

Pääomasijoittajat

Finnish Venture Capital Association

Buyout and growth investing in Finland 2023

Statistics on fundraising, investments, and divestments

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Contents

Introduction

General information and statistics in brief

Market statistics

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

Industry statistics

Finnish buyout and growth investors' activity in Finland and abroad

Summary of Finnish venture capital and private equity statistics

Venture capital, growth & buyout 2023

Methodology



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EDC – European Data Cooperative

The most comprehensive VC/PE database in Europe

**106 Investors
in Finland**

3 700 in Europe

**318 Funds
in Finland**

10 200 in Europe

**2 396 Portfolio
companies in Finland**

83 000 in Europe

**10 680 Transactions
in Finland**

308 000 in Europe

Private equity

Startup

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

Growth company

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

Venture capital

Venture capital investors make **minority** investments in startups in different growth stages.

Growth

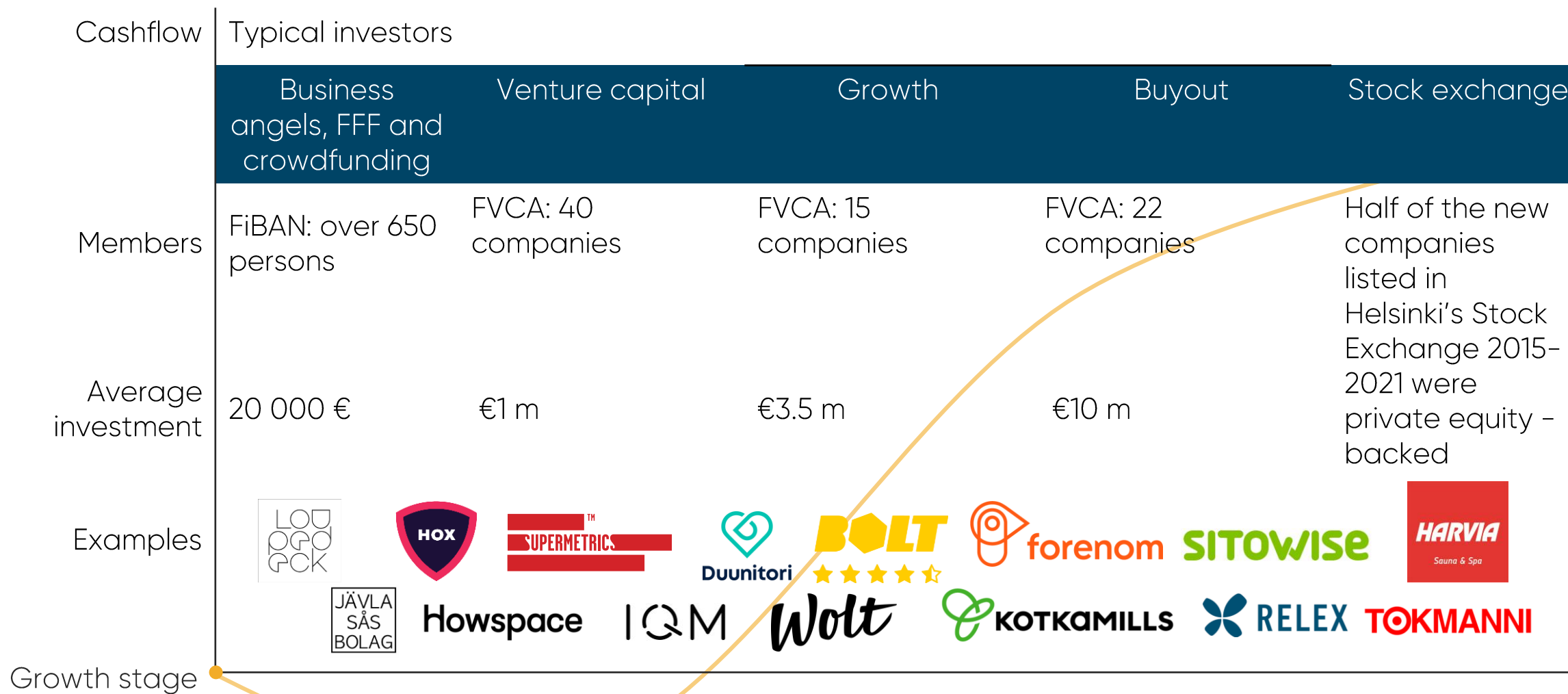
Growth investors make **minority** investments in both later-stage startups and established but still small growth companies.

