

A R M E N

Press release

European mid-market GP Stakes – a burgeoning opportunity in an underserved market

New [whitepaper](#) from Armen highlights how investing in Europe's mid-market GPs offers investors a compelling avenue to enhance or initiate private markets exposure

Key highlights and findings:

- Europe's mid-market GP landscape includes approximately **1,000 eligible GPs** managing between **€500 million and €10 billion** in assets.
- While the US GP stakes market has grown to **\$60 billion**, Europe is at an earlier stage, presenting significant investor opportunities.
- Mid-market GPs offer **attractive growth**, leveraging scalable business models, with geographic expansion and the ability to launch new strategies.
- **Recent surge in exit activity** highlights the resilience and adaptability of GP stakes investments, offering diverse pathways for liquidity and returns.
- Beyond financial returns, **investing in mid-market GPs fosters the growth of European champions, drives economic expansion and enhances Europe's overall economic resilience.**

(London, 12 February 2025): A new [whitepaper](#) released today by [Armen](#), a pioneer in European GP stakes, uncovers the significant untapped potential of mid-market GP stakes investing in Europe, offering insights into sourcing, managing and exiting investments in this evolving space. While much research has focused on the \$60 billion US GP stakes market, this study shifts the lens to Europe – where an emerging yet underserved market presents compelling opportunities.

With approximately 1,000 eligible mid-market GPs managing between €500 million and €10 billion in assets, these firms are often more agile than their larger counterparts – leveraging scalable business models, geographical expansion and new strategy launches to drive growth. Capitalising on their strong fundamentals, many are seeking local minority partners providing capital, strategic expertise and operational know-how to support their roadmap for growth.

“These firms, akin to SMEs in the financial sector, offer stable recurring revenues and significant growth potential”, said Renaud Tourmente, Deputy CEO & Chief Operating Officer at Armen.

“However, to fully unlock this potential, they are increasingly seeking experienced strategic partners to provide their expertise and tailored capital solutions that align with their long-term ambitions.”

Momentum in the European market

While the GP stakes model is well established in the US, Europe is experiencing a surge in activity. Early transactions involving prominent European firms such as Bridgepoint (Dyal, 2018) and Permira (Petershill, 2020) laid the groundwork for further expansion. Recently, GP Stakes transactions have risen sharply, with prominent names like Park Square (2022), PAI (2023) and Collier Capital (2023)

embracing these partnerships. Their success has spurred mid-market firms to explore similar partnerships to enhance their competitive edge.

This increase in deal flow is also combined with recent exit activity demonstrating liquidity pathways and strong return potential.

Why now? The European edge

Europe is benefiting from the established success of the US model while remaining a relatively untapped market. Limited M&A advisory coverage and low competition mean that valuations are attractive, offering compelling entry points for investors seeking long-term partnerships with high-growth potential.

GP stakes investing offers a unique combination of cash yield, diversification, downside protection and capital appreciation, making it an increasingly attractive asset class for LPs looking to expand into alternative investments.

The broader economic impact

Beyond financial returns, investments in mid-market GPs help drive European champions and economic growth. These firms play a crucial role in job creation and market consolidation, further strengthening Europe's economic landscape.

Market studies from Preqin forecast strong alternative investment growth over the next five years, reinforcing the case for increased GP stakes activity in Europe.

*“Europe’s mid-market GP segment represents a vast reservoir of opportunity, offering investors both stability and growth potential”, said **Dominique Gaillard, Executive Chairman at Armen.** “Our whitepaper underscores the critical role of locally based strategic minority partnerships in unlocking value within this rapidly evolving market.”*

– Ends –

Notes to editor:

To download the full whitepaper, please click and register here:

<https://airtable.com/appmLjcteUqzoq8Cg/pagkwnVMC5ZOERspz/form>

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About Armen:

Armen is a mission-driven company which aims to contribute to a positive change in the private equity ecosystem and to responsibly steer management companies and their holdings according to ESG-Criteria, towards a sustainable future. Armen's first fund invests as a minority shareholder in European alternative investment companies through transactions called GP Stakes.

Armen is regulated by the French financial regulator Autorité des Marchés Financiers (AMF), as a portfolio management company since 07/09/2022 under the number GP-202222.

Currently, Armen has Exempt Reporting Advisor status with the SEC under registration No. 802128669 in the USA.

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