



Pääomasijoittajat

Finnish Venture Capital Association



Buyout & Growth in Finland 2022

Statistics on fundraising, investments, and divestments



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Contents

Buyout & Growth in Finland 2022

General information and key figures

Market Statistics

Investments into Finnish companies by Finnish and international buyout & growth investors

Industry Statistics

Finnish buyout & growth investors' activity in Finland and abroad

Methodology

EDC – European Data Cooperative

The most comprehensive PE-database in Europe

**97 Investors
in Finland**

3 700 in Europe

**280 Funds
in Finland**

10 200 in Europe

**2 203 Portfolio companies
in Finland**

83 000 in Europe

**9 265 Transactions
in Finland**

308 000 in Europe

Private Equity (PE)

Startup

A young and innovative company that typically strives for rapid international growth with a scalable business model.

Venture Capital (VC)

Venture capital investors invest in startups at different growth stages, becoming **minority owners** in their portfolio companies.

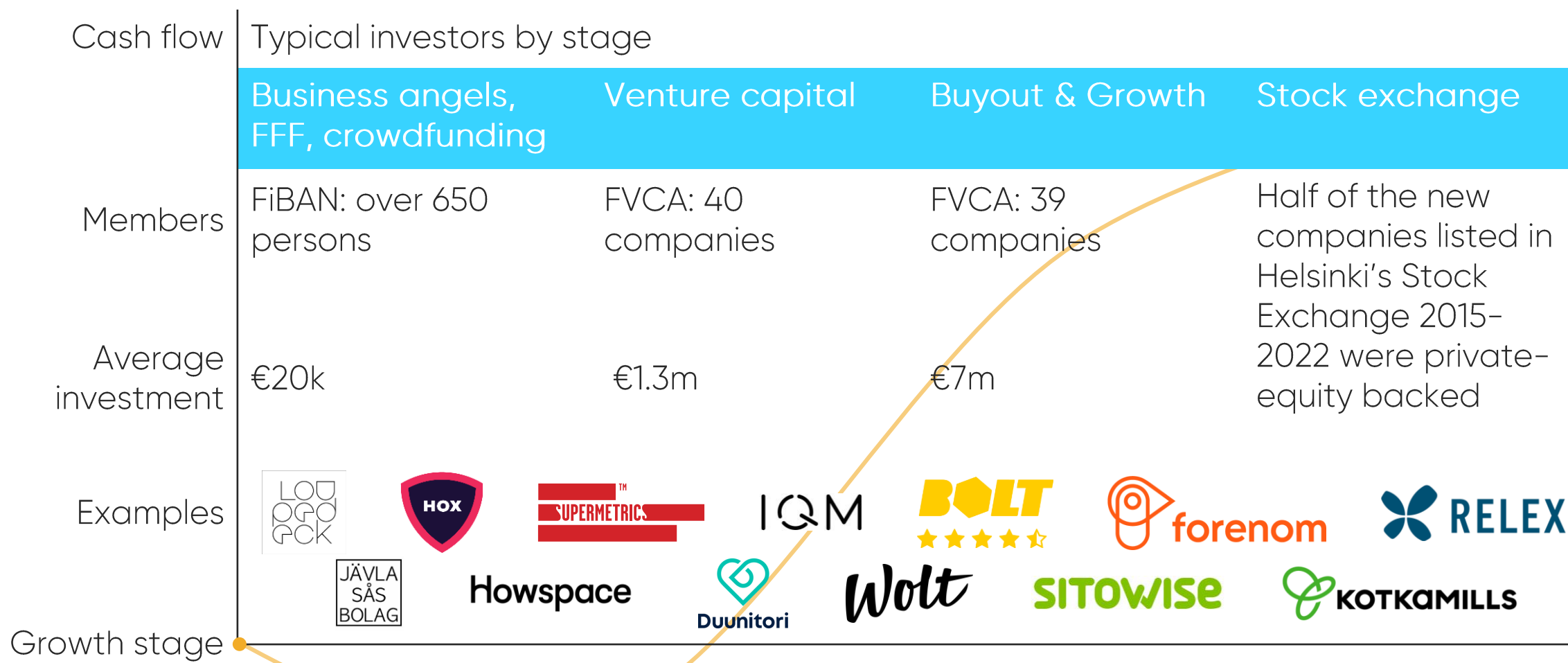
Growth Company

A company with an established business, revenue, and potential to continue to grow. Revenue can range from a few million to hundreds of millions.

Buyout & Growth

Buyout investors target more established growth companies. The investments can be **majority or minority investments**. The minority investments are often called **growth** investments.

Private Equity Investors by Stage



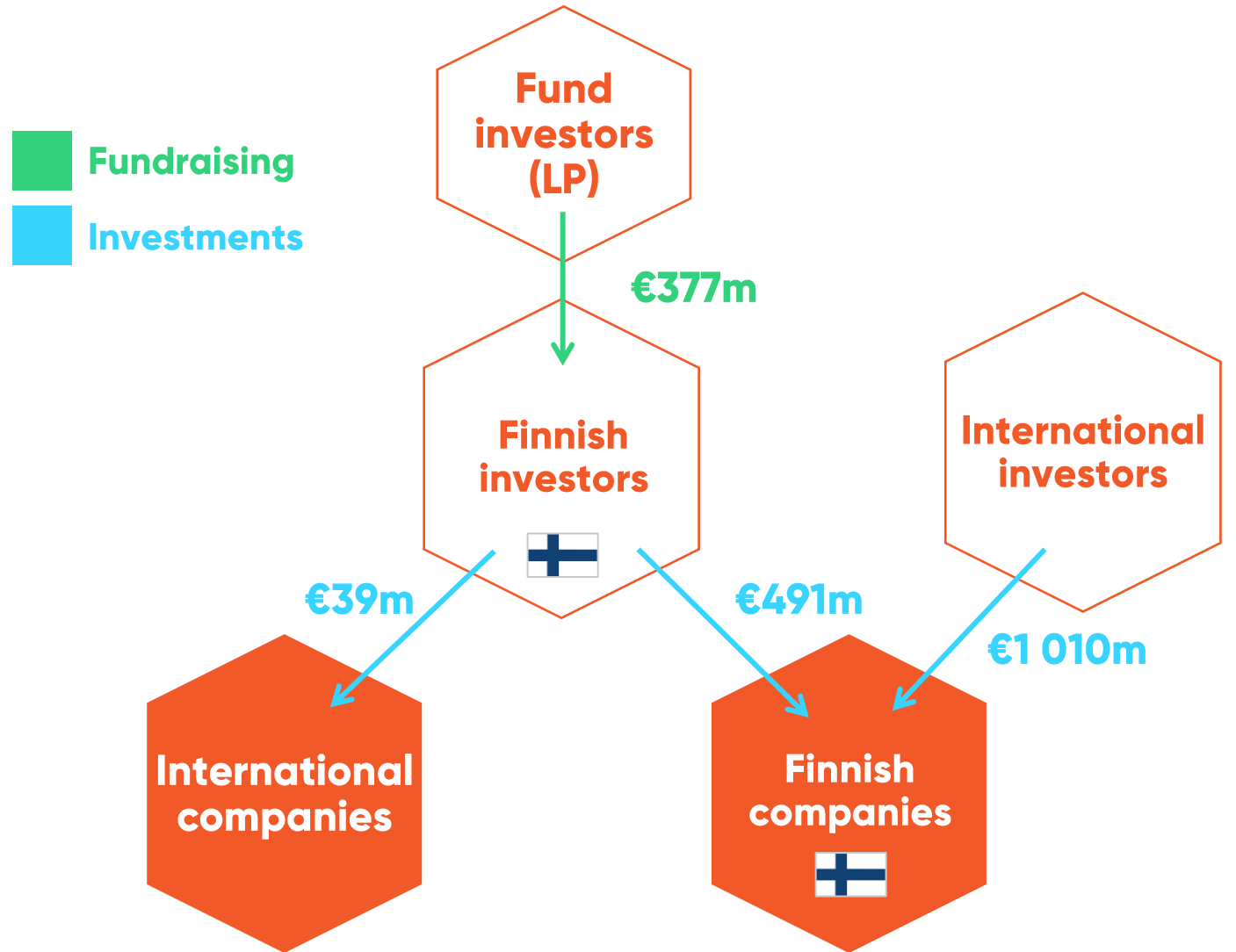
Buyout & Growth 2022

€377m

Funds raised for future
investments

€1.5bn

Total investments into Finnish
companies



Buyout & Growth 2022

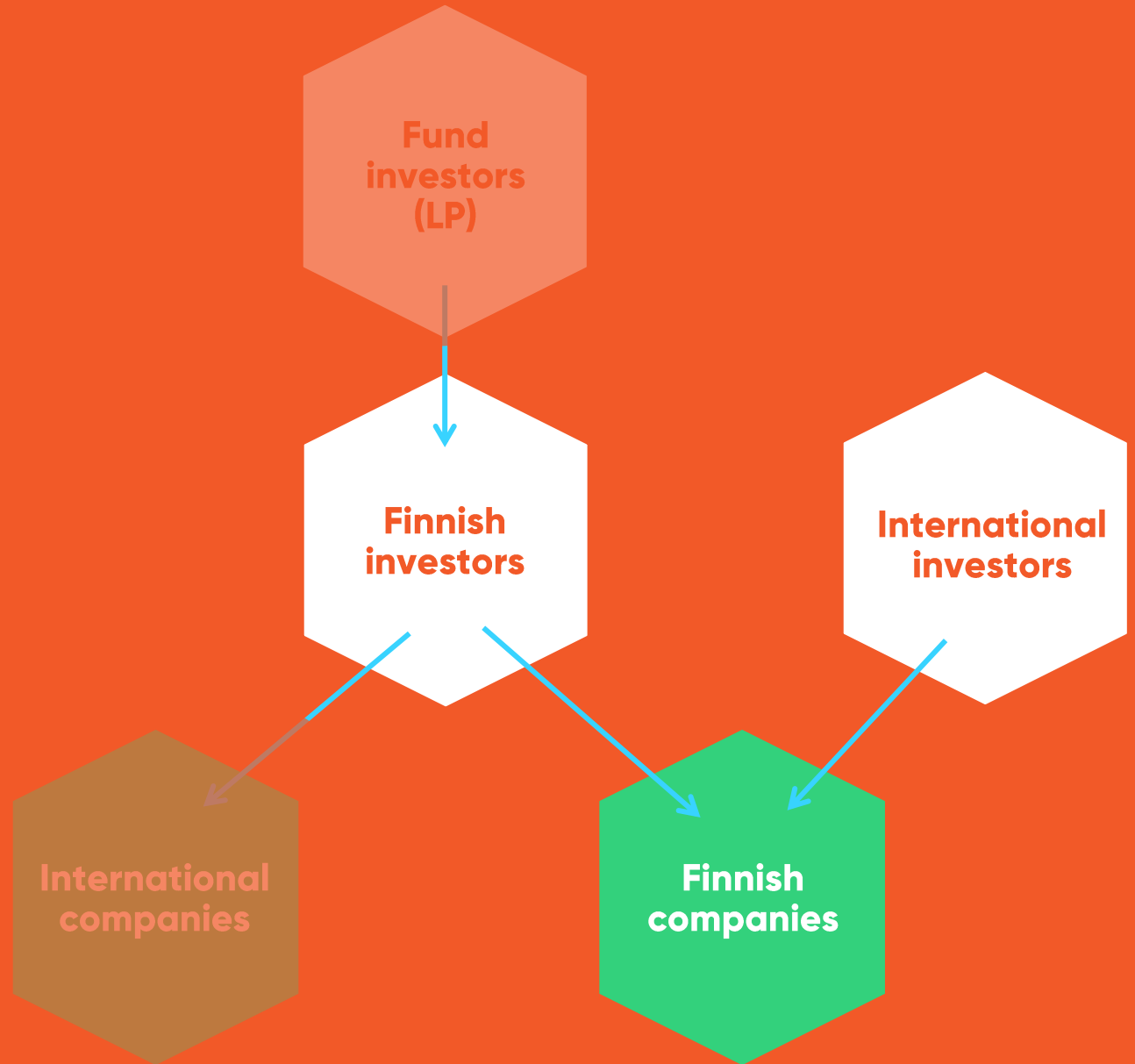
Statistics in brief

- Finnish buyout and growth investors invested a total of **€530m** (+15 %) in **75** (-19 %) companies in Finland and abroad.
- After a record-breaking year 2021 a total of **€377m** (-70 %) of new funds were raised for future investments in 2022.
- Finnish buyout and growth investors exited **38** (-33 %) companies. Trade sale was the most common exit method.
- **86** (-7%) Finnish growth companies received a total of **€1.5bn** (+55 %) in investments from Finnish and foreign buyout and growth investors.
- Of this amount, **€1bn** (+79 %) came from foreign investors and was invested in **18** Finnish companies (+6 %).
- Finnish and foreign buyout and growth investors exited from **39** (-33 %) Finnish companies.

