

Activity and Trends

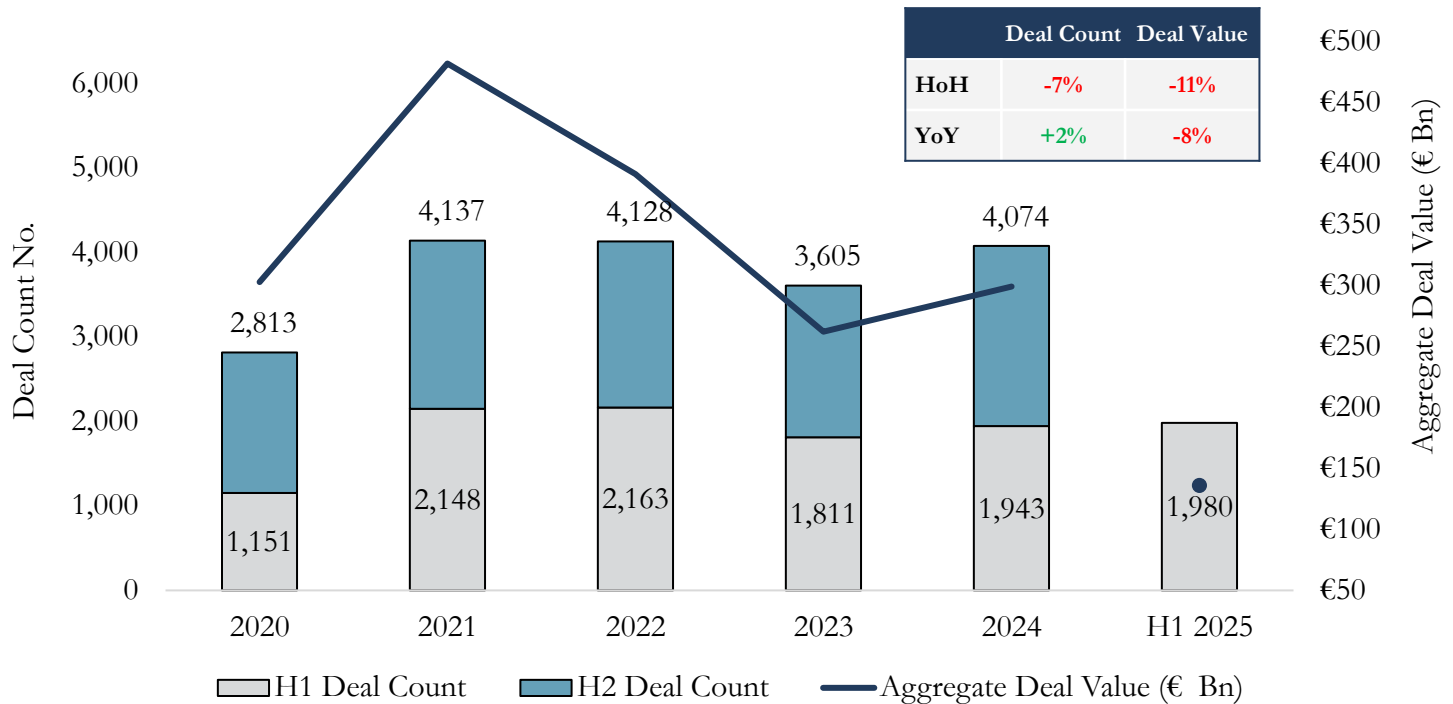
European Private Equity Market Recap—H1 2025



