BNP Paribas AM Alts

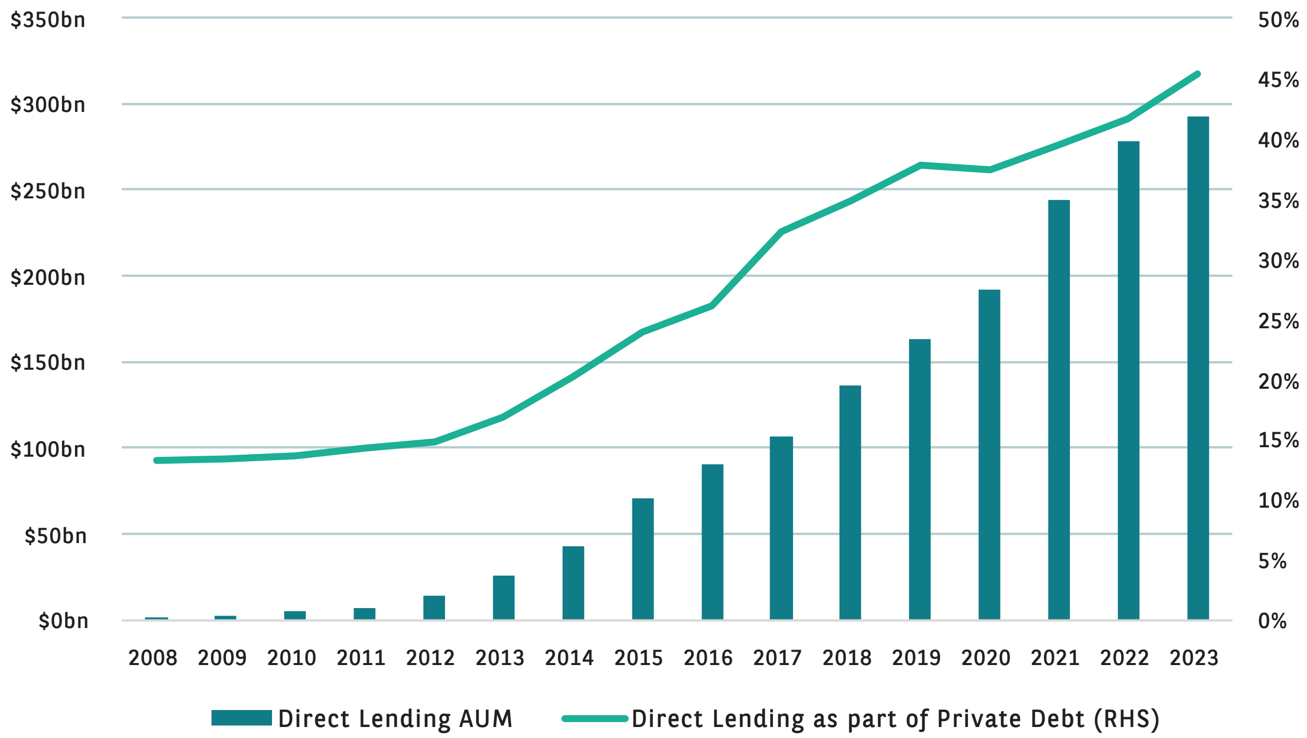
The European Direct Lending Opportunity

BNP PARIBAS
ASSET MANAGEMENT

EXECUTIVE SUMMARY

Over the past fifteen years, the growth of Direct Lending has been one of the most significant developments in global finance. Direct Lending has evolved from a niche financing solution into one of the most attractive segments of global private markets. Assets under management in European Direct Lending have grown more than tenfold over the past decade, rising from approximately $26bn in 2013 to more than $292bn in 2023. The asset class has grown faster than all other areas of Private Debt, and now make up almost half of the European Private Debt market.

European Direct Lending AUM and share of Private Debt

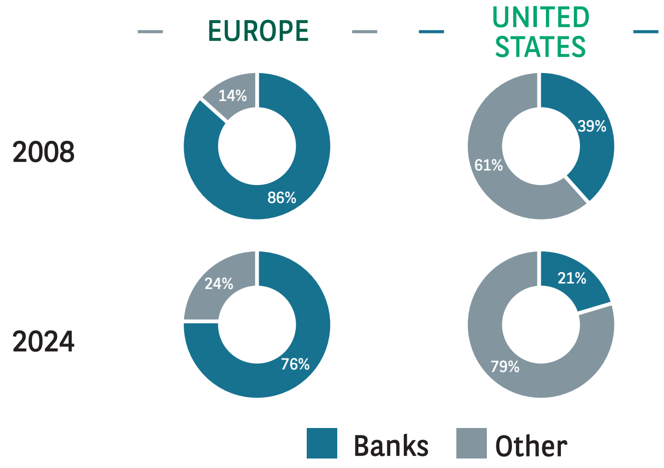


Source: Preqin. Dec 2025.

Structural forces continue to accelerate the shift towards Private Credit. Basel IV regulations are increasing the cost of lending for banks. European governments face substantial financing needs related to infrastructure, energy security and defence spending. Borrowers increasingly value the certainty, flexibility and speed offered by direct lenders. At the same time, international investors are seeking greater geographic diversification within Private Credit portfolios.

However, the growth has not been the same in the US as in Europe, Direct Lending in Europe is still in the process of replacing traditional bank financing. Unlike the US, where disintermediation began decades ago, Europe remains heavily dependent on banks as a source of corporate funding. In 2024, non-bank lending accounted for around 24% of all corporate lending in Europe. In the US, the same measure was 79%. And several major markets – including Italy, Spain and Benelux – remain significantly less penetrated than the UK, France and Germany.

Sources of financing for corporates in Europe and US



Source: PitchBook LCD, Bloomberg, ECB. Dec 2024.

European Direct Lending offers compelling risk-adjusted returns, supported by premiums over US transactions driven by market inefficiencies, lower leverage, and stronger documentation. Loans typically feature senior secured structures, lower debt multiples and robust covenants, resulting in lower default rates and higher recovery prospects. Borrowers value the confidentiality, certainty of execution and flexibility that direct lenders provide, especially during volatile periods.

> "EUROPE IS NOT SIMPLY A LESS DEVELOPED VERSION OF THE UNITED STATES. IT IS A HIGHLY FRAGMENTED COLLECTION OF NATIONAL MARKETS"

While these factors have all contributed to the growth of the European Direct Lending market, the absence of a large BDC (Business Development Company) ecosystem in Europe means the market remains smaller, more institutionally driven and less influenced by retail investors. This creates a different competitive environment, with Europe relying less on liquidity-sensitive vehicles and experiencing more gradual, institutionally-led growth.

Importantly, Europe is not simply a less developed version of the United States. It is a highly fragmented collection of national markets, each with its own legal framework, bankruptcy regime, sector specialisations and competitive dynamics. As a consequence, local presence and relationships are critical for sourcing attractive deals, particularly in smaller markets with transaction sizes below €100 million. Such proximity enhances underwriting, fosters stronger relationships and enables effective restructuring during market stress. This fragmentation also creates opportunities, as certain segments remain underserved, allowing knowledgeable managers to target attractive niches where pricing and protections are favourable.

Critical funding needs

Looking ahead, Europe faces substantial investment needs across infrastructure, energy, and defence sectors, estimated at roughly €600 billion annually by the European Commission. Private capital will be essential to bridge this funding gap, with increasing interest from global investors seeking diversification and exposure to European markets. The continued retrenchment of banks, combined with regulatory developments and market fragmentation, will shape the next phase of growth. For investors, Europe presents an attractive opportunity to access a diversifying, high growth Private Credit market with significant room for further development.

A MARKET THAT IS STILL GROWING

The growth of Direct Lending has been one of the defining developments in global finance over the past fifteen years. Following the Global Financial Crisis, tighter banking regulation fundamentally altered the economics of corporate lending. Banks were required to increase their capital ratios, reducing their willingness to finance many mid-market businesses.

Direct Lending funds emerged to fill this gap, providing borrowers with an alternative source of capital and investors with access to attractive floating-rate income streams.