Market Statistics

Domestic and foreign buyout & growth investors' activity in Finnish companies

Investments



One and a Half Billion Invested in Finnish Companies

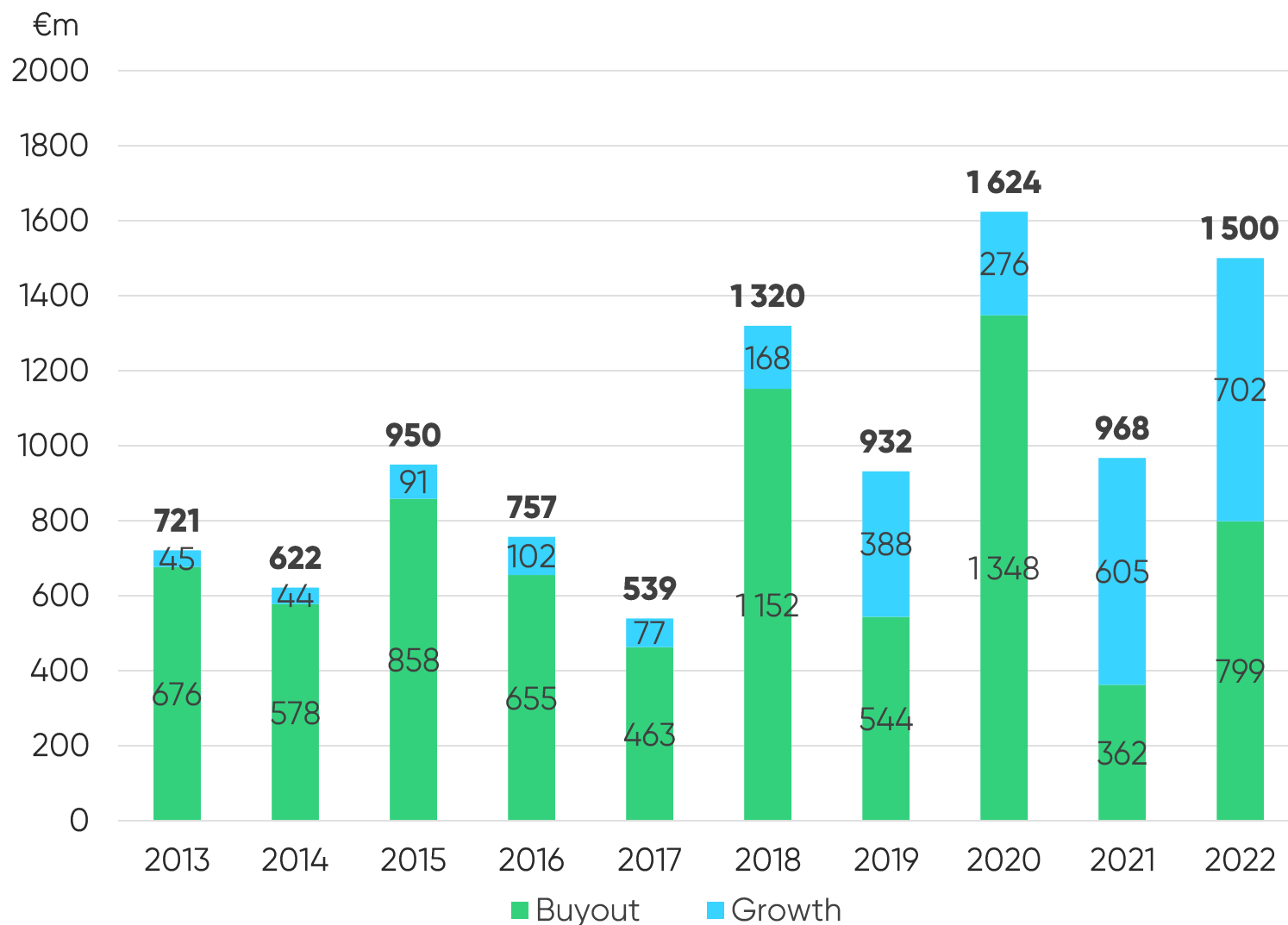
€1.5bn (+55 %)

Total amount of buyout and growth investments received by Finnish growth companies in 2022

€4.1bn

Total buyout and growth investments made between 2020-2022

Buyout and Growth Investments into Finnish Companies



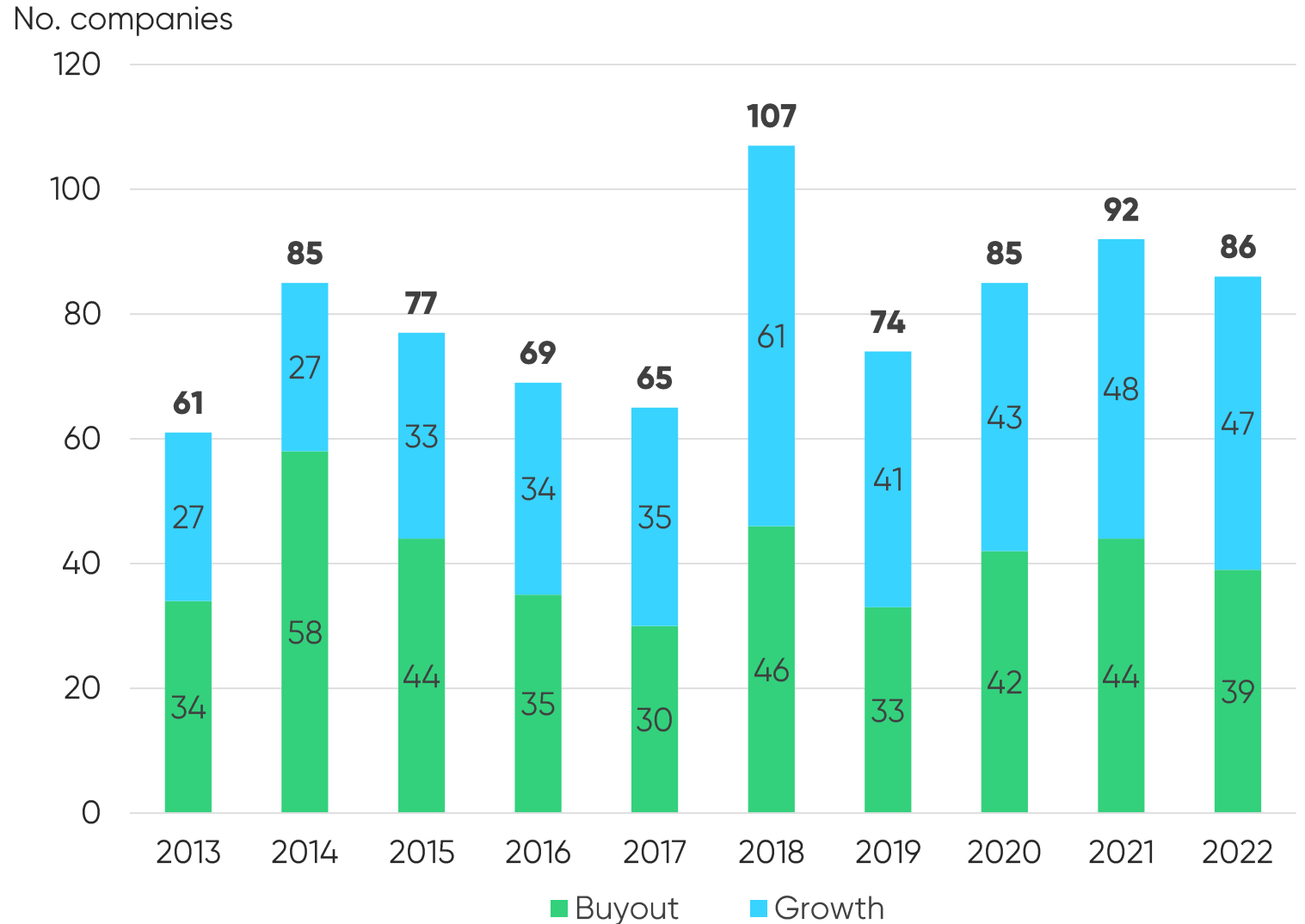
More than 80 Companies Receive Buyout or Growth Investment Each Year

86 companies (–7 %)

in Finland received buyout or growth investments in 2022

Despite the uncertain economic situation, the investment activity of buyout and growth investors continued at the same stable level as in the previous years

Buyout and Growth Investments into Finnish Companies



Examples of 2022 Buyout and Growth Investments



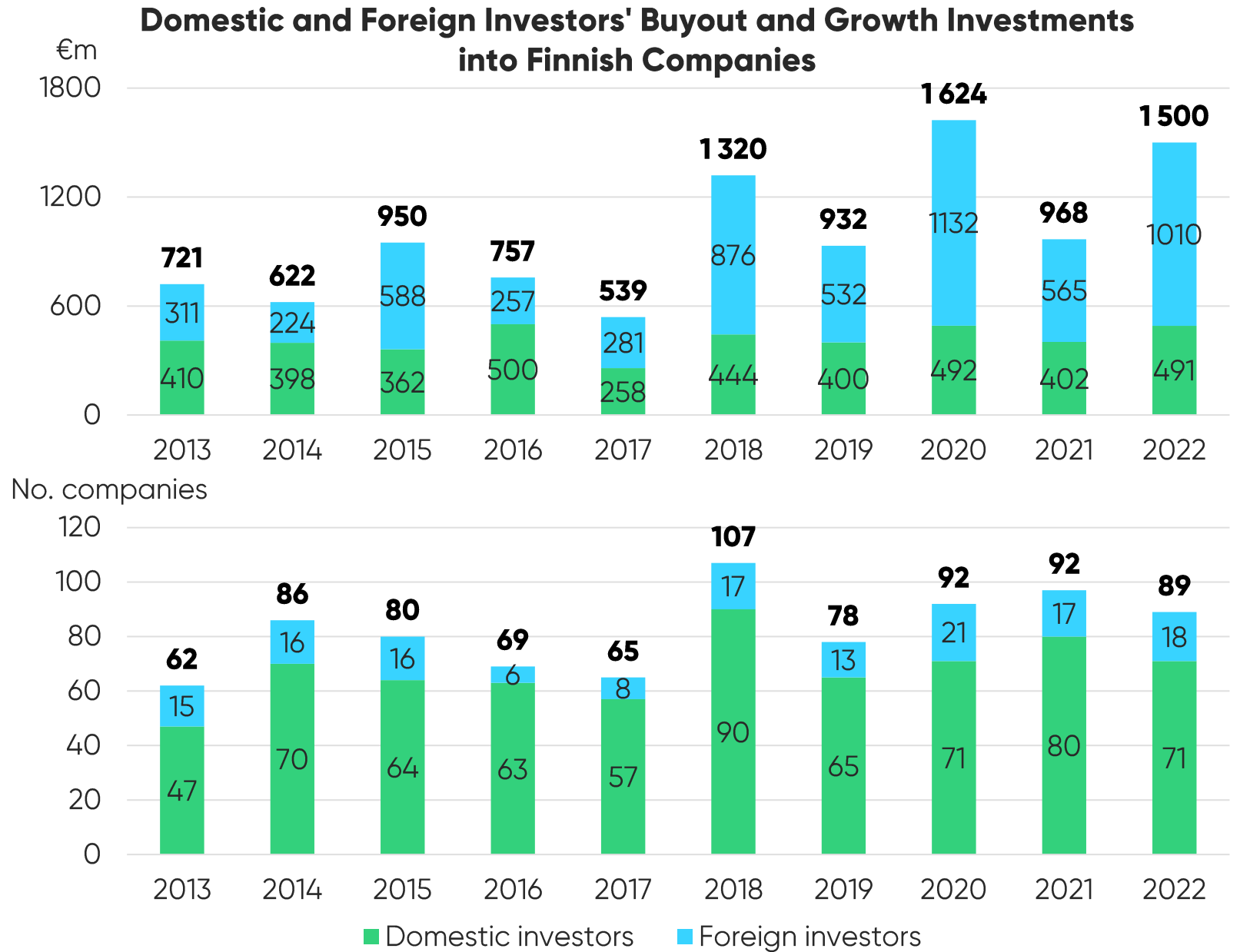
Both Domestic and Foreign Investments Increased from the Previous Year

€491m (+22 %)

Domestic buyout and growth investors' investments into Finnish small and medium sized companies in 2022

€1bn (+79 %)

International investors are often involved especially in the largest buyout and growth investments which causes big variation in invested amount year by year

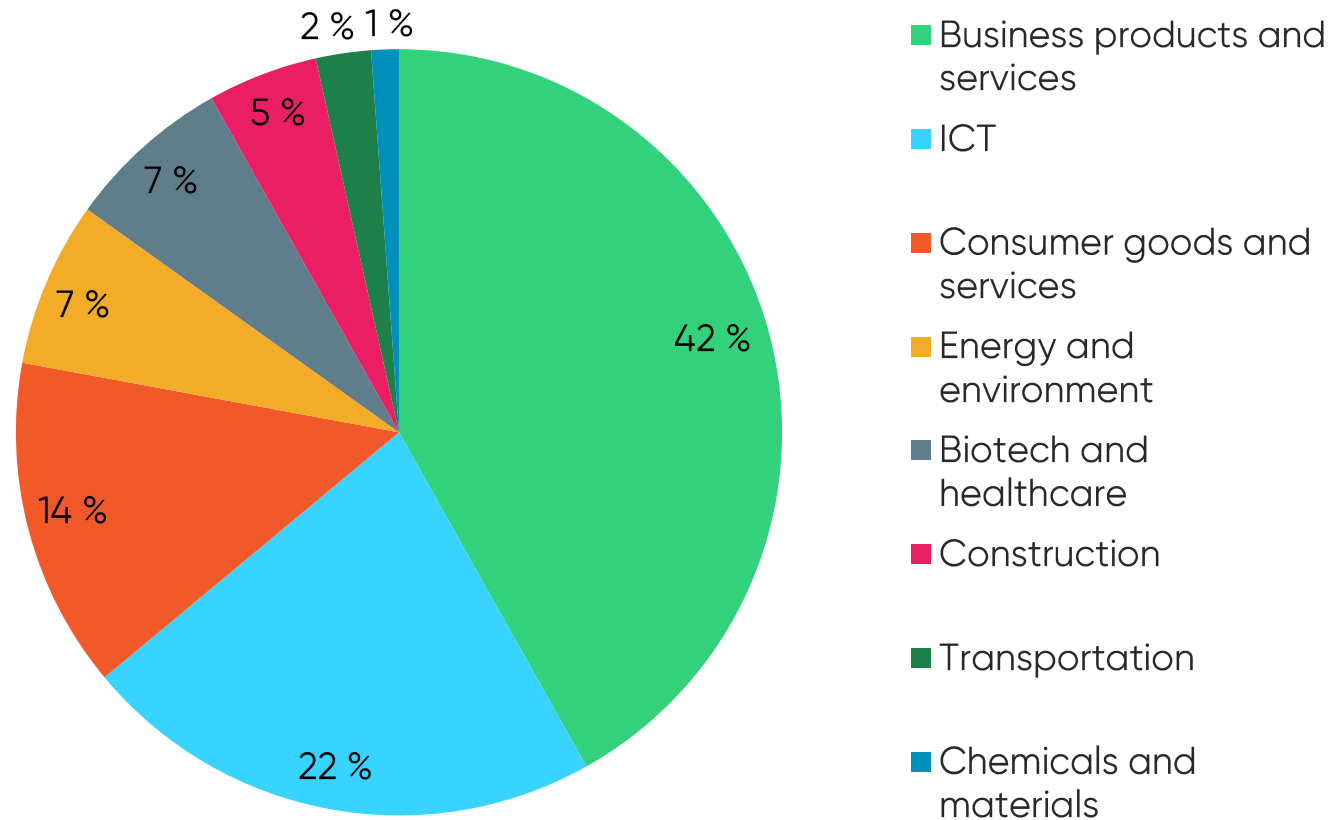


Investments Made in Wide Range of Industries

42%
of the companies that received buyout or growth investments were B2B product/service providers