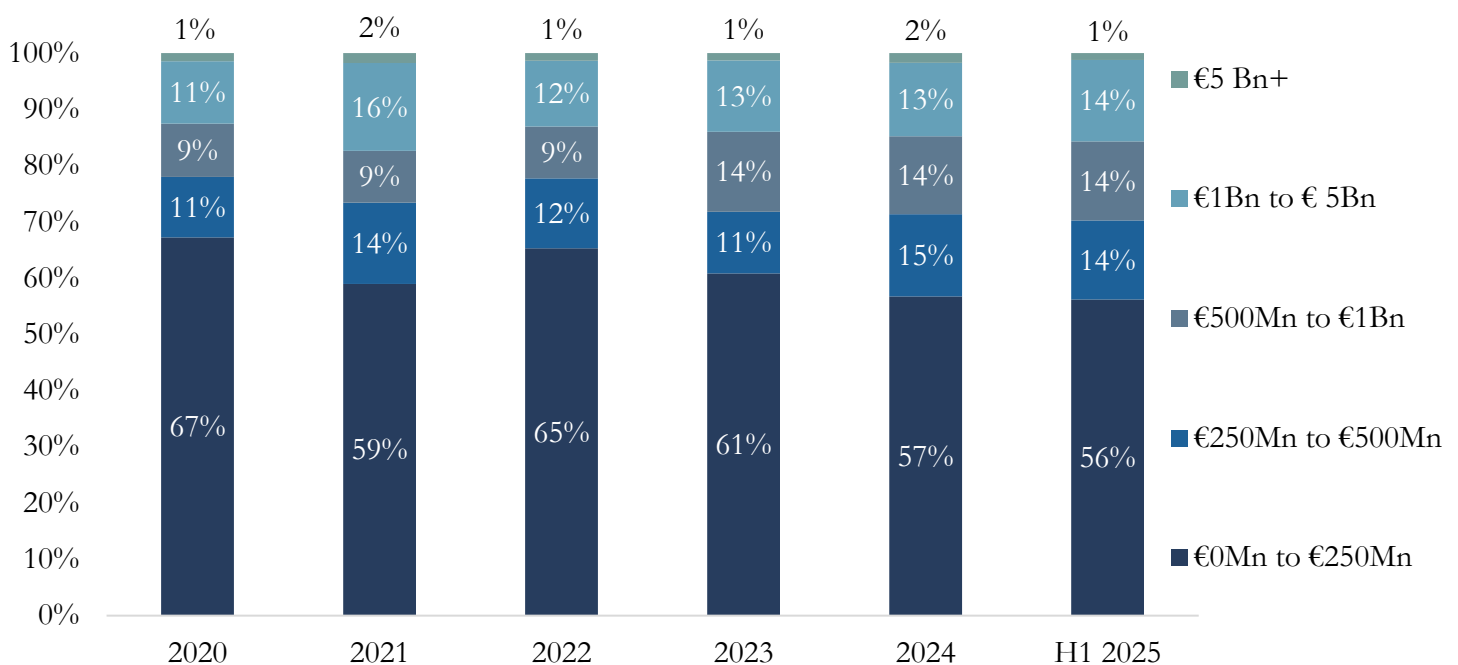
Deal activity: Deal count has picked up through the first half of 2025, up 2% compared to the same period last year but still down 7% from H2 2024. With geopolitical tensions, investors and analysts alike are forecasting muted European private equity activity for the rest of 2025, with cautious optimism that lower interest rates will support dealmaking H2 2025.

Deal size: Deals between €250 Mn and €1 Bn have proliferated since 2020 and will continue to be a popular segment as investors look for niche players and underwrite deals with more uncertainty, boosting middle market activity.

European PE Deal Activity



European PE Deal by Size (€)



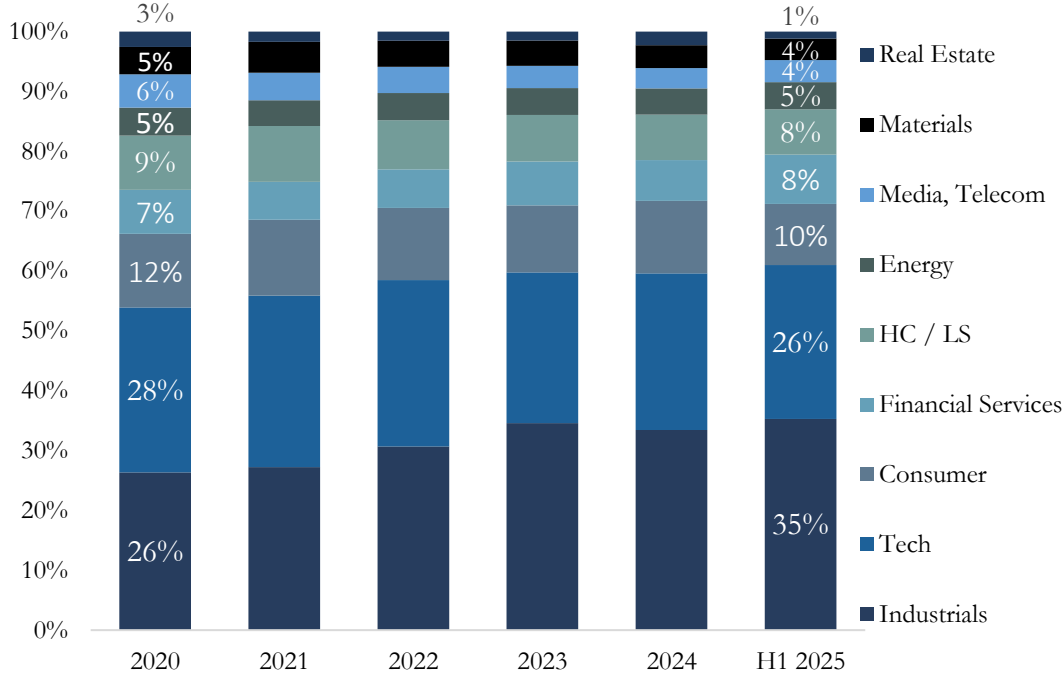
Source: Dealogic, Deal Region in Europe, Announced/Completed 1/1/2020 through 6/30/2025.