Buyout

Buyout investors make **majority** investments in established businesses, typically mid-sized growth companies.



Private equity investors by stage



Buyout & growth 2023

€261m

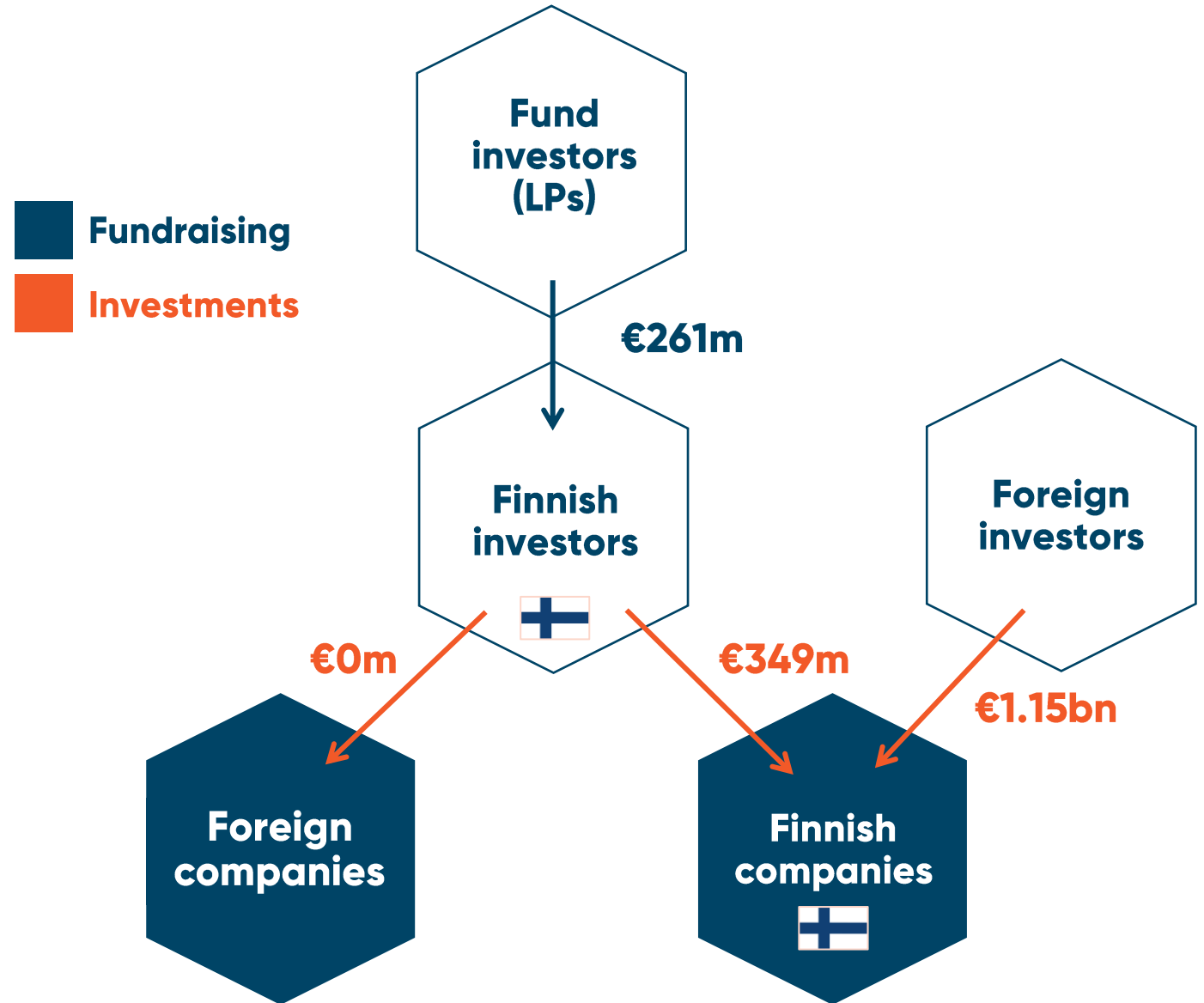
Funds raised to Finnish buyout and growth funds from LPs.