ICT attracts the second most buyout and growth investments

Buyout and Growth Investments into Finnish Companies by Industry in 2022

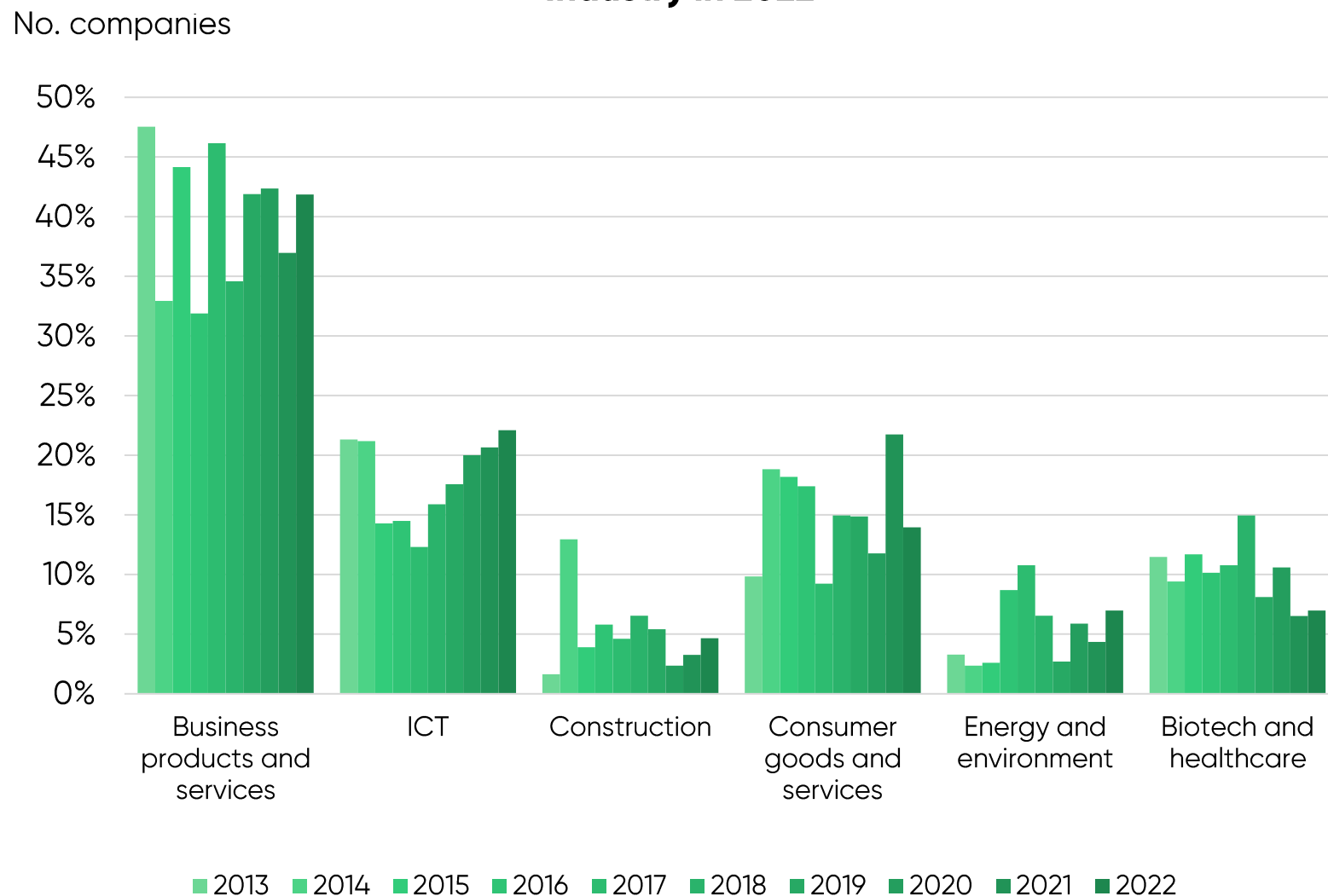


Investments in ICT Sector Are Rising

Investments in tech companies and companies providing B2B goods and services have increased during the past years

ICT includes e.g., IT-services, software, applications, communication and computer technology and electronics

Buyout and Growth Investments into Finnish Companies by Industry in 2022



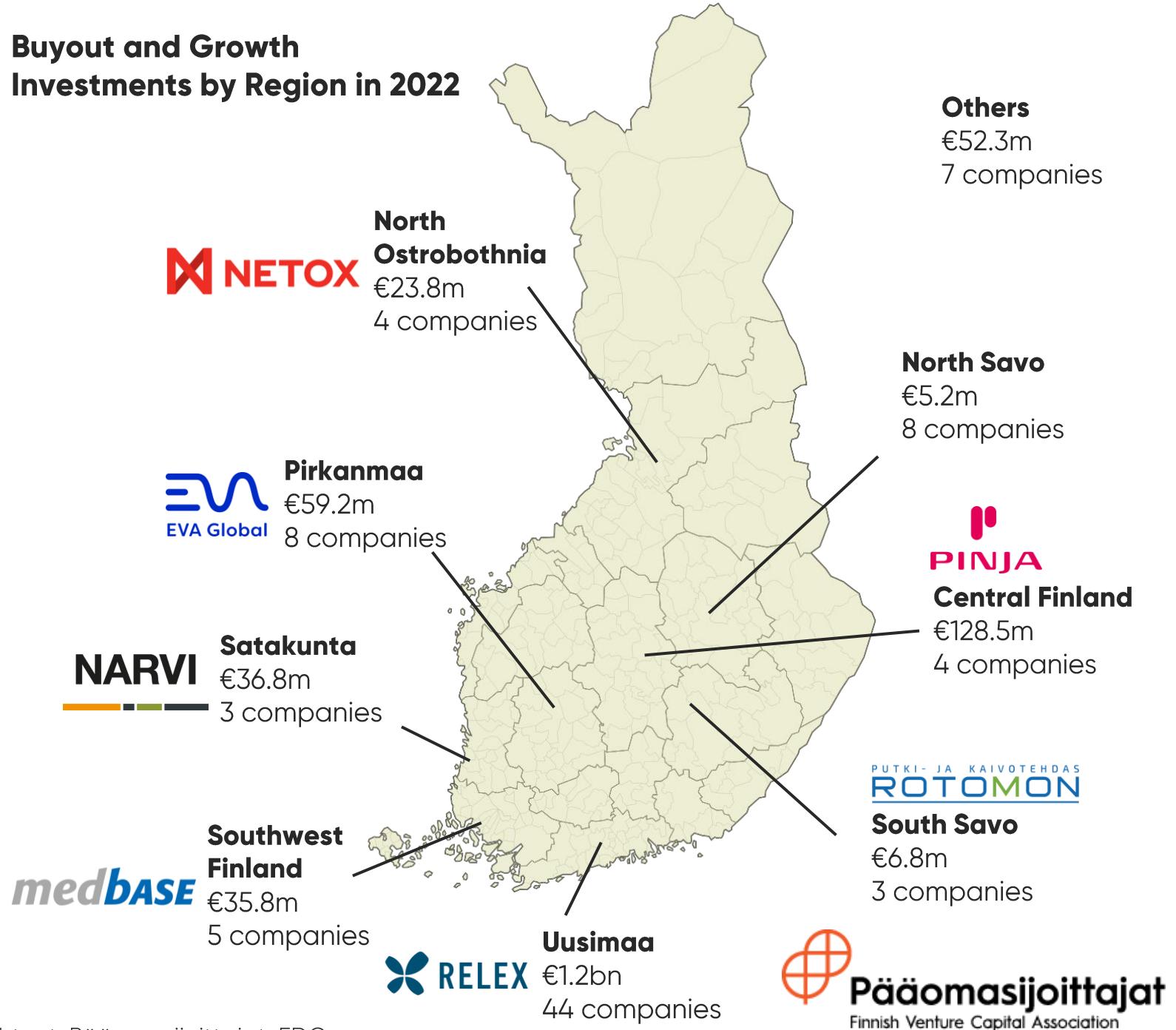
Buyout and Growth Investments All Around Finland

€1.2bn

The majority of private equity investments are made in companies based in Uusimaa, but target companies can be found all around Finland

Central Finland received the second-highest amount of buyout and growth investments, while Pirkanmaa received the third-highest amount

Buyout and Growth Investments by Region in 2022



Divestments

Successful Exits by Buyout and Growth Investors Decreased from the Peak Year 2021

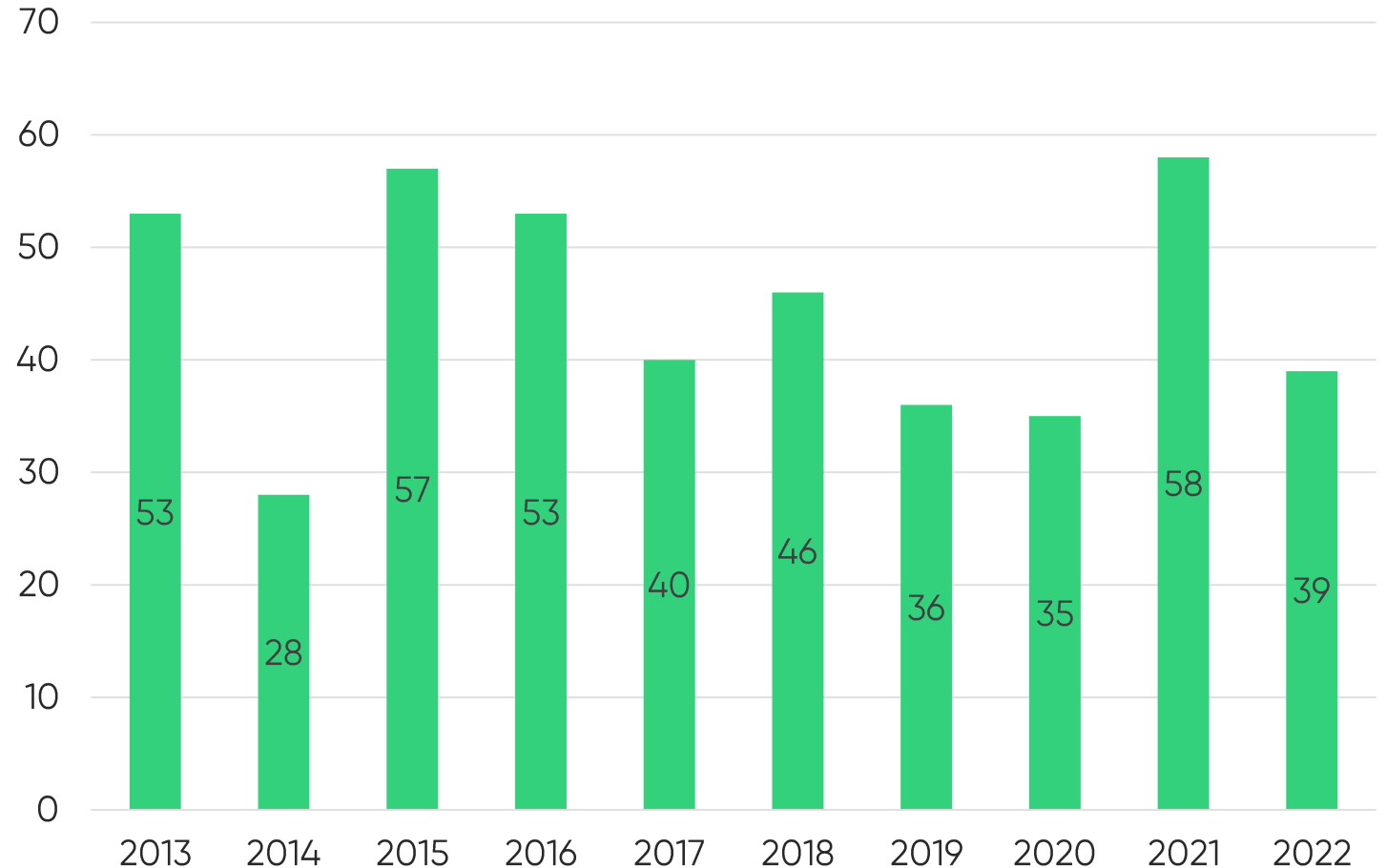
39 companies (-33 %)

The number of successful exits fell from 2021

When the growth plan for the company is completed the investor sells their shares to a new owner and the company moves to the next growth phase

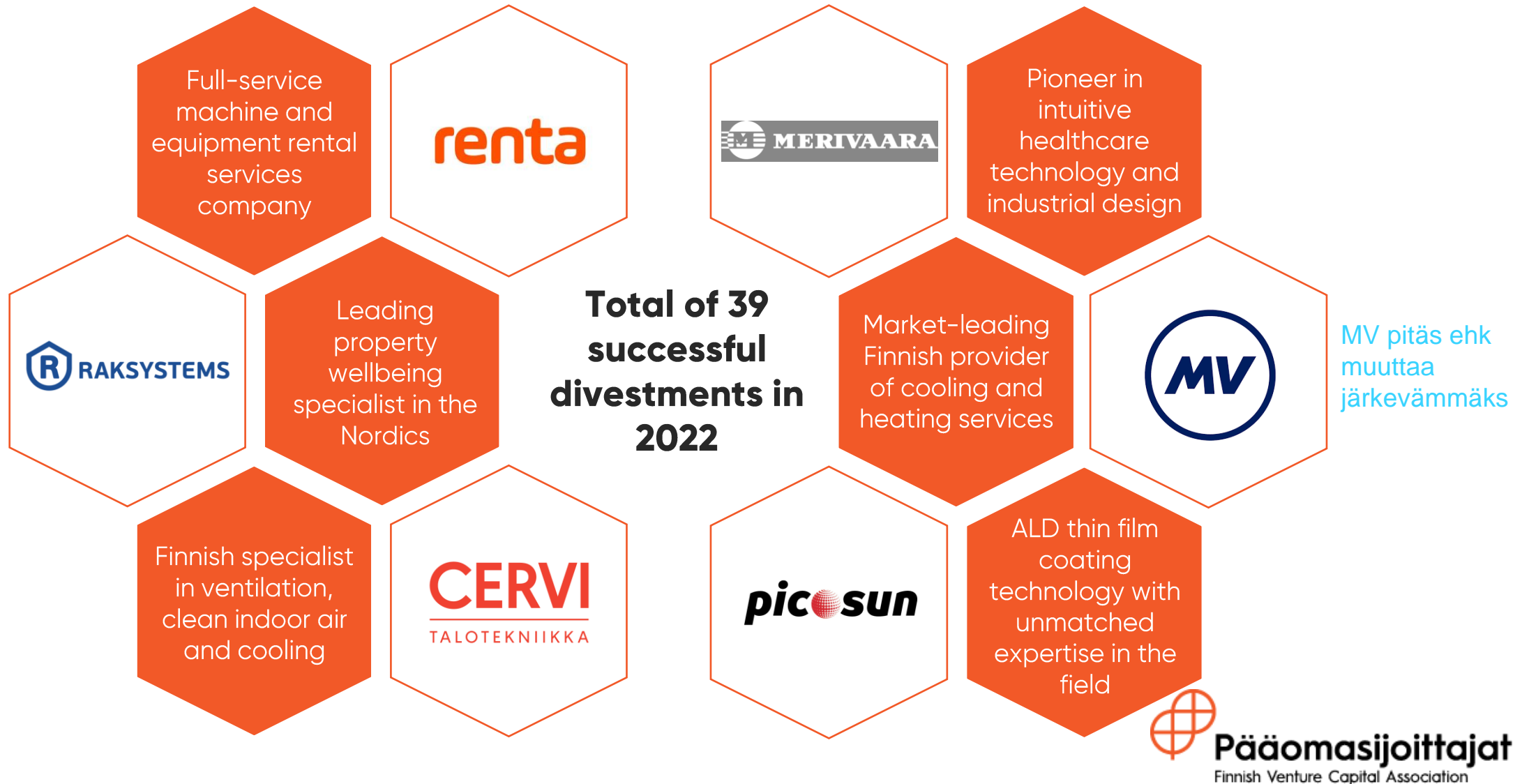
Successful Buyout and Growth Divestments of Finnish Companies

