ipem wealth
CANNES

IPEM Pan-European Private Equity Barometer 2026

IPEM Knowledge Partner AlixPartners

Introduction

Entering 2026, the European private equity industry has proved its resilience by adapting to changing geopolitical, economic, and industry realities.

GPs are more optimistic about the business environment than at any time since 2021, both globally and in Europe. Expectations for increased capital deployment in 2026 are also at a five-year high, likely fuelled by positivity around exit prospects, which are also at a multi-year high.

The industry expects a busy 2026 on the fundraising front, with 73% of respondents set to launch a new fund this year and the highest number on record launching new strategies. GPs are rapidly taking up the opportunity to grow their sources of capital: 98% of respondents distribute to wealth investors, and more than ever have dedicated teams focused on these investors.

This is the picture painted by responses to the 2026 IPEM pan-European Private Equity survey, analysed by IPEM in collaboration with global management consultancy AlixPartners.

Methodology

This pan-European annual PE survey, organized by IPEM since 2018, is designed to gauge the mood of European GPs for the year to come. As well as capturing views on the economic, business, and regulatory climate, this year’s survey explores views on marketing to wealth investors and on value creation.

The 54-question online survey was completed by a sample of 143 European fund managers, from November 27 to December 23, 2025, via a link shared by IPEM and 13 European national PE associations. A statistical adjustment was applied to the number of GPs in Europe by geographical region to create the best representative gauge of European PE sentiment possible.

Light at the end of the tunnel: Market expectations for 2026

Survey responses indicate that the industry will turn a corner in 2026, while adapting to the macro environment. Participants are more optimistic across several areas than in recent years, and forecasts point to markedly improved fundraising and exit markets.

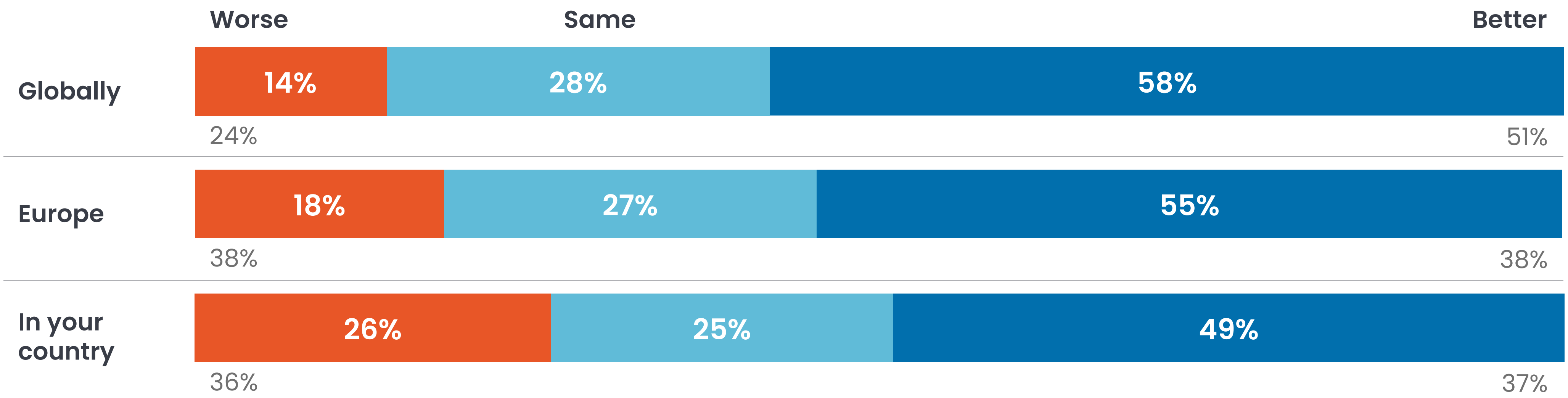
The business environment

The private equity industry is more positive about the global business environment heading into 2026 than it has been since the COVID-19 pandemic. 58% of respondents to this year's survey expect an improved global business environment, up from 51% last year and 44% in 2024. In Europe, this figure is 55%, again the highest in five years, and a marked increase on the 38% of 2025 respondents that were bullish on the region's business environment.

58%

of survey respondents expect an improved global business environment in 2026, up from 51% last year and 44% in 2024.

Figure 1: How do you expect the business environment to be in 2026 compared to 2025?



