



**/ SHAPING
THE NEXT 25 YEARS**
of Private Equity Across Europe

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Twenty-five years ago, European private equity was a nascent industry finding its footing. Today, it has become a cornerstone of corporate transformation, capital deployment and value creation across the continent.

The next 25 years will be defined by both promise and pressure: a rapidly maturing sector, facing new pressures, and reinventing its playbook for the future.

/ MEET OUR EXPERTS

Björn Henriksson
Group CEO, Valtus

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Emmanuel Fretti
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A Market Regaining Momentum

After two years of subdued activity, European PE is moving from stabilization to renewed momentum. According to Roland Berger's European Private Equity Outlook 2026, more than 75% of surveyed professionals expect an **increase in M&A transactions involving PE in 2026** compared with 2025. This optimism reflects a combination of deferred exits finally reaching the market, narrowing valuation gaps, and improving financing conditions.

Overall European deal activity has already shown signs of recovery. Deal volume rebounded 13% from 2024 to 2025, with the Nordics, UK and DACH region leading growth.

However, the recovery is increasingly concentrated in larger transactions. In 2025, global private equity deal value rose 19% to \$2.6 trillion, even as overall deal count declined 5%. The increase was driven overwhelmingly by high-value deals. Europe reflects this same trend: while buyout deal value in North America surged 29%, Europe also recorded an 8% increase. The market is becoming more selective, with **fewer transactions, but significantly larger ones.**

"As PE deals get larger and more complex, value creation is less about having the right strategy and more about executing fast, under pressure, across many moving parts," notes Björn Henriksson, Group CEO at Valtus. *"This is where Executive Interim Management has become a critical value creation lever."*



Sectors Driving the Next Era

The sector landscape of European private equity is being redrawn. **Technology, software and digital solutions** led deal activity in 2025 with approximately 803 transactions, and expectations for further growth in 2026 remain the highest of any sector (Roland Berger).

At the same time, **infrastructure** is emerging as a major new frontier, particularly in Germany, where a EUR 500 billion public investment program is expected to unlock EUR 200–250 billion in infrastructure-relevant spending over the next decade, with mobility, energy grids and specialized civil engineering among the sectors likely to benefit most.

▼ Germany's large-scale infrastructure programs create the most value opportunity at the execution layer—where portfolio companies must scale delivery under cost, capacity, and regulatory pressure. PE firms can drive impact by deploying interim executives to stabilize projects, professionalize PMO structures, and restore margin discipline amid inflation and supply-chain volatility. Interim CEOs, COOs, and CFOs are particularly effective in accelerating decision-making, fixing governance gaps, and converting public funding into predictable cash flow. The value lies less in strategy—and more in speed, control, and flawless execution. ▲

Manoj George

Partner at Valtus Germany



Healthcare and pharma continue their structural rise, with 41% deal growth between 2024 and 2025. **Business services, financial services and MedTech** round out a diverse but consistently resilient set of sectors that PE managers will continue to prioritize for their scalability and recurring revenues.

▼ In France and across Europe, private equity growth will be strongest in sectors where buy-and-build strategies and operational transformation create scalable value — particularly healthcare services, tech-enabled B2B platforms, and specialized industrial niches linked to energy transition. These markets are fragmented and rich in founder-led mid-caps, where PE ownership can accelerate professionalisation, international expansion, and digitalisation. From our work at Valtus with PE-backed scale-ups and healthcare companies, we see that the real differentiator is the ability to execute value-creation plans quickly through experienced leadership and disciplined transformation. Funds that combine capital with rapid operational execution will outperform. ▲

Emmanuel Fretti

Senior Partner at Valtus in France



According to **Pietro Butté, Partner at Valtus in Italy**, the country presents a unique landscape for private equity investment, different from many other European nations, primarily due to its specific economic structure and recent policy shifts: *“Italy’s strengths lie in its traditional manufacturing and luxury goods, which may attract more private equity interest over the next decade. Renewable energy sectors should also be mentioned, due to the emphasis of Italy’s National Recovery and Resilience Plan (PNRR), backed by significant EU funds, that has a particular emphasis on green investments.”*



Redefining Value Creation

The era of financial engineering as the primary return driver is over. With interest rates normalizing and valuation multiples remaining elevated — nearly half of PE professionals still consider current multiples overvalued (Roland Berger), the **focus has decisively shifted to operational value creation**. In 2026, priorities center on add-on acquisitions, AI integration, and digital transformation for enhancing portfolio performance.

▼ *In complex situations (post-merger integrations, carve-outs, buy-and-build platforms, cross-border deals), value is usually lost in the gaps: between plans and execution, between synergy targets and real P&L impact, between systems and reliable data, and between governance and day-to-day decisions. Permanent management teams are often stretched, politically constrained, or simply overloaded. Interim leaders add value because they bring immediate execution capacity, clear accountability, and battle-tested playbooks from similar situations.* ▲

Björn Henriksson
Group CEO at Valtus



Most strikingly, AI is reshaping how the industry itself operates. Nearly half of respondents in the Roland Berger survey expect AI to provide its greatest benefit in **due diligence**, a notable jump from the previous year. EY's PE Pulse similarly highlights AI-enabled deal origination and portfolio monitoring as defining capabilities for next-generation fund managers. Over the next five years, **AI is expected to become the single fastest-growing lever of value creation across the PE lifecycle**.

