

2024

Europe Private Capital Compensation Survey



Contents

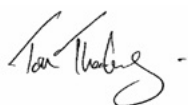
A letter from the authors	3
State of the European private capital market 2025	5
Respondents and their firms	6
State of private capital professional compensation	9
State of investment professional compensation	16
State of fundraising and operating professional compensation	25

A letter from the authors

Welcome to the *2024 Europe Private Capital Compensation Survey*. This report provides a comprehensive picture of both compensation practices and backgrounds of investment and operating professionals at private capital firms across Europe.

This year's survey includes responses from 364 professionals. We would like to thank each person who has completed the survey over the years—we appreciate your time and effort in contributing to the project. If you wish to discuss the survey in greater detail, please do not hesitate to contact us.

With warmest regards,



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On confidentiality

The Heidrick & Struggles' Europe private capital compensation survey, 2024, was conducted on an anonymous basis for individuals and their employers, and Heidrick & Struggles has removed any data relating to identity from reported compensation figures.

Acknowledgments

The authors wish to thank **Asma Mohamed Ali** for her contributions to this report.

Methodology

In an online survey, we asked private capital professionals to provide their compensation data from 2022, 2023, and 2024. We received 364 responses. All data collected was self-reported by private capital professionals and has been aggregated to draw trends in compensation packages, including base salary, bonus, and carried interest (carry). In addition to overall compensation data, we split responses by gender, level of seniority, fund size, and investment strategy across buyout, growth capital, distressed, credit, direct lending, secondaries, fund of funds, co-investment, and venture capital.

In some compensation charts, we report the mean responses. Please note that the mean can be influenced by particularly high or low data points, especially in small sample sizes. Many firms that use compensation surveys set their compensation targets around or above the upper quartile. Carried interest is calculated using "carry euros at work," which is the expected return on total carry participation across all vehicles, based on achieving a net 2x return (above hurdle and after fees) in a vehicle charging a 20% performance fee. For example, 7 points (700 bps) of carry (out of a possible 100) in a €500 million fund with 20% carry would result in €7 million of carry euros at work ($500 \times 0.2 \times 0.07 = 7$).

A note on titles

While title structures vary according to firm, we have divided respondents into three groups based on level and responsibility.

Managing partner/partner:

Experienced dealmakers and senior members of the firm who are responsible for sourcing and originating investments. Managing partners/partners interact directly with management teams, lead negotiations, and are part of, or deal with, the firm's investment committee.

Principal:

Considered "deal captains," principals are accomplished executives who lead and manage deal teams. They also may be expected to originate their own investments and identify potential acquisitions.

Associate/senior associate:

The entry-level role for investment professionals, associates are responsible for analyzing companies and business plans, financial modeling, conducting due diligence, working with service providers, and assisting with the management and monitoring of portfolio companies under the direction of senior team members.

State of the European private capital market 2025

The choppy waters of 2024 are now in the rearview mirror, but as we look ahead at 2025 there remains uncertainty as to how the year will play out. Consensus persists that the macro environment needs to improve, and ideally interest rates fall, to put liquidity back in the system.

Our ears continue to ring with concern about the distributions to paid-in capital ratio ("DPI"), which calculates the amount of capital returned versus capital invested by limited partners. LPs, historically institutional investors, but increasingly also wealth clients (UHNWs, platforms, and family offices), insurance firms, and, in some cases, retail investors, are seeking greater liquidity from their assets, meaning that private capital firms' track records have come under greater scrutiny. Firms' inability in recent years to exit investments and return capital to their investor base, creating a low DPI metric, is also creating challenges in raising new capital, perpetuating a vicious cycle. While 2024 has seen some improvement, significant fundraising hurdles remain.

Deal flow remained relatively low compared to 2021 levels, but 2024 showed a noticeable improvement from 2023, a projected 27.5% increase in deal value.¹ Nonetheless, the longer term reduced deal volume has led to decreased demand for "deal captain" professionals. These individuals, typically at pre-partner

level, are regarded as the engine room of private capital firms. Two years ago, demand for these people significantly outweighed the supply of talent; however, this dynamic has reversed.

Despite this shift, senior-level hiring (at the partner and managing partner levels) remains robust. Firms that have successfully raised capital are leveraging the slower deal market to establish new sector or geographical focuses and are opportunistically attracting talent from firms struggling to raise or deploy capital. Additionally, many firms are seeking to enhance their existing track records with senior additions to their teams in 2024.

While associate-level hiring has remained steady, though at relatively lower levels, the market has experienced a "squeezed middle" or hourglass effect in demand for investment professionals across the private capital spectrum.

A notable area of growth for private capital firms has been the increased specialization of capital formation teams. The increasing range of LPs has required significant investment in talent to establish, service, and sell semi-liquid-style products and structures across the private capital spectrum.

Finally, we continue to see consolidation in the European private capital market, in line with global trends. Firms are diversifying their product offerings to navigate a period of macro-instability.

¹ "Q3 2024 European PE Breakdown", Pitchbook, October 14, 2024, pitchbook.com

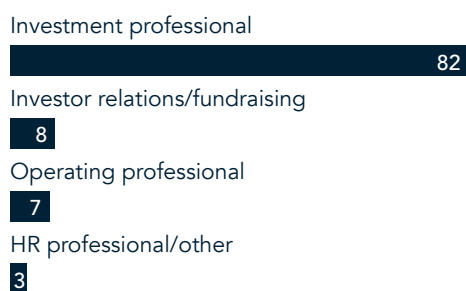
Respondents and their firms

The respondents to our survey came for the most part from the upper levels of their firms: 43% were managing partners and partners and 37% principals. Thirty-six percent had 11 years or more of experience in private capital. The largest segment, 34%, was based in the United Kingdom, followed by France, 20%, and Germany, 16%—mirroring the locations of their firm headquarters.

These firms are overwhelmingly direct investment private capital groups and, while a majority of their investment partners are based in Europe, 45% said their firm's platform was global. Fifty percent said their firm was a multi-strategy limited partnership.

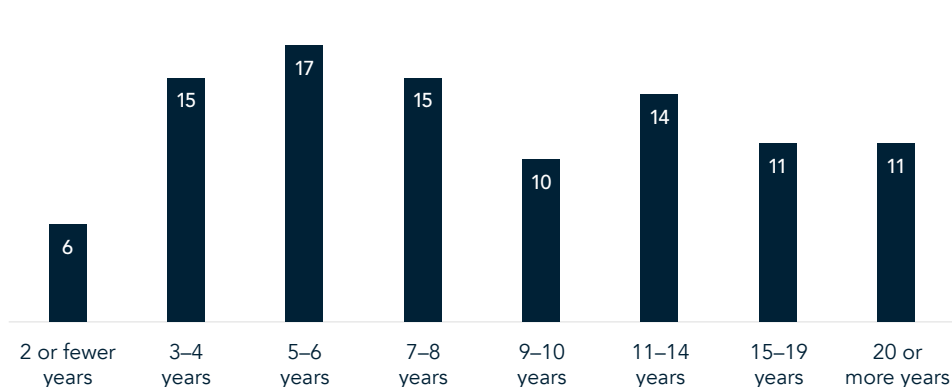
Seventeen percent said their most recent fund was opened in 2024, while 21% responded with 2023. By firm fund size, 58% were at €1 billion or less in their most recent fund; 52% reported aggregate assets under management of more than €2 billion.

Current function or role (%)



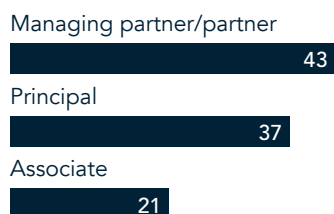
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 364 respondents

Total years of private capital experience (%)



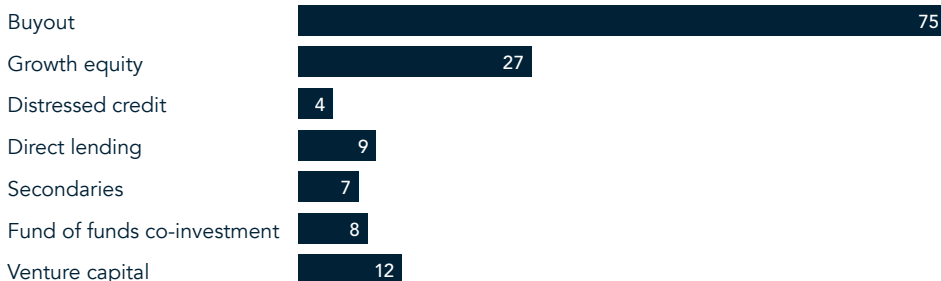
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 364 respondents

Title (%)



