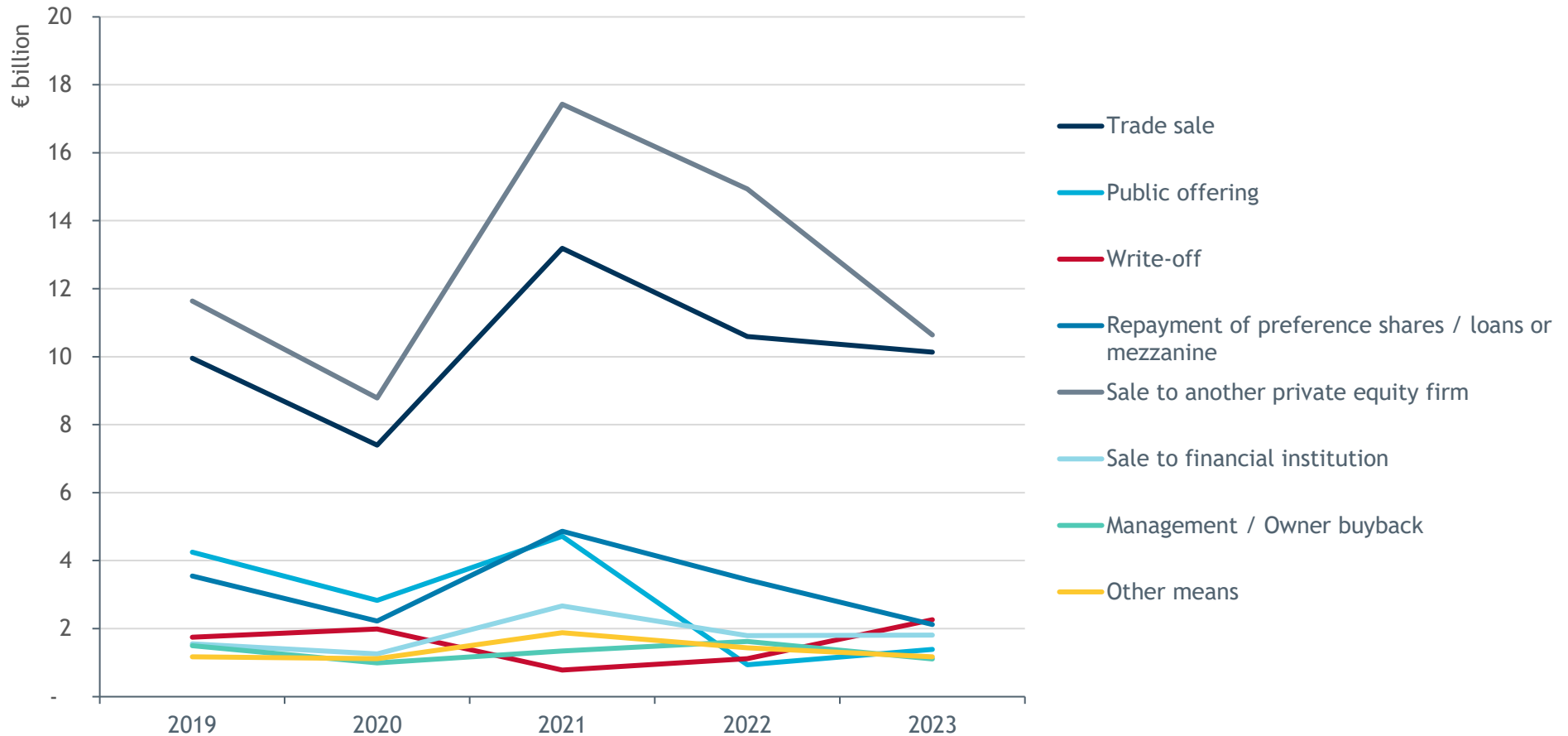
## 2023 - Market Statistics - % of Number of companies



