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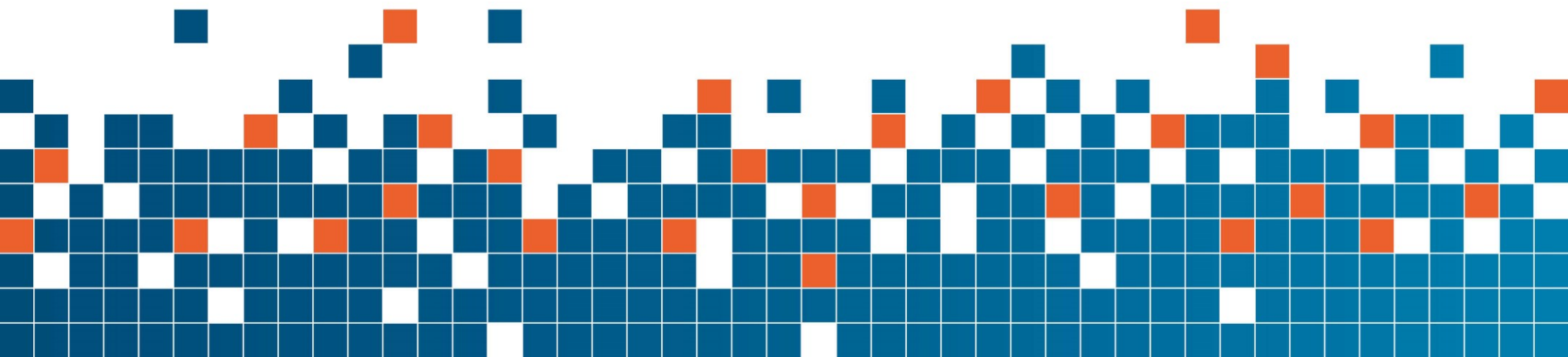
GIDE LOYRETTE NOUËL

2017

# Central and Eastern Europe

Private Equity Statistics

June 2018



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### Version

Presentation as of 30/06/2018

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# About this report

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- > This report was compiled with the help of Invest Europe's Central & Eastern Europe Task Force. It provides annual activity statistics for the private equity and venture capital markets of Central and Eastern Europe in 2017 and prior years. The statistics contained herein are based solely on the "market approach", wherein information is compiled to show activity in a particular country, regardless of the origin or location of private equity fund managers. This contrasts with the "industry approach" that shows the activity of fund managers based in a particular country, and which is not applied in this paper. Invest Europe believes using the market approach gives a more accurate picture of the overall investment trends and activities in the markets of Central & Eastern Europe (CEE) due to the predominance of regional funds and fund managers. For the purposes of this publication, CEE comprises the countries of Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine. These countries have a total population of about 170 million and registered a total GDP of €1.5 trillion in 2017.
- > We refer readers to the methodology and definitions sections at the back of this document to aid in understanding the data and terminology used throughout the text.
- > The European Data Cooperative (EDC) is a joint initiative developed by Invest Europe and its national association partners to collect Europe-wide industry activity on fundraising, investments and divestments.
  - > The EDC platform is jointly owned and operated by the private equity and venture capital associations across Europe. Using one platform with a standardised methodology allows us to have consistent, robust pan-European statistics that are comparable across the region. As a result, we produce the most comprehensive overview of Europe's private equity and venture capital markets available, allowing us to better inform fund managers, investors, policymakers, regulators and other stakeholders. These efforts enhance Invest Europe's goal to be the most trusted and comprehensive source of European private equity and venture capital market data.
  - > The EDC replaces Invest Europe's previous database PEREP\_Analytics. All relevant historic data was migrated to the EDC system.
  - > All data since 2007 was restated and complemented with additional information. All audit efforts are conducted in close coordination with data contributors and partnering national associations to ensure the best coverage and consistent application of methodology and definitions.
  - > Invest Europe processes all available information at the time of the data collection cut-off to produce its annual statistics. Any differences between Invest Europe's statistics and those of other associations partnering in the EDC may be related to different reporting approaches, their own restatements and different timing of data collection cut-offs.
- > For further information and more comprehensive data contact Invest Europe Research ([research@investeurope.eu](mailto:research@investeurope.eu)) or visit [www.investeurope.eu/research](http://www.investeurope.eu/research).

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# Executive Summary

## Fundraising

In 2017, total private equity fundraising in Central and Eastern Europe (CEE) reached €1.26 billion, a strong result and a 46% year-on-year increase. By comparison, fundraising rose by 12% across Europe as a whole and reached €91.9 billion, the highest level since 2006. CEE's share of total European fundraising rose from 1.0% in 2016 to 1.4% in 2017, due to the increased momentum of the CEE market.

Funds of funds were the largest source of capital, accounting for 31% of the CEE region's capital raised in 2017, followed by government agencies (26%), academic institutions & endowments and foundations (8%) and insurance companies (7%).

From a geographic perspective, European investors from outside the CEE region were the leading source of funds in 2017 and accounted for 38% of the total capital raised. Sources of capital from outside of Europe reached 26%, followed by domestic sources within CEE comprising 24% of the total fundraising in 2017, the latter driven mainly by venture capital programmes launched across the region.

CEE buyout funds raised €811 million in 2017, 45% more than in 2016. The region's venture capital fundraising rose by 121% to a record €360 million.

## Investment activity

Private equity investment in CEE reached €3.5 billion in 2017, a 113% year-on-year increase and a record high level for the region. This result surpasses the previous peak in 2008 by 40%. The growth in CEE investments underlines the wider trend across Europe where total private equity investments in 2017 increased by 29% year-on-year to €71.7bn, the second highest level on record and only 4% below the peak in 2007. The CEE region's share of the European total amount invested in 2017 rose to around 5%, from 3% in 2016. The total number of CEE companies receiving funding dropped by 25% in 2017 to 257, largely due to another annual decrease in the number of companies receiving venture capital.

As in prior years, CEE private equity investments in 2017 was concentrated in a few countries. Poland remained the leading destination, with 71% of the region's total investment value, followed by Romania (14%), Hungary (6%) and Latvia (5%). Hungary saw the largest number of companies receiving private equity investment in 2017 at 104, or 40% of the CEE total.

Buyout investments in CEE rose year-on-year by 135% to €2.8 billion in 2017, the highest ever level. Growth capital continued to be the region's second most important investment type at €591 million, up 85% year-on-year. Venture capital investments reached €108 million, around 4% below the 2016 level. The exceptionally strong investment results in 2017 were driven by a small number of large buyout and growth transactions.

## Divestment activity

Private equity exits across CEE in 2017 reached €1.3 billion, measured at historical investment cost, a year-on-year increase of 16%. This represents the third highest annual divestment level for the CEE region. Europe as a whole also reached its third highest divestment level in 2017 following a 7% increase to €42.7 billion. CEE divestments comprised 3% of the total exit value in Europe. Overall, the year continued a trend of elevated CEE exit activity that commenced in 2011.

A total of 98 companies were divested in CEE during 2017, decreasing 15% compared to 2016's all-time high of 115 companies exited.

Sale to another private equity house - the secondary market - was again CEE's most popular exit route in 2017, accounting for 38% of the region's total divestment value at historical cost. Trade sale was second at 29% of total divestment value at historical cost and 26 companies divested. Repayment of preference shares/loans or mezzanine was the most utilized exit route by number of companies at 31, comprising 31% of total companies exited.

Poland was again the region's largest market for exits in 2017, accounting for 47% of the total value of divestments at historical cost. Hungary had the second highest level of exit activity, comprising 20% of the regional total value.

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# Fundraising Summary

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Total CEE fundraising reached €1.26 billion in 2017, a strong result and a 46% increase compared with 2016. By comparison, fundraising rose by 12% across Europe as a whole and reached €91.9 billion, the highest level since 2006. CEE's share of total European fundraising rose from 1.0% in 2016 to 1.4% in 2017, due to the increased momentum of the CEE market with a couple of larger fund managers completing their fundraisings during the year.

Funds of funds were the largest source of capital, accounting for 31% of the CEE region's capital raised in 2017. Government agencies, including multilateral organizations, followed and accounted for 26% of the total. Academic institutions & endowments and foundations accounted for 8% of funds raised, similar to 2016. Notably, insurance companies have not been very active as a funding source for CEE in recent years, but in 2017 increased their contributions to 7% of the total capital raised.

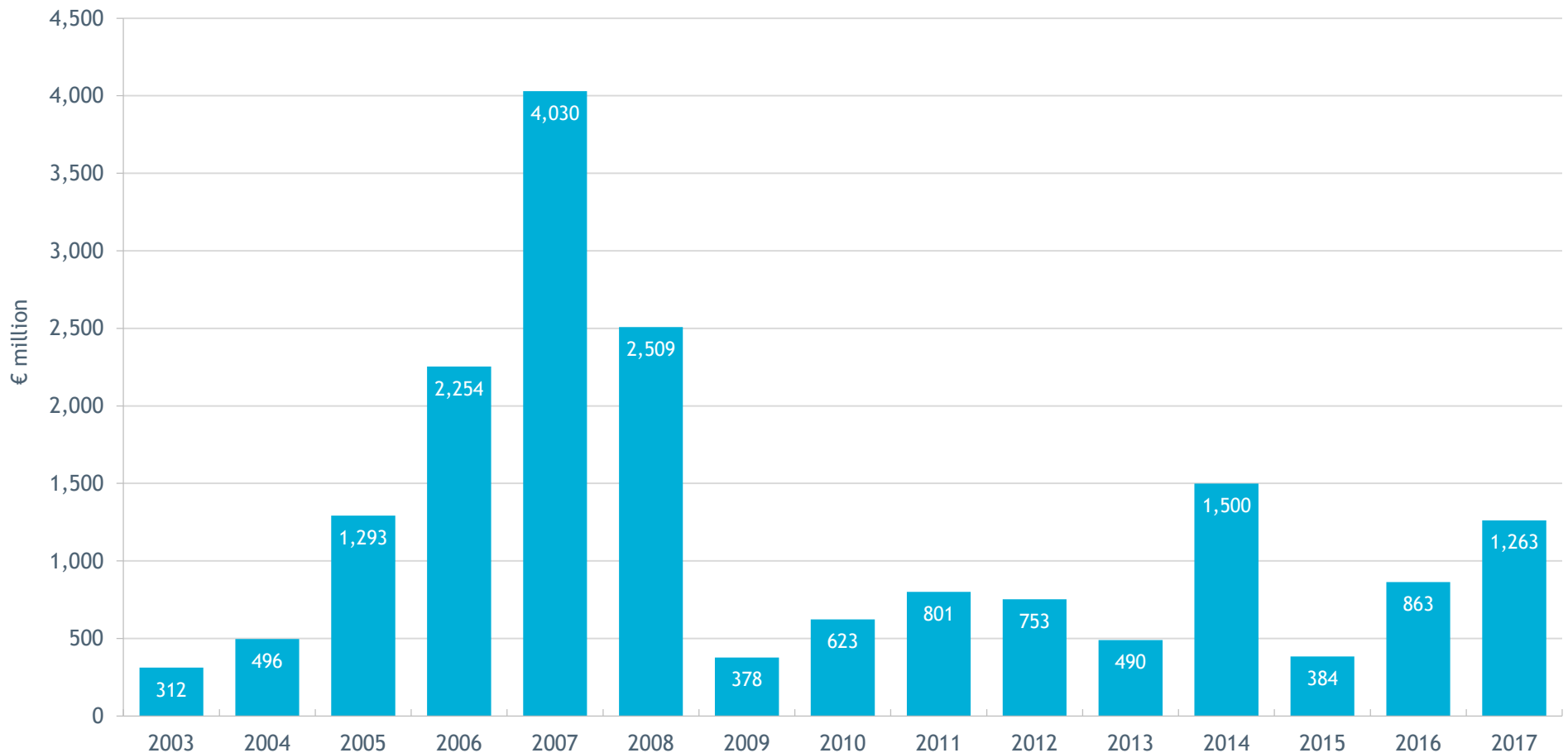
From a geographic perspective, European investors from outside the CEE region continued to be the leading source of funds in 2017, accounting for 38% of the total capital raised. This is down from 2016, when they accounted for 64% of the total funding and invested 14% more in absolute terms than in 2017. Sources of capital from outside of Europe were strong at 26% of the total, mainly driven by US-based investors. Funding sources within the CEE region comprised 24% of total fundraising in 2017, a significant increase compared with 2016, and continued to be largely directed towards venture capital funds. Overall, 2017 witnessed a more balanced composition of capital sources by geography compared with the previous two years.

CEE buyout funds raised €811 million in 2017, 45% more than in 2016, and accounted for 64% of the total capital raised for the region. While nearing the most recent peak in 2014, CEE buyout funds still raised less than half the levels of 2007 and 2008. However, the region's venture capital fundraising rose by 121% year-on-year to its highest ever recorded level of €360 million, accounting for 29% of the total capital raised. This growth was driven by newly launched government-led initiatives aimed at supporting VC funds, mainly in Hungary. This upward trend in VC fundraising can be expected to lead to enhanced venture capital investment activity in the region over the coming years.

It's worth noting that the fundraising figures in this section only cover private equity funds that are dedicated to the CEE region and pan-European or global funds that have a clearly defined CEE investment allocation. The universe of funds active in CEE is wider, as other pan-European and global managers have deployed capital in CEE. Their activity is covered by the investment section of this report.