Deal region defined as region of the world the target is either headquartered or has the majority of its managerial operations in.

Healthcare / Life Science deal value is gaining market share, +3% compared to the five-year average. Moreover, it is one of the top growing sectors in H1 after financial services and tied with industrials and materials.

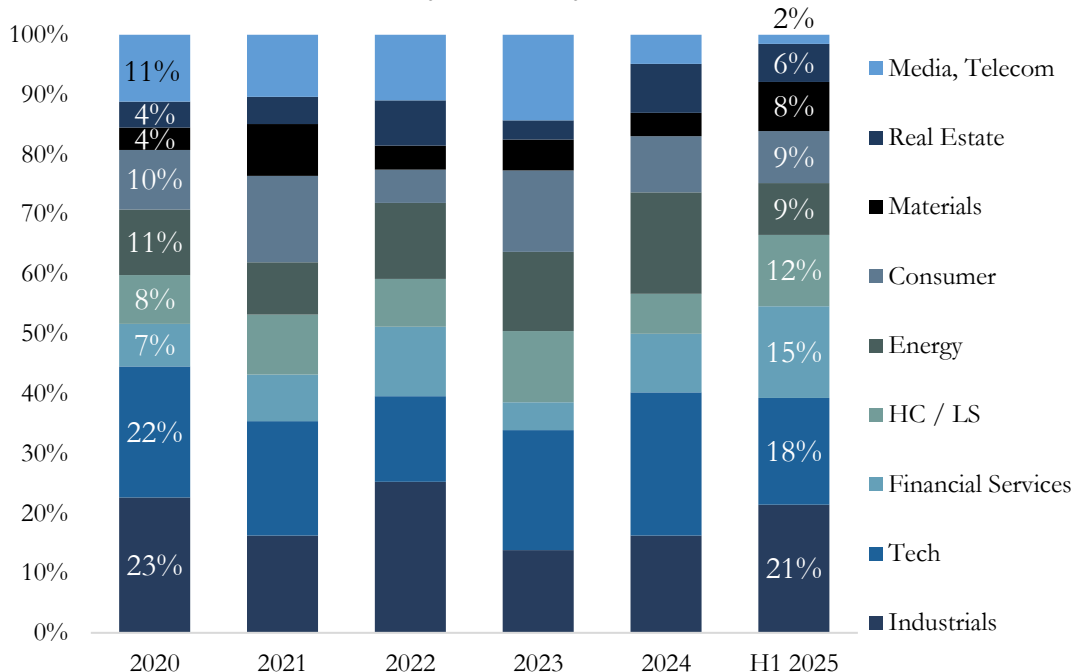
Industrials and **financial services** are the only two sectors that grew in both deal count and value compared to the five-year average. The European Industrials sector remains attractive, supported by tailwinds including sustainability, AI, and defence efforts.

Industry Share by Deal Count



	5 Yr Avg	H1 vs. 5 Yr Avg
Real Estate	2%	-1%
Materials	4%	-1%
Media, Telecom	4%	-1%
Energy	4%	0%
HC / LS	8%	-1%
Financial Services	12%	+1%
Consumer	7%	-2%
Tech	27%	-1%
Industrials	30%	+5%

Industry Share by Deal Value



	5 Yr Avg	H1 vs. 5 Yr Avg
Media, Telecom	10%	-9%
Real Estate	6%	+1%
Materials	5%	+3%
Consumer	12%	-2%
Energy	13%	-4%
HC / LS	9%	+3%
Financial Services	8%	+7%
Tech	20%	-2%
Industrials	20%	+3%

Source: Dealogic, Deal Region in Europe, Announced/Completed through 6/30/2025.