Source: Invest Europe / EDC

# All Private Equity - Divestments at cost by exit route

Market statistics - Amount at cost

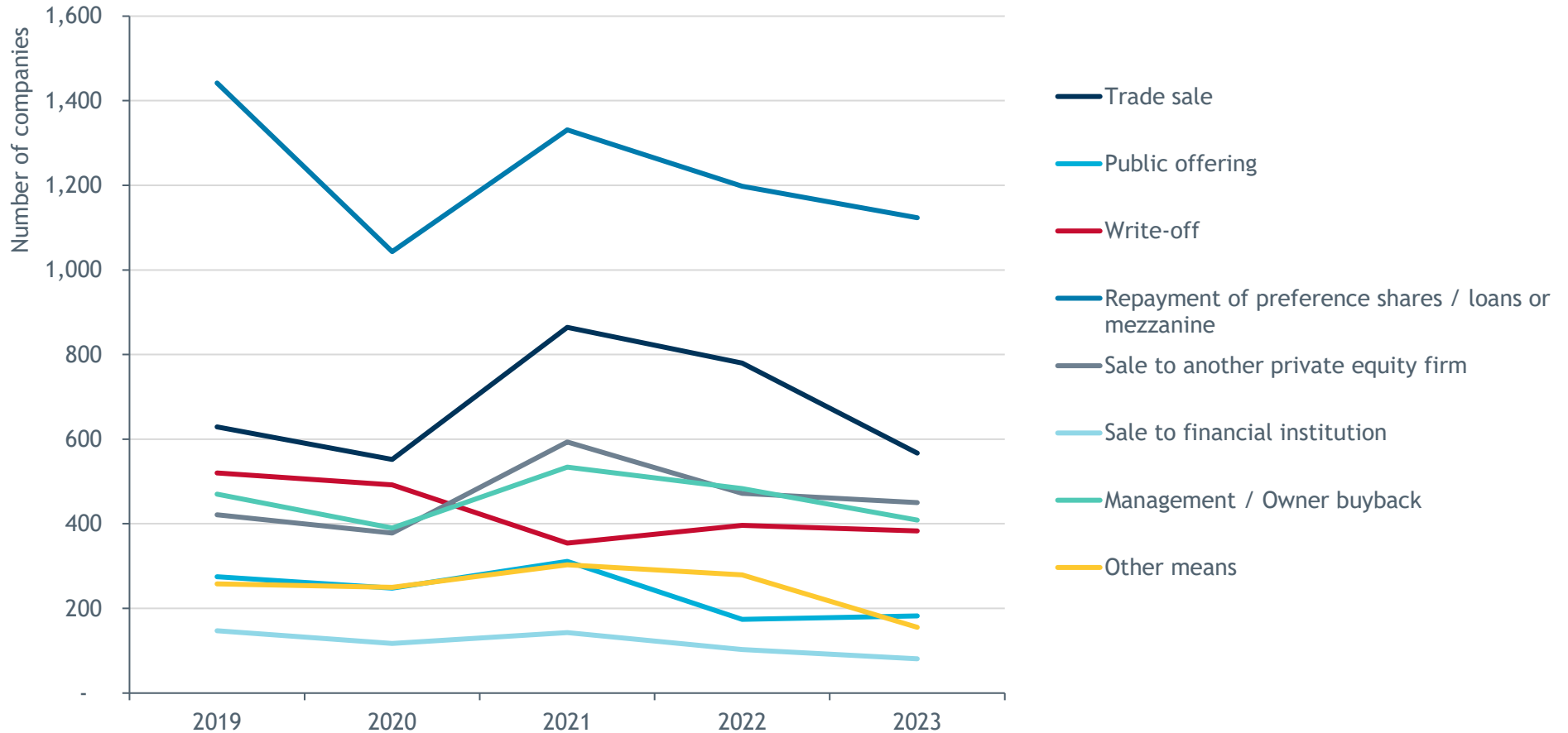


Source: Invest Europe / EDC

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# All Private Equity - Divestments at cost by exit route