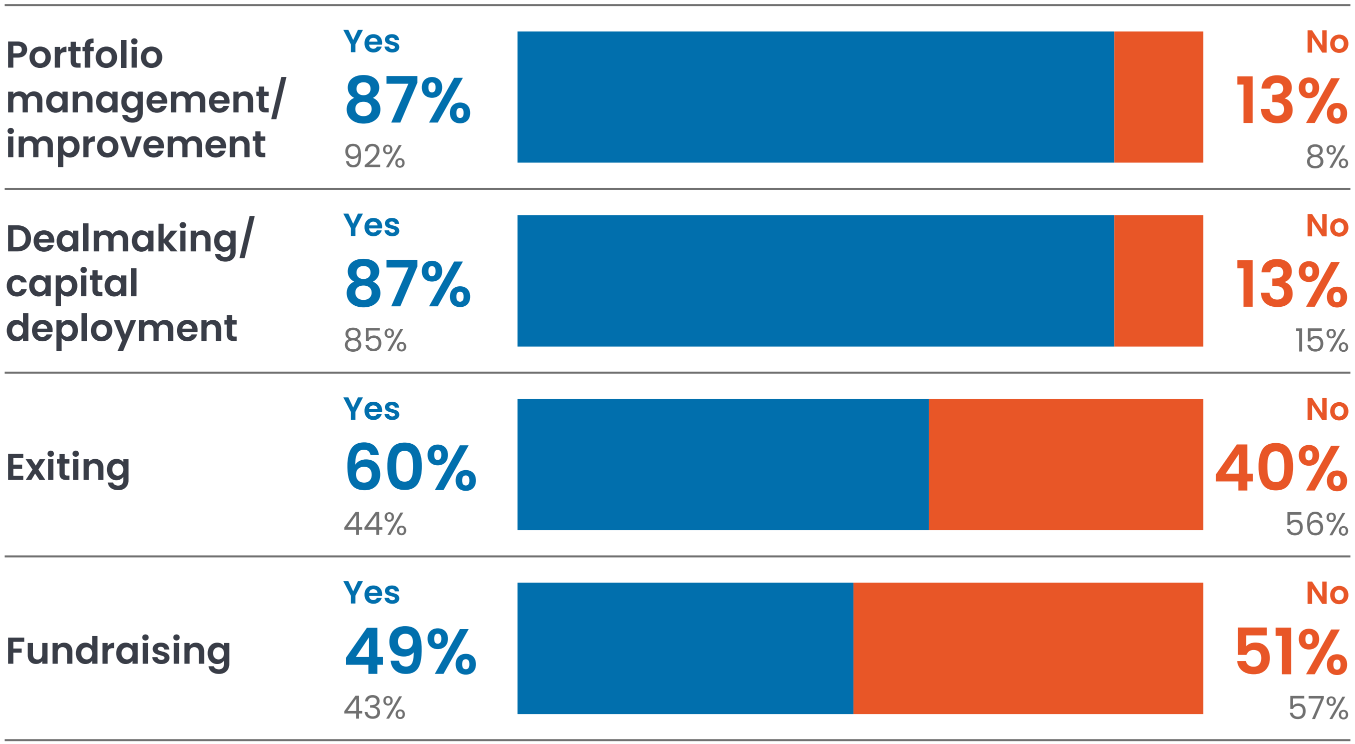
Note: 2025 results in grey text

"It's encouraging to start 2026 with such levels of optimism. This 8th edition of our annual IPEM European Private Equity Barometer reveals an industry more positive than at any time since 2021, with 58% expecting an improved global business environment and a busy year ahead on the deal front. Yet fundraising conditions, while improving, remain challenging: more GPs than ever plan to raise new funds this year, creating something of a traffic jam in what is still a competitive market."

Antoine Colson, CEO & Managing Partner, IPEM

This optimism is reflected in expectations for capital deployment: 69% of respondents forecast that they will deploy more capital this year than in 2025, and 87% see this year as a good one for dealmaking, indicating that 2026 is set to mark a turnaround in the sluggish M&A activity of the last few years.

Figure 2: Do you consider 2026 a good year for…



Note: 2025 results in grey text

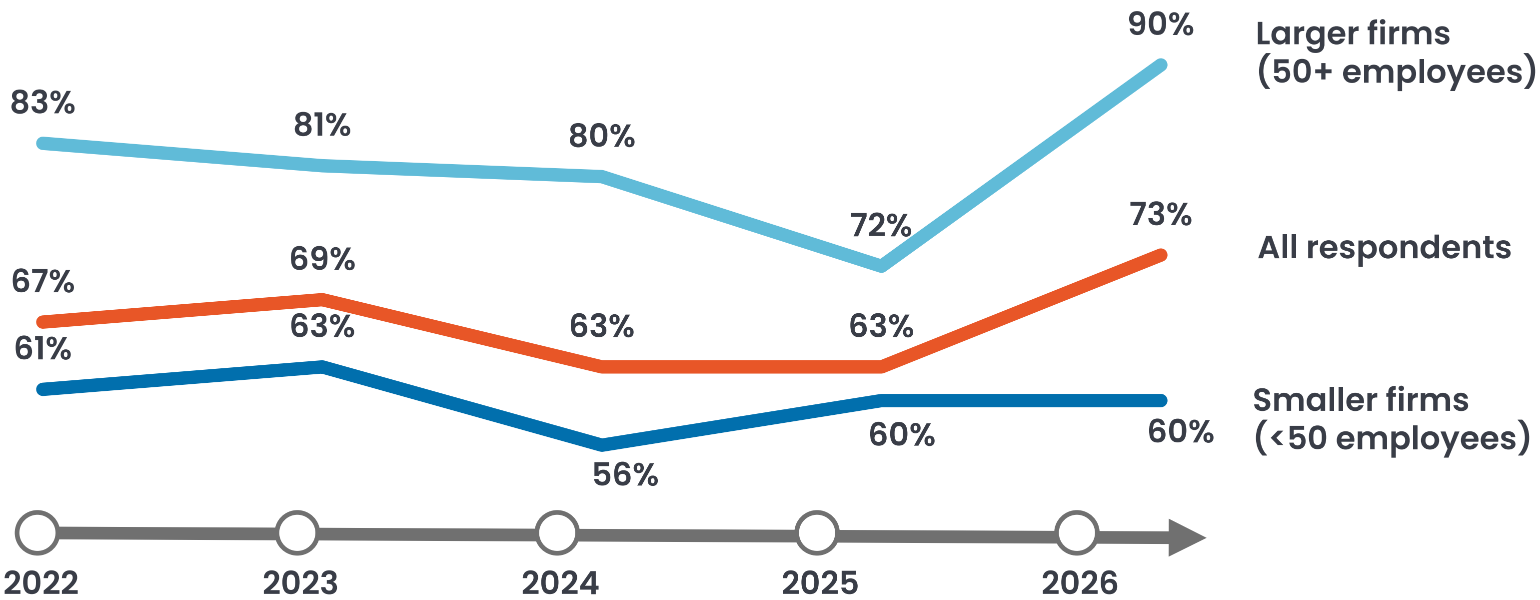
73%

of respondents expect to raise a new fund in 2026, rising to 90% of larger firms.

