2014 European Private Equity Activity

Statistics on Fundraising, Investments & Divestments
Disclaimer

The information contained in this report has been produced by the EVCA, based on PEREP_Analytics data and third party information. While the EVCA has made every effort to ensure the reliability of the data included in this report, EVCA cannot guarantee the accuracy of the information collected and presented. Therefore, the EVCA cannot accept responsibility for any decision made or action taken based upon this report or the information provided herein.

This presentation is for the exclusive use of the persons to whom it is addressed and is intended for general information purposes only. It is not intended to constitute legal or other professional advice and should not be treated as such. Appropriate legal advice must be sought before making any decision, taking any action or refraining from taking any action in reliance on the information contained in this presentation. The EVCA does not assume any responsibility for any person’s reliance upon the information contained herein.

In furnishing this presentation, the EVCA undertakes no obligation to provide any additional information or to update this presentation or any additional information or to correct any inaccuracies which may become apparent.

Unless otherwise specified, this presentation is confidential and may not be distributed, published, reproduced or disclosed to any other person or used for any other purpose, without the written permission of the EVCA.

Copyright information

No part of this publication may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968. Copyright enquiries should be directed to the EVCA.
Tel: + 32 2 715 00 20.
© Copyright EVCA May 2015

Version

Presentation as of 05/05/2015
The EVCA is the voice of European private equity.

Our membership covers all private equity activity, from early-stage venture capital through to large private equity firms and funds investing in infrastructure. Our members also include institutional investors, such as pension funds and insurance companies, who are a key source of long-term financing in Europe and who invest in private equity, venture capital and infrastructure funds. We represent 650 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 the guardian of 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 understood and heard.
Overview - All Private Equity - Fundraising, Investments & Divestments

2000-2014 - Industry statistics - Amount

With data on more than 1,200 European private equity firms, the 2014 statistics cover 91% of the €548bn in capital under management in Europe.

EVCA statistics explained: This graph shows ‘industry statistics’ capturing activity by private equity firms’ 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.

What’s inside?

1 Fundraising
   - Fundraising statistics explained 7
   - Glossary 8
   - At a glance 9
   - Incremental fundraising
     - By fund stage focus 10
     - Concentration of capital 12
     - By region of management 13
     - Investors by type 14
     - Investors by geography 20
   - Final closing
     - By fund stage focus 23
     - Concentration of capital 25

2 Investments
   - Investments statistics explained 26
   - Glossary 28
   - At a glance 29
   - By investment stage 30
     - Annual trends 31
     - Quarterly trends 34
   - By geography 38
   - Investments as % of GDP
     - Industry statistics 43
     - Market statistics 48
   - By sector 52
   - Initial / follow-on 55
   - By portfolio company size 56

3 Divestments
   - Divestments statistics explained 60
   - Glossary 62
   - At a glance 63
   - By initial investment stage 64
   - By exit route 65
   - By sector 69
   - By region 72

Acknowledgements 73
About PEREP_Analytics and EVCA Research 75
Executive Summary

1 Fundraising

In 2014 total fundraising reached €44.6bn - the second highest level for Europe in the past five years.

The number of funds (298) reached the highest level since 2011 and increased in all market segments compared to 2013. The total amount decreased by 18%.

40% of institutional investors came from outside Europe. Pension funds provided more than one third of the capital raised. Funds of funds contributed 12%, followed by government agencies (11%) and insurance companies (10%).

Venture capital fundraising decreased by 12% to €4.1bn. Fundraising for early-stage focused funds increased by 32% reaching its highest level in the past six years.

Buyout fundraising volume reduced by 23% to €35.1bn due to a lower share coming from funds that raised more than €1bn.

With €1.8bn Growth fundraising reached its highest level in three years, an increase of nearly 70% compared to 2013.

2 Investments

The total amount of equity investments in European companies increased by 14% to €41.5bn. The number of companies increased by 8% to over 5,500 to a five-year high. More than 80% of them are SMEs.

Venture capital investments increased by 6% to €3.6bn. More than 3,200 companies were venture-backed. Start-up stage investments made up the majority of venture capital activity both by amount and number of companies.

More than 900 companies received buyout investments with an equity amount of €31.3bn. The amount and number of companies increased 12% and 13% respectively. The majority of equity was invested in small and mid market transactions.

Growth investments grew 56% by amount to €5.6bn. The related number of 1,270 companies receiving this investment increased by 13% and is the highest to date.

3 Divestments

More than 2,400 European companies were exited, representing former equity investments (divestments at cost) of €37.8bn. This amount is the highest to date for European private equity.