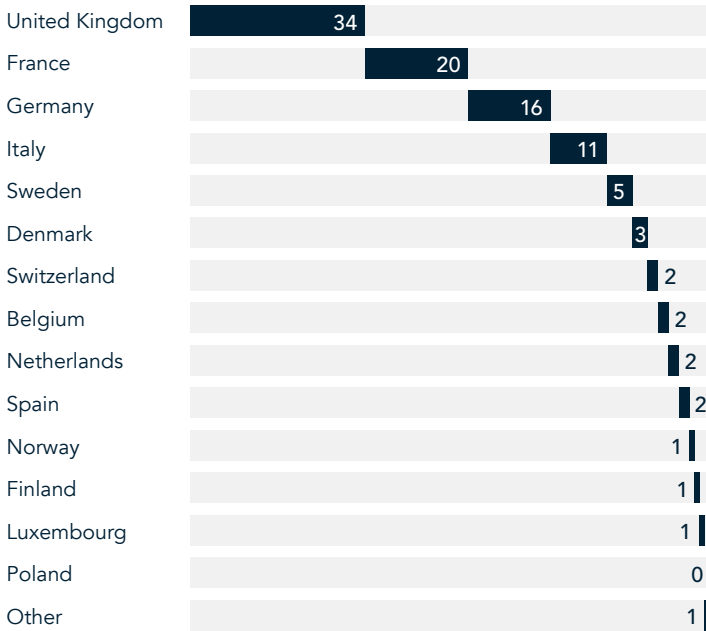
Note: Numbers may not total 100% due to rounding.
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 364 respondents

Investment strategies (%)



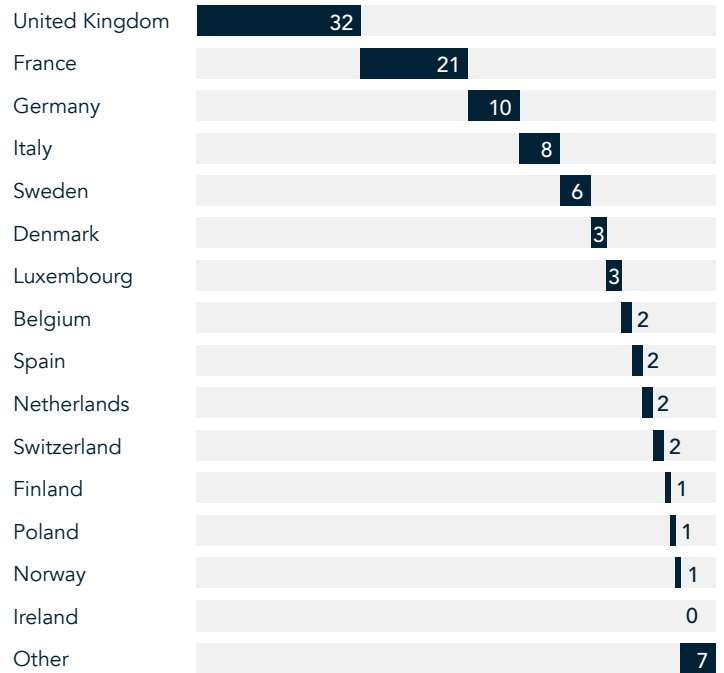
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 364 respondents

Respondents' location (%)



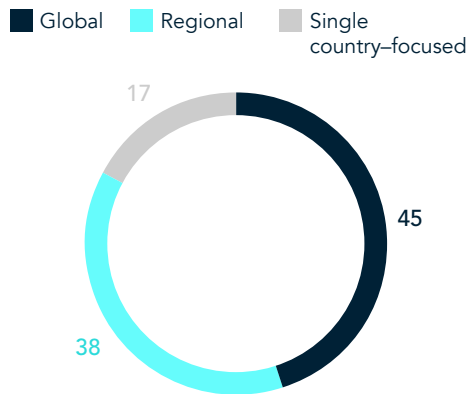
Note: Numbers may not total 100% due to rounding.
 Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 364 respondents

Country of firm headquarters (%)



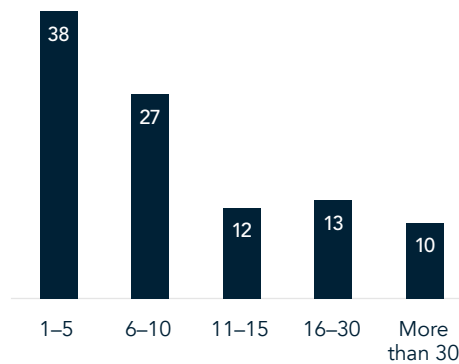
Note: Numbers may not total 100% due to rounding.
 Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 364 respondents

Firm platform focus (%)



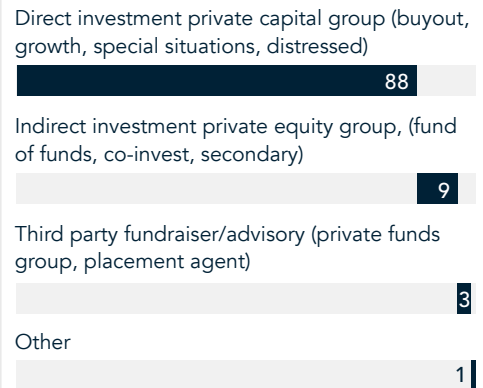
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 364 respondents

Number of investment partners located in Europe (%)



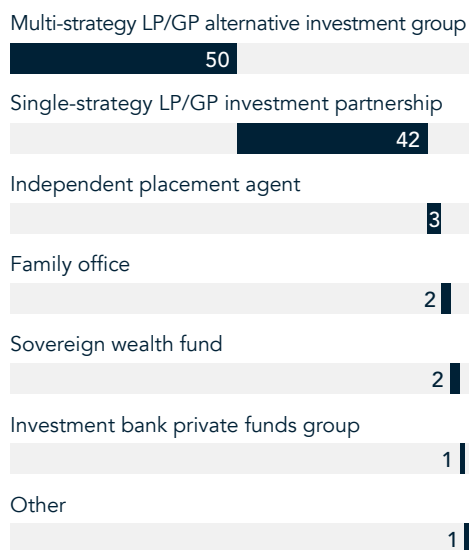
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 336 respondents

Investment type (%)



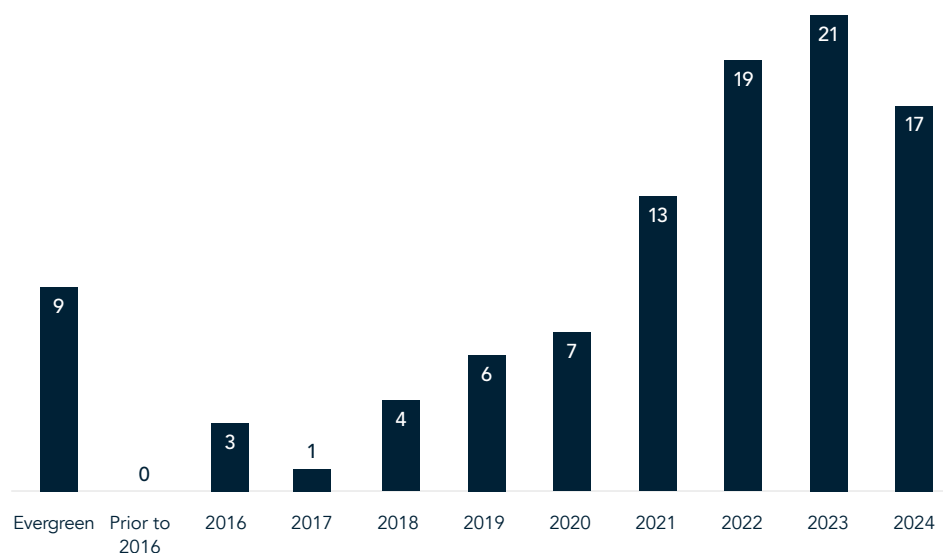
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 364 respondents

Firm strategy (%)



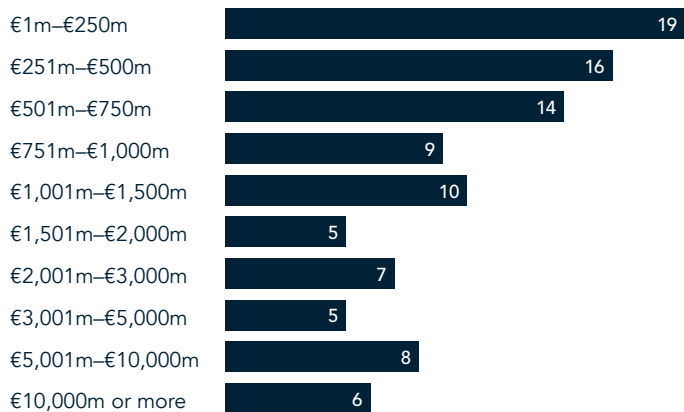
Note: Numbers may not total 100% due to rounding.
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 364 respondents

Vintage of most recent fund (%)



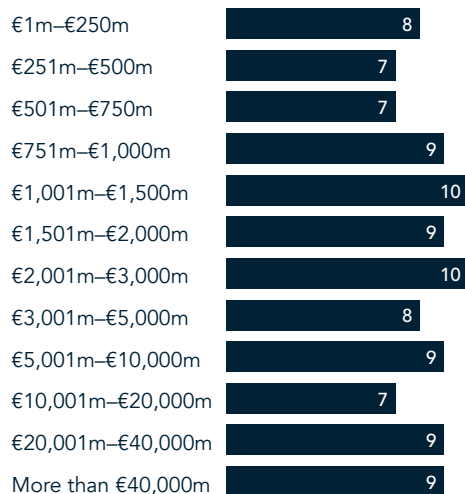
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 354 respondents

Size of most recent fund (%)



Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 347 respondents

Aggregate AUM across all funds (%)



Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 347 respondents

State of private capital professional compensation

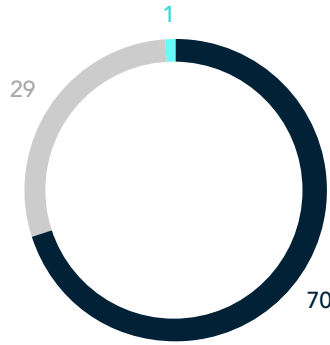
Compared to the previous year, a lower share of professionals reported an increase in base and bonus: 63% reported an increase in base compensation in 2024, compared to 70% in 2023; 54% reported an increase in their bonus in 2024, compared to 59% in 2023.