No. companies



Sources: FVCA, EDC

Examples of 2022 Divestments



Divestment by Trade Sale was the Most Common Exit Route

18 companies

The most popular exit method was a trade sale

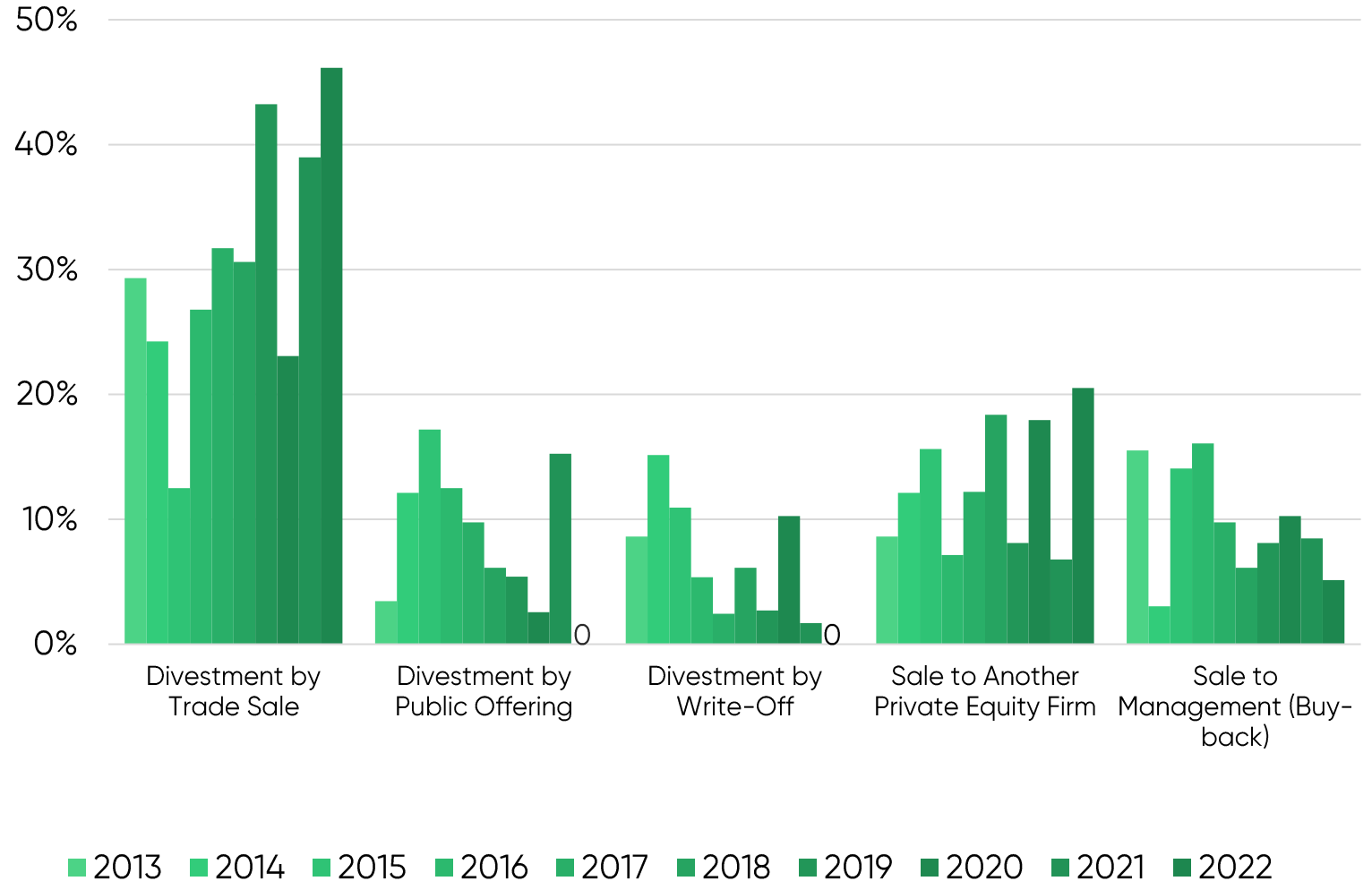
0 divestments by write-off

Despite economic uncertainty in recent years, write-offs have remained at a low level

There were no exits through IPOs in 2022

Buyout and Growth Investors' Exits from Finnish Companies

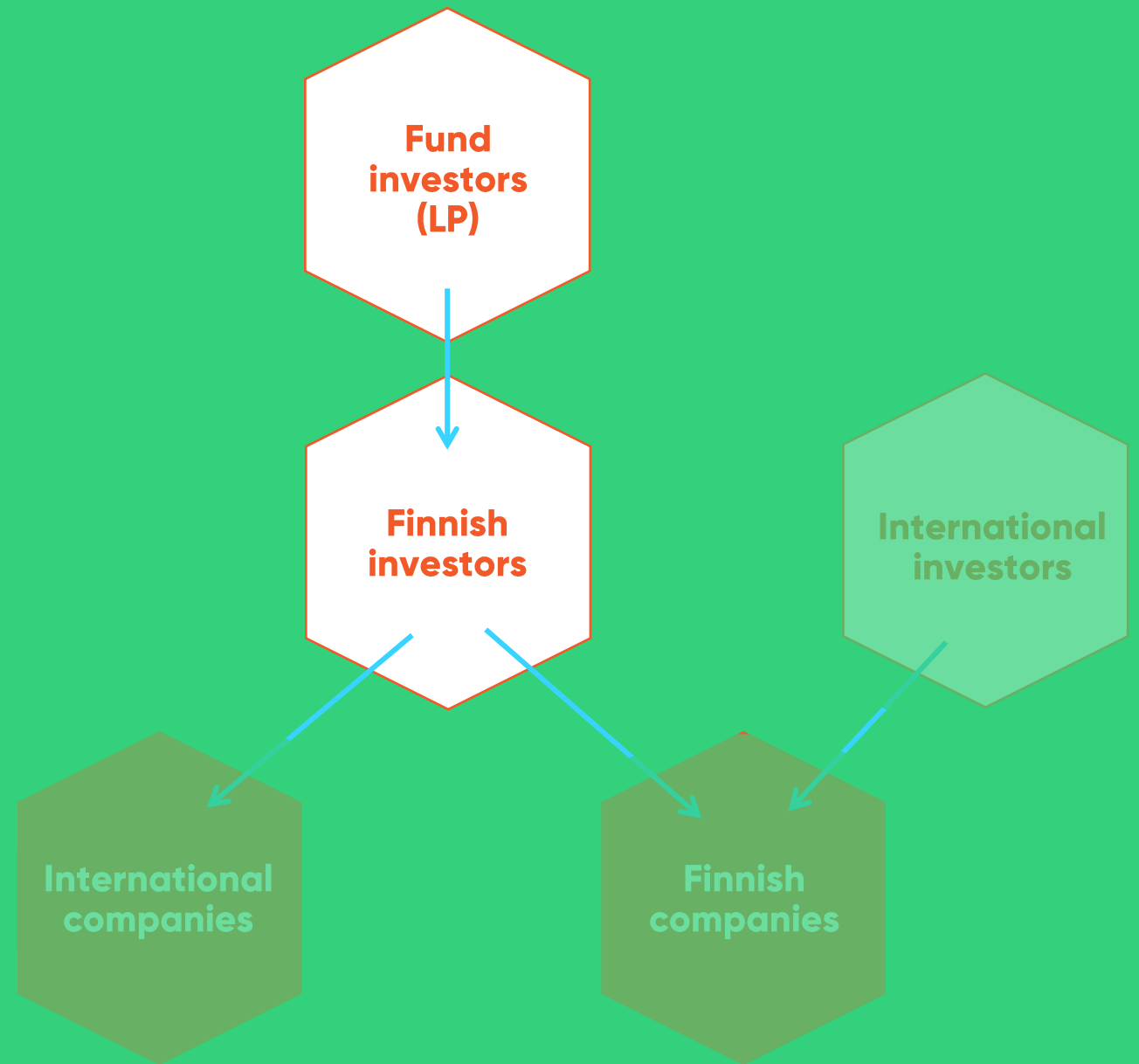
No. companies



Industry Statistics

Finnish buyout & growth investors' activity in Finland and abroad

Fundraising



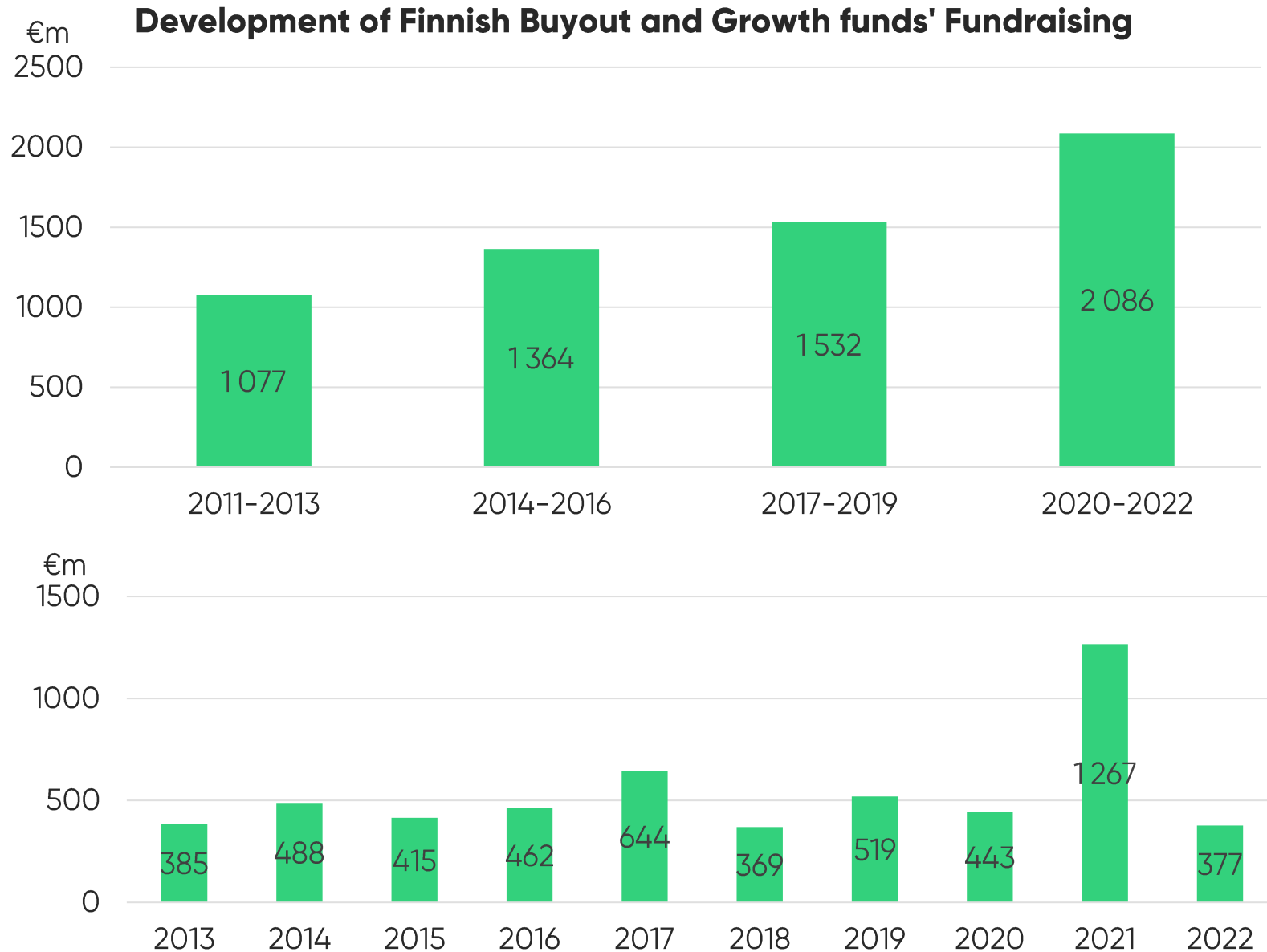
Fundraising has Developed Positively

€2.1bn (+36 %)

Fundraising by Finnish buyout and growth investors in 2020-2022

Fundraising has almost doubled in the last ten years

Raised funds will be invested in Finnish small and medium sized companies in the upcoming years to boost the companies' growth