The most prominent exit routes by amount were trade sale (26%), sale to another private equity firm (24%) and sale of quoted equity (10%). Almost 40% of all the divested companies followed these exit routes.

The strength of public markets continued in 2014 and was reflected by another increase in the sale of quoted equity on flotation (IPO). Exits at the event of an IPO increased from 23 to 51 companies. The related amount divested at cost increased by over 50% to €3.3bn.

Divestments from venture capital investments by equity amount at cost decreased by 16% to €1.9bn. Buyout related exits at cost increased by 12% to €32.8bn. For growth investments the total amount divested at cost increased by 16% to €2.2bn.
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, 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 venture capital and 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.

**Types of investors**

**Corporations**
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.
2014 Fundraising at a glance

- In 2014 total fundraising reached €44.6bn - the second highest level for Europe in the past five years. The total amount decreased by 18% compared to previous year, but the number of funds taking up new capital increased by 12% to 298 reaching the highest level since 2011.

- Pension funds provided more than one third of funds raised from institutional investors. Funds of funds contributed 12%, followed by government agencies (11%) and insurance companies (10%).

- Institutional investors outside Europe contributed 40% to the annual fundraising for Europe in 2014.

- Venture capital was 9% of the total annual fundraising. The €4.1bn raised presented an overall decrease of 12% compared to 2013. Fundraising for early-stage focused funds increased by 32% to €2.3bn, reaching its highest level in the past six years. Conversely, fundraising for balanced venture funds that invest across all venture stages decreased by 42%. Government agencies contributed 35% of the funds raised followed by pension funds 14%, family offices and private individuals (13%), and corporate investors (13%). North American institutional investors had a share of nearly 13%.

- Buyout fundraising decreased from €45.4bn in 2013 to €35.1bn representing nearly 80% of all fundraising. Pension funds remained the largest institutional investor (36%) in European buyout funds followed by 18% from funds of funds & other asset managers. North American institutional investors contributed 33%.

- Growth fundraising increased by nearly 70% to €1.1bn, the highest level since 2011. The 25 funds raised capital mostly from government agencies, insurance companies and pension funds.

<table>
<thead>
<tr>
<th>2014</th>
<th>All Private Equity</th>
<th>Venture Capital(1)</th>
<th>Buyout(1)</th>
<th>Growth(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental - Amounts raised</td>
<td>€44.6bn</td>
<td>€4.1bn</td>
<td>€35.1bn</td>
<td>€1.8bn</td>
</tr>
<tr>
<td>Incremental - No. of funds</td>
<td>298</td>
<td>120</td>
<td>89</td>
<td>25</td>
</tr>
<tr>
<td>Final closings - Cumulative amount since inception</td>
<td>€35.6bn</td>
<td>€3.3bn</td>
<td>€28.8bn</td>
<td>€0.8bn</td>
</tr>
<tr>
<td>Final closings - No. of funds</td>
<td>139</td>
<td>53</td>
<td>50</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: EVCA / PEREP_Analytics
Note: (1) relates to fund focus

---

2014 European Private Equity Activity
Funds raised by fund stage focus

2010-2014 - Incremental amount raised during the year

Source: EVCA / PEREP_Analytics
Funds raised by fund stage focus

2010-2014 - Number of funds that reached first, intermediate or final closing during the year

Source: EVCA / PEREP_Analytics
All Private Equity - Concentration of capital

2010-2014 - Incremental fundraising by amount bracket per fund during the year

Source: EVCA / PEREP_Analytics
All Private Equity - Funds raised by region of management

2010-2014 - 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

2014 - Incremental amount raised during the year - % of amount

All Private Equity funds
- 298 funds (235 firms)
- 32.2%
- 11.6%
- 10.9%
- 10.3%
- 4.1%
- 4.8%
- 3.6%
- 3.6%
- 2.6%
- 0.6%
- 0.4%
- 0.4%

Venture Capital funds
- 120 funds (103 firms)
- 35.0%
- 12.5%
- 9.0%
- 5.9%
- 5.9%
- 4.2%
- 3.0%
- 2.9%
- 2.6%
- 1.7%
- 1.0%
- 0.4%

Buyout funds
- 89 funds (78 firms)
- 36.0%
- 13.4%
- 10.8%
- 10.5%
- 4.4%
- 3.4%
- 3.4%
- 2.6%
- 1.7%
- 0.3%