Thirty-five percent of respondents reported no change in either base or bonus between 2023 and 2024.

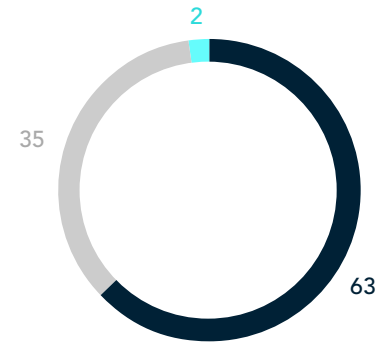
General observations on compensation trends, all professionals (%)

■ Increase ■ No change ■ Decrease

Base growth, 2022–2023

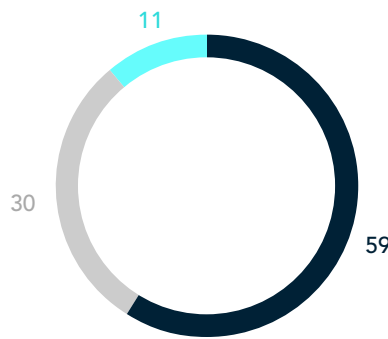


Base growth, 2023–2024

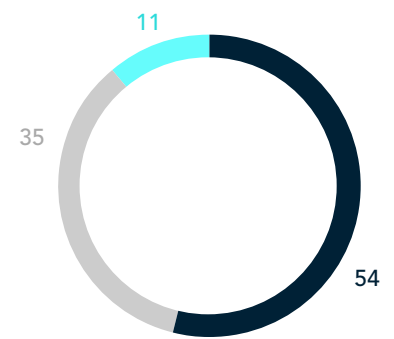


Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 332 respondents

Bonus growth, 2022–2023



Bonus growth, 2023–2024



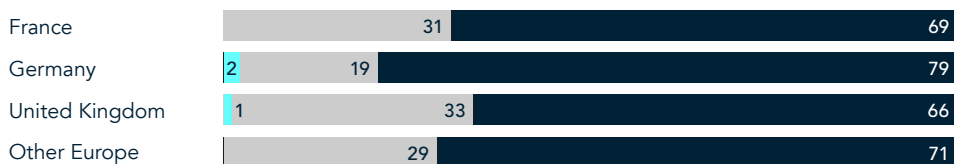
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 285 respondents

The share of respondents reporting an increase in base compensation was similar for respondents from France and the United Kingdom, while there was an overall lower share reporting bonus growth compared to the prior year; France narrowly exceeded the United Kingdom.

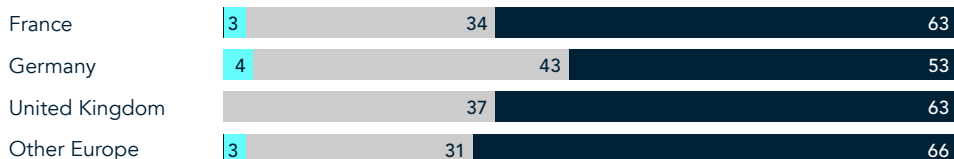
General observations on compensation trends, all professionals, by country (%)

Decrease No change Increase

Base growth, 2022–2023

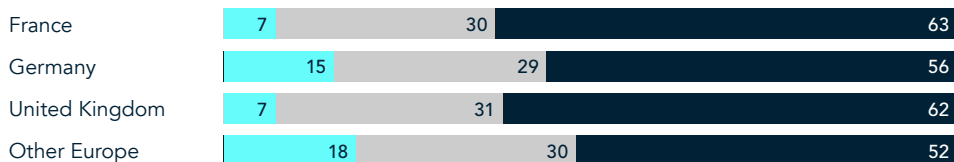


Base growth, 2023–2024

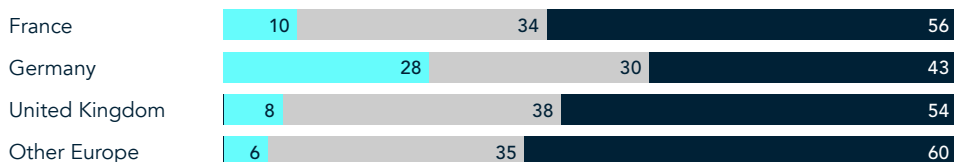


Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 332 respondents

Bonus growth, 2022–2023



Bonus growth, 2023–2024



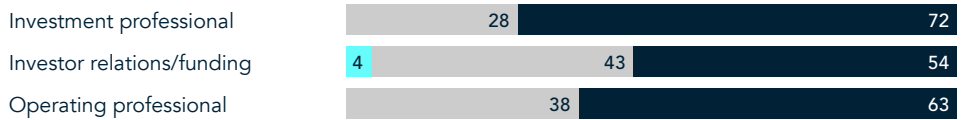
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 285 respondents

Smaller shares of respondents in all roles—investment professionals, investor relations and fundraising executives, and operating professionals—reported increases in base growth from 2023 to 2024 compared with the same period from 2022 to 2023, as well as lower bonus growth. Shares reporting base and bonus growth at each level of seniority were also lower compared to the previous period.

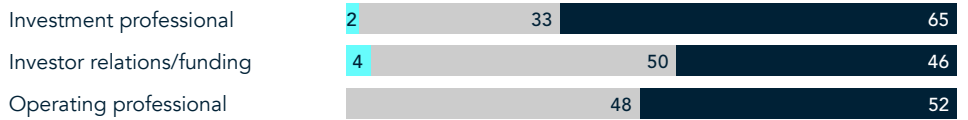
General observations on compensation trends, all professionals, by role (%)

Decrease No change Increase

Base growth, 2022–2023

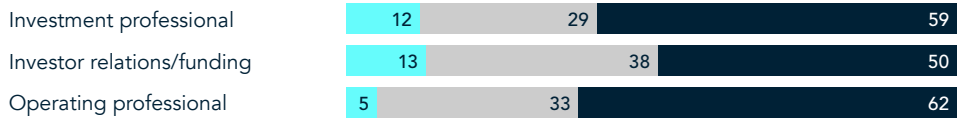


Base growth, 2023–2024

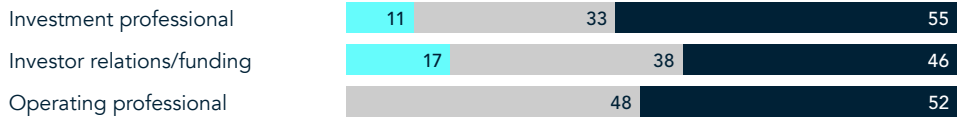


Source: Heidrick & Struggles’ Europe private capital compensation survey, 2024, n = 332 respondents

Bonus growth, 2022–2023



Bonus growth, 2023–2024

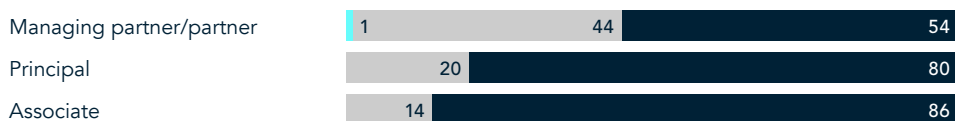


Source: Heidrick & Struggles’ Europe private capital compensation survey, 2024, n = 285 respondents

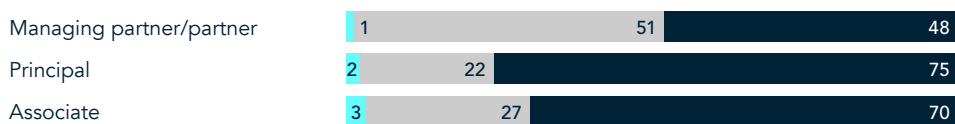
General observations on compensation trends, all professionals, by title (%)

Decrease No change Increase

Base growth, 2022–2023

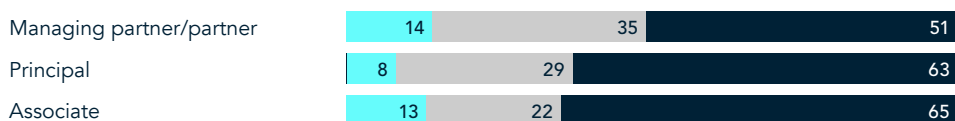


Base growth, 2023–2024

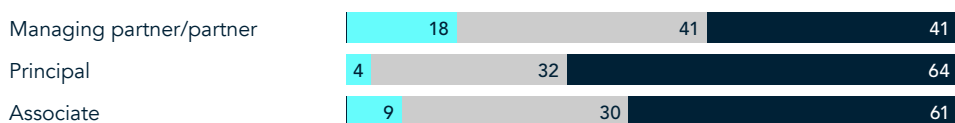


Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 332 respondents

Bonus growth, 2022–2023



Bonus growth, 2023–2024



Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 285 respondents

Average base and bonus

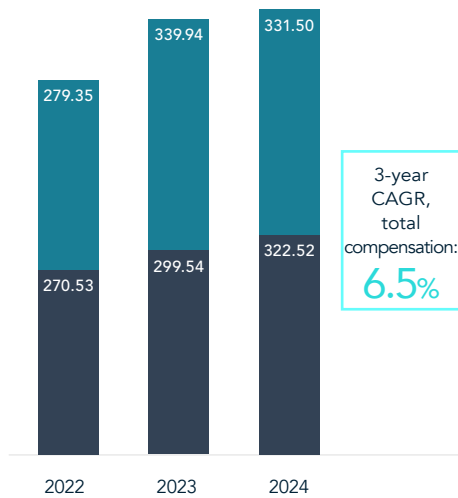
Young professionals in Germany reported a three-year compound annual growth rate of base and bonus for associates at 14.6%. That is well above the three-year CAGR of 10.9%

for all European associates, and above the 11.3% growth in France and 11.8% growth in the United Kingdom. Elsewhere in Europe, the average growth over three years was only 7.1%.