€349m

Investments made by Finnish buyout and growth investors.

€1.5bn

Investments in Finnish companies by domestic and foreign buyout and growth investors.



Buyout & growth 2023

Statistics in brief

- A total of **€261m** (-11%) were raised in buyout and growth funds for future investments.
- Finnish buyout and growth investors invested a total of **€349m** (-23%) in **54** (-18%) companies.
- Almost all of the investments by Finnish buyout and growth investors were made in Finnish companies.
- Finnish buyout and growth investors made exits from **17** (-43%) portfolio companies, of which three were write-offs.
- **66** (-14%) Finnish growth companies received a total of **€1.5 bn** (+46%) in investments from Finnish and foreign investors.
- Of this amount, **€1.15 bn** (+101%) came from foreign investors and was invested in **14** (+8%) Finnish companies.
- Finnish and foreign buyout and growth investors exited **18** (-40%) Finnish companies, of which three were write-offs.



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Market statistics

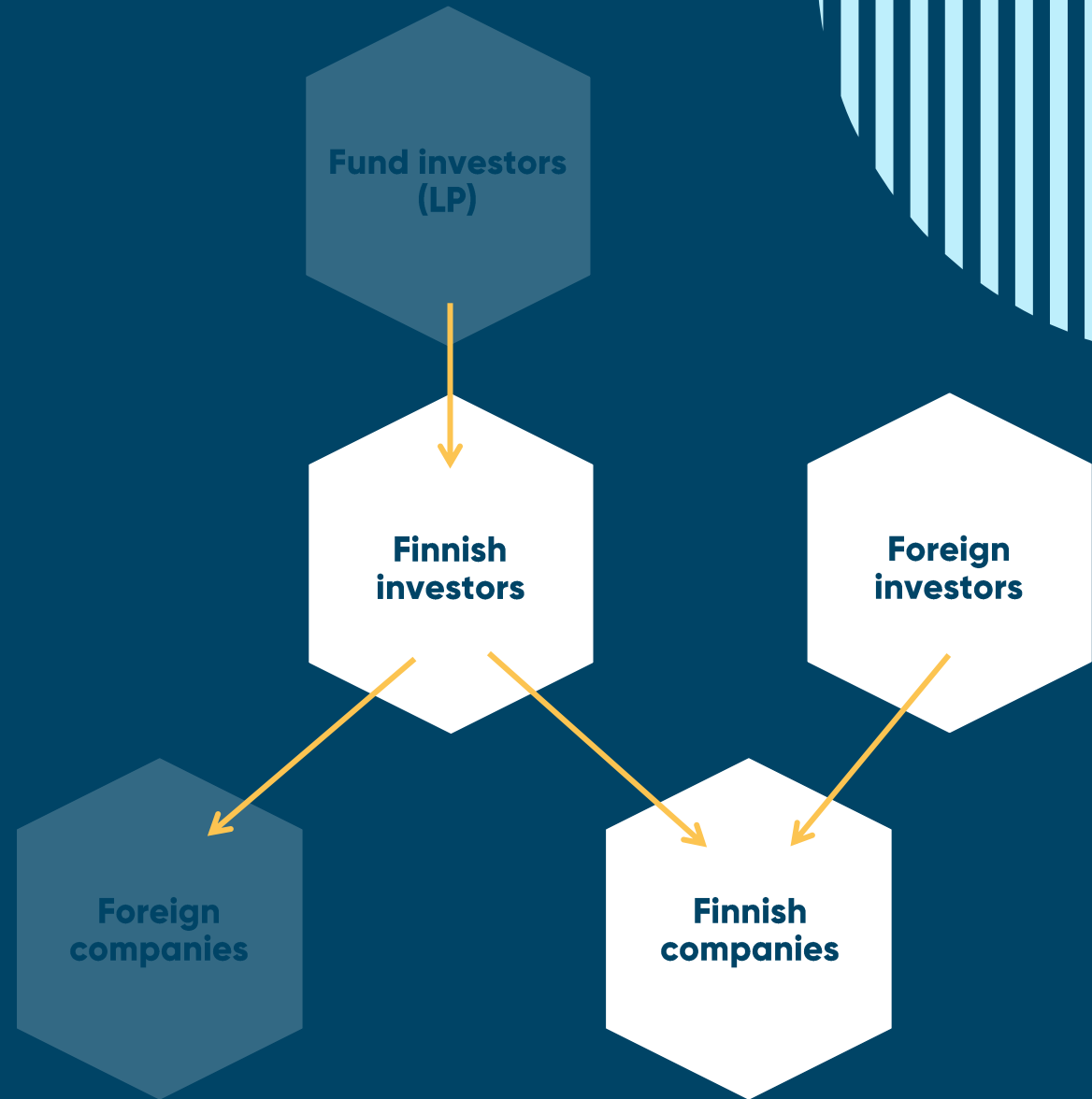
Finnish and foreign buyout and growth investors' activity in Finnish companies