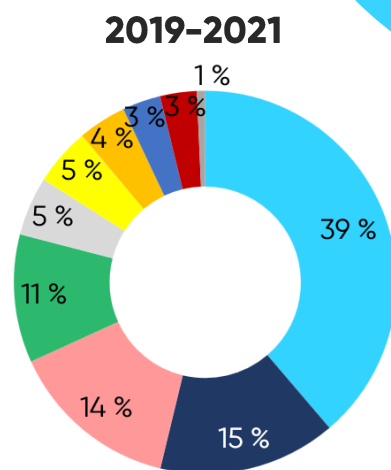
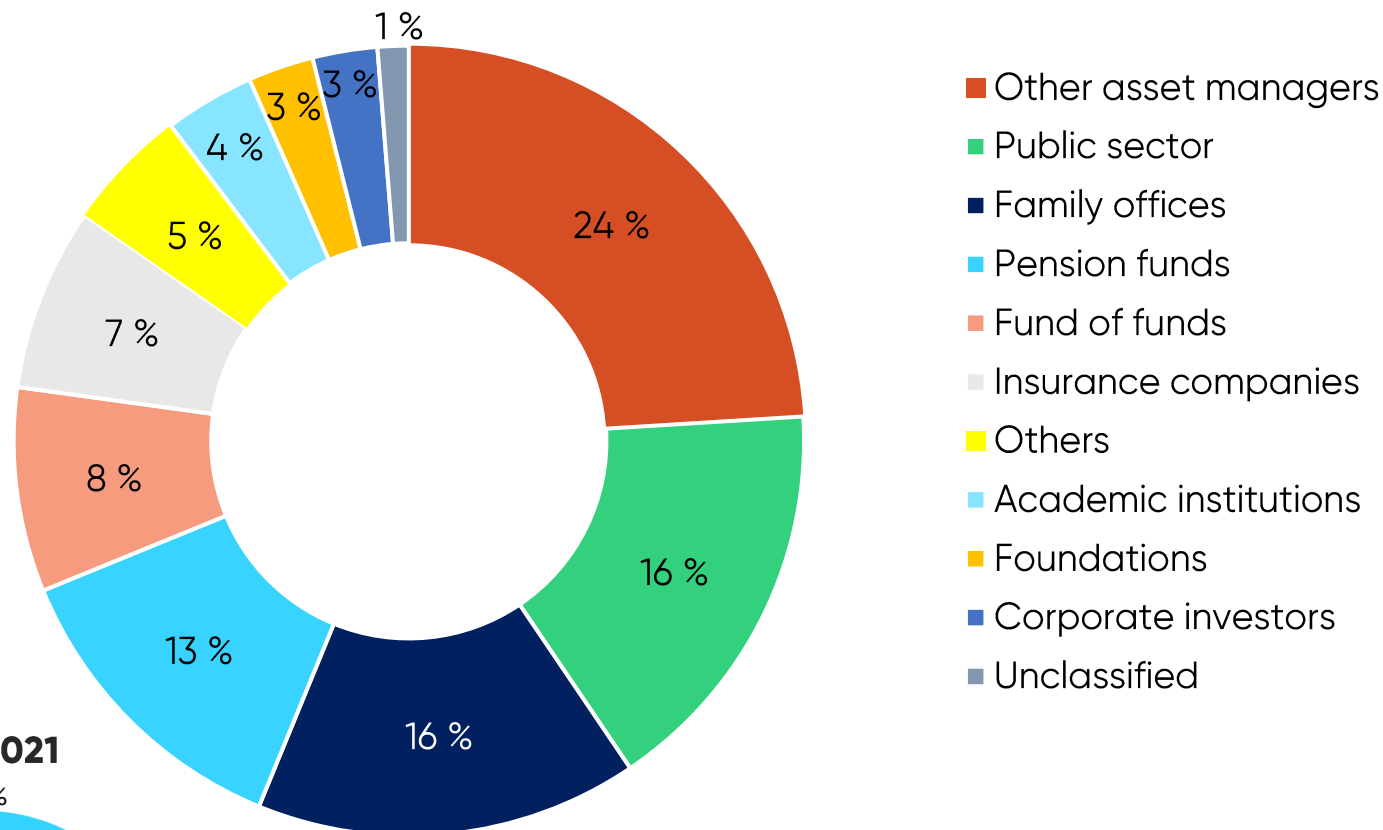


Finnish Buyout and Growth Funds have Diverse Group of Investors

24 %
of raised funds in 2022 came from other asset managers





In the long run, the largest group of investors has been pension funds

Finnish Buyout and Growth funds' Investors in 2022

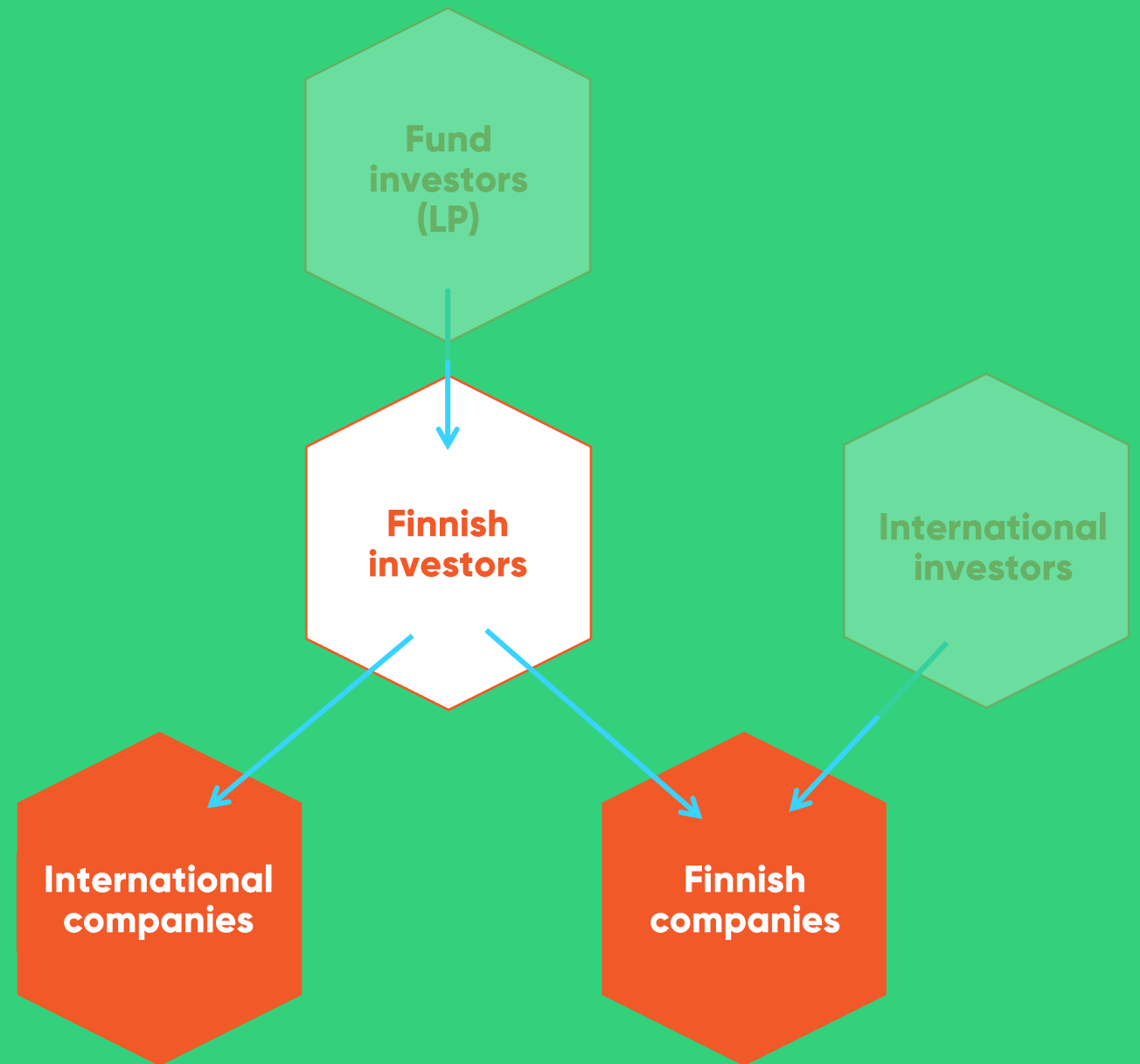


Sources: FVCA, EDC

New Finnish Buyout and Growth Funds 2017–2022

2017	2018	2019	2020	2021	2022
VAAKA PARTNERS €225m, 3rd fund		CapMan €190m, 11th buyout-fund	 SPONSOR CAPITAL €202m, 5th fund	INTERA PARTNERS €335m, 4th fund	TAALERI Bioteollisuus €120m, 1st growth-fund
sentica €192.7m, 5th fund		DevCo €180m, 3rd fund	Verso €100m, 3rd fund	DevCo €260m, 4th fund	MAM MANDATUM ASSET MANAGEMENT – €m, 2nd growth-fund
CapMan €97m, 1st growth- fund	SAARI PARTNERS €42m, 1st fund	JUURI PARTNERS €125m, 2nd fund	CapMan €85m, 2nd growth-fund	VAAKA PARTNERS €250m, 4th fund	 €80m, 1st growth- fund
FOLMER €62m, 2nd fund		EVOLVER €50m, 1st fund	Bocap Investments by invitation €70m, 3rd fund	MB RAHASTOT €173m, 6th fund	SAARI PARTNERS €60m, 2nd fund
				 €80m, 4th fund	 €15m, 2nd growth-fund
				CapMan €77m, 1st special situations-fund	

Investments



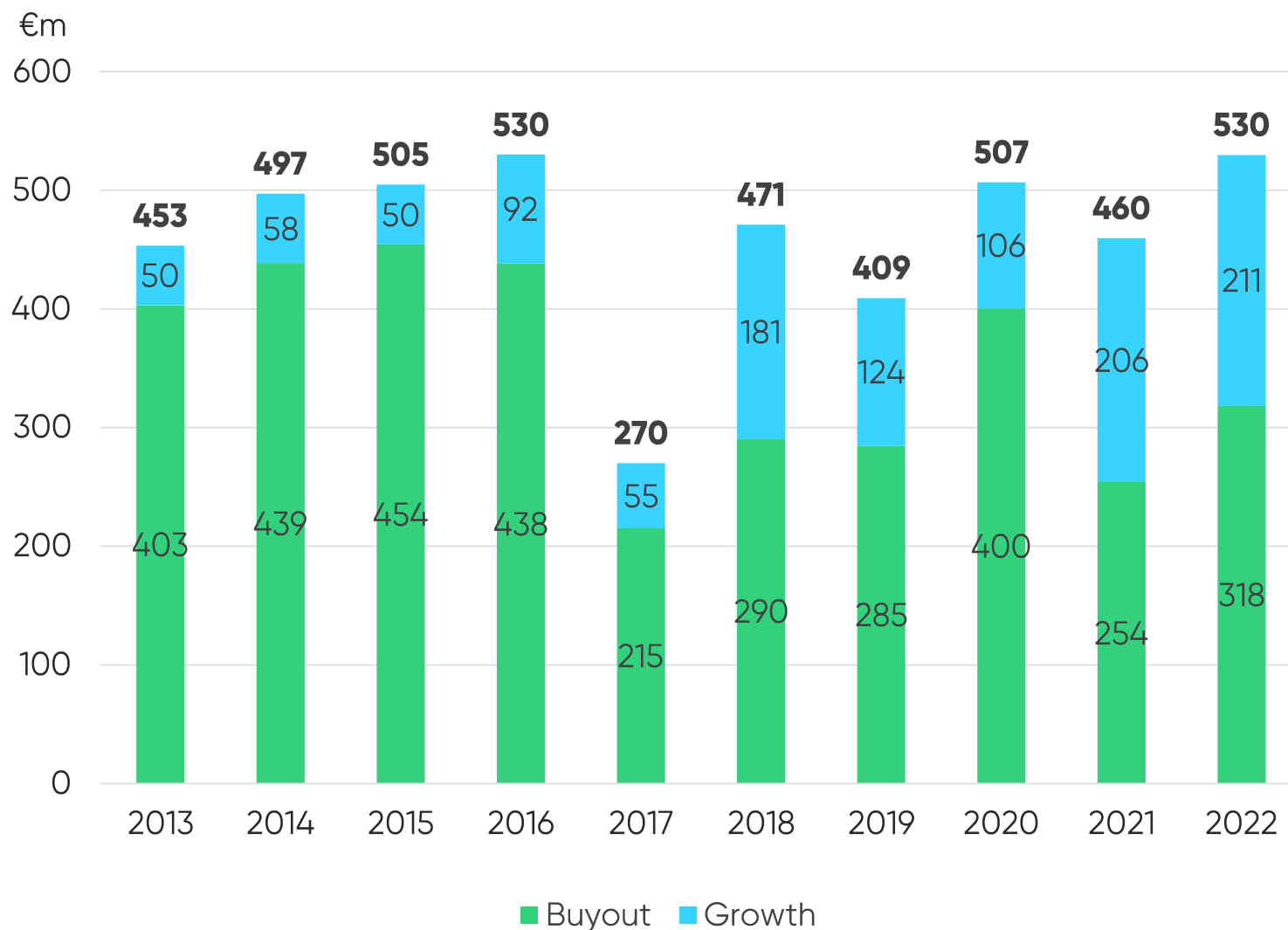
Finnish Buyout and Growth Investors Invested Over €500m

€530m (+15 %)

The total amount invested by Finnish buyout and growth investors in domestic and foreign companies in 2022

The amount invested in 2022 has reached the same level as the previous peak year in 2016

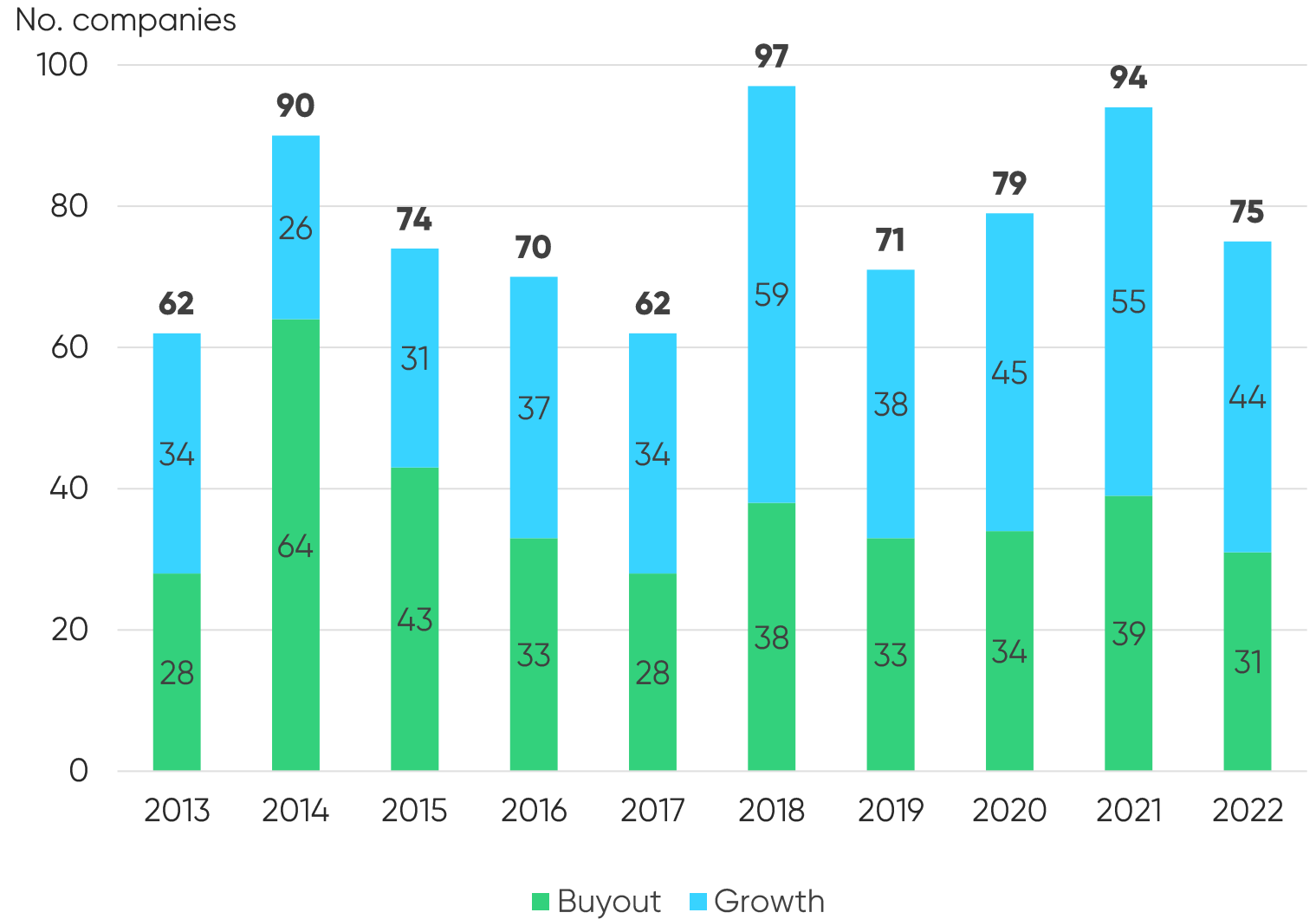
Investments by Finnish Buyout and Growth Investors