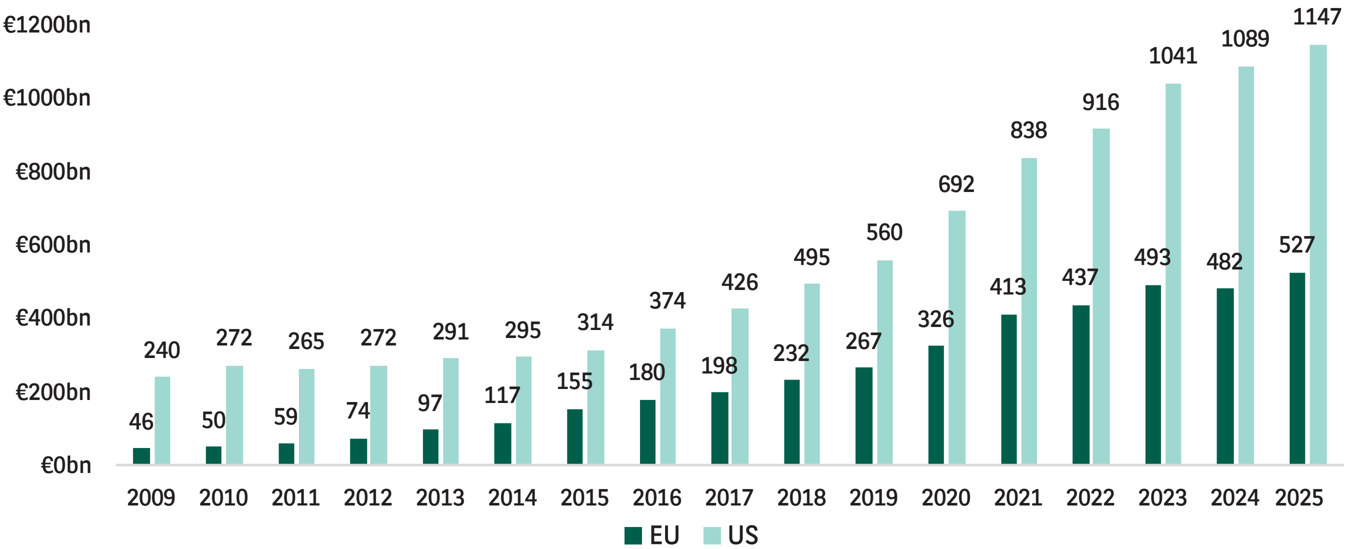
Why borrowers choose Direct Lending

The growth of Direct Lending is not solely driven by bank retrenchment. Borrowers increasingly choose direct lenders because of the advantages they offer. Confidentiality remains a key benefit, as Direct Lending transactions are negotiated privately and avoid the publicity associated with syndicated processes.

Certainty of execution is equally important. Borrowers value knowing that financing will be available when needed, particularly during periods of market volatility. Direct lenders also offer greater flexibility in structuring transactions. Financing solutions can be tailored to the specific requirements of borrowers rather than constrained by standardised bank protocols. Execution is often faster and lenders can adopt a longer-term perspective than many traditional providers of capital.

European Private Debt AUM has almost doubled in six years

The resulting growth has been extraordinary. US and European Private Debt assets under management have increased from approximately $470 billion in 2015 to almost $1.7 trillion in 2025[1].

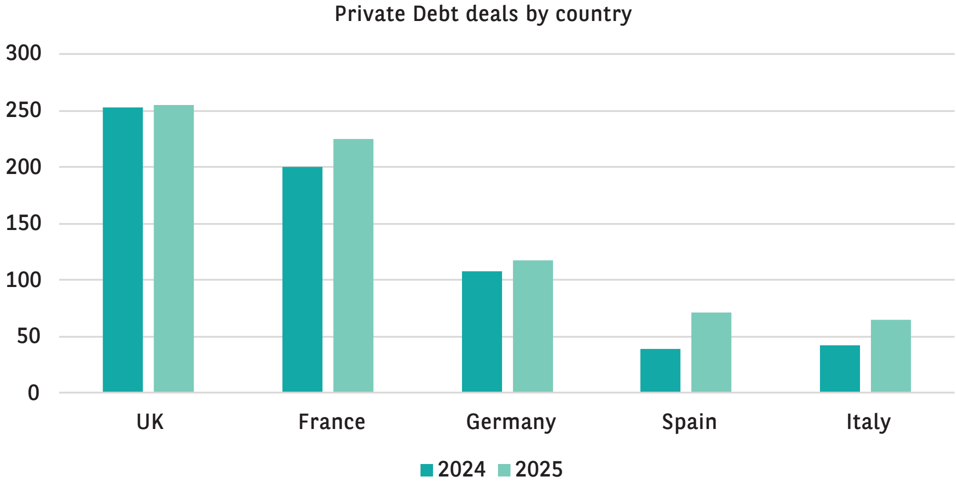


Source: Preqin. Dec 2025.

Europe has been part of this expansion. However, unlike many mature asset classes where growth eventually slows as markets become saturated, European Direct Lending remains in the middle of a structural transition.

Direct Lending has grown rapidly over the last decade. However, huge disparities still exist between jurisdictions. In Italy, Spain, Benelux and several Nordic markets, traditional banks continue to play a disproportionately large role in corporate lending. In many of these, levels of disintermediation remain well below 50%, suggesting considerable room for future growth, even though they are already growing at a fast pace. The number of Private Debt deals in Italy grew by 55% in 2025 and in Spain by 82%[2].

Private Debt deals grew significantly faster in less penetrated markets



Source: Deloitte Private Debt tracker. May 2026.

[1] Preqin. Dec 2025.
[2] Deloitte Private Debt tracker. May 2026.

THE BDC DIFFERENCE

"THE EUROPEAN RETAIL PRIVATE CREDIT MARKET REMAINS RELATIVELY SMALL COMPARED WITH THE US"

One of the most important structural distinctions between Europe and the US is the absence of a large BDC ecosystem. In the US, BDCs have become a major source of capital for Direct Lending and they have played an important role in democratising access to Private Credit by allowing retail investors to participate in the asset class.

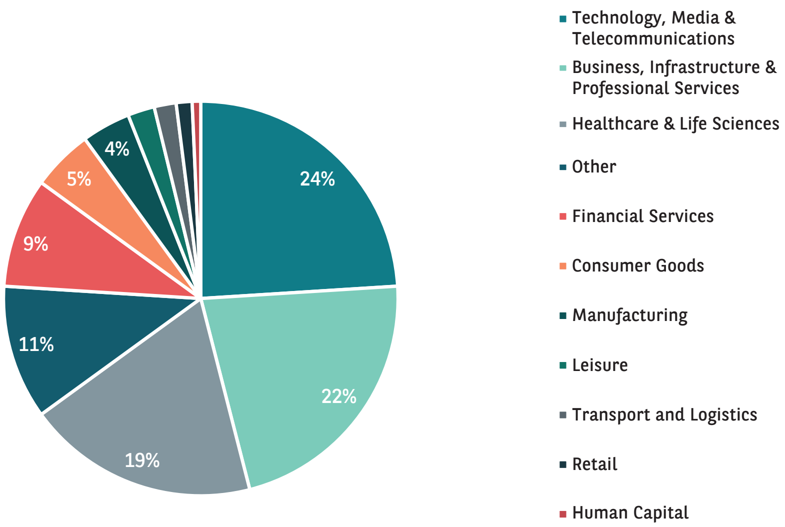
European markets have developed differently. While structures such as ELTIFs (European Long Term Investment Funds) for retail investors are growing, the European retail Private Credit market remains relatively small compared with the US. The US BDC market is worth around $451bn[3] while the European ELTIF market covers only €34bn[4]. This has several implications.

First, the investor base remains more institutional. Second, there is less dependence on vehicles that may face liquidity pressures during periods of market volatility. Third, Europe has a larger proportion of buy-and-hold capital.

The US has also developed a substantial market for middle-market CLOs, providing an additional source of financing and leverage within the Direct Lending ecosystem. These structures have contributed significantly to the growth of the US market. However, they have also increased the degree of financial engineering within the asset class. Europe's development has been more gradual and more institutionally driven, creating a different competitive environment.

