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EUROPEAN PE Breakdown

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Contents

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Introduction

European PE entered the second half of 2026 with real momentum, driven by a deals market that proved more durable than the macro backdrop suggested it would be. Q2 deal value rose 6.9% QoQ, putting 2026 on pace for a record year by deal count, even as the European Central Bank's (ECB's) first rate hike since 2023 introduced a genuine threat to H2 dealmaking, given the asset class's dependence on the cost of leverage. That resilience has been disproportionately a European story. Deal value held up even as the US market contracted sharply, a divergence sponsors at SuperReturn International attributed to Europe's structural appeal: fragmentation, lower entry multiples, and a genuine alpha opportunity that distinguishes it from a more mature beta-driven US market. Within Europe, the composition of activity continued to shift, with add-ons holding at decade highs even as growth deals quietly gained share, a trend tied closely to the low-rate environment now coming under pressure.

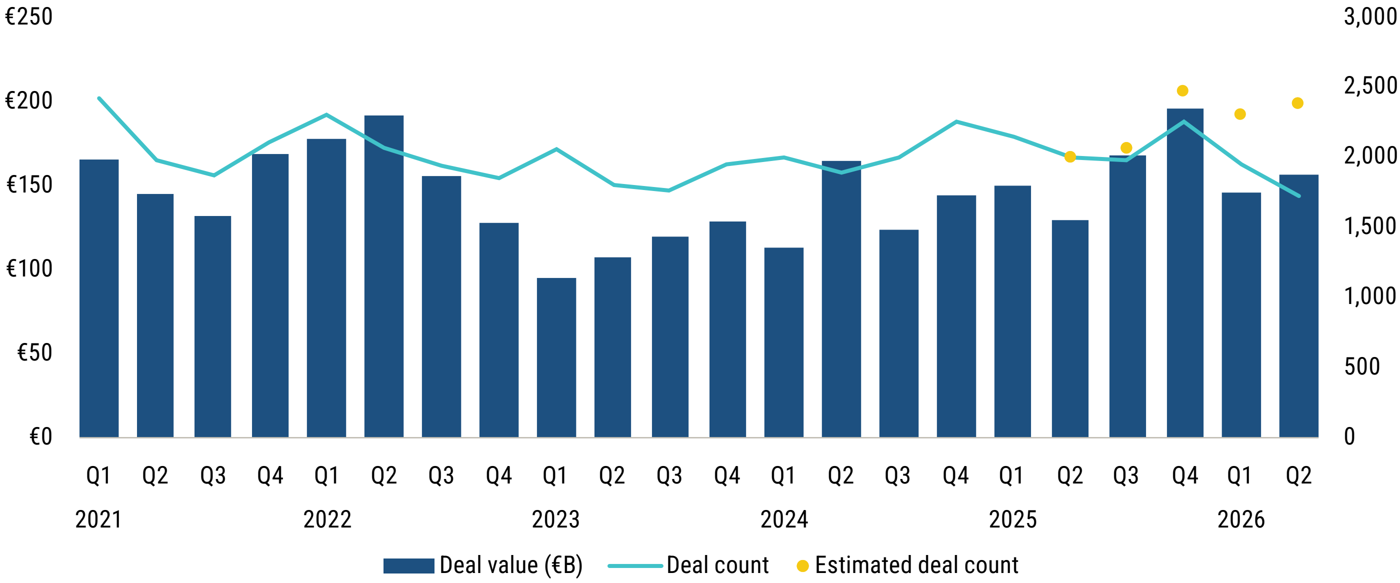
Megadeals took an increasing share of total value, anchored by a wave of take-privates. The UK was the standout regional beneficiary, reasserting its position as Europe's largest PE market despite domestic political turbulence, buoyed by its role as the primary conduit for US capital and a broader rise in cross-border dealmaking across the continent.

European PE exits told a paradoxical story in Q2: Exit value surged 29.7% QoQ to a three-year high, even as exit count remained relatively flat. The gap is explained by concentration: Just 22 mega-exits drove 65.8% of total value, well above the decade average, reflecting a top-of-market clearing event rather than a broad liquidity recovery. Germany anchored regional activity, with the €29.4 billion sale of TK Elevator and Innio's Nasdaq listing pushing the DACH exit value to a record high. IPO exit value reached €23.7 billion in H1, putting 2026 on pace for its best year in three, although both flagship listings chose New York over European exchanges, underscoring a thin domestic pipeline. Corporate acquirers overtook sponsors as the dominant exit route, while continuation vehicles continued to provide liquidity outside traditional channels, even as GP-led secondary volumes ticked down YoY.

European fundraising remains on pace for its worst year in a decade, with capital concentrating almost entirely among proven mid-market managers; funds between €1 billion and €5 billion accounted for 54.1% of YTD capital raised. Successful raises show that demand for trusted names persists. Still, the broader picture is one of LP consolidation, exemplified by Canadian pension funds cutting GP relationships and Astorg's stalled flagship raise. France & Benelux led regional fundraising, buoyed by three Dutch megafunds and a structural tailwind: Ongoing Dutch pension reform is steadily redirecting capital towards private markets, giving homegrown managers a growing domestic LP base even as conditions tighten elsewhere. H2 will hinge on two variables: the pace of distributions and the direction of monetary policy. Several major 2025-vintage flagship funds, including EQT XI, Permira IX, Nordic Capital XII, Bridgepoint Europe VIII, Vintage X, and Astorg XI, remain open.

Deals

PE deal activity by quarter



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

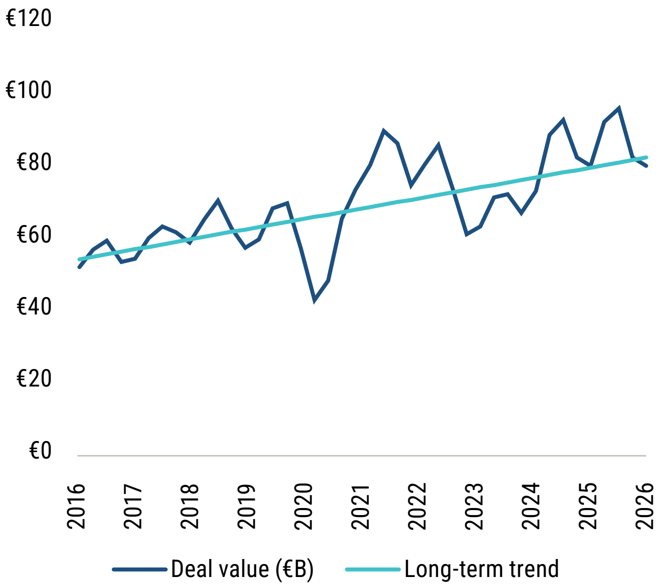
H1 pacing for a very strong year, but H2 will determine whether it will be one

Q2 deal activity remained resilient despite the macroeconomic backdrop, with deal value rising 6.9% QoQ while deal count held roughly flat. Extrapolating H1's pace across the full year, 2026 would land as a record for deal count and only 7.5% below the high-water mark for deal value, a strong base, but one that makes H2's trajectory the defining variable. On 11 June, the ECB raised interest rates by 25 basis points for the first time since 2023, restarting its tightening cycle in response to inflationary pressures stemming from the energy crisis in the Middle East. For an asset class whose returns are deeply tied to the cost of leverage, a reversal of the easing cycle carries a double burden: higher borrowing costs at the deal level and upward pressure on discount rates across portfolios. It is worth stressing that this was a single 25-basis-point move, and that the ECB acted alone (the Bank of England held rates just days later), suggesting this is not yet a coordinated tightening across major central banks. Despite European PE's continued structural growth as an asset class, H2 momentum could soften materially if the Middle East conflict remains unresolved and energy prices fail to normalise.