# Fundraising Summary

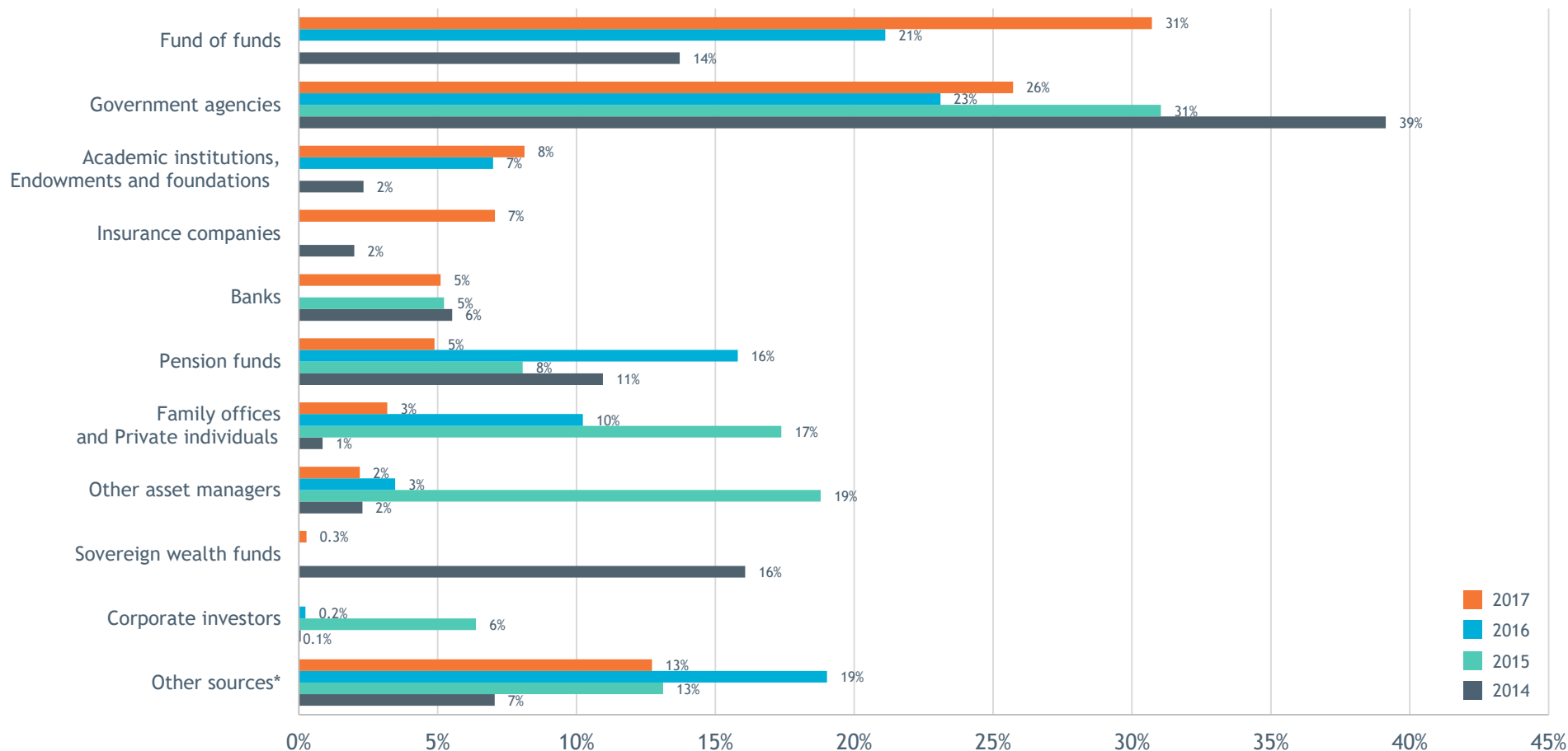
Figure 1: Fundraising for CEE private equity, 2003-2017





# Fundraising

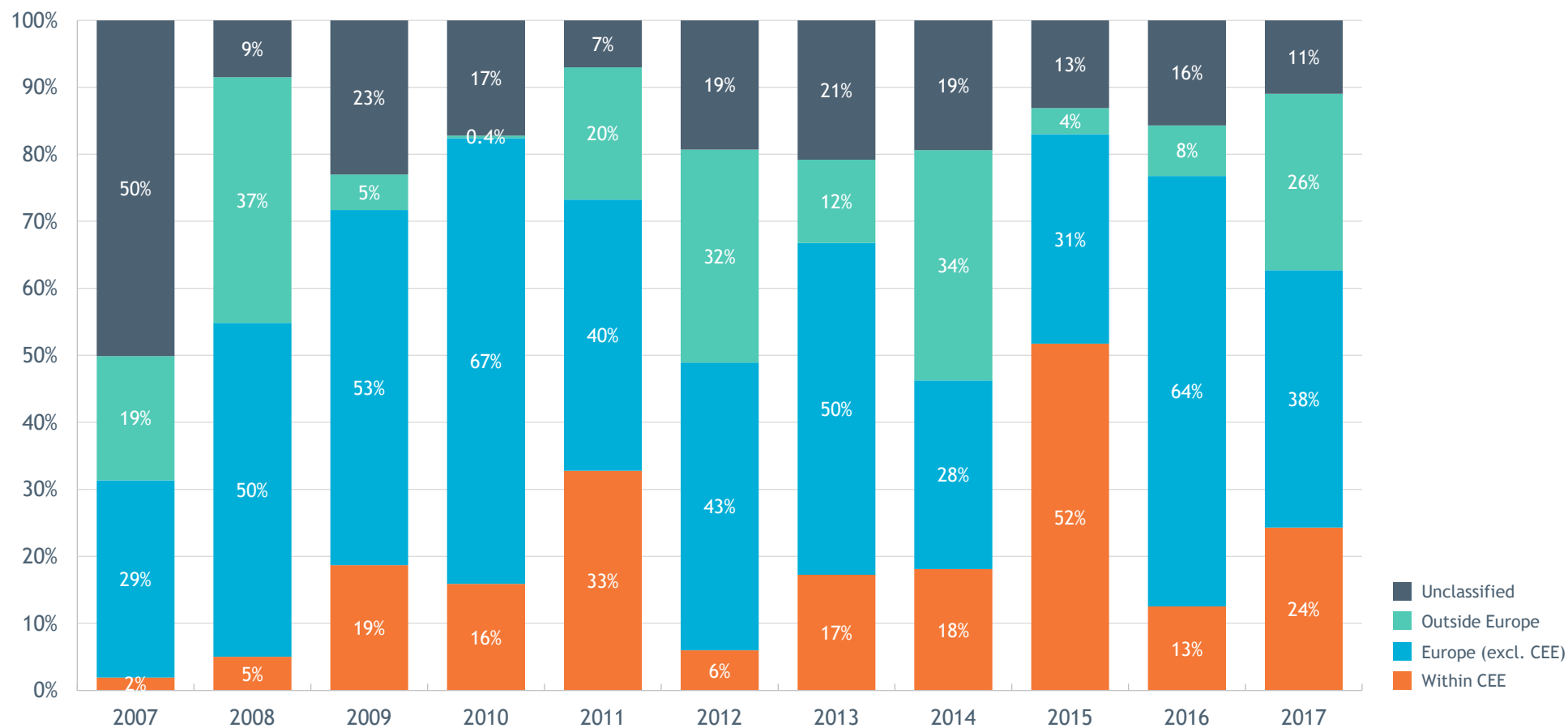
Figure 2: Sources of capital raised for CEE private equity in 2014-2017 (% of total)



\*Other sources contain: Capital markets and Unclassified.

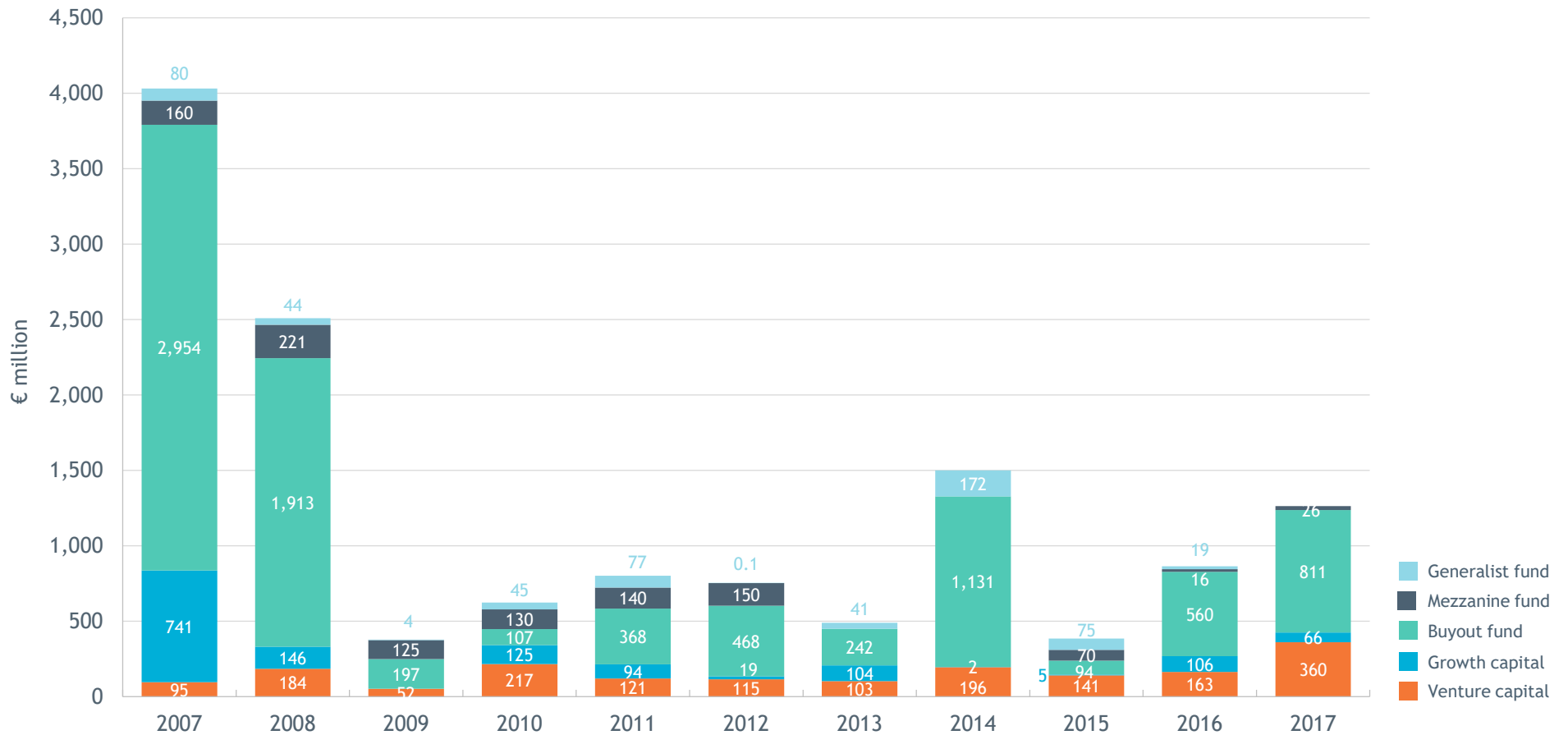
# Fundraising

Figure 3: Geographic sources of funds raised for CEE private equity, 2007-2017



# Fundraising

Figure 4: Fundraising by stage - incremental closings, 2007-2017



# Fundraising

**Table 1: CEE funds raised**

Incremental closings during the year (in € thousands)

	2016		2017	
Fund stage focus	Amount	%	Amount	%
Early stage	102,304	11.8	112,687	8.9
Later stage venture	0	0.0	0	0.0
Venture (all stages)	60,630	7.0	247,411	19.6
<b>Total venture</b>	<b>162,935</b>	<b>18.9</b>	<b>360,099</b>	<b>28.5</b>
Growth capital	105,695	12.2	65,570	5.2
Buyout	559,670	64.8	810,508	64.2
Mezzanine	16,154	1.9	26,440	2.1
Generalist	18,969	2.2	0	0.0
<b>Total funds raised for CEE</b>	<b>863,422</b>	<b>100.0</b>	<b>1,262,617</b>	<b>100.0</b>
<b>Total funds raised in Europe</b>	<b>82,422,652</b>		<b>91,938,004</b>	

**Table 2: CEE funds raised**

Final closings during the year, cumulative amount raised since inception (in € thousands)

	2016		2017	
Fund stage focus	Amount	Number of funds	Amount	Number of funds
Early stage	78,912	3	87,200	2
Later stage venture	0	0	0	0
Venture (all stages)	60,630	2	47,619	1
<b>Total venture</b>	<b>139,542</b>	<b>5</b>	<b>134,819</b>	<b>3</b>
Growth capital	30,500	1	0	0
Buyout	82,000	1	999,602	2
Mezzanine	0	0	0	0
Generalist	103,669	3	0	0
<b>Total funds raised for CEE final closings</b>	<b>355,711</b>	<b>10</b>	<b>1,134,421</b>	<b>5</b>

# Investments Summary

Private equity investment in the CEE region reached €3.5 billion in 2017, an increase of 113% year-on-year and a record high level for the region. This result surpasses the previous peak in 2008 by 40%. The growth in CEE investments underlines a trend across Europe as the total amount of European private equity investments in 2017 increased by 29% year-on-year to €71.7 billion, the second highest level for Europe on record and only 4% below 2007's peak. The CEE region's share of the total European investment amount rose in 2017 to around 5%, from 3% in 2016. A total of 257 CEE companies received private equity investments in 2017, a 25% decline from 2016. The drop was largely driven by a decline in the number of companies that received venture capital, a trend also seen in 2016, while the number of companies obtaining buyout & growth financing dropped only moderately.

As in prior years, CEE private equity investment activity in 2017 was concentrated in a few countries. Poland remained the leading destination with 71% of the region's total investment value and home to almost a quarter of the companies receiving funding. By investment value, Poland was followed by Romania with 14% of the CEE investment value total, Hungary (6%) and Latvia (5%). Hungary saw the largest number of companies receiving private equity investment in 2017 at 104, comprising 40% of the CEE total. These four countries combined comprised 96% of the total CEE investment by value and 70% of the companies receiving private equity investment in 2017.

