

RESEARCH

# INVESTING IN EUROPE: PRIVATE EQUITY ACTIVITY H1 2021

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Statistics on Fundraising, Investments & Divestments

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#### Version

Presentation as of 08/11/2021

## Introduction to Invest Europe

Invest Europe is the  
**voice of investors**  
in privately held  
companies in Europe

- > Invest Europe is the association **representing Europe's private equity**, venture capital and infrastructure sectors, as well as their investors.
- > Our members take a **long-term approach** to investing in privately held companies, from start-ups to established firms. They inject not only capital but **dynamism, innovation and expertise**. This commitment helps deliver **strong and sustainable growth**, resulting in healthy returns for Europe's leading pension funds and insurers, to the **benefit of the millions of European citizens** who depend on them.
- > Invest Europe aims to make a **constructive contribution to policy** affecting private capital investment in Europe. We provide information to the public on our members' role in the economy. Our research provides the most **authoritative source of data** on trends and developments in our industry. And we hold **industry-leading events and trainings**.
- > Invest Europe is the guardian of the industry's **professional standards**, demanding accountability, good governance and transparency from our members.
- > Invest Europe is a non-profit organisation with 25 employees in Brussels, Belgium.
- > For more information please visit [www.investeurope.eu](http://www.investeurope.eu)

# European Data Cooperative

What is the EDC?

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

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

# European Data Cooperative

What is the EDC?

## EuropeanDataCooperative

The EDC database hosts more than:

**3,700**

Firms

**10,200**

Funds

**83,000**

Portfolio companies

**308,000**

Transactions

With data on more than **1,600** European private equity and venture capital firms, the 2020 annual statistics covered **89%** of the **€708bn\*** in capital under management in Europe.

\* As of end 2019

- > The EDC replaces Invest Europe's previous database PEREP\_Analytics. All relevant historic data was migrated to the EDC system.
- > In 2017 all data since 2007 was restated and complemented with additional information. Audit efforts are conducted in close coordination with data contributors and partnering national associations to ensure the best coverage and consistent application of methodology and definitions.
- > Improved coverage on a regional level mostly impacts the number of companies reported compared to earlier publications. Extensive audit efforts ensure that syndicated investments are not double-counted.
- > Invest Europe processes all available information at the time of the data collection cut-off to produce its statistics. Any differences between Invest Europe's statistics and those of other associations partnering in the EDC may be related to different reporting approaches, restatements and timing of data collection cut-offs.
- > The most recent data publications are always available on Invest Europe's website ([www.investeurope.eu/research](http://www.investeurope.eu/research)) or by contacting the research team ([research@investeurope.eu](mailto:research@investeurope.eu)).
- > Invest Europe members and data contributors are eligible to receive dedicated research and data support from our research team. Please contact us at [research@investeurope.eu](mailto:research@investeurope.eu) to find out more about how to use this service.

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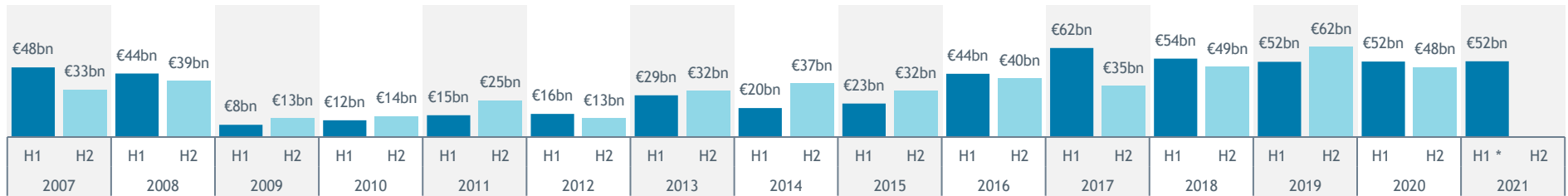
### MARKET STATISTICS

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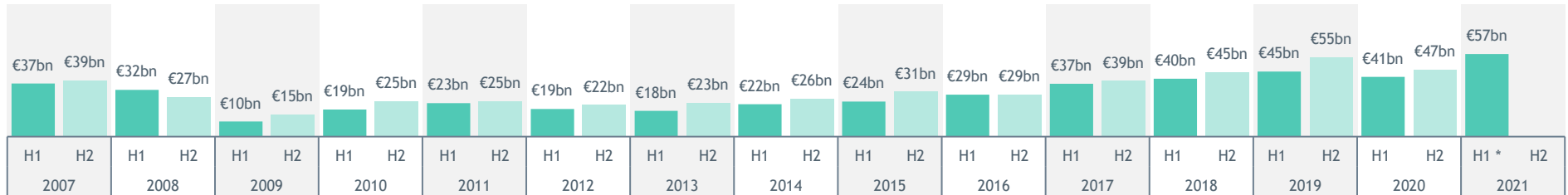
# Overview - All Private Equity - Fundraising, Investments & Divestments

2007-2021 - Market statistics - Amount

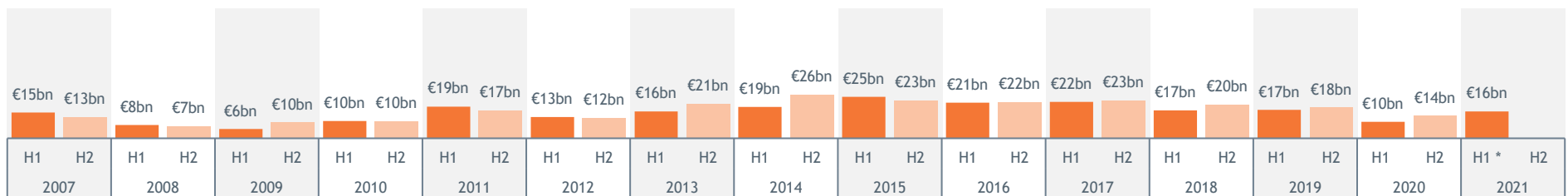
## FUNDRAISING



## INVESTMENTS



## DIVESTMENTS



Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Executive summary

## FUNDRAISING

**Preliminary H1 2021 fundraising figures for Europe reached €52.4bn. This is in line with the median amount raised during H1 over the past five years (2016-2020).**

Total value of H1 2021 fundraising remained stable compared to the same period last year. This year saw 365 funds completing a fundraising during the six months, the highest number ever recorded for H1 and 5% above H1 2020.

Venture fundraising reached €7.5bn. This represents an 11% increase from H1 2020 and is also 18% above the median amount raised by Venture over any period of the previous five years (2016-2020).

Buyout fundraising in H1 2021 reached €36.1bn, 7% above the median raised for all periods during the past five years (2016-2020). This year a significant level of fundraising in the Nordics accounted for a large percentage of total amount raised during the six-month period: €20.7bn (57% of total).

Growth funds raised €5.7bn in H1 2021. This is a 21% increase from H1 2020, and 22% above the median amount raised for any period in the previous five years (2016-2020). France & Benelux received the most amount of capital raised: 49% of the total.

## INVESTMENTS

**Preliminary figures show that €57.3bn of equity was invested into European companies throughout H1 2021. This is the highest level of investment ever seen in any half year period to date and is a significant (38%) increase in the amount invested in H1 2020.**

Venture Capital investments saw a huge surge in amounts invested (€10.2bn), 85% higher than the same figure for H1 2020. ICT remains the key sector for Venture investments, receiving 45% of the total.

Buyout investments reached €26.8bn for the first half of 2021. This is a slight reduction from H1 2020 (-7%), as well as from the median for the past five years (-6% for 2016-2020). However, levels of investment seen do fall within a range whereby full yearly investment levels could land roughly in line with those seen historically. ICT, at 26% of the total, accounted for most investments, followed by Consumer goods & services (22%).

Growth investments saw their highest levels ever recorded: €17.5bn in H1 2021. This level of investment is 2.8x amounts seen in H1 2020. ICT remains the sector attracting the most Growth investments (40% of total) followed by Biotech & Healthcare (21%) and Consumer goods & services (15%).

## DIVESTMENTS

**Divestments at cost\* for H1 2021 reached €16.1bn. This is 63% up from the €9.9bn seen in H1 2020, and in line with H1 figures for 2018 & 2019, though below median amounts seen in half year periods from 2016-2020. Number of companies divested is up 12% from the same period last year.**

Relative importance of divestment exit routes remained largely similar to that seen over the preceding five years (2016-2020): trade sale and sale to another private equity firm remaining the most common divestment routes, together totalling 66% of the amount at cost divested within H1 2021.

According to initial investment stage\*\* of the divested companies, all stages recorded an increase in the amount at cost divested from the same period last year: Venture stage divestments totalled €1.1bn, 24% up from H1 2020; Buyout stage divestments totalled €10.8bn, 48% up from H1 2020; And, finally, Growth stage investments totalled €3.6bn, 2.4x levels seen in H1 2020.

\* Meaning total amount divested is equal to total amount invested before

\*\* Divested companies categorised by the stage they were at when initially invested



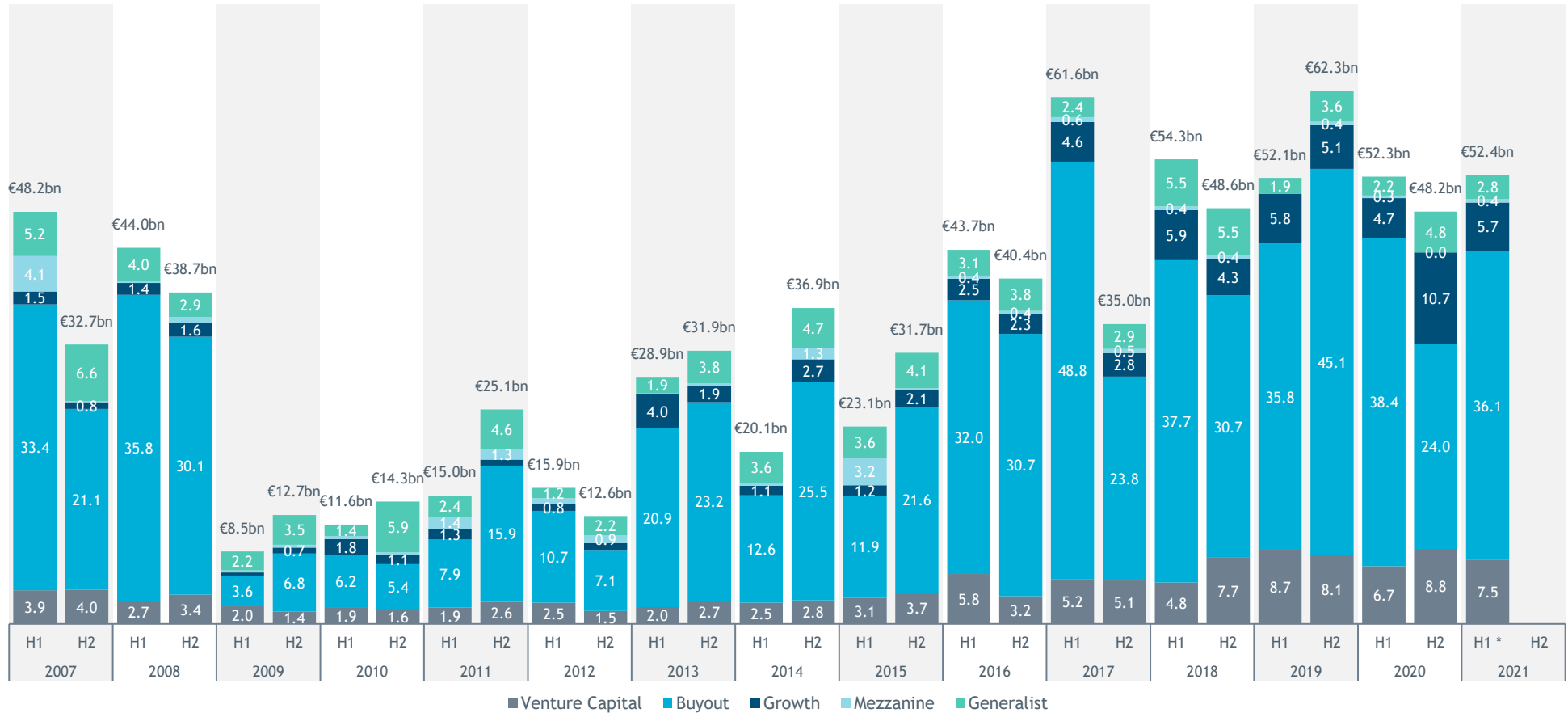


ACTIVITY H1 2021

# FUNDRAISING

# All Private Equity - Funds raised by fund stage focus

2007-H1 2021 - Incremental amount raised during the year

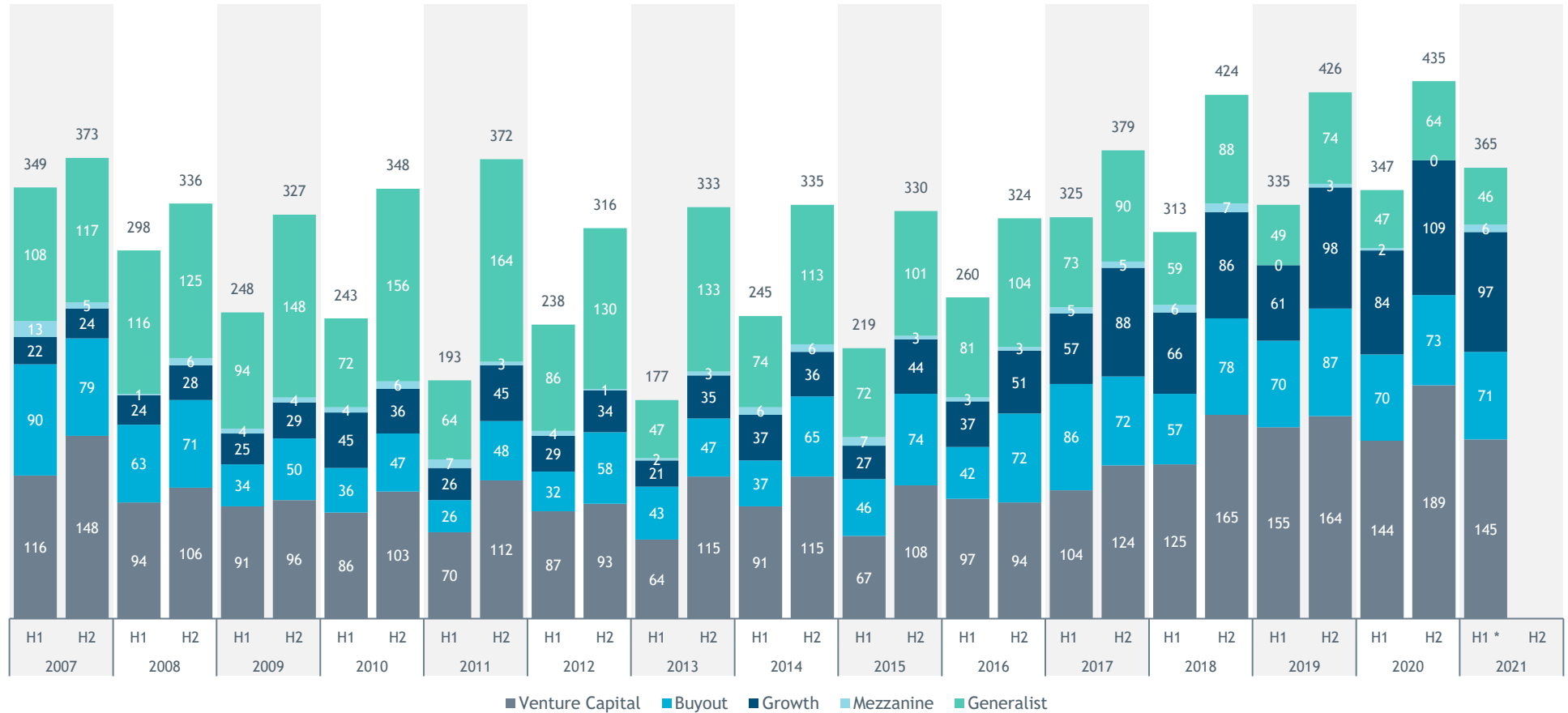


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# All Private Equity - Funds raised by fund stage focus

