

Private equity and venture capital: aggregate gross IRR on divestments rises to 23% in 2025

- *Aggregate gross IRR on divestments at 23%, up from approximately 18% over the past three years;*
- *Cash Average cash multiple at 2.8x, compared with 2.4x in 2024;*
- *IRR by horizon at 10.4% over five years and 13.6% over ten years..*

Milan, 30 September 2026 – The **AIFI** Board of Directors met and discussed data on the returns of the Italian private equity and venture capital market in 2025. During 2025, the Association developed a new proprietary platform dedicated to analysing the performance of the Italian private equity and venture capital market, maintaining a methodology consistent with international standards and historical analyses. Data up to 2023 were processed by AIFI together with KPMG Corporate Finance, while since 2024 the analysis has been carried out directly by AIFI. The information used was provided to AIFI on a private and confidential basis by a sample of members, possibly supplemented by public sources; only deals for which all the data necessary to estimate the **IRR** are fully available are considered.

Performance is expressed in terms of aggregate gross IRR, calculated on the monthly inflows and outflows of private equity investments: in other words, the Italian market is considered as a single private equity fund, whose return derives from the total cash flows generated by the monitored deals rather than from the average returns of individual players. Two indicators are used: the aggregate gross IRR "from inception", which expresses the performance of divestments completed in the reference year, regardless of when the initial investment was made; and the aggregate gross IRR "by horizon", which considers all investments made over a rolling period of 3, 5 or 10 years, whether divested or still in the portfolio, with the latter valued at cost or fair value at the end of the period.

The 2025 "from inception" sample includes 71 players involved in the research, of which 38 reported completed deals (compared with 36 in 2024), for a total of 100 divested transactions (compared with 76 in the previous year), with an average investment size of 23 million euros.

2025 was a positive year for the performance of private equity and venture capital funds active in Italy: Cash In increased compared with 2024 (6.4 billion euros compared with 5.1 billion euros), despite Cash Out remaining in line with the previous year (2.3 billion euros compared with 2.2 billion euros in 2024), with an average cash multiple of 2.8x (compared with 2.4x in 2024).

With regard to aggregate gross IRR, the performance of divestments in 2025 stood at 23%, up from approximately 18% over the past three years. The upper quartile by performance reached 50.8%, while the upper quartile by amount invested reached

23.5%, both increasing compared with 2024 (43.2% and 17.1%). Buyout deals recorded a higher aggregate gross IRR than other types of investment, at 24%, compared with 20.9% for expansion deals.

Turning to the analysis of the statistically more significant 5- and 10-year time horizons, which considers all investments made during these periods, regardless of whether they have been divested or are still in the portfolio (the so-called aggregate gross IRR by horizon), the sample expands: 85 players and 646 transactions over the five-year period, and 116 players and 1,214 transactions over the ten-year period, of which 555 and 903, respectively, are still in the portfolio. Both indicators declined compared with last year's survey: the 5-year IRR, referring to the 2021–2025 period, stood at 10.4%, down from 12.2% in 2024, while the 10-year IRR, referring to the 2016–2025 period, fell to 13.6% from 16.1%.

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AIFI, the Italian Private Equity, Venture Capital and Private Debt Association, was established in May 1986 with the aim of developing, coordinating and representing, at the institutional level, players active in the Italian private equity market. The Association is an organisation of financial institutions that regularly and professionally invest in companies through equity investments, by acquiring, managing and divesting shareholdings, primarily in unlisted companies, while actively supporting the development of portfolio companies.

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