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Investments



Buyout and growth investments in Finnish companies

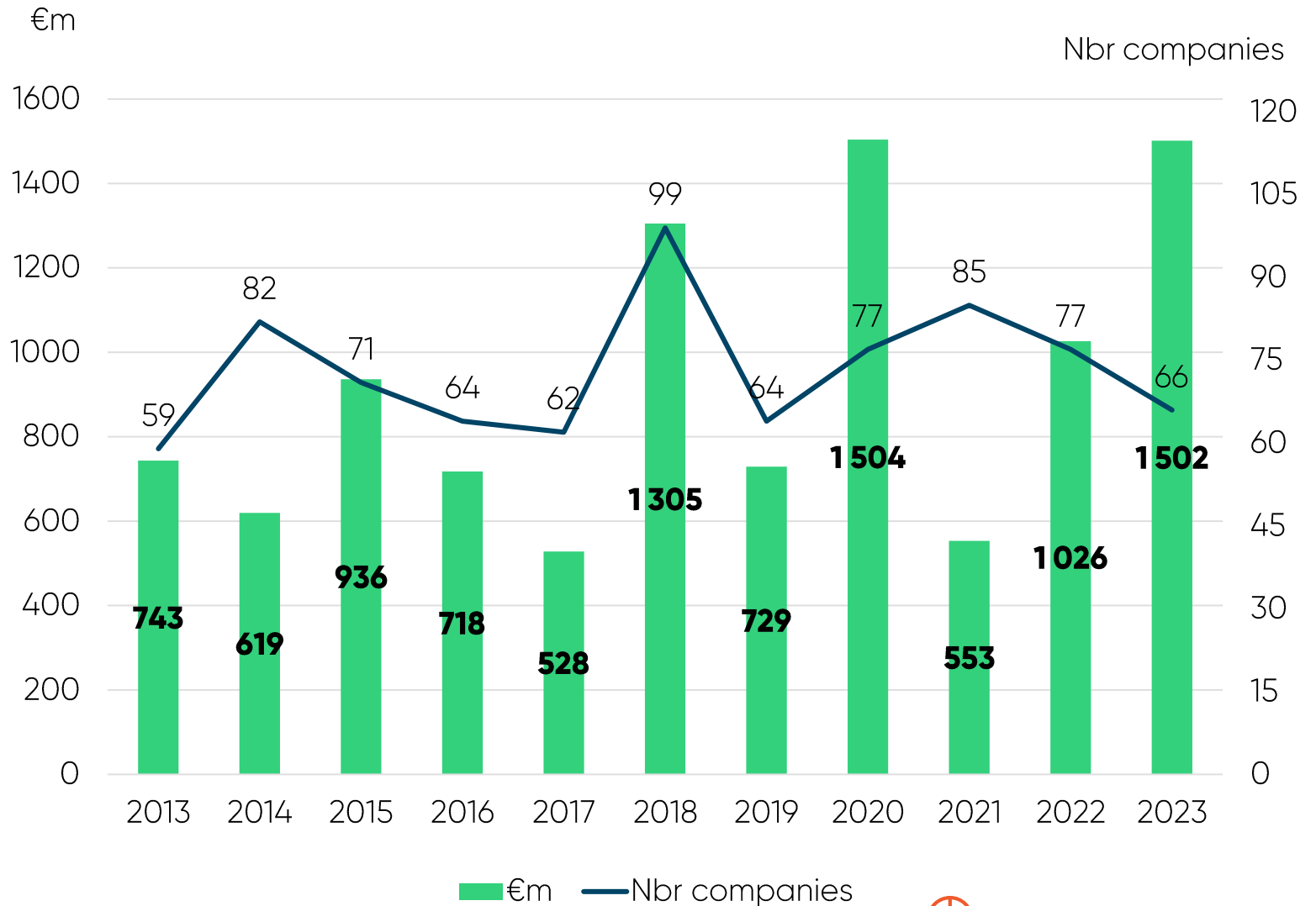
€1.5 bn

Investments received by Finnish companies increased by 46% compared to the previous year, and included one significantly large investment.