2007-H1 2021 - Number of Funds raised during the year

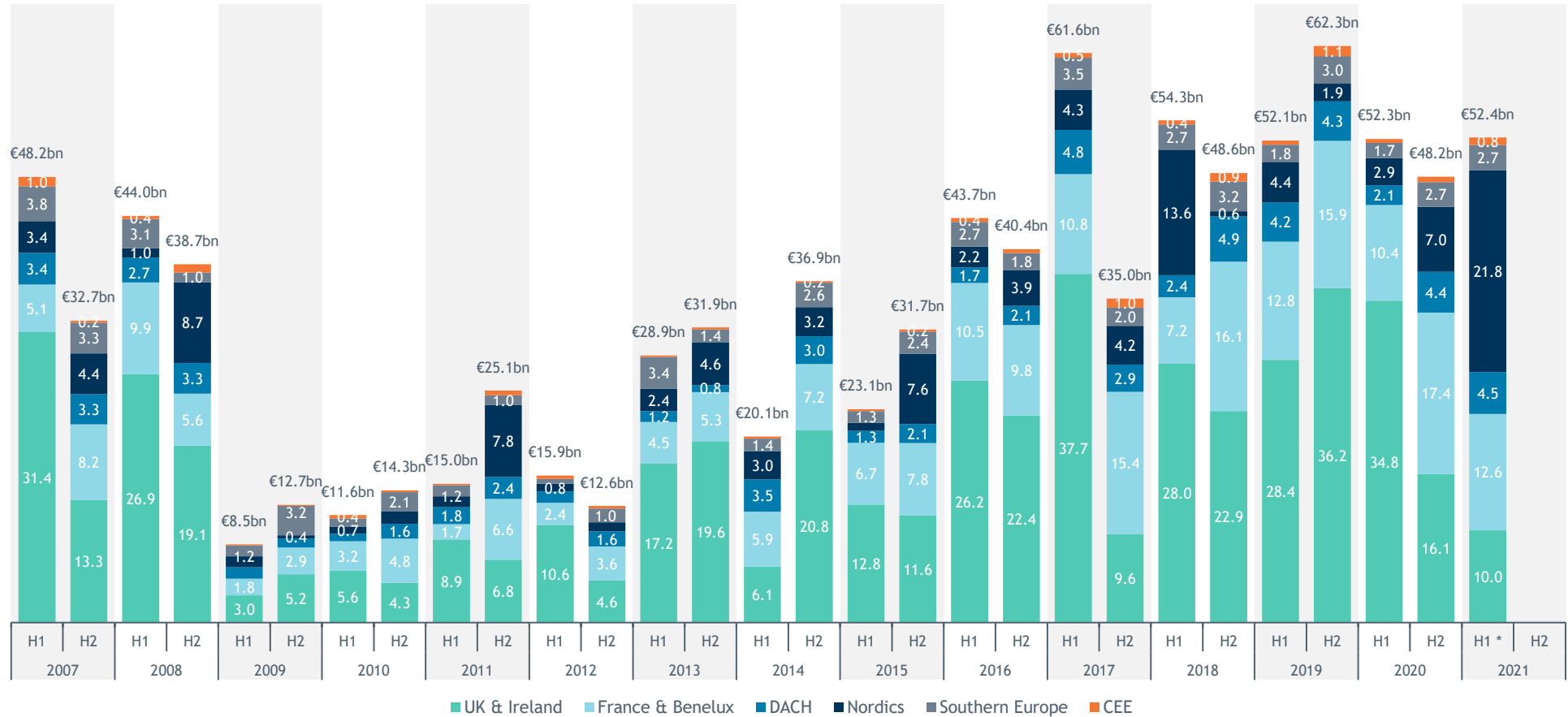


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# All Private Equity - Funds raised by region

2007-H1 2021 - Incremental amount raised during the year

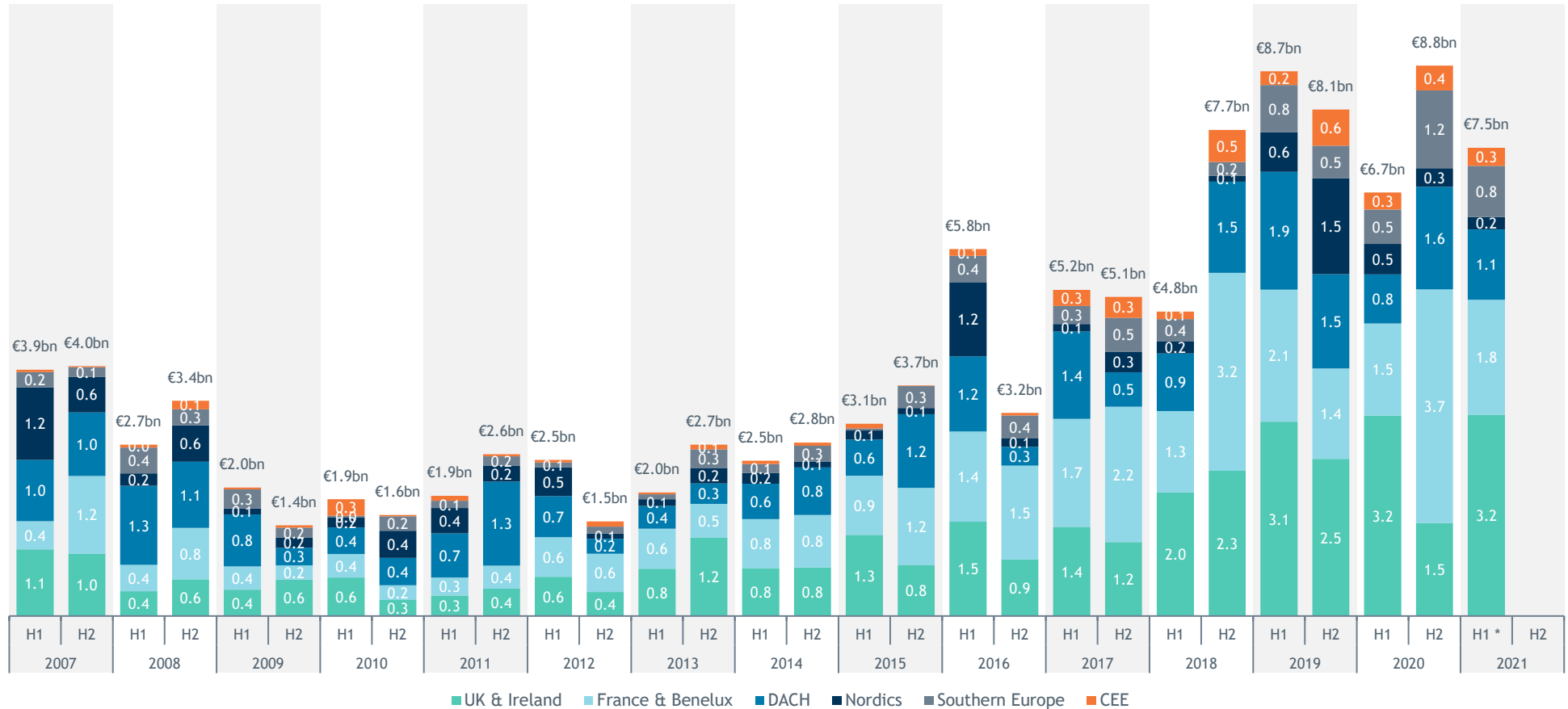


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Venture Capital - Funds raised by region

2007-H1 2021 - Incremental amount raised during the year

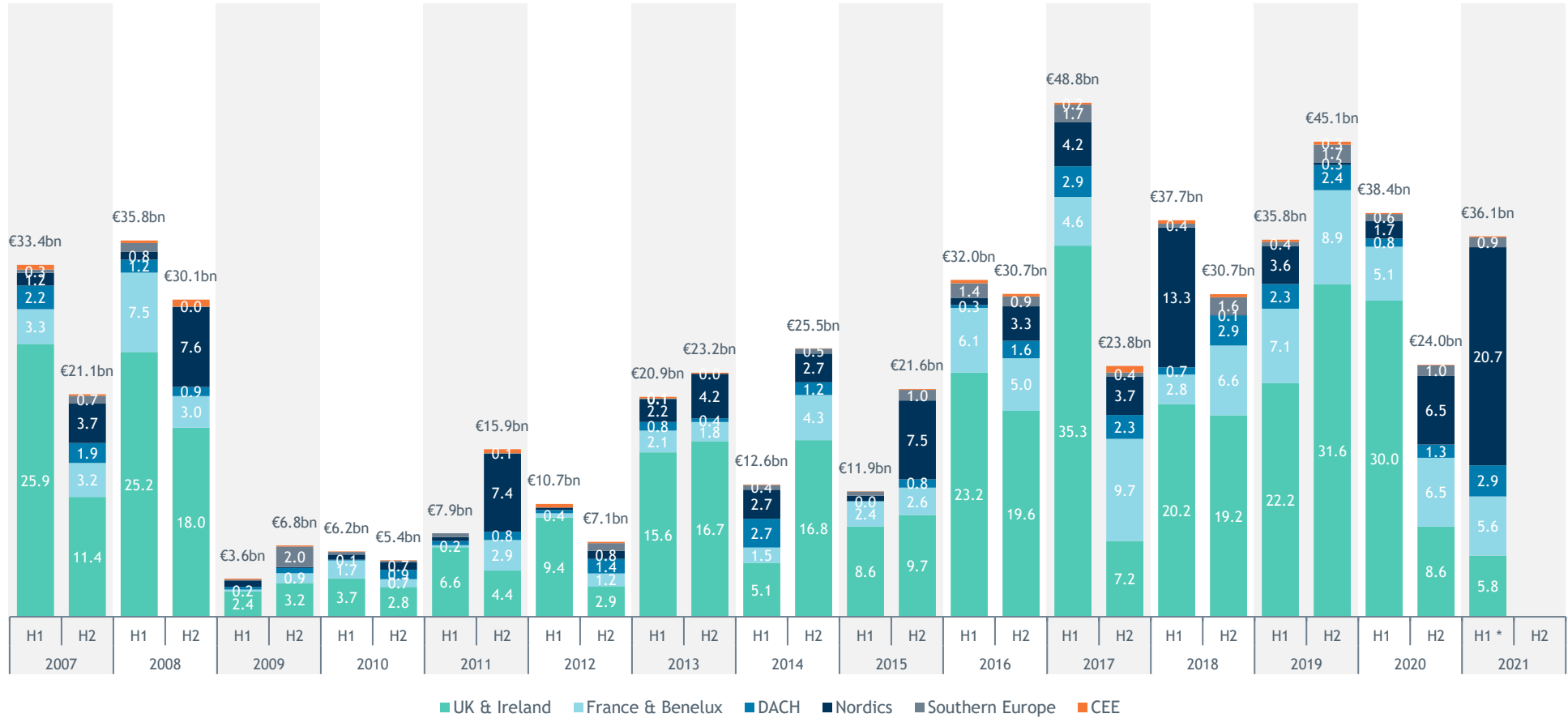


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Buyout - Funds raised by fund region

