

EUROPEAN PE Breakdown



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Institutional Research Group



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Introduction

European PE dealmaking slowed broadly in Q3, with deal value down 10.9% QoQ and deal count down 4.4%, a synchronised decline pointing to a genuine pullback in deal flow rather than a few large deals failing to close. The European Central Bank's (ECB's) two rate hikes this year, in June and September, are the clearest driver, pushing up borrowing costs just as processes launched in the spring were being repriced or paused. The one bright spot on pricing: Entry multiples have moved in buyers' favour, with the median enterprise value (EV)/EBITDA multiple down to 8.9x YTD from 9.8x in 2025, setting up a more attractive backdrop for 2026 and 2027 vintages. Europe's weakness contrasts with a US rebound, and US sponsors are doing much of the work of holding up European activity: Deals with US investor participation reached €56.5 billion, a record 45.7% share of total European deal value, with nine of the 10 largest deals this quarter featuring a US sponsor. By size, megadeals held up well, with 16 deals above €1 billion, likely reflecting deals priced before the September hike; we expect this pricing trend to fade in Q4. The €100 million to €500 million bracket hit a decade-high 43.9% share, while add-ons reached a decade-high 57.4% of the deal count, both signs of sponsors favouring lower-risk, easier-to-finance deployment. Geographically and thematically, the UK dominated: Take-private value hit €52.8 billion YTD (up 32% YoY), with 57.5% from the UK alone, and the UK & Ireland accounted for 42.1% of European deal value in Q3 as mainland Europe slowed sharply, particularly France. Healthcare was the standout sector, with deal value and count both rising, while industrials and cleantech both already exceeded full-year 2025 deal value.

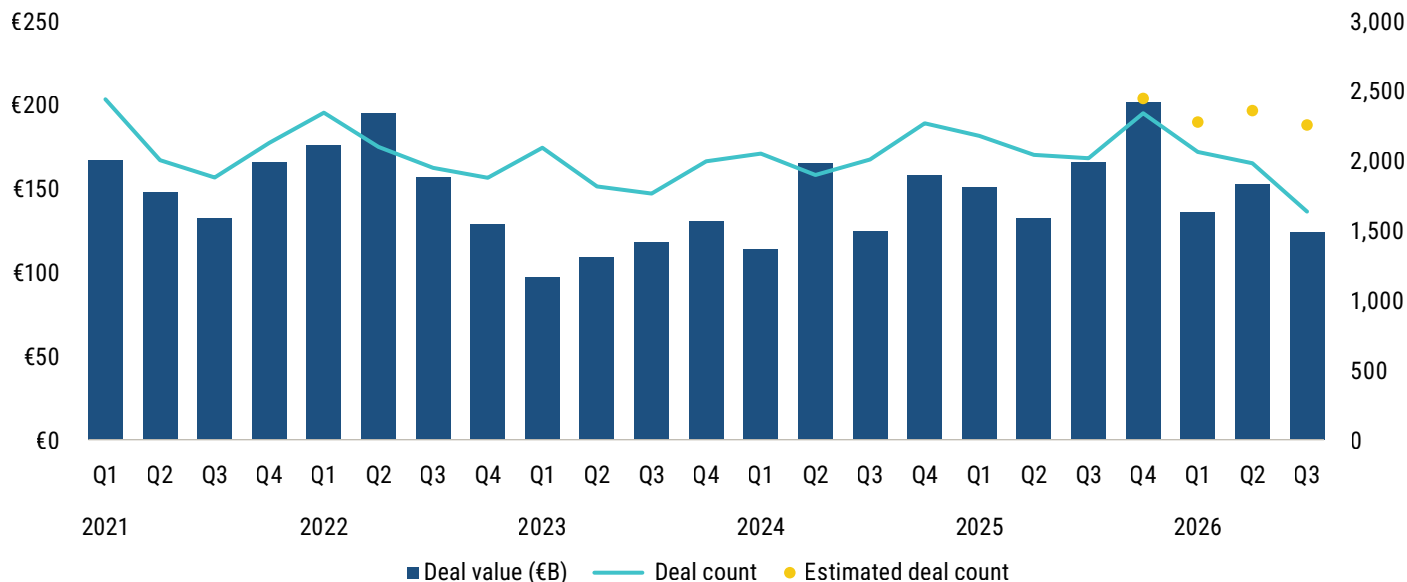
Exit value fell 25.2% QoQ, although 2026 is still pacing to be one of the strongest years on record by value, if slightly below 2025 by count. Concentration at the top continued: 14 deals above €1 billion accounted for close to 60% of exit

value, favouring the largest, most established GPs. The bigger issue is a pace mismatch: Sponsors struck 2,253 new deals against just 435 exits, a dynamic behind distributions to net asset value (NAV) falling below 20%, versus a 27% 10-year average, and a growing backlog of ageing, unsold companies. Corporate buyers remained the largest exit route at 42.4% despite a Q3 pullback, while public listings had their best year since 2023, although the largest listings, INNIO, Bending Spoons, and DPC Holdings, all listed outside Europe. The UK's Private Intermittent Securities and Capital Exchange System Private Intermittent Securities and Capital Exchange System (PISCES) platform passed further milestones, including Wayve's landmark employee tender, although its use so far looks more like an IPO substitute than a stepping stone.

European PE fundraising raised €65.9 billion across just 99 funds YTD, against €84.8 billion across 174 funds for all of 2025. Capital raised already equals 77.6% of last year's full-year total from just 56.9% of the fund count, confirming this is consolidation, not collapse: fewer, larger funds, with the median fund size close to a record €360 million. The mid-market absorbed 90.3% of capital YTD, as the largest fund tier (above €5 billion) has effectively stalled to just one close, versus six in 2024. Selective confidence is real: Providence Strategic Growth (PSG) Europe III, Axcel VIII, and Cinven Strategic Fund II all closed above their predecessors, with the average step-up rising to 1.9x. Established firms took 88.5% of capital YTD, leaving first-time fundraising at a series low. Growth-expansion funds took 25.5% of capital YTD, up from 17.6% in 2025, although the trend is far more modest than in the US, where AI-driven growth funds had a record H1, and further ECB hikes could complicate the picture. Secondaries and continuation vehicles kept growing, led by CVC's €8.6 billion and Clipway's €5.6 billion closes.

Deals

PE deal activity by quarter



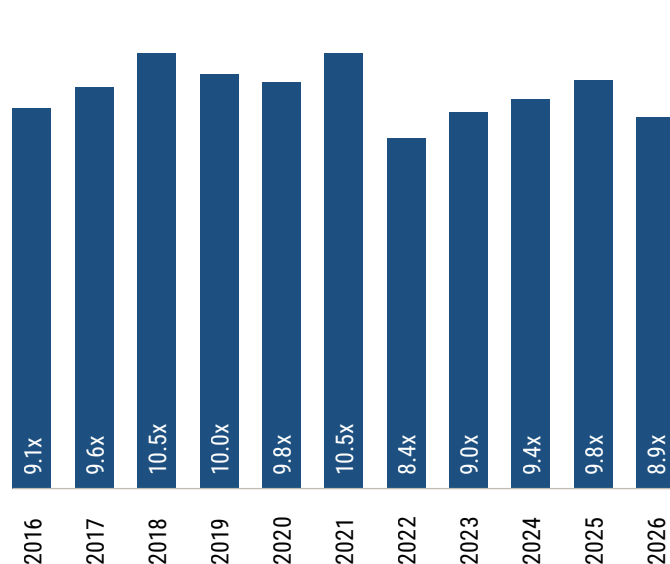
Source: PitchBook • Geography: Europe • As of 30 September 2026

ECB's interest rate hikes slow dealmaking

Dealmaking slowed broadly in Q3 2026 with deal value falling 10.9% sequentially and deal count by a similar 4.4%. The fact that both numbers moved together means this is not a case of a few large deals failing to close, which would hit value without affecting count. It looks like a genuine pullback in deal flow across most of the market. Processes launched in the spring were repriced or paused once rates turned, and sponsors seem to have focused more on protecting what they already own than on chasing new deals.