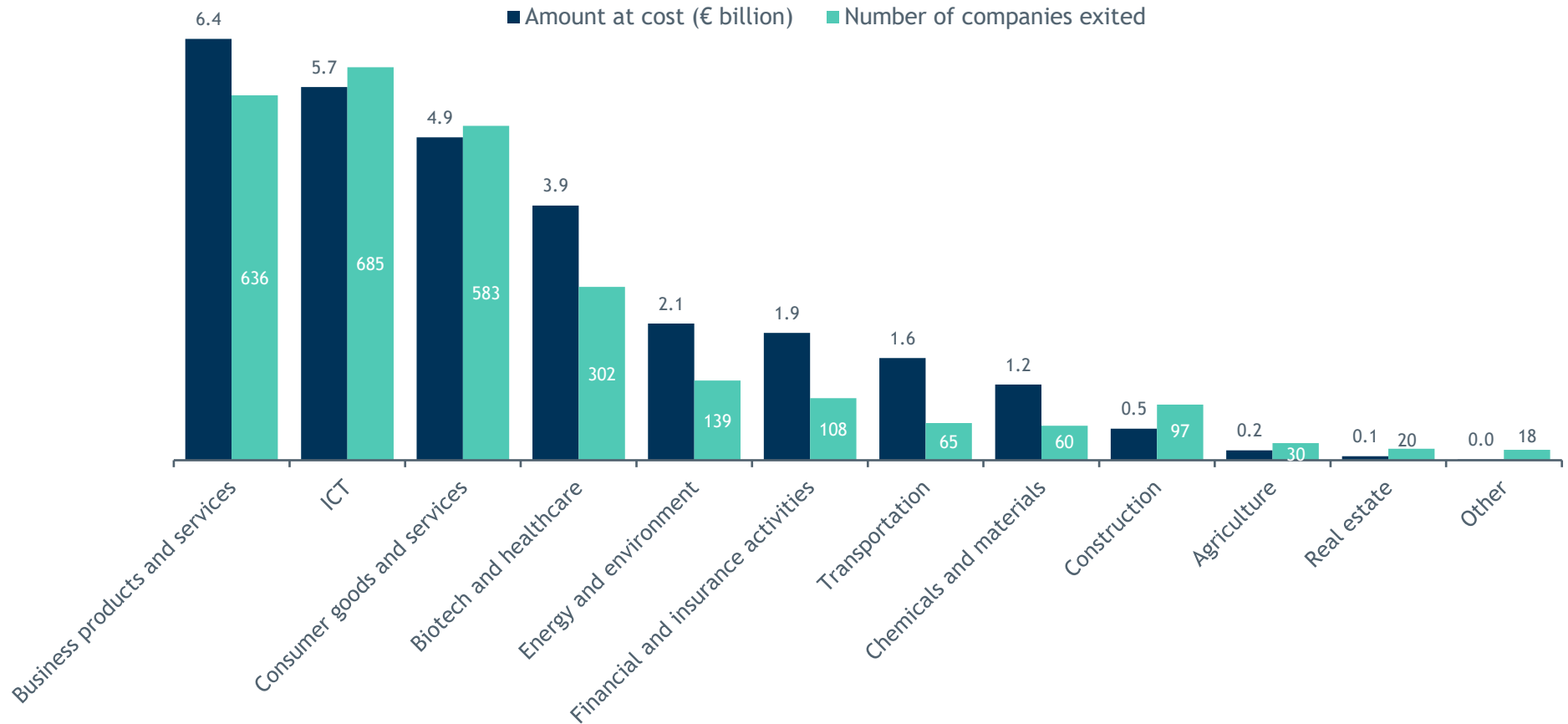
Market statistics - Number of companies



Source: Invest Europe / EDC

# All Private Equity - Divestments