2007-H1 2021 - Incremental amount raised during the year

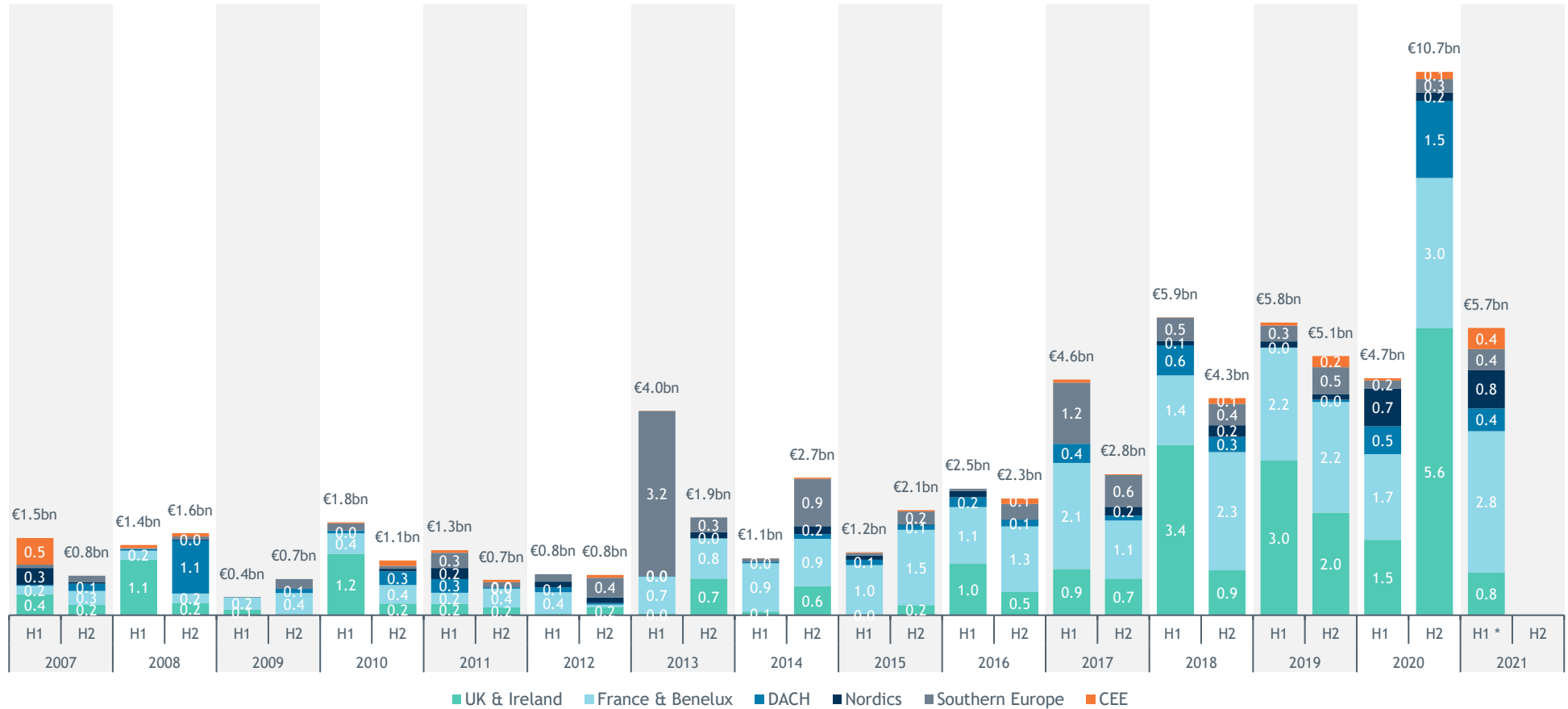


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Growth - Funds raised by region

2007-H1 2021 - Incremental amount raised during the year



Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

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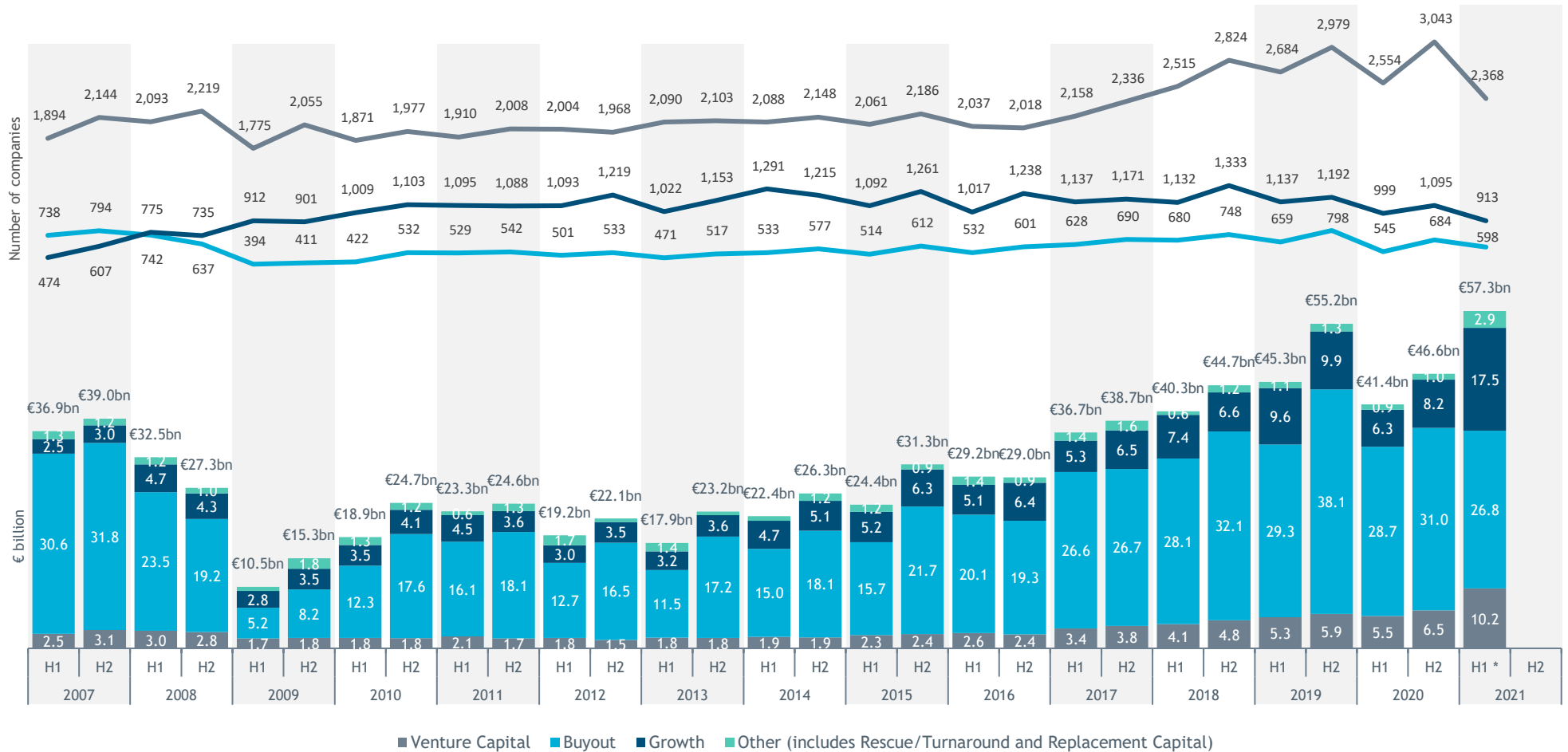
ACTIVITY H1 2021

# INVESTMENTS



# All Private Equity - Investments by stage

2007-H1 2021 - Investments - Market Statistics - Amount & Number of companies

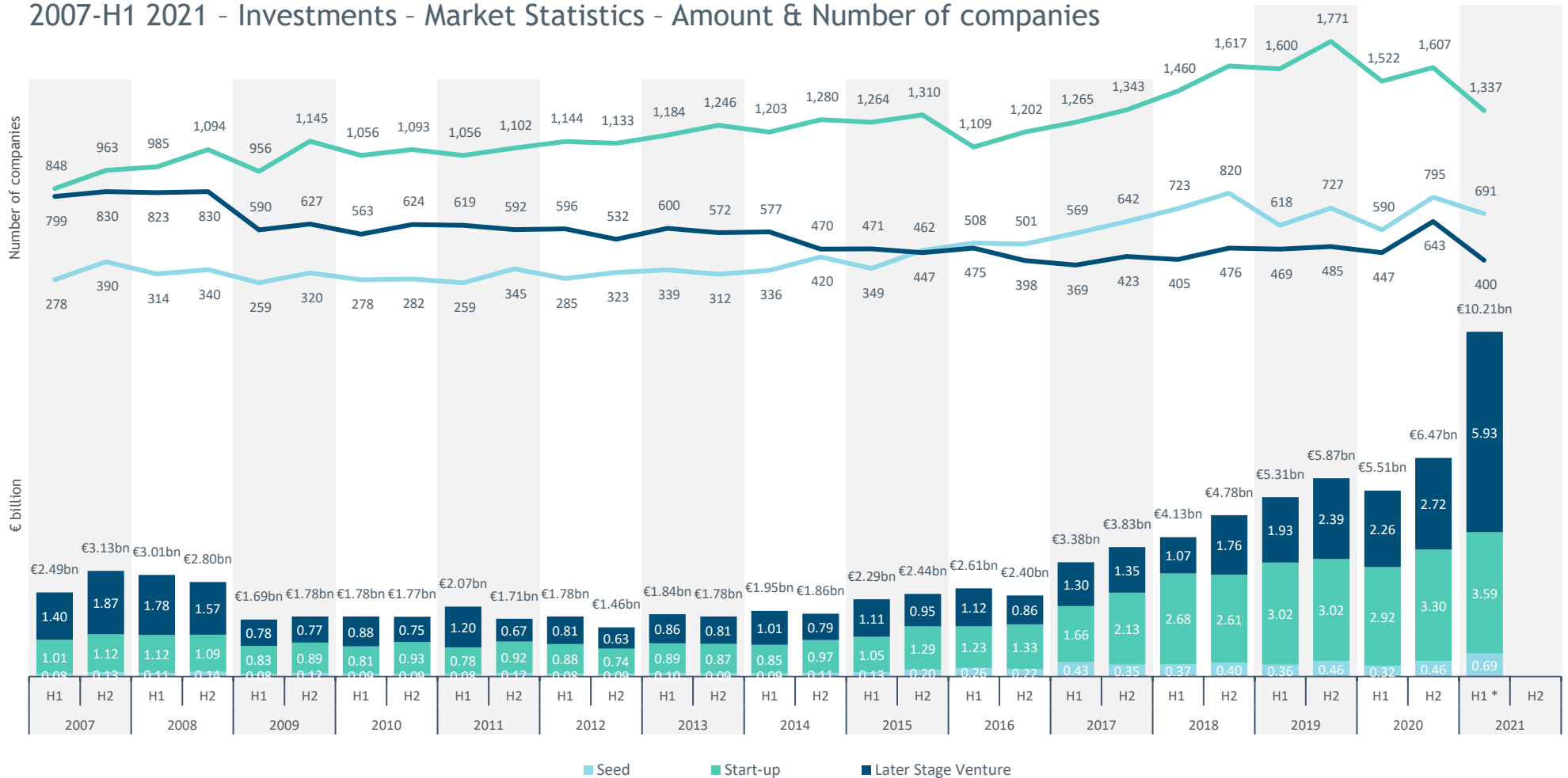


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Venture Capital - Investments by stage

2007-H1 2021 - Investments - Market Statistics - Amount & Number of companies

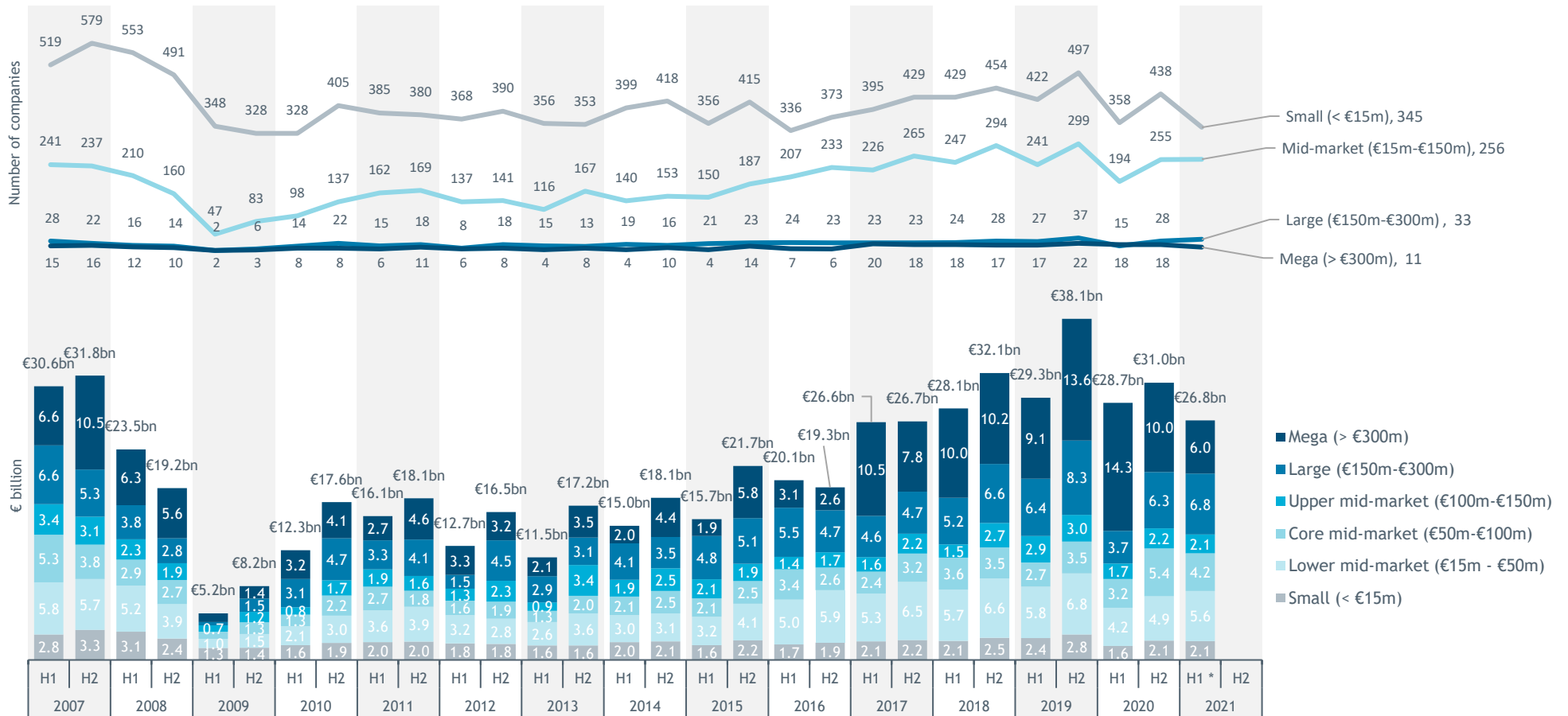


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Buyout - Investments by stage

