PRIVEA PARTNERS · RESEARCH · Q3 2026

FAMILY OFFICE CAPITAL Q3 2026 UPDATE

How single and multi family offices across EMEA are writing growth cheques - deployment behaviour, structures, sector allocation and what we expect for the coming year, drawn from the firm's own mandate flow and network.

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EXECUTIVE SUMMARY

Family offices have become the most consequential - and least visible - source of growth capital in EMEA. This update sets out what we are seeing across our own network: who is deploying, at what size, into which sectors, and on what terms.

First, the direction of travel is unambiguous. Across the single and multi family offices we work with, allocations continue to shift away from blind-pool funds and towards direct positions in private companies. Families increasingly want to know what they own, sit close to the operator, and hold without a fund clock running underneath the position. The families in our network that added to private company exposure over the last year did so overwhelmingly through directs and club deals rather than new fund commitments.

Second, the band between €2 million and €25 million remains structurally underserved. It sits above the ceiling of most angel and seed syndicates and below the floor at which institutional growth equity can efficiently deploy. Family capital fills this gap naturally - and, in our experience, at principal speed: across mandates we ran over the period, the median path from first substantive conversation to signed term sheet was roughly six weeks.

Third, behaviour within the cheque has changed. Families are writing fewer, larger, more concentrated positions; co-investment behind a trusted lead remains the preferred entry, but a growing minority are prepared to anchor a round themselves where the relationship and the sector are right. Cash generation has replaced growth-at-any-price as the screen that matters.

Fourth, sector rotation is real but unhurried. The buying we saw in the first half of 2026 concentrated in cash-generative consumer brands, industrials with an energy-transition angle, and healthcare services - a pattern reflected in our own completed mandates in London, Munich and Amsterdam.

The forward view is set out in section 08. In short: we expect the direct share of family allocations to keep rising, club structures to formalise, and the premium on discreet, well-prepared processes to widen. For companies raising between €2 million and €25 million, family capital is no longer the alternative route. Increasingly, it is the market.

140+	26	€400M+	6 WKS
FAMILY OFFICE RELATIONSHIPS	MARKETS COVERED	INTRODUCED TO DATE	MEDIAN TO TERM SHEET

01

SECTION 01

THE QUIET POOL

The largest pool of patient private capital in EMEA does not market itself, publish returns, or announce deals. That is precisely why it is misread - and underused - by companies raising growth capital.

Institutional private markets are legible: funds are raised publicly, dry powder is tallied, every closing is press-released. Family capital is the opposite. A single-family office deploying €20 million a year into direct positions has no reason to tell anyone, and generally does not. The result is a market that most founders cannot see and most advisers do not cover.

What we can observe is our own corner of it. Across the 140+ single and multi family offices in our network - spanning the UK, continental Europe, the Nordics, the Gulf and Africa - the pattern over the past twelve months has been consistent: private company exposure is being added, not trimmed, and the preferred instrument is the direct position rather than the fund commitment.

WHY THE SHIFT TO DIRECT IS DURABLE

Three forces sit underneath it, and none of them are cyclical. The first is control: a family that owns a position directly decides its own entry, its own governance and its own exit, with no alignment questions against a manager's fee clock. The second is cost: two-and-twenty is difficult to defend to a principal who built an operating business and is comfortable underwriting one directly. The third is generational: the next generation taking over allocation decisions grew up on direct deals and expects to see the company, not a quarterly letter.

The consequence for issuers is straightforward. A growth round that would once have been syndicated across two funds can now be completed quietly with one or two families - provided the company can reach them, and provided the process respects how they work. Both conditions are less trivial than they sound, and both are the subject of the rest of this update.

02

SECTION 02

HOW FAMILIES ACTUALLY DEPLOY

The mechanics of family deployment are widely misunderstood. Families are not slow funds. They are fast principals with long memories, and the process that wins them is built on relationship, not volume.