Annual investment results in the region and in individual countries can be influenced by a few, but large investments. The two largest investments in 2017, both funding companies in Poland, accounted for 56% of the total regional amount invested. In comparison, the 12 largest transactions totalled this same proportion of total investments in 2016.

The consumer goods and services sector was by far the most targeted area for CEE private equity investment in 2017, receiving €2.6 billion or 75% of the total, invested into 47 companies. This represents a nearly seven-fold year-on-year increase. The year's two largest CEE deals accounted for 77% of the investment amount in this sector. Investments in the ICT sector ranked a distant second with €396 million, an 11% share of total invested value in 2017. However, ICT remained the strongest performing sector in terms of the

number of companies receiving investment, with 90 in 2017 - 35% of the CEE total - driven largely by venture capital activity. Investments in the business products and services sector was close behind with €304 million, or 9% of the CEE total by value, invested into 51 companies. Together these three sectors comprised 95% of the investment in 2017. The same three sectors received 51% of total CEE investments in 2016.

CEE private equity investment measured as a percentage of the region's GDP increased significantly from 0.122% in 2016 to 0.239% in 2017. However, investment in CEE continues to lag behind Europe as a whole, where the average was 0.436%. Notable exceptions are two CEE countries. Latvia ranked second on this metric across all of Europe reaching 0.649% (mostly as a result of one large transaction), while Poland achieved the seventh best country result in Europe with 0.535% (driven by two large transactions).

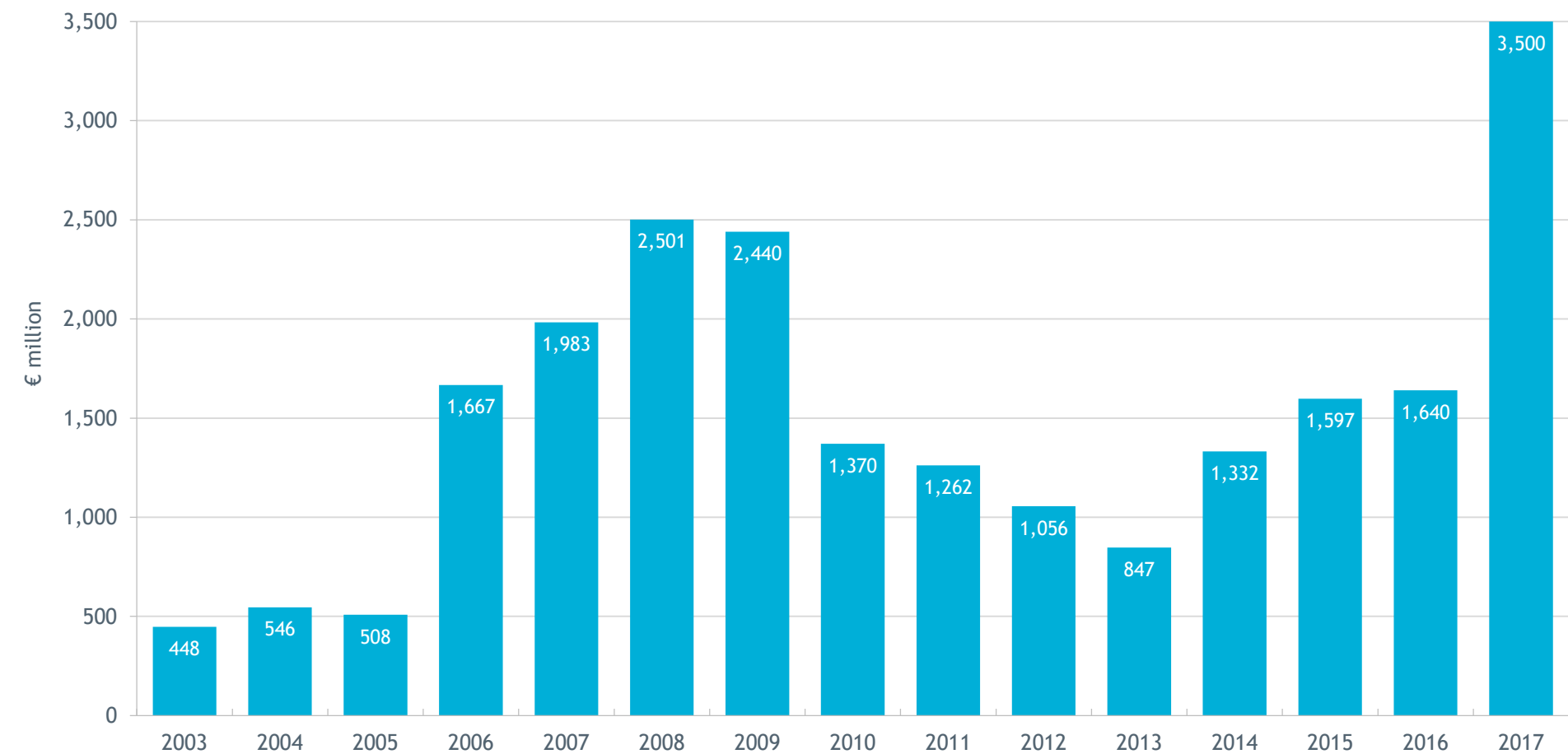
CEE buyout investments rose year-on-year by 135% to a record €2.8 billion in 2017. Buyout investments across all of Europe increased 37% year-on-year to €51.2bn - the highest level since 2007. Comprising 80% of the total CEE private equity investment by value, buyouts were proportionally above the wider European level of 71%. The number of CEE companies receiving buyout financing decreased from 42 in 2016 to 35 in 2017.

Growth capital funding continued to be CEE's second most important type of private equity investment in 2017. At €591 million, it saw 85% year-on-year growth and comprised 17% of the region's total investment value. The number of CEE companies backed by growth funding declined year-on-year from 57 in 2016 to 50 in 2017.

Venture capital investment remained relatively stable at €108 million in 2017, just 4% below the level seen in 2016. By number of companies backed by venture capital funds in 2017, there was a year-on-year reduction by 28% to 173. The previous three years' annual average was around 250 companies receiving venture capital funding, before the end of the investment period of a number of government-backed VC funds.

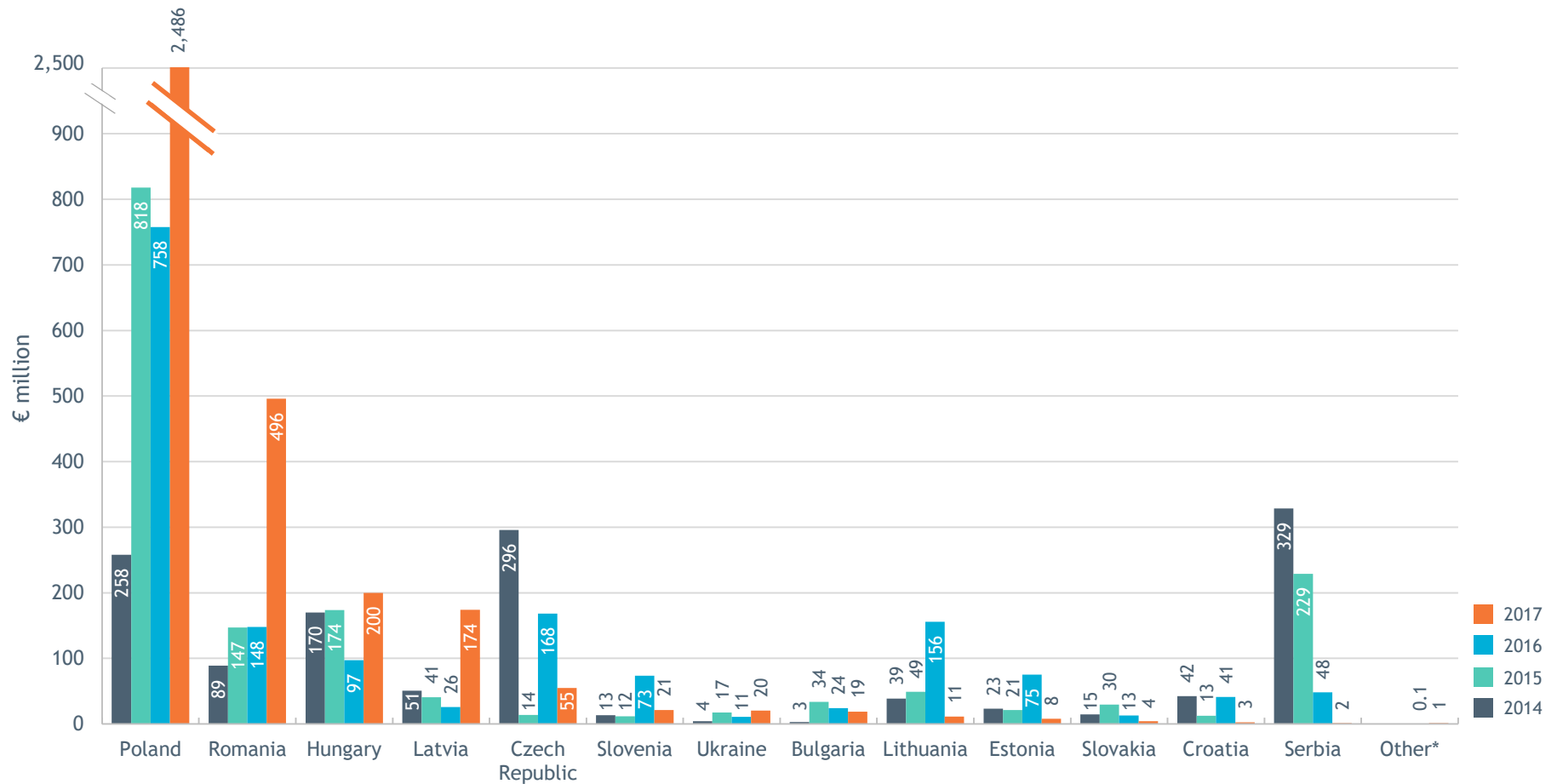
# Investments Summary

Figure 5: Annual investment value in the CEE region, 2003-2017



# Investments

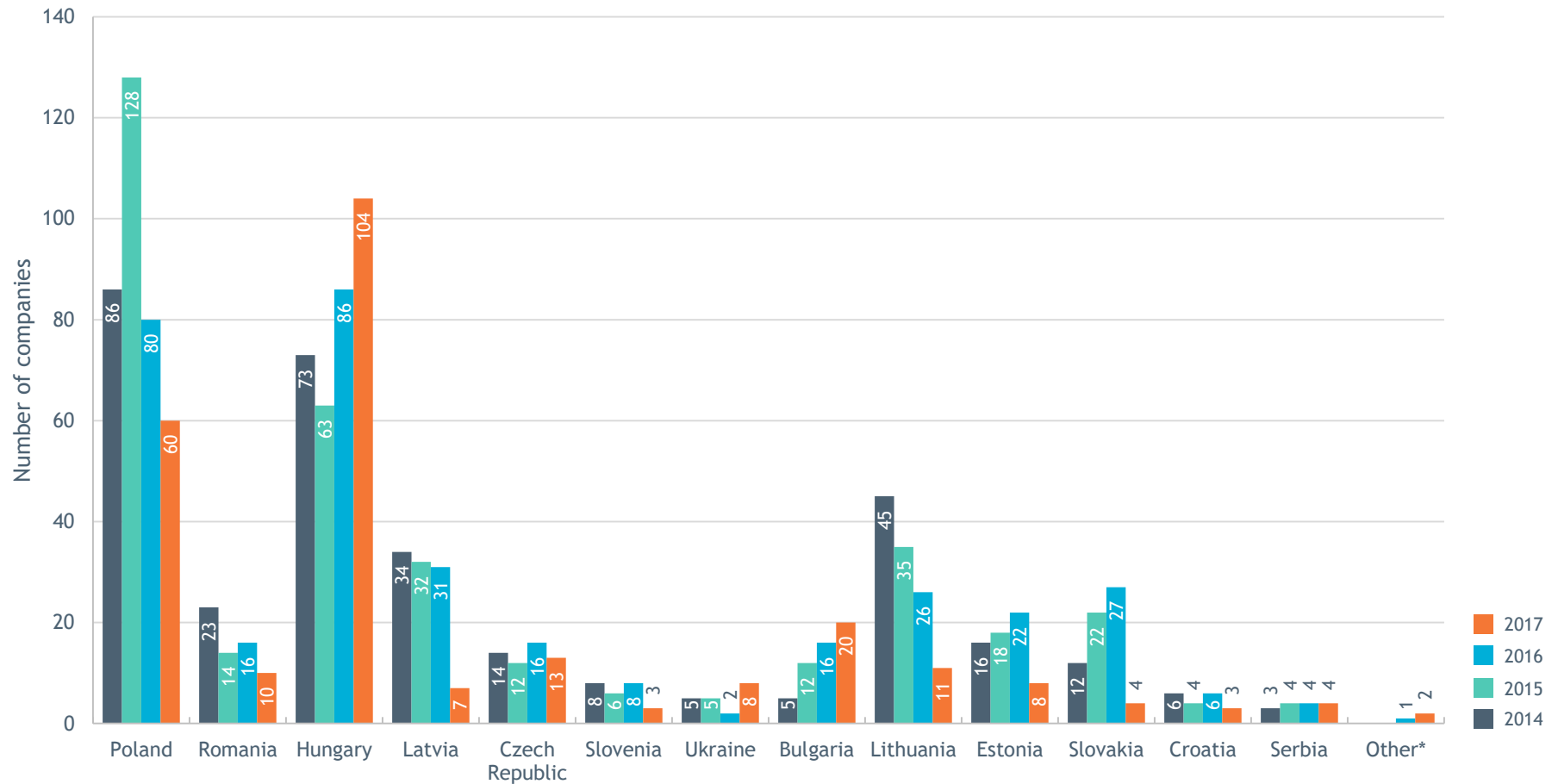
Figure 6: Annual investment value in CEE, 2014-2017



\*Other consists of Bosnia & Herzegovina, Macedonia, Moldova and Montenegro.