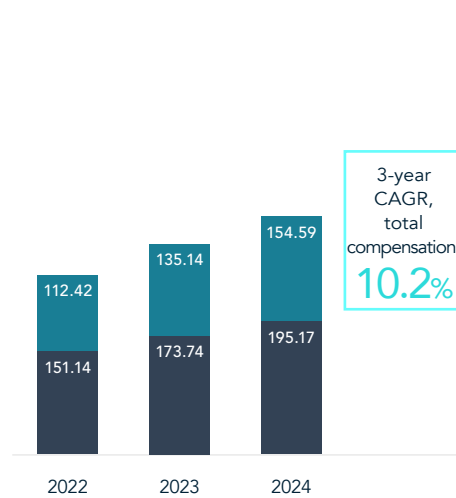
Average base and bonus, all professionals (EUR thousands)

■ Base ■ Bonus

Managing partner/partner



Principal



Associate

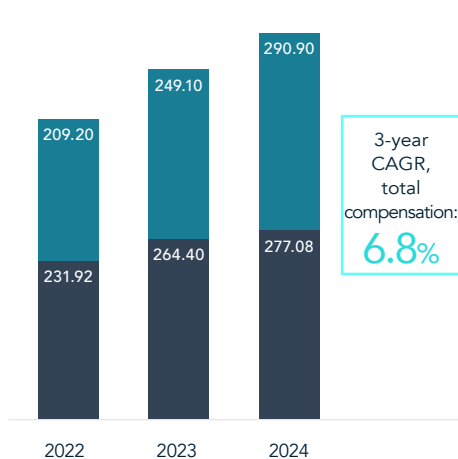


Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 364 respondents

Average base and bonus, all professionals, France (EUR thousands)

■ Base ■ Bonus

Managing partner/partner



Principal



Associate

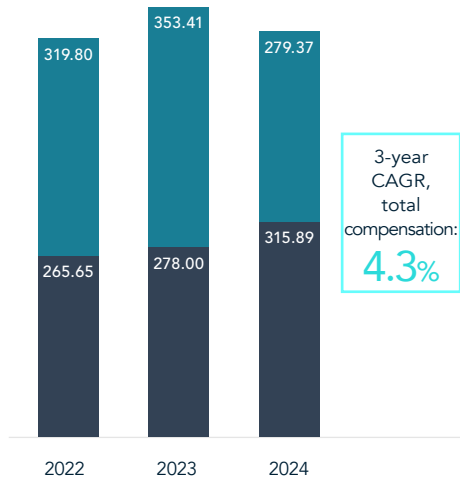


Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 73 respondents

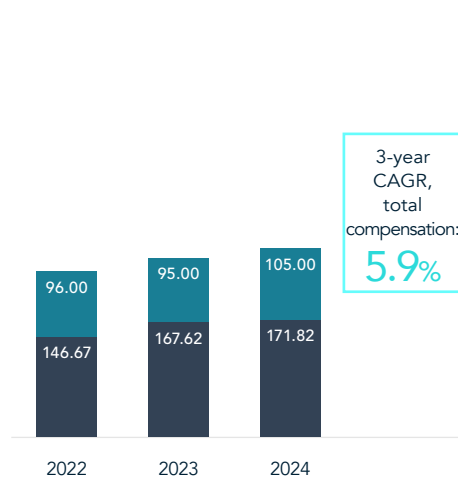
Average base and bonus, all professionals, Germany (EUR thousands)

■ Base ■ Bonus

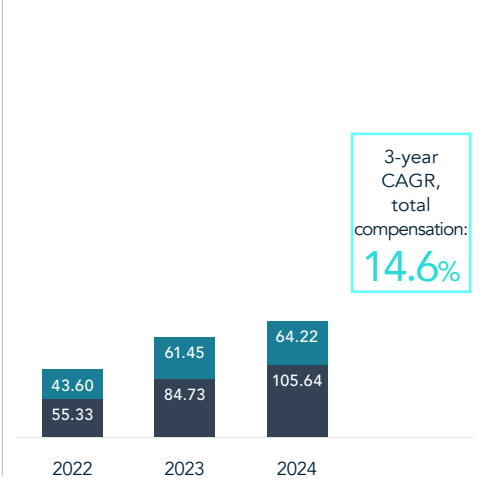
Managing partner/partner



Principal



Associate

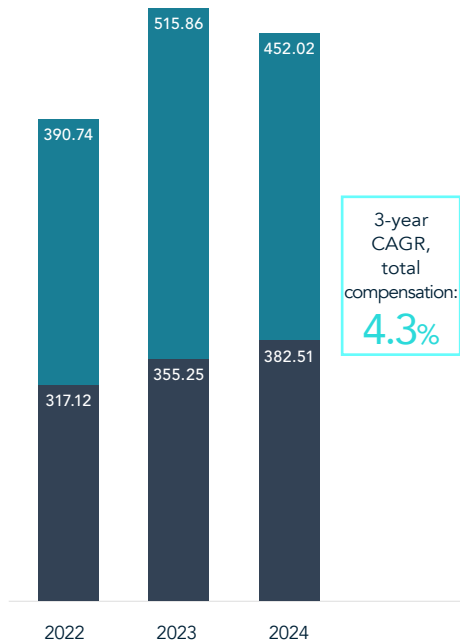


Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 57 respondents

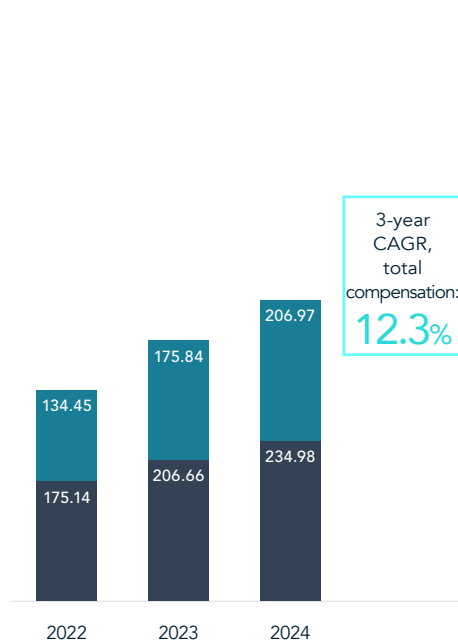
Average base and bonus, all professionals, United Kingdom (EUR thousands)

■ Base ■ Bonus

Managing partner/partner



Principal



Associate

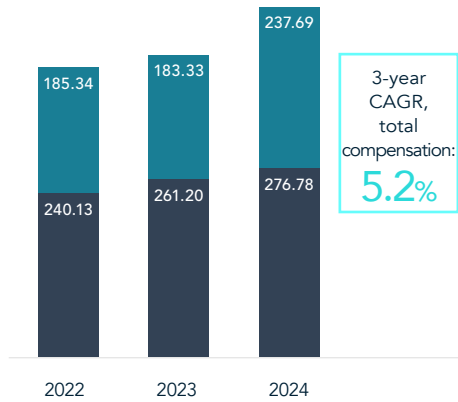


Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 124 respondents

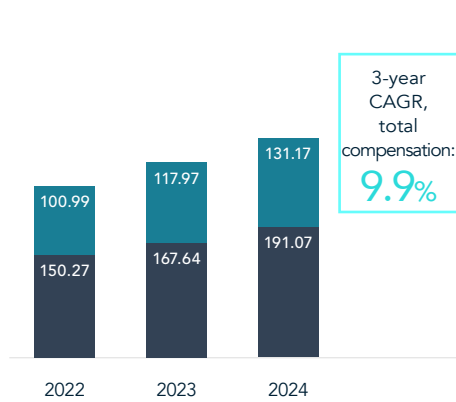
Average base and bonus, all professionals, Other Europe (EUR thousands)

■ Base ■ Bonus

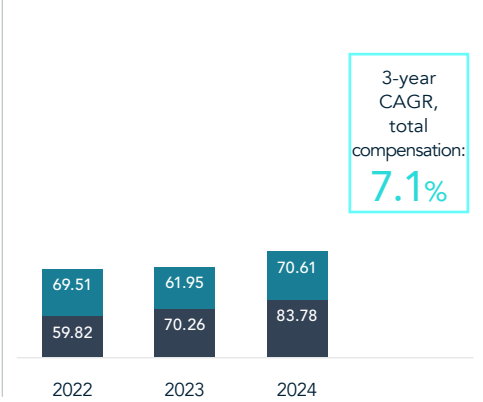
Managing partner/partner



Principal



Associate



Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 110 respondents

Average base and bonus by gender

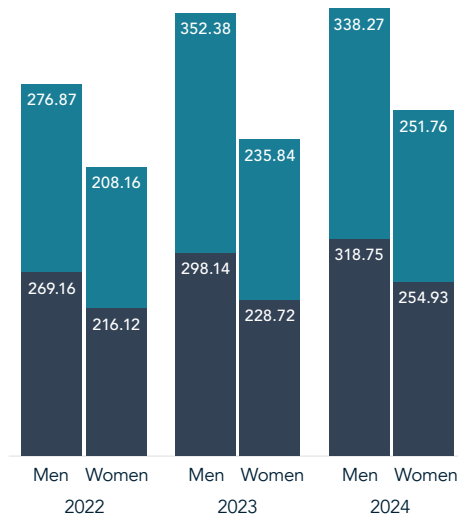
Women continue to make gains in compensation at European private capital firms, primarily at associate and principal levels. Compensation

for women caught up to a lesser extent at managing partner or partner level, as their bases and bonuses still lag those of their male peers.