Rates remain the clearest channel through which the slowdown is being felt. The ECB's two rate hikes (in June and September) leave sponsors facing higher borrowing costs and little growth to offset them. Tighter credit supply adds to the pressure. The one thing working in the other direction is price: Entry multiples have moved in buyers' favour, setting up a more encouraging backdrop for the 2026 and 2027 vintages than this quarter's deal count alone would suggest. The weakness has more to do with the cost of money than with a shortage of good opportunities. The median European EV/EBITDA multiple across M&A stands at 8.9x YTD, down from 9.8x in 2025, with PE buyers still paying a premium over corporate acquirers, likely reflecting their ability to improve

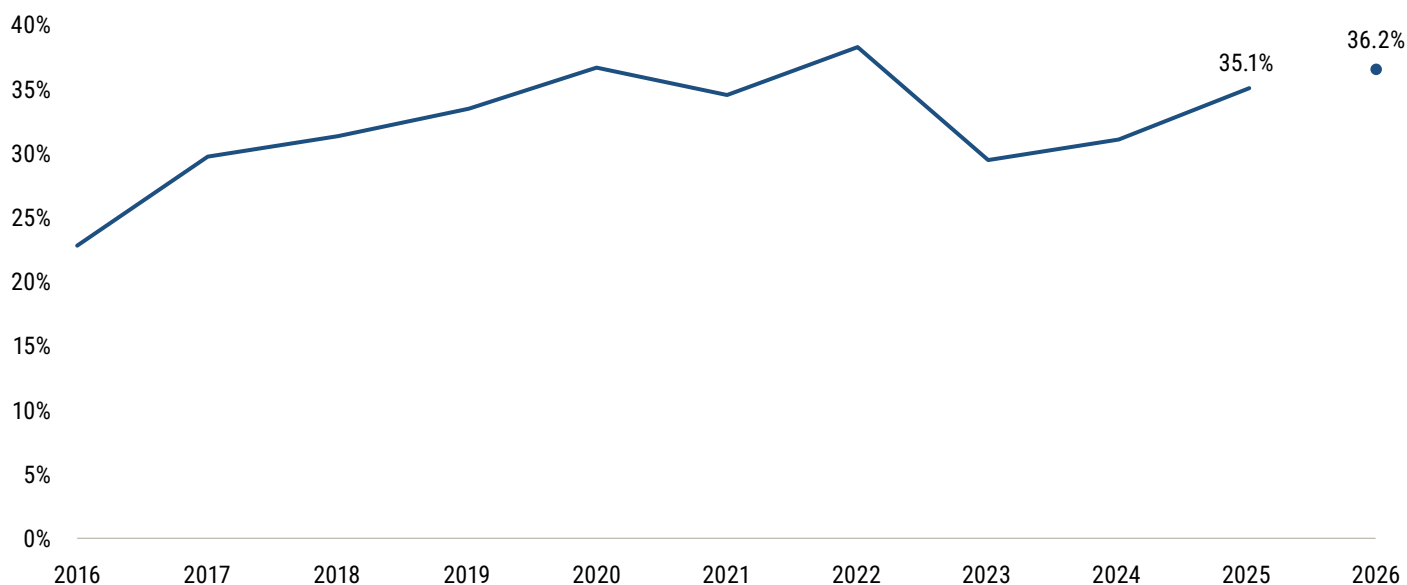
Median M&A EV/EBITDA multiple



Source: PitchBook • Geography: Europe • As of 30 September 2026

operations and build through add-ons rather than simply outbidding. The roughly one-turn drop is a headwind for funds selling assets bought at 2021 to 2022 peak prices and a tailwind for anyone buying now.

Share of PE deal value by US investor participation



Source: PitchBook • Geography: Europe • As of 30 September 2026

How Europe fares compared to the US

Interestingly, this quarter saw a reversal of the Q2 pattern: Europe's activity declined, mirroring what the US experienced last quarter, while the US itself rebounded. This likely reflects timing in the monetary policy cycle: The ECB moved first to raise rates, giving European dealmakers an earlier window to adjust, whereas the US is only now catching up. Even so, US interest rates remain considerably higher than in Europe, and this gap continues to make European assets relatively more attractive to dealmakers seeking cheaper financing.

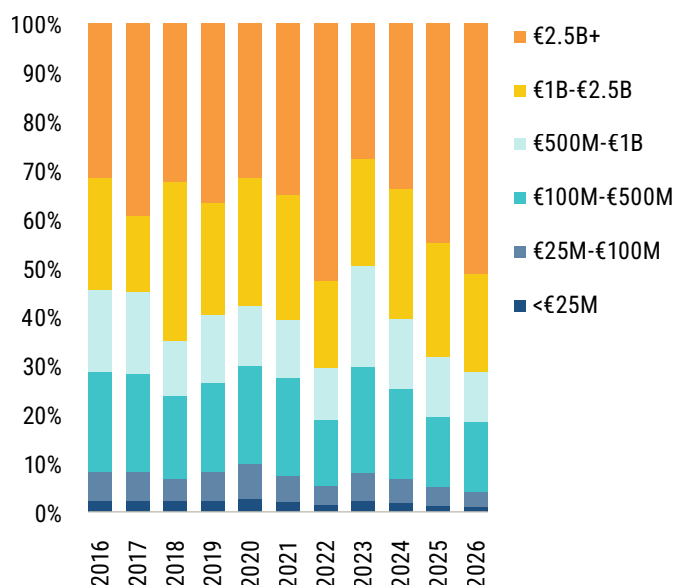
Indeed, US sponsors helped hold up European dealmaking. Deals with US investor participation reached €56.5 billion, up 16.1% sequentially, even as the broader market fell, equal to 45.7% of total European deal value. That record share may be the clearest single sign of how dependent Europe has become on transatlantic capital, and it rose just as domestic activity weakened. US managers have larger unspent funds, price European assets against a softer US comparable set, and can tap US credit markets that reopened faster than European ones. The quarter's largest disclosed deals all favoured established cash generation over growth stories. In fact, nine out of the top 10 deals this quarter had US sponsors on the ticket.

Size matters

Megadeals held up better than the broader market might suggest: 16 transactions above €1 billion closed in the quarter, up from 15 in Q2, together accounting for 33.8% of the quarter's total deal value. Megadeals typically take months to put together, so much of what closed in Q3 was likely priced before the September rate rise fed through. We would expect this resilience to fade in Q4, as deals now in the market have to reprice against a higher cost of debt.

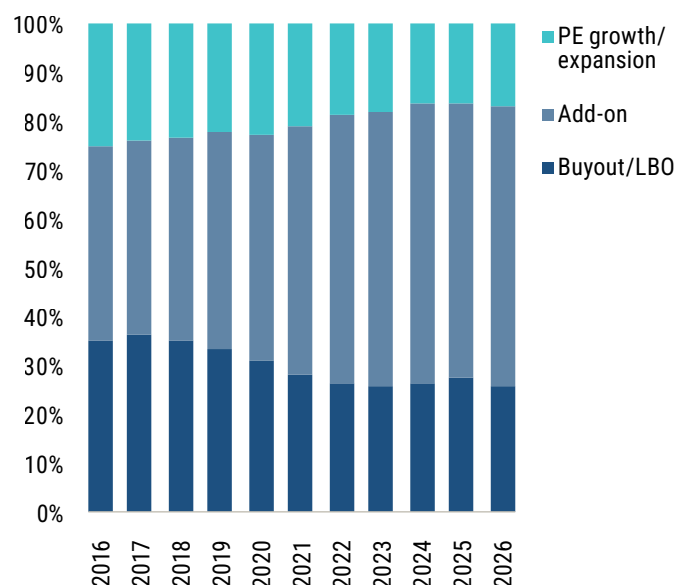
Below the megadeal tier, the mid-market told a steadier story. The €100 million to €500 million bracket grew to its largest share of total deal value in a decade, at 43.9%. This bracket sits in a sweet spot: large enough to attract institutional capital but small enough to be financed through direct lending and club deals rather than the syndicated markets that megadeal sponsors are waiting out. With cash flows that are easier to underwrite and less exposed to the repricing risk hanging over the market, this size bracket appears to have become something of a safe harbour for sponsors in the current environment.

Share of PE deal value by size bucket



Source: PitchBook • Geography: Europe • As of 30 September 2026

Share of PE deal count by type



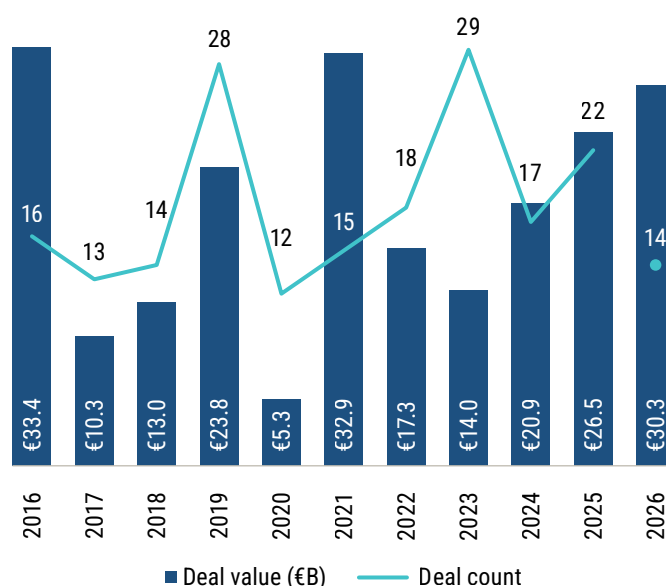
Source: PitchBook • Geography: Europe • As of 30 September 2026

Add-ons continued to drive buyout activity: They accounted for 57.4% of the quarter's deal count, the largest share of the past decade, compared with buyouts and growth-expansion deals combined. That split tells its own story. Adding a business to a platform the sponsor already owns and understands is usually the safer bet: It can often be financed without a new syndication and skips the price discovery that a full sale process demands. When visibility is low, sticking with what you know tends to be the lower-risk way to deploy capital, and the record add-on share this quarter reflects just how firmly caution and buy-and-build strategies are prevailing.