Fundraising trends for 2026

When it comes to fundraising, the industry is forecasting a busy 2026. 73% of respondents expect to raise a new fund this year, up from 63% in 2025 – the highest proportion seen in this barometer's eight-year history. However, this figure varies significantly by firm size. 90% of those with 50 or more staff expect to raise a new fund in 2026, compared with 60% of smaller firms, suggesting that fundraising activity may be concentrated at the top of the market.

Figure 3: Respondents expecting to raise a new fund this year



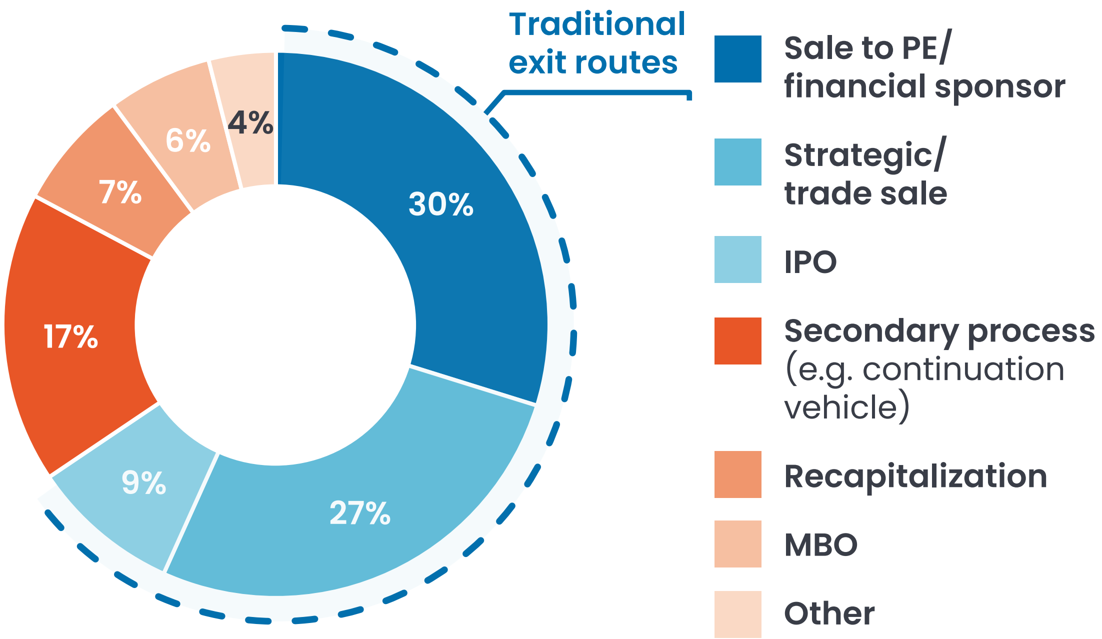
More respondents than ever also expect to launch new strategies in 2026: 54% compared with 46% in 2025. These launches cover a range of strategies, with firms looking to diversify into areas of the market that continue to grow: 36% will launch a private credit offering, 34% will launch secondaries and buyout strategies, and 31% will spin up a growth capital offering.

Despite increased anticipated fundraising activity, expectations for capital raised are tempered. 56% of respondents expect to raise more capital compared with previous funds, down from 61% last year, and 12% expect to raise less, up from 7% in 2025.

The exit environment

While 97% of respondents cite a difficult exit environment as a key risk (up from 90% in 2025), overall expectations for improvement in 2026 are high. 60% expect a better exit environment in their geography and segment, up from 44% in 2025 and the highest percentage for four years. This environment is expected to drive an uptick in exit activity, with 61% anticipating more opportunities and 56% planning more exits than in 2025. Secondary processes, cited by 39% and 17% of all responses, are now an established part of the liquidity toolkit.

Figure 4: What exit routes are you likely to explore in 2026?



Industry risks

Deal considerations top this year's list of principal risks. As mentioned above, 97% cite a difficult exit environment, 62% say high valuations are a risk, and 57% fear a lack of attractive investment opportunities, likely a result of high valuations. When asked about expectations for valuations in 2026, 23% saw a likely decrease, marking the third consecutive year that a declining share of the market expects valuations to come down, and the lowest number in four years. Expectations for rising valuations vary significantly between large and small firms. 50% of those employing 50 or more people anticipate valuations will rise in 2026, where just 23% of smaller firms have the same expectation, suggesting that the mid-market will continue to offer attractive opportunities.

Concerns around regulation and taxes have fallen to 46% from 62% in 2025, while 49% worry about high levels of dry power in 2026, down from 61%.

"The private equity industry is showing adaptability and resilience in navigating a complex risk landscape. While high valuations and a challenging exit environment persist, optimism around mid-market opportunities and improved exits in 2026 highlights the industry's strategic focus on driving value creation in the year ahead, and ultimately recovering liquidity."

Nicolas Beaugrand, Partner & Managing Director, AlixPartner

Figure 5: What principal industry risks could European Private Capital face in 2026?

	First citation	Total %	2025
Difficult exit environment	57%	97%	▲ 90%
High valuations	10%	62%	▲ 59%
Lack of attractive investment opportunities	8%	57%	▲ 49%
High level of dry powder	6%	49%	▼ 61%
Increased regulation, tax environment changes	12%	46%	▼ 62%
Excessive leverage	3%	35%	▲ 30%
Competition from new entrants	1%	30%	▲ 25%
Scandals/reputational risks	3%	25%	▲ 23%

External threats

When it comes to external threats, fears around the political environment top the list again in 2026, although the levels of concern are declining. Geopolitical turmoil (55%, down from 62% last year), protectionism and trade wars (49%, down from 66%), and domestic political uncertainty (36%, down from 52%) make up three of the top four cited threats.