Growth funds
- 25 funds (17 firms)
- 40.7%
- 22.5%
- 13.2%
- 9.4%
- 7.5%
- 6.2%
- 6.0%
- 4.4%
- 3.4%
- 2.6%

Source: EVCA / PEREP_Analytics
All Private Equity - Funds raised by type of investor

2010-2014 - Incremental amount raised during the year - % of total amount

Source: EVCA / PEREP_Analytics
Venture Capital - Funds raised by type of investor

2010-2014 - Incremental amount raised during the year - % of total amount

Source: EVCA / PEREP_Analytics
Buyout - Funds raised by type of investor

2010-2014 - Incremental amount raised during the year - % of total amount

Source: EVCA / PEREP_Analytics
Growth - Funds raised by type of investor

2010-2014 - Incremental amount raised during the year - % of total amount

Source: EVCA / PEREP_Analytics
All Private Equity - Fundraising geographic breakdown

2014 (2013) - Source of funds - % of total amount

North America
27.7%
(35.7%)

Rest of world
2.0%
(3.8%)

Unclassified Europe
4.8%
(7.2%)

Asia
10.6%
(15.5%)

Australia
24.3%
(14.2%)

Europe
9.2%
(5.8%)

Unclassified
2.3%
(1.5%)

Source: EVCA / PEREP_Analytics
Source: EVCA / PEREP_Analytics
Buyout - Fundraising geographic breakdown

2014 (2013) - Source of funds - % of total amount

North America
32.8% (39.7%)

Rest of world
2.4% (4.3%)

Unclassified Europe
5.1% (8.0%)

Australia
12.8% (17.8%)

Asia
12.8% (17.8%)

Europe
5.1% (8.0%)

North America
32.8% (39.7%)

Australia
12.8% (17.8%)

Asia
12.8% (17.8%)

Europe
5.1% (8.0%)

Rest of world
2.4% (4.3%)

Unclassified Europe
5.1% (8.0%)

Source: EVCA / PEREP_Analytics

2014 European Private Equity Activity
Final closing - Funds raised by fund stage focus

2010-2014 - Final closing during the year - Amount\(^{(1)}\)

Legend
- Balanced
- Later-stage
- Early-stage

<table>
<thead>
<tr>
<th>Year</th>
<th>Venture Capital</th>
<th>Growth</th>
<th>Mezzanine</th>
<th>Generalist</th>
<th>Buyout</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1.4</td>
<td>0.5</td>
<td>1.5</td>
<td>1.5</td>
<td>13.3</td>
</tr>
<tr>
<td>2011</td>
<td>1.8</td>
<td>0.9</td>
<td>1.6</td>
<td>1.4</td>
<td>17.7</td>
</tr>
<tr>
<td>2012</td>
<td>2.1</td>
<td>0.8</td>
<td>2.8</td>
<td>1.7</td>
<td>14.8</td>
</tr>
<tr>
<td>2013</td>
<td>0.3</td>
<td>0.7</td>
<td>0.7</td>
<td>0.6</td>
<td>28.8</td>
</tr>
<tr>
<td>2014</td>
<td>0.3</td>
<td>1.0</td>
<td>1.0</td>
<td>0.8</td>
<td>48.8</td>
</tr>
</tbody>
</table>

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

2010-2014 - Final closing during the year - Number of funds(1)

Legend
- Balanced
- Later-stage
- Early-stage

Venture Capital

Growth

Mezzanine

Generalist

Buyout

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

2010-2014 - 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

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 an enterprise. 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, distressed debt funds, primary funds of funds, secondary funds of funds.

For more data visit [www.evca.eu/research](http://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.
The total amount of equity investments in European companies increased by 14% to €41.5bn. The related number of companies increased by 8% to over 5,500 to a five-year high. More than 80% of them are SMEs.

**Venture capital** investments increased by 6% to €3.6bn. More than 3,200 companies were venture-backed. Start-up stage investments represented the majority of venture capital activity by amount (52%) and number of companies (60%). The amount of seed investments reduced by 16% despite the number of companies increasing by 13%. Later-stage investments increased in amount by 10% despite a 4% reduction in the number of companies. Venture-backed companies in *life sciences* (31%), *communications* (21%) and *computer & consumer electronics* (20%) attracted over 70% of the capital.

More than 900 companies received *buyout* investments with an equity amount of €31.3bn. The related equity amount invested increased by 12% and the number of companies increased by 13% compared to 2013. The majority of equity was invested in small and mid market transactions. More than 60% of buyout investments concentrated in companies active in *business & industrial products* (15%), *computer & consumer electronics* (14%), *communications* (12%), *consumer goods & retail* (12%), and *life sciences* (12%).