Differences in sector exposure has also contributed to a more volatile BDC market. It is estimated that around 29% of BDC assets are in software and IT services[5]. Many of these companies automate administrative and knowledge-based workflows and they are increasingly being disrupted by generative AI. This is likely to intensify competition and compress margins across parts of the software sector. By contrast, European Direct Lending portfolios tend to be more diversified across industrials, business services and other traditional services.

European Private Debt transactions over the last twelve months



Source: Deloitte Private Debt deal tracker. Mar 2026.

[3] Mayer Brown. Jun 2025.
[4] Scope. Alternative Investment Fund analysis. Apr 2026.
[5] S&P Global. Mar 2026.

THE THREE WAVES OF EUROPEAN DIRECT LENDING

The development of European Direct Lending can be understood through three distinct phases.

Wave 1
2013-2020

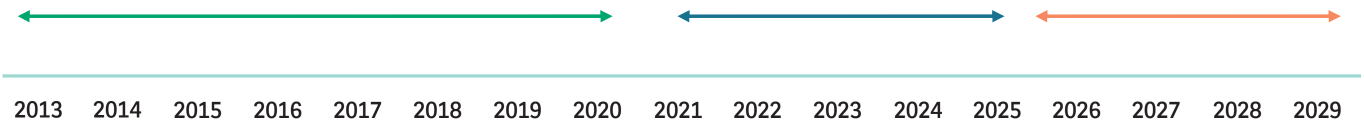
- France, UK, Germany main markets
- €50m EBITDA average borrower
- Relatively high level of disintermediation towards 2020 in FR, UK, DE

Wave 2
2021-2025

- Rising rates and inflation → borrowers turned to Private Credit
- Financing larger companies, often >€75m
- Global interest in European markets

Wave 3
2025 -

- Regulatory change (Basel IV) drives Direct Lending
- Geographic expansion to markets with high banks lending share
- Lower mid-market segment



Source: BNPP AM Alts. Jul 2026. For illustrative purposes only.

Wave one: establishing the core market (2013-2020)

The UK, France and Germany emerged as the dominant markets for Direct Lending activity. These jurisdictions benefited from relatively sophisticated sponsor ecosystems, well-developed advisory networks and strong demand from private equity-backed businesses seeking alternatives to bank financing.

Borrowers were typically in the mid-market segment — approximately €50 million EBITDA — and direct lenders steadily gained market share from banks. By the end of this phase, the level of disintermediation in these core markets had exceeded 70%, establishing Direct Lending as a mainstream source of financing.

Wave two: expansion into the upper mid-market (2021-2025)

The second phase emerged during the market dislocation of 2022. Rising interest rates, inflationary pressures and the temporary closure of large parts of the Broadly Syndicated Loan market created a significant opportunity for direct lenders. Borrowers that had historically relied on syndicated financing increasingly turned to Private Credit providers in search of certainty of execution.

This shift allowed Direct Lending to move up the market, financing larger companies with EBITDA often exceeding €75 million.

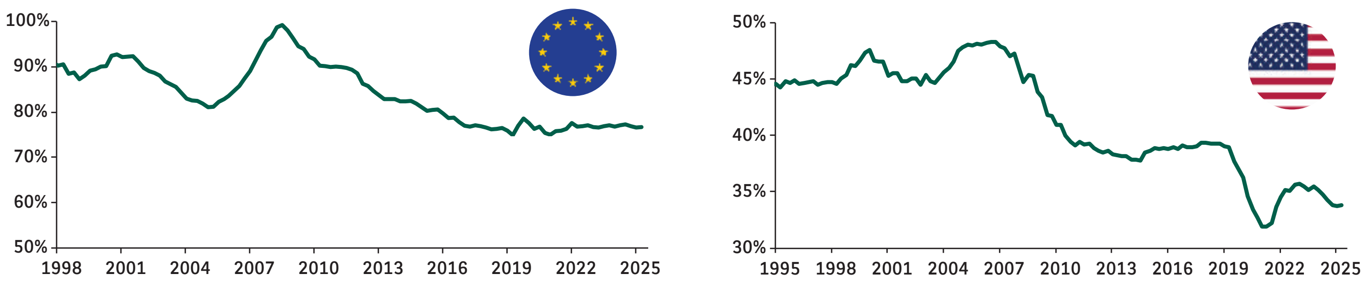
The opportunity also attracted substantial interest from large global managers, particularly from the US. Many of these firms sought to deploy capital into Europe through global institutional mandates and retail-oriented vehicles. As a result, competition increased in the upper end of the market, particularly among larger borrowers.

Wave three: the next frontier (2025 onwards)

We believe Europe is now entering a third phase of development. Unlike previous waves, which focused on established markets or larger borrowers, the next phase is likely to be driven by regulatory change and geographic expansion.

Basel IV regulations are expected to increase capital requirements for many forms of corporate lending, particularly in lower mid-market segments where banks already face profitability challenges. As banks continue to optimise their balance sheets, direct lenders are likely to gain further market share in jurisdictions where traditional lenders remain dominant.

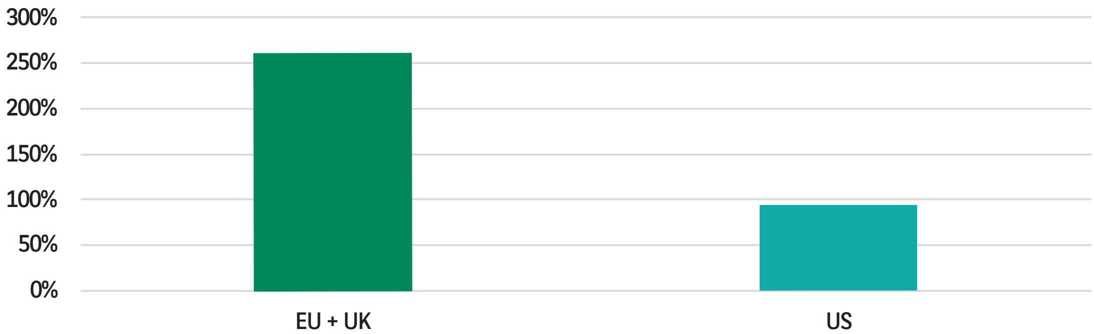
Share of bank financing to non-financial sector



Source: EU: ECB, BNP Paribas AM Research, based on data as of 2025. US: FDIC, Bloomberg, December 2025. For illustrative purpose only.

And it's evident that while banks' share of corporate lending has gone down over the last decade, it has much more room to retrench if Europe is to follow the US example. EU and UK bank assets are about 2.5x greater than US assets, despite US GDP being almost twice as large. EU and UK bank assets represents 261% of GDP, in the US the same number is 94%.

Bank assets as % of GDP



Source: Hayfin, EBA, FDIC, FRED St. Louis, EBF, BoE. May 2024.

THE OPPORTUNITY IN EUROPEAN DIRECT LENDING

Infrastructure, energy and defence: the next source of demand

Europe faces substantial investment requirements over the coming decade. Energy security has become a strategic priority. Significant capital will be required to support renewable generation, electricity grids, battery storage and broader energy infrastructure. Infrastructure investment needs remain equally substantial. Transport networks, digital infrastructure to support the AI boom and industrial modernisation will require hundreds of billions of euros of funding.

Defence spending is also increasing across the continent. Many European governments are seeking to strengthen defence capabilities and modernise critical infrastructure following a period of underinvestment.

According to estimates linked to the Draghi Report and broader EU industrial planning, Europe faces annual investment needs of roughly €600 billion across these areas. Public capital alone cannot meet this requirement. Private capital therefore becomes systemically important. European private markets currently raise approximately €350 billion annually. The gap between capital required and capital raised therefore stands at roughly €250 to €300 billion per year.