## 2007-H1 2021 - Investments - Market Statistics - Amount & Number of companies

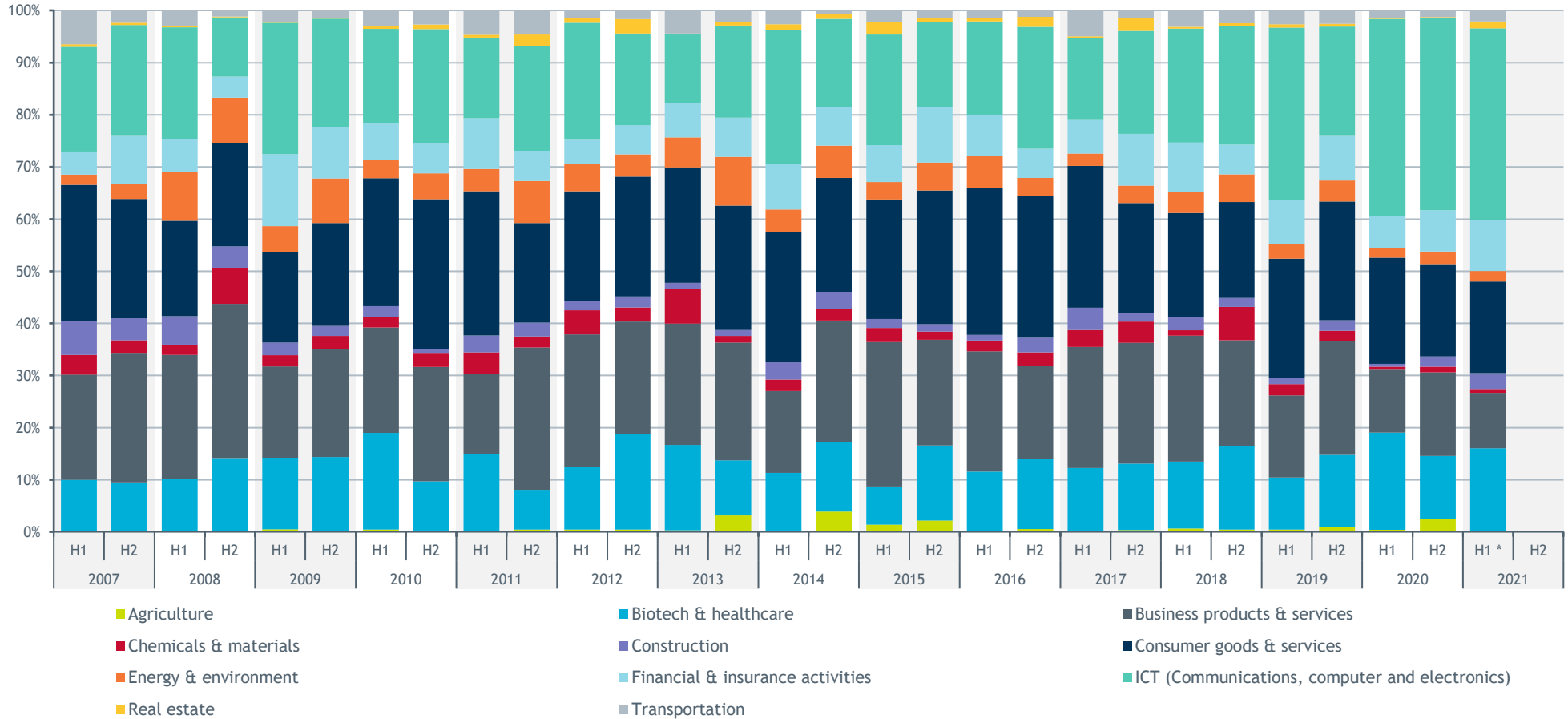


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# All Private Equity - Investments by sector

2007-H1 2021 - Investments - Market Statistics - Amount

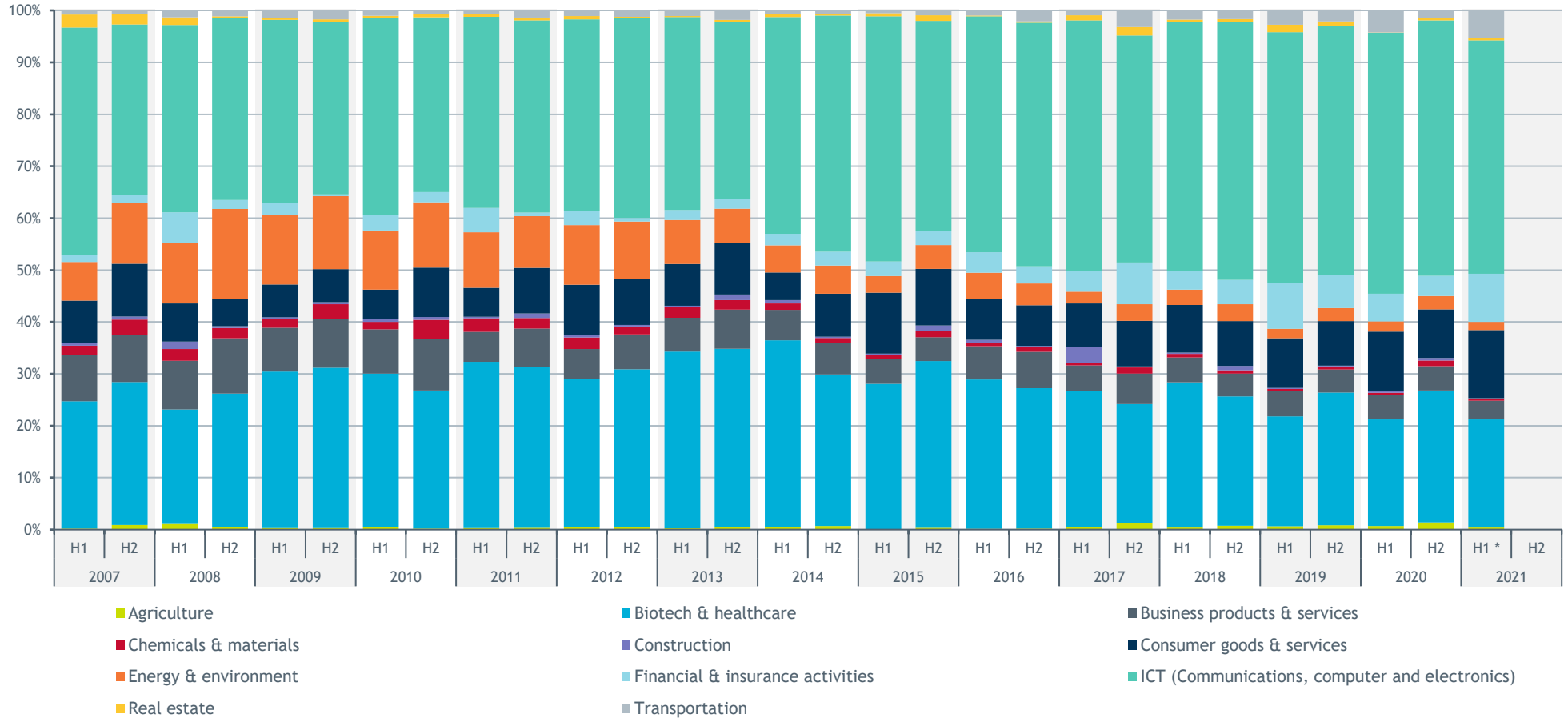


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Venture Capital - Investments by sector

2007-H1 2021 - Investments - Market Statistics - Amount

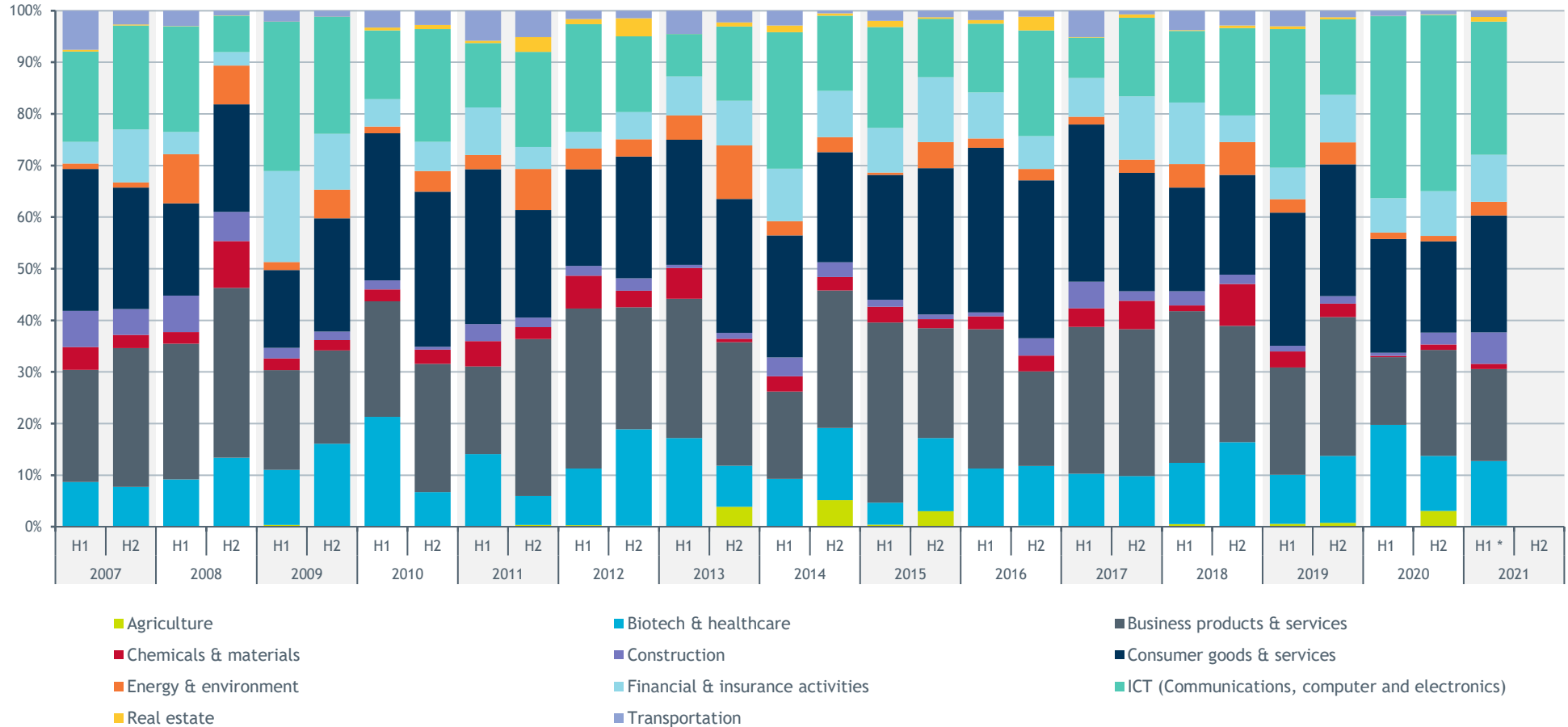


Source: Invest Europe / EDC

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# Buyout - Investments by sector

2007-H1 2021 - Investments - Market Statistics - Amount

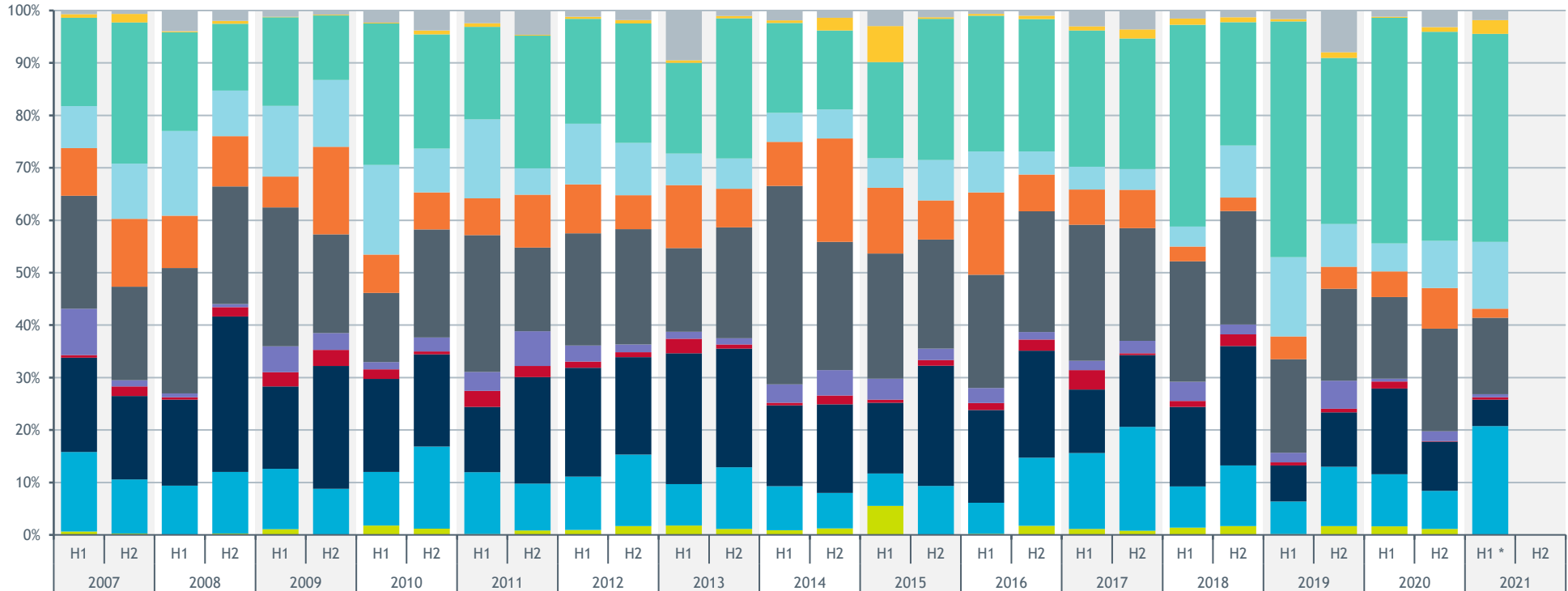


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Growth - Investments by sector

