

Pääomasijoittajat

Finnish Venture Capital Association

Buyout and growth in Finland H1/2023

Statistics on fundraising, investments, and divestments

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Private Equity

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.

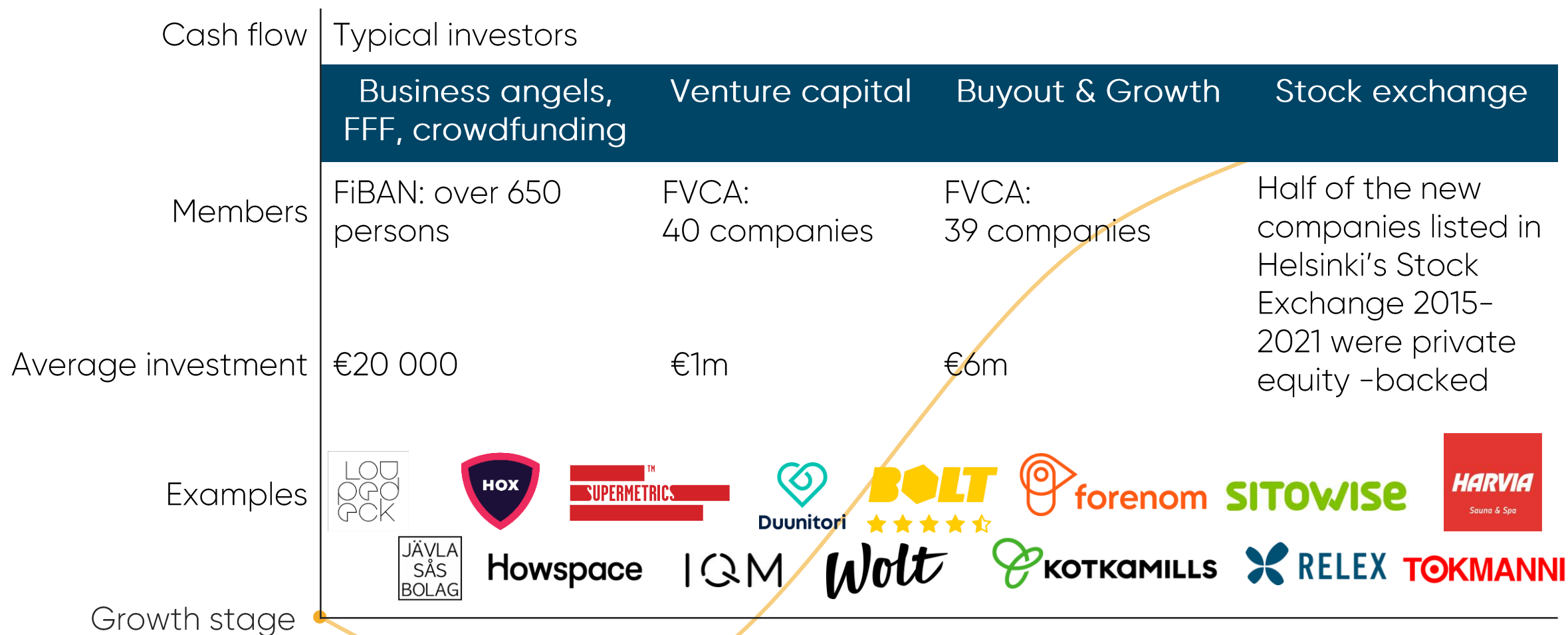
Growth company

A company with established business operations, revenue, & potential for continued growth. Revenue can range from a few million to hundreds of millions.

Buyout & growth

Buyout and growth 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 H1/2023

€7m

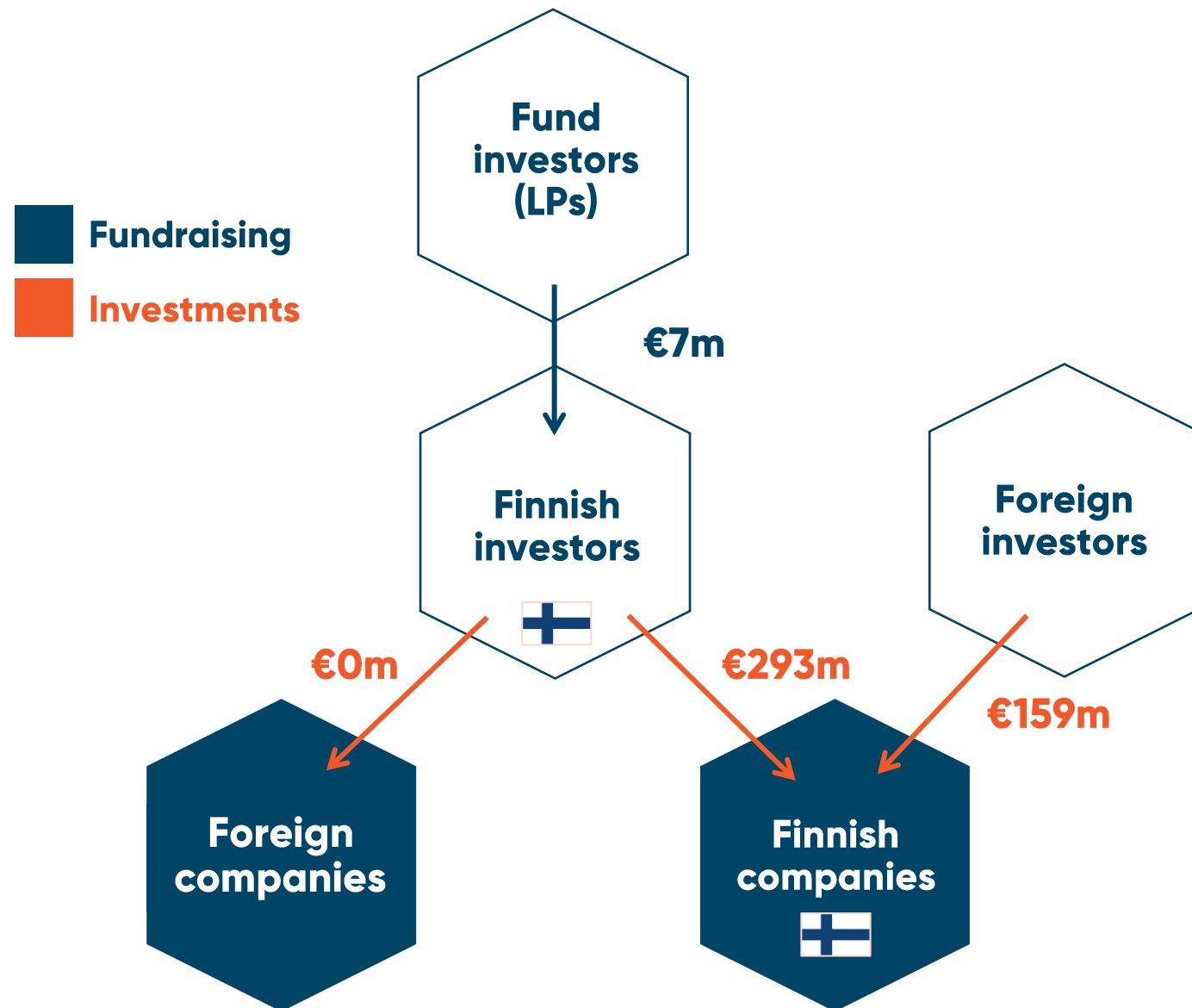
Funds raised to Finnish buyout and growth funds from LPs.

€293m

Investments made by Finnish buyout and growth investors.

€159m

Investment in Finnish companies by international buyout and growth investors.



Buyout & growth H1/2023

Statistics in brief

- A total of **7 M€** of new funds were raised in buyout and growth funds for future investments.
- Finnish buyout and growth investors invested a total of **€293m** in **35** companies.
- **100 %** of the investments by Finnish buyout and growth investors was directed to Finnish companies.
- Finnish buyout and growth investors made successful exit from **5** portfolio companies.
- **40** Finnish growth companies received a total of **€452m** in investments from Finnish and foreign investors.
- Of this amount, **€159m** came from foreign investors and was invested in **6** Finnish companies.
- Finnish and foreign buyout and growth investors exited successfully from **7** Finnish companies.



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Industry statistics

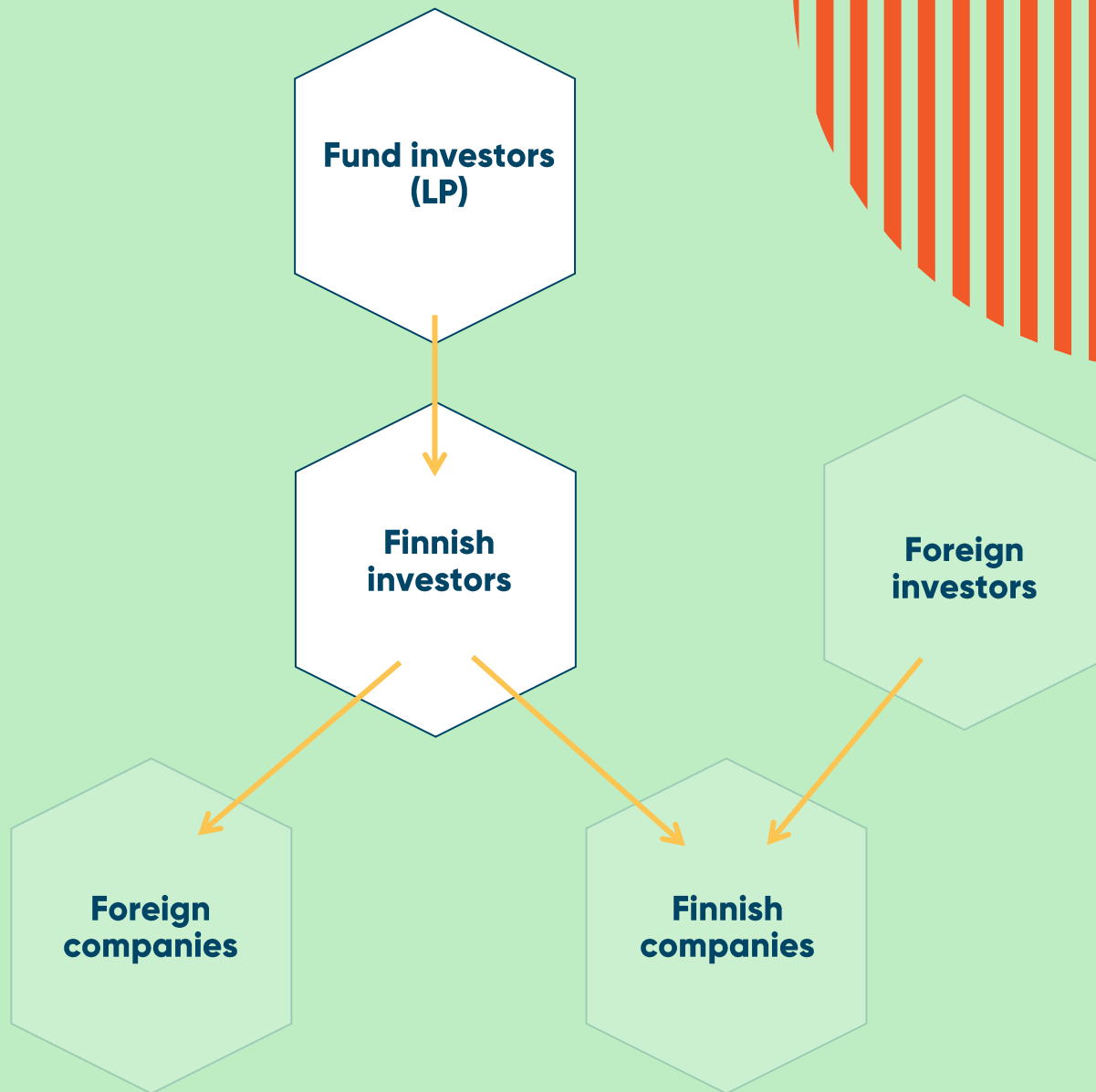
Finnish buyout and growth investors' activity in Finland and abroad