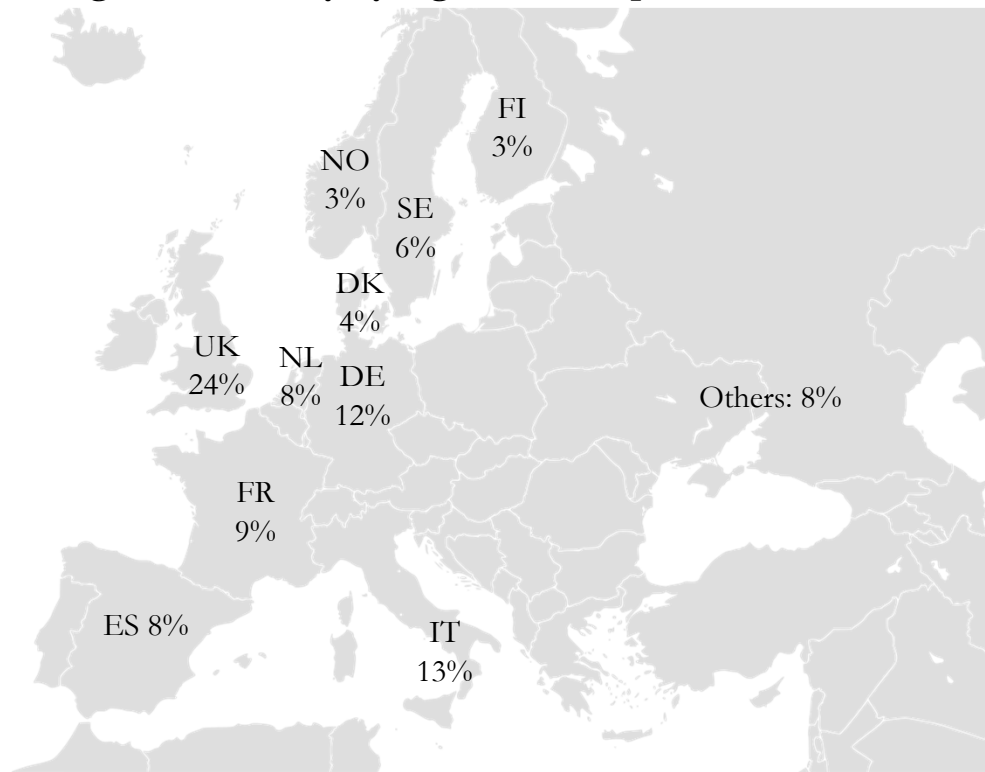
Deal region defined as region of the world the target is either headquartered or has the majority of its managerial operations in. ropesgray.com

In H1 2025, UK, France, and Germany continue to lead deal activity by number of deals in the region, making up 46% of the market, in line with trends as the top 3 players in the past five years.

Finland, Denmark, and Norway recorded the largest gain in market share from H1 2025, while Germany, Italy, and Spain lost the most market share.

Average Deal Activity by region in Europe from 2020-2024

Share of PE Deal Counts



Name	H1	Δ Share vs 5 Yr
UK	22%	-2%
FR	12%	+3%
DE	12%	-4%
IT	8%	-6%
NL	7%	0
SE	7%	-2%
ES	6%	-2%
NO	5%	+3%
DK	4%	+5%
FI	3%	+5%
Others	13%	+5%

Source: Dealogic, Geographic region based on Target HQ, Announced / Completed from 1/1/2020 to 12/31/2024.

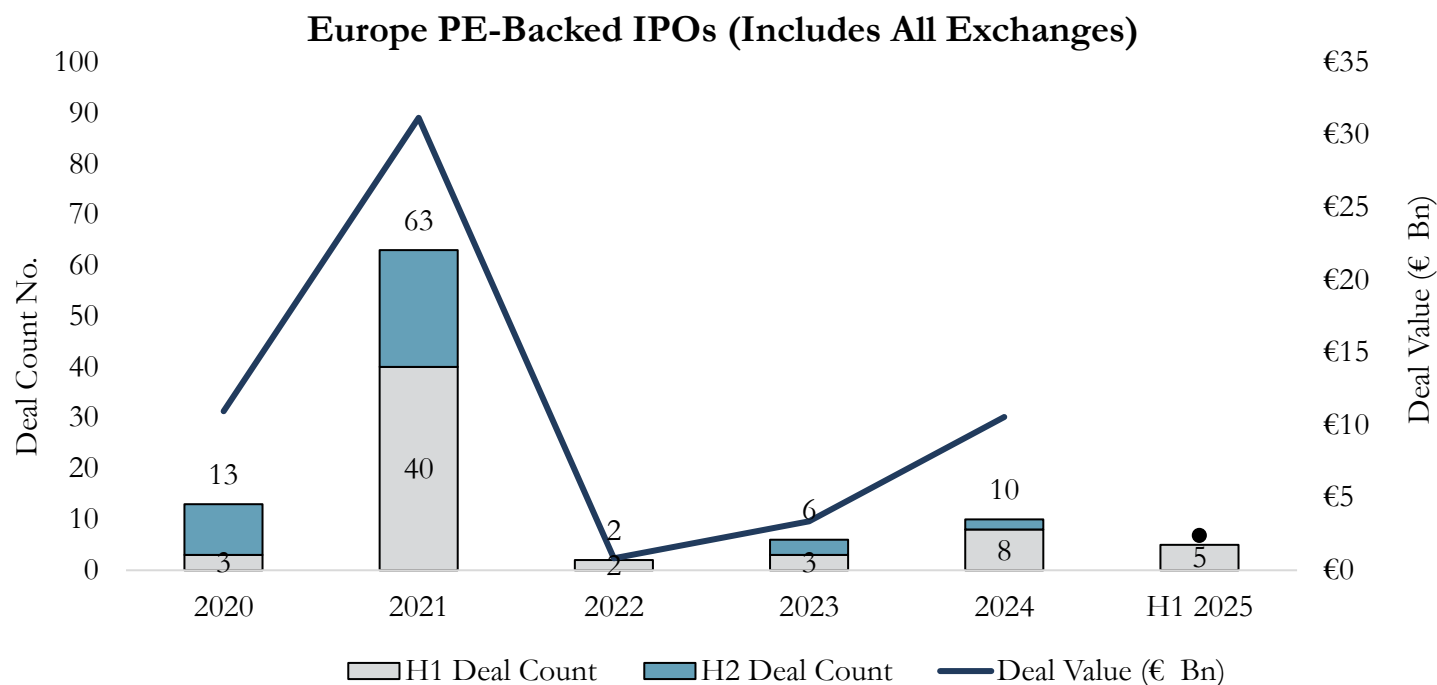
Source: Dealogic, Target Region in Europe, Announced / Completed from 12/31/2024 through 6/30/2025.