2007-H1 2021 - Investments - Market Statistics - Amount



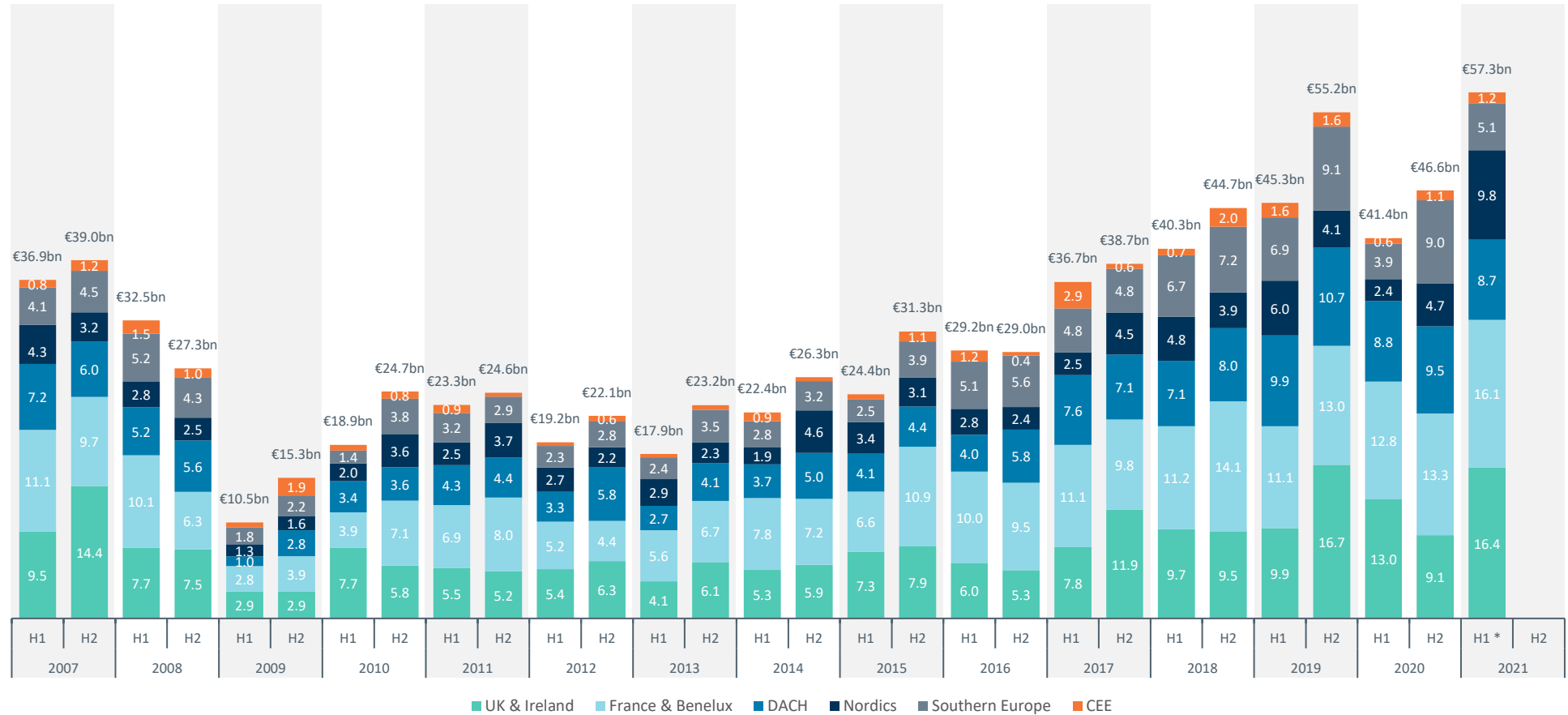
- Agriculture
- Biotech & healthcare
- Business products & services
- Chemicals & materials
- Construction
- Consumer goods & services
- Energy & environment
- Financial & insurance activities
- ICT (Communications, computer and electronics)
- Real estate
- Transportation

Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# All Private Equity - Investments by region

2007-H1 2021 - Investments - Market Statistics - Amount



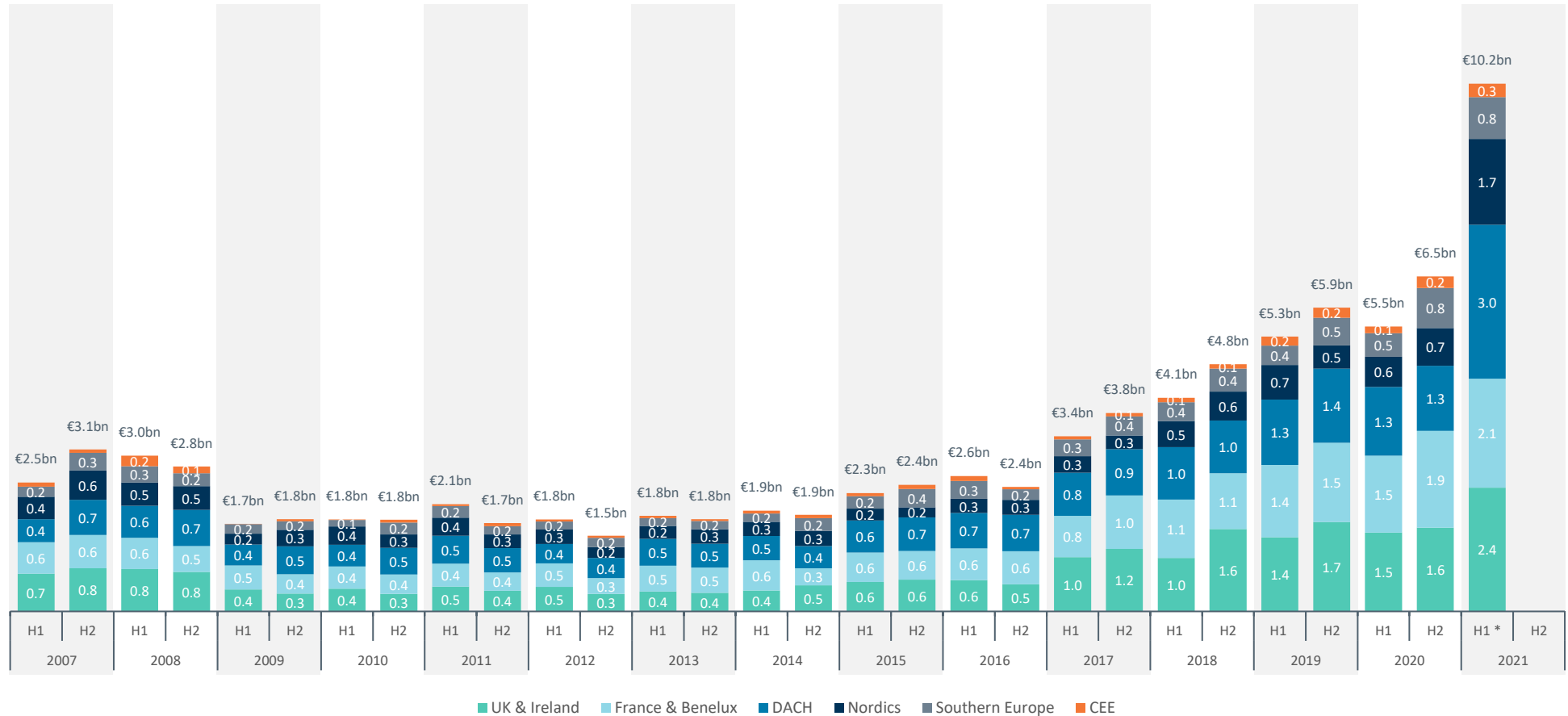
Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change



# Venture Capital - Investments by region

2007-H1 2021 - Investments - Market Statistics - Amount

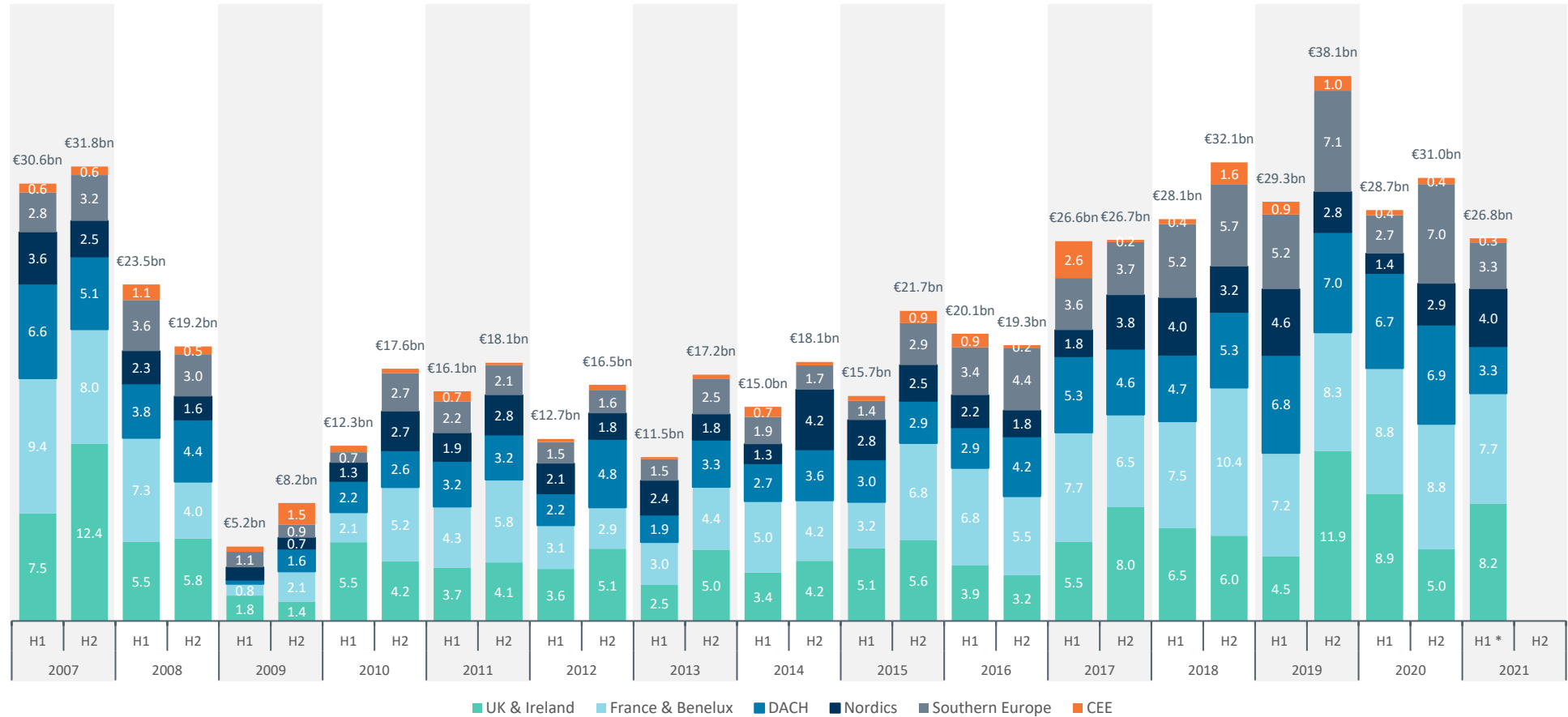


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Buyout - Investments by region

2007-H1 2021 - Investments - Market Statistics - Amount

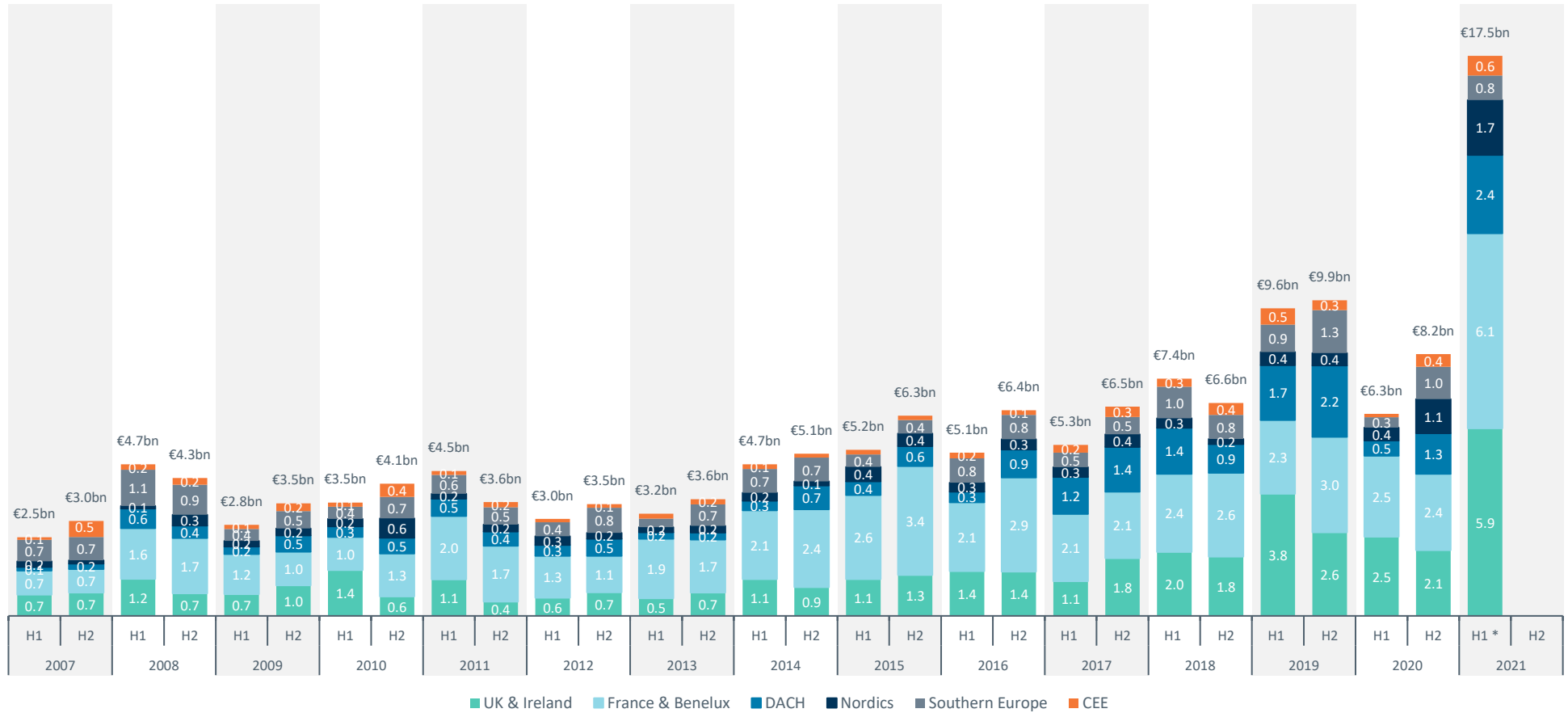


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Growth - Investments by region