**Growth** investments grew 56% to €5.6bn. The number of companies receiving investment increased by 13% to 1,270 - the highest level to date. About 50% of the investments went to companies active in *consumer goods & retail* (26%), *consumer services* (13%), and *communications* (12%).

### 2014 - Market statistics

<table>
<thead>
<tr>
<th>2014 - Market statistics</th>
<th>All Private Equity</th>
<th>Venture Capital(1)</th>
<th>Buyout(1)</th>
<th>Growth(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
<td>€41.5bn</td>
<td>€3.6bn</td>
<td>€31.3bn</td>
<td>€5.6bn</td>
</tr>
<tr>
<td><strong>No. of companies</strong></td>
<td>5,519</td>
<td>3,209</td>
<td>945</td>
<td>1,270</td>
</tr>
<tr>
<td><strong>No. of firms</strong></td>
<td>1,120</td>
<td>656</td>
<td>467</td>
<td>402</td>
</tr>
<tr>
<td><strong>No. of funds</strong></td>
<td>1,740</td>
<td>1,010</td>
<td>631</td>
<td>584</td>
</tr>
</tbody>
</table>

Source: EVCA / PEREP_Analytics

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

---

2014 European Private Equity Activity

---

Source: EVCA / PEREP_Analytics

Note: (2) Other includes Rescue/Turnaround and Replacement capital
Investments by stage focus

2014 - Market statistics - % of Amount & Number of companies

% of Amount

- Buyout: 75.3%
- Start-up: 4.6%
- Later-stage venture: 3.9%
- Growth capital: 13.4%
- Rescue/Turnaround: 0.5%
- Replacement capital: 2.0%

% of Number of companies

- Buyout: 16.9%
- Seed: 8.4%
- Start-up: 34.5%
- Growth capital: 22.7%
- Rescue/Turnaround: 1.0%
- Replacement capital: 1.5%

Venture Capital
- €3.6bn
Buyout
- €31.3bn
Growth
- €5.6bn

Venture Capital
- 3,209 Companies
Buyout
- 945 Companies
Growth
- 1,270 Companies

Source: EVCA / PEREP_Analytics
Investments by stage focus
2010-2014 - Market statistics - Amount

Venture Capital

Source: EVCA / PEREP_Analytics
Investments by stage focus

2010-2014 - Market statistics - Number of companies

Venture Capital

Source: EVCA / PEREP_Analytics

2014 European Private Equity Activity
Buyout - Investments by equity bracket

2010-2014 - Market statistics - Amount & Number of companies

Source: EVCA / PEREP_Analytics
Investments by stage focus

Quarterly trend Q1 2010 - Q4 2014 - Market statistics - Amount

Source: EVCA / PEREP_Analytics
Investments by stage focus

Quarterly trend Q1 2010 - Q4 2014 - Market statistics - Number of companies

Source: EVCA / PEREP_Analytics
Venture Capital - Investments by stage focus
Quarterly trend Q1 2010 - Q4 2014 - Market statistics - Amount

Source: EVCA / PEREP_Analytics

Seed  Start-up  Later-stage venture
Venture Capital - Investments by stage focus

Quarterly trend Q1 2010 - Q4 2014 - Market statistics - Number of companies

Source: EVCA / PEREP_Analytics
All Private Equity - Geographical investment flows

2014 - 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 portfolio company.

---

**Source:** EVCA / PEREP_Analytics

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

---

2014 European Private Equity Activity
Venture Capital - Geographical investment flows

2014 - 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 portfolio 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

2014 - Industry vs. Market statistics - Amount

Industry statistics

- CEE: 1%
- Southern Europe: 5%
- Nordics: 10%
- DACH: 17%
- France & Benelux: 28%

Market statistics

- CEE: 3%
- UK & Ireland: 24%
- Southern Europe: 9%
- Nordics: 14%
- DACH: 20%
- France & Benelux: 30%