Europe's relative outperformance is the key takeaway from SuperReturn International

In Q2, deal value in Europe was up QoQ, while in the US it dropped 44.3%. This relative resilience has been a year in the

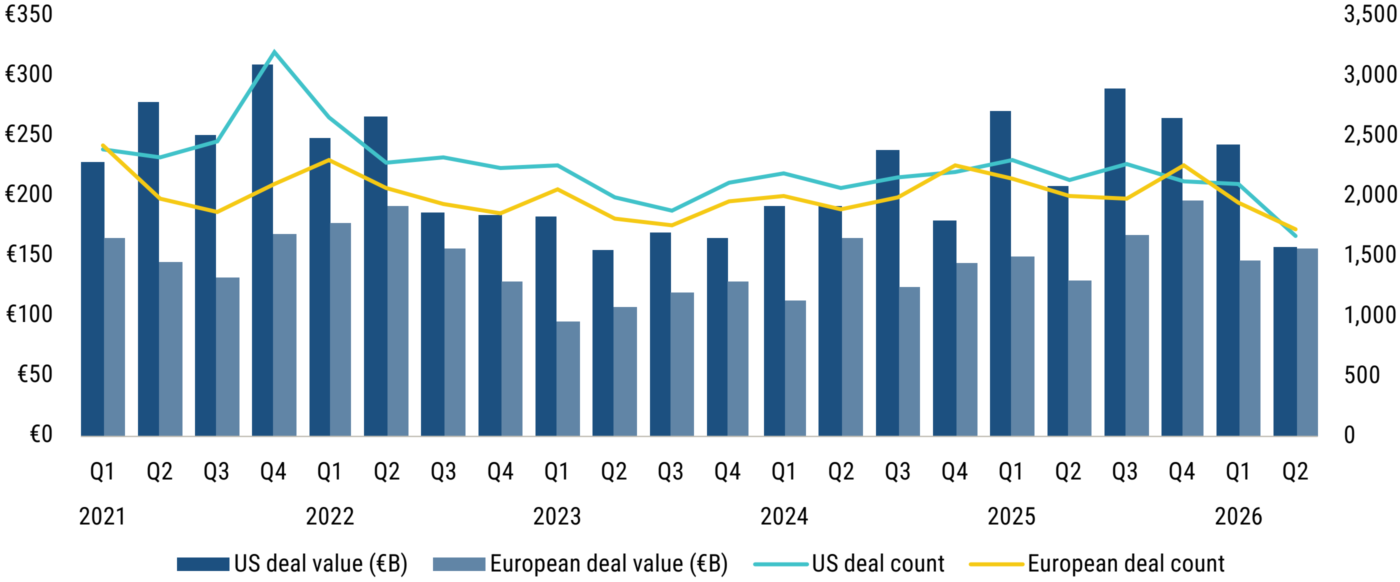
Trailing-six-month PE buyout deal value (€B)



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

making, as sponsors and corporates alike have increasingly looked to Europe for alpha generation. Europe is fragmented, requires localised specialisation, and has lower entry multiples than North America. Many of its countries, such as Italy and Spain, also still have large family-owned business bases and remain underpenetrated by PE. At SuperReturn International in June, one of Europe's largest private markets conferences, CVC's CEO Rob Lucas captured this dynamic directly: US and

Europe vs US deal activity

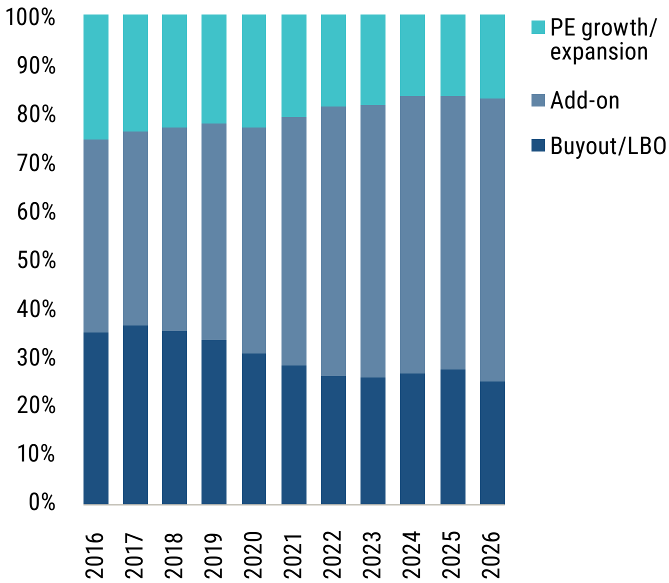


Source: PitchBook • Geography: Europe • As of 30 June 2026

European PE have delivered broadly similar returns over the last decade, but in Europe, roughly one-third of that return is genuine alpha, versus almost entirely beta in the US. Adding to the structural case, Bain Capital noted that European companies are 10 to 15 years behind the US on corporate IT spend per employee, a gap that represents both a larger inefficiency to close and a greater alpha opportunity for GPs with the operational toolkit to drive digital and AI adoption.[1]

Size-wise, the US PE market remains larger, generating approximately 35% more deal value than the European market in H1 2026, although deal counts are broadly in line. The more telling data point is the trajectory: In 2025, the US market was 57% larger in deal value, indicating that Europe has meaningfully gained market share. At SuperReturn, Bain & Company stated that a business that required only 5% EBITDA growth to hit target returns a decade ago now requires 12% EBITDA growth to do so, given today's entry multiples and interest-rate environment.[2] In that context, shifting attention from a mature, beta-driven US market towards a more nascent European one is less a stylistic preference and more a structural imperative for GPs seeking to protect returns.

Share of PE deal count by type

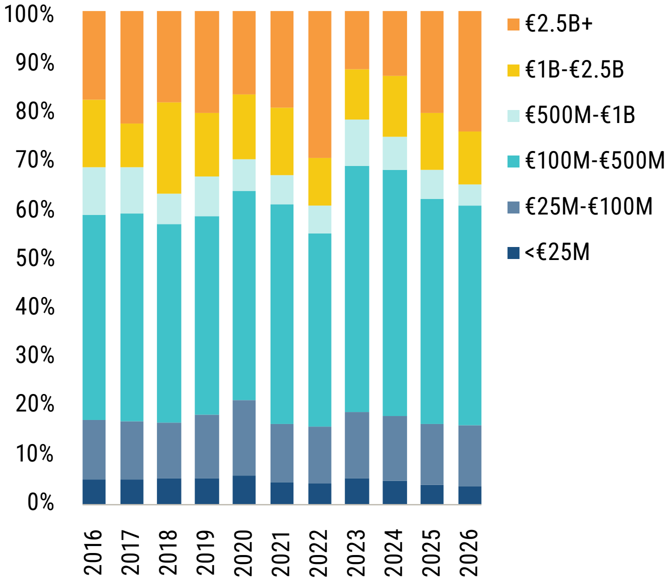


Source: PitchBook • Geography: Europe • As of 30 June 2026

Q2 trends: A relative rise in growth deals

In our Q1 2026 European PE Breakdown, we noted that the rise of add-ons to record levels reflected a more risk-off approach from sponsors. In Q2, the level of add-ons remains at a decade high, representing 57.7% of the total deal count for the year. The add-on trend remains intact. However, we have seen the share of buyouts drop in favour of a rise in growth deals, which represent 11.6% of deal value (up from 11.3% in 2025) and 17% of deal count (up from 16.4% in 2025). This relative rise in growth deals has tracked closely with the lowest interest-rate environment in four years, as lower rates improve the economics of growth-oriented strategies that rely less on leverage and more on multiple expansion and revenue compounding. Whether this proves a durable shift or a rate-cycle trade will depend heavily on what comes next: If the ECB's June move marks the beginning of a renewed tightening cycle rather than a one-off adjustment, growth deals may struggle to continue gaining market share against a more leverage-friendly buyout backdrop.

Share of PE deal value by size



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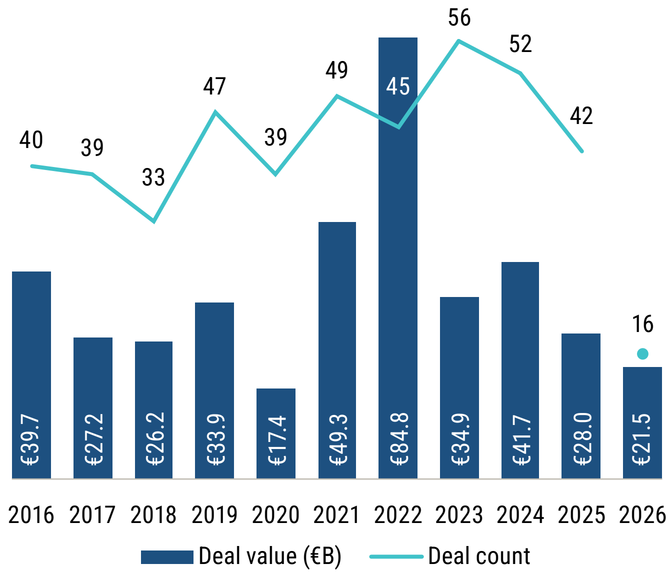
Take-private deal activity