2007-H1 2021 - Investments - Market Statistics - Amount



Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

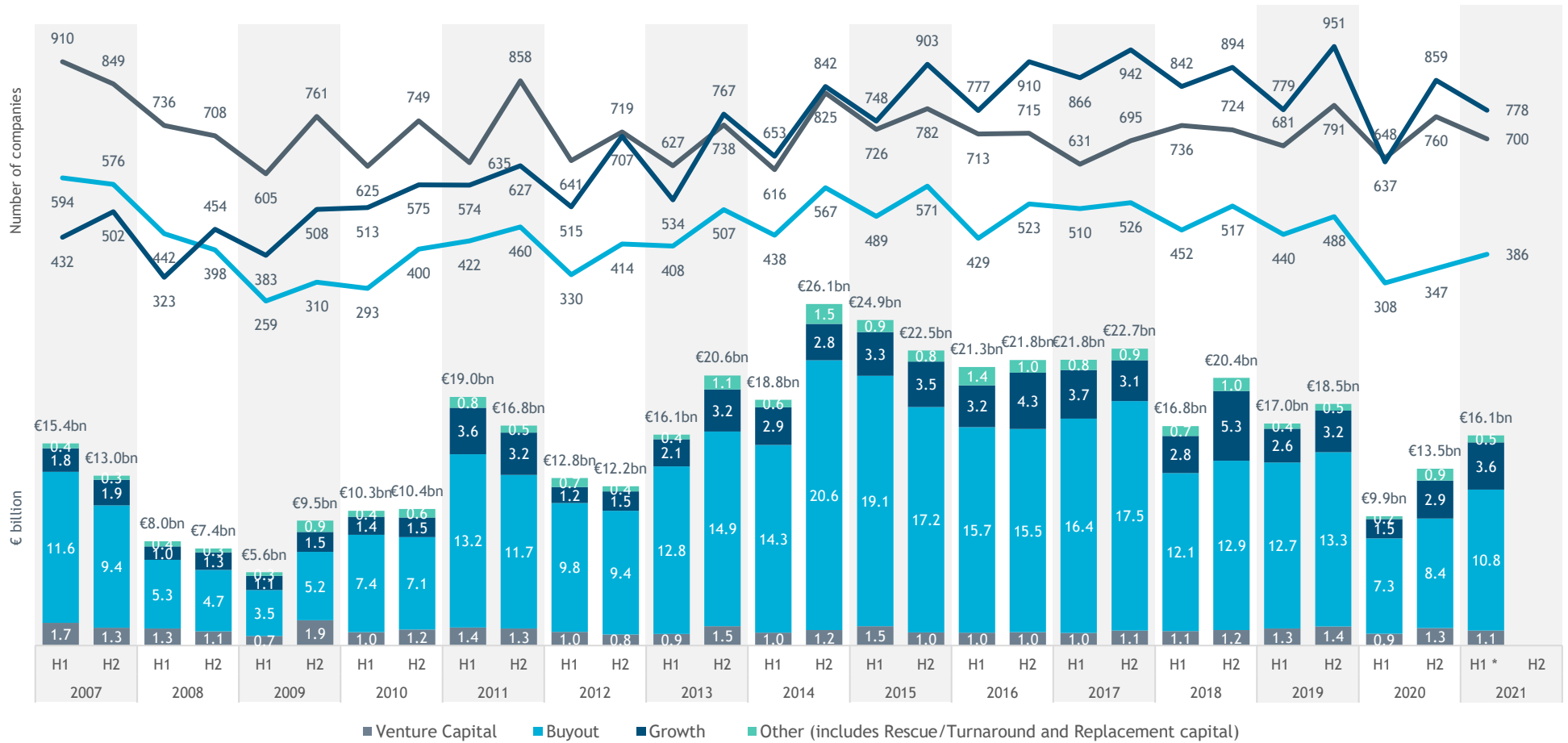
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ACTIVITY H1 2021

# DIVESTMENTS

# Divestments at cost - Venture Capital / Buyout / Growth

2007-H1 2021 - Market Statistics - Amount

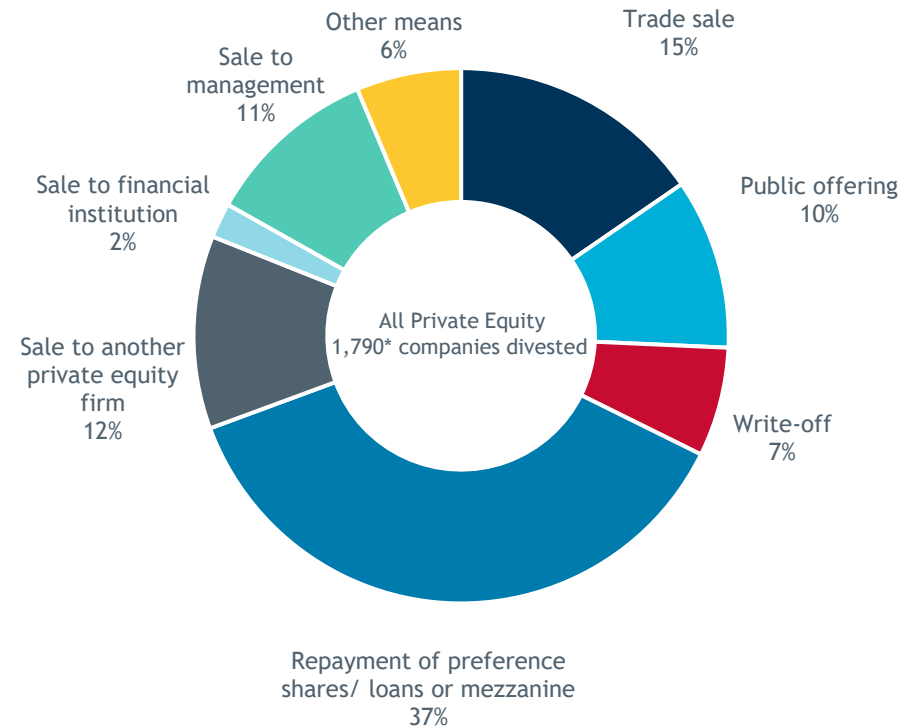
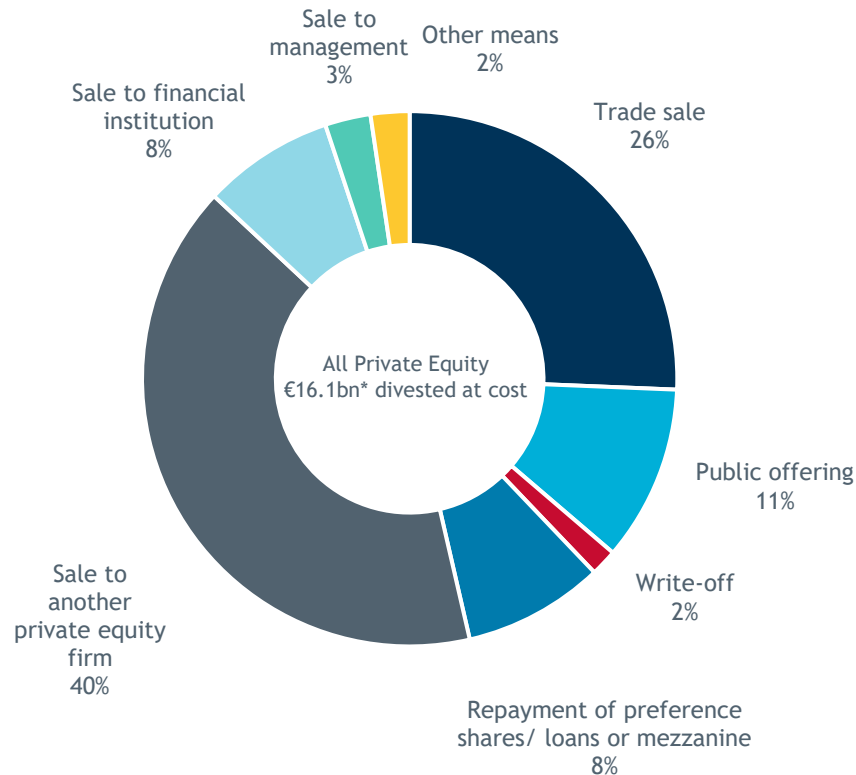


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

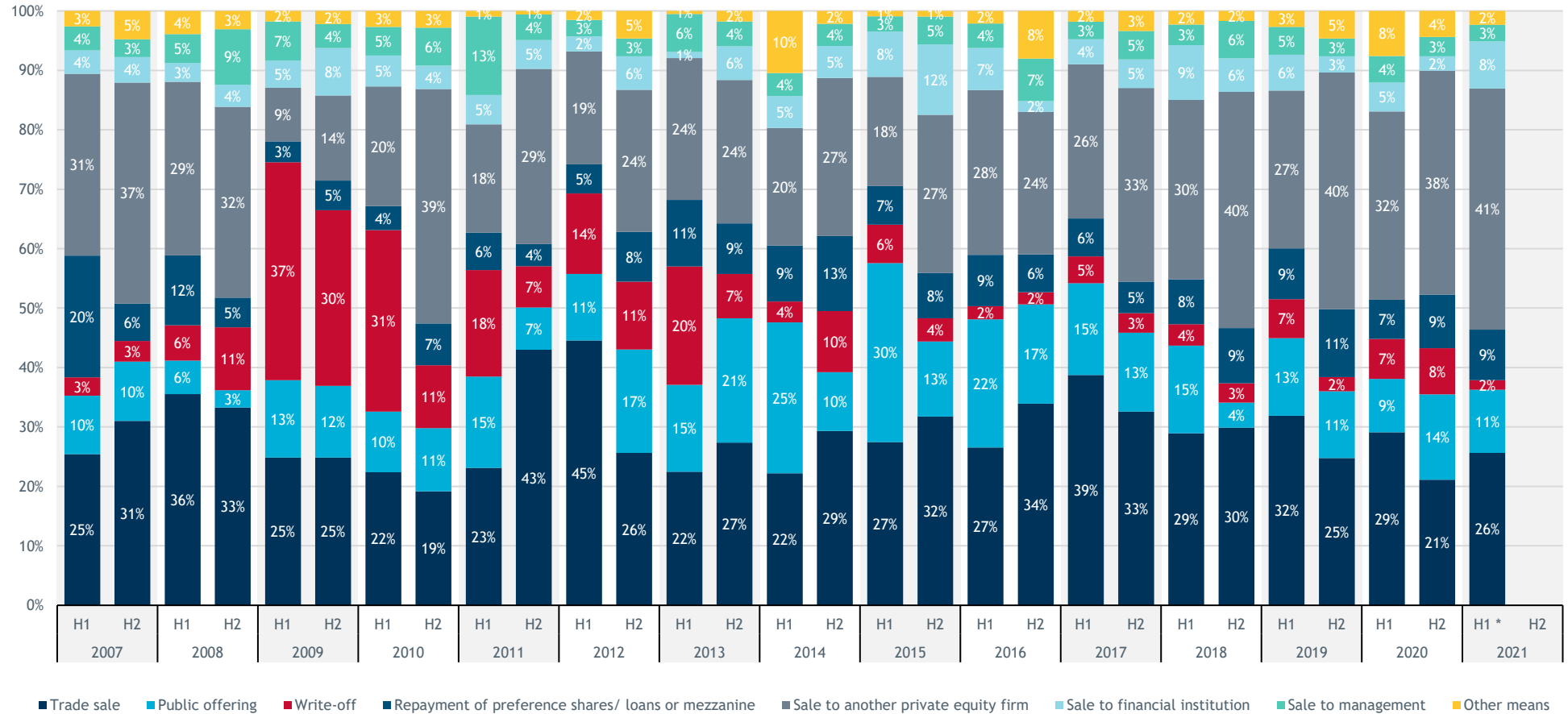
# Divestments at cost - All Private Equity

H1 2021 - Market Statistics - % of Amount - Number of companies



# All Private Equity - Divestments at cost by exit route

2007-H1 2021 - Market Statistics - % of total amount at cost

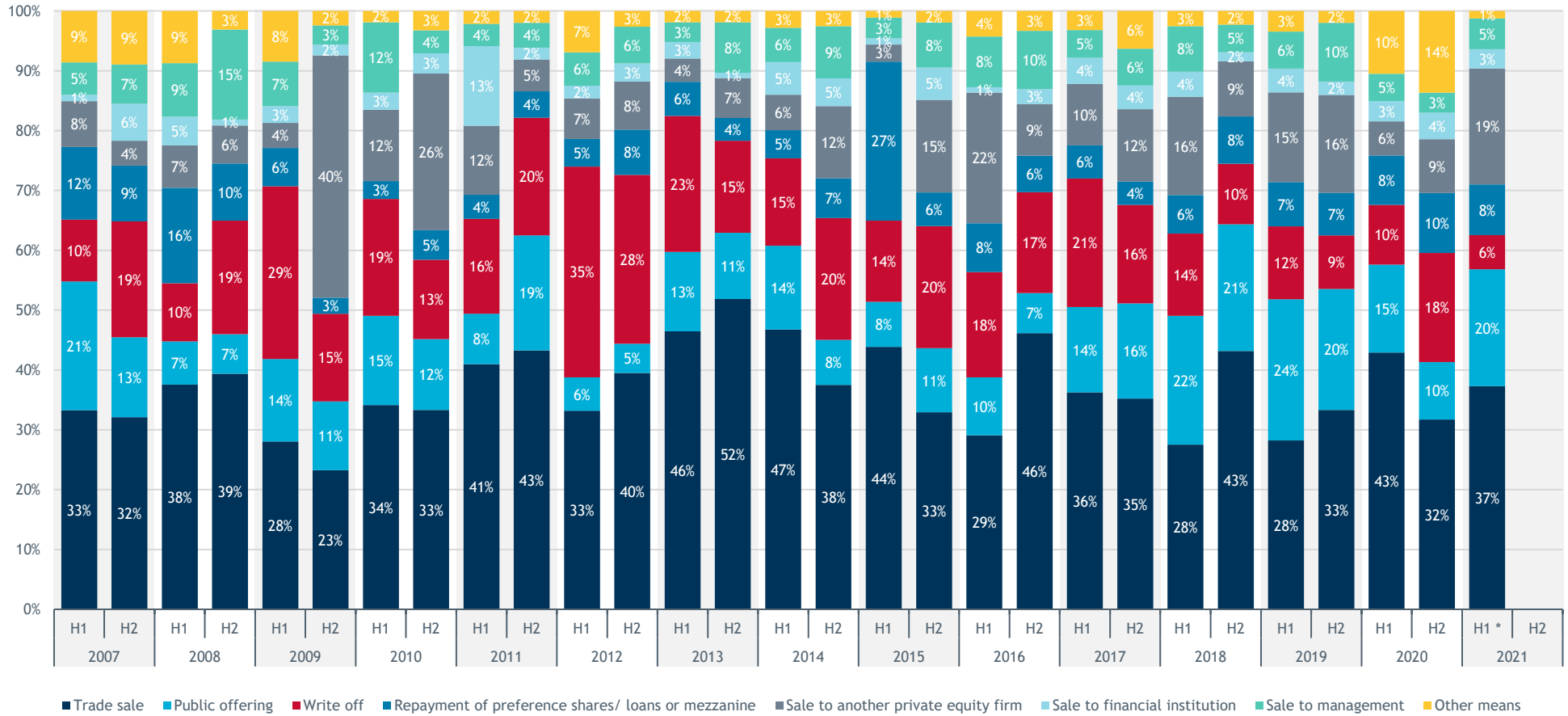


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Venture Capital - Divestments at cost by exit route