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Fundraising



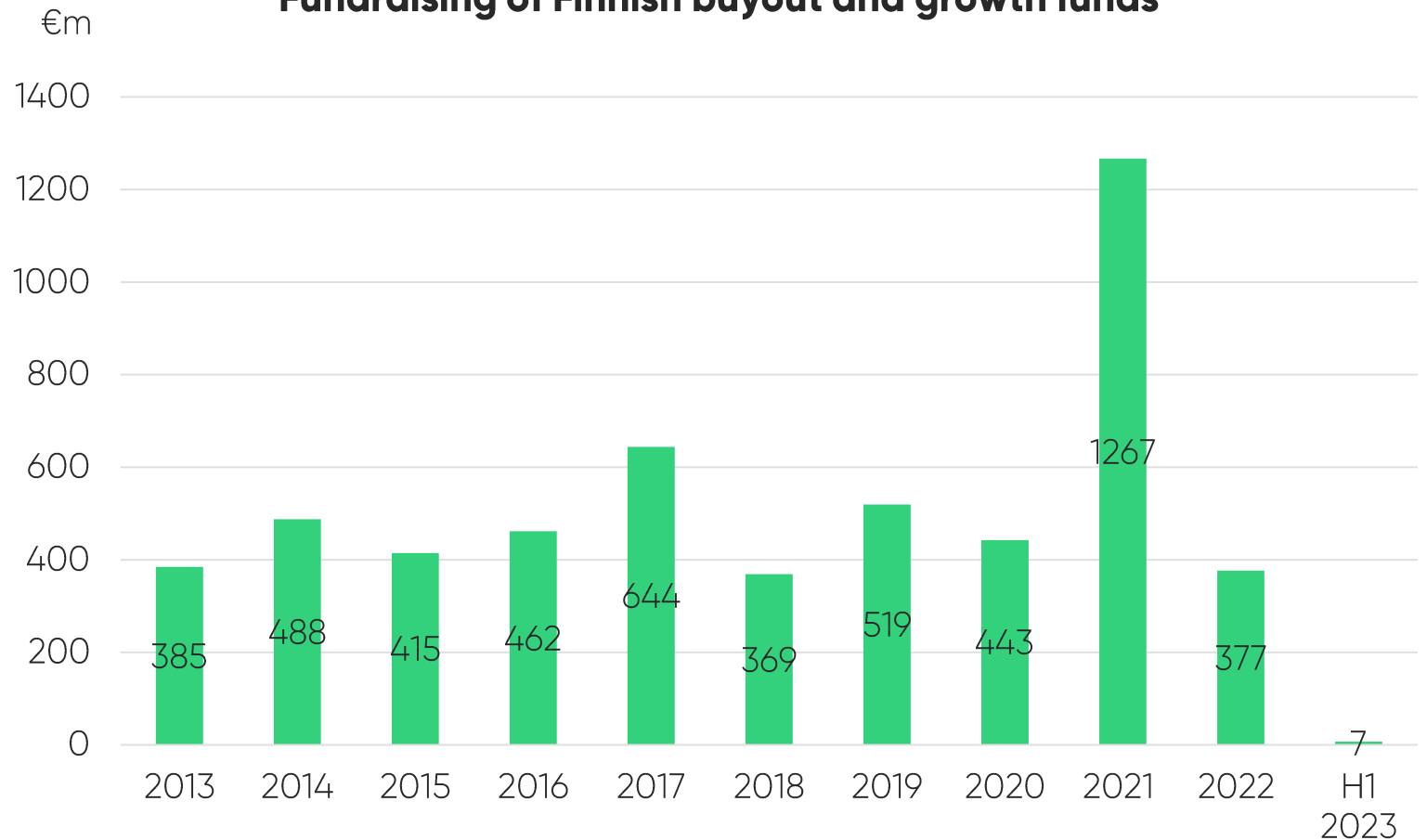
A quiet half for buyout and growth funds' fundraising

€7m

Finnish Buyout and growth fundraising decreased, partly due to very high fundraising in previous years.

Funds were raised by previously published funds.

Fundraising of Finnish buyout and growth funds



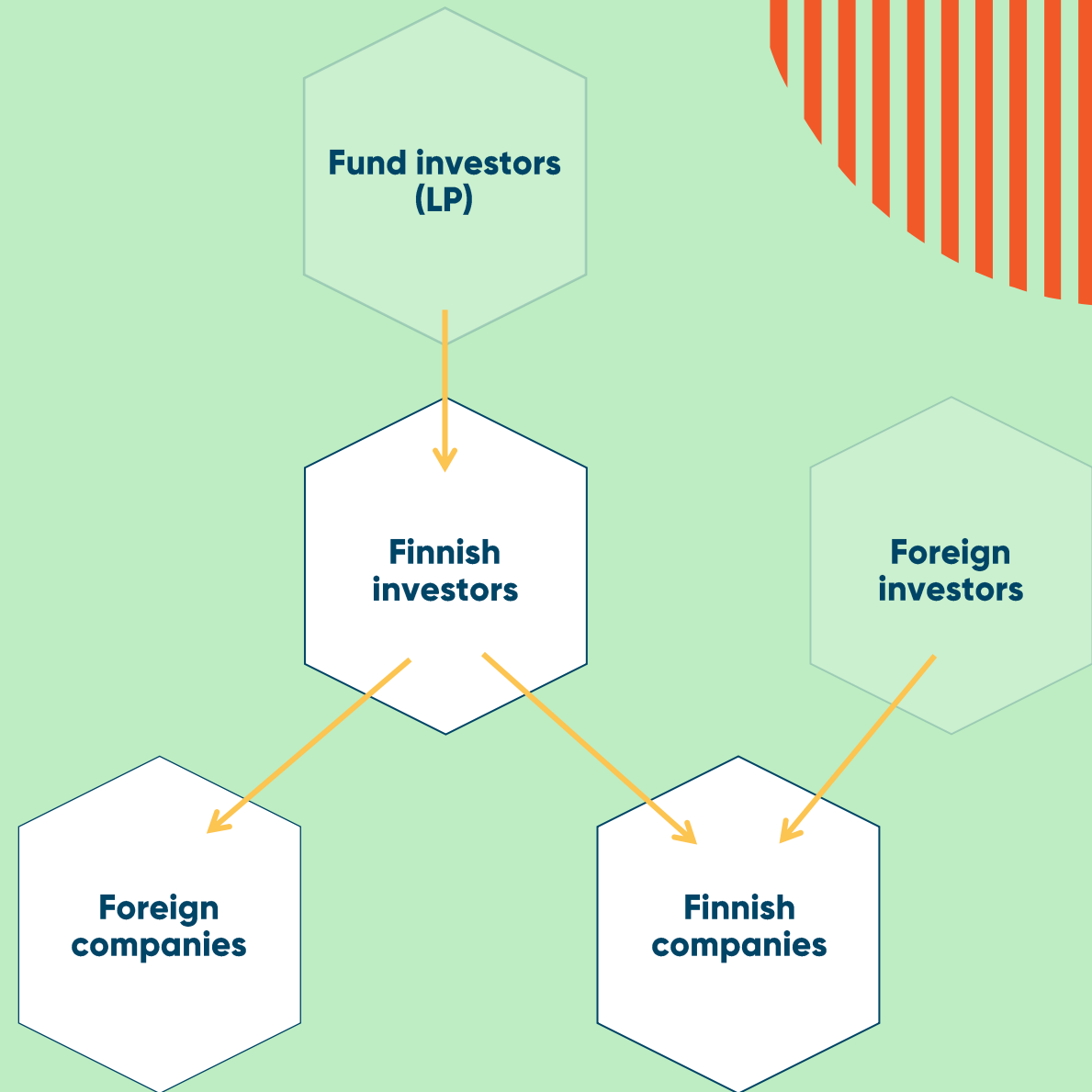
Sources: FVCA, EDC



Pääomasijoittajat

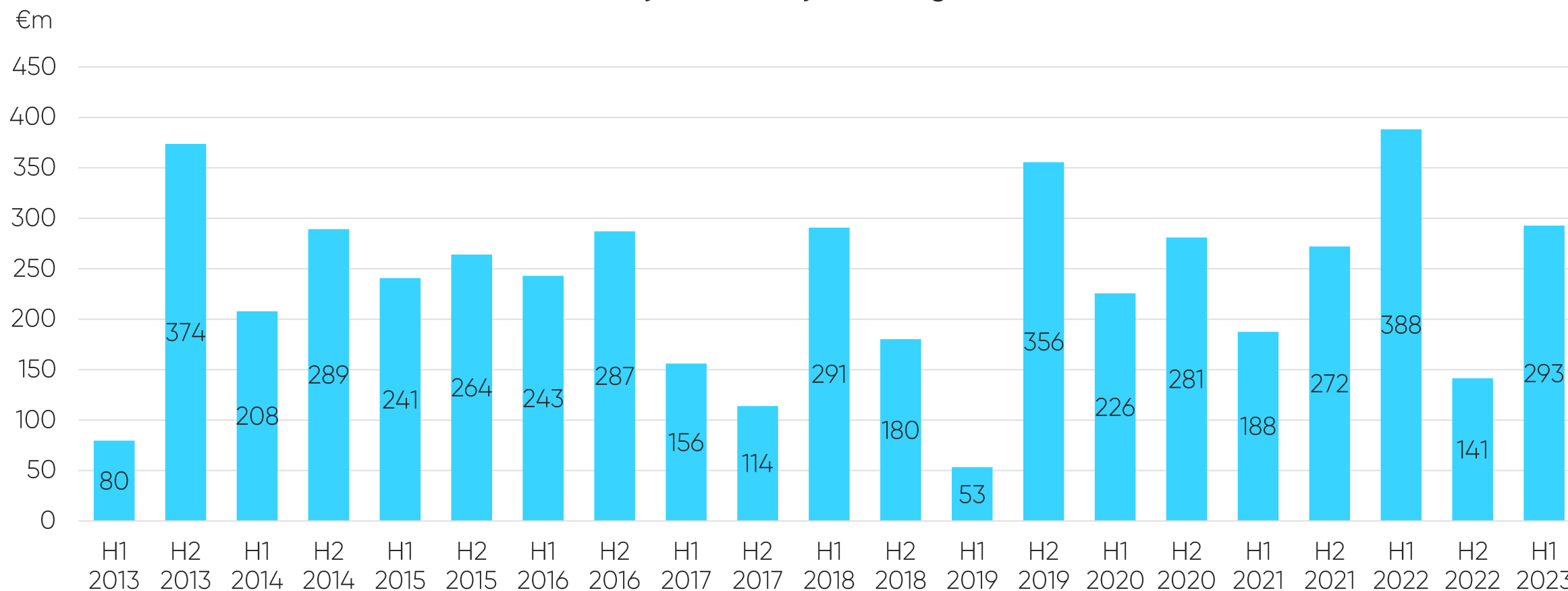
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Investments



Finnish buyout and growth investors invested a total of €293 million in January-June 2023