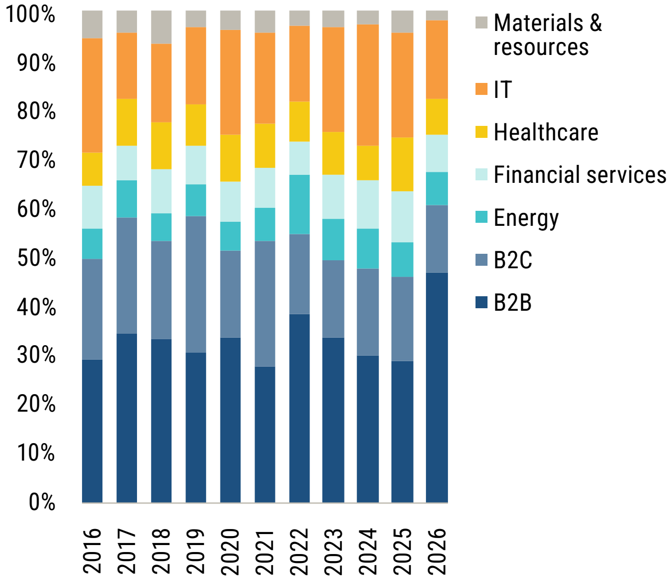


Source: PitchBook • Geography: Europe • As of 30 June 2026

Q2 trends: Megadeals and take-privates

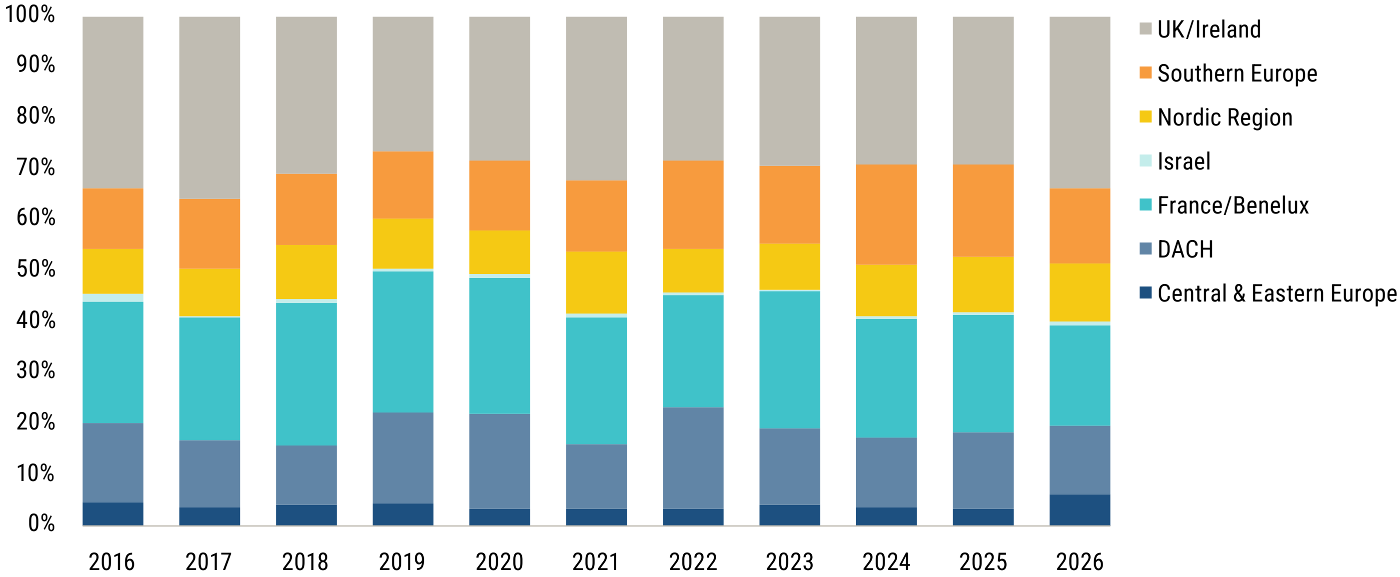
Megadeals continued to grow their share of total deal value, rising from 32.1% in 2025 to 35% in H1 2026, underscoring sponsors' willingness to deploy at scale despite an uncertain macro backdrop. Q2 saw 16 megadeals announced or closed, with half concentrated in the B2B sector, reinforcing the theme of GPs gravitating towards businesses with recurring revenue and defensible margins. The largest transaction of the quarter was EQT's take-private of testing and certification firm Intertek at €12.6 billion, a 62% premium to the listed share price, secured after three rejected bids, and a clear signal of the conviction required to push a deal of this size across the line.[3] More broadly, take-privates emerged as a defining feature of Q2, with 11 transactions generating close to €20 billion in value. European-listed markets continue to trade at a discount to private-market valuations in many sectors. With equity market volatility elevated, public boards are proving more receptive to approaches that offer value at a premium.

Share of PE deal value by sector



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

Share of PE deal value by region

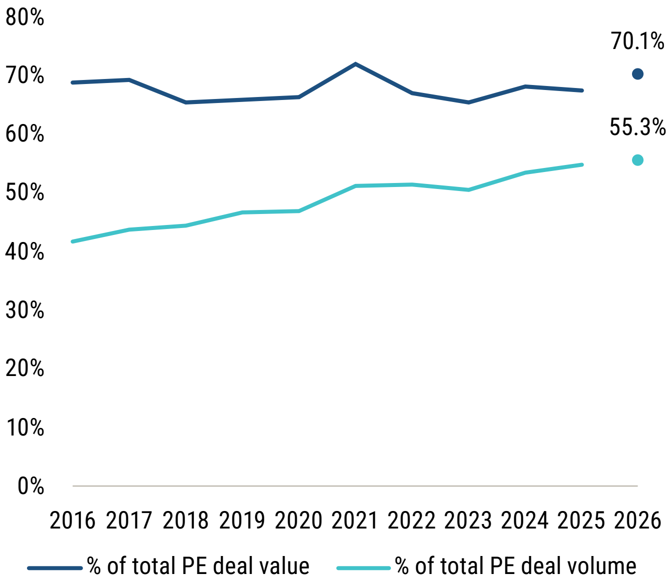


Source: PitchBook • Geography: Europe • As of 30 June 2026

The UK increases its dealmaking market share

The UK extended its market share in Q2, accounting for 30% of total European deal value and 25% of deal count, the largest share for the country since 2019, and a meaningful reassertion of its position as Europe's largest PE market. What makes this performance particularly striking is the domestic backdrop against which it was delivered, given that Prime Minister Keir Starmer's resignation in June added a fresh layer of political uncertainty. The fact that the UK PE market accelerated during this period of turbulence speaks to a fundamental characteristic of the asset class in the UK: PE activity can decouple from the domestic macro environment in which it operates. Part of that resilience is structural, as the UK remains the primary destination for US capital entering European PE. Investors have been incentivised by currency dynamics and the continued discount to UK-listed assets relative to private-market valuations. This transatlantic flow is part of a broader pattern: Cross-border deal activity across Europe rose to 70.1% of total deal value in H1 2026, up from 67.4% in 2025, reflecting an increasingly internationalised capital base that is less anchored to domestic deal flow than at any point in recent years. For the UK, sitting at the intersection of US capital and European opportunity, that trend is a structural tailwind—and one that domestic political noise is unlikely to disrupt.

Share of PE deal activity by cross-border activity



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

SPOTLIGHT

UK Exit Market: Dearth or Revival?

Select FTSE 100 company underperformance compared with US peers

FTSE 100 company	5-year return	Sector	Closest US peer	5-year return	UK-US return
BP	81.0%	Integrated energy	Chevron	83.5%	-2.4%
Unilever	-6.7%	Consumer staples	Procter & Gamble	3.9%	-10.6%
GSK	40.3%	Pharmaceuticals	Merck & Co	53.5%	-13.2%
InterContinental Hotels	147.1%	Hotels	Marriott International	166.6%	-19.5%
Shell	131.6%	Integrated energy	ExxonMobil	163.6%	-32.0%
Smith & Nephew	-26.5%	Orthopaedic devices	Stryker	22.6%	-49.1%
Halma	76.1%	Safety & environmental tech	Watts Water Technologies	126.4%	-50.3%
SEGRO	-30.7%	Industrial REIT	Prologis	23.1%	-53.8%
Rentokil Initial	-3.3%	Pest control/facilities	Rollins	51.3%	-54.6%
Intermediate Capital Group	-7.2%	Alternative asset management	Ares Management	125.4%	-132.6%
AstraZeneca	72.2%	Pharmaceuticals	Eli Lilly	421.1%	-349.0%

Source: PitchBook • Geography: Europe • As of 22 May 2026

Note: This spotlight is abridged from our analyst note, UK Exit Market: Dearth or Revival? published on 11 June 2026.

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The shrinking UK public market