2007-H1 2021 - Market Statistics - % of total amount at cost



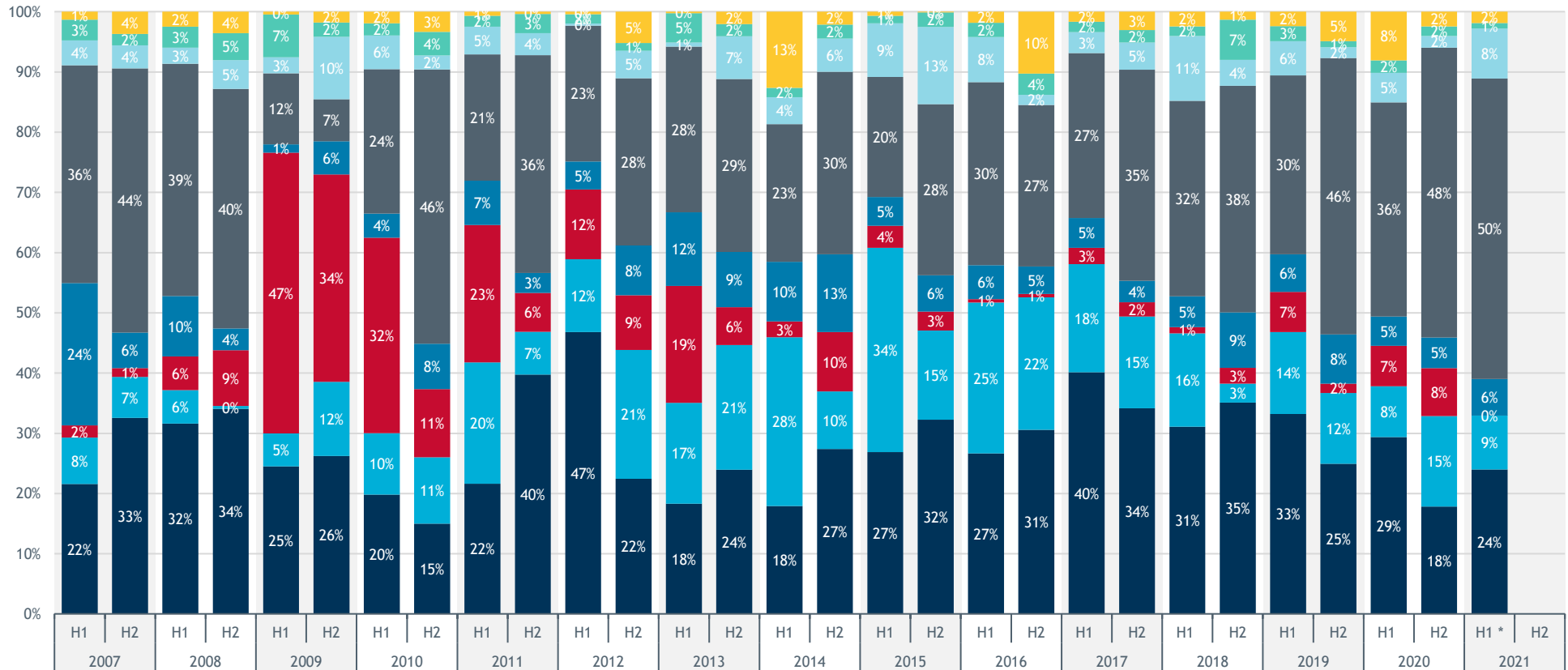
Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change



# Buyout - Divestments at cost by exit route

2007- H1 2021 - Market Statistics - % of total amount at cost



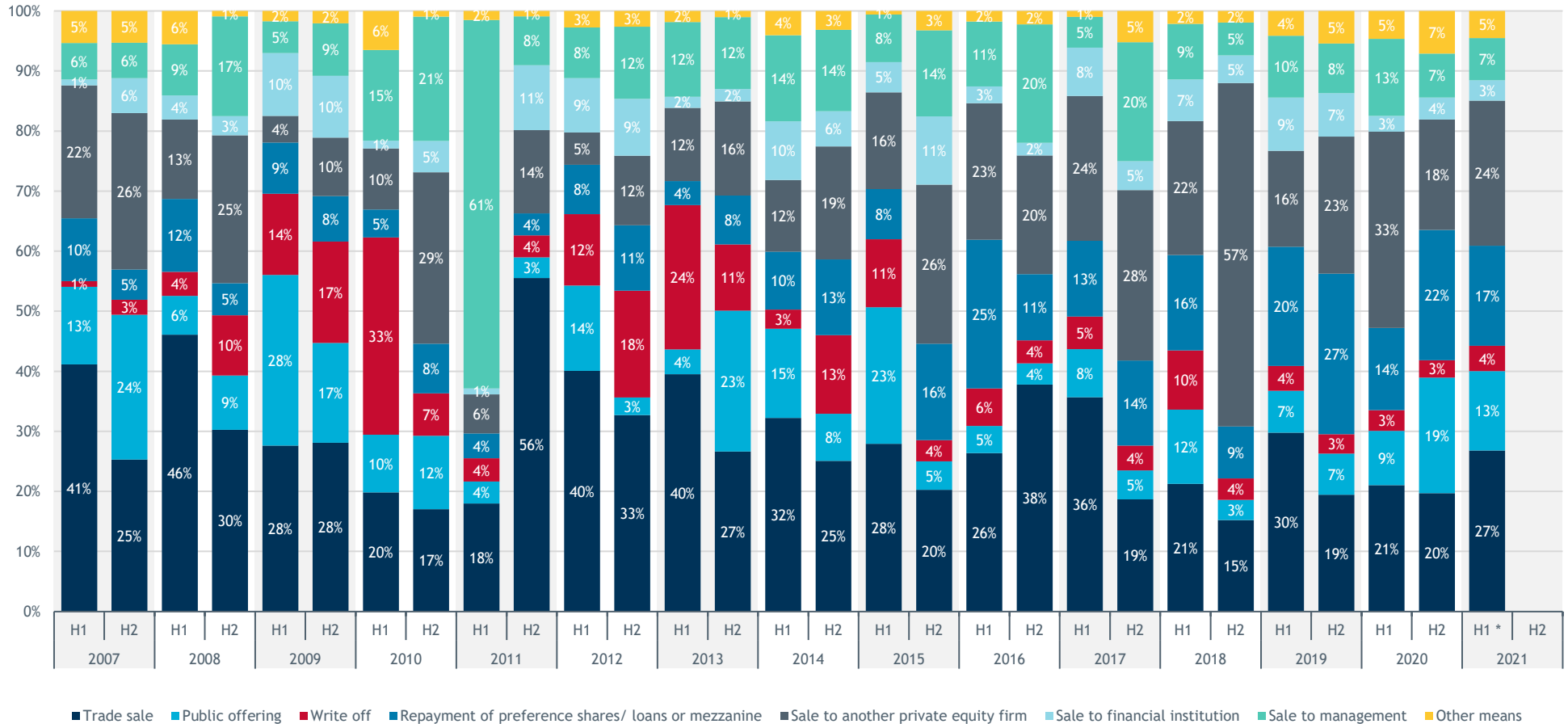
■ Trade sale ■ Public offering ■ Write off ■ Repayment of preference shares/ loans or mezzanine ■ Sale to another private equity firm ■ Sale to financial institution ■ Sale to management ■ Other means

Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Growth - Divestments at cost by exit route

2007-H1 2021 - Market Statistics - % of total amount at cost

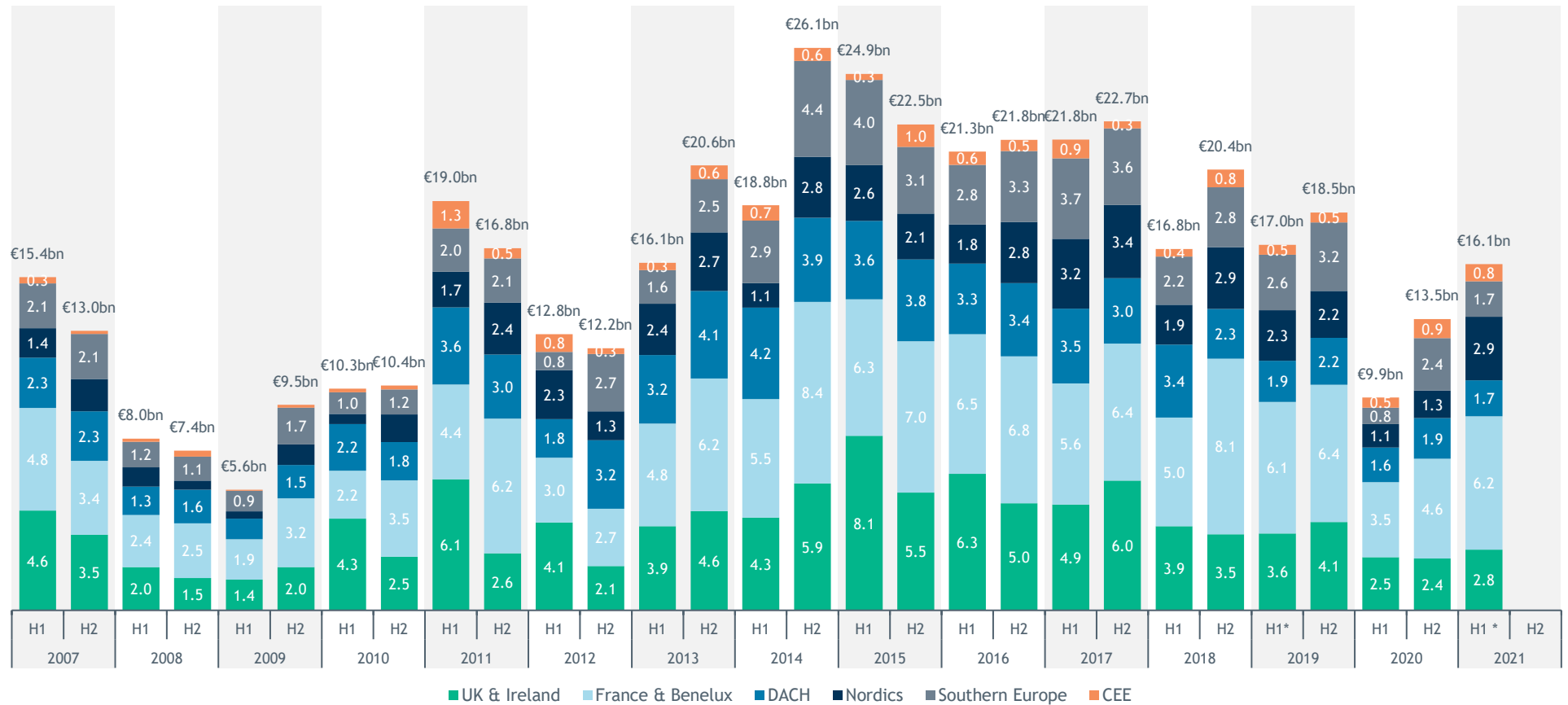


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# All Private Equity - Divestments at cost by region

2007-H1 2021 - Market Statistics - Amount at cost

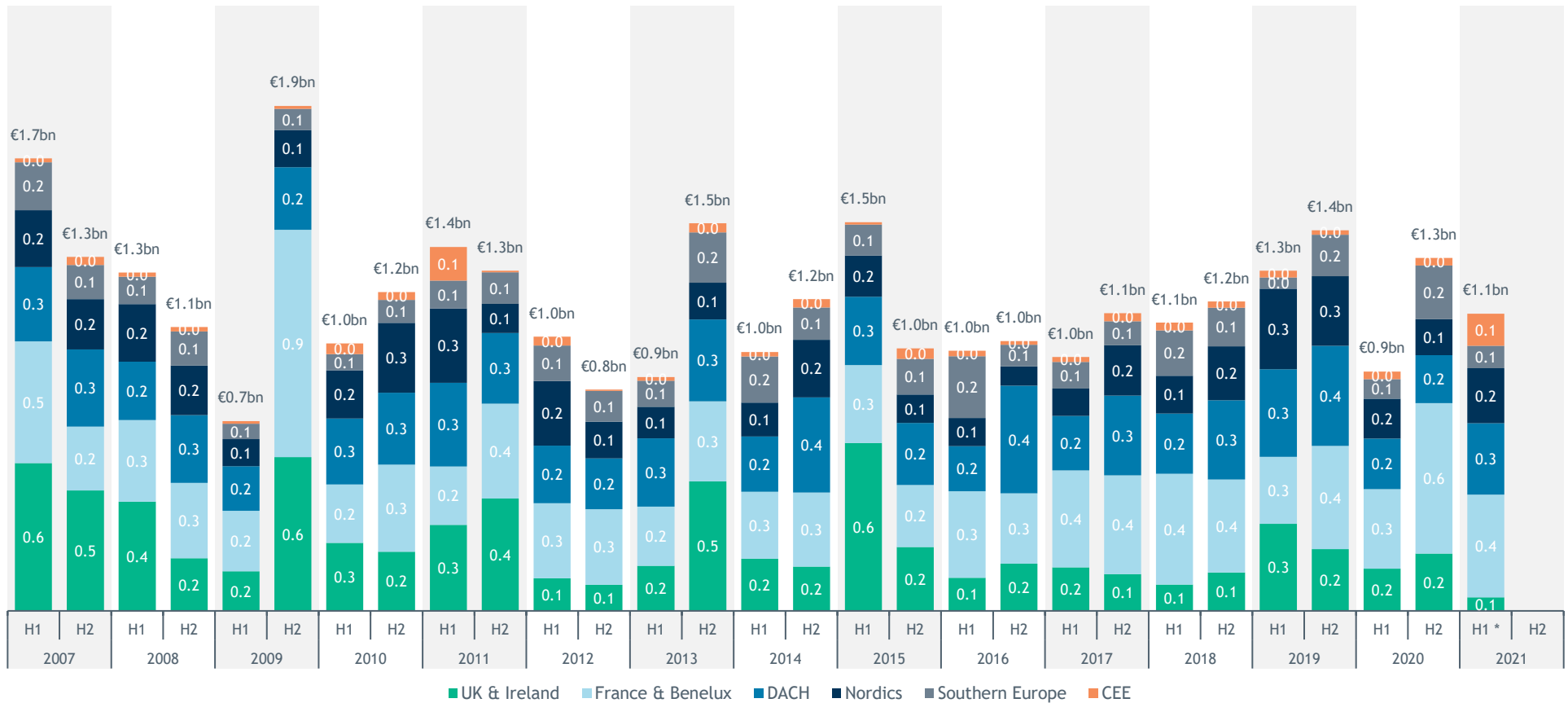


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Venture Capital - Divestments at cost by region