# Investments

Figure 7: Annual investment in CEE, 2014-2017 (number of companies)



\*Other consists of Bosnia & Herzegovina, Macedonia, Moldova and Montenegro.



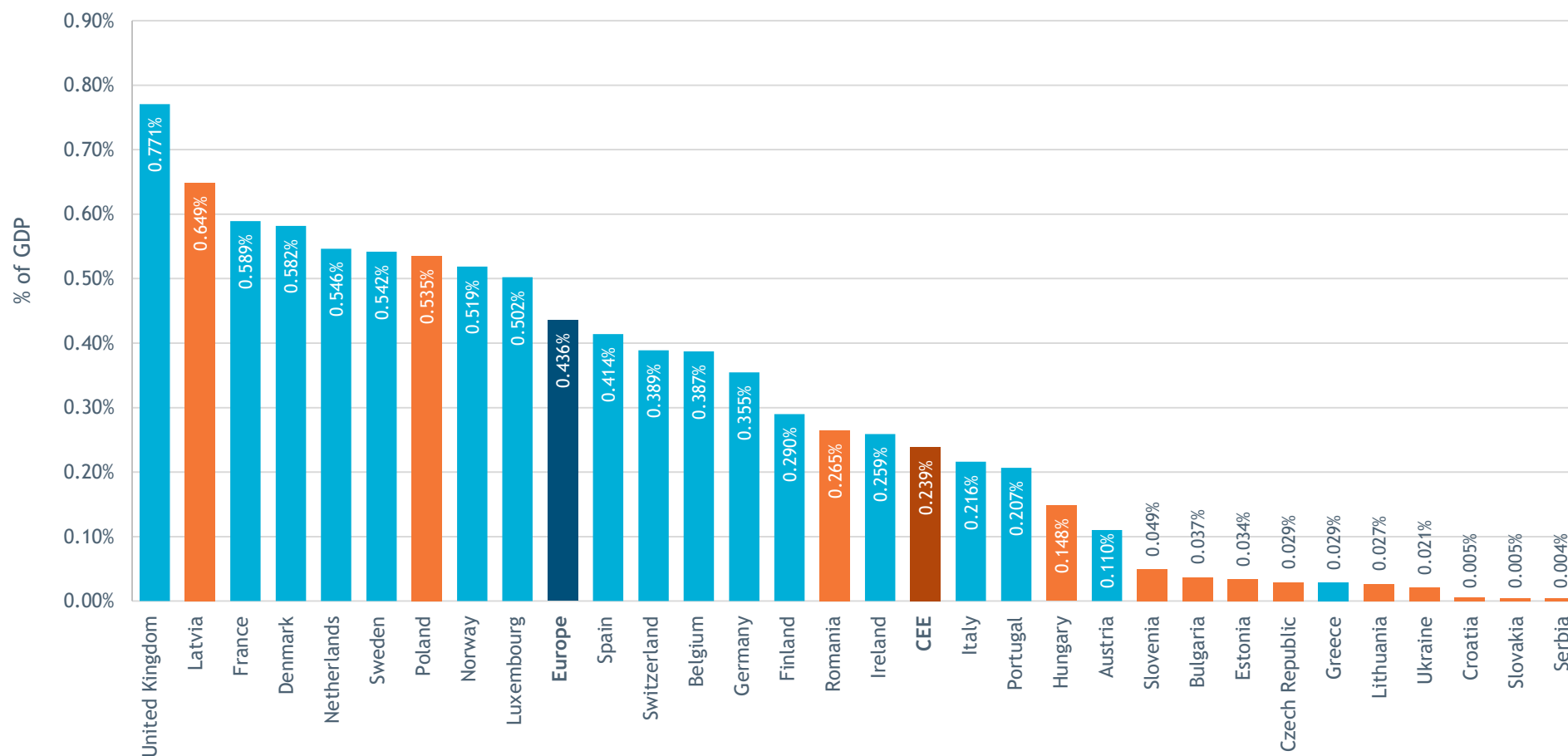
# Investments

**Table 3: Investment by sector, 2016-2017** (€ thousands)

	2016				2017			
	Amount	%	Number of companies	%	Amount	%	Number of companies	%
Agriculture	11,648	0.7	4	1.2	500	0.0	2	0.8
Biotech and healthcare	241,315	14.7	37	10.9	40,345	1.2	27	10.5
Business products and services	99,767	6.1	38	11.1	303,747	8.7	51	19.8
Chemicals and materials	27,451	1.7	6	1.8	292	0.0	3	1.2
Construction	49,135	3.0	8	2.3	6,432	0.2	2	0.8
Consumer goods and services	392,419	23.9	70	20.5	2,611,505	74.6	47	18.3
Energy and environment	193,809	11.8	15	4.4	66,205	1.9	14	5.4
Financial and insurance activities	153,474	9.4	11	3.2	49,156	1.4	11	4.3
ICT (Information and communication technology)	348,515	21.3	137	40.2	396,302	11.3	90	35.0
Real estate	2,762	0.2	2	0.6	1,750	0.1	1	0.4
Transportation	118,886	7.3	12	3.5	22,971	0.7	8	3.1
Other	500	0.0	1	0.3	440	0.0	1	0.4
<b>Total investment in year</b>	<b>1,639,682</b>	<b>100.0</b>	<b>341</b>	<b>100.0</b>	<b>3,499,645</b>	<b>100.0</b>	<b>257</b>	<b>100.0</b>

# Investments

Figure 8: Private equity investments as a percentage of GDP, 2017 (by country of destination of investment)



# Investments

Table 4: Type of investment in CEE vs Europe, 2017 (in € thousands)

	2017			
	Total CEE	% of total	Total Europe	% of total
Seed	33,224	0.9	649,142	0.9
Start-up	47,948	1.4	3,456,980	4.8
Later stage venture	27,203	0.8	2,329,856	3.2
<b>Total venture</b>	<b>108,375</b>	<b>3.1</b>	<b>6,435,978</b>	<b>9.0</b>
Growth	591,270	16.9	11,512,586	16.1
Rescue/Turnaround	1,663	0.0	353,273	0.5
Replacement capital	6,640	0.2	2,236,917	3.1
Buyout	2,791,698	79.8	51,183,546	71.4
<b>Total 2017</b>	<b>3,499,645</b>	<b>100.0</b>	<b>71,722,299</b>	<b>100.0</b>
<b>Total 2016</b>	<b>1,639,682</b>		<b>55,472,502</b>	

Table 5: Type of investment in CEE, 2016-2017 (in € thousands)

	2016		2017	
	Amount	Number of companies	Amount	Number of companies
Seed	14,615	59	33,224	119
Start-up	85,163	167	47,948	46
Later stage venture	12,964	21	27,203	9
<b>Total venture</b>	<b>112,742</b>	<b>239</b>	<b>108,375</b>	<b>173</b>
Growth	319,833	57	591,270	50
Rescue/Turnaround	0	0	1,663	1
Replacement capital	18,457	4	6,640	1
Buyout	1,188,650	42	2,791,698	35
<b>Total</b>	<b>1,639,682</b>	<b>341</b>	<b>3,499,645</b>	<b>257</b>

# Investments

Table 6: Type of investments by CEE country, 2016-2017 (in € thousands)

2017

Stage focus	Bulgaria	Croatia	Czech Rep.	Estonia	Hungary	Latvia	Lithuania	Poland	Romania	Serbia	Slovakia	Slovenia	Ukraine	Other*
Seed	4,006	0	3,415	900	21,744	98	43	2,191	0	300	0	0	424	105
Start-up	834	2,627	150	650	6,790	500	2,555	22,549	5,605	1,200	1,991	354	1,013	1,130
Later stage venture	0	0	0	0	139	250	50	24,538	0	0	725	1,500	0	0
<b>Total venture</b>	<b>4,840</b>	<b>2,627</b>	<b>3,565</b>	<b>1,550</b>	<b>28,673</b>	<b>848</b>	<b>2,648</b>	<b>49,278</b>	<b>5,605</b>	<b>1,500</b>	<b>2,716</b>	<b>1,854</b>	<b>1,437</b>	<b>1,235</b>
Growth	13,580	0	7,614	0	72,831	160,454	1,961	140,632	173,713	0	1,500	0	18,985	0
Rescue/Turnaround	0	0	0	0	0	0	0	1,663	0	0	0	0	0	0
Replacement capital	0	0	0	0	0	0	6,640	0	0	0	0	0	0	0
Buyout	250	0	43,525	6,254	98,249	12,850	0	2,294,688	316,463	0	0	19,419	0	0
<b>Total</b>	<b>18,670</b>	<b>2,627</b>	<b>54,704</b>	<b>7,804</b>	<b>199,753</b>	<b>174,152</b>	<b>11,249</b>	<b>2,486,260</b>	<b>495,781</b>	<b>1,500</b>	<b>4,216</b>	<b>21,273</b>	<b>20,422</b>	<b>1,235</b>

2016

Stage focus	Bulgaria	Croatia	Czech Rep.	Estonia	Hungary	Latvia	Lithuania	Poland	Romania	Serbia	Slovakia	Slovenia	Ukraine	Other*
Seed	1,050	0	459	1,100	3,770	1,950	1,026	1,671	0	80	3,409	0	0	100
Start-up	4,550	4,132	4,060	3,719	32,568	5,515	2,039	17,717	1,523	1,000	6,801	1,540	0	0
Later stage venture	0	0	0	1,380	2,110	425	0	5,549	1,500	0	0	2,000	0	0
<b>Total venture</b>	<b>5,600</b>	<b>4,132</b>	<b>4,518</b>	<b>6,199</b>	<b>38,448</b>	<b>7,890</b>	<b>3,065</b>	<b>24,937</b>	<b>3,023</b>	<b>1,080</b>	<b>10,210</b>	<b>3,540</b>	<b>0</b>	<b>100</b>
Growth	18,775	0	4,860	48,568	58,430	13,793	1,762	145,012	15,121	0	2,750	0	10,763	0
Rescue/Turnaround	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement capital	0	10,056	0	0	0	0	0	8,401	0	0	0	0	0	0
Buyout	0	27,150	159,059	20,493	365	4,027	151,000	579,485	129,776	47,350	0	69,946	0	0
<b>Total</b>	<b>24,375</b>	<b>41,338</b>	<b>168,437</b>	<b>75,259</b>	<b>97,243</b>	<b>25,710</b>	<b>155,827</b>	<b>757,835</b>	<b>147,919</b>	<b>48,430</b>	<b>12,960</b>	<b>73,486</b>	<b>10,763</b>	<b>100</b>

\*Other consists of Bosnia & Herzegovina, Macedonia, Moldova and Montenegro.

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# Divestments Summary

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Private equity exits across CEE in 2017 reached €1.3 billion, measured at historical investment cost, a year-on-year increase of 16%. This represents the third highest annual divestment level ever for the CEE region. Europe as a whole also reached its third highest divestment level in 2017 following a 7% increase to €42.7 billion. CEE divestments comprised 3% of the total exit value in Europe. Overall, the year continued a trend of elevated CEE exit activity that commenced in 2011. A total of 98 companies were divested in CEE during 2017, decreasing 15% from 2016's all-time high of 115 exited companies.

Poland was again the region's largest market for exits in 2017 with €590 million of divestments at cost - 47% of the CEE total - and the highest number of companies exited at 32, or 33% of the total. Hungary was the second most active country by value of exits, with €249 million at cost, 20% of the regional total. In terms of number of companies divested, Lithuania was the second most active country, with 15 companies, representing 15% of the regional total. Romania was in third place both by value of exits (10% of total) and number of companies exited (12% of total). Notably, Slovakia registered €93 million of exits at investment cost, the country's largest amount in recorded history, driven by a large transaction. These five countries together accounted for 93% of the total CEE divestment value and 74% of the total number of companies exited in 2017.

It should be noted that CEE exit values can be affected by a limited number of large deals. In 2017, four large transactions accounted for an aggregated total of 43% of the region's overall exit value. These larger transactions took place in Hungary, Poland, Lithuania and Slovakia.