▼ *The Nordics have a strong tech ecosystem, and PE firms will continue to back companies that leverage cutting-edge technologies such as artificial intelligence, machine learning, and digital transformation. As digitalization accelerates, there is a rising demand for digital infrastructure, and the next generation of PE-backed companies are likely to invest in data centers, cloud computing, and broadband networks to support increasing data needs and remote work trends. With a robust healthcare system and focus on innovation, there will also be continued investment in life sciences and healthcare companies including biotech, MedTech, and digital health solutions. These trends highlight the region's strengths in innovation and sustainability.* ▲

Jan Långbacka

MD & Managing Partner at Nordic Interim Finland



The Nordic model also stands apart in how value is created post-acquisition:



▼ *Nordic Private Equity firms often adopt innovative investment models, such as impact investing, which blends financial returns with positive social or environmental impact. The collaborative and flat organizational culture typical in Nordic regions enables faster implementation of operational changes post-acquisition — a distinct advantage in quickly realizing value creation strategies.* ▲

Thérèse Liljedahl von Segebaden

Partner at Nordic Interim Sweden

Risks in an Evolving PE Landscape

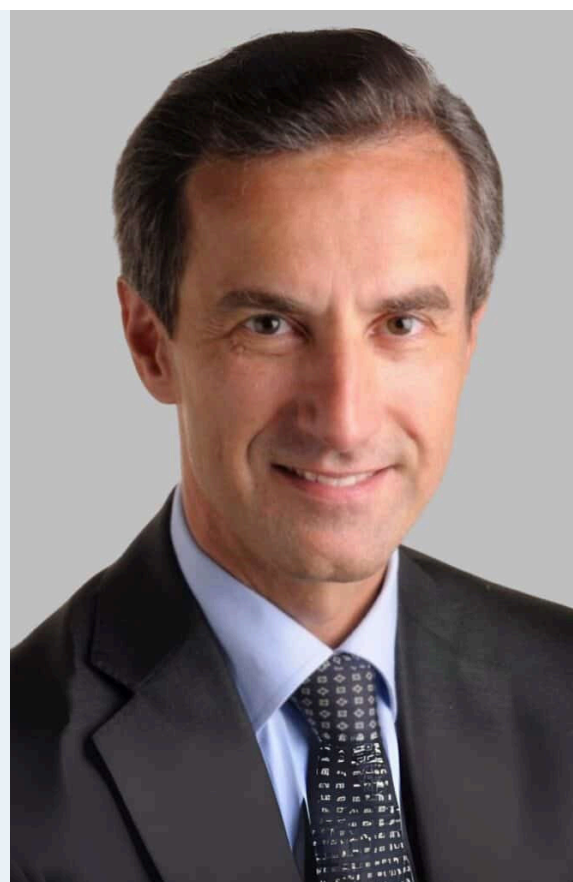
The path ahead for European private equity is promising, yet not without challenges. **Cash flow predictability** remains the leading constraint on debt financing, with 80% of PE professionals citing it as a significant barrier (Roland Berger). Macro uncertainty, geopolitical exposure and the **structural pressures facing cyclical sectors like automotive and chemicals** demand disciplined selectivity in dealmaking.

As Pietro Butté notes, **structural challenges in the SME landscape** create both complexity and opportunity for investors.

▼ *Italy has many traditional manufacturing SMEs specializing in high-quality, niche production — from advanced machinery and automotive components to textiles and specialized food processing — often with global reputations for excellence. Yet these companies face two sets of issues. First, despite leading their segments, they often lack the capital and managerial expertise to scale globally or digitalize effectively. Second, a significant portion of these SMEs are family-owned and are facing succession issues as founders age, and the next generation may be unwilling or unable to take over. The fragmentation across these industries offers substantial opportunities for private equity-backed consolidation strategies, creating larger, more competitive groups better equipped to enter new markets and invest in R&D.* ▲

Pietro Butté

Partner at Valtus in Italy



Fundraising competition remains intense, and limited partners (LPs) are increasingly urging fund managers to accelerate exits.

Meanwhile, **ESG considerations**, though often lower on near-term priority lists, are becoming deeply embedded in LP mandates and regulatory frameworks. Over the coming decades, ESG is expected to evolve from a compliance requirement into a strategic lever for both value creation and risk management.

The Next Chapter

The next 25 years of European private equity will be defined not by the sheer volume of capital deployed, but by the intelligence and precision with which it is deployed. Firms—and their advisors—that combine sector expertise, technological fluency, and operational rigor will shape the next generation of European market champions. In the words of Björn Henriksson: *“In large, complex deals, strategy creates potential. Interim executives make it real.”*



/ ABOUT VALTUS

Valtus is the leading reference for Executive Interim Management worldwide. We are shaping our industry, helping companies solve their most complex challenges and stay ahead in their markets. This commitment ensures their success today and tomorrow.

Active in nearly 30 countries, with 10 subsidiaries, we have been providing high-end interim management services for 25 years. We continue to develop our capabilities, delivering senior assignments every year at both global and local levels.

Learn more: valtusgroup.com

Sources: Roland Berger, *European Private Equity Outlook 2026* · EY, *Private Equity Pulse Q4 2025* · McKinsey, *Global Private Markets Report 2026*

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