The default entry remains co-investment behind a lead the family already trusts - another family, a known operator, or an adviser with a track record in the sector. In our network, the clear majority of new direct positions taken over the last year were entered alongside at least one other party the family had transacted with before. Anchoring a round alone is rarer, but growing: a meaningful minority of the families we speak with are now prepared to lead where the sector conviction is strong and the introduction is right.

Decision-making is principal-led and therefore quick when it is quick at all. There is no investment committee calendar; there is a principal, sometimes a CIO, and a view. Where we have seen processes stall, the cause was almost never internal bureaucracy on the family side - it was the company arriving unprepared, or the question of valuation being left vague until late.

> *Families do not miss rounds because they are slow. They miss rounds because they were asked late, asked badly, or asked by the wrong person.*

Holding behaviour is the other structural difference. Family balance sheets are evergreen: there is no fund life forcing an exit in year five. Families will hold a compounding private position for a decade, support follow-ons from the same balance sheet, and treat a dividend stream as an outcome rather than a consolation. For founders, that changes the conversation - the question is not "what is the path to exit" but "what does this look like in year eight".

WHAT THIS MEANS FOR ISSUERS

Approach families as principals, not as a distribution list. One warm, well-matched introduction outperforms fifty cold ones. Have the data room finished before the first meeting, name a valuation range early, and expect the relationship to be diligenced as carefully as the numbers.

SECTION 03

THE CHEQUE

€2 million to €25 million is the band where family capital is not merely competitive but often the only institutional-quality capital available. It is also the band in which we exclusively work.

Below €2 million, angel syndicates and seed funds are plentiful. Above €25 million, institutional growth equity re-enters and processes become auctions. Between the two sits a structural gap: cheques too large for angels to write and too small for a €1 billion fund to justify. Companies in this band - typically €3 million to €60 million in revenue, profitable or visibly close to it - are underbanked in almost every EMEA market.

Family offices price this gap naturally. The cheque sizes match how families think about position sizing; the companies are mature enough to underwrite on numbers rather than narrative; and the absence of a competitive auction suits a buyer whose edge is speed and discretion rather than headline price.

INSTRUMENTS ACROSS THE BAND

STRUCTURE	TYPICAL SIZE	WHERE WE SEE IT USED
Minority equity	€2M - €15M	Growth capital for expansion, with board representation or observer rights and standard minority protections.
Structured equity	€5M - €25M	Preferred instruments with a coupon or liquidation preference where valuation views differ; increasingly common in 2026.
Private debt	€3M - €25M	Senior or mezzanine lending from family balance sheets, often alongside an equity option; faster than bank credit and more flexible on covenants.
Hybrid / club	€10M - €25M	Two to four families combining equity and debt tranches in a single agreed structure, one lead family setting terms.

The mix has moved during 2026: structured instruments have taken share from plain equity as families and founders bridge valuation gaps without repricing whole cap tables. We expect that to persist while public-market comparables remain unsettled.

04

SECTION 04

SECTOR ROTATION

Families rotate slowly and buy what they understand. The buying we saw in the first half of 2026 clustered in three places: cash-generative consumer, energy-transition industrials, and healthcare services.

Consumer, but only with cash flow. The consumer positions being added are brands with proven unit economics, repeat purchase behaviour and EBITDA today - not venture-style bets on future scale. Families with retail or FMCG operating histories are the natural buyers, and they diligence supply chains and margin structure with an operator's eye.

Industrials with a transition angle. The deepest pool of conviction we see is in businesses that make the energy transition physically happen - electrification components, efficiency retrofits, industrial automation, grid-adjacent services. German-speaking Europe leads here, both in the assets available and in the family capital pursuing them.

Healthcare services and infrastructure. Clinics, diagnostics, elder care and the software that runs them: demographically underwritten demand, fragmented markets, and buy-and-build economics that suit a patient balance sheet.

Notably absent from the rotation: pre-revenue technology of any description. Family appetite for it, never deep in our network, has not returned. Where families want technology exposure they are buying it through profitable software companies and tech-enabled services, not through venture risk.