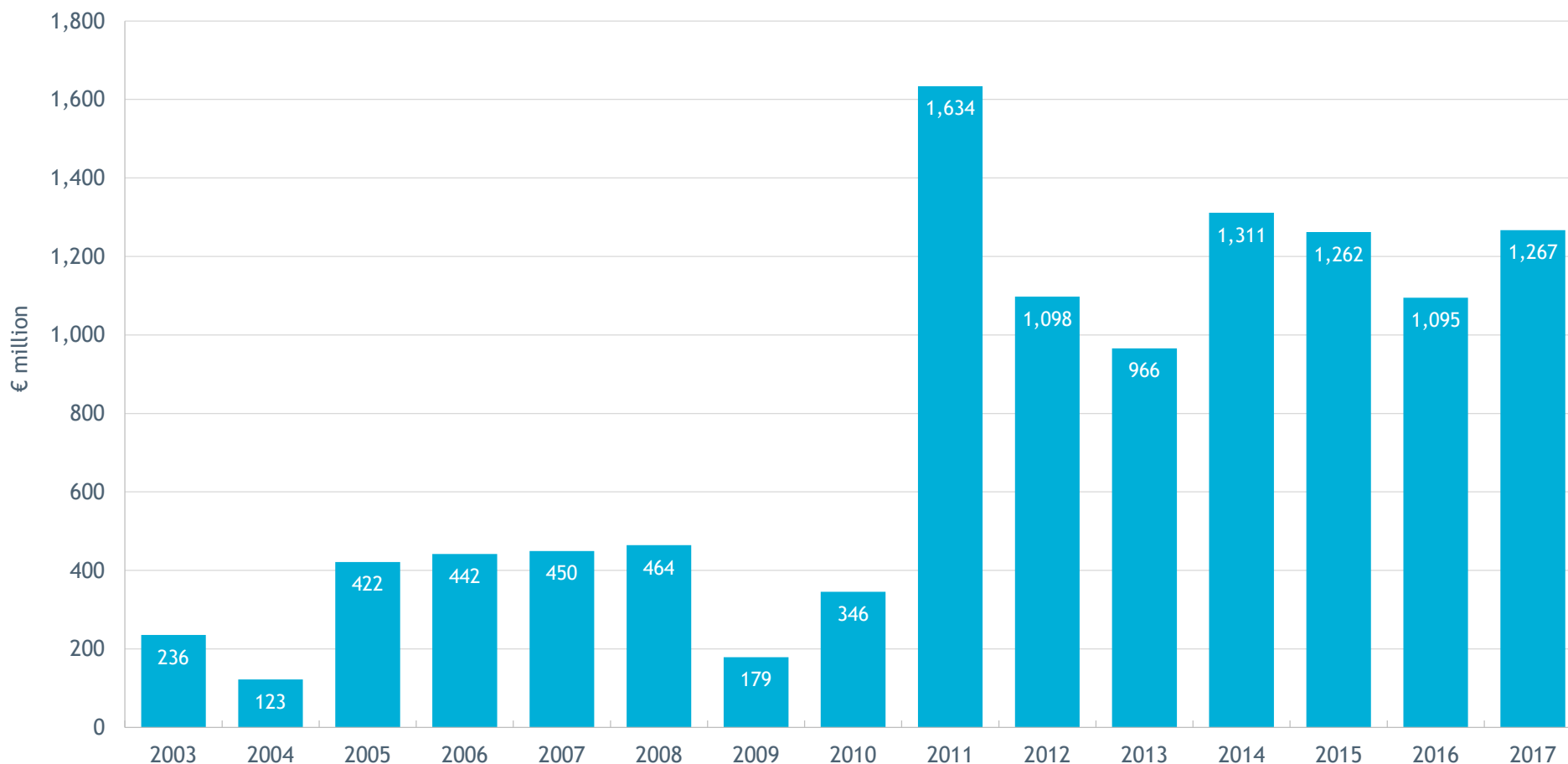
Sale to another private equity house - the secondary market - was CEE's most popular exit route in 2017 by value, accounting for a record €478 million of value at cost, or 38% of total regional divestment value. This was driven by three large transactions that together accounted for 33% of the regional exit value. The number of companies exited via the secondary market almost halved from 15 to 8 year-on-year.

Trade sale - historically the prominent exit route in the CEE region - was the second most common route in 2017 with €372 million at cost, or 29% of the regional total. Likewise, with 26 companies (26% of total) exited to trade buyers, the second highest number of CEE companies were divested via trade sales. Repayment of preference shares/loans or mezzanine saw the highest number of companies exited at 31, or 31% of total, but these transactions comprised just 14% of the total value at cost. Write-offs remained at a minimal level, which is typical for the CEE region, with just 7 companies falling into this category, accounting for only 0.2% of the total regional exit value at cost.

Consumer goods and services was the most important sector for exits in value terms in 2017 with €457 million divested at historical cost - 36% of the region's total value - comprising 21 companies exited or 21% of total companies. Notably, the sector includes two of the year's largest five exit transactions in CEE, which accounted for nearly 50% of its total value. The second largest divested sector by value was information and communication technology (ICT) with €367 million at historical cost - 29% of the CEE total by value - with 20 companies exited, representing 20% of the total number. Business products and services saw €161 million divested at cost, or 13% of the CEE total, and registering the highest number of companies exited at 28, or 29% of the total, followed by biotech and healthcare with €132 million at cost, or 10% of total by value, boosted by one large transaction.

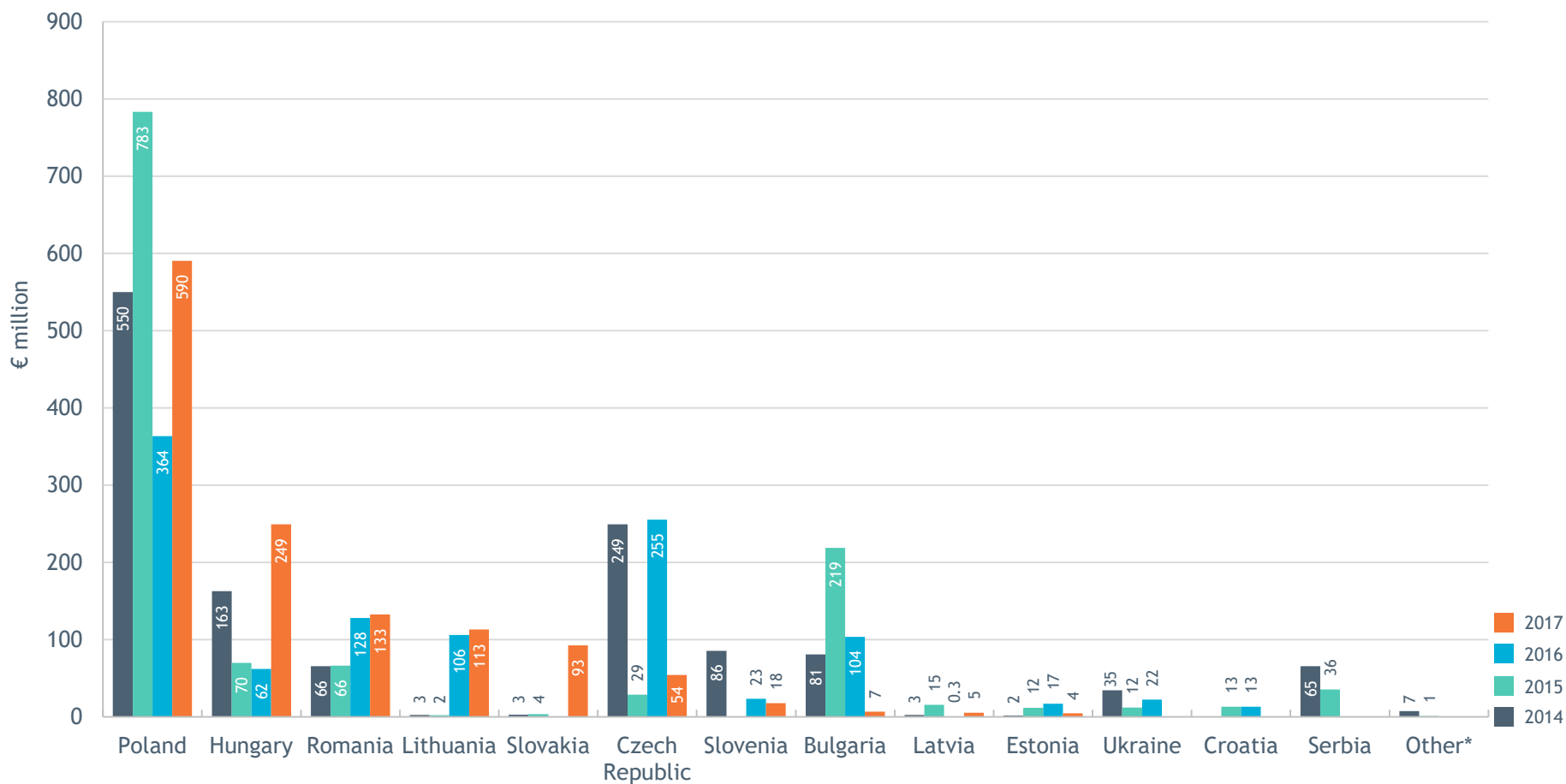
# Divestments Summary

Figure 9: Divestment value in CEE, 2003-2017 (exit value at historical investment cost)



# Divestments

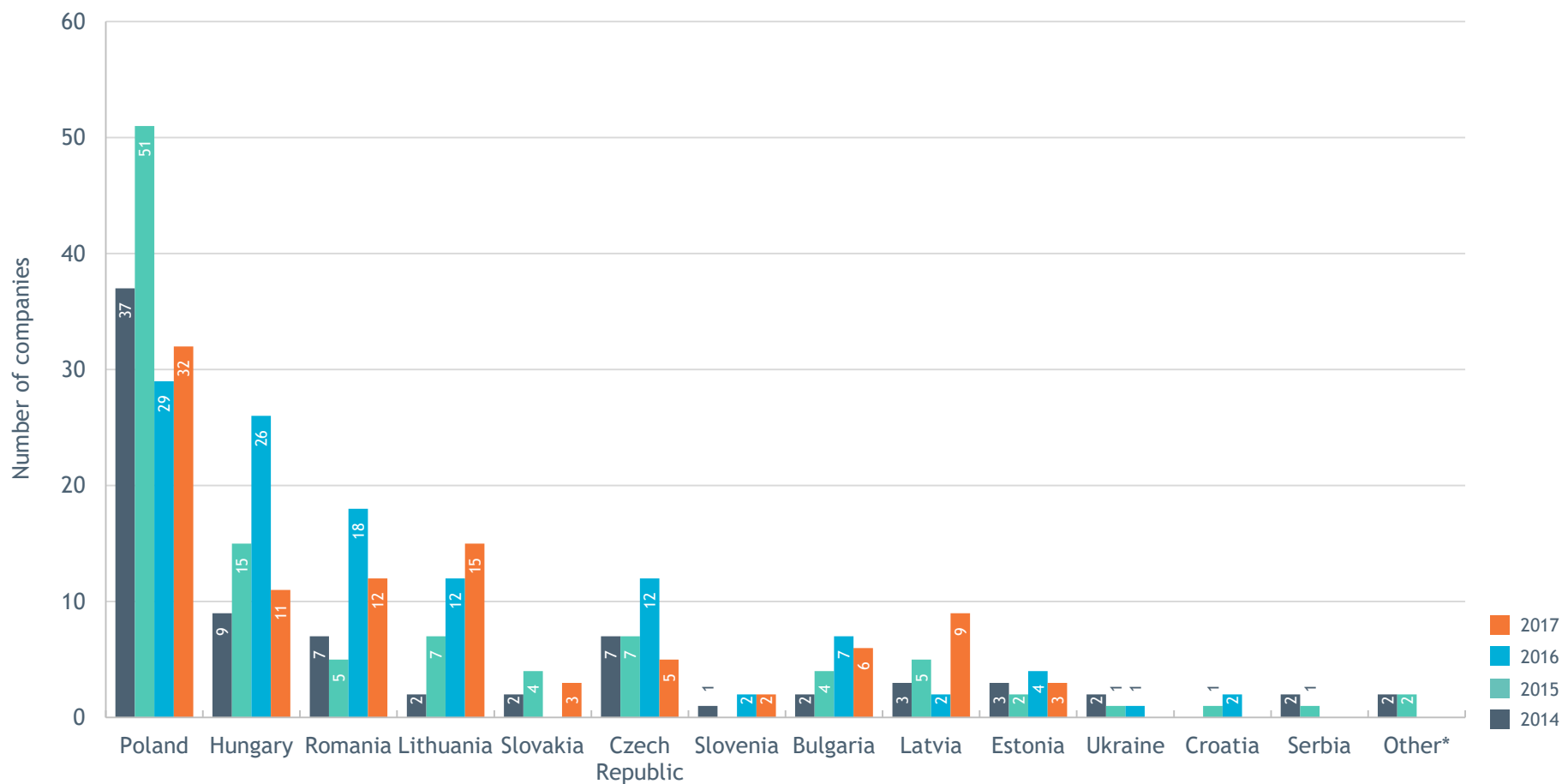
Figure 10: Divestments value by CEE country, 2014-2017 (exit value at historical investment cost)



\*Other consists of Bosnia & Herzegovina, Macedonia, Moldova and Montenegro.

# Divestments

Figure 11: Divestments by CEE country, 2014-2017 (number of companies)



\*Other consists of Bosnia & Herzegovina, Macedonia, Moldova and Montenegro.