Notable Deals in H1 2025

Deal Date	Deal Size (€ Bn)	Acquiror	Target	PE Seller	Country	Industry
6/13/2025	€6.8	BPCE	Novo Banco	Lone Star Funds	PT	Finance
7/2/2025	€6.4	KKR	Spectris		UK	Industrials/Tech
6/9/2025	€5.5	Temasek Holdings	CEVA Sante Animale		FR	Healthcare
3/31/2025	€4.3	BW Gestao de Investimentos	Verallia		FR	Consumer Products
5/1/2025	€4.1	First Kraft EQT	Fortnox		SE	Computers & Electronics
4/14/2025	€4.0	Bain Capital Mubadala Investment	Apleona Group	PAI Partners	DE	Real Estate/Property
4/9/2025	€3.5	Allianz Led Consortium	Viridium Group	Cinven	DE	Insurance
4/1/2025	€3.4	KKR	Assura		UK	Real Estate/Property
5/15/2025	€3.3	Arbejdsmarkedets Tillaegspension	Copenhagen Airports		DK	Transportation
5/14/2025	€3.1	CVC	Dream Games Teknoloji	Index Ventures	TR	Computers & Electronics
5/19/2025	€2.8	PAI Partners	Motel One		DE	Dining & Lodging

Source: Dealogic, Target Region in Europe, Announced / Completed from 12/31/2024 through 6/30/2025.

Activity: In 2025 the IPO market recovered slightly from 2022-2023 lows caused by economic uncertainty after the pandemic. Whilst the number of IPOs of PE-backed European companies remains relatively low, **90% of the most recent IPOs have taken place on European exchanges** and there is some optimism that European markets will be more favourable towards IPOs at the end of the year.