Investments by Finnish buyout and growth investors

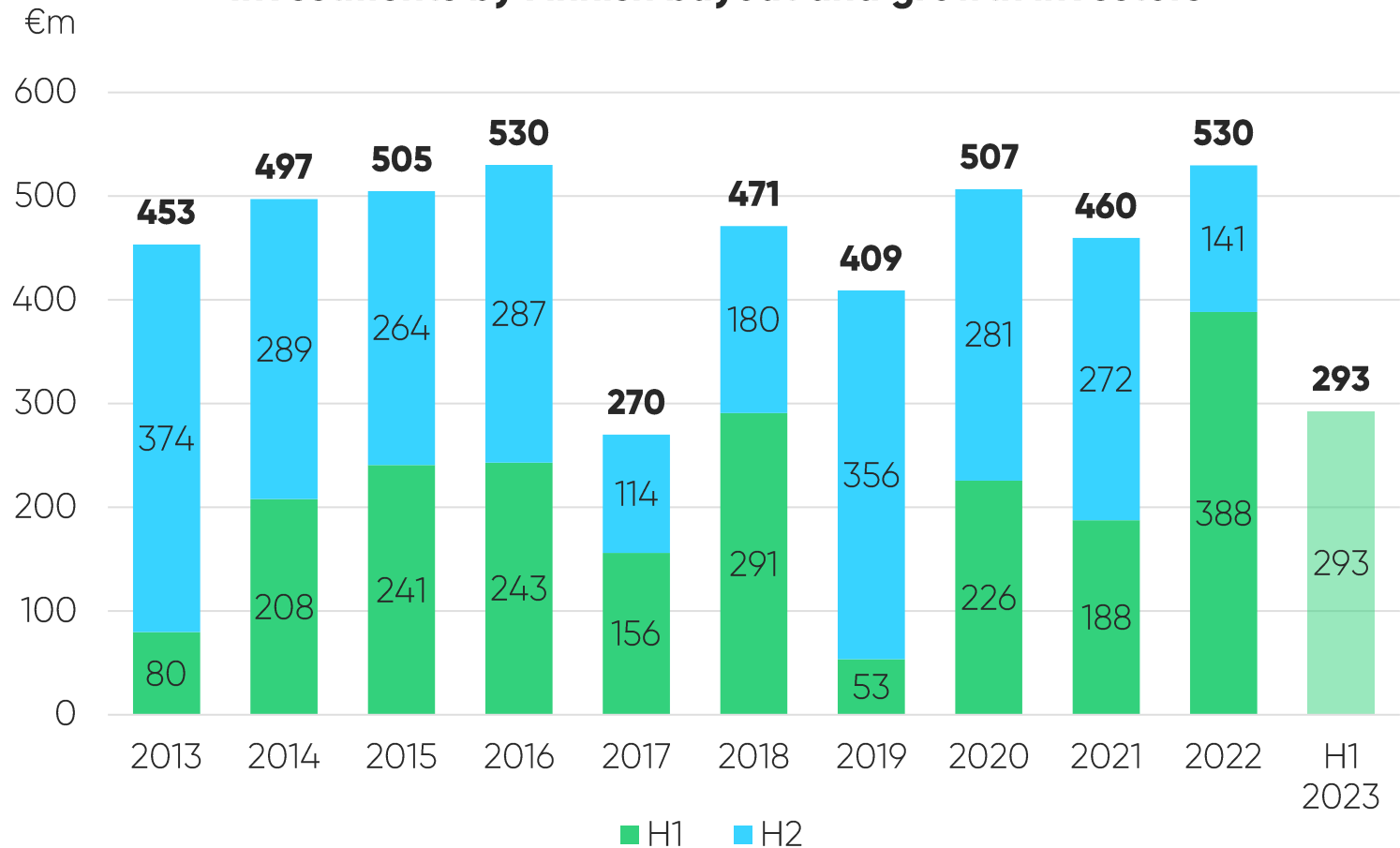


Investments by Finnish buyout and growth investors

€293m

The amount invested by Finnish buyout and growth investors in domestic and foreign companies during the first half of the year 2023.

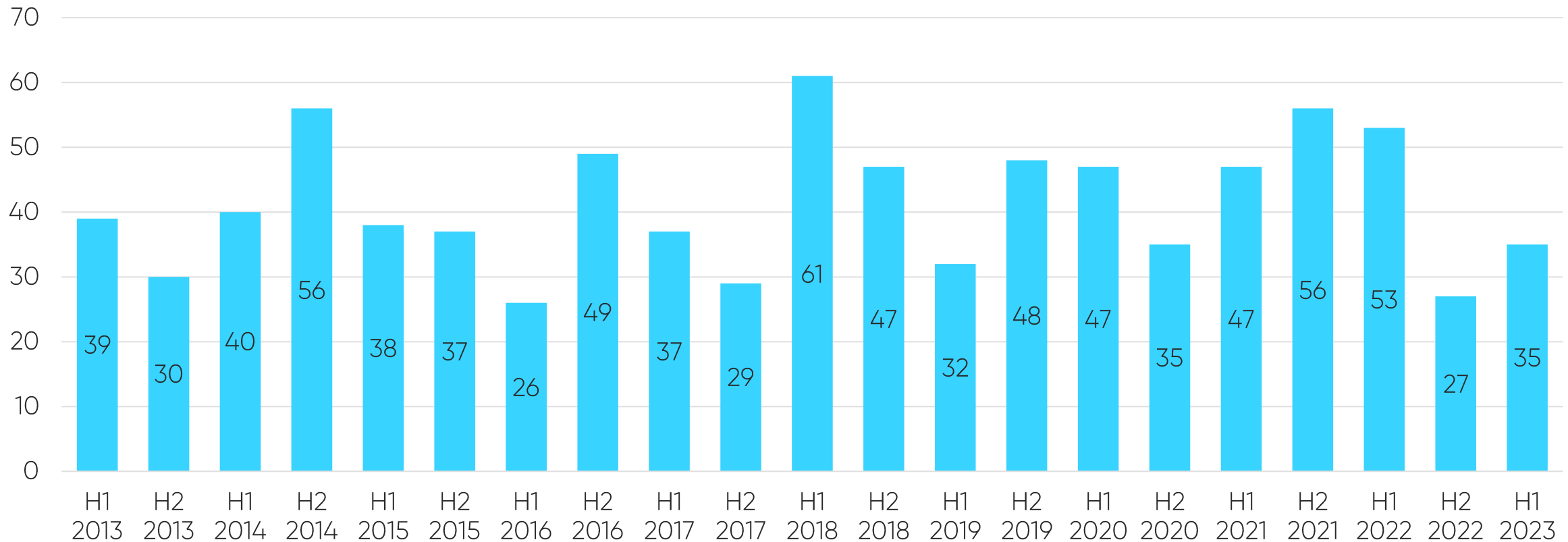
Investments by Finnish buyout and growth investors



Finnish buyout and growth investors invested in 35 companies in January-June 2023

Investments by Finnish buyout and growth investors

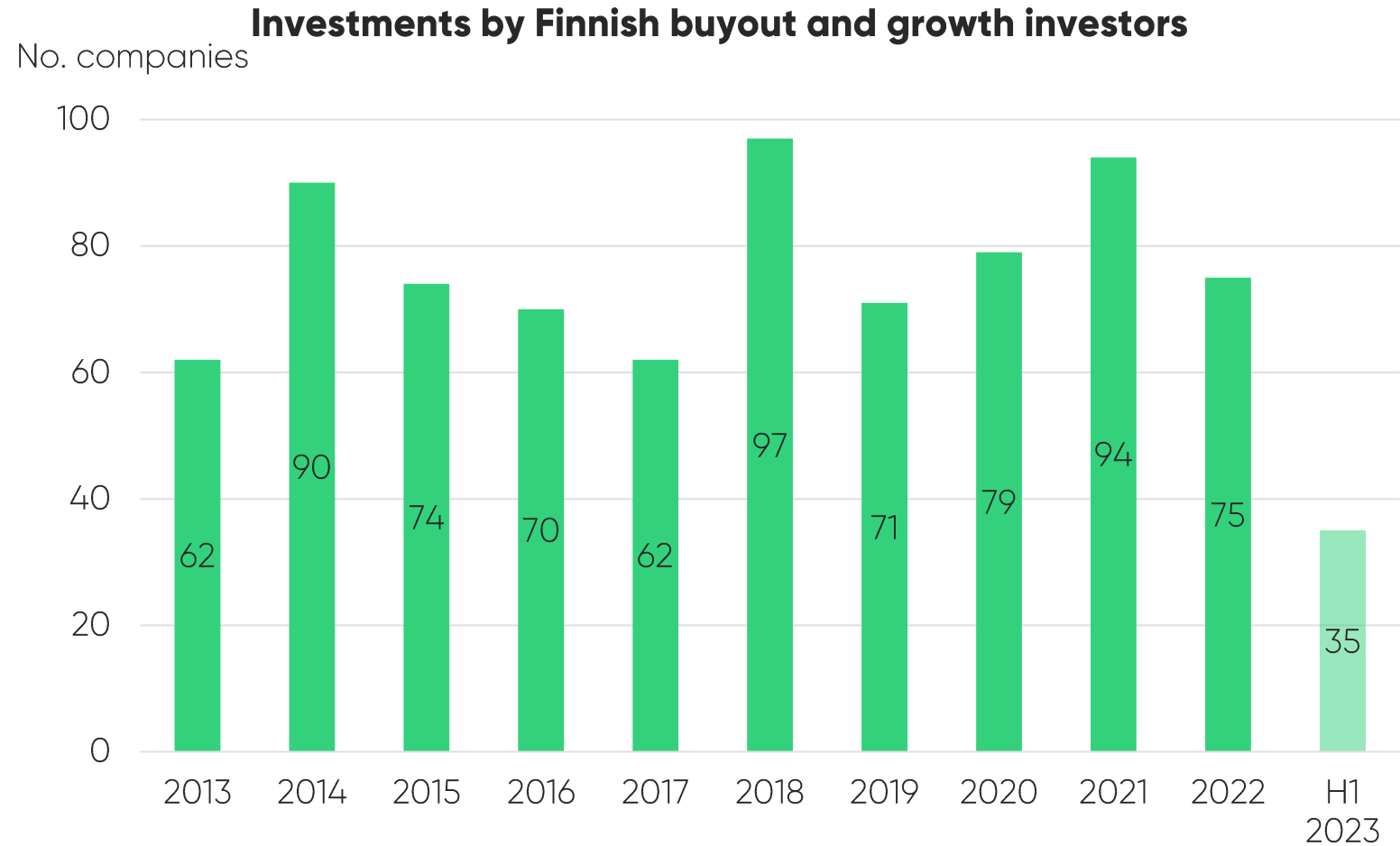
No. companies



Investments by Finnish buyout and growth investors

35 companies

received investment from Finnish buyout and growth investors.