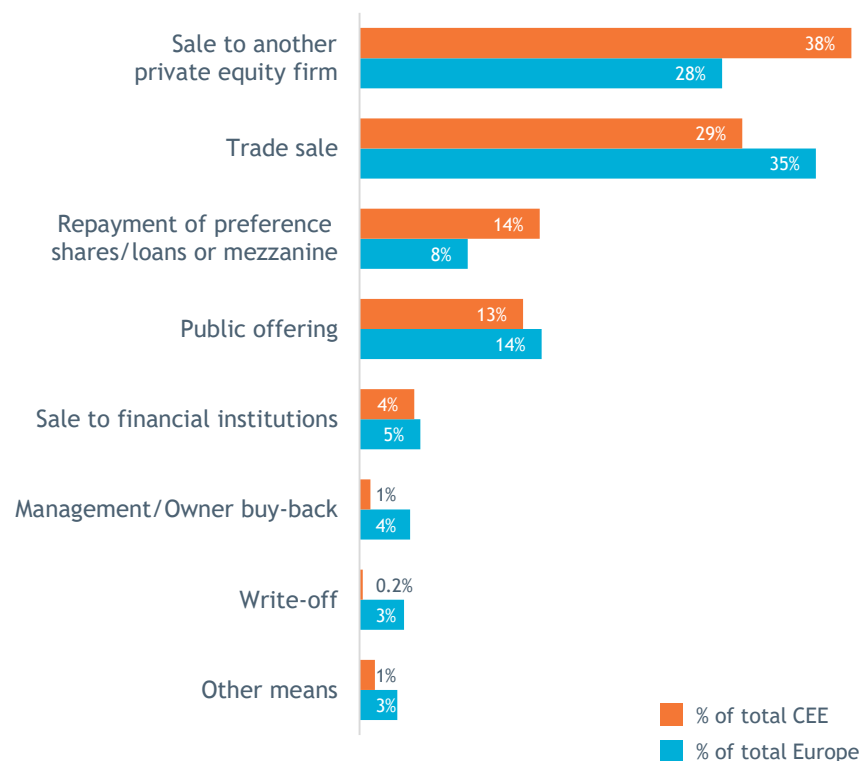


# Divestments

**Table 7: Divestments by exit route in CEE, 2016 - 2017**  
(exit value at historical investment cost in € thousands)

	2016		2017	
	Amount at cost	Number of companies	Amount at cost	Number of companies
Sale to another private equity firm	475,959	15	478,316	8
Trade sale	380,646	38	372,278	26
Repayment of preference shares/loans or mezzanine	42,231	17	175,266	31
Public offering	59,319	8	159,062	7
Sale to financial institutions	62,447	6	53,345	5
Management/Owner buy-back	36,456	16	10,717	11
Write-off	782	5	3,051	7
Other means	37,294	12	14,869	6
<b>Total divestment in year</b>	<b>1,095,134</b>	<b>115</b>	<b>1,266,905</b>	<b>98</b>

**Figure 12: Exit routes in CEE vs. total Europe, 2017**  
(% of exit value at historical investment cost)



# Divestments

**Table 8: CEE divestments by sector, 2016-2017** (exit value at historical investment cost, in € thousands)

	2016				2017			
	Amount at cost	%	Number of companies	%	Amount at cost	%	Number of companies	%
Agriculture	0	0.0	0	0.0	2,601	0.2	2	2.0
Biotech and healthcare	32,553	3.0	9	7.8	131,893	10.4	8	8.2
Business products and services	72,509	6.6	15	13.0	160,631	12.7	28	28.6
Chemicals and materials	30,078	2.7	7	6.1	13,285	1.0	2	2.0
Construction	14,827	1.4	4	3.5	11,896	0.9	3	3.1
Consumer goods and services	160,149	14.6	25	21.7	456,825	36.1	21	21.4
Energy and environment	118,443	10.8	9	7.8	50,241	4.0	3	3.1
Financial and insurance activities	35,591	3.2	8	7.0	55,252	4.4	8	8.2
ICT (Information and communication technology)	413,090	37.7	34	29.6	366,689	28.9	20	20.4
Real estate	3,948	0.4	1	0.9	0	0.0	0	0.0
Transportation	213,947	19.5	3	2.6	11,740	0.9	2	2.0
Other	0	0.0	0	0.0	5,850	0.5	1	1.0
<b>Total divestment in year</b>	<b>1,095,134</b>	<b>100.0</b>	<b>115</b>	<b>100.0</b>	<b>1,266,905</b>	<b>100.0</b>	<b>98</b>	<b>100.0</b>

# The CEE venture capital market

Venture capital (VC) investing in CEE hit €108 million in 2017, just 4% below the 2016 level. A strong increase in the buyout segment meant VC investments comprised only 3% of the region's total private equity investments by value. The number of CEE companies backed by VC in 2017 reduced by 28% year-on-year to 173, down from the previous three years' annual average of around 250 companies. This drop coincides with the conclusion of investments by national government-backed VC funds raised in previous years in a number of CEE countries. However, following the year's record €360 million CEE venture capital fundraising in 2017, more venture capital investment can be expected in the coming years. The 173 companies backed by VC in 2017 still comprise 67% of the regional total number of companies receiving private equity funding that year.

Central and Eastern Europe represented 2% of the total European venture capital investment value in 2017, while the region accounted for 5% of the number of European companies receiving venture capital funding. The average venture capital investment per company in CEE rose by over a third to €0.6 million in 2017, still far below the European average of €1.7 million, as the continent's VC investment hit a ten-year high of €6.4 billion into nearly 3,800 companies.

Start-up stage investments continued to be VC's largest category in CEE, accounting for around half of the region's total VC investment value in 2017, despite a 44% year-on-year decrease. The number of CEE start-ups receiving VC funding comprised 26% of the total VC-backed companies in 2017. Meanwhile, seed and later stage VC investment by value more than doubled in 2017, with seed investments reaching a record €33 million, into an all-time high of 119 companies backed, representing 68% of the total number. Later stage venture investments, despite growing to €27 million, backed just 9 companies, an all-time low.

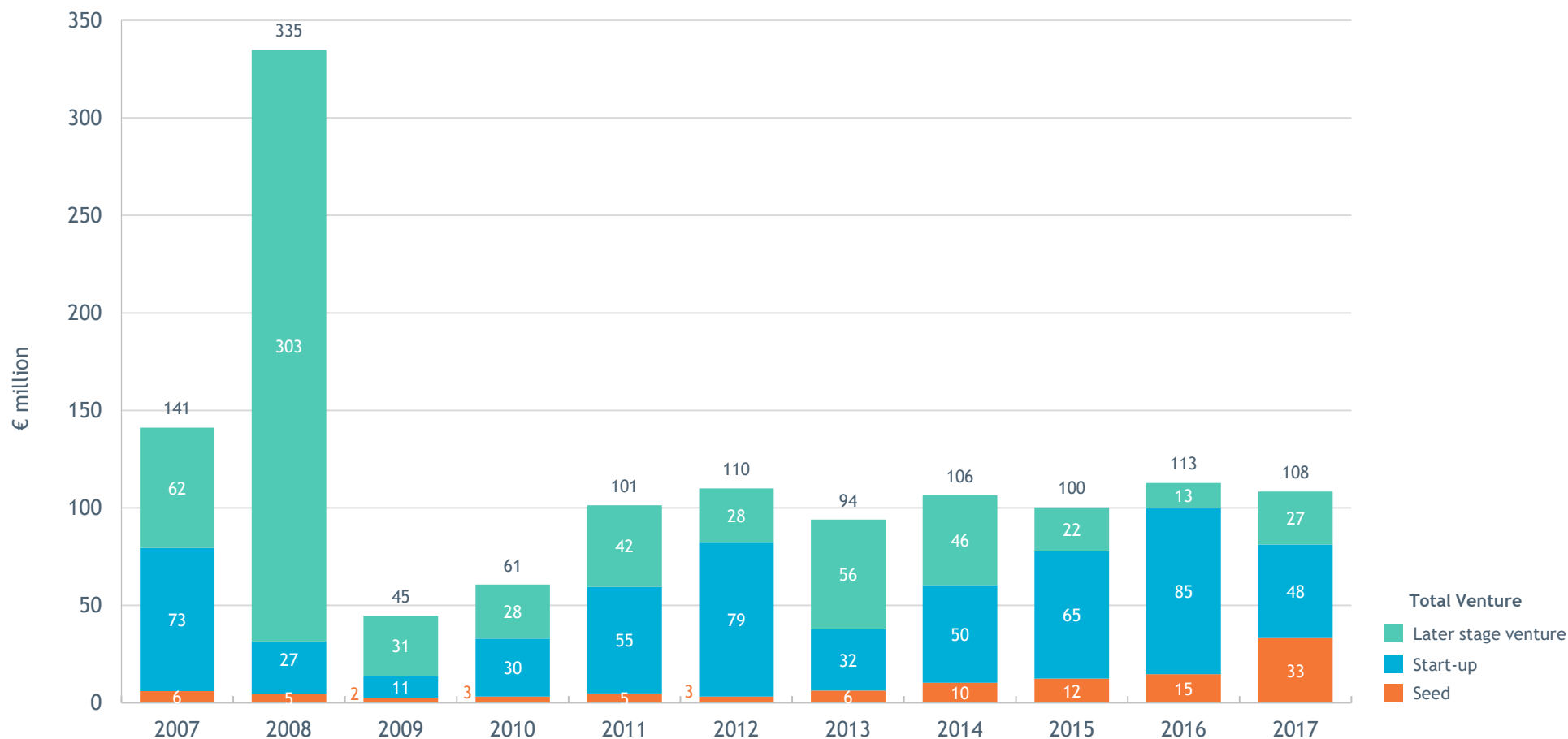
Poland was the CEE's leading destination for VC investment with €49 million, accounting for 45% of the regional VC sector total. This was invested into 28 companies, down from 47 companies in 2016. Hungary followed with €29 million, or 26% of the regional total, with the most number of companies receiving VC funding at 97, or 56% of the CEE total. Together, these two countries accounted for nearly three quarters of the CEE region's annual venture capital investment by amount and by number of companies. There was a significant drop in the number of companies receiving VC funding in the three Baltic states, from 57 to 13 year-on-year, as Baltic VC funds shifted their focus to fundraising.

Information and communication technology (ICT) companies in CEE continued to receive the most VC funding, with an 18% year-on-year increase to €62 million invested into 71 companies. ICT accounted for 58% of the region's total venture investment by value and 41% by number of companies. Biotech and healthcare was second with €17 million invested into 21 companies, making up 15% of the CEE VC investment amount and 12% by number of companies. Business products and services followed with €9 million of investment into 34 companies. These three sectors together accounted for 81% of the total venture investments in CEE in 2017 by value and 73% in number of companies.

Divestment values in CEE venture capital decreased by almost 30% in 2017 to €24 million measured at historical investment cost. The number of venture-backed companies exited that year followed suit, down to 34 from 2016's high of 54 companies. Trade sale remained the most prominent exit route, accounting for 66% of the VC exit value at cost and 20% of the number of companies exited. The ICT sector remained the leading area for venture capital divestments, comprising 56% of the total value at historical investment cost and the largest number of VC-backed companies exited at 41%. This was followed by business products and services, with 23% of the total divested value and 35% of companies exited.

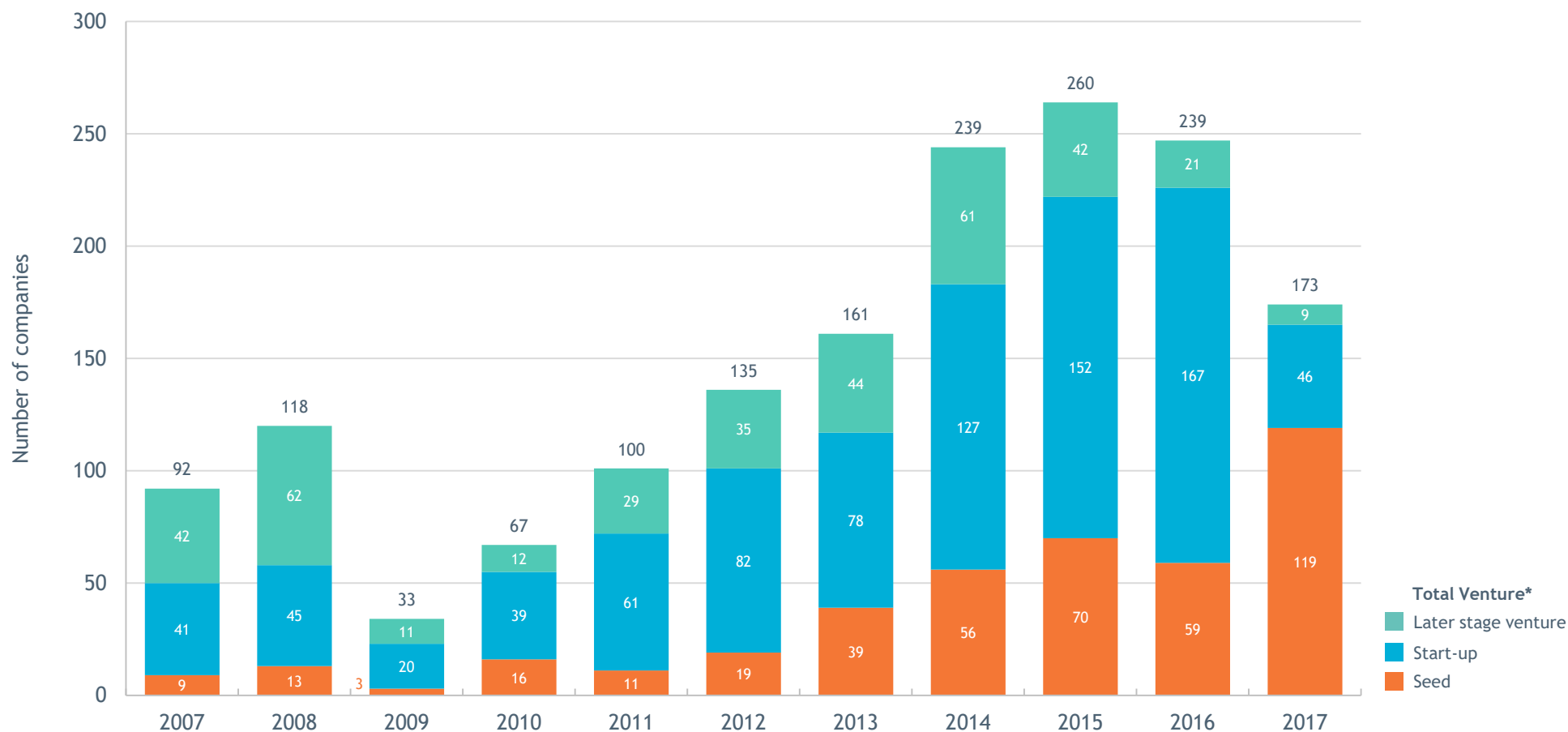
# The CEE venture capital market

Figure 13: CEE venture capital investments by stage, 2007-2017 (in € million)



# The CEE venture capital market

Figure 14: CEE venture capital investments by stage, 2007-2017 (number of companies)



\* Total number of companies:

Each company is only taken into account once, irrespective of how many stages of investments it received during the year. The methodology section provides further information.