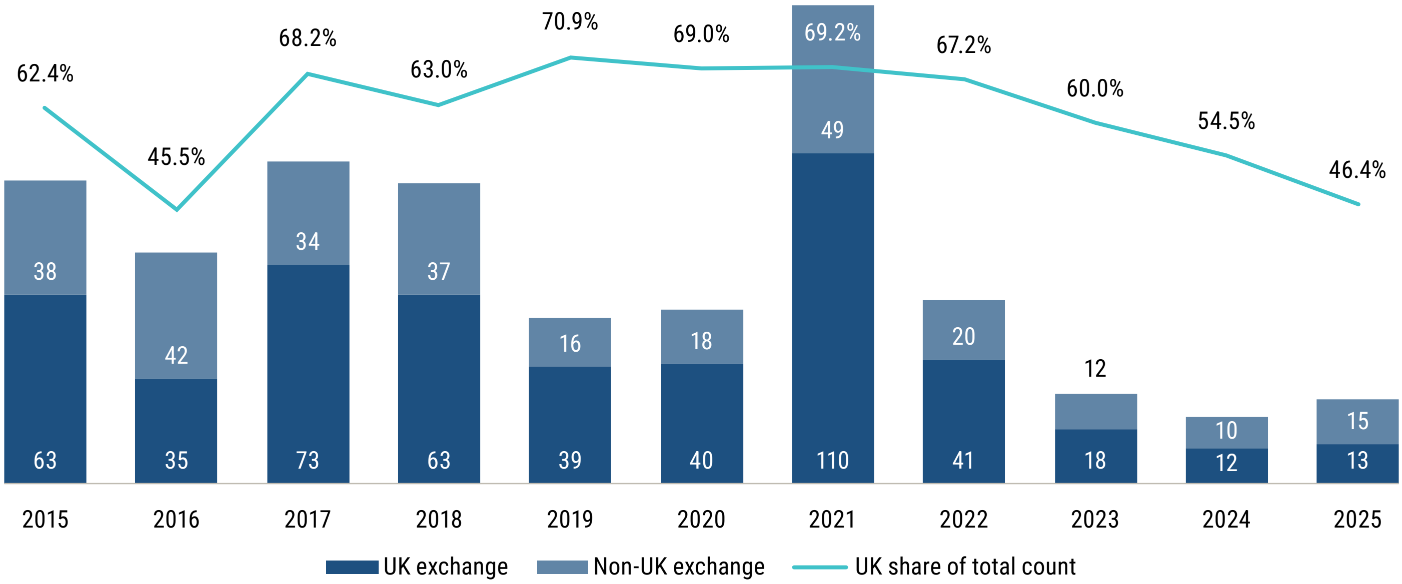
The UK's declining share of global listings is most starkly illustrated by its diminishing presence in exchange rankings. London dropped out of the top 20 global IPO venues in September 2025.[4] Where it once sat comfortably among the world's premier listing venues, it has steadily ceded ground, not only to New York, but increasingly to Asian markets. Taiwan's and South Korea's stock markets have both surpassed the UK in total market capitalisation in 2026, a reversal that would have seemed improbable even a decade ago.[5] Meanwhile, the share of UK companies choosing to list domestically has fallen from 71% in 2019 to 46% in 2025, with high-profile names, such as Arm, opting for nondomestic exchanges rather than the London Stock Exchange (LSE).

Why the LSE has lost its appeal

The LSE's declining competitiveness as a listing venue is not simply a function of cyclical market conditions; it reflects a set of structural disadvantages that have compounded over time and proven difficult to address. These three stand out:

Valuation: UK-listed companies are widely perceived to trade at a discount to their US-listed peers, particularly in technology and high-growth sectors. Whether the discount is structural or largely explained by sectoral composition

UK IPO count by exchange region



Source: PitchBook • Geography: UK • As of 31 March 2026

remains debated, but for founder-led businesses and sponsor-backed companies weighing exit options, the perception of undervaluation alone represents a powerful argument for listing elsewhere.

Liquidity: Trading volumes on the LSE have thinned considerably relative to the major US exchanges, creating a self-reinforcing dynamic: Lower liquidity deters institutional investors, which reduces trading activity further, and, in turn, makes the exchange less attractive to prospective issuers. For large-cap companies requiring deep and reliable markets to support significant share issuances or secondary offerings, this is a structural constraint that listing rule reforms alone cannot easily fix.

Index mechanics: FTSE eligibility rules and the composition of the index itself have created perverse incentives. The FTSE 100 and 250 are heavily weighted towards financials, energy, and mining—sectors that trade at lower multiples globally—and are relatively underweight in technology and life sciences. This sectoral composition means that even companies that do list in London may find themselves poorly served by the index in terms of investor flows and benchmark-driven demand.

A WORD FROM ALVAREZ & MARSAL'S PRIVATE EQUITY PERFORMANCE IMPROVEMENT TEAM

Operational alpha: How private equity is building value in a new cycle

Private equity-backed companies continue to outperform their listed peers, growing revenues and EBITDA faster than public benchmarks.

But the engine driving that outperformance has changed. For most of the past decade, value creation in PE was primarily a story of top-line expansion—revenues driven higher by add-on acquisitions supported by cheap debt—while margins increased only slightly.

Today, that model has given way to what we call operational alpha: profitability growth achieved through commercial and operational excellence, cash management, and disciplined execution.

Operational value creation

This shift is visible in our analysis of 250 PE exits in Europe between 2013 and 2025. Margin improvement now accounts for half of EBITDA growth for companies exited through 2025, more than double the proportion seen in exits up to 2023. The contribution of top-line expansion fell from 78% to 49% over the same period.

Operational value creation and resilient business models are the industry's answer to much tougher market conditions it faces today. Fewer exits, higher interest rates, and an uncertain macroeconomic environment, defined by repeated disruptions and geopolitical volatility, mean sponsors can no longer buy and wait for multiple expansion to do the work. They need to find value through active portfolio management, pulling the levers that are within their control.

A&M's annual survey of 200 PE executives and portfolio companies shows how PE firms are pulling a broader range of levers in value creation and deploying them earlier in the hold period. Cost optimisation remains part of the toolkit, but it is now paired with smarter pricing, sharper commercial execution, and the operational discipline to make businesses scalable without losing margin.

AI adoption ramps up

AI is central to that new model. The share of firms embedding AI in their value creation plans has risen from 41% last year to 63% in 2026. Of those, over a third report AI being used across multiple functions and delivering measurable value, while 38% have deployed it in specific functional areas; only 23% are in the pilot stage.

Steffen Kroner

Managing Director

Steffen is a Managing Director with Alvarez & Marsal's Private Equity Performance Improvement Practice in Munich, bringing over 25 years of transformation, C-suite interim management (CEO, CTO, COO, CFO), and operational due diligence experience. He specialises in the design and implementation of comprehensive value creation programmes with a focus on industrial companies across Europe/US, Latin America, and Asia/Pacific.

Bob Rajan

Managing Director

Bob is a Managing Director with A&M's Private Equity Performance Improvement (PEPI) in Munich and oversees the firm's European PEPI group. He has over 25 years of experience in interim management, holding non-executive director (NED) positions and advising companies on financial and operational issues. Currently, Bob serves as the interim Group CFO of ProSiebenSat.1, one of the largest European media companies, and is working with management on its transformation.

Data analysis and insight generation are the most common use cases at 69%, followed by operational efficiency at 60% and finance function optimisation at 55%. Increasingly, AI is enabling firms to use data beyond reporting and tracking, instead guiding and accelerating decisions on pricing, procurement, and demand forecasting that were previously driven by experience or intuition. These findings suggest that AI is initially being applied to drive efficiency, optimisation, and simplification, which should ultimately translate into tangible cost savings and margin improvement visible across the P&L.

The power of pricing

In 2026, 68% of respondents told us pricing is their top revenue growth initiative, ahead of marketing and customer acquisition (55%), cross- and up-sell (49%), and geographic expansion (38%). They also described how they are moving away from broad price increases towards analytics-driven models that segment customers by price elasticity and dynamic pricing, practices long deployed by the travel industry.

Another area getting increased attention is working capital. In fact, 83% of respondents in the survey believe working capital management will become a more relevant value creation driver over the next 12 months, a figure that rises to 94% among megacap funds.

We increasingly see management teams at portfolio companies and PE operating teams proactively looking at inefficiencies in areas such as collections, payments, and inventory to find opportunities to release cash tied up in daily operations. Higher interest rates make the cost of carrying excess capital more expensive and the case for action even more urgent, although this must be balanced against the need for supply security in the current political climate.

Freeing up capital

As well as increasing financial flexibility and resilience, often that freed-up capital is used to self-fund growth and transformation initiatives that would otherwise require external funding. Over the hold period, the cumulative effect of disciplined working capital practices—leaner inventory, tighter vendor terms, and more efficient collections—contributes to a stronger earnings profile and balance sheet that future buyers can underwrite with greater confidence.

AI and digital technologies are also making working capital improvements more achievable. In inventory management, intelligent systems can continuously ingest operational data and external market signals, recalculating optimal stock positions in real time as conditions evolve. This improves forecast accuracy, reducing buffer stock and cutting the working capital drag from slow-moving or obsolete inventory.

Managing volatility

PE sponsors are also adapting to the macro volatility that has come to define the current cycle. With external shocks threatening to unwind hard-won operational gains almost overnight, managing exposure to global supply chains, trade routes, and tariff regimes has moved to the top of the operational agenda.

In our survey, 62% of respondents identified geopolitical instability as the single biggest challenge to value creation, followed by tariff volatility and persistent inflation, both cited by 58%.

The recent Middle East conflict demonstrated how raw material availability and energy costs can rapidly spread beyond energy-intensive sectors, touching logistics and input costs stability across the portfolio.

For many portfolio companies, the resilience work underway today builds on adjustments that began with COVID-19 and accelerated through the war in Ukraine. Firms in our survey described a continued shift away from low-cost global sourcing and lean inventories towards regional supply networks, dual sourcing of key components, and alternative sourcing. Increasingly, the focus is on building supply chains that can withstand constant disruption rather than simply minimising cost.

Execution from Day 1

With operational value creation increasingly determining alpha, and plans growing more complex and transformational, execution has never mattered more—and our data shows sponsors are acting on that. The share of firms deploying value creation resources predominantly within the first 100 days of ownership has doubled, from 29% last year to 58% in 2026. In 2025, 47% said value creation efforts were concentrated later in the hold period; that figure has now fallen to just 7%.