SELECTED COMPLETED MANDATES

CONSUMER · UNITED KINGDOM

£4.0M

Growth equity for a London consumer brand, raised from two single-family offices.

COMPLETED · 2026

INDUSTRIALS · GERMANY

€12.5M

Expansion capital for a Munich industrials business, family-led structured equity.

COMPLETED · 2026

HEALTHCARE · NETHERLANDS

€8.0M

Growth round for an Amsterdam healthcare services platform, single family anchor.

COMPLETED · 2026

05

SECTION 05

GEOGRAPHY

We cover 26 markets. Five corridors account for most of the capital actually moving, and the most interesting of them runs from the Gulf into continental Europe.

United Kingdom. The deepest single market for family direct investing in Europe: the largest number of active single-family offices, the most developed adviser ecosystem, and a steady supply of £2 million to £20 million growth rounds in consumer, services and software.

DACH. Mittelstand wealth compounding into Mittelstand assets. German, Swiss and Austrian families are the natural buyers of industrial and engineering businesses, and succession-driven situations are creating a growing pipeline of minority and majority opportunities alike.

Benelux and the Nordics. Smaller in absolute terms but disproportionately sophisticated: families here professionalised early, run institutional-quality processes, and are among the most comfortable co-investing across borders.

Southern Europe. Spain, Italy and Portugal are the value end of the corridor - strong operating businesses, thinner local growth capital, and family buyers from northern Europe and the Gulf increasingly filling the gap.

The Gulf. The structural story of the decade. GCC family capital is buying European growth assets deliberately and at scale: diversification away from regional concentration, comfort with long holds, and a strong preference for profitable, tangible businesses. A significant share of the new capital we introduced over the past year originated in the Gulf and landed in European companies.

THE CORRIDOR THAT MATTERS

Gulf capital into European operating businesses is, in our view, the single most underexploited channel in the €2M - €25M band. The families are liquid, decisive and actively mandated; the constraint is not appetite but access and preparation on the company side.

06

SECTION 06

PROCESS - WHAT ACTUALLY GETS FUNDED

Across the mandates we ran to term sheet over the past year, the median path from first substantive family conversation to signed terms was roughly six weeks. The variance around that median is almost entirely explained by preparation.

WHAT ACCELERATES A PROCESS

- **A finished data room before the first meeting.** Three years of accounts, current management information, cap table, and customer concentration - assembled before outreach begins, not during it.
- **A named valuation range, early.** Families will negotiate; they will not archaeologise. Vagueness on price reads as either inexperience or a stretched expectation, and both cost momentum.
- **The right introduction.** A warm route through a party the family trusts collapses months of relationship-building into a first meeting that starts at yes-in-principle.
- **Founder availability.** Families buy the operator as much as the asset. Principals expect direct access to the principal - delegating the process to a junior reads badly.

WHAT KILLS ONE

- **Shopped paper.** Families can tell when a deck has been round the market. Discretion is not cosmetic - a process that looks exclusive is treated as one worth prioritising.
- **Moving numbers.** A forecast that changes between the first meeting and diligence is, in a principal's eyes, not a revision but a warning.
- **Valuation anchored to 2021.** Rounds priced off peak-era comparables do not get repriced by families; they get declined without counter.
- **Opacity under questioning.** The fastest way to lose a family is to be caught managing information. Bad news disclosed early is a diligence item; bad news discovered late is the end of the process.

None of this is exotic. It is simply that family processes concentrate everything into fewer, more consequential interactions - there is no IC memo to recover a bad first meeting, and no second fund to try again with next quarter.

07

SECTION 07

PRICING, STRUCTURES AND TERMS

Family term sheets are shorter than institutional ones and harder in different places. The headline number is rarely where the negotiation happens; structure, governance and alignment are.

On price, families are neither systematically cheaper nor more expensive than institutional growth capital. They pay fairly for cash flow they believe in and decline politely what they do not - the bid-ask spread in 2026 is being bridged with structure rather than price, which is why preferred and convertible instruments have taken share from plain equity.