Rising concerns center on the broader economic environment and include market volatility (30%, up from 21% in 2025), unconventional monetary policy (13%, up from 4%), and changing interest rates (14%, up from 6%).

01

Geopolitical turmoil

02

Protectionism and trade wars

03

Slowdown in growth

Figure 6: What are the top external threats facing European Private Capital in 2026?

	First citation	Total %	2025
Geopolitical turmoil	20%	55%	▼ 62%
Protectionism/trade wars	14%	49%	▼ 66%
Slowdown in growth	11%	49%	▲ 45%
Domestic political uncertainty	15%	36%	▼ 52%
Technological disruption/AI	11%	32%	(new)
Market volatility	9%	30%	▲ 21%
Rising populism and social unrest	1%	28%	▼ 31%
Level of sovereign debt	2%	26%	▲ 25%

Adapting to wealth investors

Survey responses show an industry rapidly adapting to wealth investors, who are embracing private markets. There has been a notable increase in marketing to this group, which speaks to factors on both the supply and demand sides. GPs are diversifying capital sources as institutions face record-low distributions and reduced deployment capacity. At the same time, it's clear that there is unprecedented demand for private markets products from wealth investors, and intermediaries are quickly ramping up efforts to build out a shelf of products to meet this demand.

"The wealth revolution continues to reshape our industry at remarkable pace. A striking 98% of respondents now distribute to wealth investors, up from 80% in 2025, with dedicated teams and products proliferating across the market. The industry sees the strongest growth potential in family offices and HNWIs: 82% identify high-net-worth investors as a key segment for the next five years and 71% cite single family offices. Meanwhile, expectations for retail investors have cooled, suggesting true democratisation remains in its infancy while the appetite from established wealth channels continues to accelerate."

Antoine Colson, CEO & Managing Partner, IPEM

Distribution and investor awareness

A full 98% of respondents this year distribute products to wealth investors, up from 80% in 2025. By distribution channel, 67% use wealth management firms, up from 31% last year, 60% go through multi-family offices, where 45% did in 2025, and 54% go direct, up from 43% last year. In fact, respondents this year use an average of 3.2 distribution channels each, up from 2.2 in 2025, underlining the efforts that GPs are making to access this segment of investors.

When asked which wealth investor segments have the most potential for growth in the next five years, the industry is focusing on investors with €1m or more of investable assets. More than half of respondents answered mass affluent (53%), UHNWI (62%), single family offices (71%), and HNWI (82%). Just 29% said retail investors this year, whereas 43% saw growth potential in 2025.

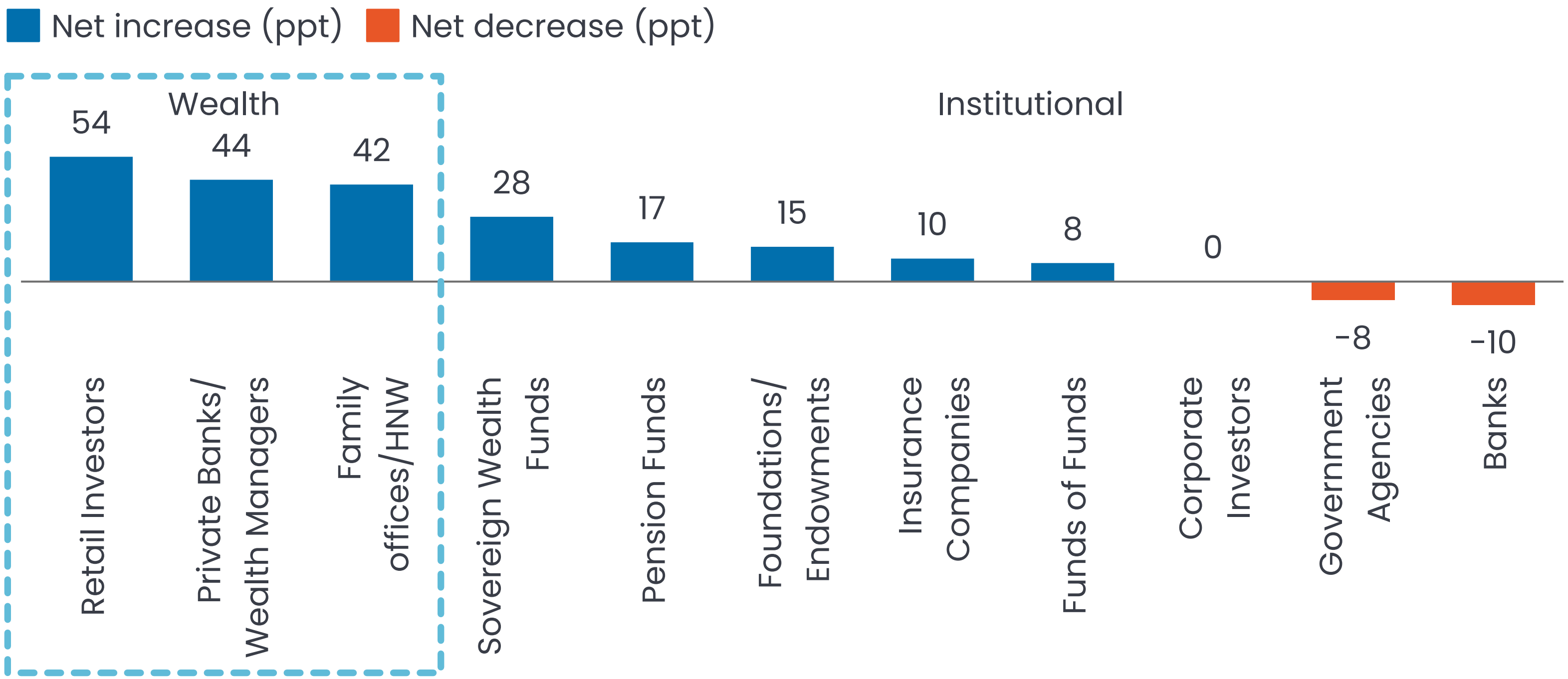
Figure 7: In which wealth market segments do you see the most growth potential in the next 5 years?

