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Three Things to Know About European Private Equity

Europe offers a large, diverse and underpenetrated private equity opportunity set that can complement US private equity exposure. In a region this diverse, deep local presence can make a meaningful difference.

1 Wealth of untapped opportunities

- Europe is the world's second largest private equity market, behind the US.[1]
- Europe has steadily narrowed the gap with the US in private equity deal activity. In 2025, it accounted for almost half of combined European and US deal volume.[2] The region is also home to more than 12,000 companies generating over $300 million in annual revenue.[3]
- Despite this scale and activity, private equity remains underpenetrated in Europe, with invested capital representing a smaller share of GDP than in the US. This suggests further scope for private capital to support a broader range of businesses across the region.

Private Equity Penetration – US vs. Europe[4]

Invested capital relative to GDP

United States
0.68%

Europe
0.34%

2 High barriers to entry

- Europe is highly fragmented across languages, currencies, cultures and regulatory regimes.
- This fragmentation creates complexity for investors seeking to source opportunities bilaterally, assess them rigorously and actively manage investments across the region.
- Successfully investing in Europe requires more than capital alone. It requires deep local and sector knowledge, established relationships and the ability to navigate the market conditions of each country.

Europe is Fragmented:
Driven by Interlinked, Heterogeneous Markets[5]

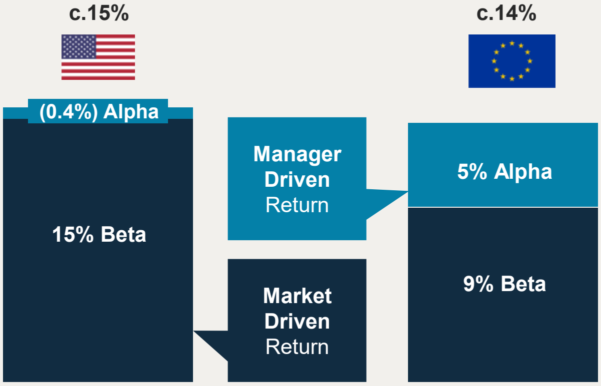
Countries	1	40+
Currencies	1	20+
Official Languages	1	24+
Insolvency Regimes	1	30+
Court Systems	1	30+
Corporate Tax Regimes	1	30+
Global Buyout Market Size	1st	2nd

1. Pitchbook 2026 Q2 Global Private Equity First Look.
2. Pitchbook data accessed June 2026.
3. S&P Capital IQ 2026.
4. Numbers are rolling last five-year averages. Data from InvestEurope, Stepstone, Eurostat, UK Office for National Statistics, US Bureau of Economic Analysis, European Central Bank. Data as of June 2026.
5. Why Europe Offers a Strategic Private Equity Advantage | CVC

3 Europe rewards local presence

- Managers with deep local presence build trusted relationships with management teams, business owners and advisers, often in their own language and over many years. These relationships can help them access investment opportunities on a bilateral basis.
- Combining deep local and sector knowledge, managers can underwrite businesses more effectively and develop value creation plans grounded in local market realities.
- Established exit networks help managers realise the value they create. Together, these capabilities can contribute to manager driven returns, reflecting the importance of local knowledge and execution when investing across Europe.

Private Equity Net IRR Last 10 Years[6]



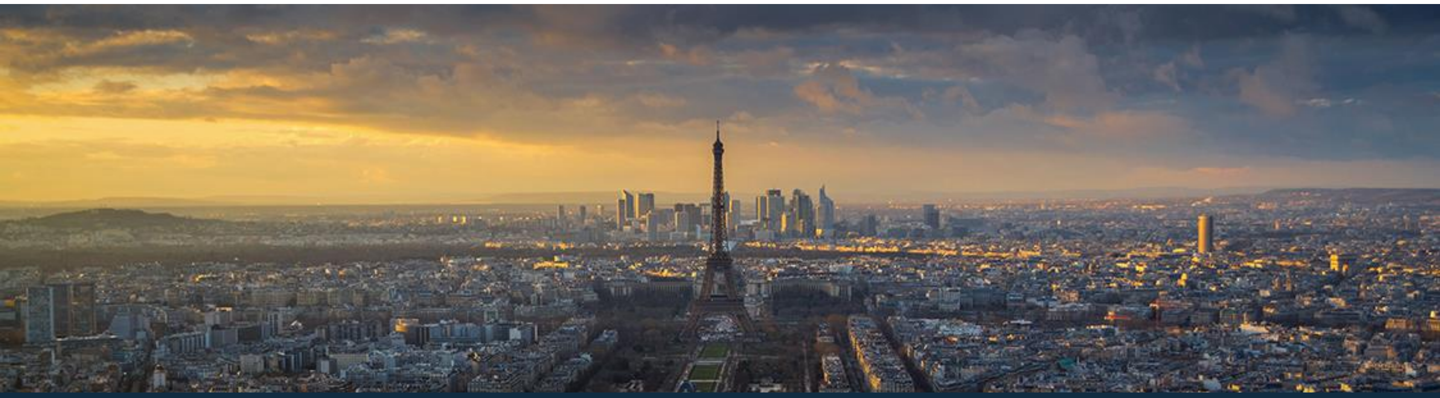
Past performance is no guide for future performance.

What is Private Equity Alpha?

- Additional return over a public benchmark.
- Generated through manager skill.
- Including sourcing, value creation and exit execution.

The opportunity is broad. The edge is local.

- As a complement to US private equity exposure, Europe offers a large, diverse and underpenetrated opportunity set across countries and sectors.
- European and US private equity have generated broadly similar headline returns, but a greater share of returns in Europe has historically been manager driven.
- Manager selection is therefore especially important. Long standing relationships, local and sector knowledge, rigorous underwriting and value creation plans grounded in local realities can help managers identify opportunities and realise their potential.



Europe's diversity creates a broad opportunity set.
Local expertise can help turn fragmentation into value.
Discover more on cvc.com/privatewealth

6. As at 31 December 2025. Data from MSCI/Burgiss and S&P Capital IQ. Net IRR in Euro for European Buyout funds and in USD for U.S. Buyout funds. Based on CVC's own assessment and interpretation of information available to it. Past performance is not necessarily indicative of future results

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