UK take-privates pacing for a record year of deal value

Take-privates were one of the clearest European PE trends this quarter, with take-private deal value reaching €52.8 billion so far in 2026, up 32% YoY. It is, however, very much a UK-led story: The UK alone accounts for roughly 57.5% of that European value, at €30.3 billion. Eight of Q3's 10 take-privates were UK companies. That concentration reflects a familiar dynamic: A weak London Stock Exchange (LSE) continues to leave UK companies trading at a persistent discount to their private market or overseas-listed peers, making them attractive targets for sponsors even as fewer processes come to market. Bodycote's take-private and the consortium

UK PE take-private deal activity



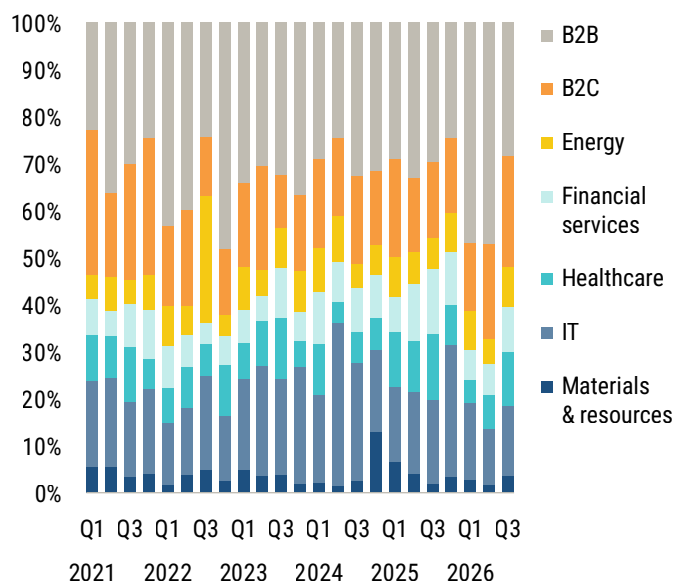
Source: PitchBook • Geography: UK • As of 30 September 2026

deal for Spire Healthcare Group were the standout examples this quarter, alongside smaller UK take-privates such as Pinewood Technologies, Luxfer Holdings, Gooch & Housego, Eleco, and Tribal Group. For more on this subject, please refer to our analyst note [UK Exit Market: Dearth or Revival?](#)

Healthcare rebound in Q3

On a sector basis, healthcare was the standout mover this quarter, with both deal value and deal count rising versus Q2, a rare combination in a market where sponsors have generally traded fewer, larger cheques. That resilience likely reflects the sector's defensive, cash-generative characteristics, which make it easier to underwrite in a tighter credit environment, as well as structural tailwinds from Europe's ageing population. Activity ranged from large buyouts, such as the €1.2 billion consortium take-private of Spire Healthcare Group and Bain Capital's €1.1 billion investment in Vitabiotics, to corporate acquisitions, such as Radiology Partners' €865.5 million purchase of Everlight Radiology.

Quarterly share of PE deal value by sector



Source: PitchBook • Geography: Europe • As of 30 September 2026

PE deal value ranking by vertical

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Manufacturing	1	1	1	1	1	1	2	1	1	1	1
Industrials	3	2	2	3	3	3	1	3	4	4	2
SaaS	5	6	5	5	5	4	6	2	2	2	3
TMT	2	3	3	2	2	2	5	4	3	3	4
Cleantech	8	8	8	6	6	7	9	5	5	8	5
E-commerce	4	11	11	10	9	6	10	10	12	13	6
Infrastructure	9	7	6	12	4	14	3	11	9	10	7
Life sciences	13	9	7	4	7	5	11	7	14	5	8
Fintech	10	5	4	7	8	10	8	6	8	6	9
LOHAS & wellness	14	10	14	14	14	11	16	9	11	11	10
AI & ML	12	18	15	13	13	15	12	12	6	7	11
Cybersecurity	15	14	12	9	12	9	13	14	7	9	12
Mobile	7	12	9	11	10	16	7	13	13	16	13
Oil & gas	6	4	10	8	11	8	4	8	16	12	14
Big Data	11	13	18	17	17	13	15	15	10	14	15
Healthtech	19	15	13	18	18	18	19	19	19	18	16
Marketing tech	17	16	16	16	19	17	14	17	18	17	17
Edtech	18	19	19	15	16	12	18	16	15	15	18
Climate tech	20	20	20	20	20	19	20	18	20	20	19
HR tech	16	17	17	19	15	20	17	20	17	19	20

Source: PitchBook • Geography: Europe • As of 30 September 2026

Industrials and cleantech surpass 2025 deal value

At the vertical level, industrials was the standout climber, rising from fourth place in the annual ranking to second, its best showing since 2022. Much of that move came down to a single deal: Clayton, Dubilier & Rice's roughly €3.6 billion acquisition of Mitie Group via its OCS Group platform was one of the largest industrials transactions in Europe this year and alone did much of the work in lifting the vertical up the table. Tellingly, industrials has already surpassed its full-year 2025 deal value with only nine months of 2026 on the board.

Cleantech told a similar story of re-emergence, climbing from eighth place to fifth, its best ranking in the past decade. As with industrials, the vertical has already exceeded its 2025 total with one quarter of the year still to be added, pointing to a genuine rebound in sponsor appetite for the sector rather than a one-off boost from a handful of deals.

UK expands its dominance in Q3 as mainland Europe slows down

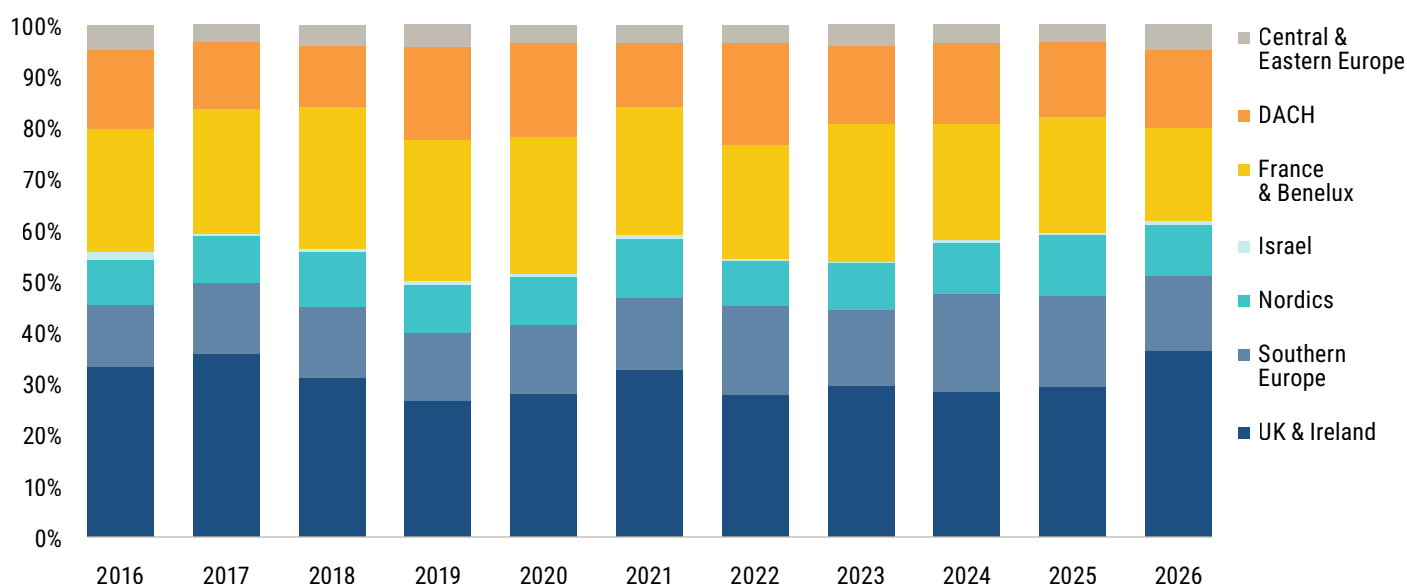
Geographically, the quarter's slowdown was very much a mainland European story, while the UK continued to shine. The UK & Ireland accounted for 42.1% of European deal value,

with only a mild sequential decline, and DACH held broadly steady. Elsewhere on the continent, activity was markedly weaker: France & Benelux fell 39.5% QoQ, with France alone down 38.7% as the country's political and fiscal uncertainty became something sponsors had to actively underwrite around rather than treat as background noise, and Southern Europe fell 27.2% QoQ.