	First citation	Total %	2025
Single family offices (over 100 million euros investible assets)	47%	71%	▲ 67%
Ultra-High-Net-Worth Individuals (from 10 to 100 million euros investible assets)	15%	62%	= 62%
High-Net-Worth Individuals (from 1 to 10 million euros investible assets)	16%	82%	▲ 80%
Mass affluent (less than 1 million euros investible assets)	15%	53%	▲ 40%
Retail investors	8%	29%	▼ 43%

GPs plan to distribute to wealth investors through an average of **3.2** channels in 2026, up from **2.2** in 2025.

Respondents still see retail as important in the short term, however. A net 54 percentage points anticipate the group to increase in importance in 2026. After this, private banks/wealth managers (44 net percentage points) and family offices/HNWs (42 net percentage points) were the only answers to see a net increase of more than 30 percentage points, highlighting the focus GPs are putting on wealth investors and the importance of this subset of the LP universe.

Figure 8: Funding sources expected to increase/decrease in importance in 2026



Note: PPT represents balance of positive vs negative sentiment

To meet the additional requirements that wealth investors present, respondents are increasingly investing in dedicated products and teams. 43% already have dedicated funds for wealth investors, up from 30% last year, and another 8% will launch one this year, meaning that by 2027, 51% will have a wealth-specific product in place. Although the majority of respondents rely on partnerships or external support to distribute to wealth investors, 41% have a dedicated team in place, up from just 24% last year.

An industry playing catch-up

As more firms set up dedicated wealth teams, the role they play is likely to shift from pitching private markets as an asset class to extolling the virtues of their firm as wealth investors become increasingly accustomed to private markets. In 2025, the most cited blocker for firms trying to tap into the wealth market was the education of individual investors, which 76% of respondents flagged, and 28% ranked as the biggest hurdle. In both categories, it was the most cited factor.

This year, it ranks fourth among the five blockers in the survey, both overall and in the top factor, indicating that wealth investors and the intermediaries they use to access private markets are becoming increasingly clued in to the asset class. The perception used to be that wealth investors had to catch up to the private capital industry, but it seems that it is now the industry that needs to catch up with these investors.

As it has relatively quickly onboarded wealth investors, the industry is progressively discovering the challenges that come with incorporating this new source of capital.

75% of respondents cite regulation as a main blocker to tapping into the wealth market, up from 58% in 2025, and 66% say operational challenges, such as client onboarding, are a main blocker, slightly up from 64% last year.

Figure 9: Main blockers to tapping into the wealth market

		Total %	2025
#1	Regulation	75%	#4 [58%]
#2	Operational scalability (client onboarding management)	66%	#3 [64%]
#3	immaturity/limited experience of wealth distribution	65%	#2 [71%]
#4	Education of individual investors	61%	#1 [76%]
#5	Technology limitations	22%	#5 [25%]

75%

of respondents cite regulation as a main blocker to tapping into the wealth market, up from 58% in 2025.

Pressures on the business model

A shifting investor universe is reshaping GP operations and the private capital business model. The two top answers when asked about trends impacting this are new liquidity solutions and secondaries (49%), and open-ended and semi-liquid funds (46%), both of which are in part driven by the influx of wealth investors.

Fourth on the list of impactful trends is retail investors accessing private equity (39%). Catering to these investors often entails launching evergreen or semi-liquid funds, and although there is an appreciation of the benefits these structures offer, the industry acknowledges that they present even more operational challenges.

89% of respondents say evergreen funds appeal to a wider audience of investors than traditional closed-ended vehicles, and 78% say they offer investors attractive flexibility. Despite these positives, 87% say evergreen and semi-liquid funds pose operational challenges (up from 79% in 2025), and 97% cite liquidity risks (up from 75%). 94% of respondents say that not all GPs will be able to offer evergreen funds.

Alongside these operational challenges, the industry feels that regulation needs to catch up to these offerings. 81% of respondents say that Europe is missing a standardized regulatory framework for evergreen funds, up from 69% last year.

81%

of respondents say that Europe is missing a standardized regulatory framework for evergreen funds, up from 69% last year.