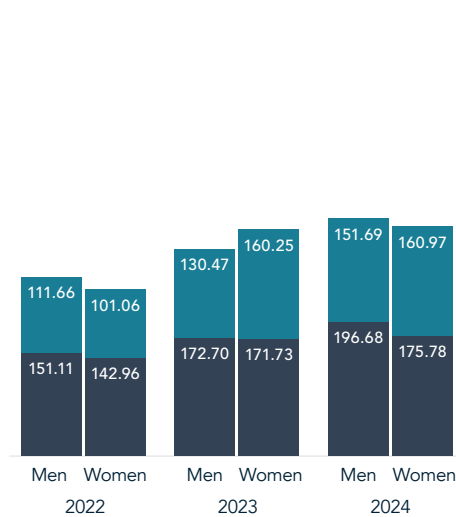
Average base and bonus, all professionals (EUR thousands)

■ Base ■ Bonus

Managing partner/partner



Principal



Associate



Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 364 respondents

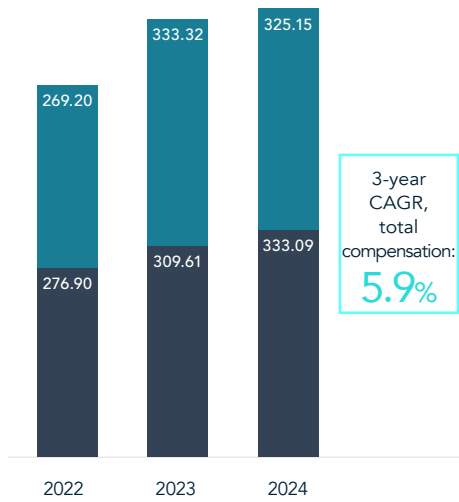
State of investment professional compensation

Our survey found strong gains in base and bonus particularly among associates in investment roles.

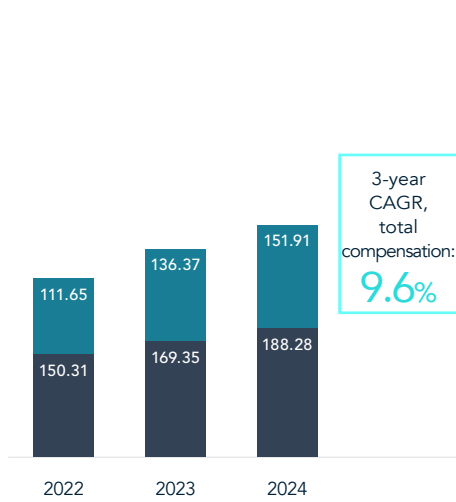
Average base and bonus, investment professionals (EUR thousands)

■ Base ■ Bonus

Managing partner/partner



Principal



Associate



Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 299 respondents

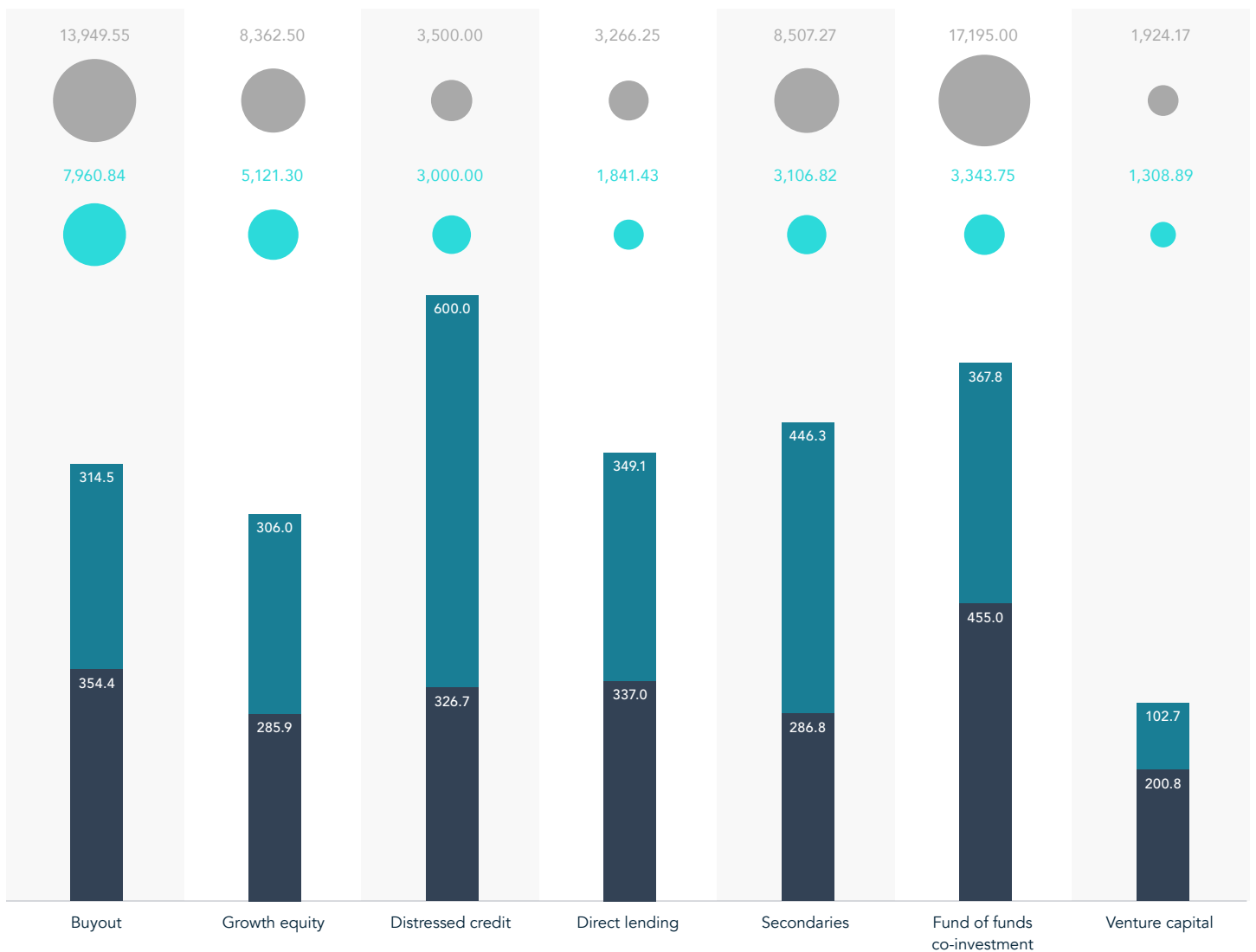
By investment strategy, managing partners/partners at distressed credit firms reported the highest average total cash compensation—almost double that of their peers at growth equity firms.

In a shift from last year, managing partners/partners at fund of funds co-investment firms saw the highest average carry across all funds, surpassing last year’s leaders, which were managing partners/partners at buyout firms. The latter firms did, however, report the highest average carry by current fund.