This shift is also visible in how funds are building their own capabilities. Dedicated PE operating teams, once a differentiator for the largest buyout houses, have become standard practice across the European market in recent years. Firms are hiring operating partners with deep functional expertise alongside sector specialists who support operational due diligence and can engage from Day 1 and work closely with portfolio company management throughout the full hold period.

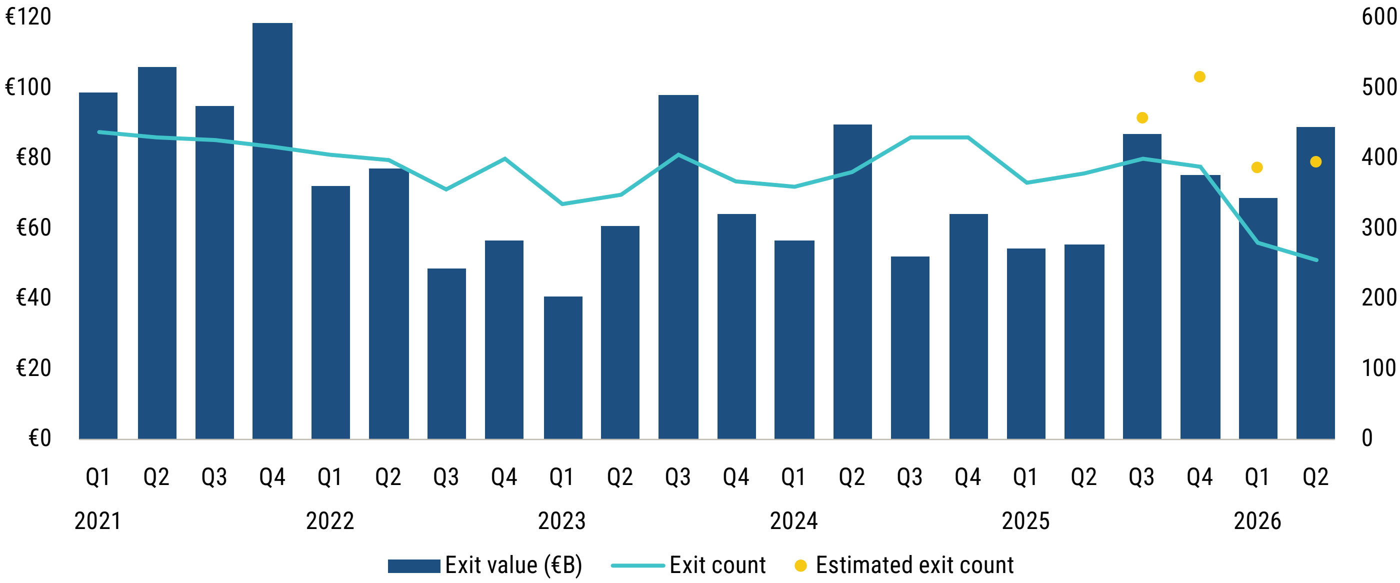
The takeaway

The findings point to a PE market in transition. The levers generating returns today—commercial and operational excellence, pricing sophistication, working capital discipline, supply chain resilience, AI-enabled decision-making—require earlier commitment, deeper capability, and more sustained management attention than the value creation playbooks of the previous cycles. Funds that have built the operational infrastructure to deliver on that are better placed to generate returns in a market that no longer offers the tailwinds of cheap debt or easy multiple expansion.

**This article draws on Alvarez & Marsal's European PE Value Creation Report 2026: "Operational Alpha: How Private Equity is Building Value in a New Cycle," based on 200 interviews with PE executives and C-level leaders at portfolio companies across ten European markets, conducted in Q1 2026.*

Exits

PE exit activity by quarter

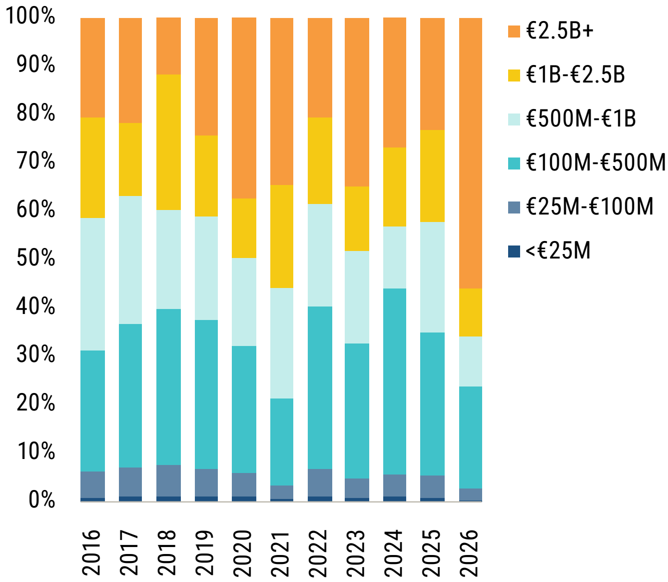


Source: PitchBook • Geography: Europe • As of 30 June 2026

Strong rebound in exit value thanks to mega-exits

The exit market produced the quarter's most striking paradox: Exit value surged 29.7% QoQ for its best quarter in three years, while exit count remained relatively flat. The two lines are moving in opposite directions with conviction, and the explanation is concentration: A small number of very large realisations are doing nearly all the work. 65.8% of exit value can be accounted for by just 22 mega-exits, compared with a 43.6% average over the past decade, a level of concentration that confirms this is not a broad liquidity recovery capable of meaningfully replenishing LP distributions across the portfolio. It is, instead, a top-of-market clearing event that benefits a select group of sponsors holding marquee assets, while the broader market beneath it remains largely stuck.

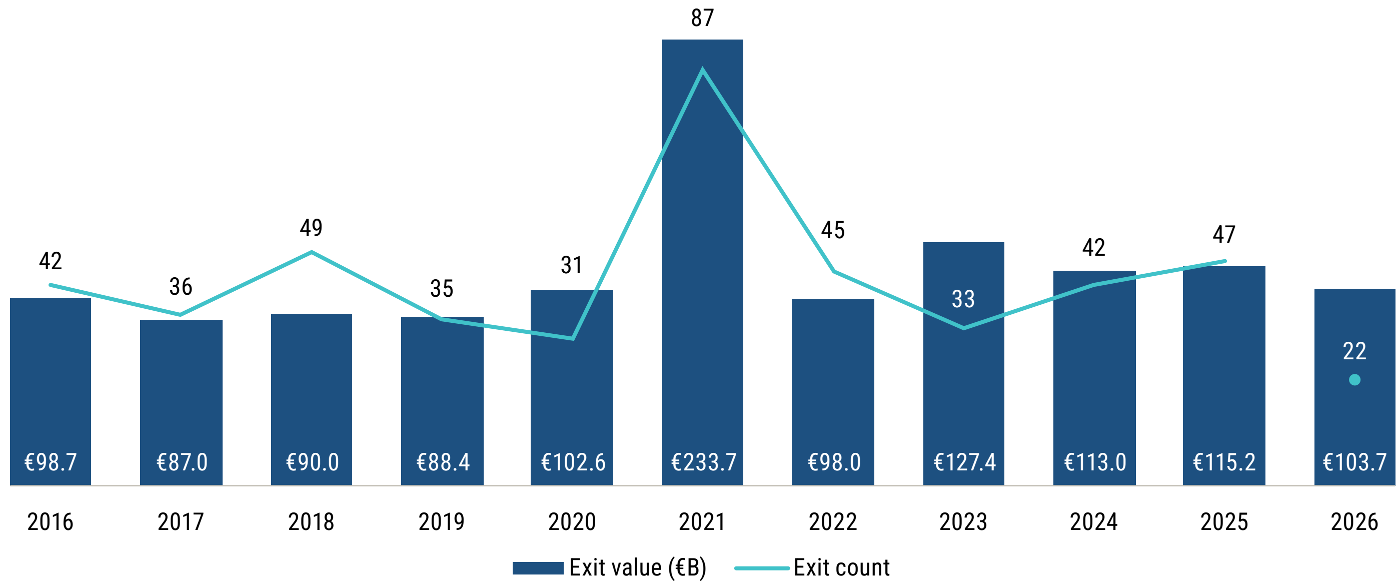
Share of Europe PE exit value by size



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

CVC's own fiscal year 2025 results illustrate this dynamic well: The firm reported record realisations and reaffirmed its standing as one of the sponsors best positioned to exit at scale. But that strength is the exception, not the rule, and the other end of the spectrum has been just as visible. In April 2026, Thoma Bravo handed control of Medallia to a lender consortium including Blackstone, KKR, and Apollo, wiping out the firm's entire $5 billion equity position in the 2021 take-private and marking one of the largest equity write-offs in PE history, a stark illustration that this is a market simultaneously producing record gains for some and total losses for others.[6] Notably, at SuperReturn International in June, several of the industry's largest GPs offered a far more cautious read on the broader exit environment: Apollo's Scott Kleinman argued the industry would need to start capitulating on valuations after years of overpaying in the 2017 to 2022 vintages,[7] while Ares' Blair Jacobson focused on defending fund structures against a wave of retail redemption pressure rather than touting an exit recovery.[8]