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Divestments

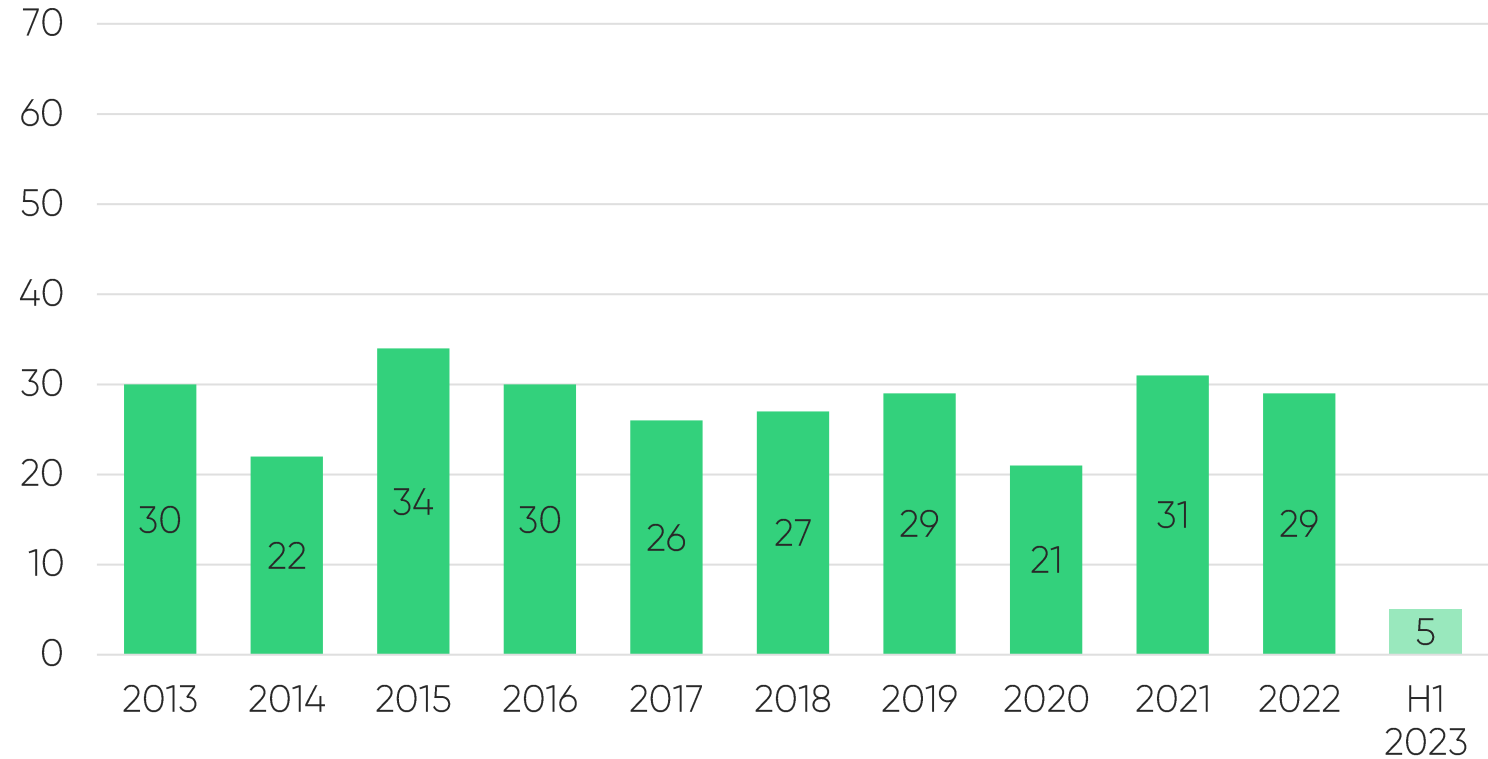
Only a few successful divestments by Finnish buyout and growth investors

5 companies

were exited successfully by Finnish buyout and growth investors during H1/2023.

Successful divestments by Finnish buyout and growth investors

No. companies



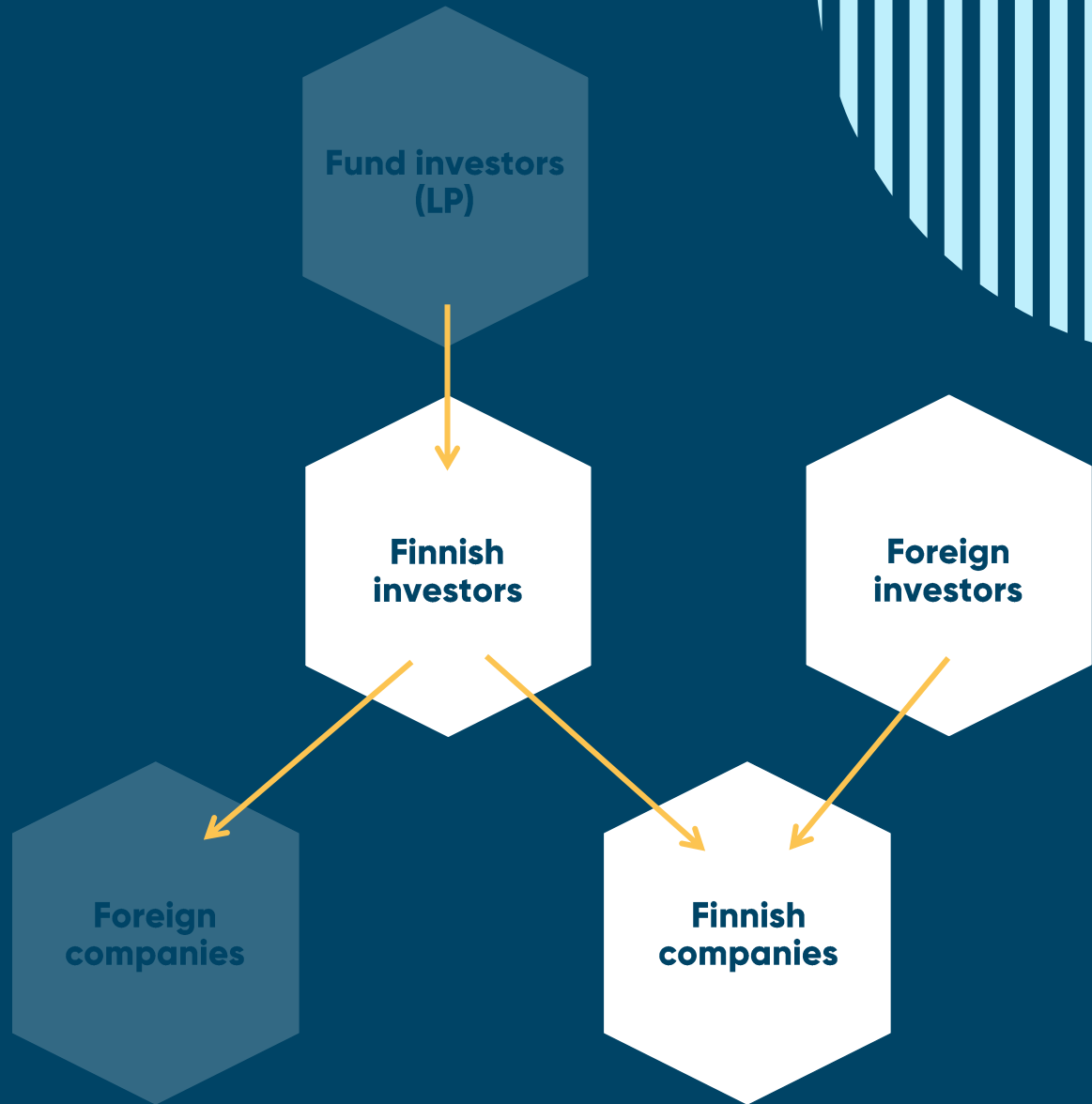
Market statistics

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

Examples of investments in growth companies H1/2023

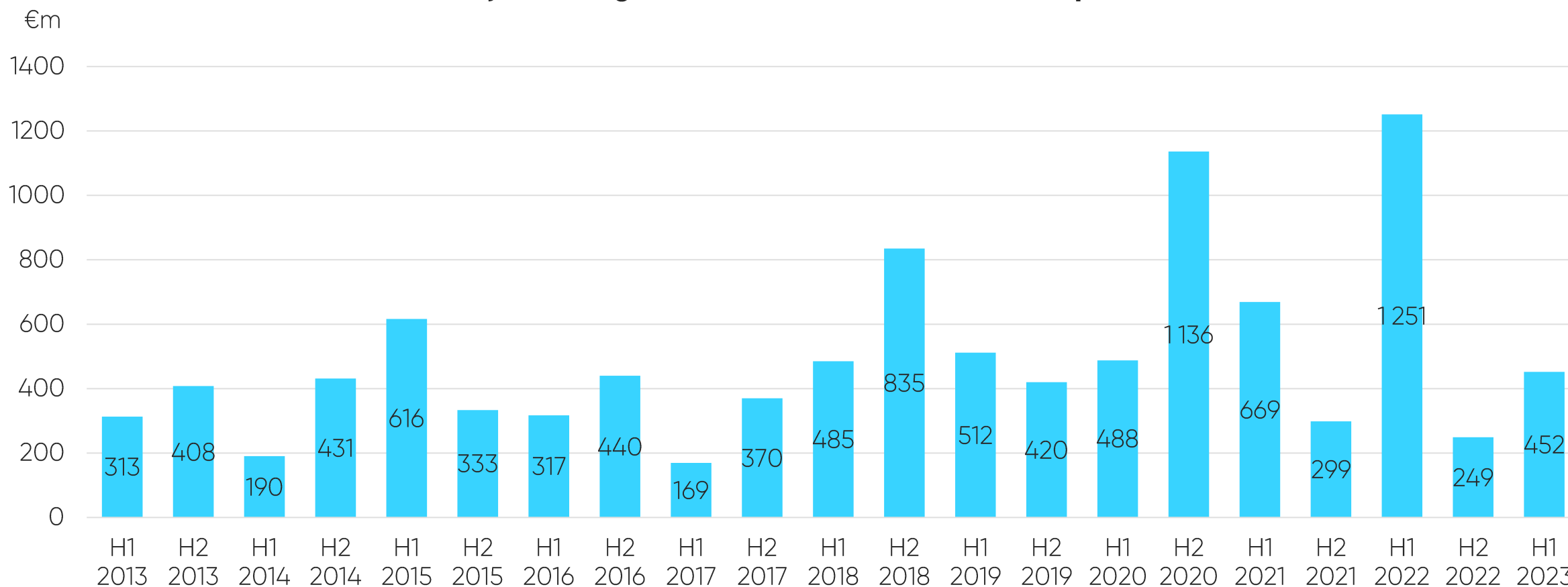


Investments



€452 million to Finnish growth companies in January-June 2023

Buyout and growth investments in Finnish companies



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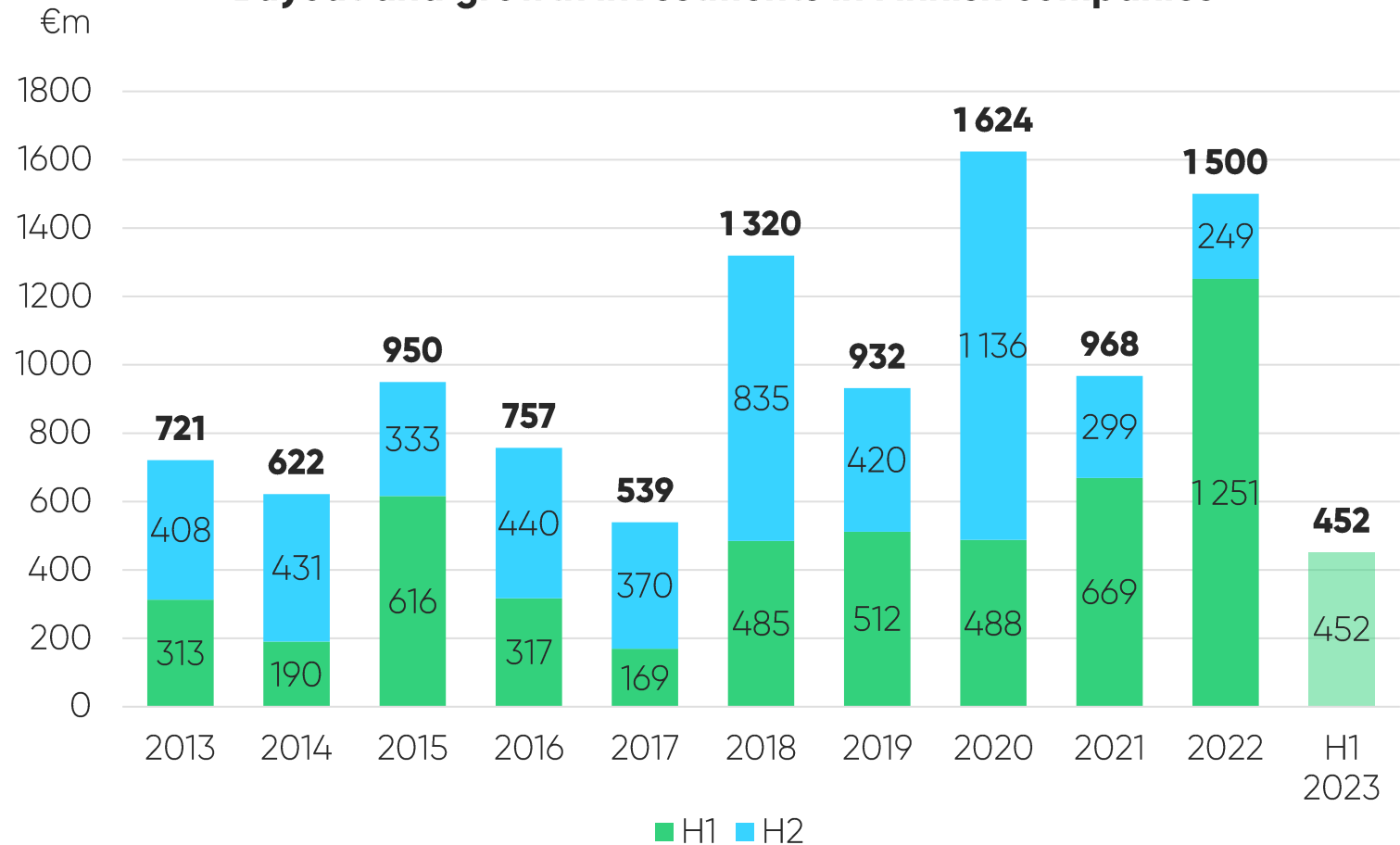
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Buyout and growth investments in Finnish companies

€452m

Received in investments received by Finnish companies from domestic and foreign buyout and growth investors.