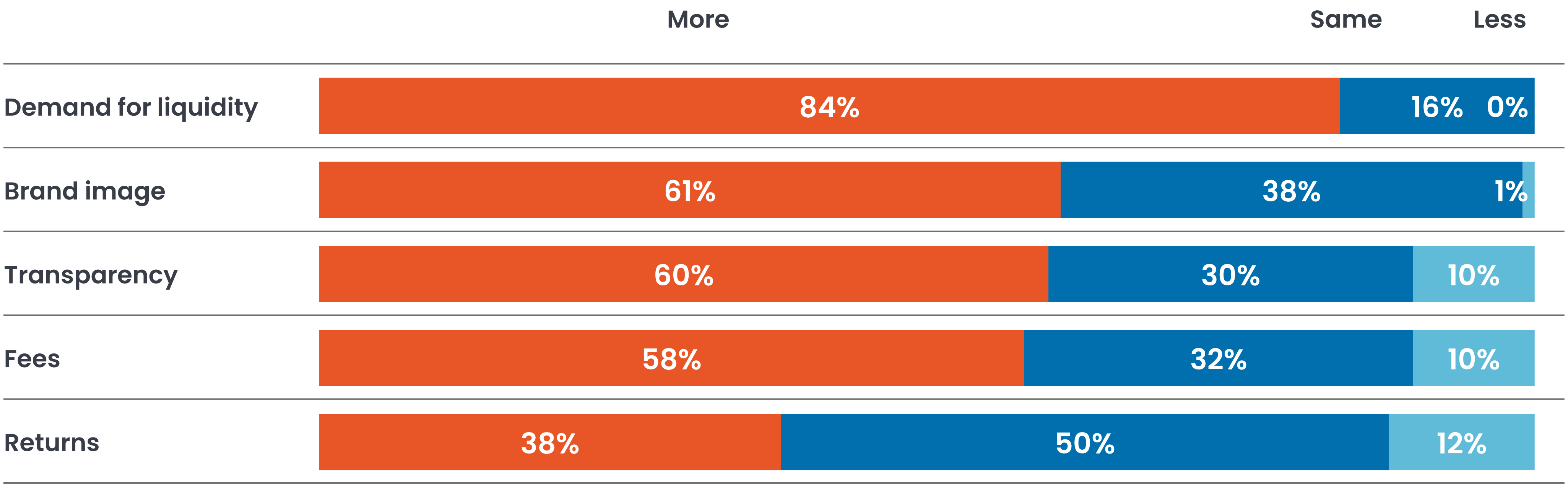
Figure 10: Top trends impacting the private capital business model

	First citation	Total %	2025
New liquidity solutions/secondaries	11%	49%	▲ 47%
Consolidation/M&A activity among GPs	14%	46%	▲ 39%
New open-ended/ semi-liquid funds	14%	46%	▲ 39%
Retail investors accessing private equity	10%	39%	▼ 43%
Adoption of disruptive technologies (blockchain, AI)	1%	29%	▼ 31%

As well as these operational concerns, GPs are set to face increasing pressures from investors, with 81% expecting LPs to have more power than GPs overall. 84% of respondents see pressure for liquidity will increase, up from 65% last year, and 60% see more pressure on transparency.

More than half of respondents (54%) say that the democratization of private capital will put more pressure on the fees charged by GPs. Institutional investors benchmark fund economics against peer private equity funds to establish market rates. When private markets products are offered to wealth investors, fee levels are compared with the universe of investment products, including low-cost mutual funds. The industry reports that, as would be expected, this will drive down the fees it can charge.

Figure 11: Will the democratization of private capital put more pressure on these areas?



Value creation: A focus on exits to come

Exit expectations and routes

The private equity industry largely expects 2026 to be a good year for exits. As mentioned above, 61% of respondents expect more exit opportunities in 2026, 60% expect a better exit environment in their geography and segment, and 56% expect to make more exits this year than in 2025.

The top three exit routes participants expect to explore in 2026 (see page 6, Figure 4) are sales to PE and financial sponsors (66%), strategic and trade sales (61%), and secondary processes (39%). There is little expectation that the IPO window will open meaningfully, with just 20% of respondents reporting looking to list companies in 2026.

Exit preparedness

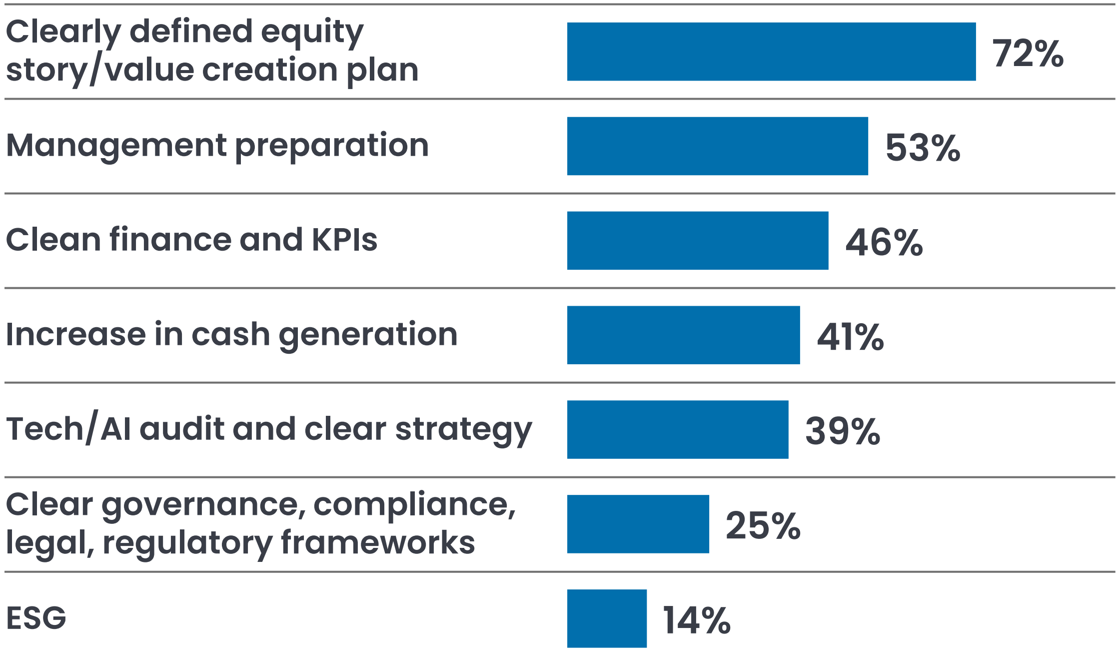
As the exit environment is forecast to improve, GPs are set to step up preparations for portfolio company sales. A majority (56%) report they will spend more time on exit preparations in 2026 compared with 2025, and just 1% will spend less time on this.