Mega-exit activity



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

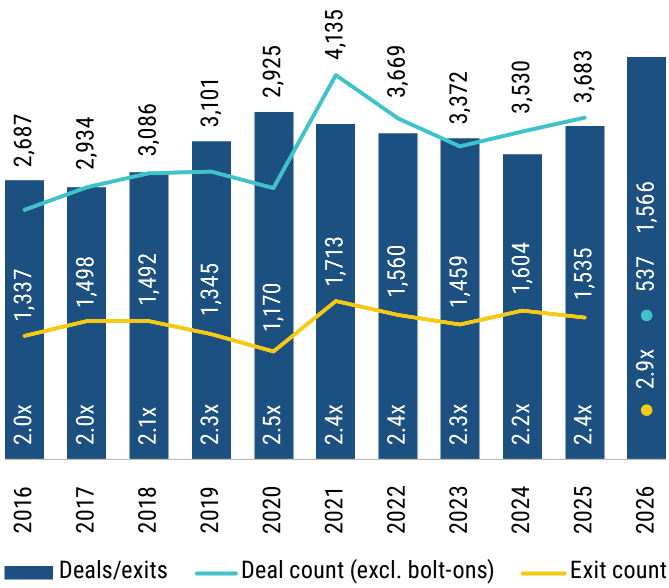
So, despite exit value pacing for 23.2% YoY growth, we caution that this headline masks a deeply uneven reality: Not all PE firms are exiting, and the gap between dealmaking and realisations continues to widen. The deals-to-exit ratio has climbed from 2.4x in 2025 to 2.9x in H1 2026, meaning new deals are being struck considerably faster than existing ones can be realised, a growing backlog that will eventually need to be cleared, one way or another.

German industrials lift DACH exit value

Some of these mega-exits have temporarily distorted regional dynamics, and nowhere is that clearer than in Germany. Q2's largest deal saw Advent International and Cinven sell TK Elevator to Finland's Kone for €29.4 billion, creating the world's largest elevator and escalator maker and overtaking both US rival Otis and Switzerland's Schindler in scale. The deal is notable not just for its size, the largest corporate transaction in Finnish history, but for its provenance: Advent and Cinven had carved TK Elevator out of Thyssenkrupp for €17.2 billion in 2020, meaning the exit alone generated roughly €12 billion of value creation over a six-year hold, a reminder that even in a difficult exit environment, well-timed industrial consolidation plays can deliver outsized returns.

The bulk of the remaining exit value came from another marquee German industrial name: Innio, the Munich-based gas engine and power solutions manufacturer backed by Advent and the Abu Dhabi Investment Authority, which listed on Nasdaq in June, capitalising on surging datacentre and AI-driven power demand. Together, TK Elevator and Innio

Deals-to-exit ratio

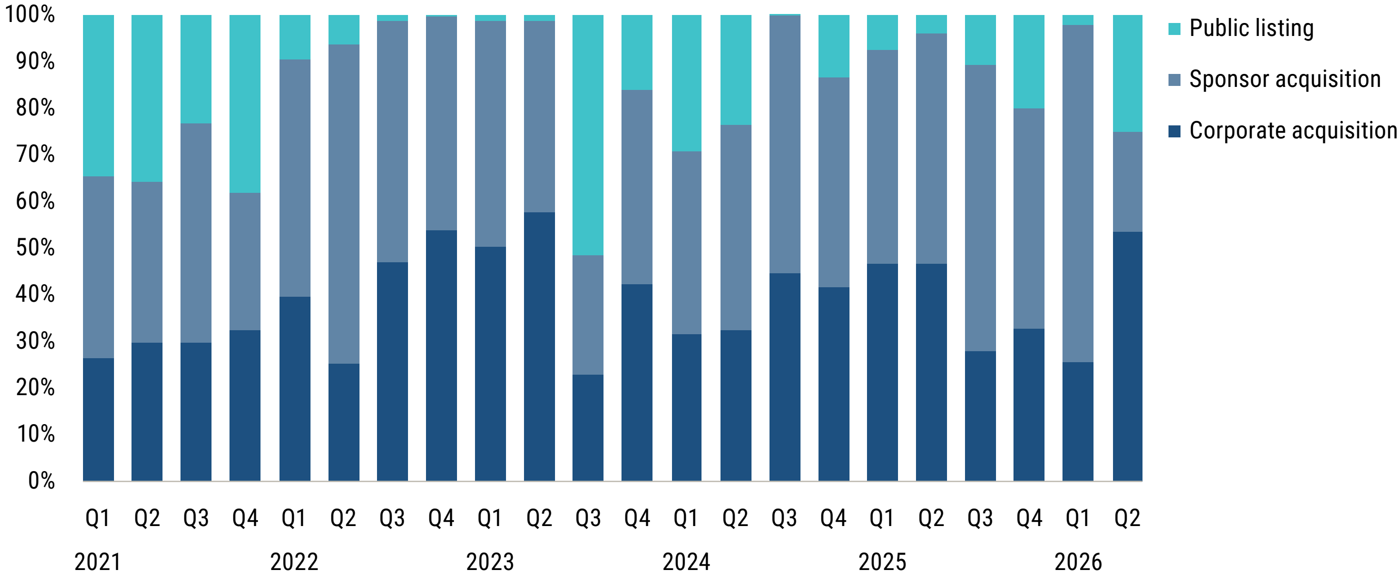


Source: PitchBook • Geography: Europe • As of 30 June 2026

underscore a recurring pattern in German PE: large-scale exits concentrated in the industrials sector, which is what the country is famous for.

These transactions were enough to push the DACH region to the top of the exit value charts YTD, with Germany already setting a record year for exit value. As we noted in our 2025 Annual European PE Breakdown, Germany overtook France to become Europe's second-largest PE market. And yet, according to StepStone, the country ranks last among major European markets on risk-adjusted returns, with the highest loss ratio on the continent.[9]

Quarterly share of PE exit value by type



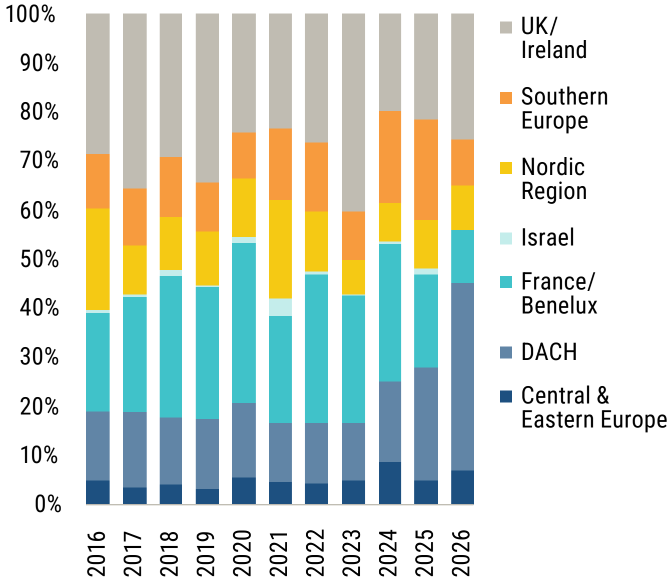
Source: PitchBook • Geography: Europe • As of 30 June 2026

That said, the divergence between value and volume holds at the regional level just as it does for the market overall—exit counts have continued to track lower across all major regional markets, reinforcing that this is a story of a handful of outsized transactions lifting the averages, not a broad-based recovery in dealmaking velocity.

In H1, we saw 13 PE-backed public listings generate €23.7 billion in exit value, thanks to a stronger Q2. A repeat of H1 would mark the best year for PE IPO exit value in three years. The previously mentioned Innio IPO accounted for the bulk of exit value at €17.3 billion. DPC Holdings, the UK-based aerospace and industrial components manufacturer formerly known as Doncasters Group, was another major June IPO, also floating in the US on the NYSE rather than at home. That detail is itself telling: Both of Q2's flagship European-domiciled IPOs chose to list in the US rather than on a European exchange, reinforcing a structural pull towards deeper US capital markets, richer index inclusion, and stronger valuations for industrial and energy-adjacent names riding the AI infrastructure theme. So, despite this traction in the IPO market, we are still far from a recovery on domestic exchanges, as we cover in our analyst note, UK Exit Market: Dearth or Revival?, where we show the share of UK companies choosing to list domestically has fallen from 71% in 2019 to 46% in 2025.

The pipeline for European IPOs remains thin; Autoglass owner Belron has stated its intention to IPO[10], and so has Bitpanda in Germany.[11] However, we have also seen giants such as Hg's Visma postpone their IPO given current market conditions.[12] KNDS, the defence contractor, looks like the most likely European IPO to materialise, mainly because the French and German governments back it.[13] Even TK Elevator had talked of an IPO before its corporate rival acquired it.