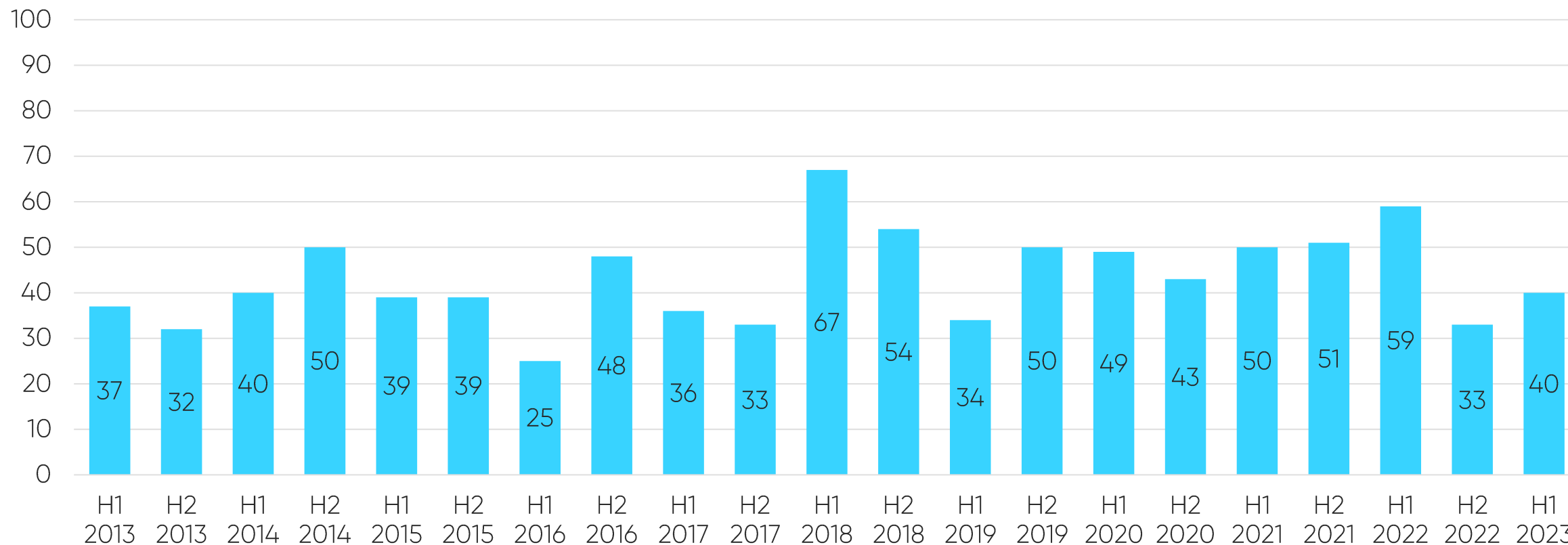
Buyout and growth investments in Finnish companies



40 Finnish growth companies received investment in January-June 2023

Buyout and growth investments in Finnish companies

No. companies



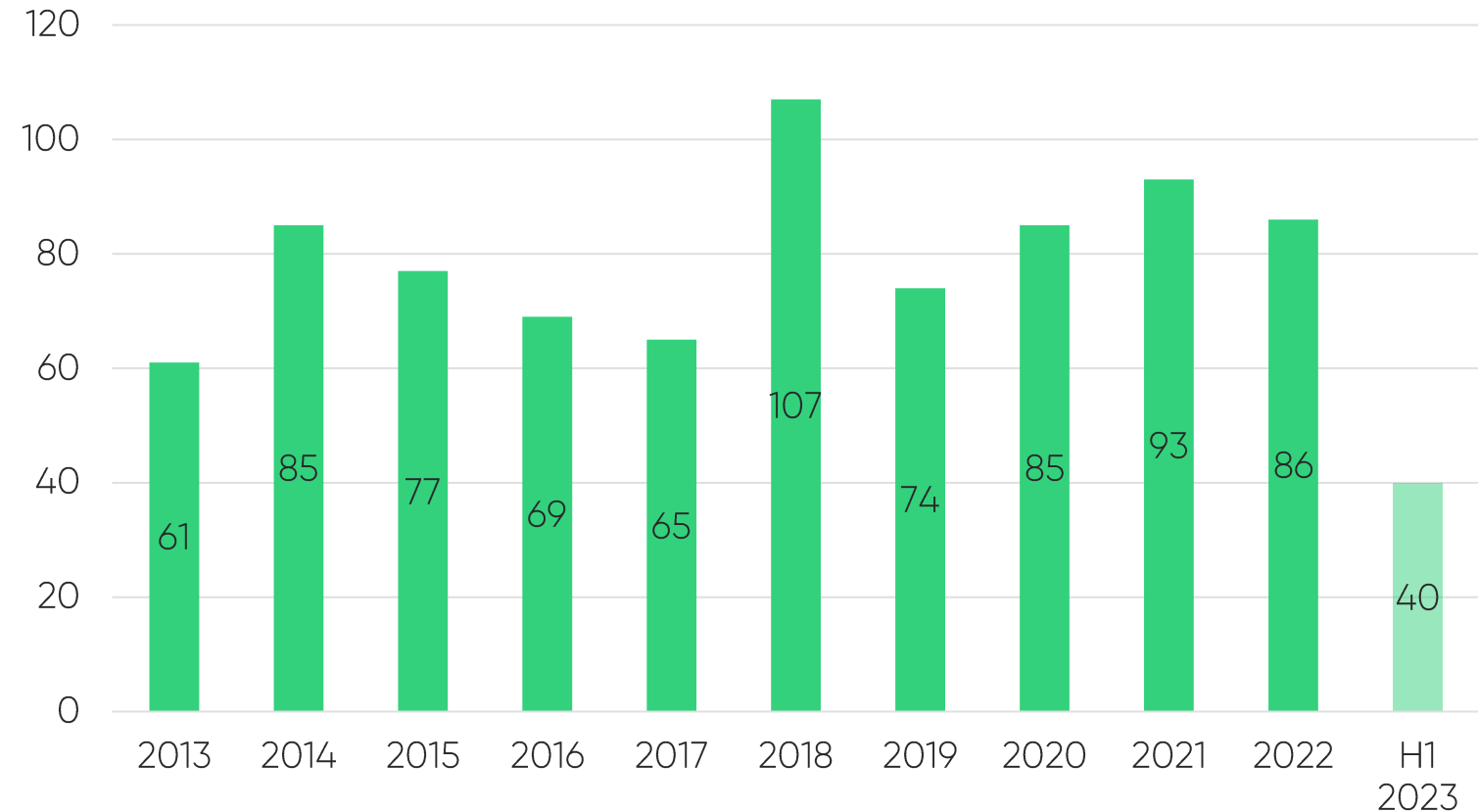
Buyout and growth investments in Finnish companies

40 companies

Received investments during the first half of the 2023.

Buyout and growth investments in Finnish companies

No. companies

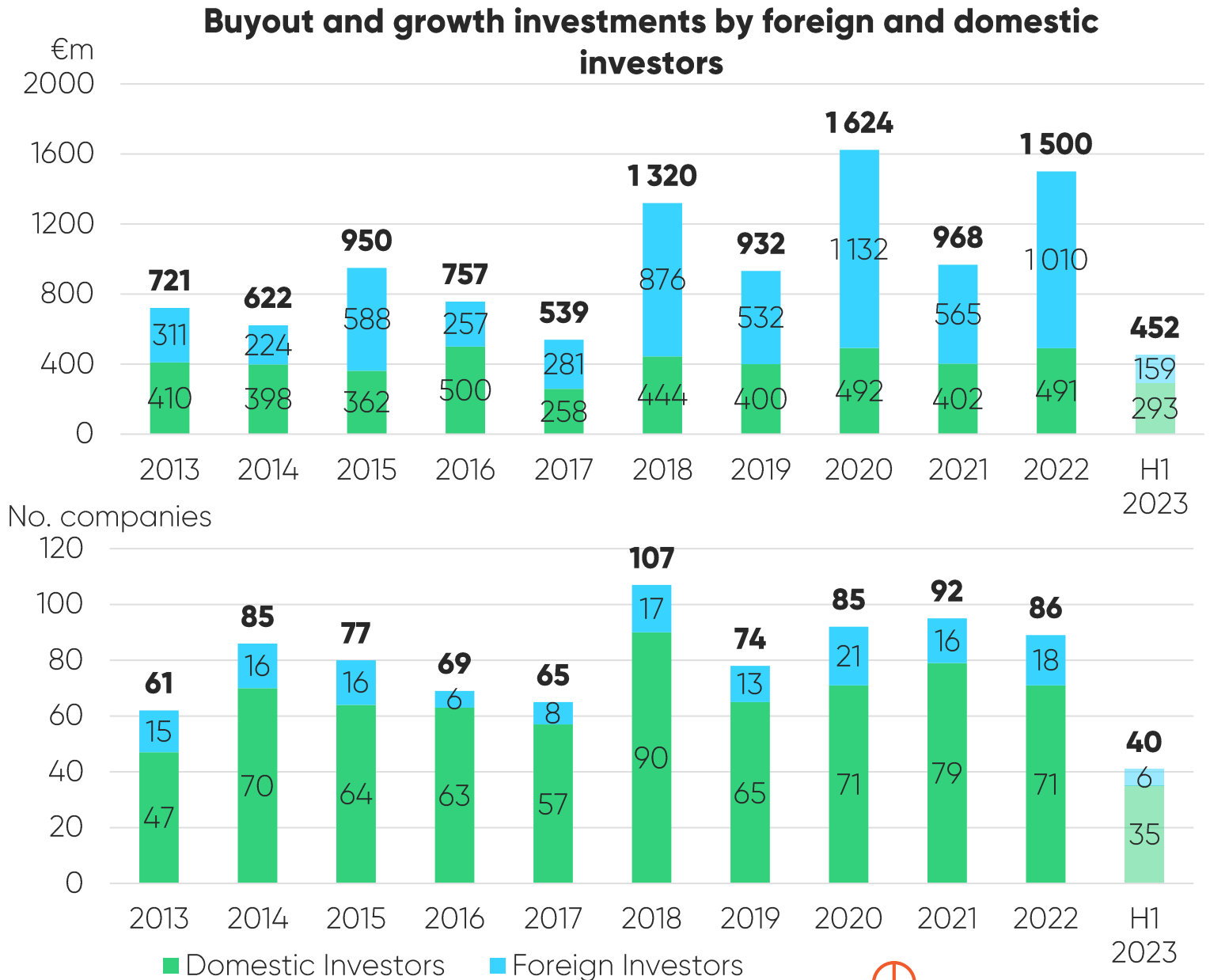


Foreign and domestic buyout and growth investments in Finnish companies

€159m (35 %), **6 companies** (15 %)

Foreign investors' investments in Finnish companies decreased from the previous years.

