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Space Entrepreneurship and Investment: The Practitioners' Perspectives (1)

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ENABLING PRIVATE EQUITY INVESTMENT FOR THE SPACE INDUSTRY

**Abstract**

As the space economy continues to expand, opportunities within the sector are increasingly accessible to a broader spectrum of investors, consumers, and institutions. However, despite this growth, the apparent absence of widespread Private Equity (PE) involvement in the European space sector calls for further research. This paper aims to highlight the factors contributing to the limited PE investment in this industry and subsequently explore the financial implications and opportunities that could arise with increased PE participation, particularly in the context of ESG considerations.

This research starts by examining the various factors that contribute to the limited PE investment in the European space sector. This includes exploring issues such as market dynamics, regulatory challenges, and investor perceptions, explaining the absence of PE firms' engagement within the sector.

Following this analysis, the paper takes a closer look at the potential benefits of unlocking PE investment within the European space industry. It highlights the role that PE investment could play in streamlining space companies, improving profitability and driving growth. Additionally, it explores the synergies between financial performance and sustainable practices, emphasizing the potential for PE investment to drive positive environmental and social outcomes.

What is more, the paper offers actionable measures aimed at addressing key barriers to PE investment in the European space sector. This includes proposals to enhance the sector's attractiveness to PE firms, such as methods of improving cash flow predictability and leveraging ESG initiatives to provide incentives for PE engagement.

As a conclusion, the research starts a reflection on the implications of increased PE participation in the European space sector. This covers aspects from the potential to stimulate innovation, drive sustainable growth and ultimately contribute to Europe's leadership in the global space economy.