The UK's relative resilience ties back to two threads running through this report. First, as discussed earlier, US buyers remain the most active source of capital in European PE, and the UK is where that appetite is most concentrated, giving it a deeper pool of well-financed acquirers to draw on even as continental activity thins out. Second, the Bank of England has yet to follow the ECB in raising rates this cycle, leaving UK financing conditions comparatively benign at a moment when the cost of debt is rising elsewhere.

This level of concentration rarely lasts. It usually reflects where financing and deal infrastructure remain strongest, not where the best opportunities sit, so some rebalancing toward the continent looks more likely than further narrowing.

Share of PE deal value by region



Source: PitchBook • Geography: Europe • As of 30 September 2026

SPOTLIGHT

When Will Europe Have a \$1 Trillion Company?

Characteristics of the 20 most valuable companies by region

Region	Total market cap (\$B)	Median market cap (\$B)	Total TTM revenue (\$B)	Median TTM revenue (\$B)	Median trailing P/E
Global	\$38,801.8	\$1,376.8	\$5,429.3	\$211.6	26.8x
US	\$35,384.0	\$1,104.8	\$4,869.4	\$149.3	31.1x
Europe	\$5,348.3	\$247.9	\$1,666.8	\$59.0	25.9x
APAC	\$10,620.9	\$300.0	\$2,753.1	\$113.3	15.1x

Source: PitchBook • Geography: Global • As of 20 August 2026

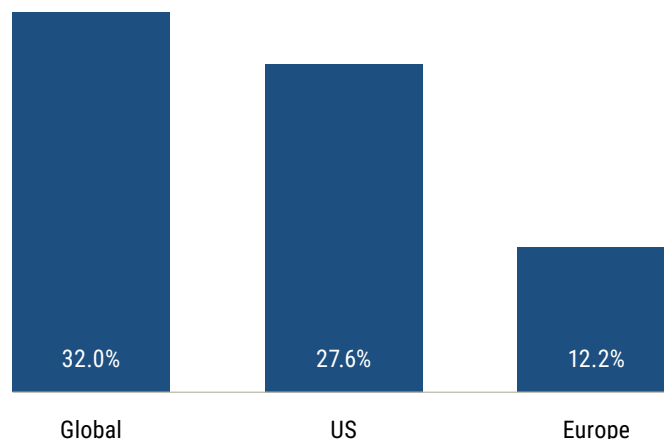
Note: This spotlight is abridged from our analyst note [When Will Europe Have a \\$1 Trillion Company?](#) Please see the full report for additional analysis on this topic.

Europe is as close as it has ever been to having a \$1 trillion business. Over the past few years, there have been new market capitalisation highs in Europe, but Europe has yet to produce a company that enters and stays in the trillion-dollar club. Our latest forecast suggests ASML's recent run puts it firmly in pole position to reach the \$1 trillion mark first. Half a dozen companies could emerge as trillion-dollar businesses in the next five to 10 years, with approximately 10 trillion-dollar companies possible by 2038.

Why has Europe fallen behind?

European deals and valuations tend to be smaller than those in the US, from VC funding stages through PE deals to public markets. Across the current top 20 most valuable US companies, the median trailing P/E ratio is 31.1x. For Europe, it is 25.9x, so a premium exists for US assets at the top of the market, but the gap is not huge. For the global top 20, the median is 26.8x, marginally above the European figure. Therefore, Europe's top companies are not trading at a discount to global trillion-dollar businesses. Revenues from the global top 20 are more than triple those of Europe's 20; therefore, revenues achieved from scale, rather than multiples, could be the driving force behind megavaluations. Europe must create larger companies capable of generating \$100 billion to \$200 billion in revenue to develop \$1 trillion-plus valuations. Only four European companies achieved revenue above \$100 billion in the TTM period, compared with 14 in the global top 20. Fragmentation remains a key consideration for creating more valuable companies in Europe, as diverse markets and regulations often impede scale.

Top 20 average market cap CAGRs between June 2020 and June 2026 by region



Source: PitchBook • Geography: Global • As of 30 June 2026

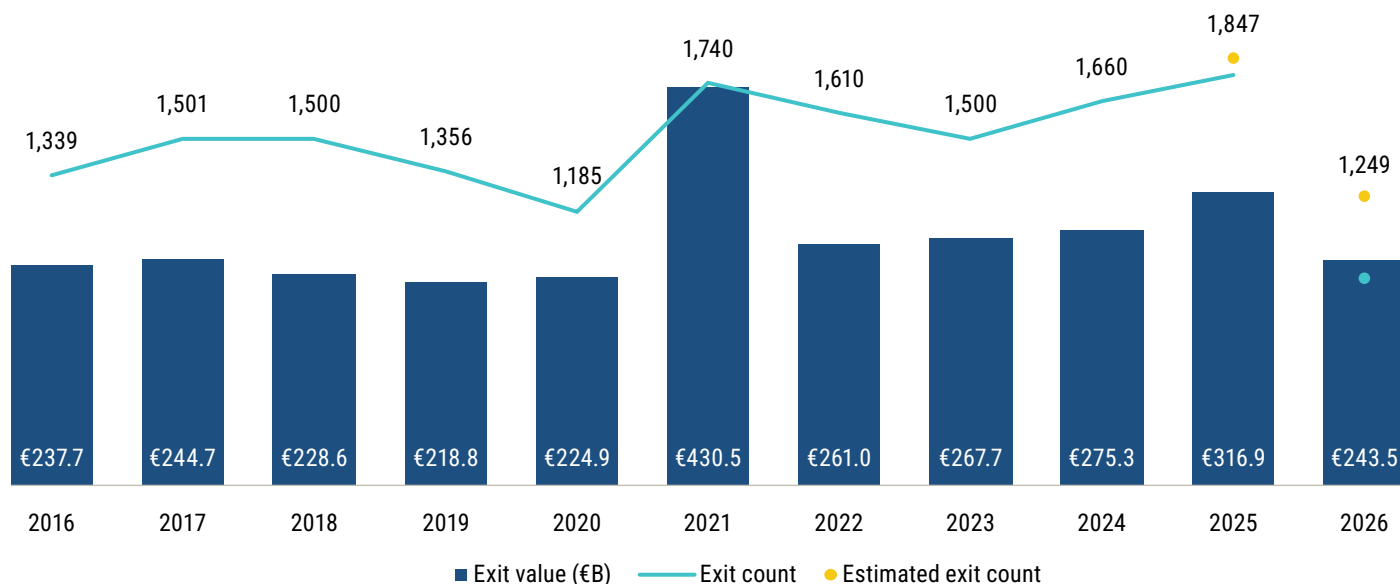
The private market pipeline

There is currently a greater chance of a European public company than a private company crossing \$1 trillion. Deal sizes and valuations in Europe are not on a par with the level in the US this year, and the chances of a European equivalent to Anthropic or OpenAI emerging are slim.

The gap is not just about one company emerging from Europe; it highlights structural issues that could hinder the creation of dominant companies. These include a fragmented capital market with numerous exchanges, weaker public market returns, and regulatory and monetary conditions that have traditionally suppressed valuations compared with those in the US. Scale is the key issue for European companies, and closing this gap will be critical to achieving trillion-dollar valuations.

Exits

PE exit activity

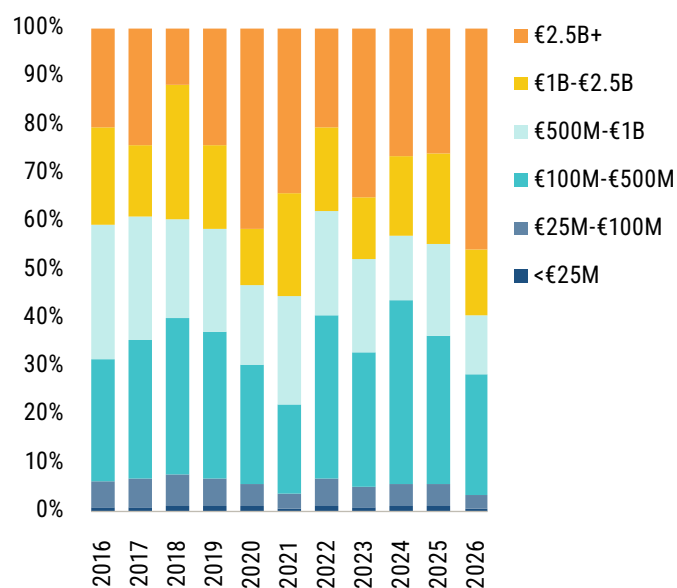


Source: PitchBook • Geography: Europe • As of 30 September 2026

Lower quarter of exit activity, but 2026 is still pacing for a strong year

Exit value fell harder than deal value in Q3, although Q2 had been particularly strong. Exit value dropped 25.2% QoQ while exit count increased 6.1%. However, the bigger picture is more encouraging: Exit value is pacing to finish 2026 higher than 2025, making it one of the strongest years on record. By exit count, though, we expect the year to finish slightly below 2025. Concentration at the top of the exit market continued to grow in Q3: 14 deals above €1 billion accounted for close to 60% of all European exit value. Increasingly, only the largest assets, usually owned by the most experienced GPs, are large enough to support a public listing or attract a global strategic buyer. We have previously documented that distributions are occurring unequally across the market, with established, brand-name GPs able to exit more readily than smaller or newer managers.