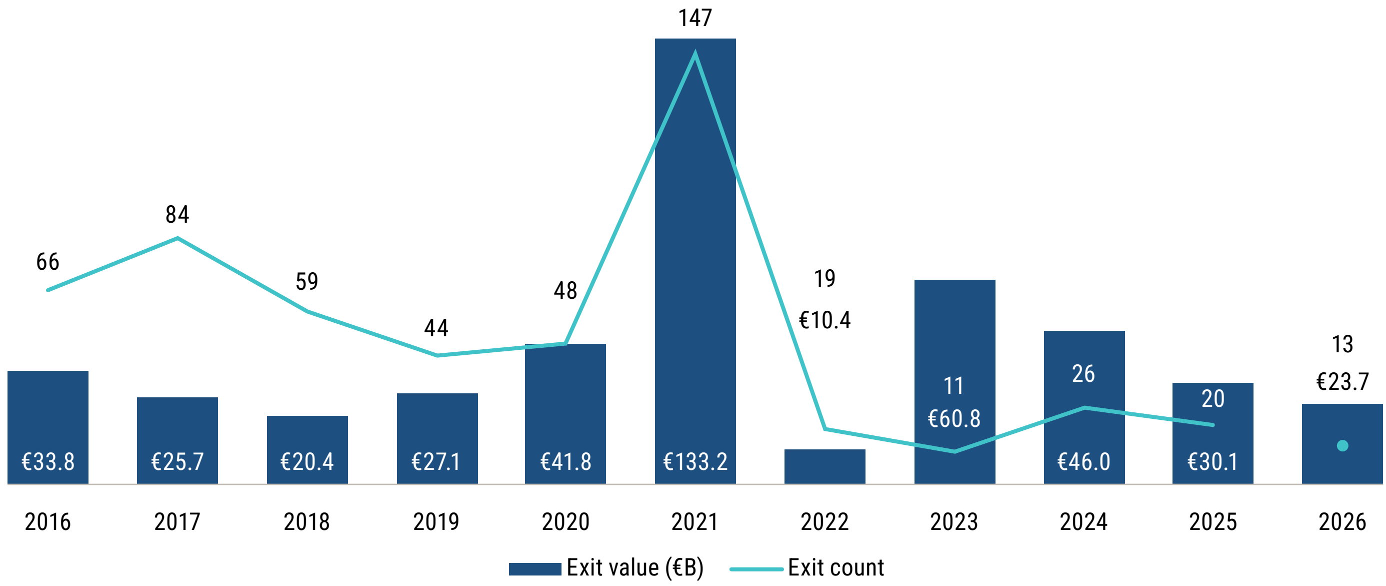
Share of PE exit value by region



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

In Q1, we saw sponsors dominate exits, but in Q2, we saw a reversal, with corporate acquisitions leading the charge, accounting for 53.4% of exit value and one in every two exits. This rotation likely reflects the same dynamic driving the IPO pipeline's hesitancy: With public market windows still selective and largely favouring US listings, strategic acquirers with permanent capital and synergy potential have

PE-backed IPO activity



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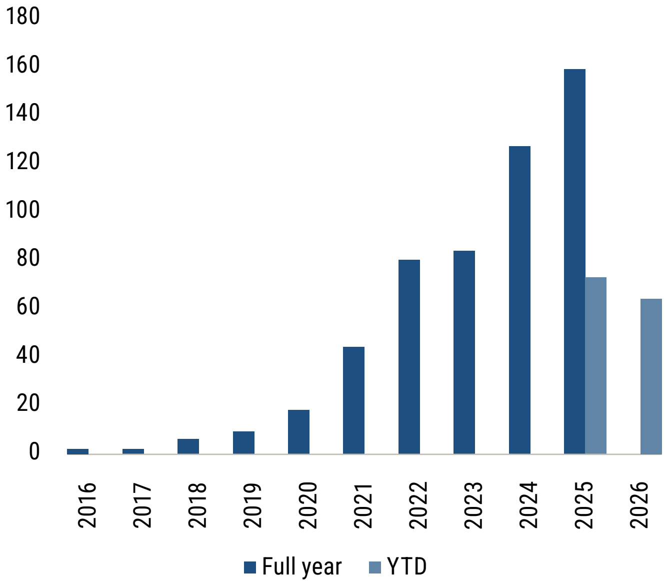
stepped in to fill the liquidity gap that IPOs would otherwise have provided, offering sponsors a faster, more certain route to monetise mature assets than waiting for receptive equity markets.

Continuation vehicles keep liquidity flowing outside the traditional exit channel

GP-led secondaries are part of our sponsor acquisitions exit data, and we have continued to see traction in that space, providing a liquidity event for both LPs and GPs without the underlying asset going through a traditional exit. We saw several continuation vehicles (CVs) close in Europe: Meridiam closed the largest infrastructure multi-asset CV at €2.2 billion, Verdane closed a €635 million multi-asset CV, and Alder closed a €250 million CV, activity that spans infrastructure, growth, and smaller-cap strategies, underscoring how broadly the CV structure has been adopted across the market. Nonetheless, 2026 is tracking slightly lower for GP-led secondary transactions at the year's midpoint, with 64 transactions in H1 2026 versus 73 in H1 2025, a reminder that even this increasingly mainstream liquidity tool is not immune to the same broader caution weighing on dealmaking and exits more generally.

Global GP-led secondary exit count



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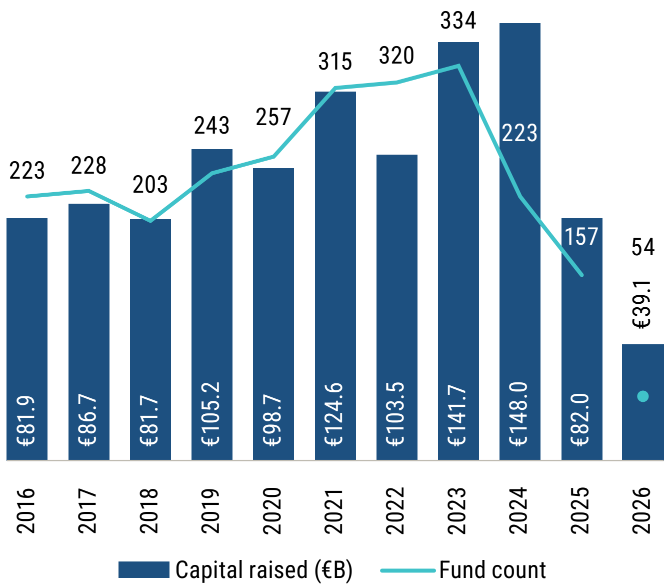
Fundraising

Europe PE fundraising activity



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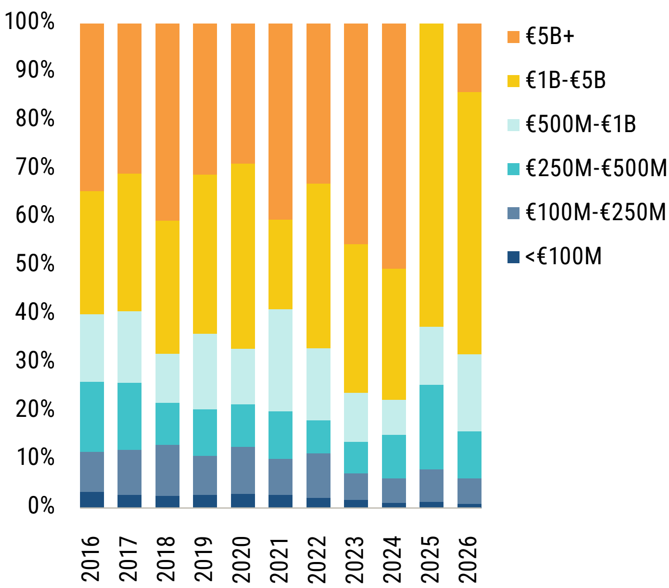
Share of PE capital raised by size



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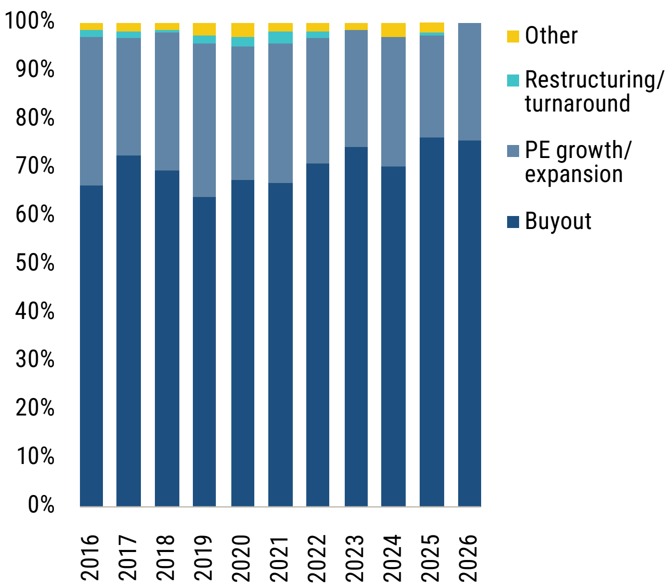
Slowing fundraising, mid-market dominates

