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Invest Europe: AI tops private equity agenda

Executive Summary

European private equity firms are making artificial intelligence their top value-creation priority. An industry report shows that nearly all general partners expect AI to deliver major improvements to portfolio company performance in the year ahead (www.investeurope.eu [1]) (www.ey.com [2]). This heightened focus on AI comes with demands for proof: investors and deal teams are increasingly scrutinising acquisition targets and portfolio initiatives for tangible, measurable impact on the bottom line (www.investeurope.eu [3]) (www.investeurope.eu [4]).

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AI dominates GPs’ priorities

Europe’s private equity industry is signalling a decisive shift towards AI-led value creation. In a new market sentiment report released on 5 November, industry body **Invest Europe** and Arthur D. Little found that 96% of general partners (GPs) see AI-driven changes to work practices as the single biggest factor set to impact portfolio company operations in the next 12 months (www.investeurope.eu [1]). In the same survey, **82% of GPs** said *artificial intelligence will be their teams’ top focus in the coming year, ahead of exits*, underlining just how central AI has become to value-creation plans (www.investeurope.eu [2]). Deeptech and AI have rapidly risen up the investment agenda, with 62% of GPs increasing their allocation to the sector (www.investeurope.eu [3]).

This enthusiasm is coupled with a sobering dose of scrutiny. The industry now widely recognises AI as a double-edged sword that demands evidence of results. Nearly two-thirds of the GPs surveyed flagged *the impact of AI as the most important due diligence consideration* when evaluating investments (www.investeurope.eu [4]) (www.investeurope.eu [5]). In practice, that means deal teams are expanding technology diligence and revisiting investment theses whenever a target touts AI capabilities or faces AI-driven disruption risk. After years of hype, private equity firms are effectively telling portfolio CEOs that AI must prove itself as a concrete driver of revenue growth or efficiency gains.

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New ventures to bridge the proof gap

With sponsors making AI a priority but still waiting to see broad-based results, some firms are taking matters into their own hands. On 3 November, European tech investor **Hg** announced a partnership with AI research lab **Anthropic** to launch a new *AI transformation* venture (www.investegate.co.uk [1]). The joint company will **“build on Anthropic’s Claude with forward-deployed engineers to move European customers from pilots to measurable operational impact”** (www.investegate.co.uk [2]). In other words, it will embed teams of AI specialists into businesses - including Hg’s portfolio companies - to speed up the shift from proofs-of-concept to real performance improvements.

This move echoes a broader trend in which private equity heavyweights are teaming with AI experts to accelerate value creation across their portfolios. Blackstone and Hellman & Friedman earlier this year formed a similar services company with Anthropic (called **Ode**) and a 160-strong team of AI engineers (www.pymnts.com [3]) (www.pymnts.com [4]), while OpenAI and TPG have launched a $4 /billion consulting venture aimed at helping firms deploy the ChatGPT AI model (www.pymnts.com [5]). For private equity’s operating partners, these initiatives highlight the increasing need for specialised AI talent and tools to capture value. They signal that off-the-shelf AI solutions often aren’t enough - realising the promised revenue uplift or cost savings may require hands-on, technical transformation of business processes. Leaders should evaluate whether their portfolio companies might benefit from similar partnerships or in-house data science “SWAT teams” to accelerate AI implementation.

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Finance chiefs expect rapid AI payback

As investors pour money and talent into AI projects, corporate finance leaders are clearly banking on tangible returns. **Deloitte’s Q3 2026 CFO Survey** - conducted in late October - found that *over a third of UK CFOs expect AI to boost their companies’ profit margins in the next 12 months*, with **48% anticipating AI will reduce operating costs** in that time frame (www.mca.org.uk [1]) (www.mca.org.uk [2]). More than half also believe AI will enable workforce reductions, suggesting they are factoring efficiency gains from automation into their near-term plans (www.mca.org.uk [3]). This growing optimism reflects a broad consensus among executives that AI can quickly drive productivity improvements.

However, the push for speedy payback comes even as relatively few organisations have fully scaled their AI deployments. In a September survey by **Gartner**, only **22% of companies** had successfully implemented AI across multiple business units or achieved a truly “AI-first” operating model (www.gartner.com [4]). The disconnect between high expectations and current capabilities underscores the importance of focusing on proven, measurable outcomes. For private equity owners, the message is clear: it’s not enough to experiment with AI - they need to identify where it moves the needle on EBITDA and ensure those gains are real. As AI reshapes markets and potentially **puts $4.7 /trillion of corporate profits in play** over the next decade (www.bain.com [5]), the winners will be those who can demonstrate genuine, defensible value creation from their AI investments.

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Key Statistics

- 96% of GPs say AI-supported work practices will have the largest impact on portfolio operations in 2027 - Invest Europe/ADL survey (2026)
- 82% of GPs cite AI as their top team focus for the next year - Invest Europe/ADL survey (2026)
- 48% of UK CFOs expect AI to reduce operating costs within 12 months - Deloitte Q3 2026 CFO Survey
- 22% of organisations have scaled AI across multiple business units - Gartner survey (2026)
- $4.7 trillion in global corporate profits at stake from AI disruption by 2035 - Bain & Co. analysis (2026)

KEY TAKEAWAY

Push portfolio companies to set concrete AI targets and measure their impact on revenue, costs or margins. With AI now pivotal but closely scrutinised in deals, leaders must capture real P&L gains and gather evidence to support valuations.

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