Recent PE-Backed IPOs

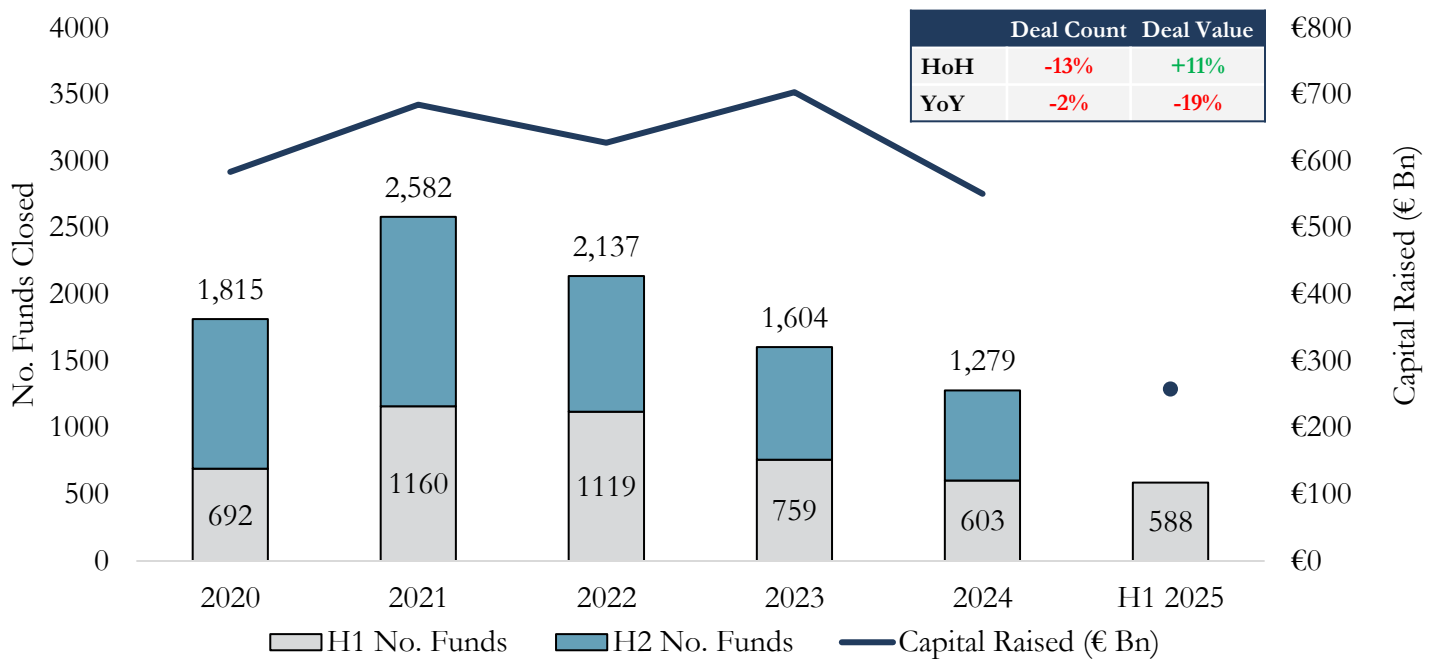
Pricing Date	Company	Country	Listing Exchange	Financial Sponsor	Industry	Deal Value (€ Mn)
13-Jun-25	Entity Holding	SE	STO	EQT	Finance	€162
11-Jun-25	Sentia	NO	OSL	Ratos	Construction	€145
27-Mar-25	Asker Healthcare Group	SE	STO	Nalka Invest AB	Healthcare	€815
11-Feb-25	HBX Group	ES	BME	Cinven CPP Investments EQT	Computers & Electronics	€718
31-Jan-25	Diagnostyka	PL	WSE	MidEuropa	Healthcare	€712
10-Oct-24	Zabka Polska	PL	WSE	CVC	Retail	€385
01-Oct-24	Springer Nature	DE	FRA	BC Partners	Publishing	€1,509
07-Jun-24	Exosens	FR	PAR	HLD Europe	Telecommunications	€612
24-Apr-24	Marex Group	UK	NASDAQ GS	JRJ Group Trilantic Europe	Finance	€2,255
18-Apr-24	Planisware	FR	PAR	Aradian	Computers & Electronics	€272

Source: Dealogic, Target HQ Region in Europe, includes IPOs listed in all exchanges. Announced / Completed from 1/1/2025 through 6/30/2025. USD to Euros exchange rate as of 7/8/2025.
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Fundraising: the number of global funds closed in H1 has been the lowest in the past 4 years given global macroeconomic uncertainty, though **aggregate capital raised increased HoH**. Similarly, the number of funds with a regional focus on European follows the downward trend in number of funds closed at -25% HoH but with total value raised up 84% HoH.

Funds in the market: In H1 2025, **infrastructure** and **buyout** funds have been the main strategy. Infrastructure assets now take up approximately 50% of capital raised.

Global PE Fundraising Activity



Note: Preqin, all PE strategies excluding VC, all regions. USD to Euros exchange rate as of 7/8/2025.

Recently Closed Funds H1 2025

Fund Name	Size (€ Bn)	Final Close Date
ASF IX	€29.2	1/16/2025
Thoma Bravo Fund XVI	€21.4	6/3/2025
Insight Partners Fund XIII Growth Buyout Fund	€11.5	3/31/2025
Insight Partners XIII	€11.2	1/16/2025
Apollo S3 Equity & Hybrid Solutions Fund	€4.7	5/1/2025
CVC Capital Partners Strategic Opportunities III	€4.6	3/4/2025
Oakley Capital Fund VI	€4.5	3/25/2025
Investindustrial VIII	€4.0	4/3/2025
IK X Fund	€3.3	4/1/2025
Olympus Growth Fund VIII	€3.2	3/26/2025

Largest Funds in the Market H1 2025

Name	Strategy	Size (€ Bn)
AI Infrastructure Partnership (AIP)	Infrastructure	€28.0
Blackstone Capital Partners IX	Buyout	€26.9
ALTÉRRRA Acceleration	Infrastructure	€23.3
Global Infrastructure Partners V	Infrastructure	€22.9
Advent International GPE XI	Buyout	€22.2
Brookfield Global Transition Fund 2	Infrastructure	€18.7
KKR Global Infrastructure Investors V	Infrastructure	€18.3
KKR North America XIV	Buyout	€17.1
a16z AI Fund	Growth	€17.1
KKR Core Investments Fund II	Buyout	€15.4