Europe's structural inefficiencies create opportunity, but local presence is key

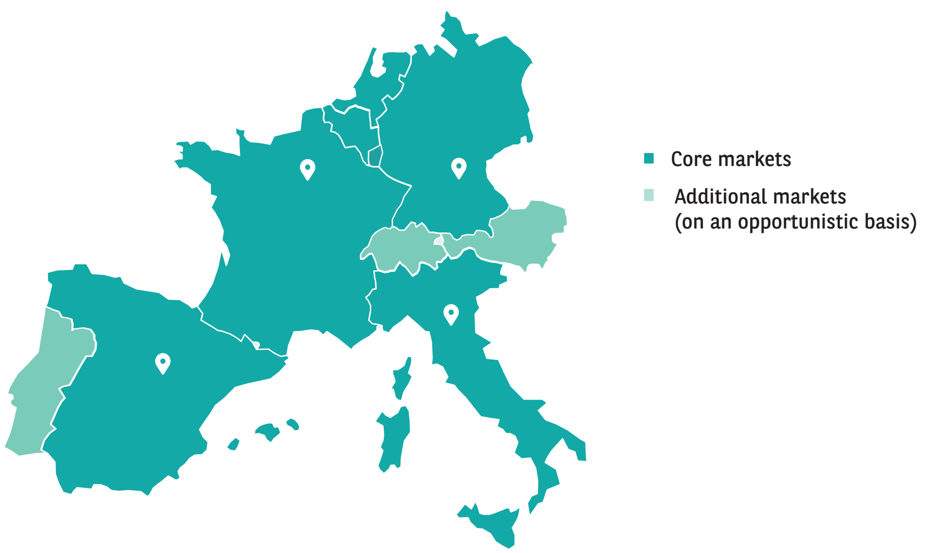
One of the defining characteristics of European Direct Lending is the fragmented nature of the market. Unlike the US, Europe is not a single homogeneous economy but a collection of national markets with distinct legal systems, bankruptcy regimes, tax frameworks, languages and business cultures.

This complexity creates barriers to entry and contributes to persistent market inefficiencies. In addition, sector specialisation often varies significantly between countries. As a consequence, local presence and local sponsor relationships remain critical.

Bankruptcy laws differ materially across jurisdictions, settlement processes are often country specific and documentation standards vary. Local market knowledge is often essential to originate attractive opportunities. For experienced managers with local presence and established networks, these characteristics can create significant advantages.

The fragmentation of Europe also means that competitive conditions do not evolve uniformly. While certain segments may become crowded, others remain underserved. This allows managers to allocate capital selectively and pursue opportunities where pricing, documentation and lender protections remain attractive.

Our local European presence



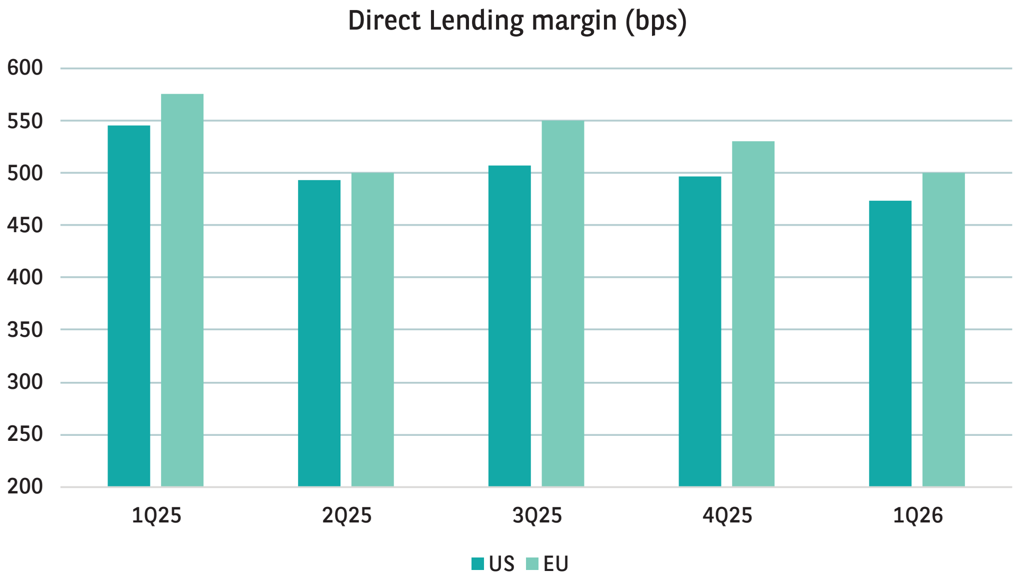
Source: BNPP AM Alts. Jul 2026.

Attractive relative value

A clear benefit for investors of Europe's fragmentation is premiums. European Direct Lending has historically offered attractive compensation relative to risk. Despite generally lower leverage levels than their US counterparts, lenders have frequently been able to achieve pricing premiums compared with equivalent borrowers elsewhere.

Cash margins have often exceeded comparable US transactions by approximately 50 to 75 basis points, while original issue discounts can add a further 100 to 150 basis points of value.

European Direct Lending margins consistently top US margins



Source: Pitchbook. Jun 2026.

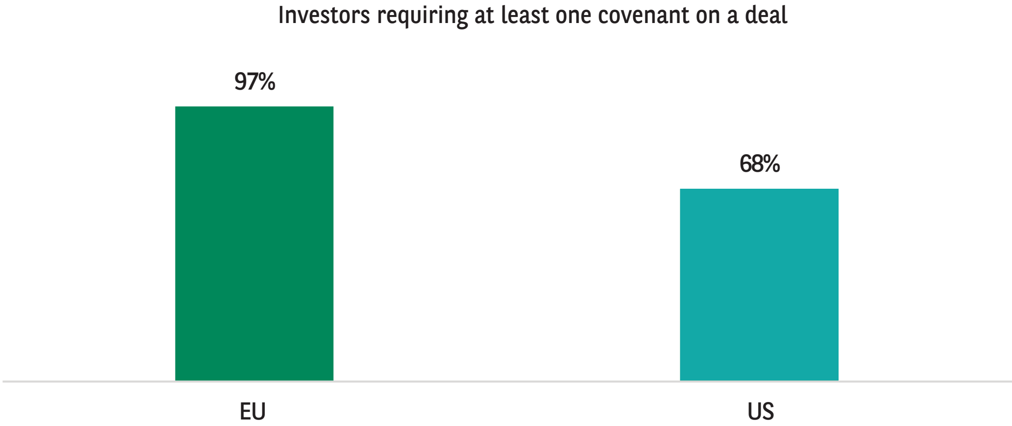
These premiums are supported by several factors. First, the market remains less efficient and more fragmented. Second, the number of scaled Direct Lending providers remains relatively limited. Third, borrowers often prioritise certainty, flexibility and long-term relationships over achieving the absolute lowest financing cost.

From an investor perspective, this combination of attractive pricing and disciplined underwriting has supported compelling risk-adjusted returns.

Stronger documentation and lower leverage

The quality of documentation remains one of the most important differentiators within European Direct Lending. Maintenance covenants continue to be common, particularly for borrowers generating less than €50 million of EBITDA. While covenant structures vary between transactions, lenders generally benefit from stronger protections than are available in many larger syndicated markets.