This can be partly explained by the economic uncertainty, during which investors tend to focus on their home markets.

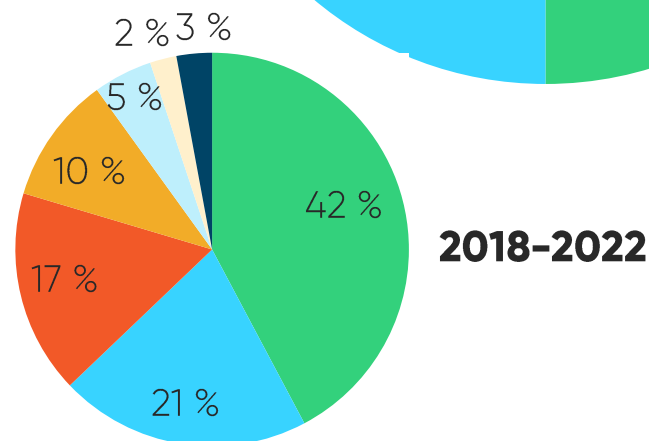
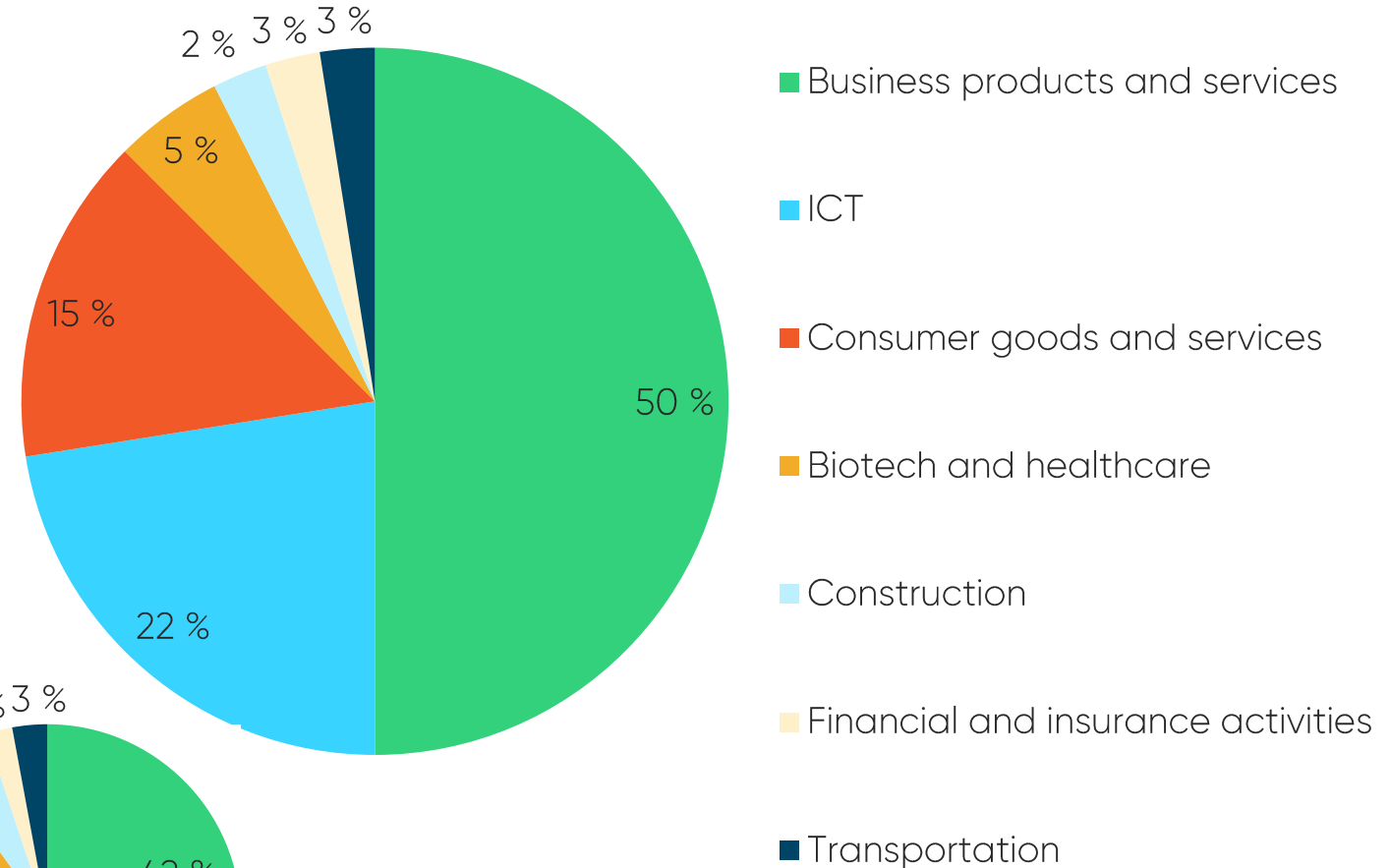


Business products and services received the most investments

50%

Half of the companies that received buyout or growth investments during the first half of the year operate in the business products and services sector.

Buyout and growth investments in Finnish companies by industry (No. companies) H1/2023



Sources: FVCA, EDC

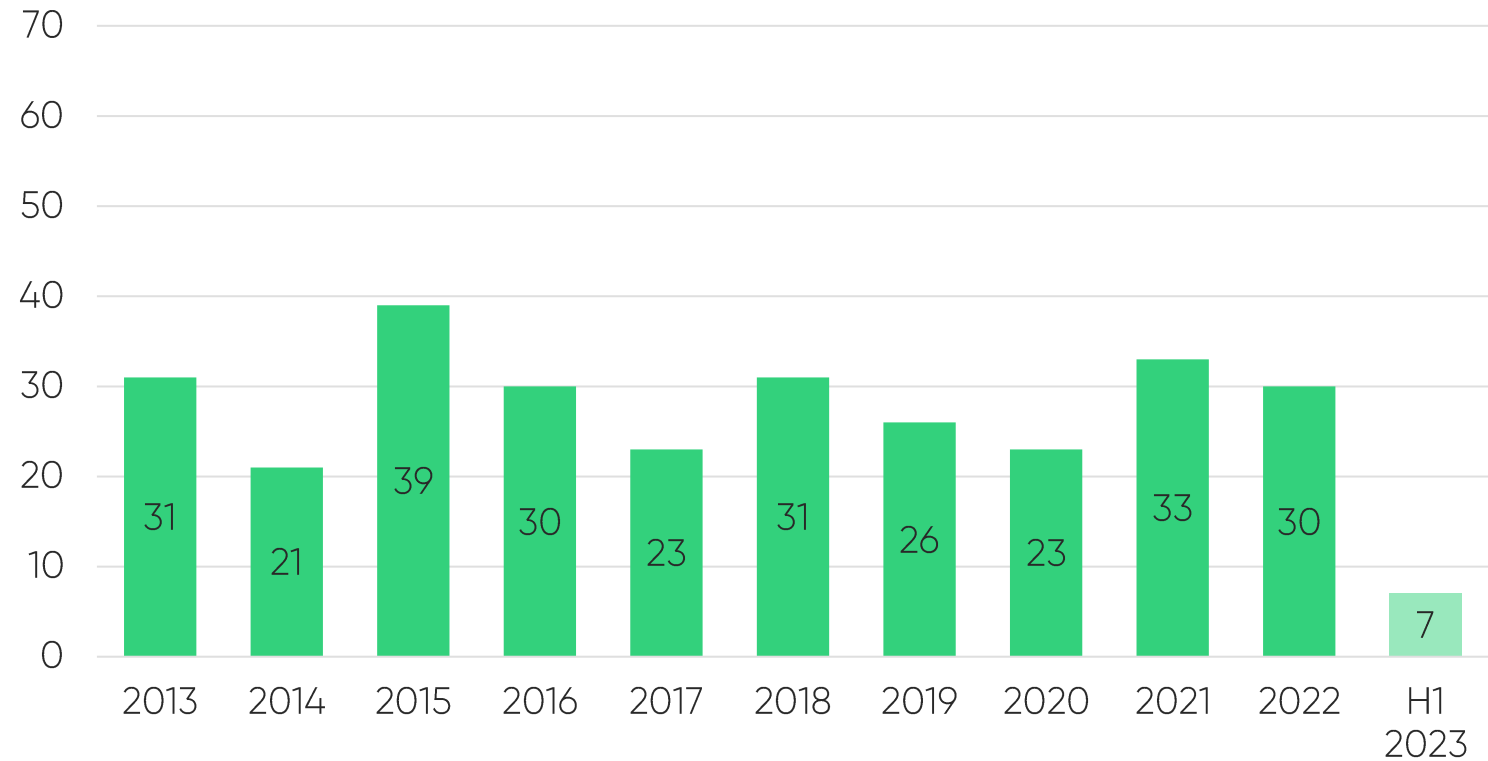
Divestments

Buyout and growth investors' exits from Finnish companies

7 Finnish companies were exited successfully in January–June 2023.

Successful buyout and growth exits from Finnish companies

No. companies



Sources: FVCA, EDC



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Summary of Finnish venture capital and private equity statistics

Venture capital, growth & buyout H1 2023

All private equity H1/2023

€272m

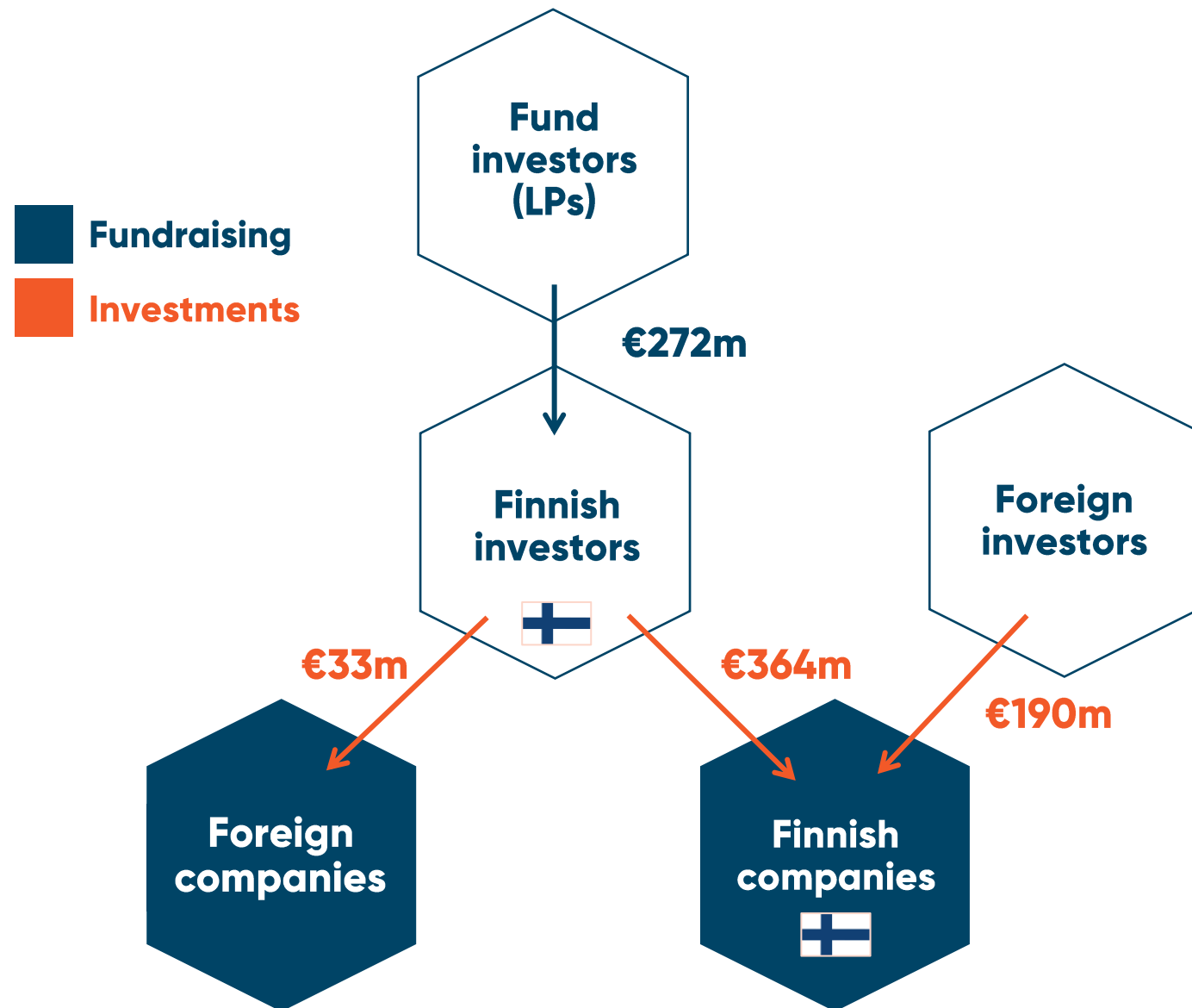
Funds raised into private equity funds for future investments.