at cost by sector

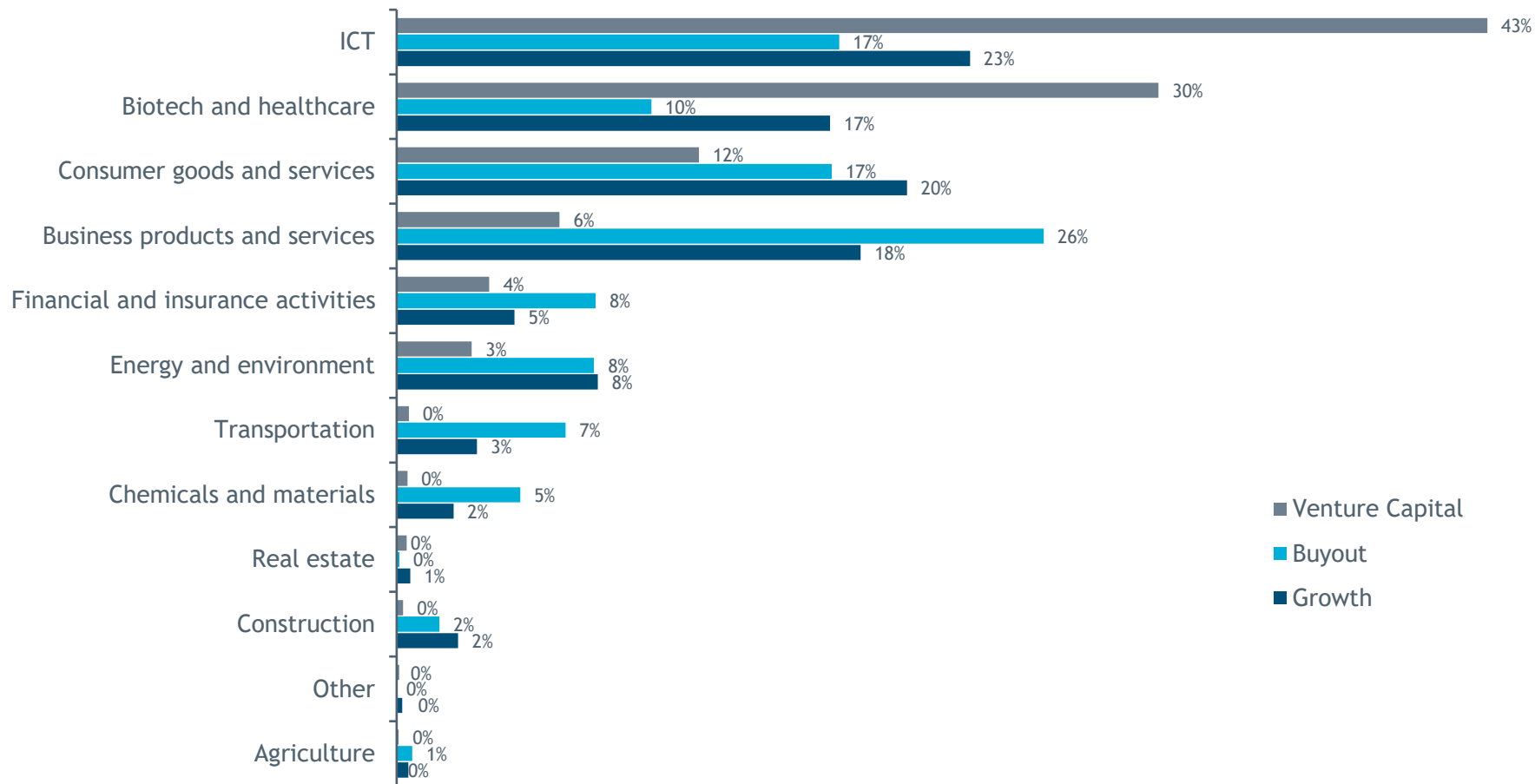
## 2023 - Market statistics - Amount & Number of companies (excluding write-offs)