Fundraising in Europe is still on track for its worst year in a decade, following years of heightened activity. The current environment has seen only experienced mid-market buyout funds proliferate, specifically those between €1 billion and €5 billion, which accounted for 54.1% of capital raised YTD. Such funds in Q2 included Main Capital IX at €4 billion, Waterland PE Fund X at €4 billion, Norvestor X at €2 billion, and Investindustrial Lower Mid-Market IV at €1.5 billion. We note that those who are able to fundraise tend to do so successfully, with the average step-up increasing from 1.5x in 2025 to 1.6x in H1 2026. Waterland's latest fund was also oversubscribed in less than four months.[14] However, the larger picture remains one of constrained fundraising conditions, which was emphasised by LPs at SuperReturn International: Canadian pension funds are leading the LP consolidation trend, with British Columbia Investment Management reducing GP relationships by at least 50%.[15] This in turn has affected PE firms' fundraising efforts, as LPs increasingly decline to recommit capital to follow-on funds, instead concentrating allocations among a smaller pool of trusted, proven managers. The dynamic is best illustrated by French buyout firm Astorg, which has struggled to raise its latest flagship fund since its November 2025 launch despite managing €24 billion and targeting a relatively modest €4 billion.[16] The root cause is instructive: Investors have pointed to Astorg's inability to exit IQ-EQ, a fund administration business once expected to fetch up to €9 billion, illustrating precisely the feedback loop running through this report: A stalled exit environment is now constraining the very fundraising that depends on it, as LPs withhold recommitments until they see distributions materialise.

Share of PE fund count count by type



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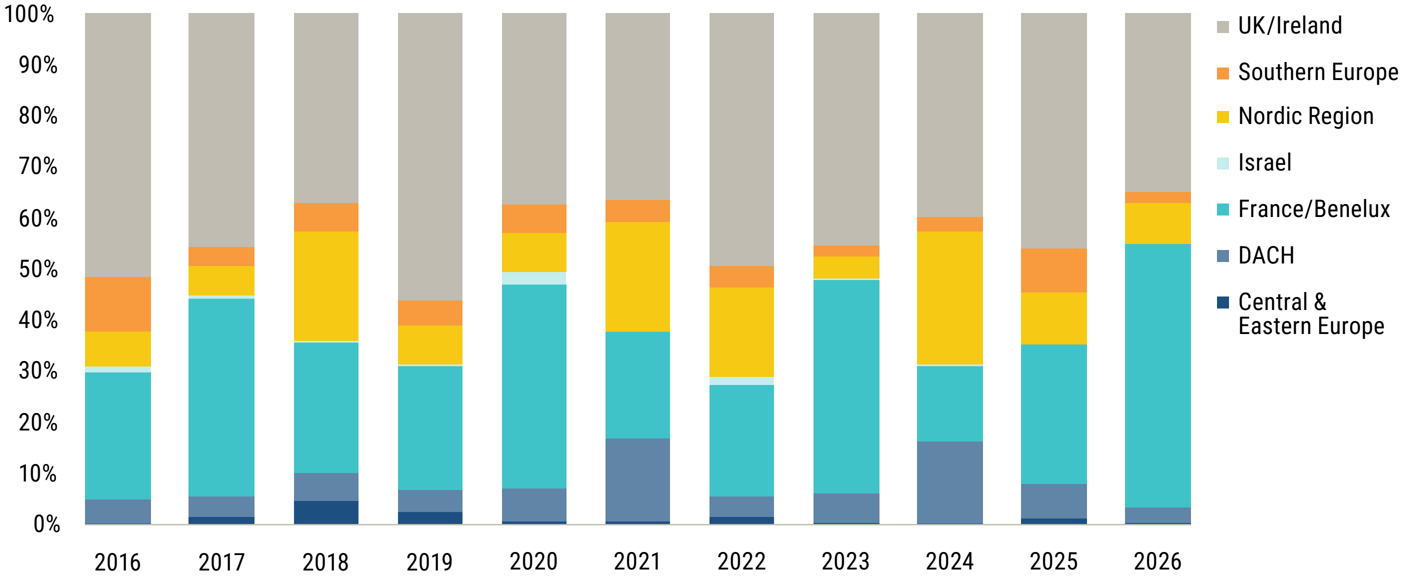
Share of PE capital raised by region



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France & Benelux lead fundraising, with Dutch megafunds and pension reform driving the surge

The France & Benelux region is outperforming YTD in both capital raised and fund count, accounting for half the capital raised and over a third of fund count. Q1 saw closes from the likes of Triton and Apheon. But Q2 has come in even stronger thanks to three notable Dutch megafunds: Main Capital IX, Waterland PE Fund X, and Main Foundation III.

The Netherlands' outsized contribution is not a one-off; it reflects a structural shift underway in the allocation of Dutch institutions. The country's pension funds, among the largest and most influential in Europe, are in the midst of a multiyear reform process that is pushing them away from traditional fixed-income holdings and towards higher-yielding alternative assets, PE included. In an interview with Going Private, Patrick Kanters, CIO of Private Investments at APG Asset Management, said he expects the €601 billion pension fund to increase its private markets allocation from around 26% to around 30% over the next five years, including a PE increase in asset allocation from 6% to 8%.[17] APG is far from alone in this shift: Dutch pension reform has been steadily redirecting capital towards private markets across the system, giving homegrown managers such as Main Capital and Waterland a structurally growing pool of domestic LP capital on which to draw, even as fundraising conditions remain difficult elsewhere in Europe. This illustrates why the Netherlands, despite its modest size, is emerging as one of the region's most resilient fundraising markets.

H2 outlook: A fundraising market waiting on two variables

Fundraising in the second half of the year will hinge on whether conditions loosen or tighten, a question that turns on two interlocking variables: the speed at which current funds can generate distributions and the trajectory of monetary policy, which determines how loose or tight capital remains across the system. The two are connected: Faster distributions free LPs to recommit to new vehicles, while a renewed tightening cycle, of the kind flagged by the ECB's June move, would raise the cost of capital further and could compound the caution already constraining commitments.

This tension will be tested directly over H2, as a number of very large European flagship funds remain open, including EQT XI, Permira IX, Nordic Capital XII, Bridgepoint Europe VIII, Vintage X, and Astorg XI, all 2025 vintages. The scale involved is significant: EQT XI alone is targeting a hard cap of €24 billion, and its progress will likely serve as the bellwether for the broader market. A strong final close for EQT XI, alongside the other open vehicles, would suggest that experienced, scaled GPs can continue to attract capital despite the wider malaise; a string of extended timelines or target cuts, in the mould of what we have seen at Astorg, would confirm that even tier-one names are not immune to the LP consolidation and recommitment caution defining this fundraising cycle.

Top 25 open European funds

Fund	Fund type	Open date	Fund country	Fund size (€M)
EQT XI	Buyout	15 June 2025	Sweden	€23,000.0
Permira IX	Buyout	11 June 2025	UK	€17,000.0
Nordic Capital XII	Buyout	30 July 2025	Sweden	€6,200.0
Bridgepoint Europe VIII	Buyout	17 September 2025	UK	€6,000.0
Vintage X	Buyout	20 August 2025	Luxembourg	€3,331.2
BC European Capital XII	Buyout	1 January 2025	UK	€2,200.0
H.I.G. Europe Middle Market LBO Fund II	Buyout	21 June 2024	UK	€2,014.5
Rivean Capital Fund VII	Buyout	1 January 2024	Netherlands	€1,464.8
AC Europe Fund	Buyout	18 September 2025	UK	€1,314.4
BIP Private Investors	Buyout	28 March 2024	Ireland	€1,090.3
GRO Capital IV	Buyout	1 December 2025	Denmark	€1,000.0
Eurazeo PME V	Buyout	5 August 2025	France	€1,000.0
Charterhouse Capital Partners XII	Buyout	1 May 2025	UK	€1,000.0
Venture Growth Select Fund	Buyout	17 November 2025	Ireland	€953.9
Appian EM Fund	Buyout	9 October 2025	UK	€852.2
L Catterton Europe V	Buyout	26 September 2021	France	€785.6
SOF XIII Private Investors	Buyout	3 April 2024	UK	€723.2
NORD DMH III	Buyout	18 December 2024	Germany	€700.0
Eurazeo Growth Fund IV	PE growth-expansion	1 January 2022	France	€650.0
Genui Fund III	Buyout	15 March 2023	Germany	€650.0
CVC Catalyst III	PE growth-expansion	25 April 2024	Luxembourg	€570.4
Altor Fund VII	Buyout	12 May 2026	Sweden	€555.2
FSBA AAM Strategic Fund III	Buyout	27 June 2025	Netherlands	€500.0
Clean Hydrogen Equipment Fund	PE growth-expansion	1 December 2023	France	€500.0
J. Stern & Co. World Stars Global Equity Fund	Buyout	26 January 2024	UK	€488.8

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

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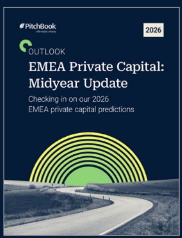

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