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 and regions

2014 - 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 and regions

2014 - Market statistics - Number of companies

<table>
<thead>
<tr>
<th>Region</th>
<th>Later-stage venture</th>
<th>Start-up</th>
<th>Seed</th>
<th>Growth</th>
<th>Rescue/Turnaround</th>
<th>Replacement capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK &amp; Ireland</td>
<td>148</td>
<td>141</td>
<td>7</td>
<td>8</td>
<td>911</td>
<td>17</td>
</tr>
<tr>
<td>France &amp; Benelux</td>
<td>268</td>
<td>241</td>
<td>14</td>
<td>13</td>
<td>911</td>
<td>39</td>
</tr>
<tr>
<td>DACH</td>
<td>427</td>
<td>433</td>
<td>59</td>
<td>15</td>
<td>217</td>
<td>17</td>
</tr>
<tr>
<td>Southern Europe</td>
<td>22</td>
<td>200</td>
<td>22</td>
<td>20</td>
<td>171</td>
<td>13</td>
</tr>
<tr>
<td>Nordics</td>
<td>184</td>
<td>164</td>
<td>45</td>
<td>45</td>
<td>171</td>
<td>2</td>
</tr>
<tr>
<td>CEE</td>
<td>186</td>
<td>152</td>
<td>94</td>
<td>133</td>
<td>911</td>
<td>2</td>
</tr>
</tbody>
</table>

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

2000-2014 - Industry statistics - % of GDP

% of GDP

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

2014 - Industry statistics

Source: IMF, World Economic Outlook Database (GDP) / EVCA / PEREP_Analytics
Note: *Other CEE consists of Ex-Yugoslavia and Slovakia
Venture Capital - Investments as % of GDP - Industry statistics

2014 - Industry statistics

Source: IMF, World Economic Outlook Database (GDP) / EVCA / PEREP_Analytics
Note: *Other CEE consists of Ex-Yugoslavia and Slovakia

2014 European Private Equity Activity
## Buyout - Investments as % of GDP - Industry statistics

### 2014 - Industry statistics

<table>
<thead>
<tr>
<th>Country</th>
<th>2014</th>
<th>2010-2014 Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>0.586%</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>0.319%</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>0.289%</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>0.212%</td>
<td></td>
</tr>
<tr>
<td>European total</td>
<td>0.211%</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.184%</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>0.165%</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>0.164%</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>0.142%</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.142%</td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>0.072%</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>0.071%</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>0.069%</td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td>0.038%</td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>0.026%</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>0.016%</td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>0.015%</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>0.009%</td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>0.008%</td>
<td></td>
</tr>
<tr>
<td>Other CEE</td>
<td>0.002%</td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td>0.004%</td>
<td></td>
</tr>
<tr>
<td>Czech Republic</td>
<td>0.002%</td>
<td></td>
</tr>
<tr>
<td>Bulgaria</td>
<td>0.000%</td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>0.000%</td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td>0.000%</td>
<td></td>
</tr>
</tbody>
</table>

Source: IMF, World Economic Outlook Database (GDP) / EVCA / PEREP_Analytics

Note: *Other CEE consists of Ex-Yugoslavia and Slovakia
Growth - Investments as % of GDP - Industry statistics

2014 - Industry statistics

Source: IMF, World Economic Outlook Database (GDP) / EVCA / PEREP_Analytics
Note: *Other CEE consists of Ex-Yugoslavia and Slovakia
All Private Equity - Investments as % of GDP - Market statistics

2014 - Market statistics

Source: IMF, World Economic Outlook Database (GDP) / EVCA / PEREP_Analytics
Note: *Other CEE consists of Ex-Yugoslavia and Slovakia
Venture Capital - Investments as % of GDP - Market statistics

2014 - Market statistics

Source: IMF, World Economic Outlook Database (GDP) / EVCA / PEREP_Analytics
Note: *Other CEE consists of Ex-Yugoslavia and Slovakia

2014 European Private Equity Activity
Buyout - Investments as % of GDP - Market statistics

2014 - Market statistics

Source: IMF, World Economic Outlook Database (GDP) / EVCA / PEREP_Analytics
Note: *Other CEE consists of Ex-Yugoslavia and Slovakia
Growth - Investments as % of GDP - Market statistics

2014 - Market statistics

Source: IMF, World Economic Outlook Database (GDP) / EVCA / PEREP_Analytics
Note: *Other CEE consists of Ex-Yugoslavia and Slovakia