# The CEE venture capital market

Table 9: CEE venture capital investments by sector, 2016-2017 (in € thousands)

	2016				2017			
	Amount	%	Number of companies	%	Amount	%	Number of companies	%
Agriculture	25	0.0	1	0.4	0	0.0	0	0.0
Biotech and healthcare	13,738	12.2	27	11.3	16,571	15.3	21	12.1
Business products and services	12,597	11.2	30	12.6	8,817	8.1	34	19.7
Chemicals and materials	261	0.2	4	1.7	12	0.0	1	0.6
Construction	3,401	3.0	2	0.8	0	0.0	0	0.0
Consumer goods and services	16,658	14.8	40	16.7	7,175	6.6	23	13.3
Energy and environment	3,070	2.7	6	2.5	6,893	6.4	9	5.2
Financial and insurance activities	3,070	2.7	5	2.1	5,649	5.2	8	4.6
ICT (Information and communication technology)	52,732	46.8	113	47.3	62,469	57.6	71	41.0
Real estate	2,762	2.5	2	0.8	0	0.0	0	0.0
Transportation	3,928	3.5	8	3.3	789	0.7	6	3.5
Other	500	0.4	1	0.4	0	0.0	0	0.0
<b>Total investment</b>	<b>112,742</b>	<b>100.0</b>	<b>239</b>	<b>100.0</b>	<b>108,375</b>	<b>100.0</b>	<b>173</b>	<b>100.0</b>

# The CEE venture capital market

**Table 10: CEE venture capital divestments by exit route, 2016-2017**  
(exit value at historical investment cost, in € thousands)

	2016				2017			
	Amount at cost	%	Number of companies	%	Amount at cost	%	Number of companies	%
Trade sale	20,580	60.2	16	29.6	16,068	66.2	7	20.0
Write-off	782	2.3	5	9.3	3,051	12.6	7	20.0
Management/Owner buy-back	7,198	21.1	13	24.1	2,957	12.2	6	17.1
Repayment of preference shares/loans or mezzanine	250	0.7	3	5.6	1,015	4.2	9	25.7
Sale to financial institutions	31	0.1	1	1.9	376	1.6	1	2.9
Sale to another private equity firm	466	1.4	7	13.0	105	0.4	1	2.9
Public offering	2,971	8.7	2	3.7	0	0.0	0	0.0
Other means	1,909	5.6	7	13.0	701	2.9	4	11.4
<b>Total divestment in year</b>	<b>34,187</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>24,274</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>

# The CEE buyout and growth market

Total buyout and growth investment in CEE rose by 122% year-on-year in 2017 to reach €3.4 billion, an all-time high for the region. This capital was invested into 85 companies, a 17% decrease from 2016. Buyout and growth investments comprised almost all of the CEE region's total private equity investment value in 2017 at 97%. By number of companies funded, the market segment's share grew from 30% to 33% year-on-year.

In the context of the overall European buyout and growth segment in 2017, CEE's share grew to 5% in terms of value and represented 3% by number of companies.

Delving into sub-segments, buyout investments continued to be the largest in CEE, rising 135% year-on-year to reach €2.8 billion, a record high level for the region. Meanwhile, buyout investments across all of Europe increased 37% year-on-year to €51.2 billion, the highest level since 2007. The number of companies receiving buyout funding in CEE was 35 in 2017, down from 42 in 2016.

The concentration of CEE buyouts among larger transactions was more pronounced in 2017 than in the previous year. The two largest investments, both in Poland, accounted for 71% of the total buyout amount, while in 2016 the same percentage concentration was comprised of the eleven largest buyout deals across the region.

Two companies accounted for €2 billion of equity investment value within the CEE buyout sub-segment, shifting its focus to large and mega buyouts: deals of over €500 million total transaction size. In 2016, there was no activity in this transaction size category. Meanwhile, mid-market transactions, defined as deals between €50 million and €500 million in total transaction size, dropped from 11 companies to 3 in 2017, while the amount decreased 36% year-on-year to €526 million of equity invested. Small buyouts - those with a total transaction size of less than €50 million - remained stable at 31 companies in 2017, but declined by 19% year-on-year to €294 million of equity invested.

Growth capital continued to be the region's second most important investment sub-segment in 2017, with 85% growth year-on-year to reach €591 million. The number of CEE companies backed by growth funding declined year-on-year from 57 to 50.

Poland remained CEE's most active buyout and growth market with €2.4 billion of capital invested into 33 companies, accounting for 72% of the segment's annual value in the region. The next most active countries were Romania with €490 million invested into 8 companies, Latvia with €173 million invested into 4 companies and Hungary with €171 million invested into 7 companies. These four countries combined accounted for 96% of the annual CEE buyout and growth segment by value and 61% by number of companies.

Consumer goods and services companies in CEE received the most buyout and growth investments in 2017, attracting €2.6 billion or 77% of the segment's total value, mainly driven by two large deals. This was followed by the ICT sector with €334 million (10%) and business products and services at €295 million (9%).

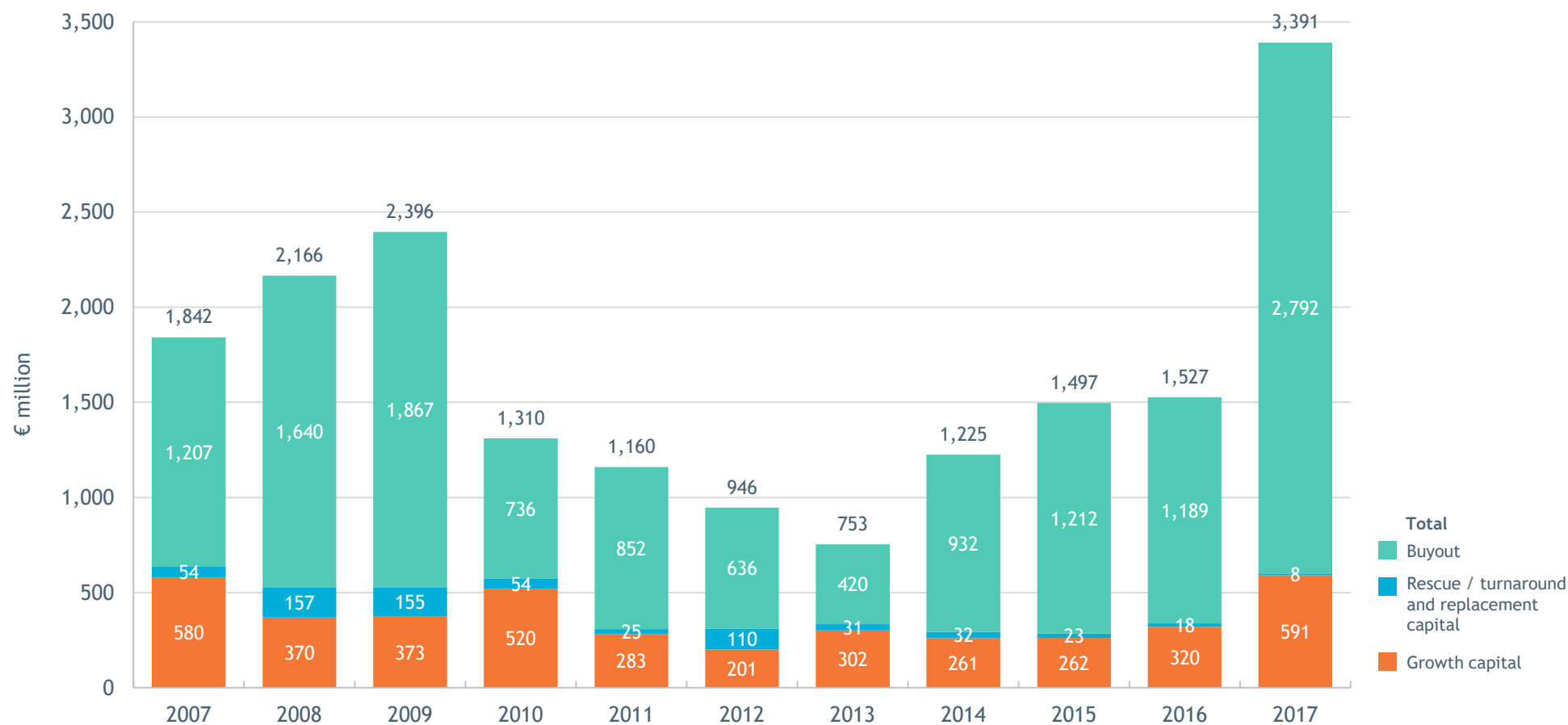
Exits in the CEE buyout and growth segment in 2017 totalled €1.2 billion, measured at historical investment cost, representing a 16% year-on-year increase. At the same time, the number of companies exited was stable at 62 versus 61 the prior year. Sale to another private equity firm remained the most utilised exit route in 2017 with 39% of the total segment's exit value at cost. Trade sale remained the second most important exit route in the segment with 29% of total exit value at cost.

The most exited sectors in the buyout and growth segment were consumer goods and services with €454 million or 37% of total value at historical cost, ICT with €353 million (29% of the total), business products and services at €146 million (12%), as well as biotech and healthcare with €131 million (11%). Together these four sectors accounted for 88% of buyout and growth exits by value at historical cost.



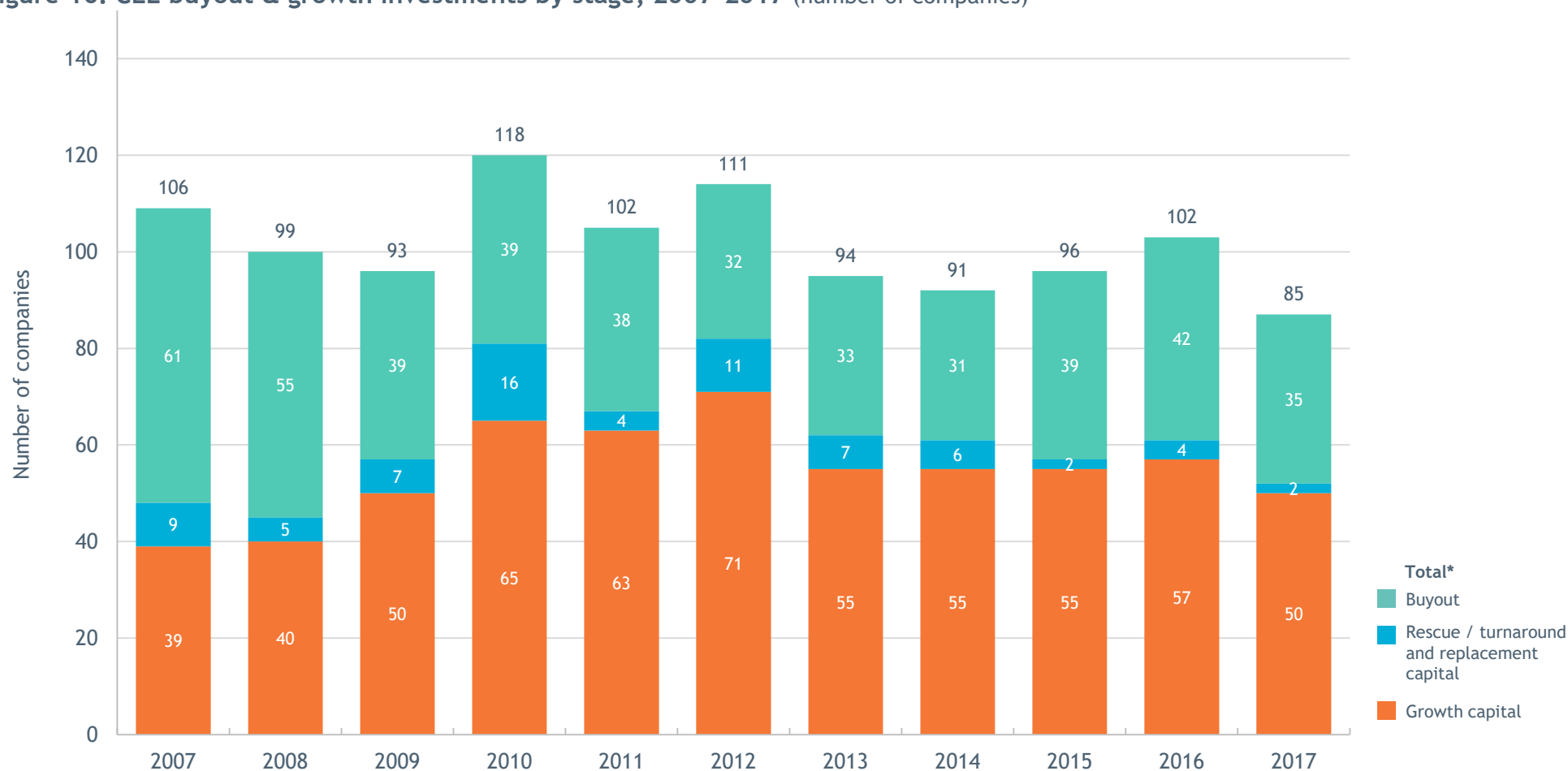
# The CEE buyout and growth market

Figure 15: CEE buyout & growth investments by stage, 2007-2017 (in € million)



# The CEE buyout and growth market

Figure 16: CEE buyout & growth investments by stage, 2007-2017 (number of companies)



\* Total number of companies:

Each company is only taken into account once, irrespective of how many stages of investments it received during the year. The methodology section provides further information.