Source: Invest Europe / EDC

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

## 2023 - Market statistics - Amount (% , excluding write-offs)

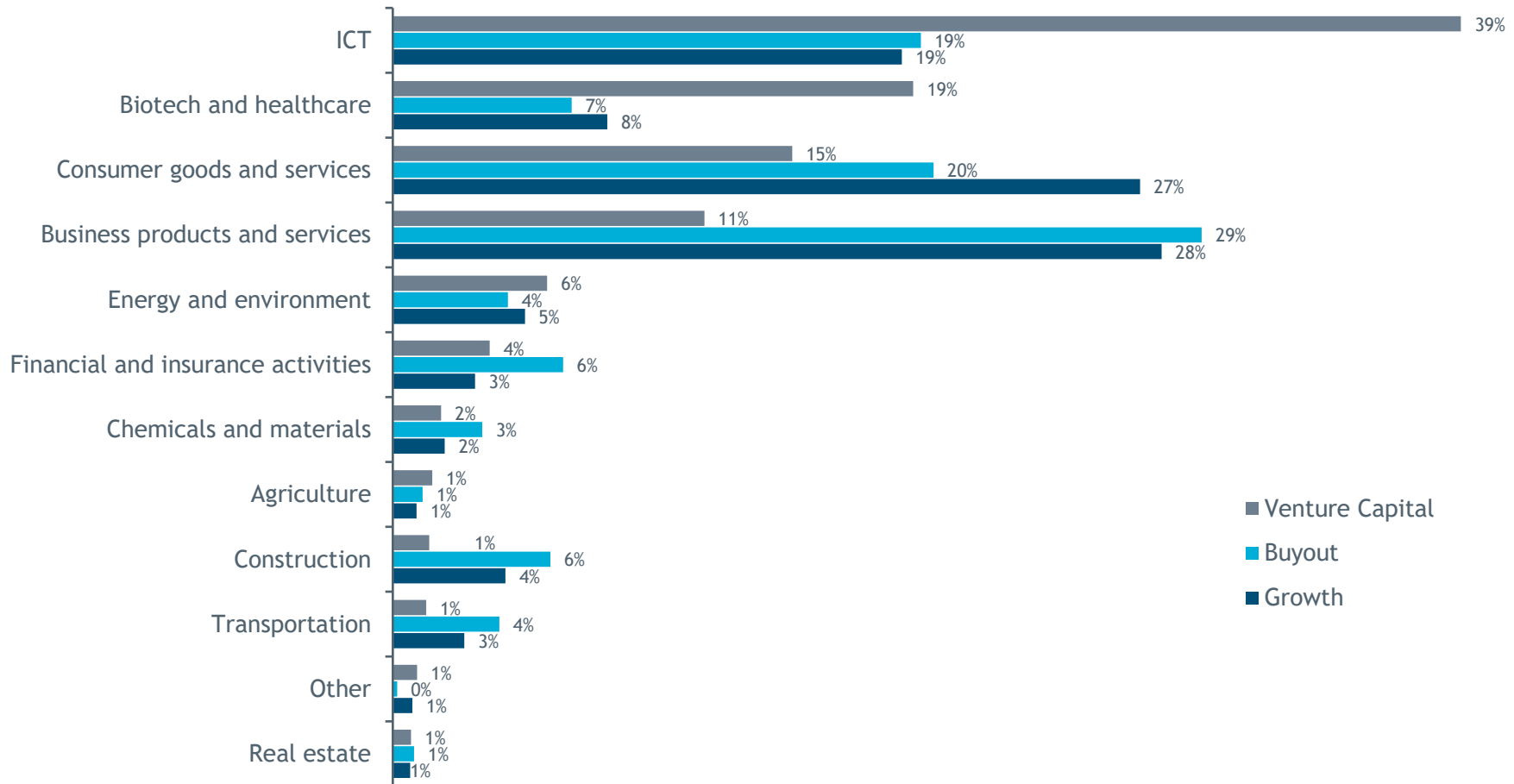