2014 European Private Equity Activity
All Private Equity - Investments by sector

2014 - Market statistics - % of Amount & Number of companies

Source: EVCA / PEREP_Analytics
Investments by sector

2010-2014 - Market statistics - Amount

All Private Equity

Venture Capital

Buyout

Growth

Source: EVCA / PEREP, Analytics
Investments by sector

2010-2014 - Market statistics - Number of companies

All Private Equity

Venture Capital

Buyout

Growth

Source: EVCA / PEREP_Analytics

2014 European Private Equity Activity
All Private Equity - Initial / Follow-on investments

2014 - Market statistics - % of Number of companies

Source: EVCA / PEREP_Analytics
Investments by portfolio company size

2014 - Market statistics - % of Number of companies

All Private Equity

SME: 86.3%

Venture Capital

SME: 98.9%

Buyout

SME: 54.6%

Growth

SME: 80.9%

Full-time equivalent staff by interval

Source: EVCA / PEREP_Analytics

2014 European Private Equity Activity
Venture Capital - Investments by portfolio company size

2014 - Market statistics - Amount & Number of companies

- Amount invested
- Number of companies

Full-time equivalent staff by interval

<table>
<thead>
<tr>
<th>Interval</th>
<th>Amount invested</th>
<th>Number of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 19</td>
<td>1,352</td>
<td>1,352</td>
</tr>
<tr>
<td>20 - 99</td>
<td>1,627</td>
<td>304</td>
</tr>
<tr>
<td>100 - 199</td>
<td>304</td>
<td>135</td>
</tr>
<tr>
<td>200 - 249</td>
<td>131</td>
<td>131</td>
</tr>
<tr>
<td>250 - 499</td>
<td>46</td>
<td>0</td>
</tr>
<tr>
<td>500 - 999</td>
<td>0</td>
<td>18</td>
</tr>
<tr>
<td>1000 - 4999</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>5000 +</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

SME %

- 95%
- 99%

Source: EVCA / PEREP_Analytics
Buyout - Investments by portfolio company size

2014 - Market statistics - Amount & Number of companies

Source: EVCA / PEREP_Analytics
Growth - Investments by portfolio company size
2014 - Market statistics - Amount & Number of companies

Amount invested

- SME %: 55%
- Number of companies: 81%

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 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, distressed debt funds, primary funds of funds, secondary funds of funds.

For more data visit www.evca.eu/research
<table>
<thead>
<tr>
<th>Glossary</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial public offering (IPO)</strong></td>
<td>The sale or distribution of a company’s shares to the public for the first time by listing the company on the stock exchange.</td>
</tr>
<tr>
<td><strong>Repayment of principal loans</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Repayment of silent partnership</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Sale of quoted equity</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Sale to another private equity firm</strong></td>
<td>The sale of company shares to another direct private equity firm.</td>
</tr>
<tr>
<td><strong>Sale to financial institution</strong></td>
<td>The sale of company shares to banks, insurance companies, pension funds, endowments, foundations and other asset managers other than private equity firms.</td>
</tr>
<tr>
<td><strong>Trade sale</strong></td>
<td>The sale of company shares to industrial investors.</td>
</tr>
<tr>
<td><strong>Write-off</strong></td>
<td>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.</td>
</tr>
</tbody>
</table>
2014 Divestments at a glance

- More than 2,400 European companies were exited representing former equity investments (divestments at cost) of €37.8bn. This amount reached the highest level to date for European private equity. The number of companies increased by almost 5% while the amount divested at cost increased by 10%.
- The most prominent exit routes by amount were trade sale (26%), sale to another private equity firm (24%) and sale of quoted equity (10%). Almost 40% of all the divested companies followed these exit routes.
- The strength of public markets continued in 2014, reflected by an increase in the sale of quoted equity on flotation (IPO). Exits at an IPO increased from 23 to 51 companies. The related amount divested at cost increased by over 50% to €3.3bn.
- Divestments from venture capital investments represented 42% of all exited companies and remained constant at over 1,000. They accounted for 5% of the amount divested at cost. The equity amount divested decreased by 16% to €1.9 bn. Trade sale, write-off and sale of quoted equity or on flotation (IPO), and sale to another private equity fund were the most prominent exit routes.
- Buyout divestments’ share was 87% of the equity amount at cost and 32% by number of companies. The amount divested increased by 12% to €32.8bn and the number of companies increased by 10% to 776. Sale to another private equity firm, trade sale and sale of quoted equity or on flotation (IPO) were the most prominent exit routes.
- Growth divestments represented 6% of equity amount at cost and 25% by number of companies. The amount divested increased by 16% to €2.2bn and the number of companies increased by 9% to 611. Trade sale, sale to management and sale of quoted equity or on flotation (IPO) were the most prominent exit routes.