Share of PE exit value by size bucket

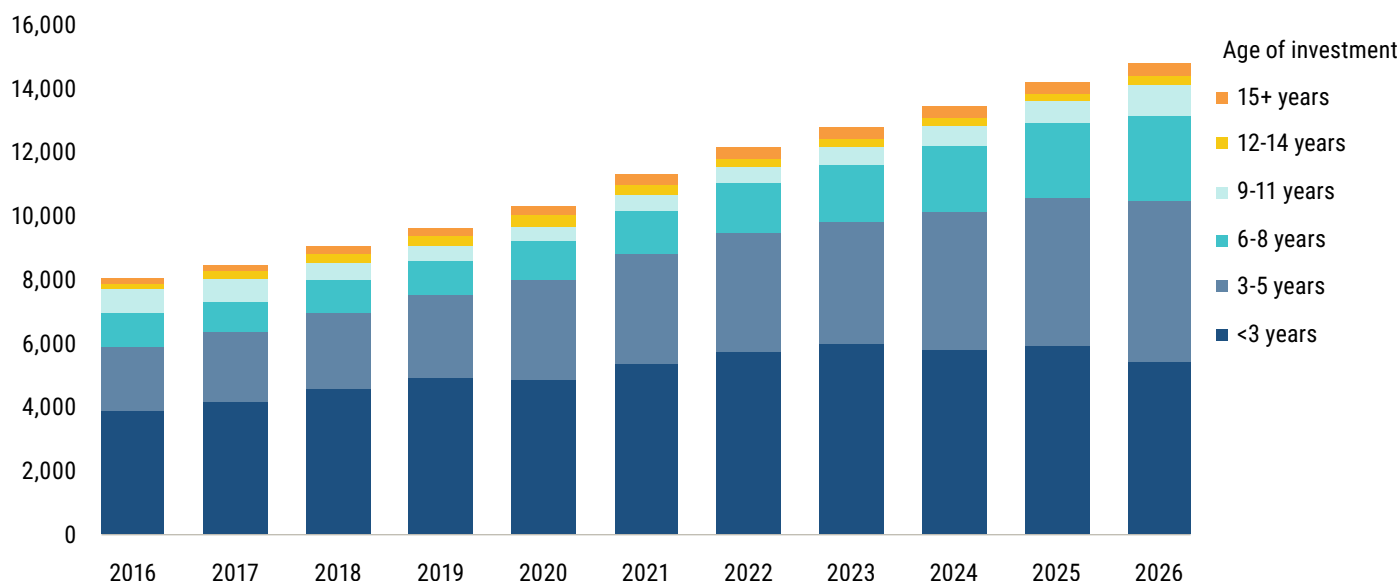


Source: PitchBook • Geography: Europe • As of 30 September 2026

A pace mismatch

The bigger issue for LPs may be the pace mismatch. Sponsors struck 2,253 new deals in Q3 compared with just 435 exits. In other words, sponsors are adding to their portfolios almost 6x faster than they are selling out of them, and each quarter this persists, further delaying the distributions that fund LPs' next round of commitments. This dynamic is the fundamental reason distributions as a percentage of NAV have fallen to historic lows in recent

PE company inventory by age of investment



Source: PitchBook • Geography: Europe • As of 30 September 2026

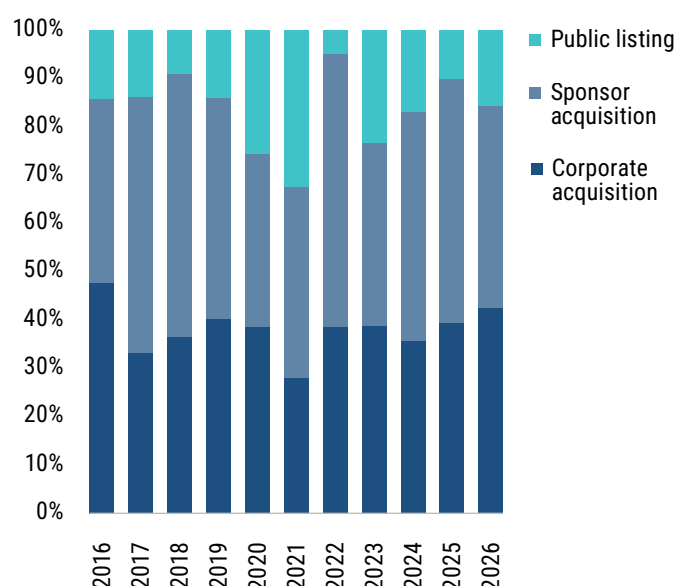
years: below 20%, compared with a 10-year average of 27%. Holding periods also add useful context. The median European PE holding period stands at 6.7 years YTD, down from 7.1 years in 2025, a modest improvement for the assets that do sell. But the overall pool of PE-backed European companies has swollen to a record 14,803, with 11% of that pool now held for more than nine years, a growing share. Shorter holding periods for assets that sell, alongside a larger, older pool overall, point to a split market: The sellable assets are moving faster while everything else keeps piling up. That backlog, more than this quarter's exit count on its own, is likely to shape the pace of payouts to LPs through 2027, and it is the reason continuation vehicles and NAV-based deals are being used more often. For more on this, please read [Private Equity's Zombie Problem](#).

Corporates dominate while IPOs tell a two-sided story

Exit routes continued to shift from Q2: Corporate buyers remained the largest single channel at 42.4% of value despite falling sequentially, as strategic acquirers pulled back from an unusually strong Q2, consistent with boards holding off on discretionary M&A while their own borrowing costs rise. Sponsor-to-sponsor exits held roughly flat, making them the steadiest of the three routes, which is not surprising since both sides use similar valuation assumptions and neither needs a public market comparison to agree on a price.

Public listings tell a two-sided story. On the one hand, exit value from public listings is pacing for its best year since 2023 and has already generated more value than all of last