2024 compensation, investment professionals, by investment strategy (EUR thousands)

Managing partner/partner

■ Cash base ■ Cash bonus ● Carry, most recent fund ● Carry, all funds



Source: Heidrick & Struggles’ Europe private capital compensation survey, 2024, n = 126 respondents

Principals

■ Cash base ■ Cash bonus ● Carry, most recent fund ● Carry, all funds



Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 107 respondents

Associates

■ Cash base ■ Cash bonus ● Carry, most recent fund ● Carry, all funds



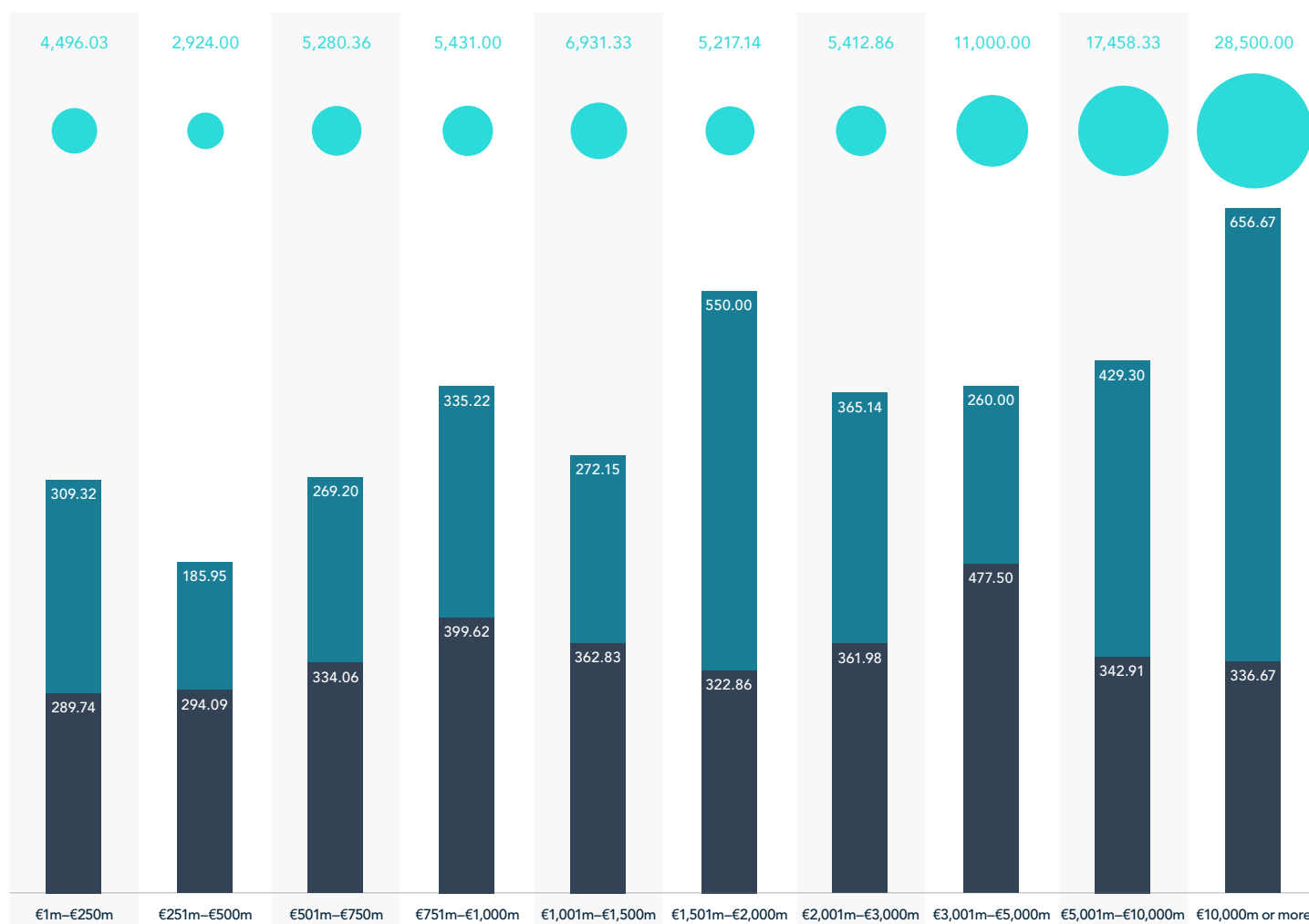
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 66 respondents

Across all levels, we see reported average compensation generally rising by fund size. Managing partners/partners at the largest firms reported the largest compensation by most recent fund size, and by AUM across all funds.

2024 compensation, investment professionals, by most recent fund size (EUR thousands)

Managing partners/partners

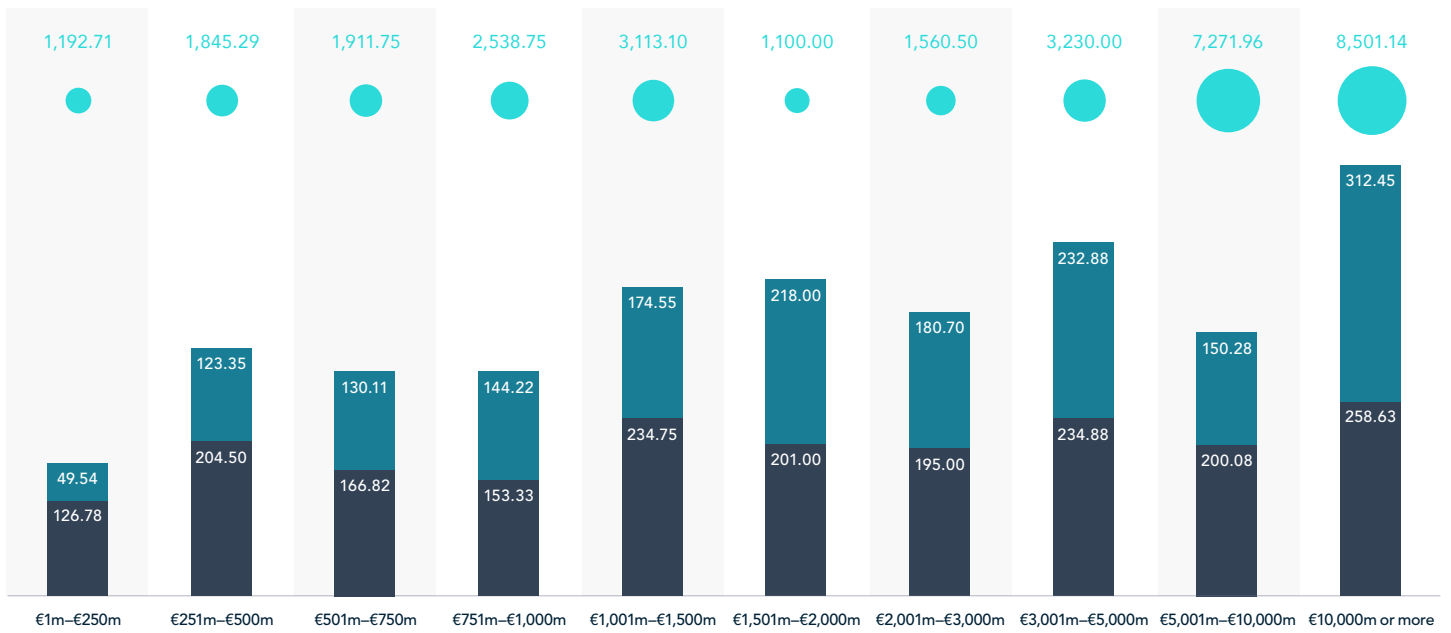
■ Cash base ■ Cash bonus ● Carry, most recent fund



Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 126 respondents

Principals

■ Cash base ■ Cash bonus ● Carry, most recent fund



Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 107 respondents

Associates

■ Cash base ■ Cash bonus ● Carry, most recent fund

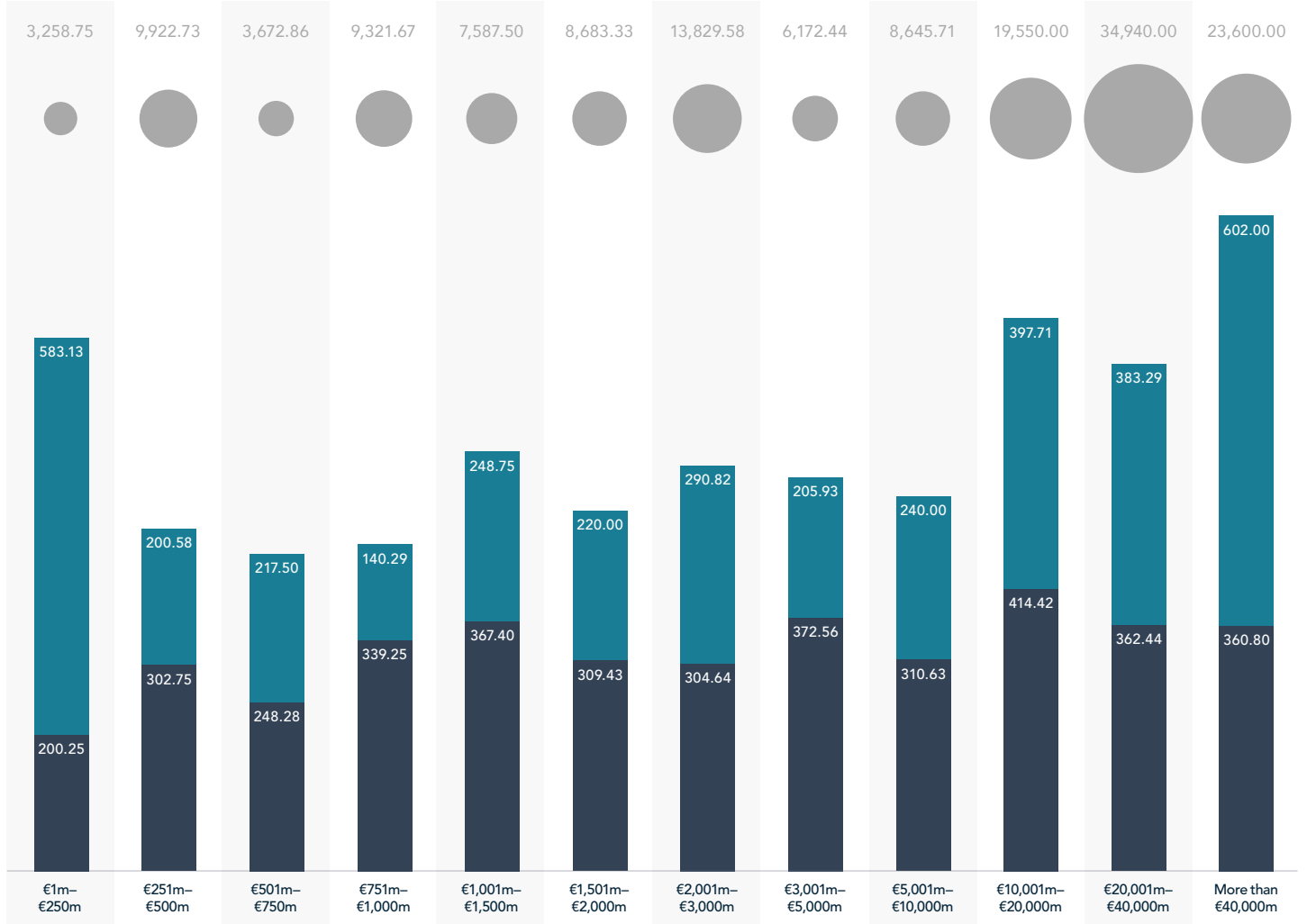


Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 66 respondents

2024 compensation, investment professionals, by AUM across all funds (EUR thousands)