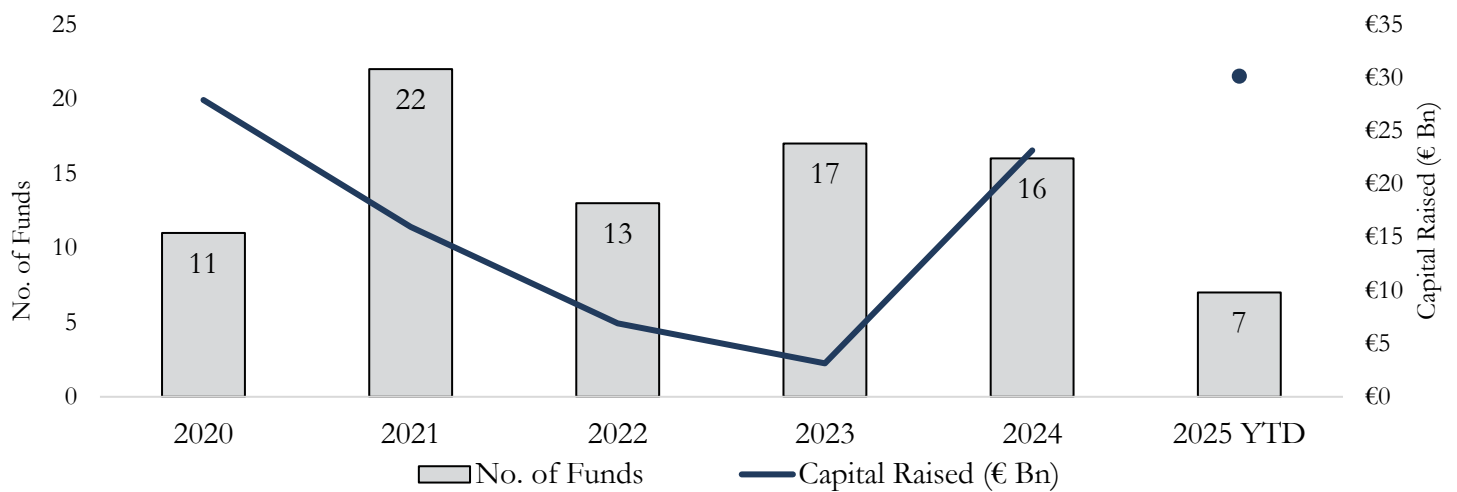
Source: Preqin, all PE strategies excluding VC, primary region focus Europe and Multi region (Global).

Growth in Global Secondaries with exposure to Europe: Secondaries fundraising in 2024 and H1 2025 has exhibited explosive growth. If the pace continues, 2025 is set to be a record-breaking year. Europe is now home to the largest secondary fund, Ardian's ASF IX, which raised ~€29 Bn.

Positive fundraising in the first half of 2025 points to a **sustained trend that secondaries have become a popular liquidity solution for both GPs and LPs globally.**

Looking ahead for the rest of 2025, Investec reports that **GPs in the UK and Europe are more likely to use continuation vehicles** as an exit alternative in the next 24 months as more traditional strategies, such as IPOs, remain hindered by uncertainty.

Global Secondaries Fundraising

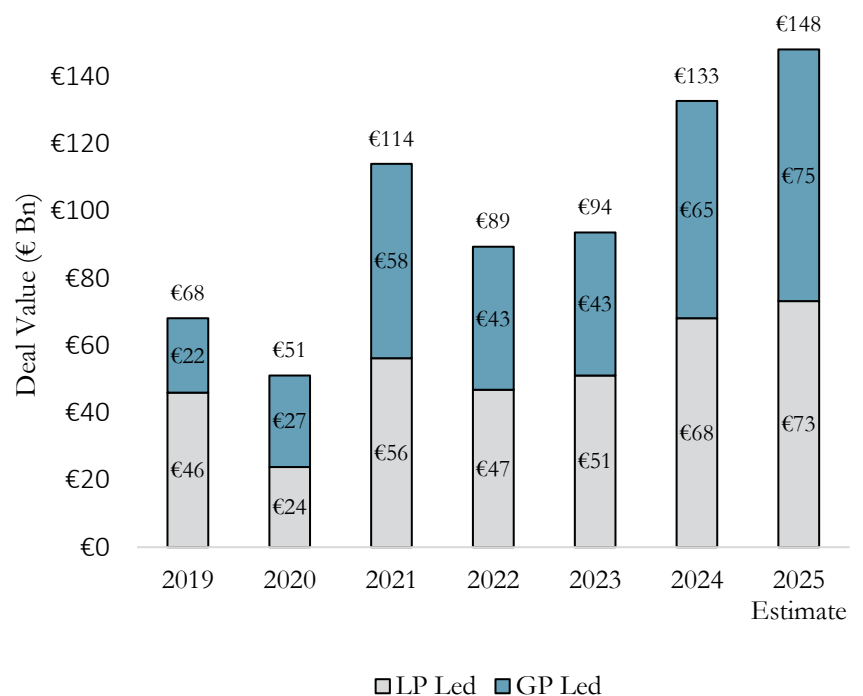


Source: Preqin, PE secondaries strategies, primary region focus Europe and Multi Region. USD to Euros exchange rate as of 7/8/2025.