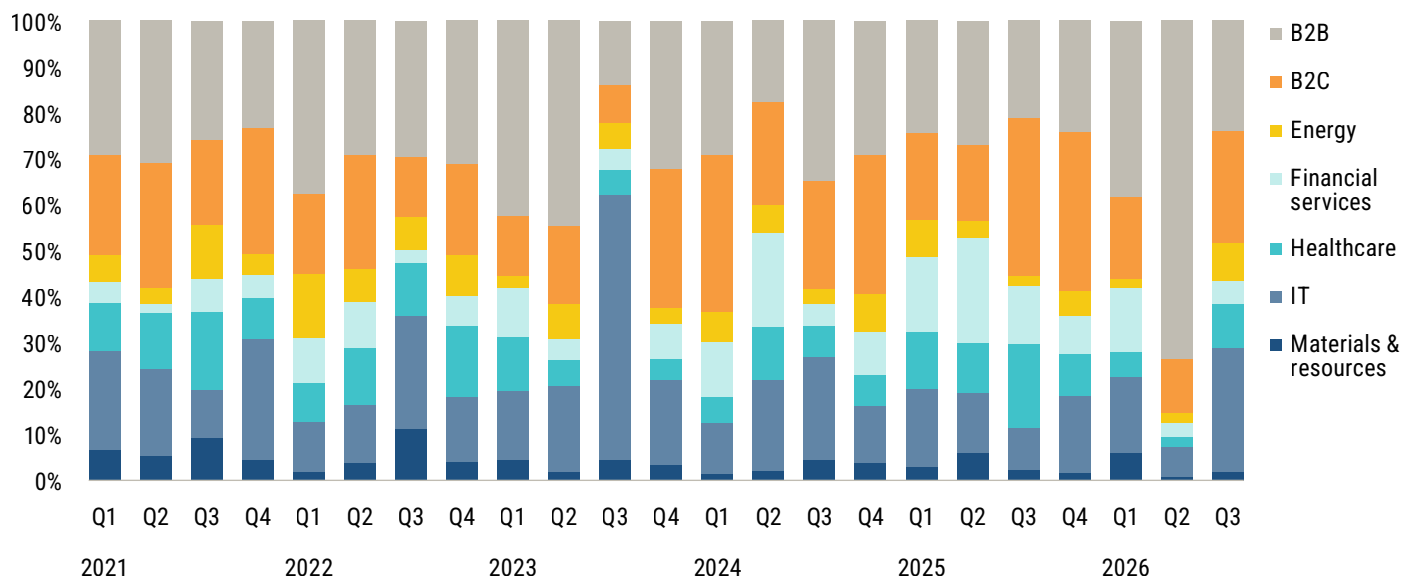
Share of PE exit value by type



Source: PitchBook • Geography: Europe • As of 30 September 2026

year, a small but real sign that the IPO market is reopening. On the other hand, the largest listings this year, including INNIO, Bending Spoons, and DPC Holdings, have all listed outside Europe, pointing to a structural problem: Domestic exchanges are failing to retain the very companies large enough to truly revive European IPO activity. Whether a fuller recovery follows will depend on how these stocks perform over the next few quarters. If it holds, it would ease Europe's reliance on sponsor-to-sponsor sales to set prices and bring back a type of buyer that does not need another PE firm to agree on the same valuation.

Quarterly share of PE exit value by sector



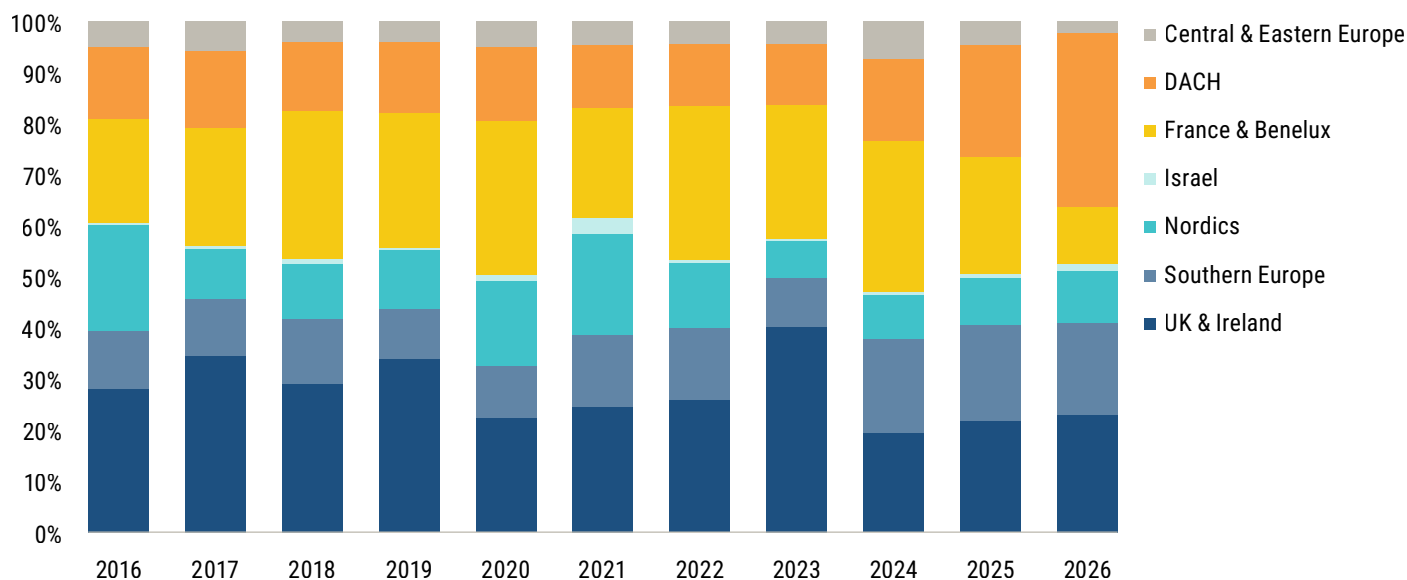
Source: PitchBook • Geography: Europe • As of 30 September 2026

UK's PISCES pushes through more milestones

Since we last flagged PISCES in the [Q1 report](#), the platform has moved from a regulatory milestone to a platform with real transaction volume. However, its purpose is proving more contested than the "IPO stepping stone" framing originally suggested. One more operator joined the LSE and JP Jenkins during the year: Asset Match was approved by the Financial Conduct Authority on 22 April, notably with no quantitative admission thresholds, unlike the LSE's Private Securities Market, which broadly requires companies to meet at least two of a £10 million fundraise, £20 million in audited assets, or £10 million in audited turnover. The LSE's platform completed its first trade on 25 March, in a tradable private equity investment company holding secondary shares in Oxford Science Enterprises' venture portfolio. Activity then picked up meaningfully in the second half, with Moneybox running a roughly £800 million secondary sale in July and

Wayve completing the platform's largest transaction to date, an \$85 million employee tender sold at a 10% discount to its last funding round, to buyers including ARK Invest, Liberty Street, G Squared, and Launchbay Capital. The Wayve deal is also the clearest evidence yet on how PISCES is actually being used: Rather than acting as a stepping stone to a public listing, it gave Wayve a way to solve an employee retention problem without needing to list at all, prompting some in the market to argue the platform could end up delaying IPOs rather than encouraging them, since companies no longer need to go public simply to create liquidity for early backers. For PE sponsors, that is a double-edged development: A working secondary liquidity tool for portfolio companies is welcome, but if PISCES becomes a genuine substitute for an IPO rather than a bridge to one, it does little to solve Europe's underlying problem of too few large companies reaching public markets in the first place.

Share of PE exit value by region



Source: PitchBook • Geography: Europe • As of 30 September 2026

IT is the strongest sector in Q3 for exits

Sector patterns partly mirrored the deal side and partly ran opposite to it. IT exits rose 77.6% against Q3 2025, reaching €18.1 billion, its strongest quarter of exit value in over two years; this is notable given how weak IT dealmaking has been. However, the increase is not broad-based: Bending Spoons' Nasdaq listing alone accounts for €7.3 billion of that figure, close to half the total, so a single deal is doing much of the work behind the headline number. B2B gave back most of an exceptional Q2, while healthcare exits rose sharply for much the same reasons driving deal activity into the sector.

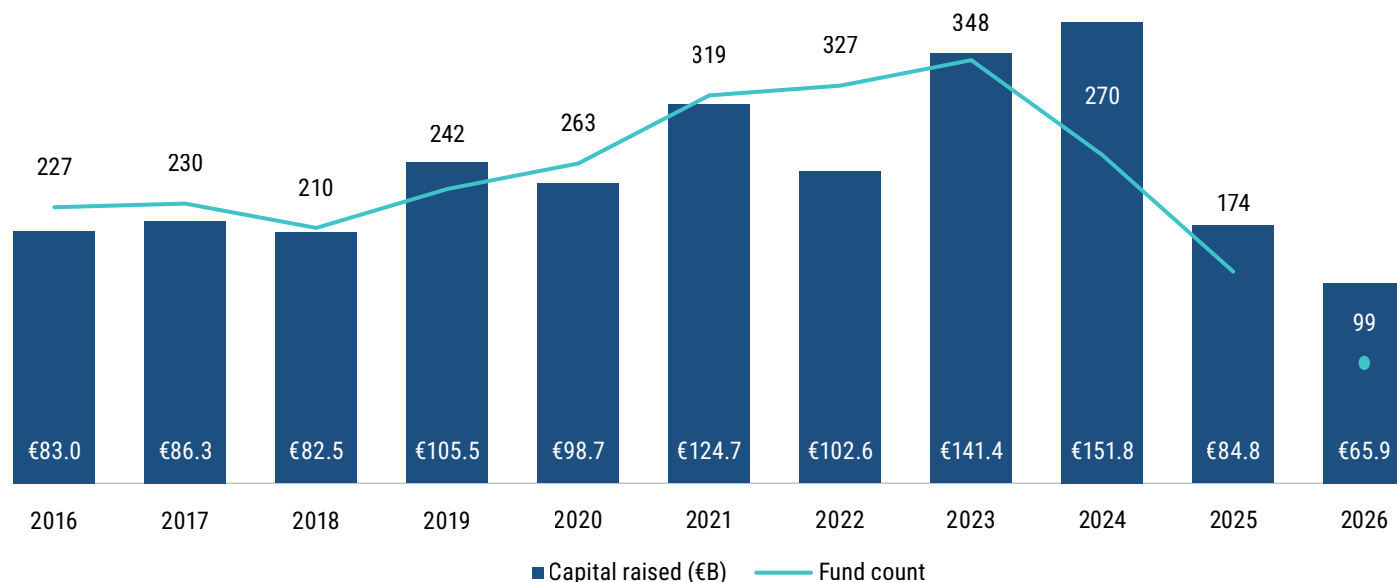
Uneven quarterly regional activity

Regional exit activity moved around rather than broadening out. Southern Europe led the quarter with €22 billion, while DACH fell 77.9% sequentially from Q2, which was its strongest quarter on record thanks to the TK Elevator acquisition. A swing that large is a reminder of how much a single region's total can depend on just a handful of exits. The broader picture is that exit activity is not recovering evenly across Europe: It is shifting from region to region as individual large deals close.