€396m

Total amount of investments by Finnish private equity investors.

€554m

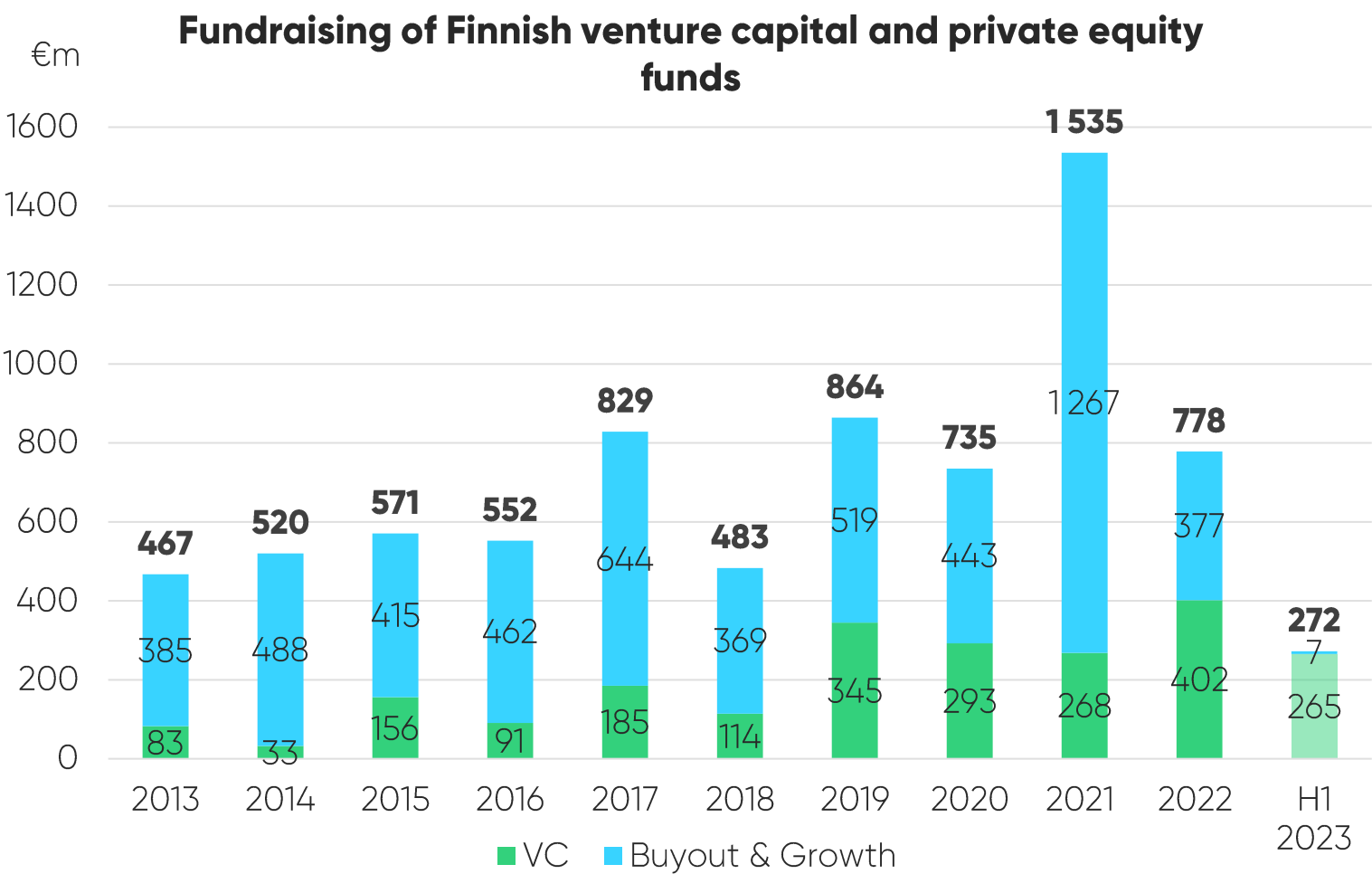
Investments made in Finnish companies by Finnish and foreign private equity investors.



Fundraising of Finnish private equity investors

€272m

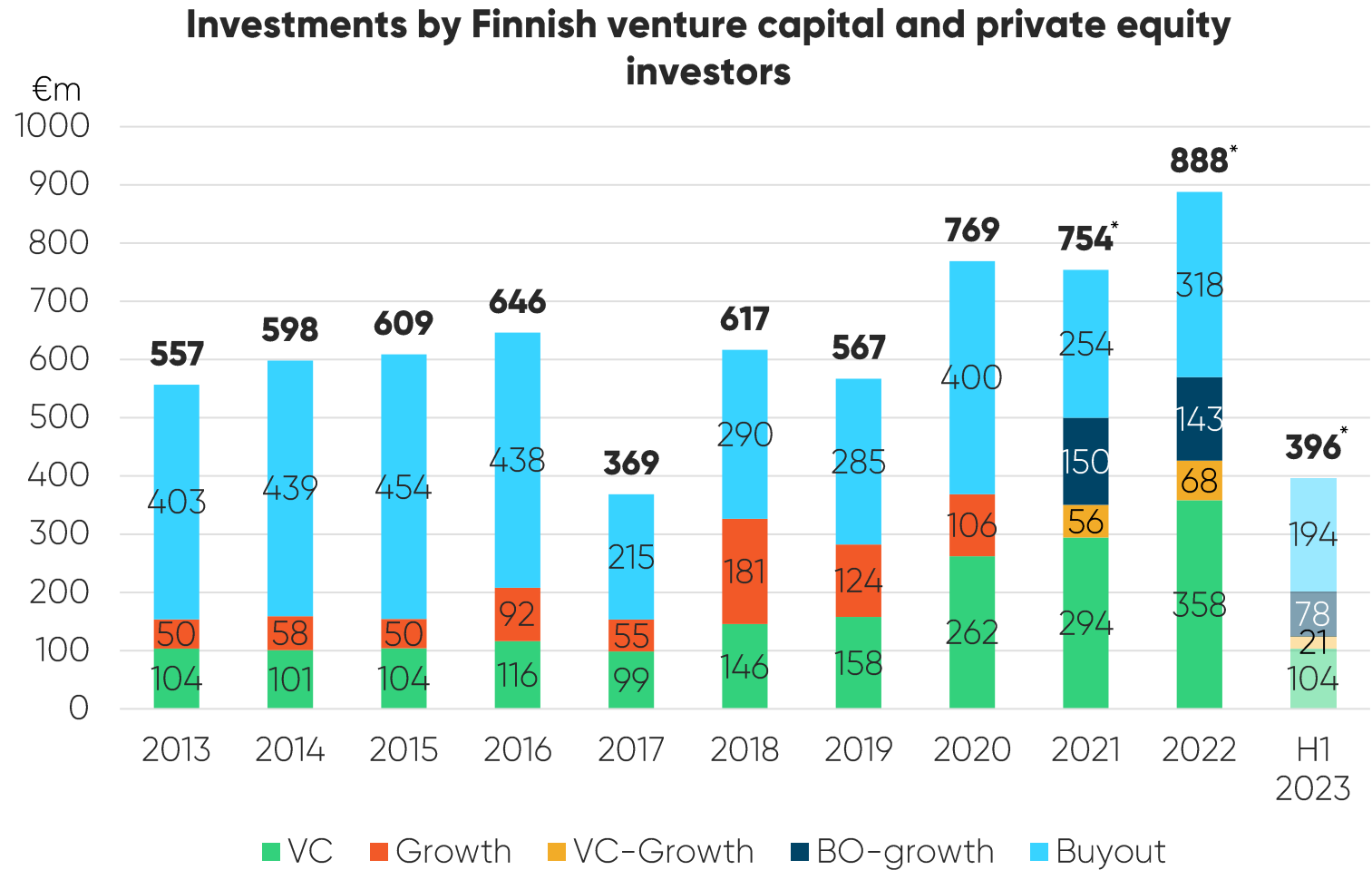
Funds raised to Finnish private equity funds in the first half of 2023.



Investments by Finnish venture capital and private equity investors

€396m

of investments made by Finnish venture capital and private equity investors during the first half of 2023.



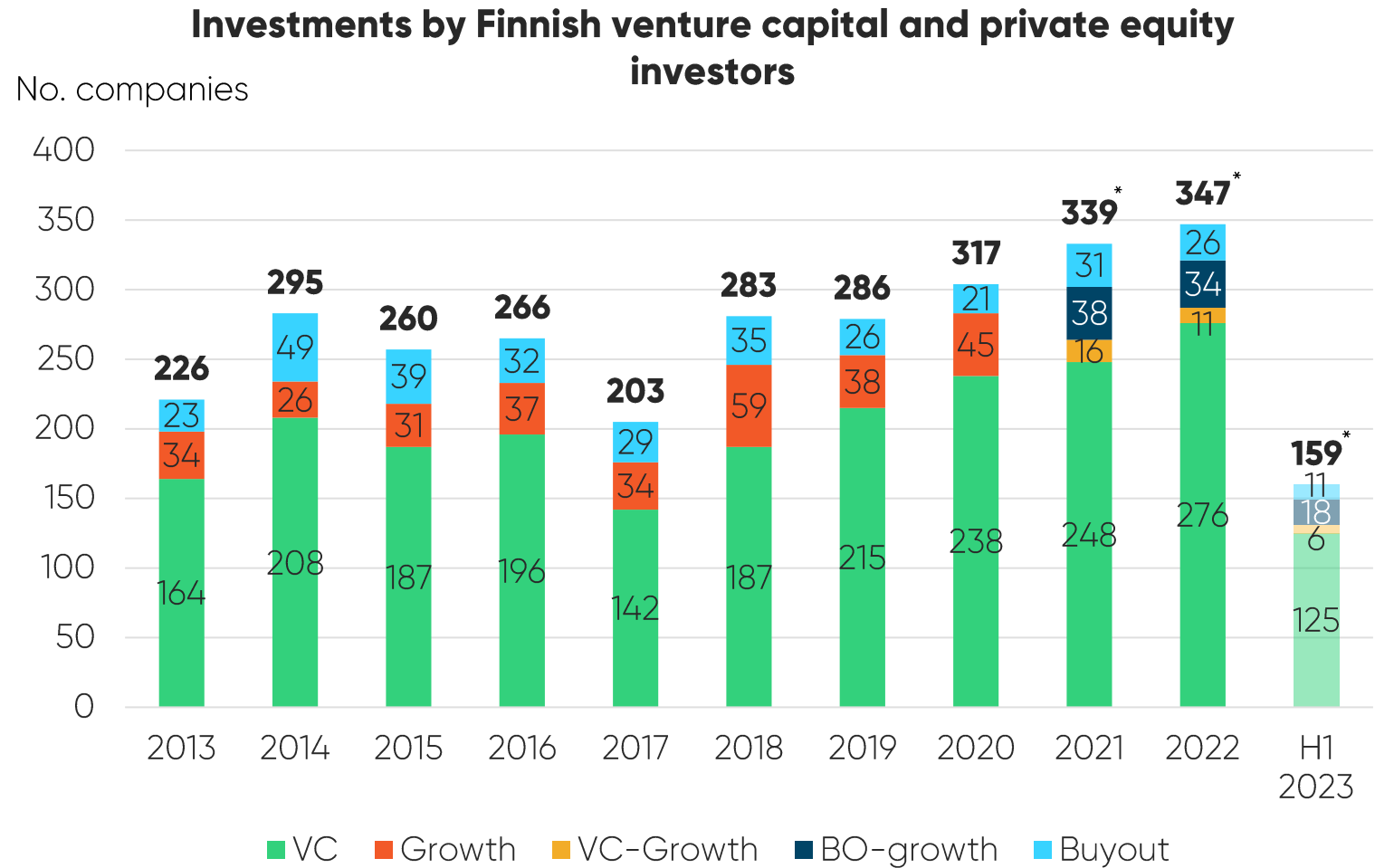
*Growth statistics split for 2021 – H1/2023. See methodology for more information.