66 companies

Number of Finnish target companies decreased by 14%.

Buyout and growth investments in Finnish companies



Foreign and domestic buyout and growth investments in Finnish companies

€1.15bn

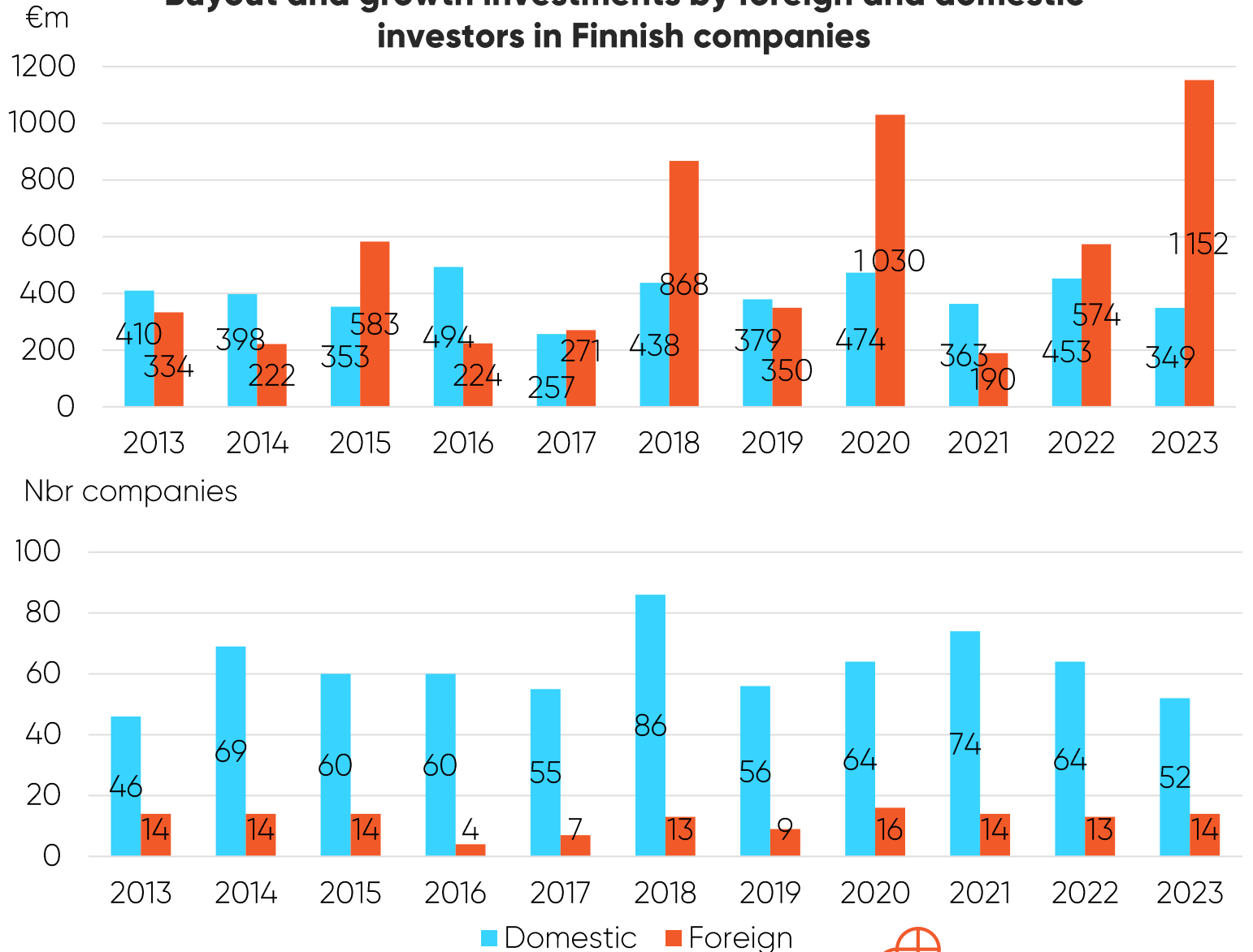
Foreign investors' invested a record amount in Finnish companies in 2023.