On governance, expectations are consistent across our network: a board seat or observer right for meaningful minority positions, monthly management information, and consent rights over the short list of decisions that change the shape of the business - new debt, major disposals, executive changes, further issuance. Families are lighter-touch than funds day to day, and firmer when the covenant they actually care about, candour, is broken.

On alignment, the questions asked are an operator's: how much of the founder's net worth is in the business, what does management earn versus what does it own, and who else is on the register. Families are notably wary of cap tables carrying unresolved venture preferences - cleaning the stack is often a condition, and sometimes the family funds the clean-up itself.

On debt, family lending continues to price inside comparable private-credit funds for businesses they know, with more covenant flexibility and materially faster execution than bank channels. For founders unwilling to sell equity at current marks, a family senior or mezzanine facility has become the default bridge - and frequently converts into an equity relationship later.

THE TERM THAT SURPRISES FOUNDERS

Permanence. Family paper often arrives without a forced-exit right at all. The absence of a fund clock is the point: the family intends to still own the position when the next cycle turns, and structures accordingly.

08

SECTION 08

OUTLOOK - Q4 2026 AND 2027

The forward view is a continuation, not a turn. Every structural force pushing family capital towards direct private positions is still pushing.

The direct share keeps rising. Nothing in our conversations suggests families intend to rebuild fund portfolios. New allocation continues to favour directs, clubs and the occasional bespoke SMA - and the generational handover now underway accelerates rather than reverses this.

Clubs formalise. The informal "call three families we know" syndicate is maturing into standing club structures with agreed leads, documented processes and repeat participants. For issuers this is good news: a club that has closed together before behaves like a single decisive counterparty rather than a committee.

Succession supply meets family demand. Across DACH, Benelux and Southern Europe, founder-generation owners of profitable Mittelstand-type businesses are reaching succession without internal answers. Family buyers - often families that faced the same question themselves a generation earlier - are the natural counterparty, and we expect this to be the largest single source of new mandate flow in 2027.

The Gulf corridor widens. GCC allocations into European operating businesses grew through every quarter we observed, and mandated appetite for 2027 is larger again. The binding constraint remains access on the company side, which is an execution problem, not a capital problem.

Discretion becomes a price factor. As more capital concentrates in fewer, more deliberate hands, the discount for a shopped process and the premium for a quiet, well-prepared one both widen. We expect the best rounds of 2027 to be the ones the market never hears about.

For companies raising between €2 million and €25 million, the practical conclusion of this update is unchanged from our last one, only firmer: the family office market is not an alternative channel to institutional capital. In this band, on current trajectory, it is the primary one.

METHODOLOGY & ABOUT THE FIRM

METHODOLOGY

This update draws on Privea Partners' proprietary deal flow, completed and active mandates, and ongoing conversations across a network of more than 140 single and multi family office relationships in 26 markets. Observations describing that network - deployment behaviour, structural preferences, sector appetite and process timelines - are directional readings of our own activity rather than audited market statistics, and are stated as such. Where whole-market claims are made, they reflect the firm's judgement. No confidential information of any client or investor is disclosed; transaction references are shown only at the level our mandates permit.

ABOUT PRIVEA PARTNERS

Privea Partners raises equity and debt for companies from single and multi family offices across EMEA. The firm works exclusively in the €2 million to €25 million band, combining capital introduction, advisory and execution in a single mandate. Introductions are made on first-name terms to families whose mandates genuinely fit - no syndication theatre, no cold lists.

Focus	Growth equity, structured equity and private debt, €2M - €25M
Coverage	140+ family office relationships across 26 markets in EMEA
Track record	€400M+ introduced to date; median six weeks to term sheet
Leadership	James Marsden, Managing Partner · Joy-Ann Gonzaga, Partner
Contact	contact@priveapartners.com · priveapartners.com

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PRIVEA PARTNERS

Where companies raise family capital. Equity and debt, €2M - €25M, from single and multi family offices across EMEA.

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