Looking at YTD figures gives a steadier read than any single quarter. On that basis, the UK, DACH, and Southern Europe regions are all up on exit value versus the same period in 2025, while France & Benelux, Nordics, and Central & Eastern Europe are down.

Fundraising

PE fundraising activity



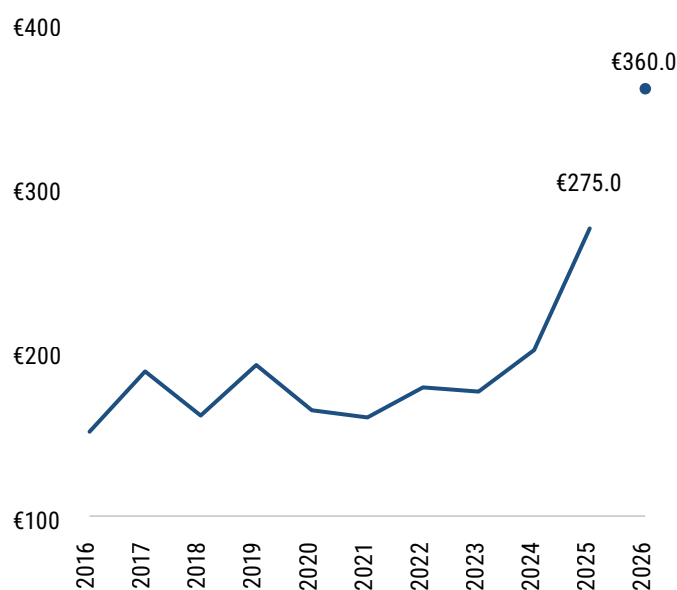
Source: PitchBook • Geography: Europe • As of 30 September 2026

Fewer but larger funds

PE fundraising continues to run cold, with only €65.9 billion raised across 99 funds YTD, compared with €84.8 billion across 174 funds for all of 2025, and a much larger total across 270 vehicles in 2024. The ratio between those numbers is the more telling part. Capital raised so far this year already equals 77.6% of 2025's full-year total, from just 56.9% of the fund count. Europe is not struggling to raise money so much as raising it through fewer, larger funds. The median European PE fund closed this year is close to a record €360 million. That looks like a lasting shift rather than a one-off: When LPs consolidate around fewer managers, average cheque sizes tend to rise and fewer managers clear the bar. The distribution shortfall described above is a plausible driver of that shift, since allocators short on cash are more likely to re-up with a manager they already know than back someone new.

Most of that capital is landing in the mid-market, which absorbed 90.3% of all European PE capital raised YTD, a high share by historical standards. Only one fund above €5 billion has closed this year, compared with six such closures in 2024. The largest fund tier has effectively stalled, and since those funds have historically accounted for a large share of annual European fundraising, their absence explains most of

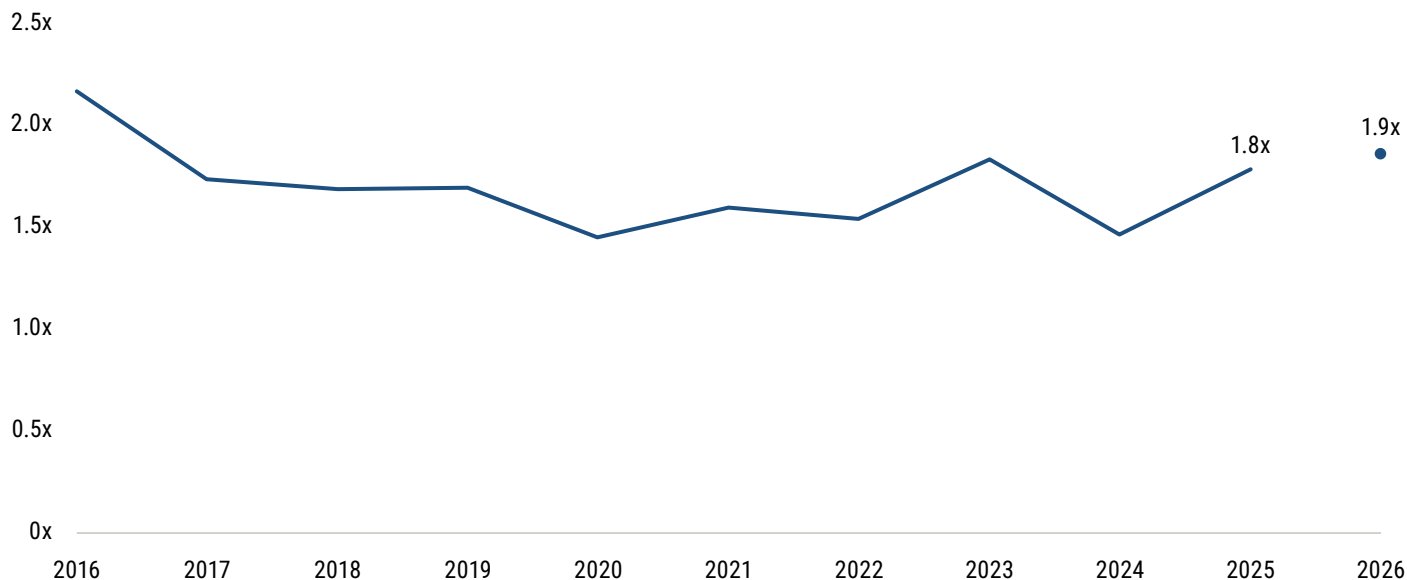
Median PE fund size (€M)



Source: PitchBook • Geography: Europe • As of 30 September 2026

the headline decline on its own without necessarily implying that LPs have lost interest. It also looks like a deliberate choice: The mid-market has produced some of European PE's best risk-adjusted returns, and its returns depend least on leverage or rising exit multiples, both of which are currently working against sponsors.

Average PE fund step-up



Source: PitchBook • Geography: Europe • As of 30 September 2026

Selective fundraising still exudes confidence

Q3's fund closes back up that reading. PSG Europe III closed at €4.4 billion, at the top of its target range and 1.7x the size of its predecessor. Axcel VIII closed well above target with a similarly large step-up, and Cinven Strategic Fund II and Crown Europe Small Buyouts VII also completed during the quarter. Funds closing above target with step-ups this size do not look like a frozen market. They look more like a selective one, where money that used to spread across a dozen managers is now going to three. As such, we have seen the average step-up in Europe rise from 1.8x in 2025 to 1.9x in 2026.

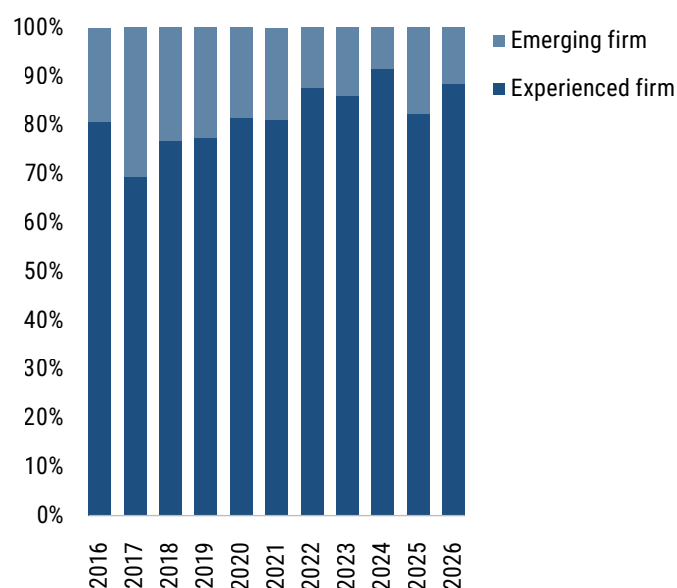
Experience matters

Track record appears to be what decides who gets funded. Established firms took 88.5% of all European PE capital raised YTD, while first-time fundraising has effectively stalled at a series low of €1.5 billion across seven funds. The barrier looks less about performance than about proof: A new manager without a realised track record cannot easily show distributions at a moment when LPs are prioritising liquidity above almost everything else, which makes today's environment a tough one for new managers, regardless of how good the underlying team is.