### 2014 - Market statistics

<table>
<thead>
<tr>
<th></th>
<th>All Private Equity</th>
<th>Venture Capital(1)</th>
<th>Buyout(1)</th>
<th>Growth(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Divestments - Amount</td>
<td>€37.8bn</td>
<td>€1.9bn</td>
<td>€32.8bn</td>
<td>€2.2bn</td>
</tr>
<tr>
<td>Divestments - No. Companies</td>
<td>2,416</td>
<td>1,003</td>
<td>776</td>
<td>611</td>
</tr>
<tr>
<td>Number of Firms</td>
<td>664</td>
<td>311</td>
<td>338</td>
<td>175</td>
</tr>
<tr>
<td>Number of Funds</td>
<td>1,188</td>
<td>555</td>
<td>571</td>
<td>254</td>
</tr>
</tbody>
</table>

---

Source: EVCA/PEREP Analytics

Note: (1) relates to the investment stage

---

Divestments - Market statistics - % total amount divested at cost

- Trade sale: 26.5%
- Sale to another private equity firm: 24.3%
- Public offering: 18.9%
- Repayment of principal loans: 8.0%
- Write-off: 7.2%
- Other means: 6.7%
- Sale to financial institution: 5.1%
- Sale to management: 3.3%

---

Source: EVCA/PEREP Analytics
Divestments at cost - Venture Capital / Buyout / Growth

2010-2014 - Market statistics - Amount & Number of companies

Source: EVCA / PEREP_Analytics
Divestments at cost by exit route - Venture Capital / Buyout / Growth

2014 - Market Statistics - % of Amount

Source: EVCA / PEREP_Analytics
Divestments at cost by exit route - Venture Capital / Buyout / Growth

2014 - Market Statistics - % of Number of companies

Source: EVCA / PEREP_Analytics

- Venture Capital
  - 1,003 Companies
  - 26.3%
  - 17.5%
  - 8.0%
  - 7.8%
  - 6.3%
  - 8.7%
  - 21.7%
  - 0.8%
- Buyout
  - 776 Companies
  - 24.8%
  - 4.3%
  - 5.1%
  - 5.8%
  - 2.0%
  - 15.4%
- Growth
  - 611 Companies
  - 46.5%
  - 15.3%
  - 11.1%
  - 6.6%
  - 6.1%
  - 1.9%
  - 7.7%

- Trade sale
- Initial public offering
- Sale of quoted equity
- Write-off
- Repayment of silent partnerships
- Repayment of principal loans
- Sale to another private equity firm
- Sale to financial institution
- Sale to management
- Other means
All Private Equity - Divestments at cost by exit route

2010-2014 - Market statistics - Amount at cost

Source: EVCA / PEREP_Analytics
All Private Equity - Divestments at cost by exit route

2010-2014 - Market statistics - Number of companies

- Trade sale
- Write-off
- Sale to another private equity firm
- Other means
- Initial public offering
- Repayment of silent partnerships
- Sale of quoted equity
- Repayment of principal loans
- Sale to financial institution
- Sale to management

Source: EVCA / PEREP_Analytics
All Private Equity - Divestments at cost by sector

2014 - Market statistics - Amount & Number of companies (excluding write-offs)

Source: EVCA / PEREP_Analytics
Divestments at cost by sector - Venture Capital / Buyout / Growth

2014 - Market statistics - Amount (excluding write-offs)

- Life sciences: 32.0%
- Communications: 23.0%
- Computer & consumer electronics: 18.1%
- Business & industrial products: 15.9%
- Consumer goods & retail: 15.4%
- Financial services: 13.6%
- Energy & environment: 12.9%
- Business & industrial services: 11.9%
- Construction: 11.4%
- Consumer services: 11.4%
- Real estate: 11.4%
- Transportation: 11.4%
- Chemicals & materials: 11.4%
- Agriculture: 11.4%
- Unclassified: 11.4%

Source: EVCA / PEREP_Analytics
Divestments at cost by sector - Venture Capital / Buyout / Growth

2014 - Market statistics - Number of companies (excluding write-offs)

Source: EVCA / PEREP_Analytics

-----------------------
Venture Capital  Buyout  Growth
-----------------------
Business & industrial products  13.7%  18.6%  25.7%
Computer & consumer electronics  8.5%  9.8%  22.2%
Consumer goods & retail  6.5%  14.7%  18.6%
Life sciences  6.2%  7.3%  17.6%
Business & industrial services  4.2%  11.1%  15.4%
Communications  3.9%  7.1%  15.7%
Consumer services  3.1%  6.9%  8.3%
Energy & environment  1.5%  3.9%  6.4%
Construction  0.9%  2.0%  4.2%
Chemicals & materials  0.9%  3.1%  3.1%
Financial services  0.5%  2.3%  4.0%
Transportation  0.5%  1.7%  3.3%
Real estate  0.8%  1.6%
Agriculture  0.9%  1.0%
Unclassified  0.4%  0.9%  0.5%
-----------------------