Around 80 Companies Receive an Investment Each Year

75 companies (-20 %)
received an investment from a
Finnish buyout or growth
investor in 2022

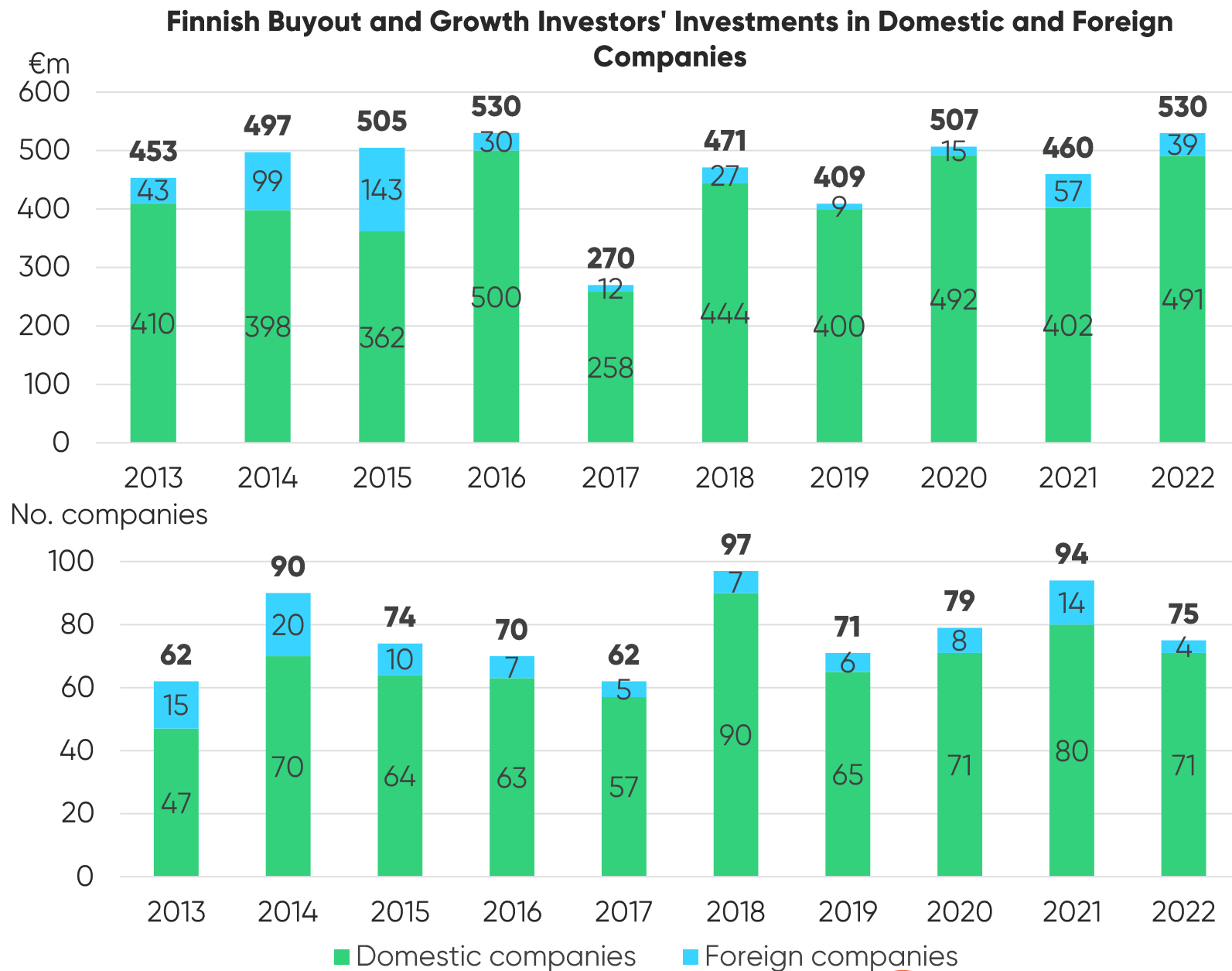
Investments by Finnish Buyout and Growth Investors



Finnish Buyout and Growth Investors Invest Mainly in Finnish Companies

Over 90 %

of Finnish buyout and growth investors' investments were made in Finnish companies in 2022



Divestments

Successful Divestments by Finnish Buyout and Growth Investors

38 companies (-33 %) were divested successfully in 2022 by Finnish buyout and growth investors

The profits from the exits are distributed to fund investors, such as Finnish pension funds

Successful exits by Finnish Buyout and Growth Investors

No. companies

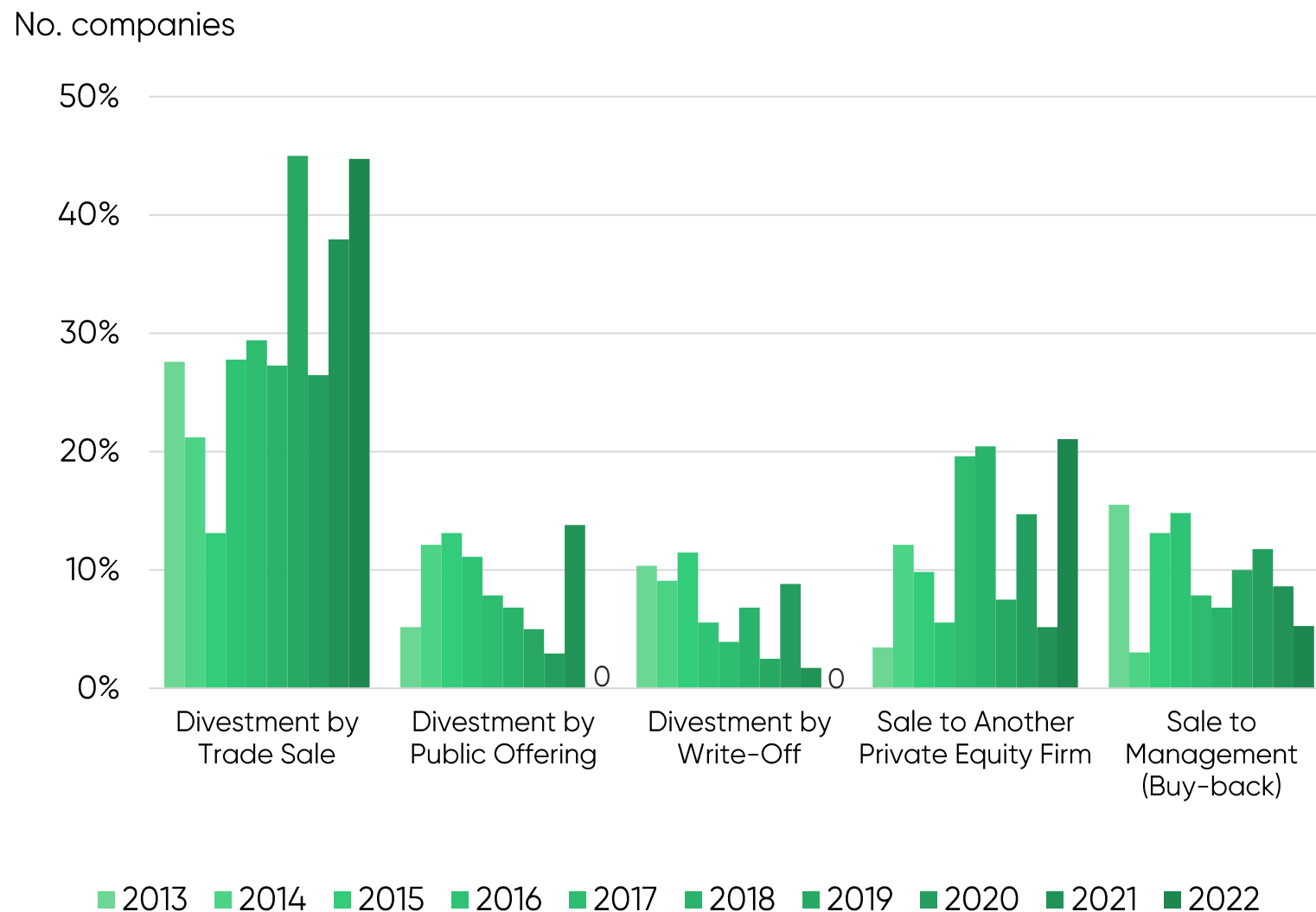


Trade Sale Was the Most Common Exit Route

The most prominent exit methods in 2022 were trade sale (17 companies) and sale to another private equity firm (8 companies)

There were no divestments by write-off or IPO in 2022

Finnish Buyout and Growth Investors' Exits by Type



Summary of Finnish Venture Capital and Private Equity Statistics

Venture capital, growth & buyout 2022

All Private Equity (PE) 2022

€778m

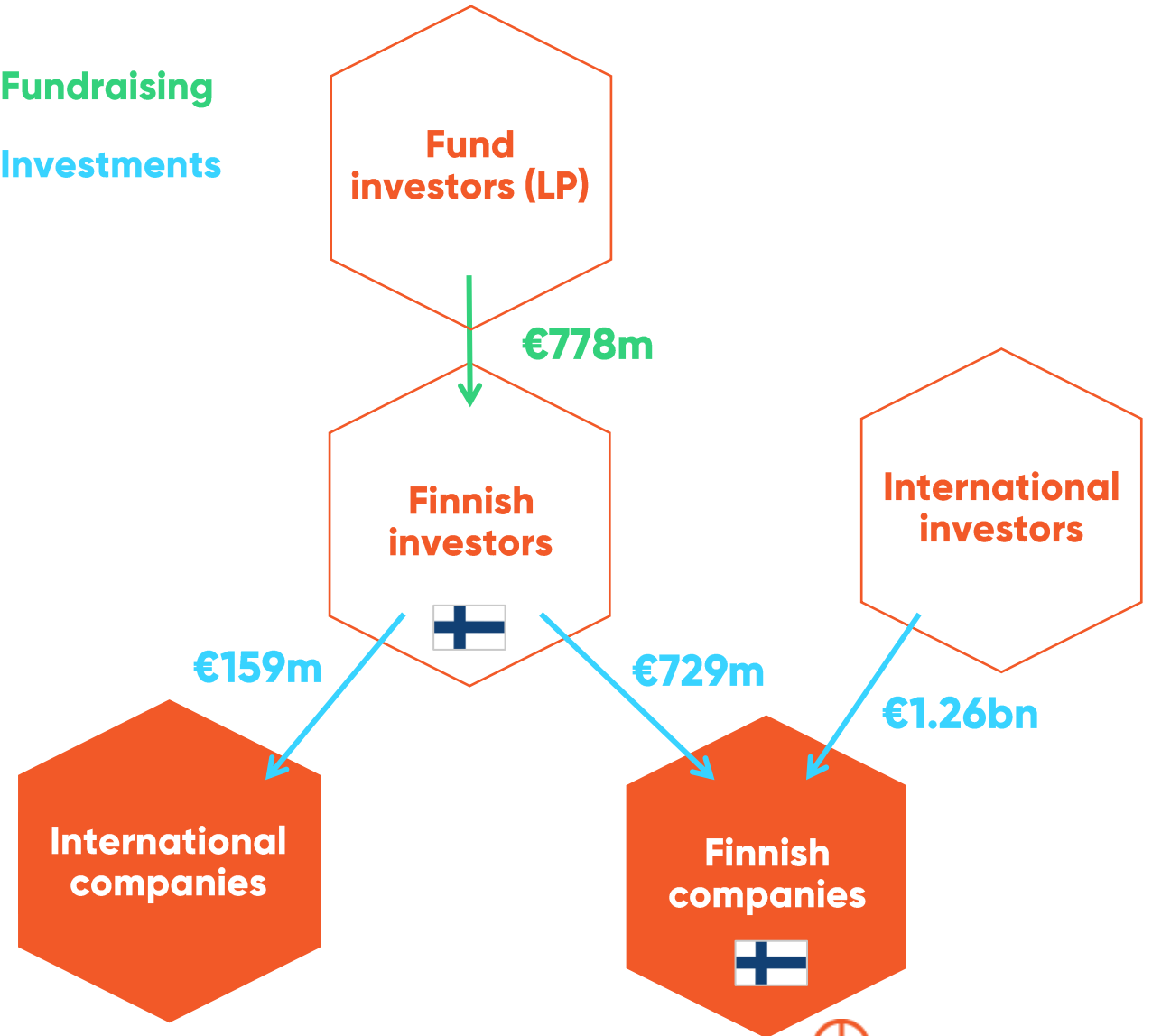
Funds raised into private equity
funds for future investments