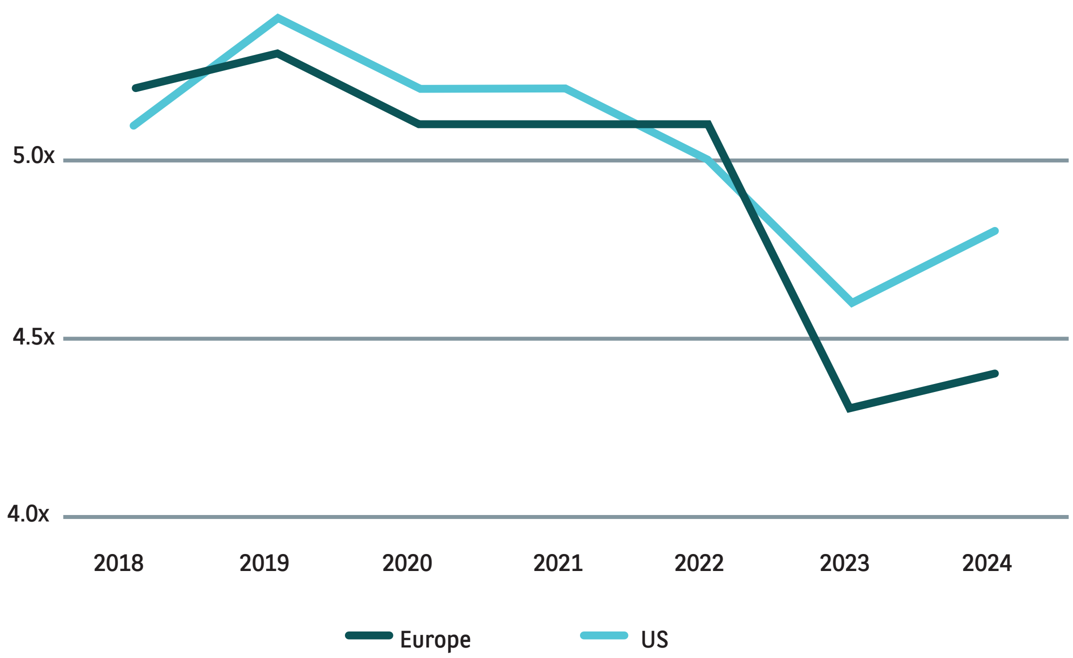
Covenants are required in almost all EU transactions



Source: Hayfin, Preqin. Dec 2022.

European transactions have also historically been structured with lower leverage levels, reflecting a more conservative underwriting approach and stronger lender protections. Lower debt multiples provide borrowers with greater financial flexibility and reduce the probability of default during periods of economic stress.

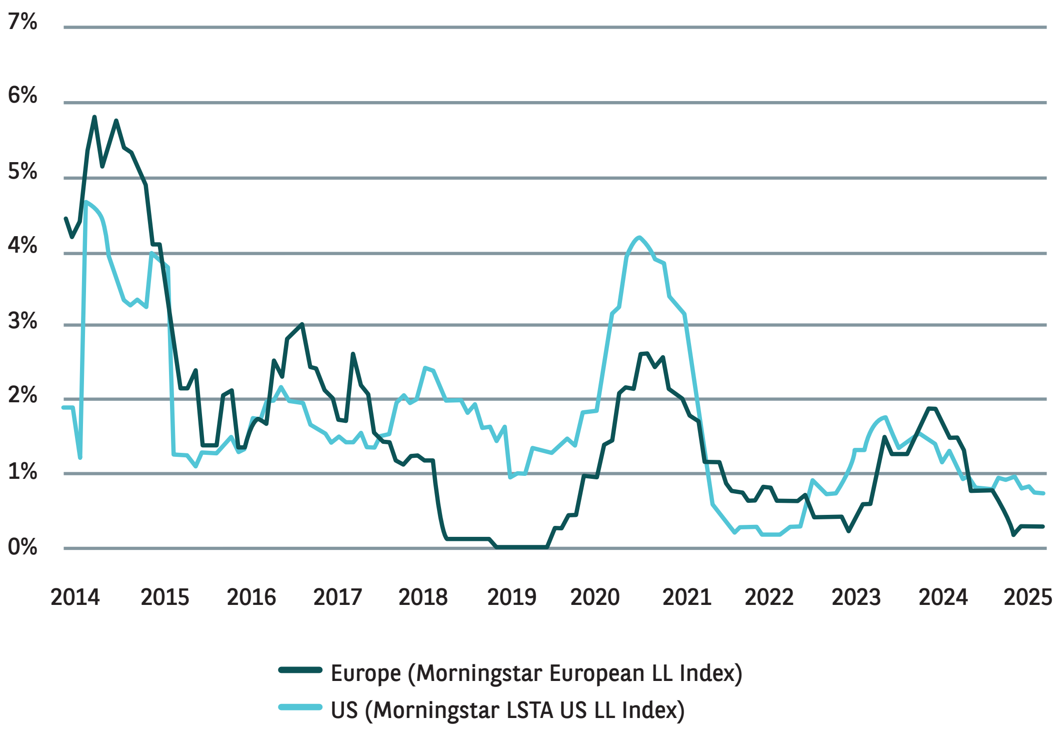
Private Credit Leverage



Source: Proskauer. Mar 2026.

Lower leverage is particularly important because it improves downside protection, historically this has led to lower default rates across European Private Debt assets.

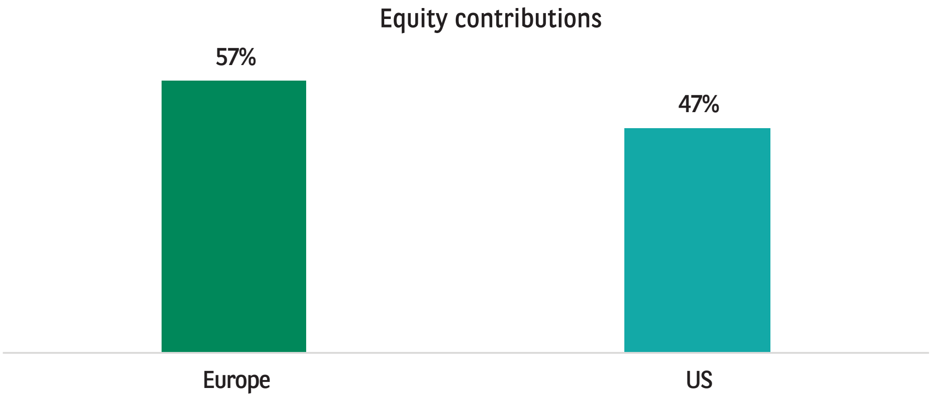
Leveraged Loan Default Rates 2014 - 2025



Source: Pitchbook. Dec 2025.

The European Direct Lending market is also characterised by greater sponsor equity cushion. Private equity sponsors typically contribute around 57% equity to European transactions, compared with around 47% in the US, leaving European borrowers with lower leverage at closing. This equity buffer helps absorb any potential declines in enterprise value, reducing loss severity downside scenarios.

Downside protection: Higher equity cushions in Europe

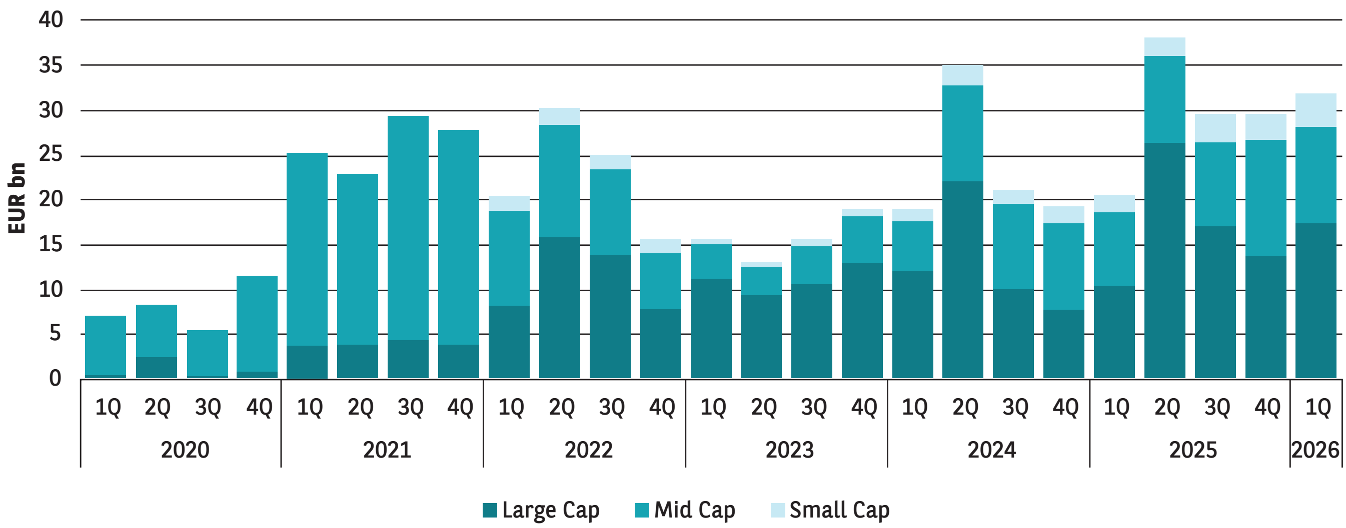


Source: Proskauer 2024 Private Credit Insights Report. Dec 2024.