Source: Invest Europe / EDC



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

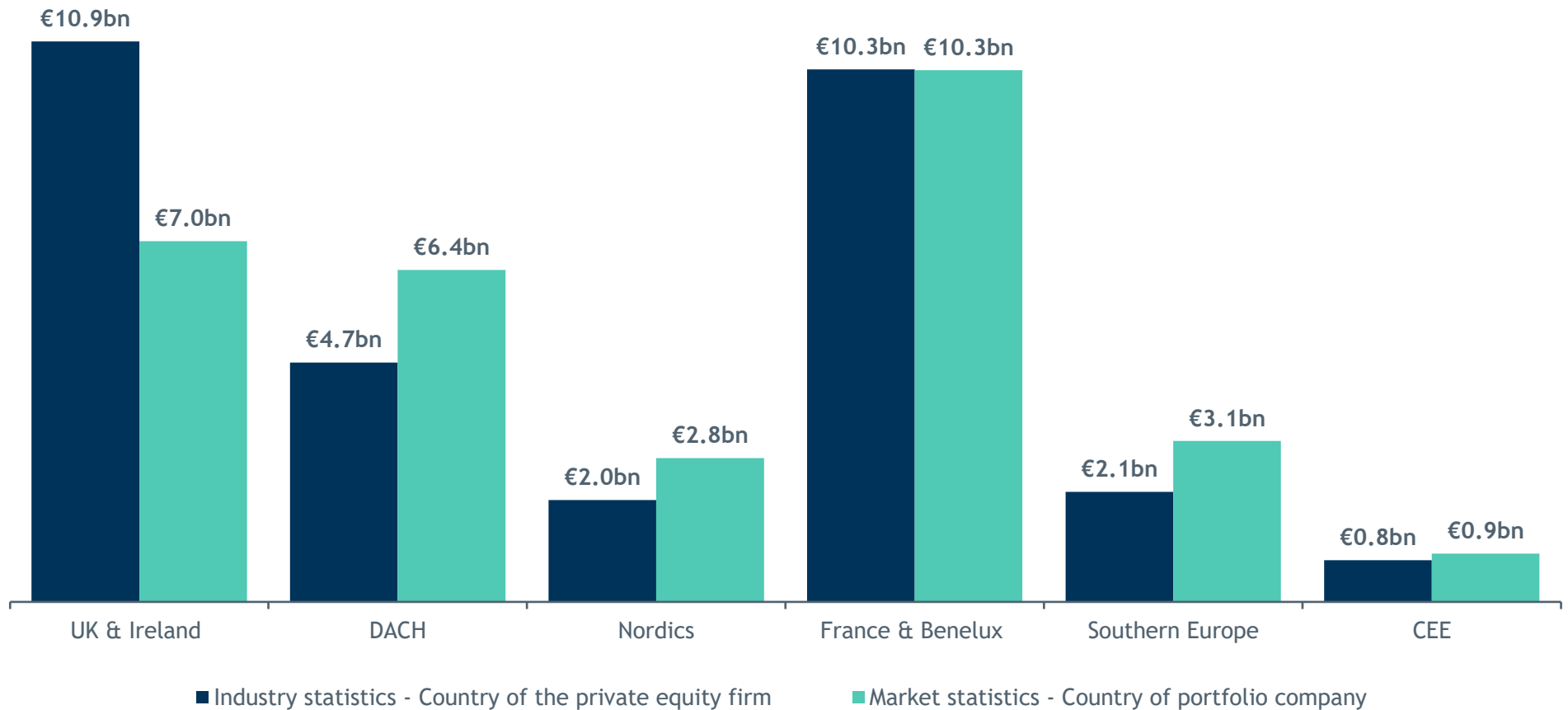
2023 - Market statistics - Number of companies (% , excluding write-offs)