€2.0bn

Total amount of investments in
Finnish companies

Private Equity 2022

 Fundraising
 Investments



Private Equity Investors 2022

Venture capital, growth and
buyout statistics in brief

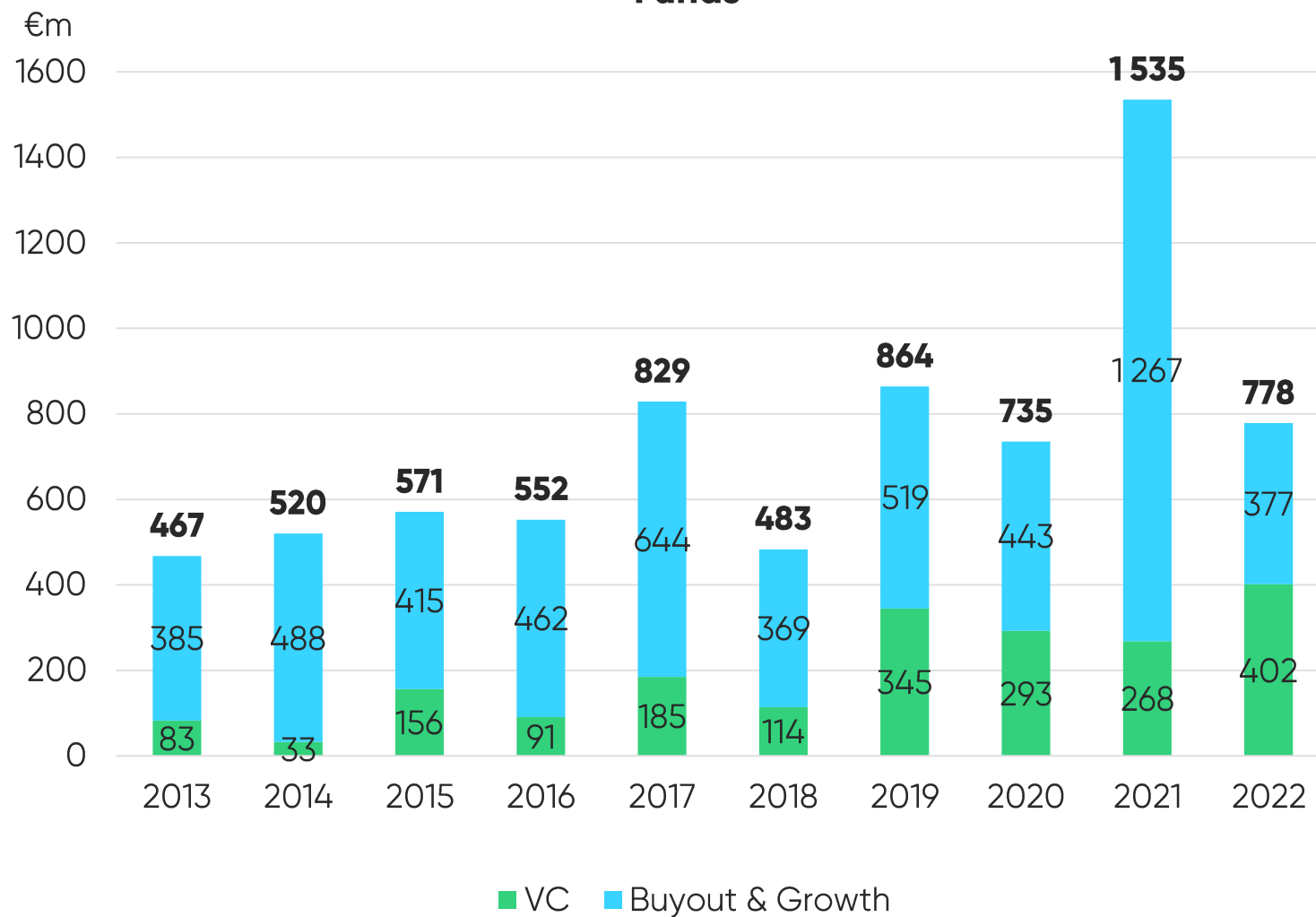
- Finnish private equity (PE) investors invested a total of **€888m** (+18 %) into **347** (+2 %) domestic and foreign startups and growth companies.
- A total of **263** (-3 %) Finnish startups and growth companies received **€2.0bn** (+42 %) in investments
- Foreign private equity investors invested **€1.3bn** (+53 %) into **51** (-4 %) Finnish companies.
- Finnish private equity investors exited **82** portfolio companies (-20 %).
- Finnish private equity investors have raised **€778m** (-49%) in new funds, which will be invested in startups and growth companies in the coming years

Fundraising by Finnish VC and PE Funds Came Down after Peak Year 2021

€778m

of funds raised for Finnish venture capital and private equity funds in 2022

Fundraising of Finnish Venture Capital and Private Equity Funds



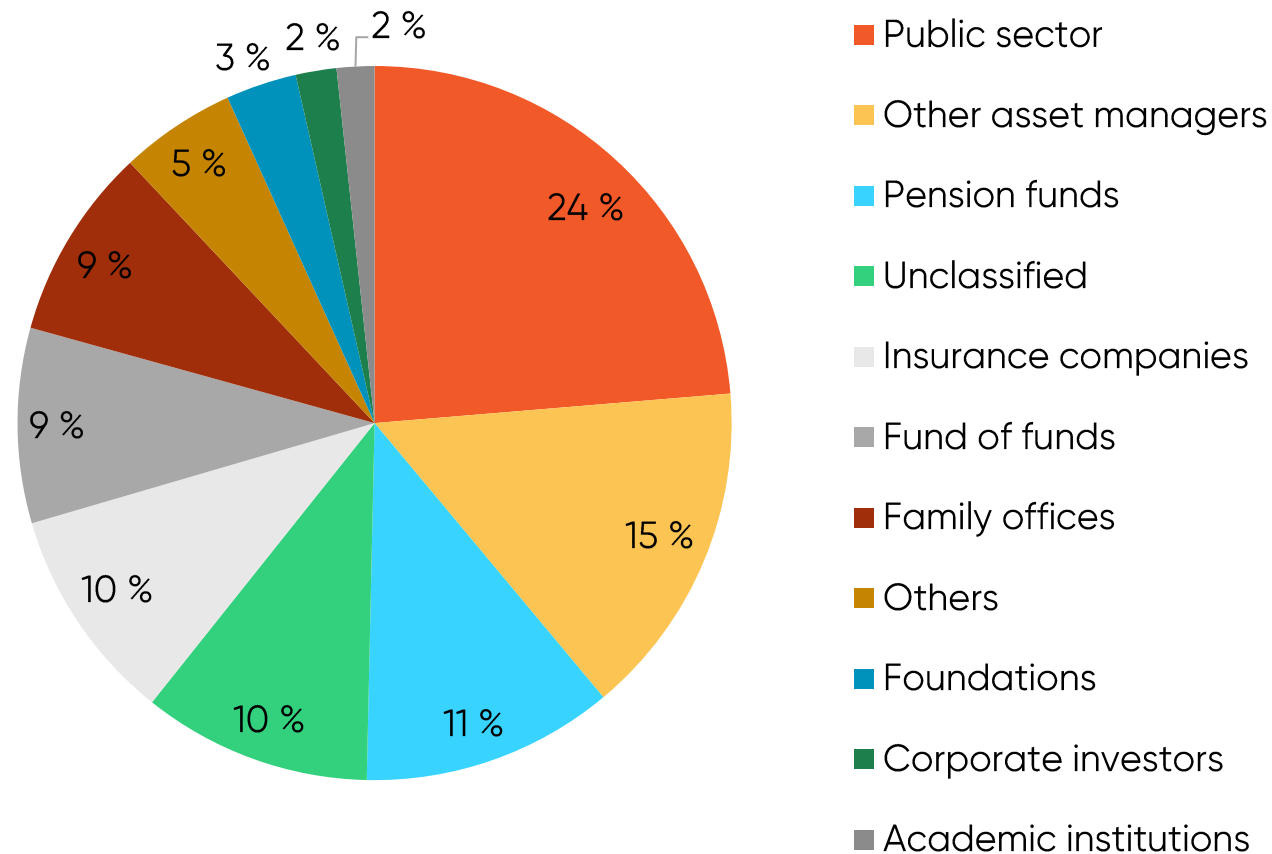
Finnish VC and PE Funds Have a Diverse Investor Base

24%

The most capital was raised from public sector in 2022

Second largest amount of capital was raised from other asset managers followed by pension funds

Finnish Venture Capital and Private Equity Funds' Investors in 2022

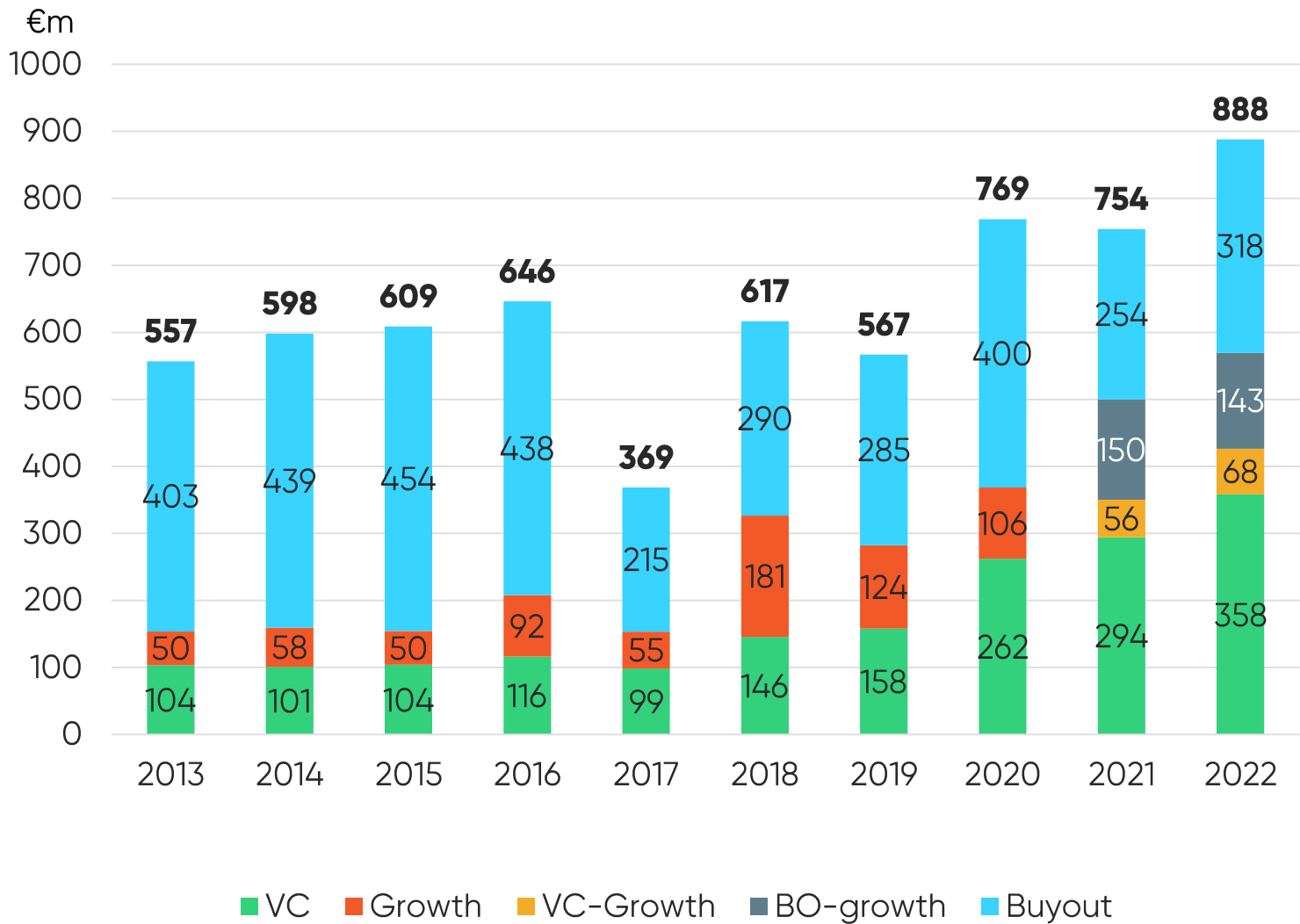


Investments by Finnish VC and PE Investors to New All-Time High

€888m (+18 %)

of investments made by Finnish VC and PE investors in 2022

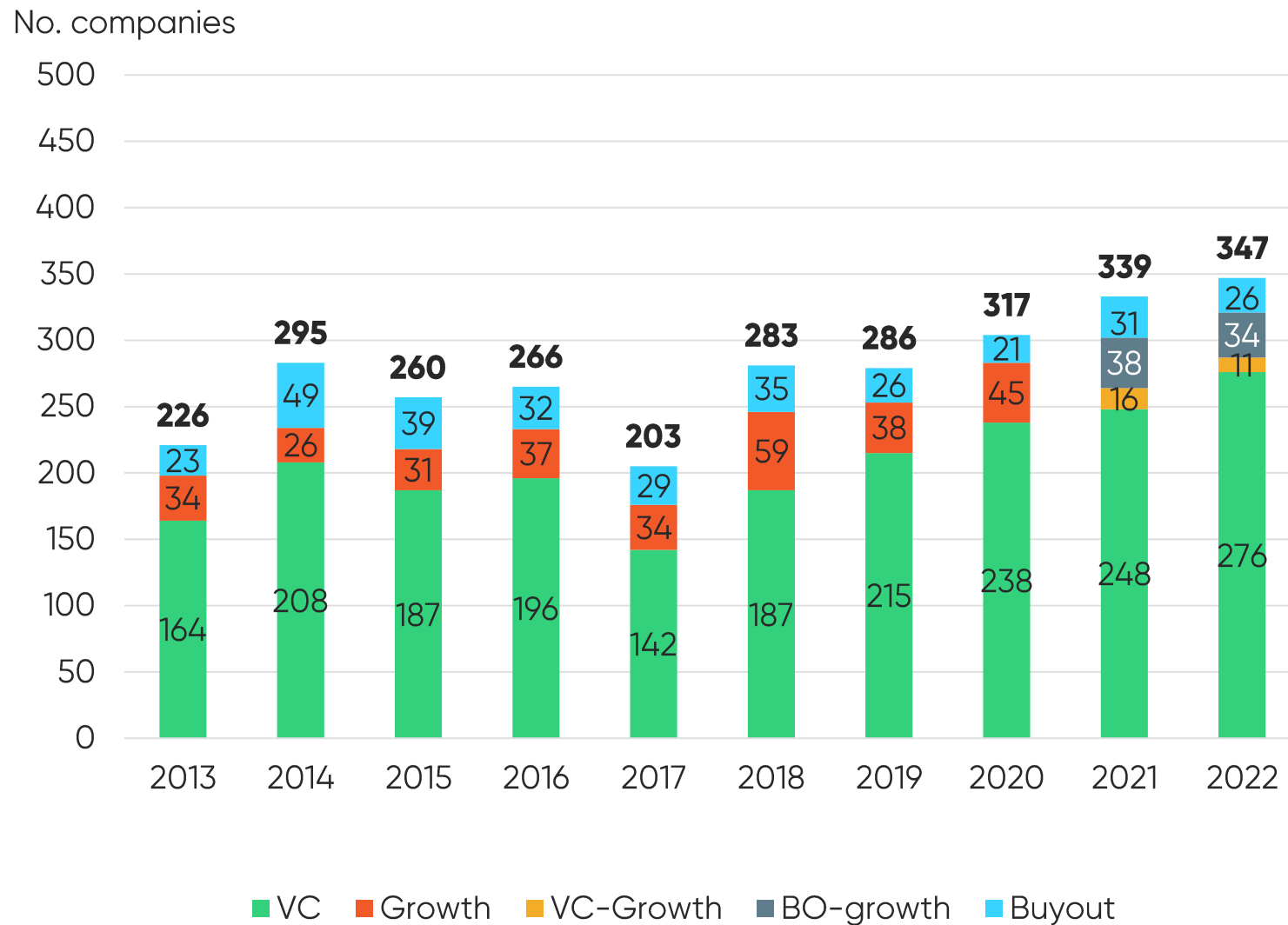
Investments by Finnish Venture Capital and Private Equity Investors



Finnish VC and PE Investors Invested in Record Number of Companies

347 companies (+2 %)
received investments from
Finnish VC and PE investors in
2022