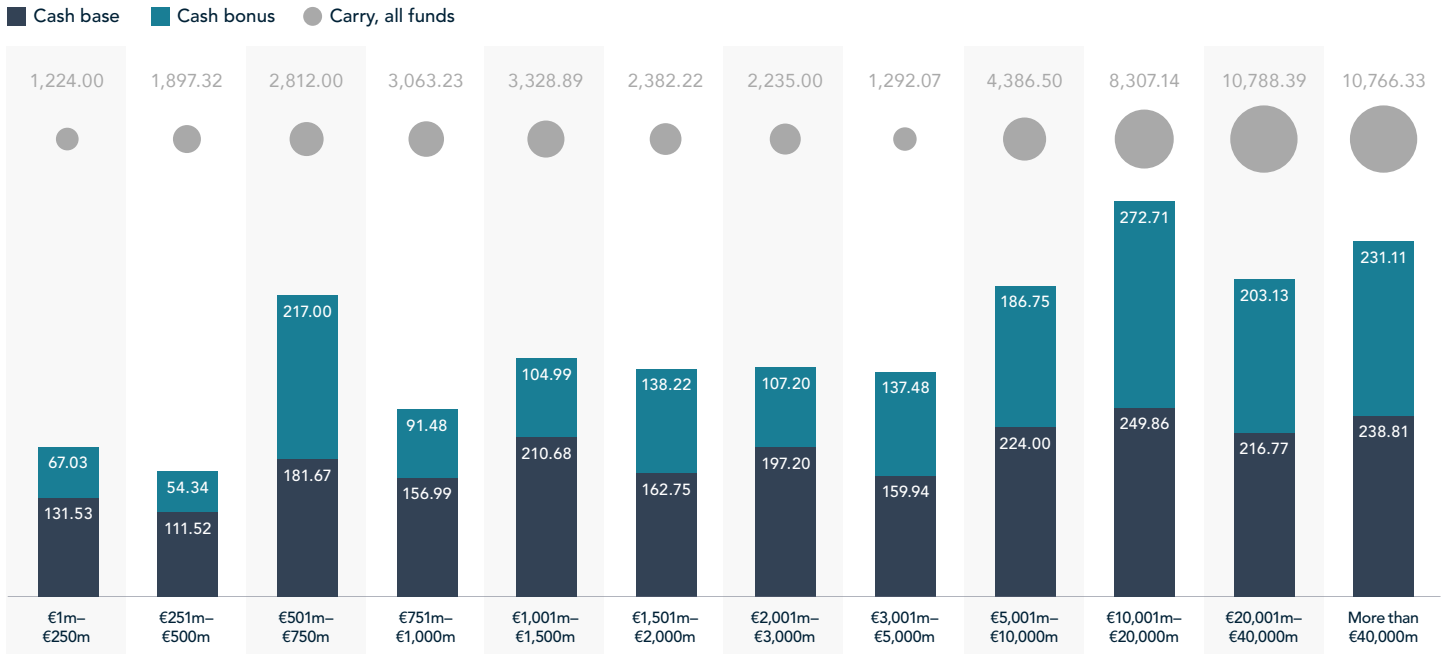
Managing partners/partners

■ Cash base ■ Cash bonus ● Carry, all funds



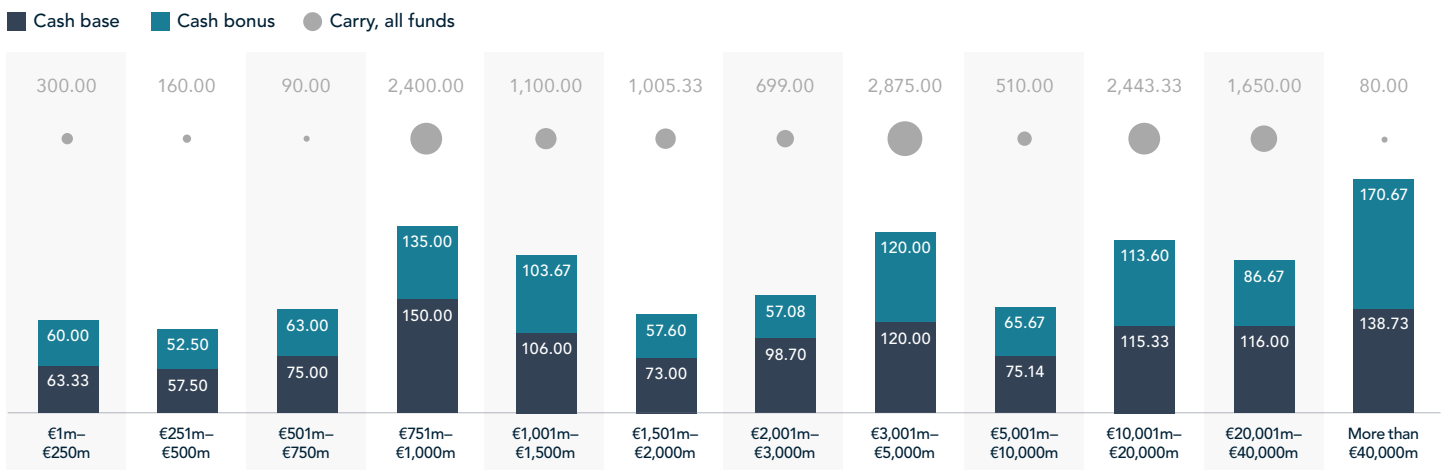
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 126 respondents

Principals



Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 107 respondents

Associates

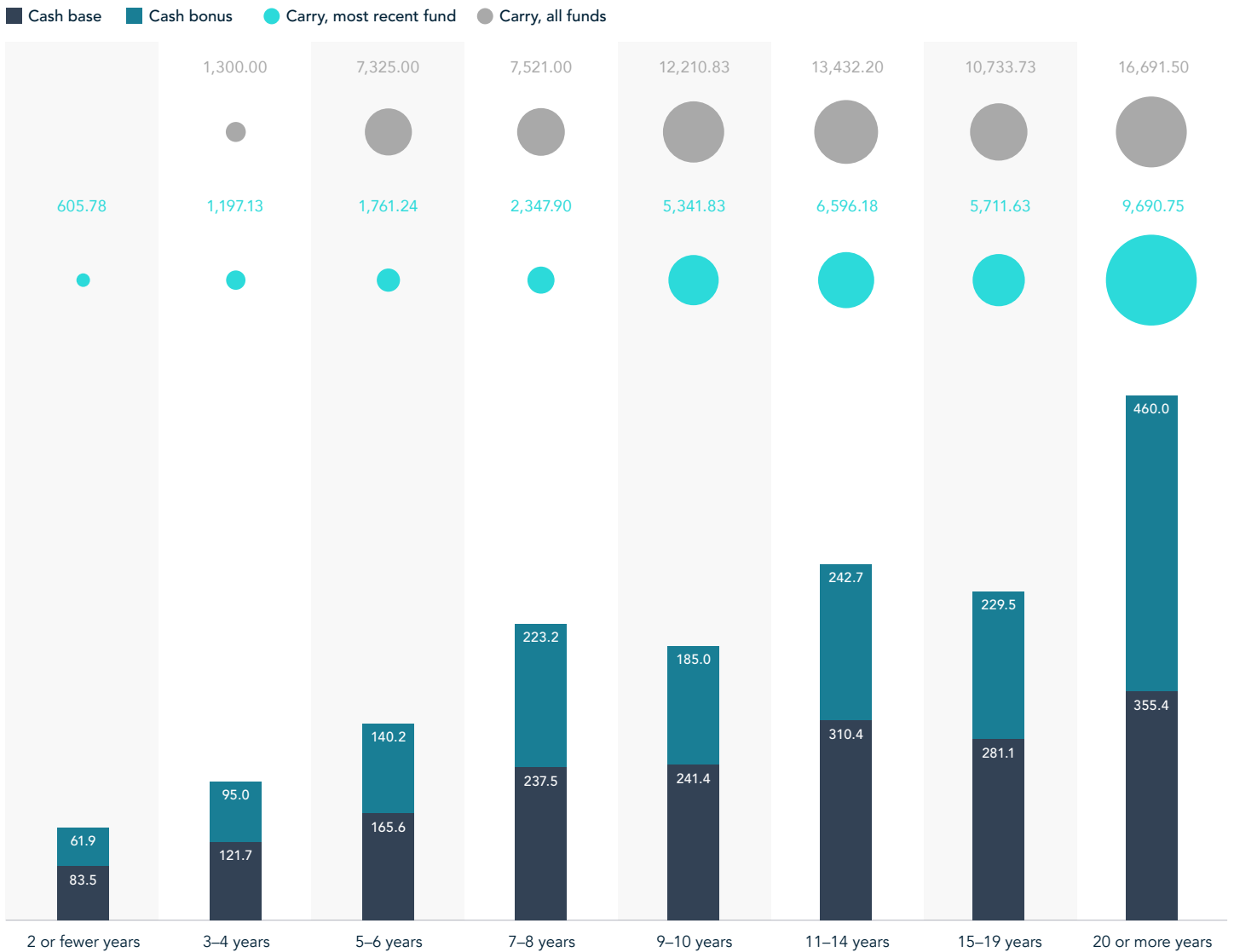


Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 66 respondents

Respondents report compensation generally rising with years of private equity experience. While last year respondents with 13 to 14 years of experience reported outearning their

more experienced colleagues, this year compensation reverted to the traditional pattern: investment professionals with 20 or more years of experience significantly out-earned those with less.