2014 European Private Equity Activity
All Private Equity - Divestments at cost by region

2014 - 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 statistics platform. We thank the following associations for their participation to make PEREP_Analytics the most comprehensive private equity database on private equity in Europe:

<table>
<thead>
<tr>
<th>Association</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>APCRI - Portugal</td>
<td>Portugal</td>
</tr>
<tr>
<td>AVCO - Austria</td>
<td>Austria</td>
</tr>
<tr>
<td>BVA - Belgium</td>
<td>Belgium</td>
</tr>
<tr>
<td>BVK - Germany</td>
<td>Germany</td>
</tr>
<tr>
<td>CVCA - Croatia</td>
<td>Croatia</td>
</tr>
<tr>
<td>CVCA - The Czech Republic</td>
<td>Czech Republic</td>
</tr>
<tr>
<td>DVCA - Denmark</td>
<td>Denmark</td>
</tr>
<tr>
<td>EstVCA - Estonia</td>
<td>Estonia</td>
</tr>
<tr>
<td>FVCA - Finland</td>
<td>Finland</td>
</tr>
<tr>
<td>HVCA - Hungary</td>
<td>Hungary</td>
</tr>
<tr>
<td>IVCA - Ireland</td>
<td>Ireland</td>
</tr>
<tr>
<td>LTVCA - Lithuania</td>
<td>Lithuania</td>
</tr>
<tr>
<td>NVCA - Norway</td>
<td>Norway</td>
</tr>
<tr>
<td>NVP - The Netherlands</td>
<td>The Netherlands</td>
</tr>
<tr>
<td>PSIK - Poland</td>
<td>Poland</td>
</tr>
<tr>
<td>SECA - Switzerland</td>
<td>Switzerland</td>
</tr>
<tr>
<td>SEEPEA - South Eastern Europe</td>
<td>South Eastern Europe</td>
</tr>
<tr>
<td>SLOVCA - Slovakia</td>
<td>Slovakia</td>
</tr>
<tr>
<td>SVCA - Sweden</td>
<td>Sweden</td>
</tr>
</tbody>
</table>
### About PEREP_Analytics and EVCA Research

**63%**
The coverage rate of all European private equity firms based on 1,963 eligible private equity firms.

**91%**
The 2014 annual survey covered 91% of the European market in terms of capital under management (base €548bn).

<table>
<thead>
<tr>
<th>PEREP is a joint Pan-European statistics platform of the following private equity associations:</th>
</tr>
</thead>
<tbody>
<tr>
<td>APCRI - Portugal</td>
</tr>
<tr>
<td>AVCO - Austria</td>
</tr>
<tr>
<td>BVA - Belgium</td>
</tr>
<tr>
<td>BVK - Germany</td>
</tr>
<tr>
<td>CVCA - Croatia</td>
</tr>
<tr>
<td>CVCA - The Czech Republic</td>
</tr>
<tr>
<td>DVCA - Denmark</td>
</tr>
<tr>
<td>EstVCA - Estonia</td>
</tr>
<tr>
<td>EVCA - Europe</td>
</tr>
<tr>
<td>FVCA - Finland</td>
</tr>
<tr>
<td>HVCA - Hungary</td>
</tr>
<tr>
<td>IVCA - Ireland</td>
</tr>
<tr>
<td>LTVCA - Lithuania</td>
</tr>
<tr>
<td>NVCA - Norway</td>
</tr>
<tr>
<td>NVP - The Netherlands</td>
</tr>
<tr>
<td>PSIK - Poland</td>
</tr>
<tr>
<td>SECA - Switzerland</td>
</tr>
<tr>
<td>SEEPEA - South Eastern Europe</td>
</tr>
<tr>
<td>SLOVCA - Slovakia</td>
</tr>
<tr>
<td>SVCA - Sweden</td>
</tr>
</tbody>
</table>

---

**Statistics Manager**
Dan Magirescu

**Statistics Team**
Adriana Andronic
Andreea Banica
Monica Biolan
Raluca Coro

**PEREP ANALYTICS**

**Head of Research**
Dr Cornelius Mueller

**Research Manager**
Julien Krantz

---

**2014 European Private Equity Activity**

---

**Contact**
info@perepanalytics.eu
www.perepanalytics.eu

---

research@evca.eu
www.evca.eu