Huge opportunity in the lower mid-market

Many businesses in markets outside of the three core markets - UK, France and Germany - continue to have limited access to alternative sources of capital despite possessing strong fundamentals and attractive growth prospects. The lower mid-market remains significantly underserved, despite making up almost have of all Direct Lending transaction volume in Europe.

European Direct Lending volume by market cap



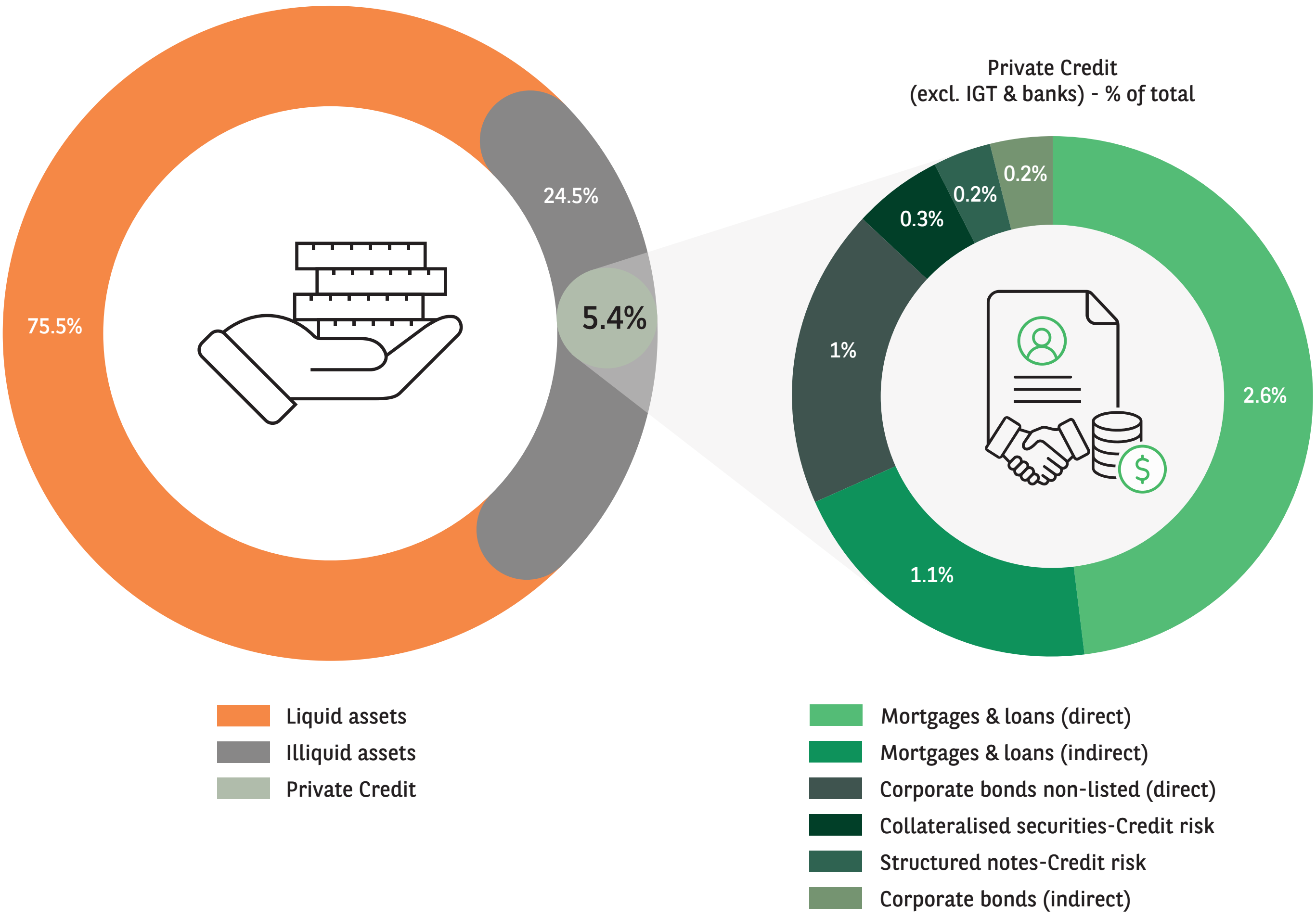
Source: Debtwire Direct Lending ranking. Mar 2026.

Today there are around 23 million companies in the EU, the vast majority of which are SME and mid-sized businesses where a majority have relied on bank financing. This is where we believe the next decade of growth will be concentrated.

Growing interest from global investors

European investors have been investing in the asset class for decades, but remain under allocated in our opinion. Today, 5.4% of European insurers' portfolios are invested in Private Credit, we believe this will grow significantly over the next decade.

Insurers' allocations to Private Credit

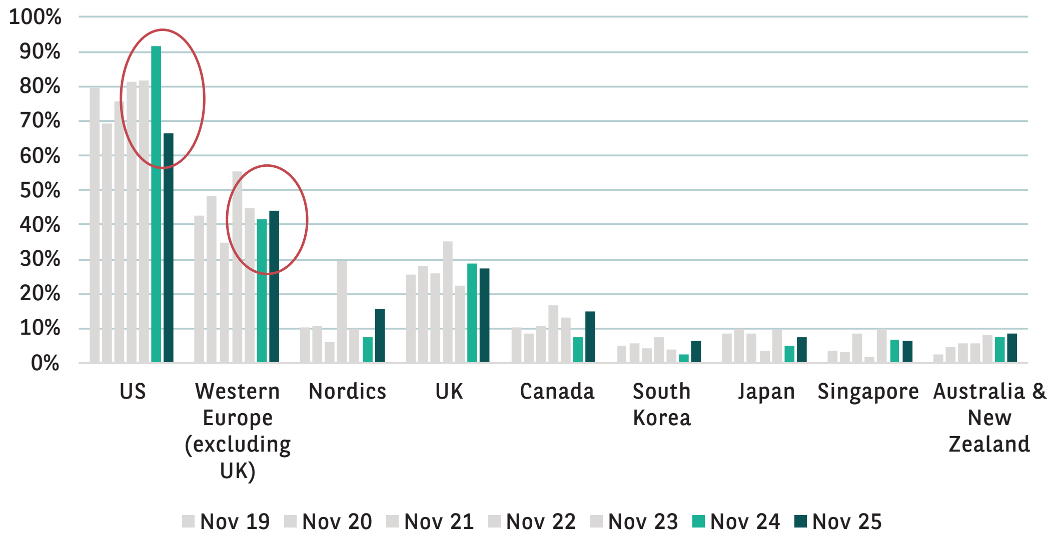


Source: EIOPA Financial stability report. Jun 2026.

Investors outside of Europe are increasingly allocating to the European Direct Lending market. As Private Credit allocations mature, investors are increasingly seeking diversification beyond their domestic markets. Many institutional investors built initial exposure through North American Private Credit strategies. Today, a growing number are looking to Europe as a complementary source of return.

Investors' Outlook on Private Debt

Which developed markets present the best opportunities?