2024 compensation, investment professionals, by years of experience (EUR thousands)

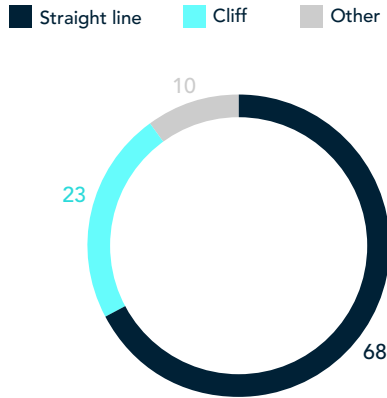


Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 299 respondents

Carry

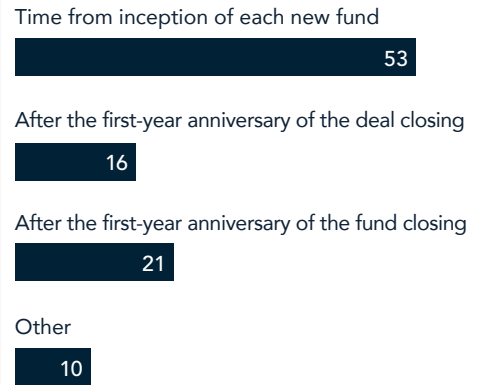
Carry at European private capital firms vests overwhelmingly on a fund basis, with nearly one-third of respondents saying that up to 5% vests when the first deal closes. It takes, on average, five years for the maximum amount of carry to vest.

What is the vesting structure? (%)



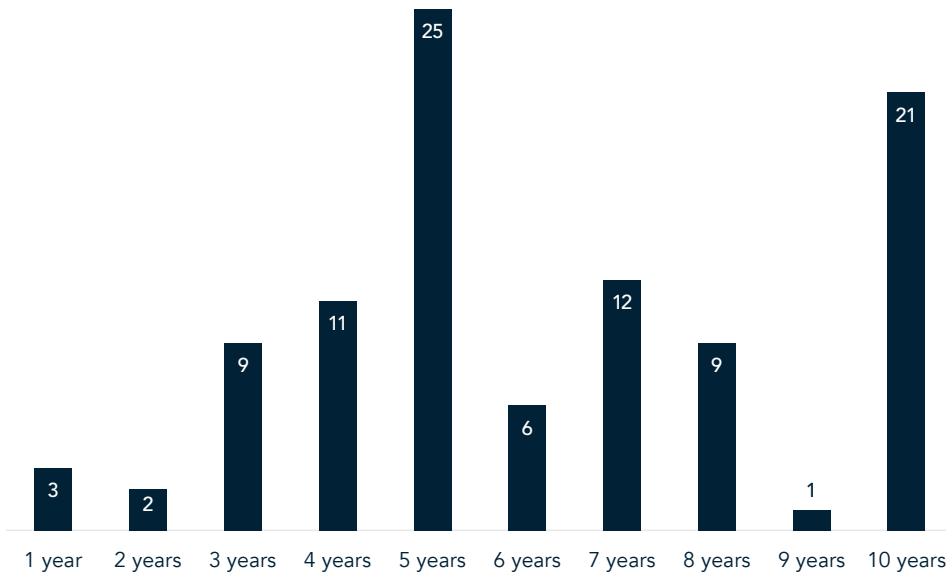
Note: Numbers may not total 100% due to rounding.
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 314 respondents

On what basis does carried interest vest? (%)



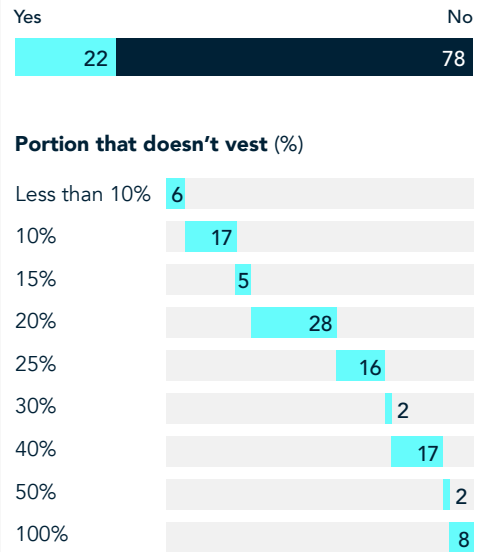
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 309 respondents

How long does the max amount of carry take to vest? (%)



Note: Numbers may not total 100% due to rounding.
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 309 respondents

Is there a portion that never vests? If yes, how much? (%)



Note: Numbers may not total 100% due to rounding.
Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 309 respondents

State of fundraising and operating professional compensation

The three-year CAGR for compensation for operating associates was the highest reported by any group of respondents, at 15.7%. At principal level, the highest growth was for investor

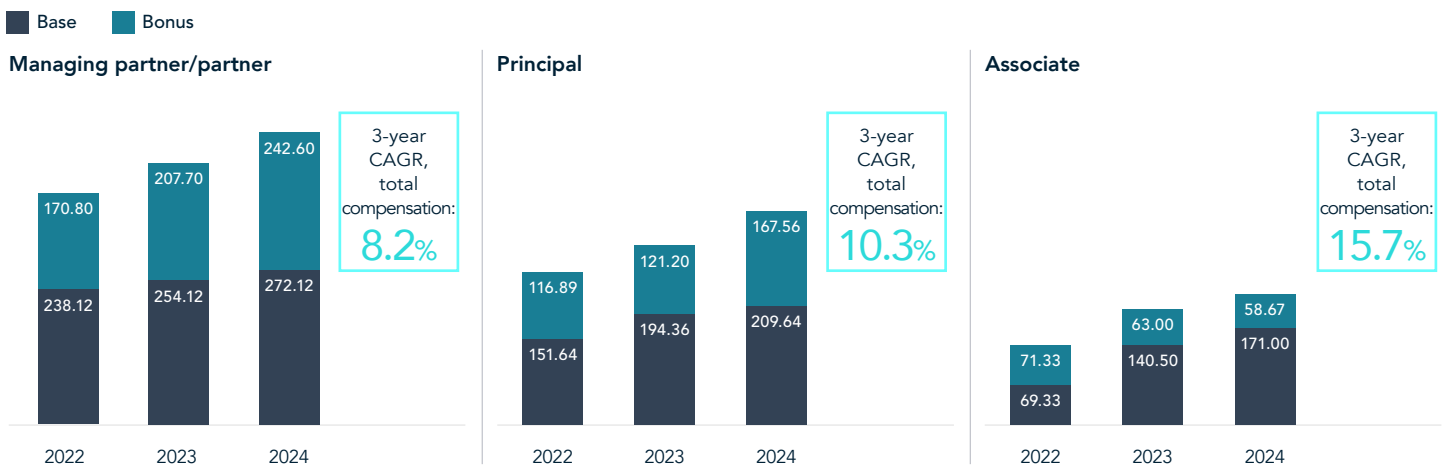
relations and fundraising associates, while at managing partner and partner level, operating professionals saw the highest three-year CAGR at 8.2%.

Average base and bonus, investor relations/fundraising professionals (EUR thousands)



Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 53 respondents

Average base and bonus, operating professionals (EUR thousands)



Source: Heidrick & Struggles' Europe private capital compensation survey, 2024, n = 25 respondents

Private Equity Practice

Heidrick & Struggles' global Private Equity Practice combines a deep understanding of private equity markets with world-class expertise across all major industries and functions to provide a broad range of value-adding services.

With more than 80 consultants in 50 offices around the world, our expertise shadows the private equity life cycle from pre-deal due-diligence support to pre- and post-acquisition executive search, leadership assessment, proactive introductions, and the construction of advisory boards for both private equity firms and their portfolio companies.

We pride ourselves on our work with private equity-backed portfolio companies to secure the leadership needed to deliver on tomorrow's strategies. Our consulting services enable us to develop long-term strategic partnerships that build winning leadership teams and create substantial value.

In addition, we are the leader in finding top private equity management talent by recruiting investment professionals, operating partners, and other essential senior managers who support financial growth.

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ONE LEADERSHIP TEAM AT A TIME®

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