Sources: FVCA, EDC

Investments by Finnish venture capital and private equity investors

159 companies

received investment from Finnish venture capital and private equity investor.



*Growth statistics split for 2021 – H1/2023. See methodology for more information.

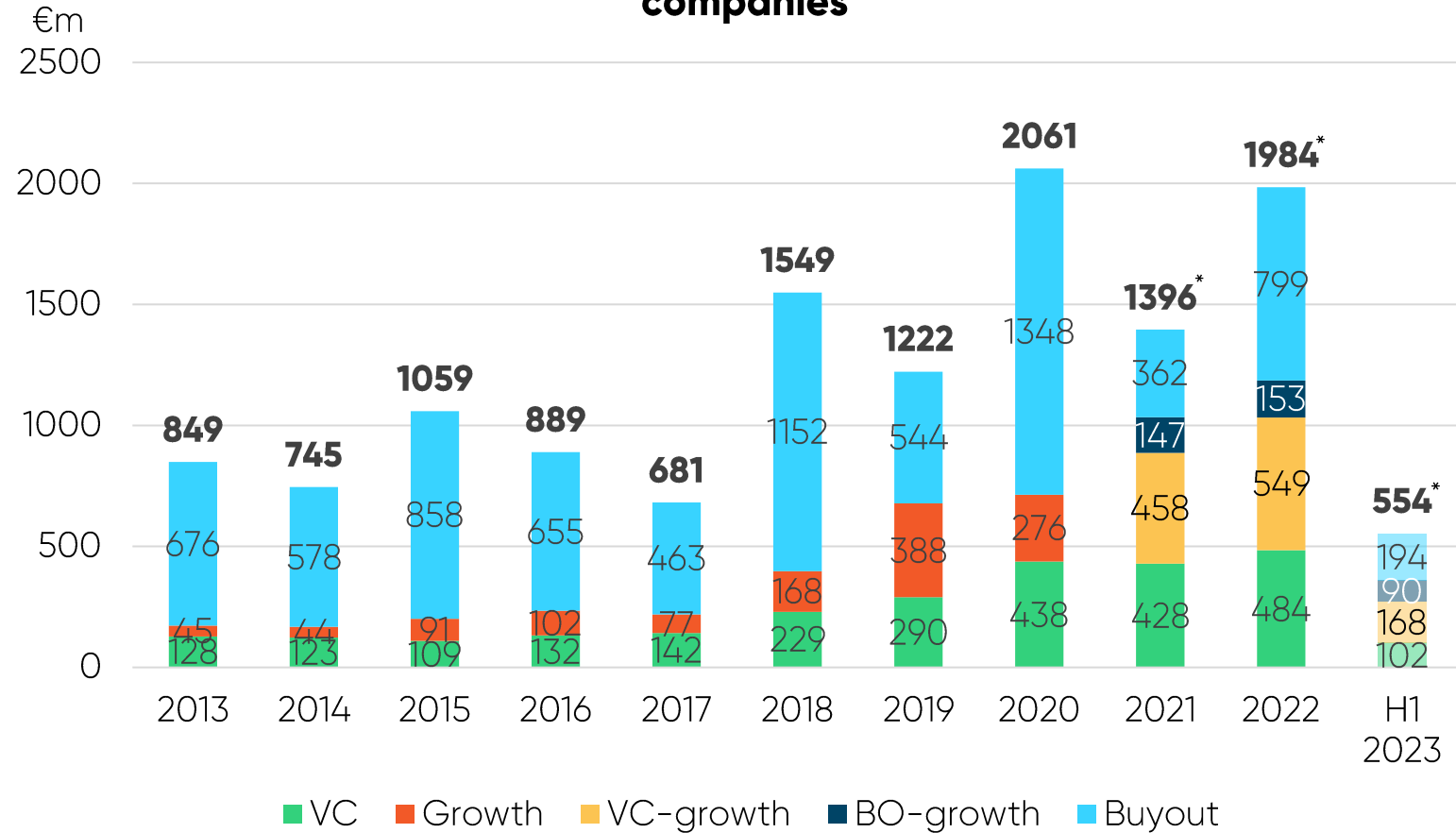
Sources: FVCA, EDC

Venture capital and private equity investments in Finnish companies

€554m

of private equity and venture capital investments received by Finnish companies.

Venture capital and private equity investments in Finnish companies



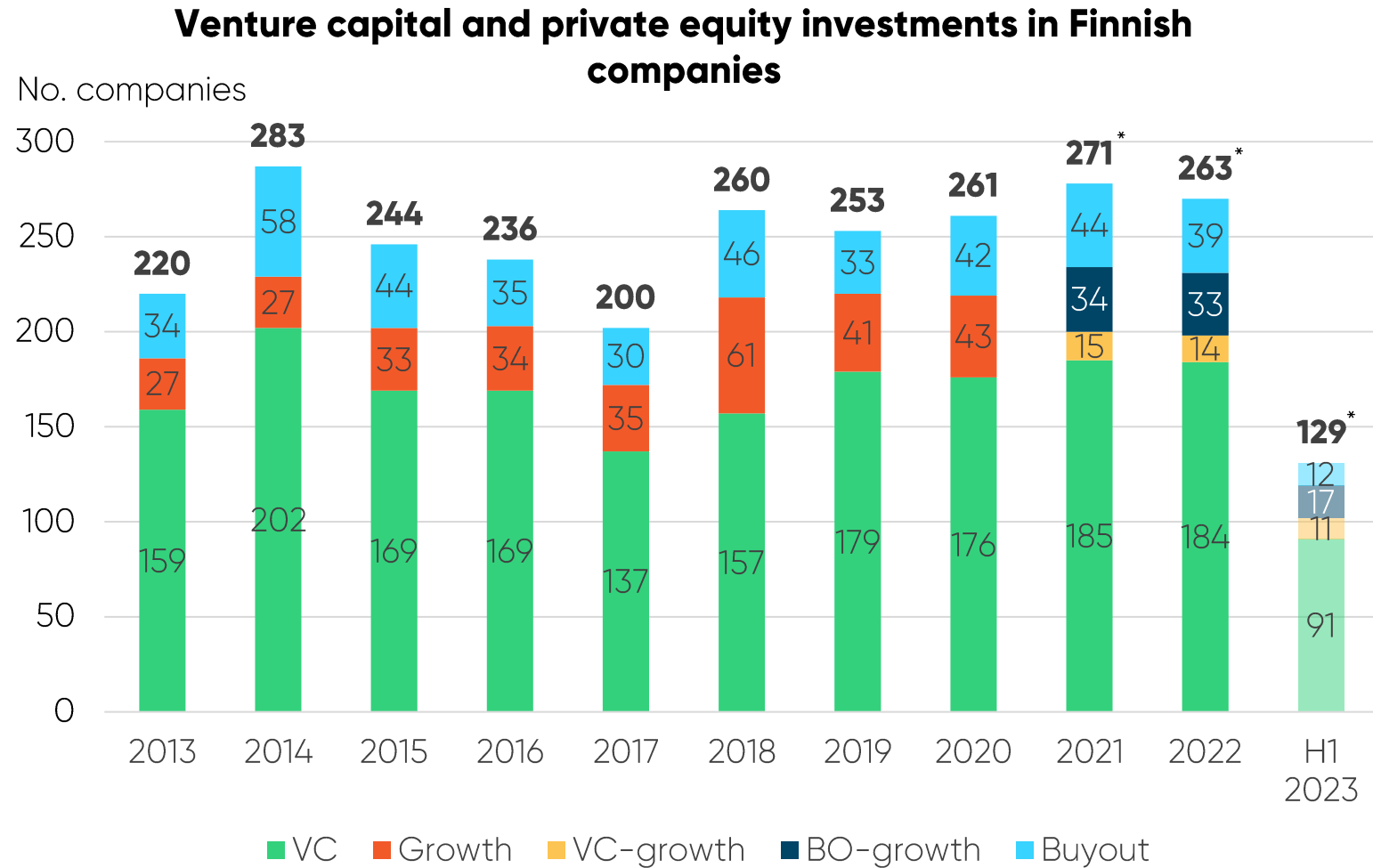
*Growth statistics split for 2021 – H1/2023. See methodology for more information.

Sources: FVCA, EDC

Venture capital and private equity investments in Finnish companies

129

Finnish companies received venture capital and private equity investment during the first half of the 2023.



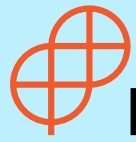
*Growth statistics split for 2021 – H1/2023. See methodology for more information.

Sources: FVCA, EDC

Private equity investors H1/2023

Venture capital, growth and
buyout statistics in brief

- Finnish venture capital and private equity investors invested a total of **396 M€** into **159** domestic and foreign growth companies
- **129** Finnish startup and growth companies received a total of **554 M€** in investments.
- Foreign private equity and venture capital investors invested into **18** Finnish companies a total of **190 M€** as an investments.
- Finnish venture capital and private equity investors made successful exits from **14** companies
- New funds raised by Finnish venture capital funds, totaling **€272m** in H1/2023, will be invested in start-up and growth companies in the coming years



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Methodology

The following national private equity associations are cooperating with EDC

AIFI, Italy
ASCRI, Spain
BVA, Belgium
BVCA, UK
BVCA, Bulgaria
BVK, Germany
CVCA, Czech Republic
DVCA, Denmark
France Invest, France
FVCA, Finland
LPEA, Luxembourg
NVCA, Norway
NVP, Netherlands
PSIK, Poland
ROPEA, Romania
SECA, Switzerland
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. Additionally, growth investments' classification to buyout investments affects the venture statistics.

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

Note: The aggregated figures may not always sum up to totals due to rounding. Some graphs exclude variables labelled as 'unspecified'.

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

Definitions

VENTURE Investments in companies in their early development stage	Seed	Seed
	Start-up	Start-up, Other early stage
	Later stage venture	Early growth, Transition stage
BUYOUT A transaction financed by a mix of debt and equity, in which a business, a business unit or a company is acquired	Growth	Later growth
	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

Growth stage

- 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