Source: Invest Europe / EDC

# All Private Equity - Divestments at cost by region

## 2023 - Industry vs. Market statistics - Amount

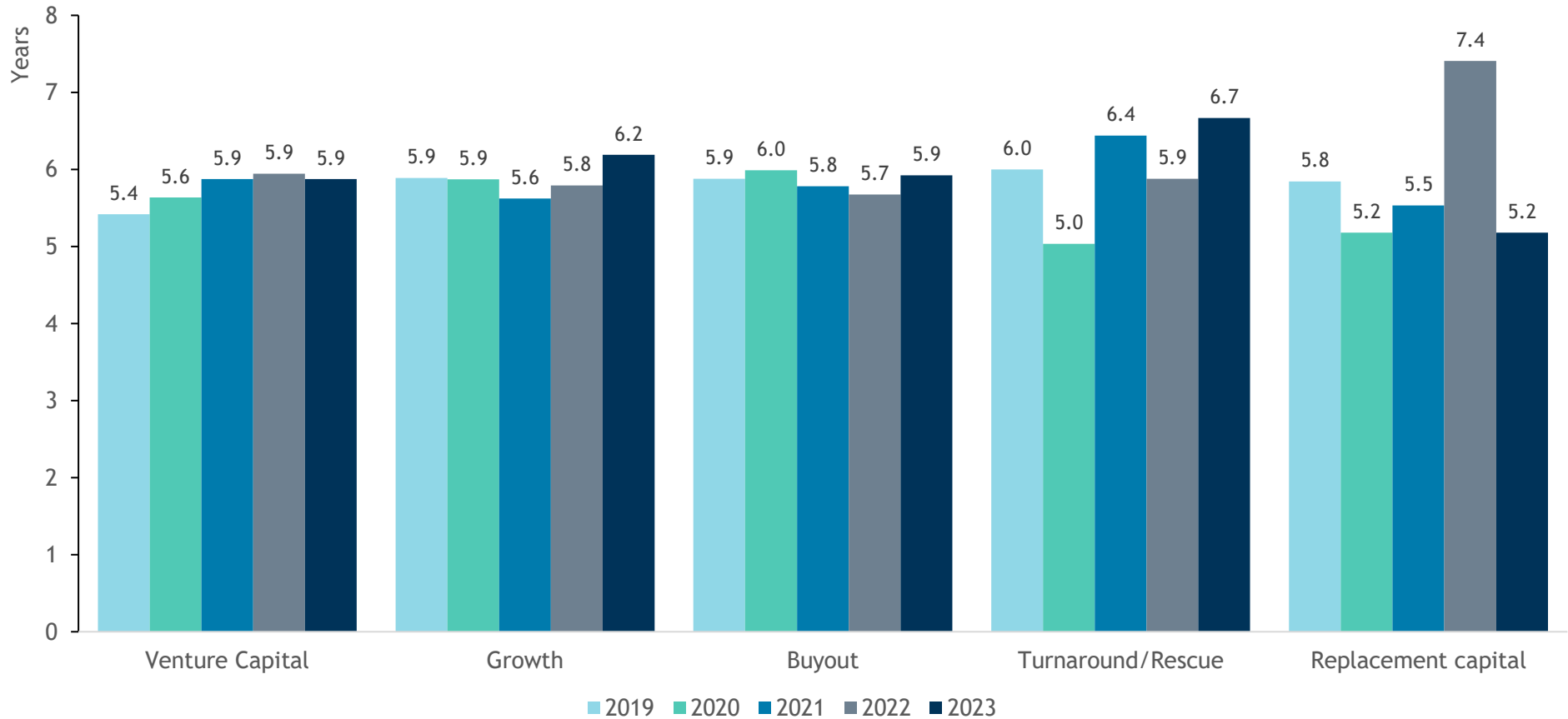


Source: Invest Europe / EDC

[www.investeurope.eu/research](http://www.investeurope.eu/research)

# All Private Equity - Average Holding Period

Average holding period in years



Source: Invest Europe / EDC





ACTIVITY 2023

# 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.

### TYPES OF INVESTORS

**Banks (excl. feeder funds):** Capital committed by banks, excluding by feeder funds (funds that invest in private equity funds on behalf of bank customers via private banking products). Capital from feeder funds is registered in the category corresponding to the type of investors investing into the bank's feeder fund.

**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.).

**Fund of funds:** A private equity fund that primarily takes equity positions in other funds.

**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.

**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:** Fundraising amounts include capital gains except when reporting fundraising by type of investor. In the following presentation, unclassified figures concerning the type of investor have been extrapolated. More comprehensive data is available here: [www.investeurope.eu/research/](http://www.investeurope.eu/research/)

# Methodology & Glossary

## Investments

### INVESTMENT 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 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.

Within Growth, type of investment is further split into **"VC-backed growth"** & **"Non-VC-backed growth"**. The former refers to Growth investments made with either continued participation by at least one VC fund at the time of the investment round, or else full divestment by the involved VC fund(s) at the time of the Growth round. The latter refers to Growth investments where VC funds had either fully divested prior to the Growth round, or else had never backed the company in question before.