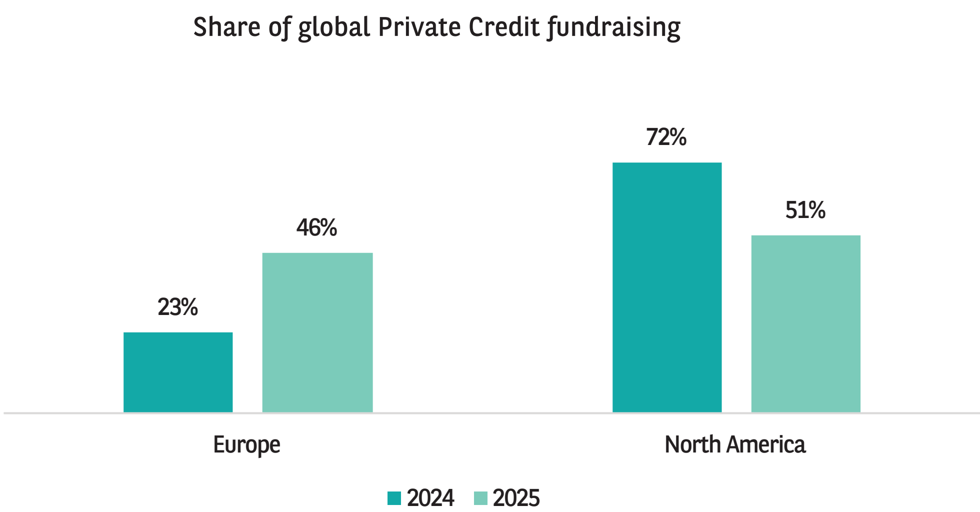


Source: Preqin Investor Surveys, November 2021–2025

The attraction is not simply geographical diversification, European Direct Lending offers exposure to different economic drivers, distinct borrower populations and a more fragmented market structure. Many European businesses also operate as national or regional champions, benefiting from barriers to entry that are often less prevalent in more homogeneous markets.

This change in sentiment has already come through in fundraising, where European investors are also turning from US assets to European. In 2024, North American Private Credit funds represented 72% of all global fund raising, last year that dropped to 52%. At the same time, European funds doubled from the previous year to become almost half of global fundraising.

Investors are increasingly attracted to the European market



Source: Preqin. Jan 2026.

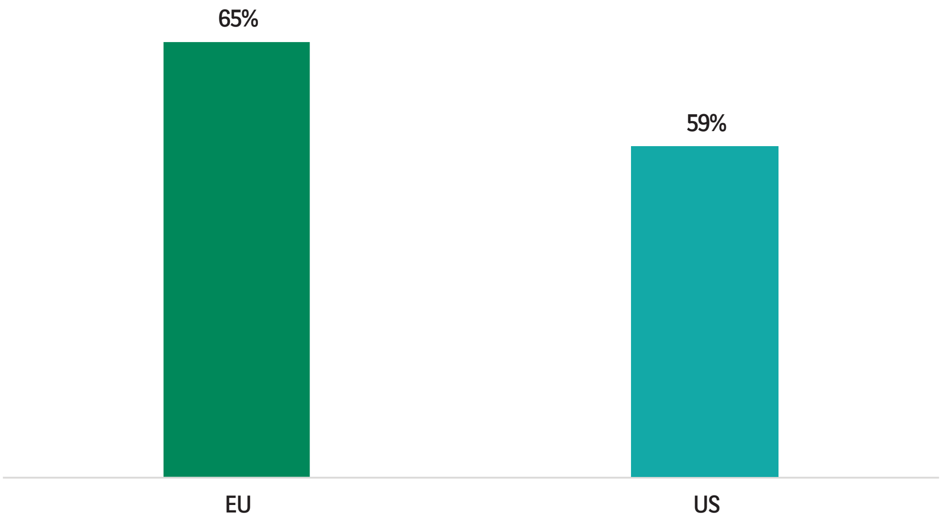
Creditor protection and recovery dynamics

Although the US is often perceived as the most creditor-friendly lending environment globally, this view can oversimplify reality. European markets differ greatly in terms of borrower protection. Several European jurisdictions, including the UK, France and many Nordic countries, offer highly creditor-friendly frameworks.

English law remains widely used across European Direct Lending transactions, providing familiarity, predictability and strong creditor protections. The influence of Loan Market Association standards has also contributed to consistency across documentation.

Across Europe, historical recovery rates in Direct Lending is strong, supported by lower leverage, higher equity cushions and more robust documentation. Loans are typically senior secured and often supported by strong lender control rights and comprehensive covenants. European insolvency framework also tend to favour restructuring over liquidation, allowing businesses to maximise recoveries for creditors.

Recovery rates on Leveraged Loans higher in Europe



Source: Hayfin, Credit Suisse. Dec 2021.

For investors, the key lesson is that creditor protection depends less on broad regional assumptions and more on careful structuring, jurisdiction selection and disciplined underwriting.

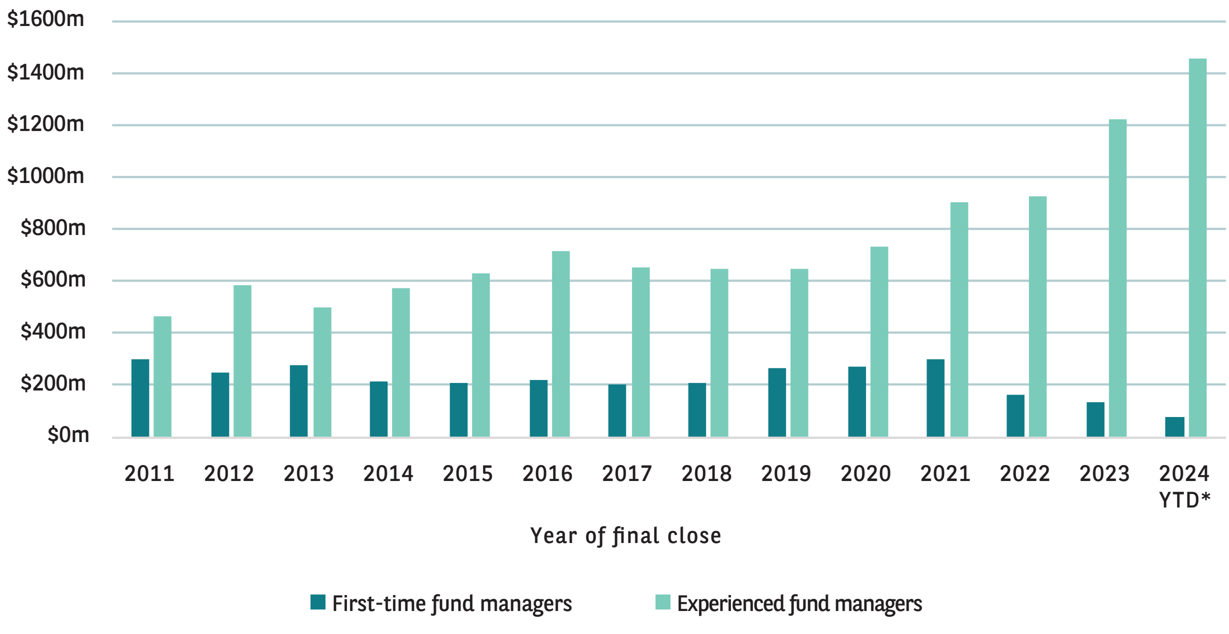
Relationship-driven market means local presence is essential

Local presence is not simply a competitive advantage in the European Direct Lending market, it is a prerequisite for sourcing attractive transactions – particularly in the mid-market segment. Unlike the broadly syndicated loan market, many lower and core mid-market financing opportunities are originated through longstanding relationships with local Private Equity sponsors, corporate advisers, banks and management teams. Competitive processes are frequently limited to a small group of trusted lenders. In markets such as France, Germany and Italy, where sponsor ecosystems remain relatively domestic and transaction sizes are often below €100 million, firms without established local investment teams are less likely to be invited into proprietary or restricted sale processes, regardless of the size of their balance sheet.

A local presence also improves underwriting by providing a deeper understanding of market dynamics, legal frameworks and accounting practices. It also enables more frequent engagement with management teams before and after an investment. This becomes particularly valuable during periods of market stress, when close borrower relationships and local restructuring expertise can have a meaningful impact on preserving capital and maximising recoveries.

As a result, investors should look beyond the scale of a manager's platform and consider the depth of its local networks, the experience of its investment professionals and its track record of deploying capital across multiple credit cycles in each market. Over the recent years, the distinction between managers with extensive track record and new investment managers has become evident as investors increasingly choose investment managers with numerous vintages.

Average fund size of first-time and experienced Fund managers



Source: Preqin. Dec 2025. Experienced fund managers defined as those with at least four funds. 2024 data until Q3 2024.