Growth-equity fundraising on the rise

Strategy mix offered the quarter's most encouraging signal. Growth-expansion funds have taken 25.5% of all European PE capital YTD, up from 17.6% for all of 2025, and the median

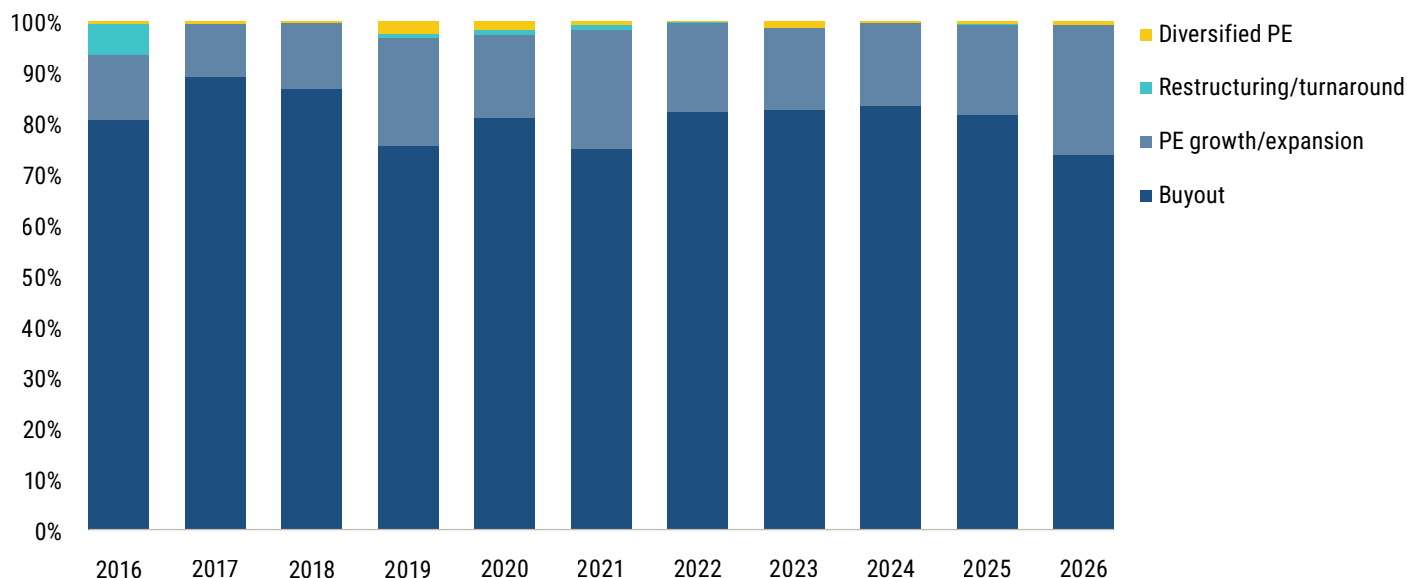
Share of PE capital raised by manager experience



Source: PitchBook • Geography: Europe • As of 30 September 2026

growth-expansion fund is now a record size. We flagged growth equity as a strategy to watch on the view that lower rates would help it and that LPs looking for exposure without leverage risk would move toward it; the gain in share is early support for that view. That said, the European trend is far more modest than what's playing out in the US, where growth funds had a record first half of the year, driven by exposure to the latest AI companies and strong investor demand for high-growth names; Europe's growth-equity opportunity set simply does not have the same concentration of AI-driven assets to draw on. The ECB has now raised rates twice this cycle, in June and September, which complicates the

Share of PE capital raised by type



Source: PitchBook • Geography: Europe • As of 30 September 2026

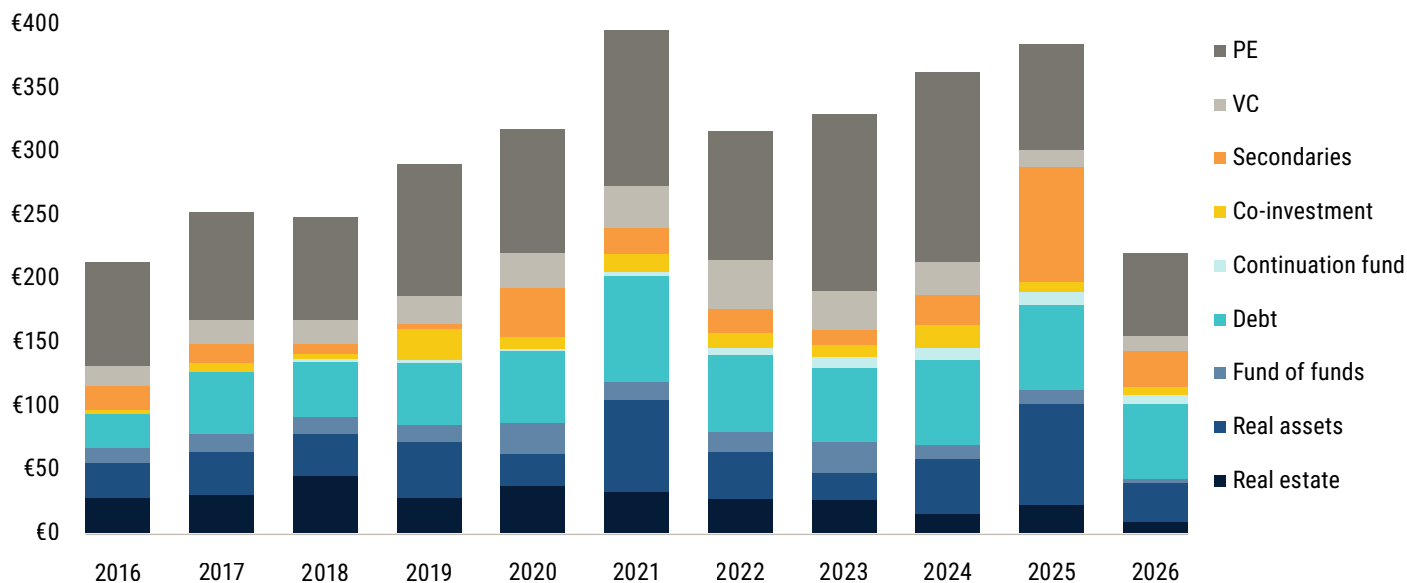
picture for European growth equity specifically: A sustained tightening cycle would tend to hit long-duration assets like growth equity first, so the tailwind behind this quarter's gain in share may not hold if rates keep rising.

Secondaries fundraising and CVs continue growing

Secondaries and continuation vehicles (CVs) were still proliferating this quarter, filling some of the gap left by a still-thin IPO market. Q3 produced the two largest European secondaries closes of the year: CVC's Secondary Opportunities Fund VI, which closed at €8.6 billion, and Clipway's debut Secondary Fund I, which closed at €5.6 billion, alongside further closes from Eurazeo (€2.3 billion), Carlyle's Alpinvest Atom Fund II (€1.5 billion), and Netley Capital's Tertiary Fund 1 (€1 billion). Single-asset CVs also

kept coming, with closes from Bregal Unternehmerkapital, Exponent Private Equity, and G Square Healthcare Private Equity's Pharmacy2U vehicle underscoring how central these structures have become for providing LPs liquidity without relying on a strategic sale or a listing. That said, it is worth keeping this in proportion. Secondaries and CVs are an increasingly important liquidity tool, but they remain a comparatively small slice of the private markets fundraising pie: Secondaries took just 12.6% of capital raised across private market strategies YTD and continuation funds a much smaller 3.2%. Traditional PE remains by far the dominant sub-asset class, at 29.4% of capital raised, a reminder that for all the attention secondaries are getting, they are still a complement to buyout fundraising rather than a substitute for it.

Private capital raised (€B) by strategy



Source: PitchBook • Geography: Europe • As of 30 September 2026

Secondaries funds closed YTD

Investor	Fund	Fund size (€M)	Close date	Country
CVC Secondary Partners	CVC Secondary Opportunities Fund VI	€8,623.4	3 September	UK
Clipway	Clipway Secondary Fund I	€5,606.6	21 July	UK
Eurazeo	Eurazeo Secondary Fund V	€2,300.0	6 July	France
The Carlyle Group	AlpInvest Atom Fund II	€1,487.2	15 July	Netherlands
Montana Capital Partners	MCP Opportunity Secondary Program VI	€1,188.1	11 February	Switzerland
Netley Capital	Netley Capital Tertiary Fund 1	€1,034.8	3 September	UK
Arcano Partners	Arcano Secondary Fund V	€850.0	13 January	Spain
Turnstone Private Equity	Turnstone Private Equity Fund IV	€450.0	21 April	Norway
ACE & Company	ACE Secondary Investments VIII	€82.0	15 April	Switzerland

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