**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

### DIVESTMENT 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

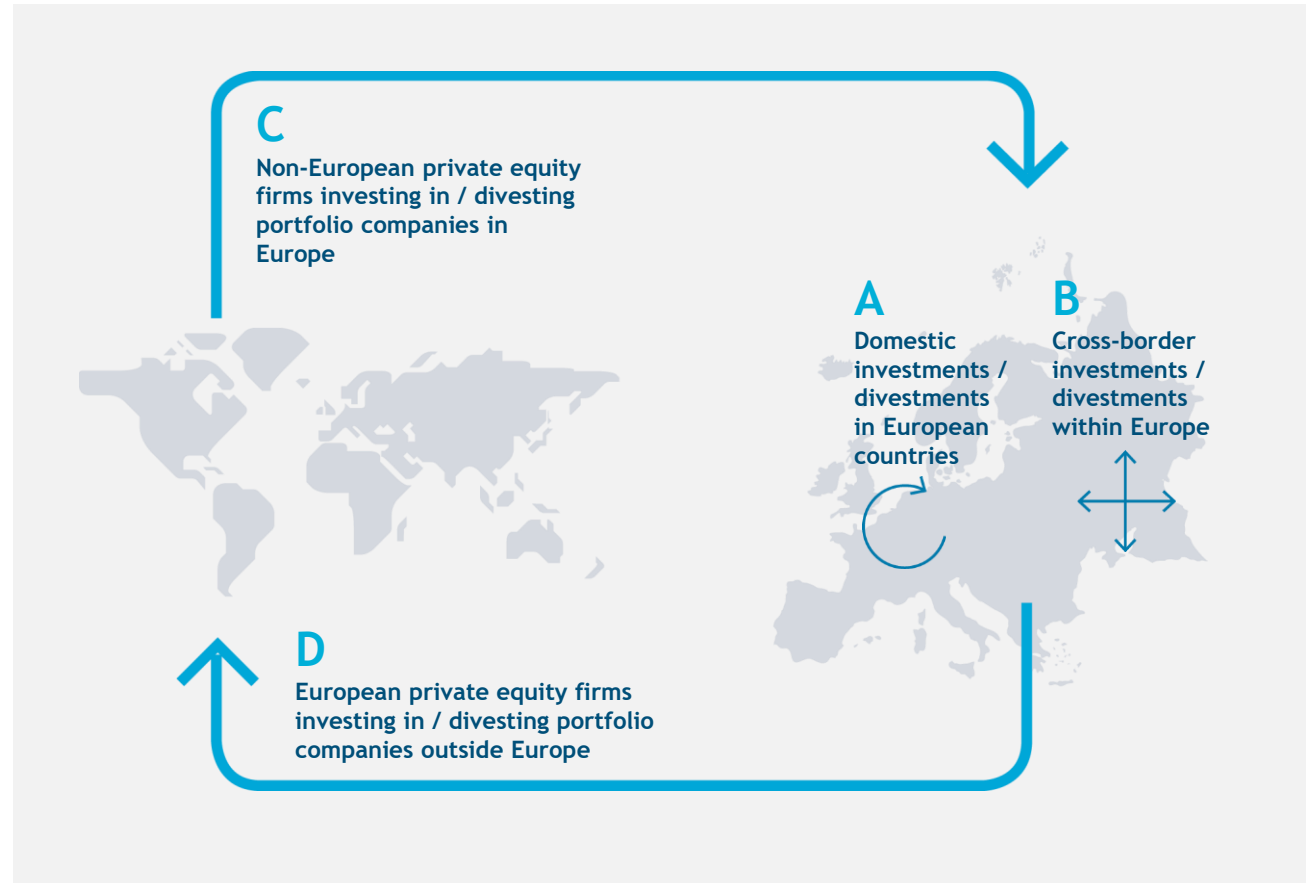
**C** Non-European private equity firms investing in / divesting portfolio companies in Europe

## 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 2023

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AIFI - Italy

BVA - Belgium

BgVCA - Bulgaria

BVCA - UK

BVK - Germany

CVCA - The Czech Republic

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FVCA - Finland

LPEA - Luxembourg

NVCA - Norway

NVP - The Netherlands

PSIK - Poland

ROPEA - Romania

SECA - Switzerland

SPAINCAP - Spain

SVCA - Sweden

# About Invest Europe Research

Invest Europe is recognised as the authoritative data source for European private equity and venture capital by institutions including the European Commission, ESMA (European Securities and Markets Authority), 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 1,700 firms.

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