CASE STUDIES

Case 1: Italian consulting firm

1. What the company does

An Italian technical consulting firm founded in 1986 (KPMG has been a shareholder since 1995).

It provides technical audit, technical advisory and engineering services for infrastructure, energy and financial-services assets. Headquartered in Rome, with offices in Milan and Genoa, it runs a lean model of around 400 people and roughly 50 employees supported by c.350 external consultants coordinated by 25–30 project managers.

2. How we won the deal: why a local team mattered

A US investor was in exclusive talks to acquire a majority stake. Its debt advisor first approached us for only a small junior tranche on top of a bank package, but the banks attached strict conditions. Thanks to our local Milan team's relationship with the US investor, we were able to offer something simpler: financing the entire deal through a single unitranche.

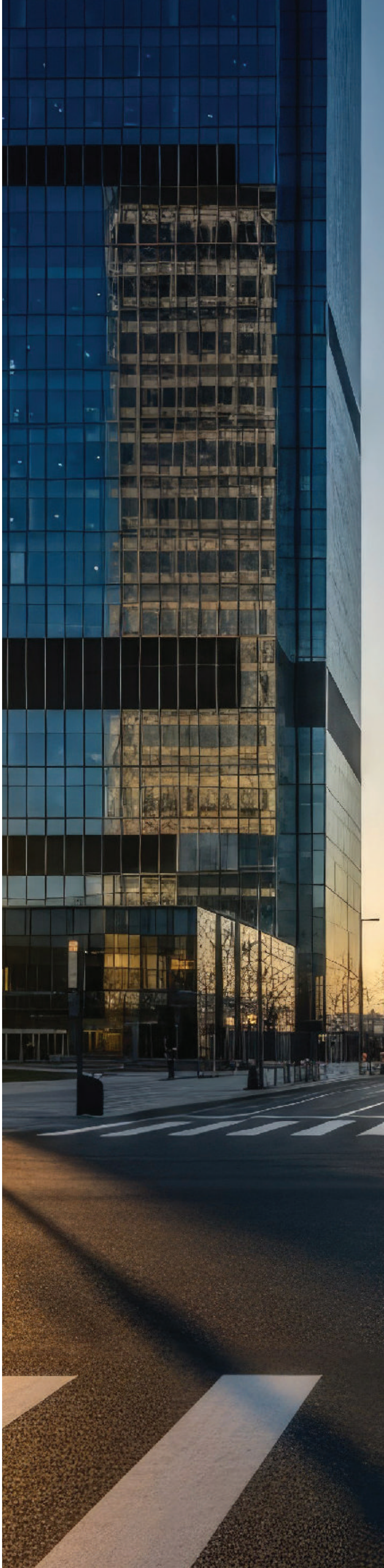
That local relationship, combined with a competitive proposal, made CAPZA the preferred partner and the only Private Debt fund in the process. It allowed direct, bilateral negotiations and a faster closing. Without a local team and pre-existing relationships, we would most likely never have been invited into this proprietary process.

3. Why we invested

A profitable, high value-added niche leader serving resilient, non-cyclical end-markets (infrastructure and energy). Recurring revenue, a strong reputation reinforced by blue-chip shareholders, moderate leverage and solid lender protections made it an attractive and well-protected credit.

4. Key figures

Reference EBITDA	€9.2m
Entry enterprise value	€75m (≈8.2x EBITDA)
CAPZA financing (amount invested)	€55m unitranche (€35m drawn) + €20m capex line
Opening leverage	3.8x
Pricing & return	Euribor + 575 bps → 9.0% IRR / 1.3x MoM (4-yr)



Case 2: German infrastructure consulting group

1. What the company does

A vertically integrated, pure-play provider of strategic and technical consulting for critical infrastructure across the DACH region, created by combining several firms. It operates through four divisions (technology & operational consulting, software/IT, project management & engineering, and system engineering/Nextrail). Deutsche Bahn is its largest client (57% of FY23 revenue) and its top-10 clients represent 85% of revenue, with long-term projects securing a stable base of around €40m of annual sales.

2. How we won the deal: why a local team mattered

This is a highly fragmented market (over 76,000 engineering firms, most with fewer than 10 staff) with high barriers to entry: track record, certifications, German-speaking talent and, above all, local relationships. A Dutch PE investor was in exclusivity to acquire and merge the businesses. CAPZA had studied the asset early (Nov 2022), and a former Head of Financing with whom CAPZA has a strong relationship joined the company and re-engaged the founders. That local connection gave CAPZA preferred, well-positioned access to the deal.

3. Why we invested

A market leader in a defensive, high-barrier niche with sticky, multi-year framework contracts and high switching costs. Highly visible recurring revenue, a clear deleveraging path, and strong alignment (founders and management reinvesting more than 50% of after-tax proceeds, equal to 41% of post-closing equity) made it a compelling credit.

4. Key figures

Reference EBITDA	€16.2m (FY23)
Entry enterprise value	€159m (≈ 9.8x EBITDA)
CAPZA financing (amount invested)	€130m (€72.5m unitranche + €50m acquisition facility + €7.5m RCF)
Opening leverage	4.48x, deleveraging to ≈ 2.0x by FY28
Pricing & return	Euribor + 575 bps → 7.4-7.9% IRR

Case 3: French business-intelligence software provider

1. What the company does

A French business-intelligence software provider (SaaS) founded in 1999 and built up through complementary acquisitions. It aggregates, cleans and structures public and private data to help its clients detect and respond to public tenders, source and qualify commercial leads and assess counterparty credit. Its solutions are mission-critical and used daily by end-users at a limited cost, giving the business strong revenue visibility and resilience through economic cycles.

2. How we won the deal: power of the platform

We had already been a minority shareholder in the business since 2019, working alongside management on build-ups and the development of a new technology platform. When a French private equity sponsor approached the founders in 2021 to acquire a majority stake and use the company as a platform for international buy-and-build, our prior ownership and deep knowledge of the asset gave us a preferred position to structure and negotiate the financing. Rather than a syndicated bank package, we offered a single unitranche covering the entire financing need, alongside a committed line to fund future acquisitions. That incumbent relationship, combined with a tailored and competitive proposal, enabled direct bilateral negotiations and an efficient closing. Without this pre-existing relationship and knowledge of the business, we would most likely never have secured such a preferred position.

3. Why we invested

A niche market leader in tender-intelligence software serving a mission-critical, low-cost and daily-use need for its clients. High recurring and resilient revenues (around 90% recurring, with limited impact during past downturns including 2008–09 and Covid), a large, loyal and diversified customer base, an experienced founder-led management team reinvesting a significant share of their proceeds, and solid cash generation made it an attractive and well-protected credit — with meaningful upside from an ambitious buy-and-build strategy.

4. Key figures

Metric	Value
Entry EV	c. €130m (c. 13x LTM EBITDA at closing)
Sales / EBITDA	€27.6m / €9.2m (c. 33% margin)
Financing provided	€75m total — €55m unitranche drawn at closing + €20m committed acquisition line
Opening leverage	5.0x (up to 6.25x for acquisitions)
Pricing	Euribor (0% floor) + 575 bps cash
Equity cushion	c. 60% at closing

Conclusion

European Direct Lending has already experienced remarkable growth, but as bank retrenchment has been highly uneven across countries, there is still room for significant growth ahead.

The asset class is benefiting from multiple structural tailwinds, including continued bank disintermediation, Basel IV implementation, increasing private financing needs and growing demand from global investors.

Importantly, Europe remains highly fragmented. This complexity creates inefficiencies that can support stronger lender protections, attractive pricing and differentiated sourcing opportunities. The next stage of market development is likely to be driven not by the mature core markets where Direct Lending is already well established, but by lower mid-market borrowers and underpenetrated jurisdictions where banks remain dominant.

For investors seeking long-term exposure to Private Credit, Europe offers a compelling combination of growth potential, diversification benefits and attractive risk-adjusted return opportunities. The opportunity is not simply that the market has grown. It is that significant parts of the market have yet to fully develop.

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