When it comes to the specifics of exit readiness, the most significant area of focus for managers is clearly defining the company's equity story and value creation plan, which 72% of respondents report as a priority. After this, 53% say they will focus on preparing management teams for the rigours of a sales process, and 46% will focus on clear KPIs and finances.

"As the exit environment improves, GPs are focusing on robust equity stories and value creation plans. Priorities like M&A, geographic expansion, and operational efficiency will be critical to delivering strong outcomes this year. With 2026 poised to be a pivotal year for exits, the ability to execute on these priorities will be critical to unlocking value."

Nicolas Beaugrand, Partner & Managing Director, AlixPartner

Figure 12: Focus areas in exit readiness processes in 2026



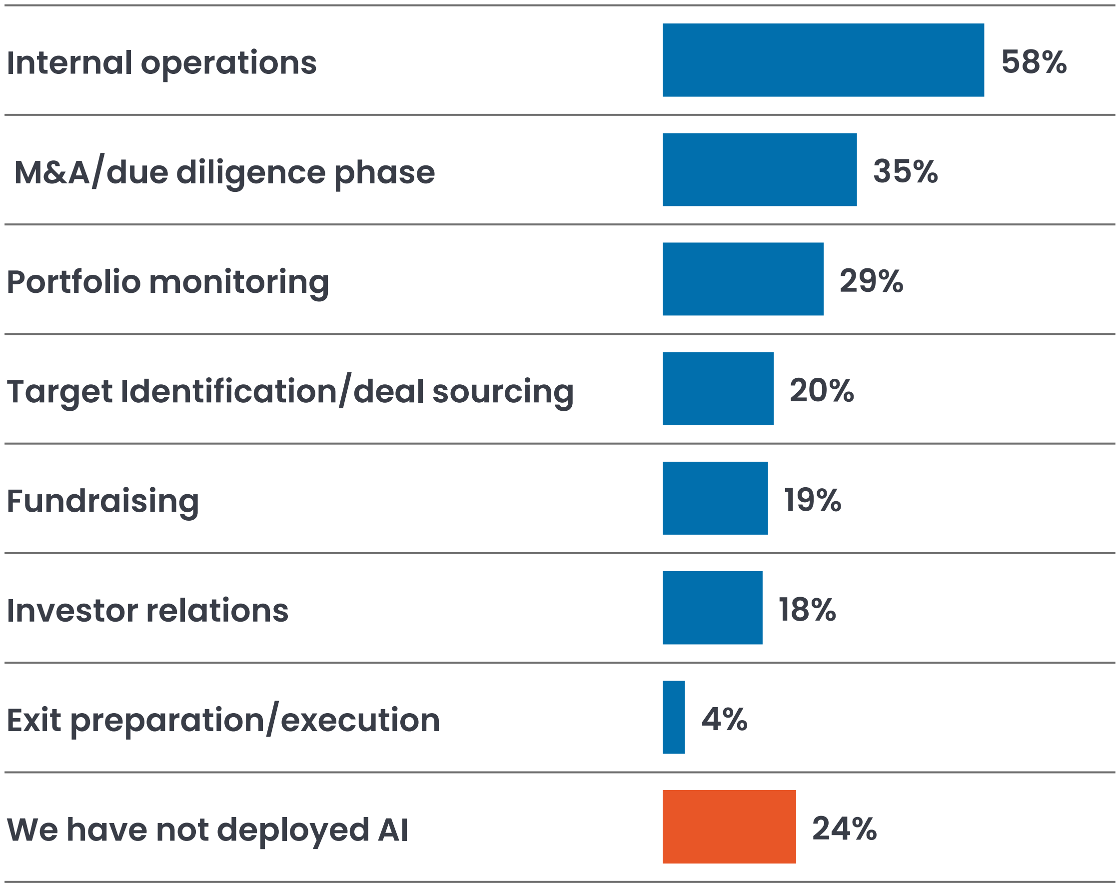
In terms of the specific value creation levers investors are focusing on in portfolio companies in 2026, the most popular is M&A and buy-and-build activity, which 67% of respondents will utilise. Following this, expansion (including geographies, product lines, etc.) will be pursued by 62% of the industry, and 60% will look to margin increases and business efficiency programmes. Responses show that GPs surveyed have a broad toolkit to draw from, as participants on average cited 3.6 areas of value creation that will be a focus in 2026, from a list of eight.

AI uptake has room to grow

47% of respondents say that portfolio companies have successfully implemented AI value creation solutions, meaning that in more than half of cases, AI application has been unsuccessful or inconclusive. Tech and AI audit and clear strategy is fourth on the list of seven priorities for exit preparedness, with 39% of respondents focusing on this. AI has room to grow in value creation, with the industry now focused on implementation over exploration.

There is a similar story when it comes to the internal application of AI. 76% of survey participants have deployed AI solutions as a firm, and 58% have leveraged this technology in internal operations. From the six other options, the only area where more than 30% of respondents had implemented AI is M&A and due diligence, highlighting the scope for further uptake in other key areas like investor relations and deal sourcing.

Figure 13: In what areas has your firm implemented AI?



It seems the industry is working to address these gaps: 58% of firms say AI integration is a top internal priority for 2026, and 52% say HR and talent management is a top priority, suggesting that building teams with the skills necessary to fully leverage these new tools is a short-term goal of many firms.

Figure 14: Top five internal priorities for 2026

01	AI integration	58%	(new)
02	HR/Talent management	52%	44%
03	Data and IT management	37%	47%
04	Fund reporting/ Transparency	37%	46%
05	PR/ Communication and Marketing	33%	36%

The changing role of operating partners

Although their role can be key to portfolio company improvements, almost half of the firms surveyed (49%) do not have operating partners, a slight increase from 44% last year. Where firms do employ operating partners, the roles these individuals play have changed since last year, when operational improvement and growth initiatives were the most common responses, both at 35%. This year, operational improvements are still the top focus, cited by 36% of respondents, and supporting growth initiatives is a focus for just 19% of operating partners.