Largest Global Secondary Funds YTD

Name	Size (€ Bn)	Country
Ardian ASF IX	€29.2	FR
Coller IX	€9.3	UK
ICG Strategic Equity V	€5.5	UK
Clipway Secondary Fund	€3.7	UK
StepStone Real Estate Partners V	€3.7	US

Global Secondary Transactions Deal Value



Source: Preqin, PE secondaries strategies, primary region focus Europe and Multi Region. ropesgray.com

Source: William Blair Secondary Investor Survey March 2025. USD to Euros exchange rate as of 7/8/2025.

Mixed Performance in H1 and Gradual Recovery Ahead: European private equity markets showed varied results in the first half of 2025. Fundraising and PE deal activity were relatively muted due to ongoing geopolitical tensions and unpredictable policy changes. However, there were pockets of resilience in defence, AI, and secondaries. Looking ahead to the rest of 2025 and into 2026, a slow recovery is expected, helped by lower interest rates, higher defence spending, and better overall market conditions.

SECTOR HIGHLIGHTS

Significant Increase in Defence Spending: Following Trump administration's pressure, NATO members committed increasing defence expenditure up to 5% of GDP by 2035, compared to the previous 2% target. Germany's Zeitenwende, allocating € 100 Bn in new defence investment, is an example of a pan-European effort to take defence in its own hands as the U.S. becomes more isolationist. This trend is expected to feed the growing appetite of private equity to invest in defence related businesses.

Digital Transformation and AI: More than 20 international key capital allocators, including Blackstone, CVC, EQT, General Catalyst, Insight, KKR, Lightspeed, and Warburg Pincus earmarked around €150 Bn for AI-related opportunities in Europe over the next five years. NVIDIA's partnership with French startup Mistral AI is a positive example of how Europe is and will become a strong player in the AI space.

Sustainability and Industrials: Preqin reports that Europe is now the largest ESG market with European ESG funds now managing over €600 Bn as the EU in particular aims to lead the charge in decarbonisation. The industrials sector will benefit from this goal and will be expected to grow steadily.

REGULATORY ENVIRONMENT

Fiscal and Monetary Support: Inflation in the Eurozone is close to the ECB target of 2% and the ECB's vigorous reductions in interest should boost private equity activity. Thus, some forecasters are upgrading their expectations for the Eurozone economy.

Pension Fund Integration: Bills under review such as UK's Pension Schemes Bill could allow pension schemes to invest in private assets like private equity, debt, and venture capital which may boost demand for European PE as pension funds seek alternatives to diversify their portfolios.

Carried Interest Reform: Each country is currently deciding the details of this reform. In the UK for example, from April 6th, 2025, the capital gains tax rate on carried interest will increase from 28% to 32%. The reform's broader implications in the region include a potential shift in fund structures to accommodate tax changes, increased focus on cost efficiency to offset higher tax rates, and regional disparities in policy execution between countries as they work to finalize details of their respective reforms.

Our clients get unsurpassed counsel throughout the life cycle of their private equity transactions from one of the largest and most sophisticated private equity practices in the world, focusing on both private equity funds and transactions.

Ropes & Gray lawyers routinely advise leading large and middle-market clients in multiple industries on every aspect of their largest and most complex global transactions. Our 40-year track record in the industry allows us to anticipate issues that might derail deals and get them back on track to close. We guided clients in 1,500+ deals worldwide, worth almost \$1T in past 5 years.

Recent Recognition



Financial Times
 “Most Innovative Lawyers in Private Capital Europe” (2024)



Private Equity: Buyouts £500 million and above (UK, 2025)



Private Equity: Transactions – high value deals (UK, 2024)



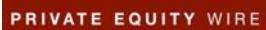
The American Lawyer
 “A-List Top 3” (2024)
 Eight Consecutive Year



EMEA Awards
 Life Sciences Corporate Firm of the Year (2024)



Law360
 Nine-time winner of
 “Private Equity Group of the Year” (2024)



Law Firm of the Year: Overall (2024)

Broad Client Base

60+

Of the Top 100 Biggest Private Equity Firms on the 2024 PEI 300 List

80+

Middle-Market Firms

125

Private funds in transactional and other matters

Our Commitment

350+

Adjacent-practice lawyers

250+

M&A lawyers

150+

Years of practice history

15

Offices to support deals

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Chicago
Dublin

Hong Kong
London
Los Angeles

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Paris
San Francisco

Seoul
Shanghai
Silicon Valley

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