# The CEE buyout and growth market

Table 11: Equity and transaction value by type of buyout, 2016-2017 (in € thousands)

2017							
	Amount (equity value)	%	Number of companies	%	Transaction value	%	Equity contribution of PE firms (in %)
Small	293,749	10.5	31	86.1	456,259	8.2	64.4
Mid-market	526,320	18.9	3	8.3	839,183	15.1	62.7
Large and mega	1,971,628	70.6	2	5.6	4,274,395	76.7	46.1
<b>Total buyout*</b>	<b>2,791,698</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>5,569,838</b>	<b>100.0</b>	

2016							
	Amount (equity value)	%	Number of companies	%	Transaction value	%	Equity contribution of PE firms (in %)
Small	363,591	30.6	31	73.8	439,638	21.1	82.7
Mid-market	825,059	69.4	11	26.2	1,644,058	78.9	50.2
Large and mega	0	0.0	0	0.0	0	0.0	0.0
<b>Total buyout*</b>	<b>1,188,650</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>	<b>2,083,696</b>	<b>100.0</b>	

Type of Transaction: Transaction Value (€): Small <50m  
 Mid-market 50m<x<500m  
 Large 500m<x<1000m  
 Mega x>1000m

\* Total number of companies:  
 Each company is only taken into account once, irrespective of how many stages of investments it received during the year. The methodology section provides further information.

# The CEE buyout and growth market

Table 12: CEE buyout & growth investments by sector, 2016-2017 (in € thousands)

	2016				2017			
	Amount	%	Number of companies	%	Amount	%	Number of companies	%
Agriculture	11,623	0.8	3	2.9	500	0.0	2	2.4
Biotech and healthcare	227,578	14.9	10	9.8	23,774	0.7	7	8.2
Business products and services	87,170	5.7	8	7.8	294,930	8.7	17	20.0
Chemicals and materials	27,190	1.8	2	2.0	280	0.0	2	2.4
Construction	45,734	3.0	6	5.9	6,432	0.2	2	2.4
Consumer goods and services	375,761	24.6	30	29.4	2,604,330	76.8	24	28.2
Energy and environment	190,739	12.5	9	8.8	59,312	1.7	5	5.9
Financial and insurance activities	150,404	9.9	6	5.9	43,507	1.3	3	3.5
ICT (Information and communication technology)	295,783	19.4	24	23.5	333,833	9.8	19	22.4
Real estate	0	0.0	0	0.0	1,750	0.1	1	1.2
Transportation	114,958	7.5	4	3.9	22,182	0.7	2	2.4
Other	0	0.0	0	0.0	440	0.0	1	1.2
<b>Total investment</b>	<b>1,526,940</b>	<b>100.0</b>	<b>102</b>	<b>100.0</b>	<b>3,391,270</b>	<b>100.0</b>	<b>85</b>	<b>100.0</b>

# The CEE buyout and growth market

**Table 13: CEE buyout & growth divestments by exit route, 2016-2017**  
(exit value at historical investment cost, in € thousands)

	2016				2017			
	Amount at cost	%	Number of companies	%	Amount at cost	%	Number of companies	%
Sale to another private equity firm	475,493	44.8	8	12.7	478,211	38.8	7	10.9
Trade sale	360,066	33.9	22	34.9	356,210	28.9	19	29.7
Repayment of preference shares/ loans or mezzanine	41,981	4.0	14	22.2	174,251	14.1	22	34.4
Public offering	56,348	5.3	6	9.5	159,062	12.9	7	10.9
Sale to financial institutions	62,415	5.9	5	7.9	43,796	3.6	3	4.7
Management/Owner buy-back	29,258	2.8	3	4.8	7,295	0.6	4	6.3
Write-off	0	0.0	0	0.0	0	0.0	0	0.0
Other means	35,385	3.3	5	7.9	14,168	1.1	2	3.1
<b>Total divestment in year</b>	<b>1,060,946</b>	<b>100.0</b>	<b>61</b>	<b>100.0</b>	<b>1,232,993</b>	<b>100.0</b>	<b>62</b>	<b>100.0</b>

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# Appendix - Amendments of prior years' statistics

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- > All data from 2007 to 2017 reported in this publication is based on the European Database Cooperative (EDC), which replaced Invest Europe's previous database from PEREP\_Analytics. All relevant historic data was migrated to the EDC system in 2017. All data since 2007 has been restated and additional information was gathered during the transition and verification process. The EDC system, like its predecessor, is continually updated as new information is obtained to achieve the highest level of accuracy. However, the results depend on the timely, complete and accurate submissions of information from private equity fund managers.
- > Changes in amounts of funds raised, investments and divestments in certain years
  - > To ensure the best coverage, the European Database Cooperative offers private equity firms the possibility to submit surveys, audit historical data and validate previously gathered data captured from public sources. In addition, more information on the CEE market has become available. This has enriched the dataset, as a substantial number of new private equity firms have submitted data on their activity in the CEE region to the new EDC system. In addition, if fund managers corrected previous years' data, this was amended in the dataset and may include changes to the values and timing of fundraisings, investments and exits, as well as re-classifications of transactions by type.
- > Reclassified sector methodology
  - > The historical CEE data has been restated to match the new European sector classification profile. From 2016, certain industry sectors that historically were presented separately are now combined into one category. This refers to "ICT", which replaces communications plus computer and consumer electronics; "business and industrial products and services", which combines two previous categories; and "consumer goods and services", which also combines two prior categories.

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Invest Europe strongly recommends that readers use the most recent CEE statistics publication when analysing historical data to ensure highest level of accuracy.

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# Appendix - Methodology

## Investment

All amounts displayed in the investment section are equity values (if not mentioned otherwise).

## Fundraising

The vast majority of private equity funds raised for CEE were for the region as a whole rather than for any specific country. Therefore, fundraising is presented in this paper as a total pool of capital raised for the region. Moreover, fundraising is limited to capital raised by funds that have declared CEE to be their target region. The data does not include those funds that may allocate a portion of their capital to the CEE region but whose primary focus is elsewhere.

The funds included in the statistics are:

- > private equity funds making direct private equity investments
- > mezzanine private equity funds
- > direct co-investment funds
- > rescue/turnaround funds

The following funds are excluded from the statistics:

- > infrastructure funds
- > real estate funds
- > distress debt funds
- > primary funds-of-funds
- > secondary funds-of-funds

## Geographical sources of funds

Capital raised from an LP located in the same country as the fund it commits to is usually considered to be domestically raised according to the Invest Europe classification. However, the CEE fundraising data includes private equity funds located outside of CEE but fully dedicated to the CEE region (e.g. a UK-based fund focused on the CEE region).

For the purposes of this report, domestic fundraising (“Within CEE” category) only includes capital raised from CEE-based LPs, regardless of the location of the private equity fund itself. We believe this gives the most accurate picture of actual commitments made by CEE-based LPs to CEE-focused funds.

**Industry statistics** are an aggregation of figures according to the country of the private equity firm’s office in charge of the investment or divestment. At the European level, this relates to investments or divestments made by European private equity firms regardless of the location of the portfolio company.

**Market statistics** are an aggregation of figures according to the location of the portfolio company. At the European level, this relates to investments or divestments in European companies regardless of the location of the private equity firm.

**Equity value:** The amount of capital invested to acquire shares in an enterprise. The equity value includes equity, quasi-equity, mezzanine, unsecured debt and secured debt provided by the private equity firm. No co-investments by LPs are included.

**Divestment amounts** (including write-offs) are recorded at cost (i.e. the total amount divested is equal to the total amount invested earlier).

# Appendix - Definitions Fundraising

## Fund stage focus

- > Buyout fund: Funds acquiring companies by purchasing majority or controlling stakes, financing the transaction through a mix of equity and debt.
- > Early stage fund: Venture capital funds focused on investing in companies in the early stages of their lives.
- > Generalist fund: Funds investing in all stages of private equity.
- > Growth fund: Funds that make private equity investments (often minority investments) in relatively mature companies that are looking for primary capital to expand and improve operations or enter new markets to accelerate the growth of the business.
- > Mezzanine fund: Funds using a hybrid of debt and equity financing, comprising equity-based options (such as warrants) and lower-priority (subordinated) debt.
- > Venture Capital
  - > Early-stage fund: Venture capital funds focused on investing in companies in the early stages of their lives.
  - > Later-stage fund: Venture capital funds providing capital for an operating company which may or may not be profitable. Typically in C or D rounds.
  - > Venture fund (all stages): Venture capital funds focused on both early and later stage investments.

## Types of investors

- > Corporate investor: Corporations manufacturing products or delivering non-financial services.
- > Endowment: An investment fund established by a foundation, university or cultural institution providing capital donations for specific needs or to further a company's operating process. They are generally structured so that the principal amount invested remains intact (for perpetuity, for a defined period of time or until sufficient assets have been accumulated to achieve a designated purpose).
- > Family office: An entity that provides services to one or more affluent families, including investment management and other services (accounting, tax, financial and legal advice etc.).
- > Foundations: A non-profit organisation through which private wealth is distributed for the public good. It can either donate funds and support other organisations, or provide the sole source of funding for their own charitable activities.
- > Fund of funds: A private equity fund that primarily takes equity positions in other funds.
- > Government agencies: Country, regional, governmental and European agencies or institutions for innovation and development.

- > Other asset manager: A financial institution (other than a bank, endowment, family office, foundation, insurance company or pension fund) managing a pool of capital by investing it across different asset classes with the purpose of generating financial returns. It may include private equity direct funds that occasionally do indirect investments, but excludes fund of funds that are a standalone option.
- > Pension funds: A pension fund that is regulated under private or public sector law.
- > Sovereign wealth funds: State-owned investment funds investing in foreign direct private equity funds to diversify their portfolio.

## Independent and captive funds

- > Captive funds: Funds that are 100% owned by the parent organisation.
- > Independent funds: Semi-captive funds (those in which the parent owns less than 100%) as well as wholly independent funds.



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# Appendix - Definitions Investments

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All amount displayed in the investment section are equity values (if not mentioned otherwise).

## Venture capital

- > Seed: Funding provided before the investee company has started mass production/distribution with the aim to complete research, product definition or product design, also including market tests and creating prototypes. This funding will not be used to start mass production/distribution.
- > Start up: Funding provided to companies, once the product or service is fully developed, to start mass production/distribution and to cover initial marketing. Companies may be in the process of being set up or may have been in business for a shorter time, but have not sold their product commercially yet. The destination of the capital would be mostly to cover capital expenditures and initial working capital.
- > Later stage financing: Financing provided for an operating company, which may or may not be profitable. Late stage venture tends to be financing into companies already backed by VCs. Typically in C or D rounds.

## Growth capital

- > A type of private equity investment (often a minority investment) in relatively mature companies that are looking for primary capital to expand and improve operations or enter new markets to accelerate the growth of the business.

## Buyout

- > Financing provided to acquire a company. It may use a significant amount of borrowed capital to meet the cost of acquisition. Typically by purchasing majority or controlling stakes.

## Rescue / Turnaround

- > Financing made available to an existing business, which has experienced financial distress, with a view to re-establishing prosperity.

## Replacement capital

- > Minority stake purchase from another private equity investment organisation or from another shareholder or shareholders.

Note: Total number of companies

- > The number of companies represents a distinct list of entities receiving investments throughout the reporting year. If a company receives two investments during the year, the number of companies will equal one, but the number of investments will equal two.

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# Appendix - Definitions Divestments

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> Management/Owner buy-back: The buyer of the company is its management team.

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> Public offering:

- > First divestment following flotation (IPO): The sale or distribution of a private company's shares to the public for the first time by listing the company on the stock exchange.
  - > Sale of quoted equity post flotation: It includes sale of quoted shares only if connected to a former private equity investment, e.g. sale of quoted shares after a lock-up period.
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Repayment of preference shares/loans or mezzanine: If the private equity firm provided loans or bought preference shares in the company at the time of investment, then their repayment according to the amortisation schedule represents a decrease of the financial claim of the firm into the company, and hence a divestment.

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> Sale to another private equity firm: The buyer of the portfolio company is a private equity firm.

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> Sale to financial institution: A financial institution is an entity that provides financial services for its clients:

- > Depositary Institutions: deposit-taking institutions that accept and manage deposits and make loans, including banks, building societies, credit unions, trust companies, and mortgage loan companies.
  - > Contractual Institutions: Insurance companies and pension funds.
  - > Investment Institutes other than direct private equity firms.
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> Trade sale: The sale of a company's shares to industrial investors.

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> Write-off: The value of the investment is eliminated and the return to investors is zero or negative.

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Note: Total number of companies

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- > The number of companies represents a distinct list of entities subject to divestments throughout the reporting year. If a company recorded two divestments during the year, the number of companies will equal one, but the number of divestments will equal two.
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# About Gide

Founded in Paris in 1920, Gide law firm operates today from 14 offices on four continents: Europe, with a focus on Central and Eastern Europe, as well as Asia, North America and Africa. With its over 25 years of experience in Central and Eastern Europe, Gide is well-established as a law firm in this area, known for advising on all aspects of business and finance law.

Gide has marked its presence throughout Central and Eastern Europe, with offices in Warsaw (since 1991), Moscow (since 1993), and Istanbul (since 1997). Our local teams can also call upon our Central and Eastern Europe Desk, as well as a network of local partner firms.

Central and Eastern Europe, although perceived by investors as one market, comprises many different jurisdictions. Therefore, setting up and doing business in this region requires an in-depth knowledge of local regulations and specific market conditions. The organisation of Gide's business in this region allows it to perfectly meet the needs and expectations of institutions, investors and other companies operating on the CEE market.

## Private Equity

Gide has an extensive private equity practice and is one of the leading legal teams advising on all forms of private equity transactions. The Private Equity Group's expertise covers increasingly complex corporate, financial, regulatory, tax and contractual legal issues that affect private equity funds, their sponsors and investors. We have experience in all types of private equity investment vehicles, including leveraged buyout funds, venture capital funds and real estate funds, and we advise numerous international and local investors, sponsors, management teams and industrial players on all forms of transactions involving private equity and real estate funds, from the provision of capital to start-up businesses and early-stage financing or the acquisition of properties to the largest pan-European LBOs.

We also offer full assistance in the context of recapitalisation transactions, build-ups and exits. The Private Equity Group has a recognised expertise in assisting numerous investment bankers, senior, mezzanine and "bridge" lenders with arranging complex bank financing projects for LBOs and real estate transactions.

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