This shifting role reflects the changing dynamics of creating value in portfolio companies. Firms are focused on how they can make operational improvements as multiple expansion and low-cost debt become rarer. With buy-and-build strategies growing in popularity over recent years, integrating and streamlining operations in these platforms is also a key priority for GPs and consequently continues to be a central focus for operating partners.

A final word on buyouts

Gauging buyout targets heading into 2026, overall industry attractiveness remains fairly similar to 12 months ago, though there are some notable shifts. The top four industries still include business services (cited as attractive by 63%), pharma and healthcare (58%), and information technology (55%), and each has seen an uptick in interest from last year. A new sector included this year is aerospace and defense, which 56% of respondents cite as attractive for the coming year.

Outside of the top four, most industries have seen a decline in attractiveness since 2025 – except for telecoms, media, and communications, which have gained appeal, and industrials, which have remained steady.

Figure 15: Most attractive industries for a buyout in 2026

	First citation	Total %	2025
Business services (excl. financial)	13%	63%	▲ 55%
Pharma and healthcare	15%	58%	▲ 54%
Aerospace and defense	16%	56%	(new)
Information technology	18%	55%	▲ 52%
Energy and utilities	2%	28%	▼ 29%
Industrials	7%	26%	= 26%
Infrastructure	14%	23%	▼ 25%
Environmental services/Cleantech	1%	19%	▼ 27%
Telecoms, media and communications	0%	19%	▲ 14%
Financial services	5%	14%	▼ 21%

Conclusion

The private equity industry is evolving across all operations. Firms are stepping up exit preparations within portfolio companies as expectations for an improved business environment increase, establishing clear value creation plans and leveraging M&A, expansion of geographies and services, and business efficiency. The role of operating partners has evolved in line with these areas, with an increasing focus on driving operational improvements.

Fundraising teams are set to be busy in 2026 as more respondents than ever expect to raise a new fund this year. Wealth-focused teams are growing, with challenges shifting to guiding distributors rather than educating investors. Concerns around regulations around marketing and challenges with evergreen funds are top of mind for the industry as it works to catch up with the universe of wealth investors that have rapidly embraced private equity.

Antoine Colson

CEO & Managing
Partner, IPEM

"This 8th edition of our annual European Private Equity Barometer captures an industry at an inflection point: more optimistic than at any time since 2021, yet fundamentally reshaping how it operates and who it serves.

The wealth revolution has accelerated dramatically. A remarkable 98% of respondents now distribute to wealth investors, up from 80% in 2025, with dedicated teams and products proliferating across the industry. What's striking is how the narrative has shifted: where once we spoke of educating individual investors, it is now the industry that must catch up with the sophistication and appetite of this rapidly expanding part of the LP universe.

This transformation brings both promise and complexity.
GPs are navigating new operational demands, evolving regulatory landscapes, and mounting pressure across a range of fronts brought about by the wealth revolution. The industry is exploring how best to adapt to these demands. The rise of evergreen and semi-liquid funds, embraced for their flexibility yet acknowledged for their liquidity risks, exemplifies the delicate balance our industry must strike.

These challenges and complexities represent a reality check for the wealth revolution, as initial excitement gives way to the hard work of building sustainable infrastructure for this new LP universe.

The industry's prevailing mood is one of cautious confidence. More firms than ever plan to raise new funds this year, exit expectations are at multi-year highs, and capital deployment forecasts signal a genuine turning point after years of sluggish M&A activity.

I look forward to welcoming you to Cannes to explore how we collectively navigate this new chapter for European private equity."

Nicolas Beaugrand

France PE Lead – Partner and Managing
Director, AlixPartners

"The private equity landscape in 2026 is marked by both opportunity and complexity. The wealth revolution is reshaping the industry, with GPs rapidly adapting to meet the demands of wealth investors. While fundraising activity is increasing, it is progressively shifting back to traditional players, with larger firms leading the charge. This dynamic highlights the need for firms to remain agile and innovative in their capital-raising approach.

On the exit front, optimism is growing, but success will hinge on thorough deal preparation. Building a robust equity story and delivering on value creation remain critical. The bar is high, and firms must excel at every stage – from dealmaking to portfolio company transformation – to achieve strong outcomes in a competitive environment.

Operational excellence remains a cornerstone of value creation. Whether through M&A, geographic expansion, or efficiency improvements, GPs must focus on driving tangible results within their portfolio companies. At the same time, the challenge of AI integration is becoming increasingly urgent. AI is no longer optional; it is essential for value creation, portfolio management, and investment team productivity. Firms must embed AI at every stage, leveraging it as a tool for transformation and performance tracking.

To navigate these challenges, the right talent and skills are paramount. Investment and management teams must evolve to simultaneously manage AI disruption, deliver expected performance, and prepare thoroughly for deals. In this dynamic environment, success will belong to those who can adapt, innovate, and execute with precision."

Survey conducted with the support of 13 European PE associations

AIFI
Italian Private Equity, Venture Capital and Private Debt Association

BAI REPRESENTING ALTERNATIVE INVESTMENTS

BVA

bvca
Invested in a better future

BVK

FRANCE INVEST
Investors for growth

invest• austria

LPEA
LUXEMBOURG PRIVATE EQUITY & VENTURE CAPITAL ASSOCIATION

NVP
Nederlandse Vereniging van Participatiemaatschappijen

Pääomasijoittajat
Finnish Venture Capital Association

SECA

SPAINCAP
Capital por un Futuro Sostenible

SVCA

ipem wealth CANNES

AlixPartners