2007-H1 2021 - Market Statistics - Amount at cost

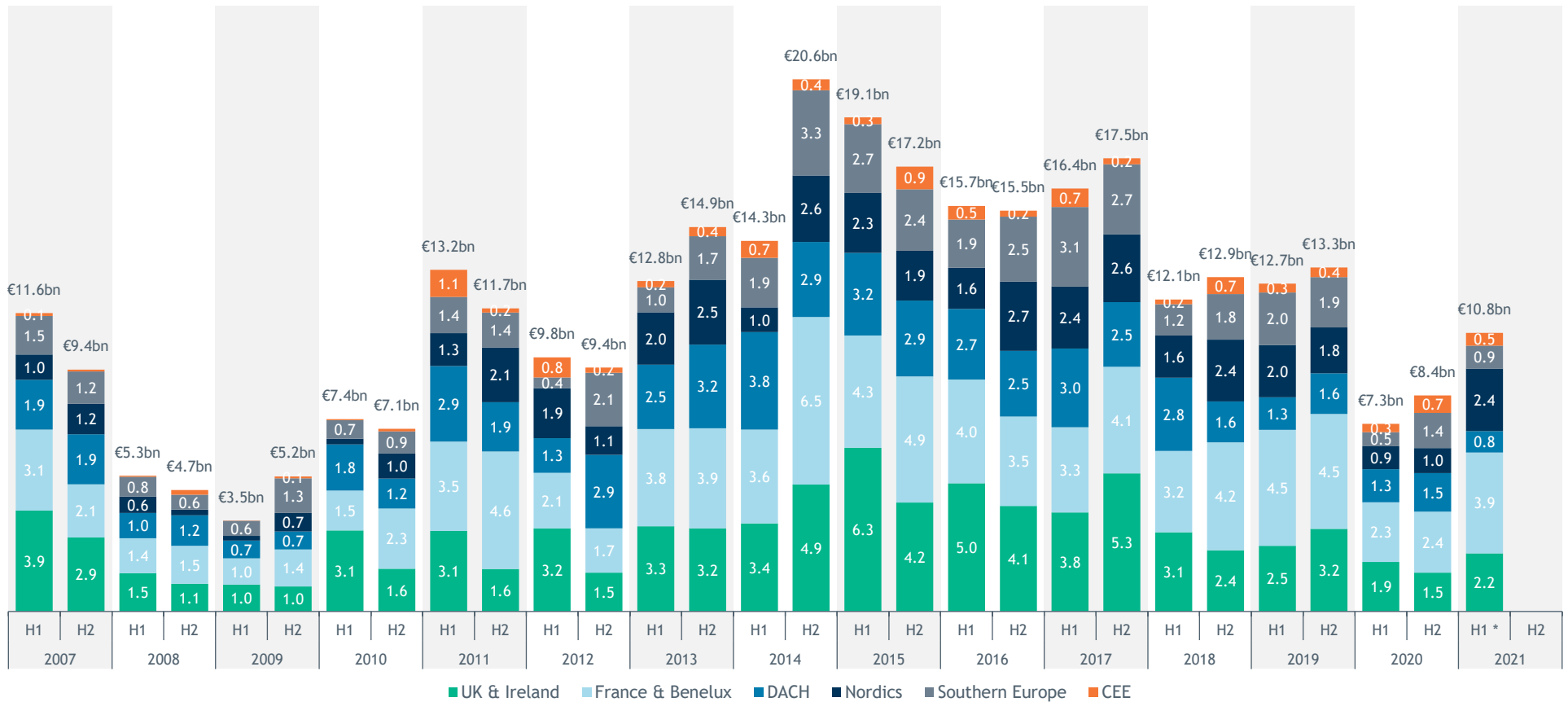


Source: Invest Europe / EDC

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# Buyout - Divestments at cost by region

2007-H1 2021 - Market Statistics - Amount at cost

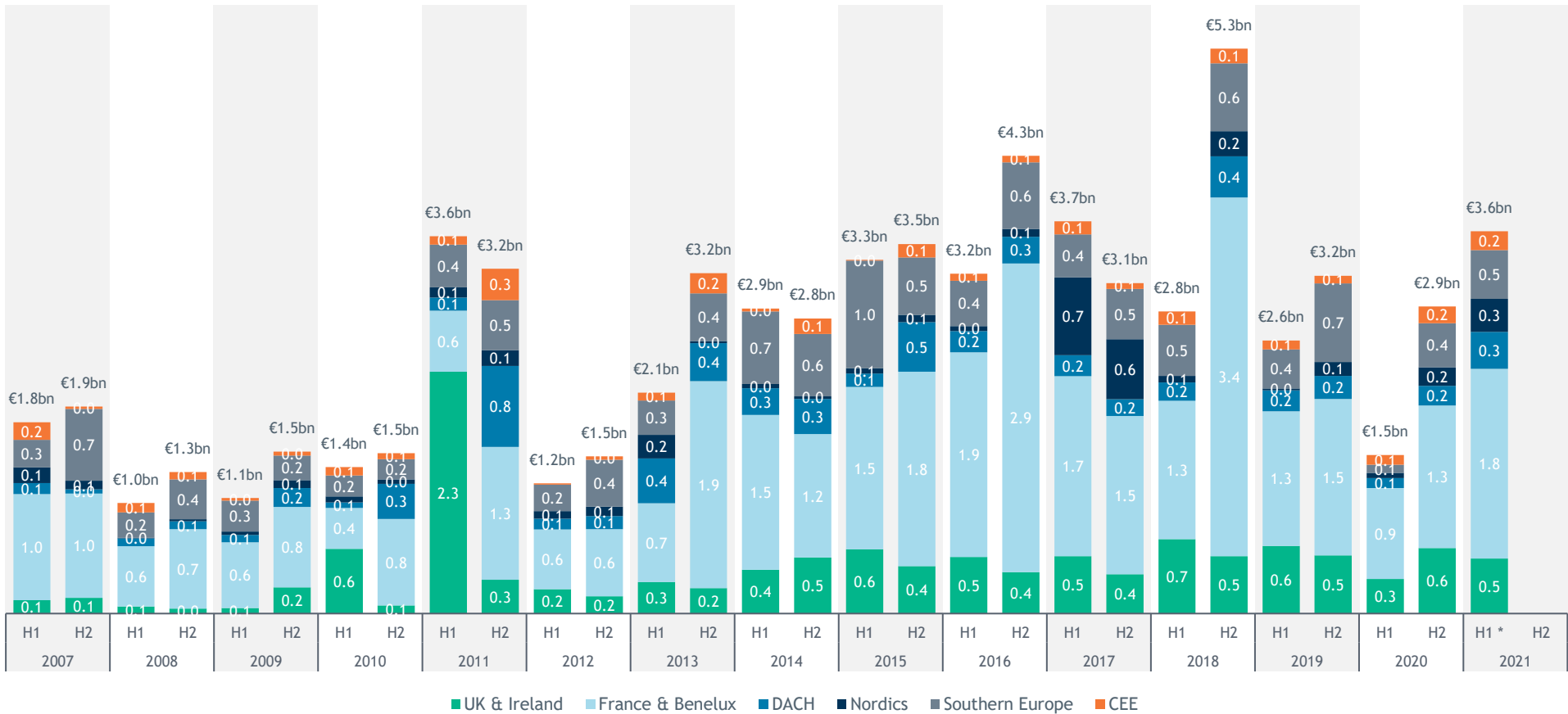


Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

# Growth - Divestments at cost by region

2007-H1 2021 - Market Statistics - Amount at cost



Source: Invest Europe / EDC

\*H1 2021 data is preliminary and subject to change

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ACTIVITY H1 2021

# 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 rescue/turnaround funds.

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

### FUND STAGE FOCUS

**Buyout fund:** Funds acquiring companies by purchasing majority or controlling stakes, financing the transaction through a mix of equity and debt.

**Generalist fund:** Funds investing in all stages of private equity.

**Growth fund:** Funds that make private equity investments (often minority investments) in relatively mature companies that are looking for primary capital to expand and improve operations or enter new markets to accelerate the growth of the business.

**Mezzanine fund:** Funds using a hybrid of debt and equity financing, comprising equity-based options (such as warrants) and lower-priority (subordinated) debt.

### Venture Capital

**Early-stage fund:** Venture capital funds focused on investing in companies in the early stages of their lives.

**Later-stage fund:** Venture capital funds providing capital for an operating company which may or may not be profitable. Typically in C or D rounds.

**Venture fund (all stages):** Venture capital funds focused on both early and later stage investments.

**Note:** Fundraising amounts include capital gains. More comprehensive data is available here: [www.investeurope.eu/research/](http://www.investeurope.eu/research/)



# Methodology & Glossary

## Investments

### INVESTMENTS STATISTICS EXPLAINED

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

**Market statistics** are an aggregation of figures according to the location of the portfolio company. At European level, this relates to investments in European companies regardless of the location of the private equity firm.

**Equity value:** The amount of capital invested to acquire shares in a company. The equity value includes equity, quasi-equity, mezzanine, unsecured debt and secured debt provided by the private equity firm.

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

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

### INVESTMENTS STAGES

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

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

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

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

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

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

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

# Methodology & Glossary

## Divestments

### DIVESTMENTS STATISTICS EXPLAINED

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

**Market statistics** are an aggregation of figures according to the location of the portfolio company. At European level, this relates to divestments of European companies regardless of the location of the private equity firm.

**Divestment amounts** (including write-offs) are recorded at cost (i.e. the total amount divested is equal to the total amount invested before).

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

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

### 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

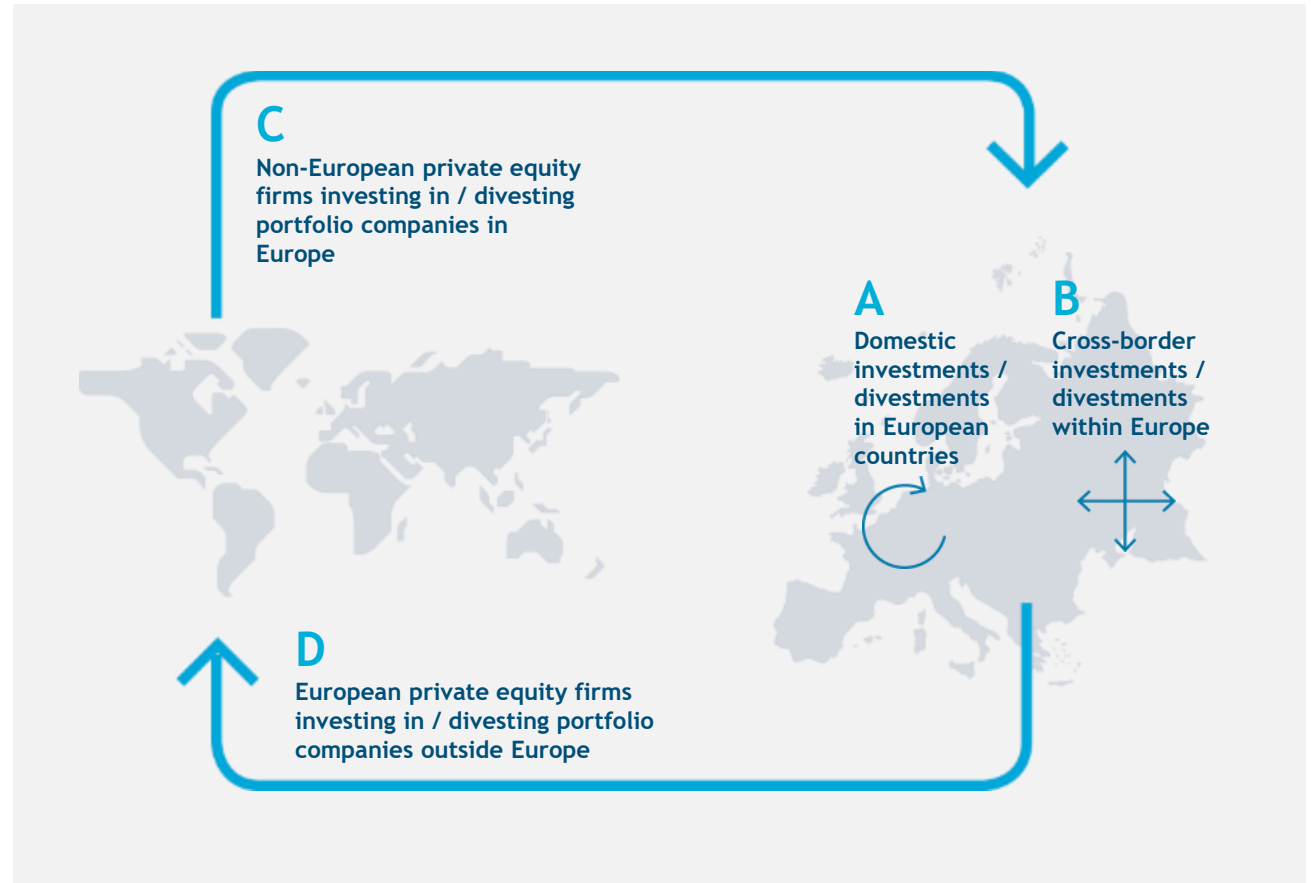
**C** Non-European private equity firms investing in / divesting portfolio companies in Europe

## 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



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ACTIVITY H1 2021

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Active Owners Denmark - Denmark

AIFI - Italy

ASCRI - Spain

BVA - Belgium

BVCA - Bulgaria

BVCA - UK

BVK - Germany

CVCA - The Czech Republic

France Invest - France

FVCA - Finland

LPEA - Luxembourg

NVCA - Norway

NVP - The Netherlands

PSIK - Poland

ROPEA - Romania

SECA - Switzerland

SVCA - Sweden

# 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 and OECD (Organisation for Economic Co-operation and Development).

Rigorous research has underpinned Invest Europe's work with policymakers, press, the public and investors since 1984. To deliver this robust, trusted research data and insight, Invest Europe collects data on more than 1,600 firms.

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