



## Private equity investment in Central and Eastern European companies reaches a record €3.5 billion, Invest Europe data shows

**Brussels, Belgium - 23 August 2018** Private equity and venture capital investment into companies in Central and Eastern Europe (CEE) reached a record €3.5 billion in 2017, new data from Invest Europe reveals.

A 113% year-on-year increase, this amount surpasses the region's previous peak in 2008 by 40%, according to the industry association's [Central and Eastern Europe Private Equity Statistics 2017 report](#), which also shows strong results across fundraising and exits. CEE's consumer goods and services sector attracted the majority of investment capital with three-quarters of the total, while technology (ICT) followed with 11%. Polish companies were the big draw, receiving 71% of the total amount, followed by those in Romania, Hungary and Latvia respectively.

*“Record levels of private equity and venture capital investment into companies across Central and Eastern Europe are helping to create regional and global success stories,”* said Robert Manz, Chair of Invest Europe's Central and Eastern Europe Task Force and Managing Partner at CEE private equity firm Enterprise Investors. *“International investors are drawn to the region's attractive economic growth, strong consumer spending and private equity fund managers with proven ability to identify high-growth investment opportunities.”*

Examples of the region's recent private equity-backed business successes include Avast Software, the Czech cyber security company which earlier this year listed on the London Stock Exchange in London's biggest ever tech IPO. Polish grocery store chain [Dino Polska](#) grew rapidly to nearly 630 stores before its IPO last year on the Warsaw Stock Exchange. In March, Romania's robotic process automation vendor UiPath was valued at over US\$1 billion, more than ten-fold the company's valuation when it last raised funding in April last year.

Romania was the EU's fastest growing economy last year with an estimated GDP growth rate of 6.4%, according to the European Commission. Poland, the Czech Republic and Hungary economies are also growing at a faster rate than major Western European countries. Of the 12 EU members forecast to grow GDP by 3% or more in 2018, nine are Central and Eastern European countries.

Private equity fundraising in the market increased 46% year-on-year to reach €1.3 billion in 2017, including a record €360 million for venture capital fundraising. European investors from outside Central and Eastern Europe provided 38% of the total capital raised, while global sources of capital outside of Europe contributed 26%, driven by US-based investors. Funds-of-funds were the leading source of capital at 31% of the total, followed by government agencies at 26%.



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Company exits in CEE reached a total value of €1.3 billion, measured at historical investment cost, a year-on-year increase of 16% and the region's third highest annual divestment level. Secondary buyouts were the most utilised exit route with 38% of the total value, followed by trade sales at 29%.

The high level of private equity fundraising, investments and exits in Central and Eastern Europe last year is just part of the success story for the entire European market. Across the continent, total investment into European companies hit a ten-year high at €71.7 billion, a 29% year-on-year increase. Almost 7,000 companies received investment, of which 87% were small and medium-sized enterprises (SMEs).

Invest Europe is the non-profit association representing European private equity, venture capital and their global investors. Its research is the most robust and authoritative in the industry. The [Central and Eastern European Private Equity Statistics 2017 report](#) is free to download from the association's website, [investeurope.eu](http://investeurope.eu).

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### NOTES TO EDITORS

#### About Invest Europe

Invest Europe is the association representing Europe's private equity, venture capital and infrastructure sectors, as well as their investors.

Our members take a long-term approach to investing in privately held companies, from start-ups to established firms. They inject not only capital but dynamism, innovation and expertise. This commitment helps deliver strong and sustainable growth, resulting in healthy returns for Europe's leading pension funds and insurers, to the benefit of the millions of European citizens who depend on them.

Invest Europe aims to make a constructive contribution to policy affecting private capital investment in Europe. We provide information to the public on our members' role in the economy. Our research provides the most authoritative source of data on trends and developments in our industry.

Invest Europe is the guardian of the industry's professional standards, demanding accountability, good governance and transparency from our members.



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Invest Europe is a non-profit organisation with 21 employees in Brussels, Belgium.

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