Investments by Finnish Venture Capital and Private Equity Investors



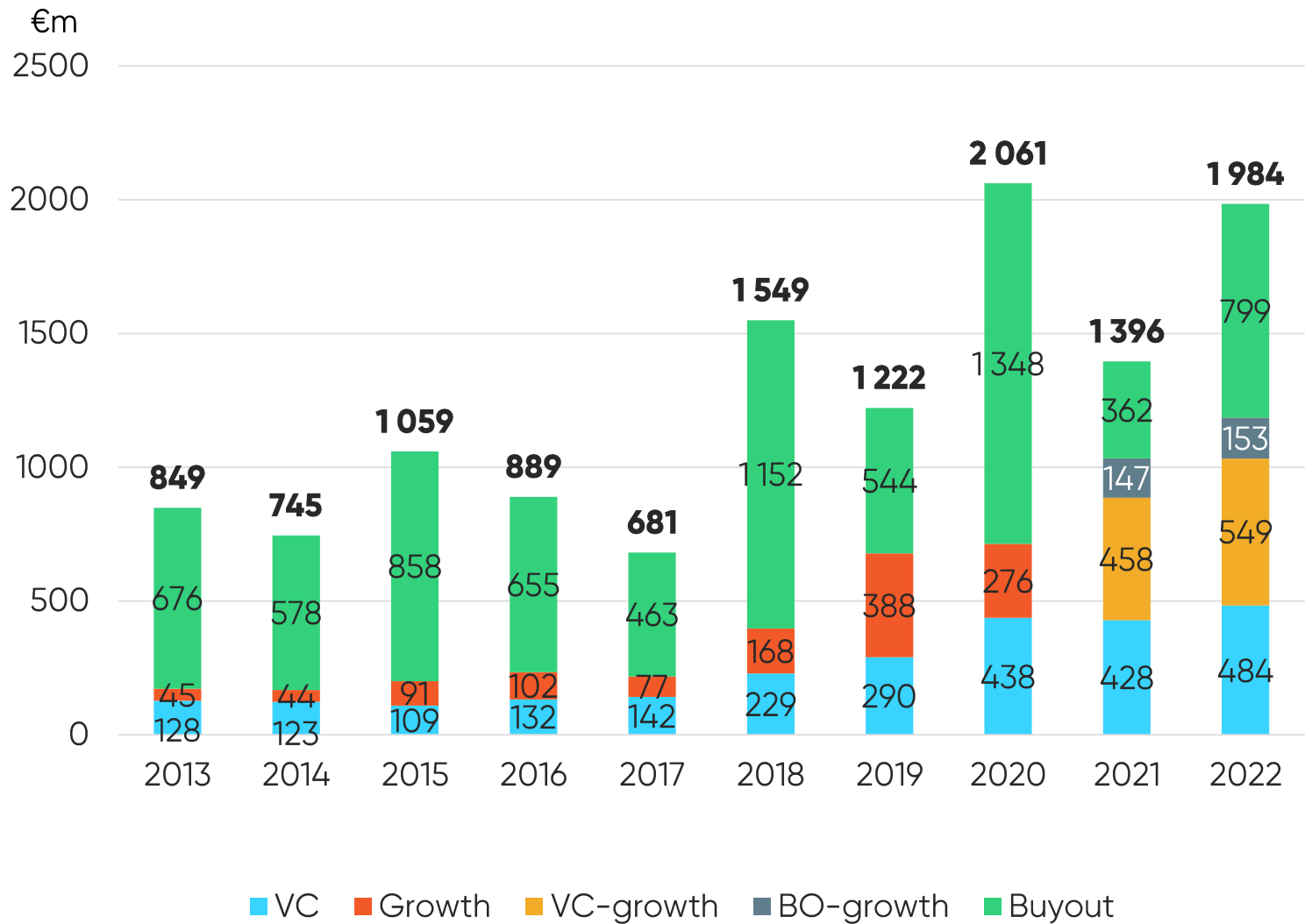
Sources: FVCA, EDC

Almost Two Billion Euros Invested in Finnish Companies by VC and PE Investors

€2.0bn (+42 %)

Finnish and international
investments in Finnish startups
and growth companies

Venture Capital and Private Equity Investments into Finnish
Companies

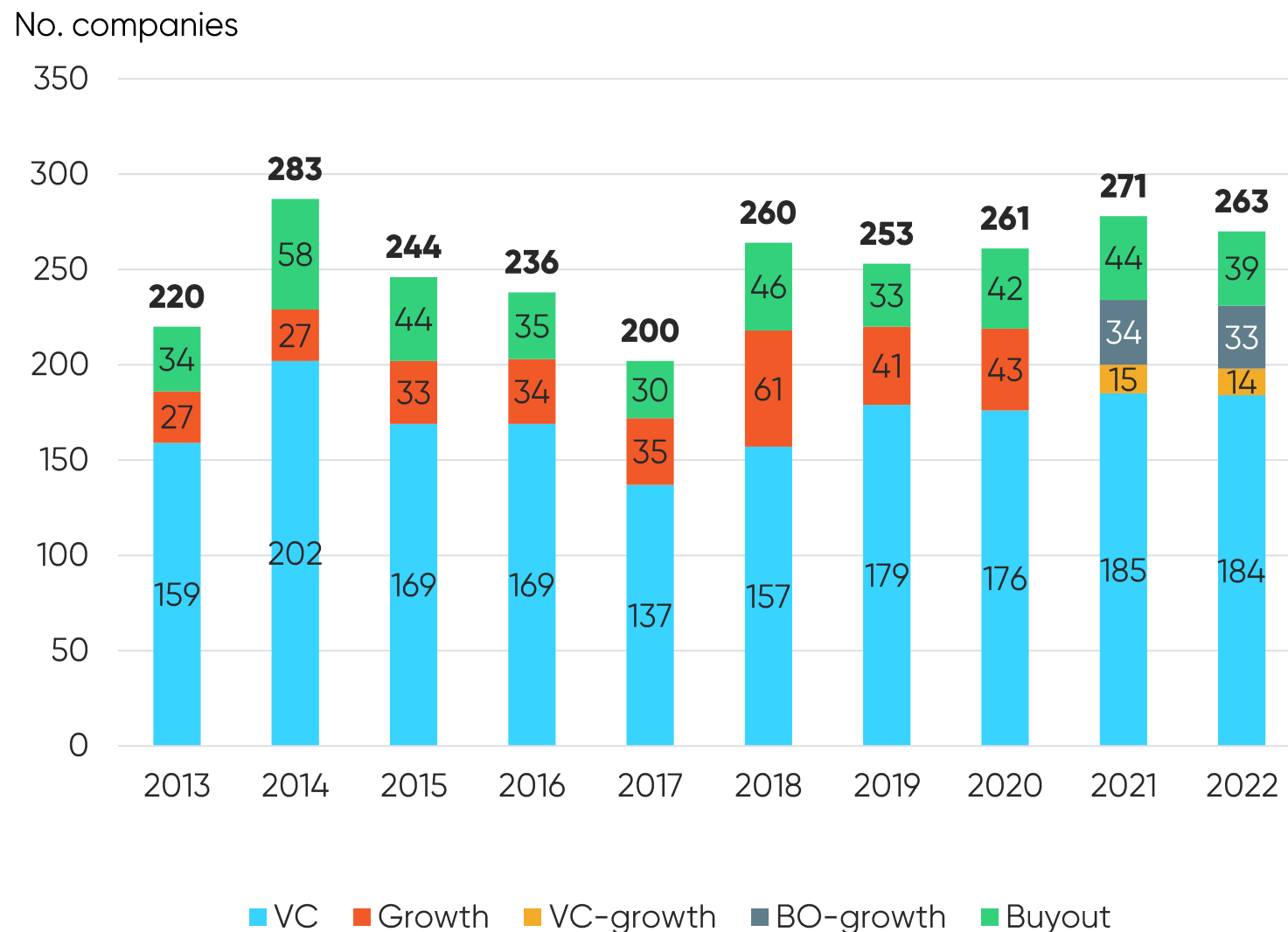


Around 260 Finnish Companies Receive VC or PE Investment Annually

263 companies (–3 %)

The number of Finnish startups and growth companies receiving international investments has remained stable

Venture Capital and Private Equity Investments into Finnish Companies



Investments Across Finland

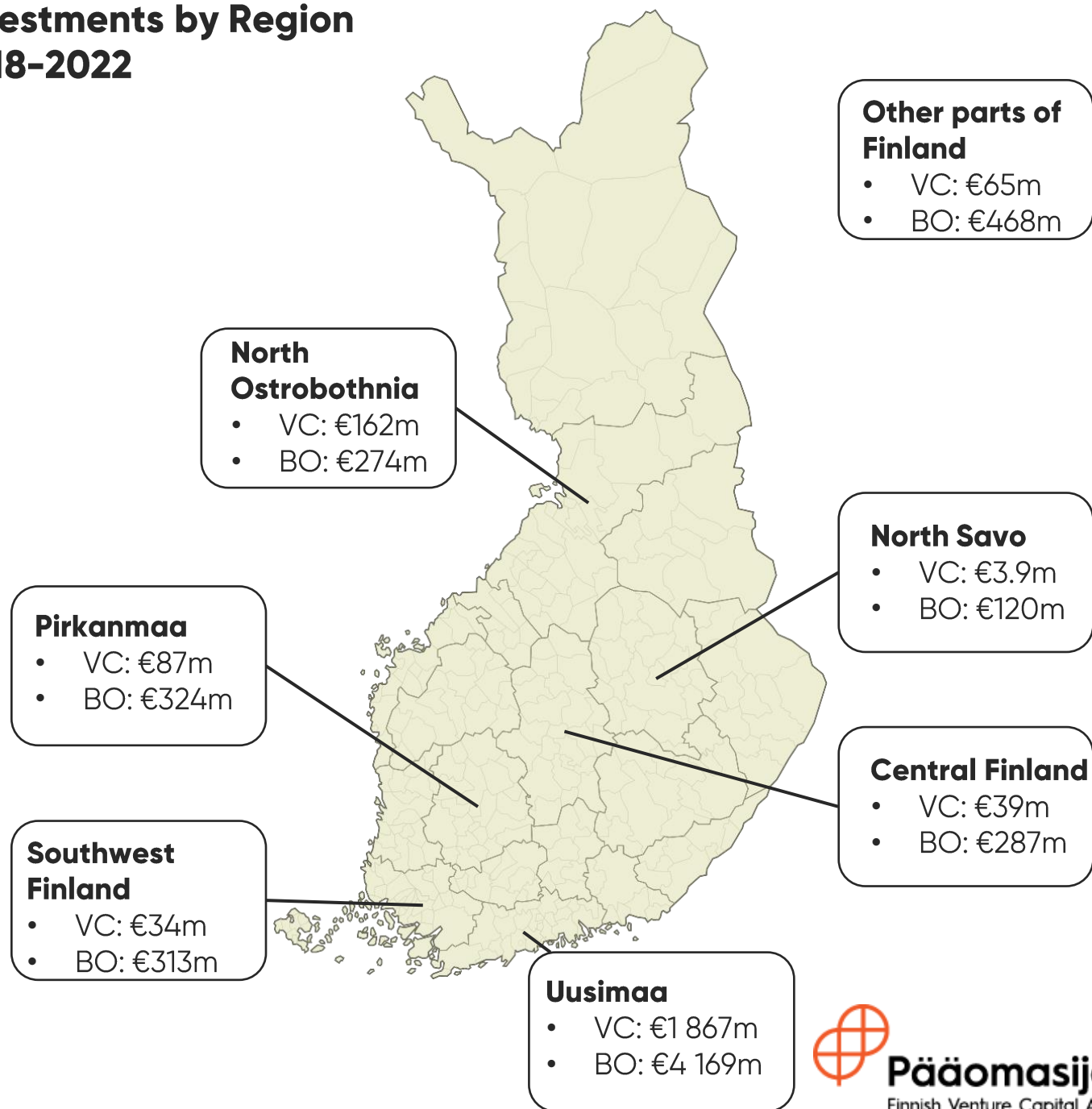
€8.2bn

Total amount of investments made into Finnish companies between 2018–2022

The most venture capital investments after Uusimaa were made to companies in North Ostrobothnia and Pirkanmaa

Apart from Uusimaa, the most of buyout investments were made to companies in Pirkanmaa and Southwest Finland

Investments by Region 2018–2022



Sources: FVCA, EDC

Methodology



National Private Equity Associations Cooperating With EDC

AFIC, France
AIFI, Italy
ASCRI, Spain
BVA, Belgium
BVCA, United Kingdom
BVK, Germany
CVCA, Czech Republic
DVCA, Denmark
FVCA, Finland
NVCA, Norway
NVP, Netherlands
PSIK, Poland
SECA, Switzerland
SEEPEA, Romania and Bulgaria
SVCA, Sweden
Invest Europe, Europe

The statistics describing the Finnish private equity industry are based on information received from European Data Cooperative (EDC) private equity database

- A fully functional, centralised non-commercial pan-European private equity database
- With its own staff, internal resources and webportal
- Information is collected via an online survey and complemented with public sources of information
- Figures are updated continuously and are therefore subject to change

Note: The statistics include only VC/PE firms' (including evergreens and captives) investments. Syndicate and direct investments made by several other investors, e.g. LP co-investors, individuals, entrepreneurs, business angels, management, corporates, funds-of-funds, other asset managers and/or financial institutions, are not included in FVCA's statistics. However, they may form a notable part of the venture market.

Methodology

Investment and divestment statistics are aggregated via two methods – industry statistics and market statistics

Industry statistics

- By country of private equity firm's office
- Here: Domestic and foreign investments/divestments made by the Finnish offices of private equity firms

Market statistics

- By the location of the portfolio company
- Here: Investments/divestments in/from Finnish portfolio companies made by domestic and foreign private equity firms

Successful exits are excluding the write-offs. Write-offs are shown in the slides about the share of different types of divestments.

Note: The aggregated figures may not always sum up to totals due to rounding.

For more information about the methodology, please contact the Finnish Venture Capital Association (FVCA).

Definitions

VENTURE	Seed	Seed
Investments in companies in their early development stage	Start-up	Start-up, Other early stage
	Later stage venture	Early growth, Transition stage
BUYOUT	Growth	Later growth
A transaction financed by a mix of debt and equity, in which a business, a business unit or a company is acquired	Rescue/Turnaround	Rescue/Turnaround
	Replacement capital	Secondary purchase/Replacement capital, Refinancing bank debt
	Buyouts	Management buyout (MBO), Management buy-in (MBI), Public to private, Other PIPE, Other leverage buyout

NEW

Growth investments are separated by stage for 2021–2022

- For the first time, the statistics include growth investments in startups ("VC-growth" and "BO-growth") to provide a more comprehensive overview of the development of the Finnish startup and growth company ecosystem
- **VC-growth-stage** describes later-stage investments in start-up companies
- **BO-growth-stage** describes investments (usually a minority) in established companies
- A more detailed analysis of the growth investments will be included in the next report