A single large investment significantly affected the overall deal value.

€349m

Total deal value of domestic buyout and growth investments decreased by 23% compared to the previous year.

Buyout and growth investments by foreign and domestic investors in Finnish companies



Fewer initial investments

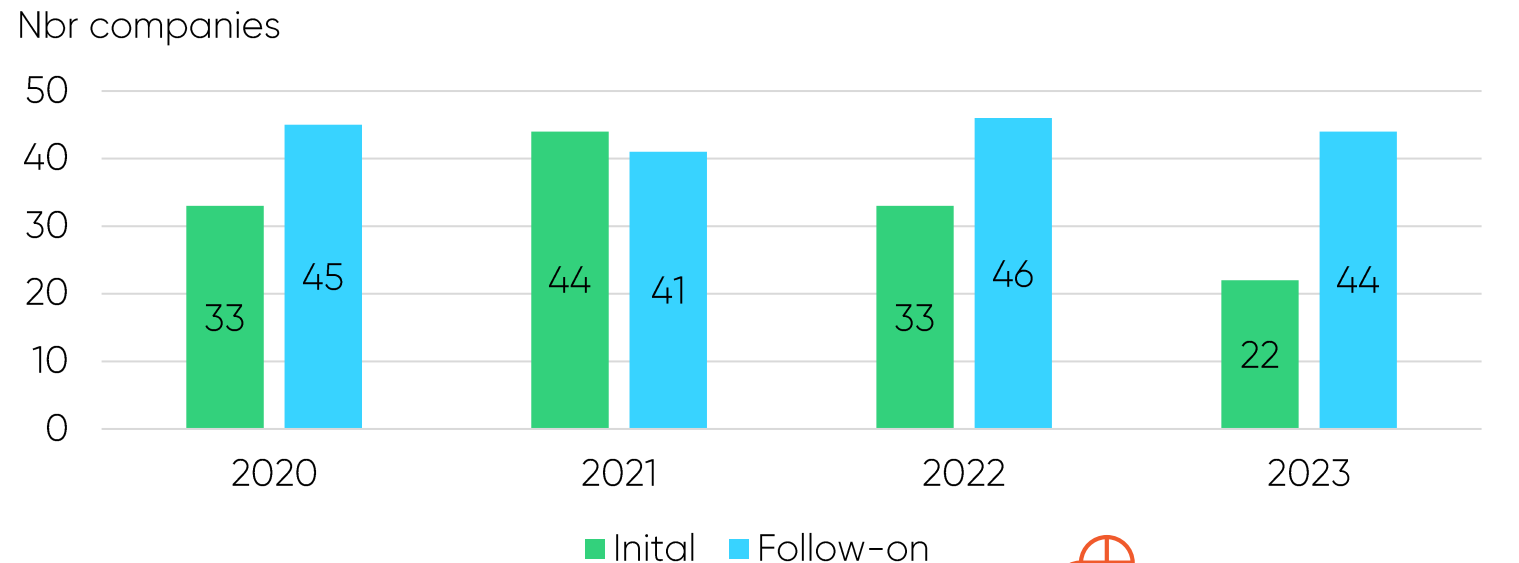
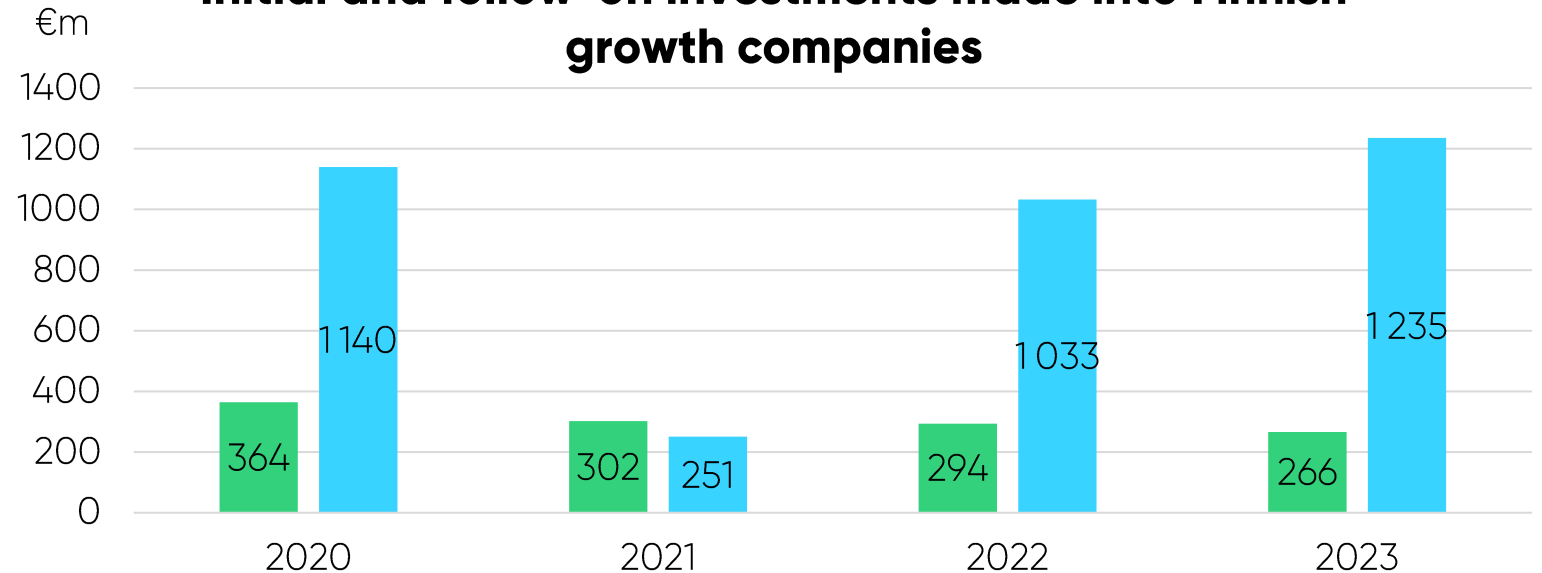
22 companies

Number of initial investments by buyout and growth investors decreased by a third compared to last year.

Total deal value of initial investments decreased by 10 %.

Initial investment means that the company received its first ever private equity investment.

Initial and follow-on investments made into Finnish growth companies



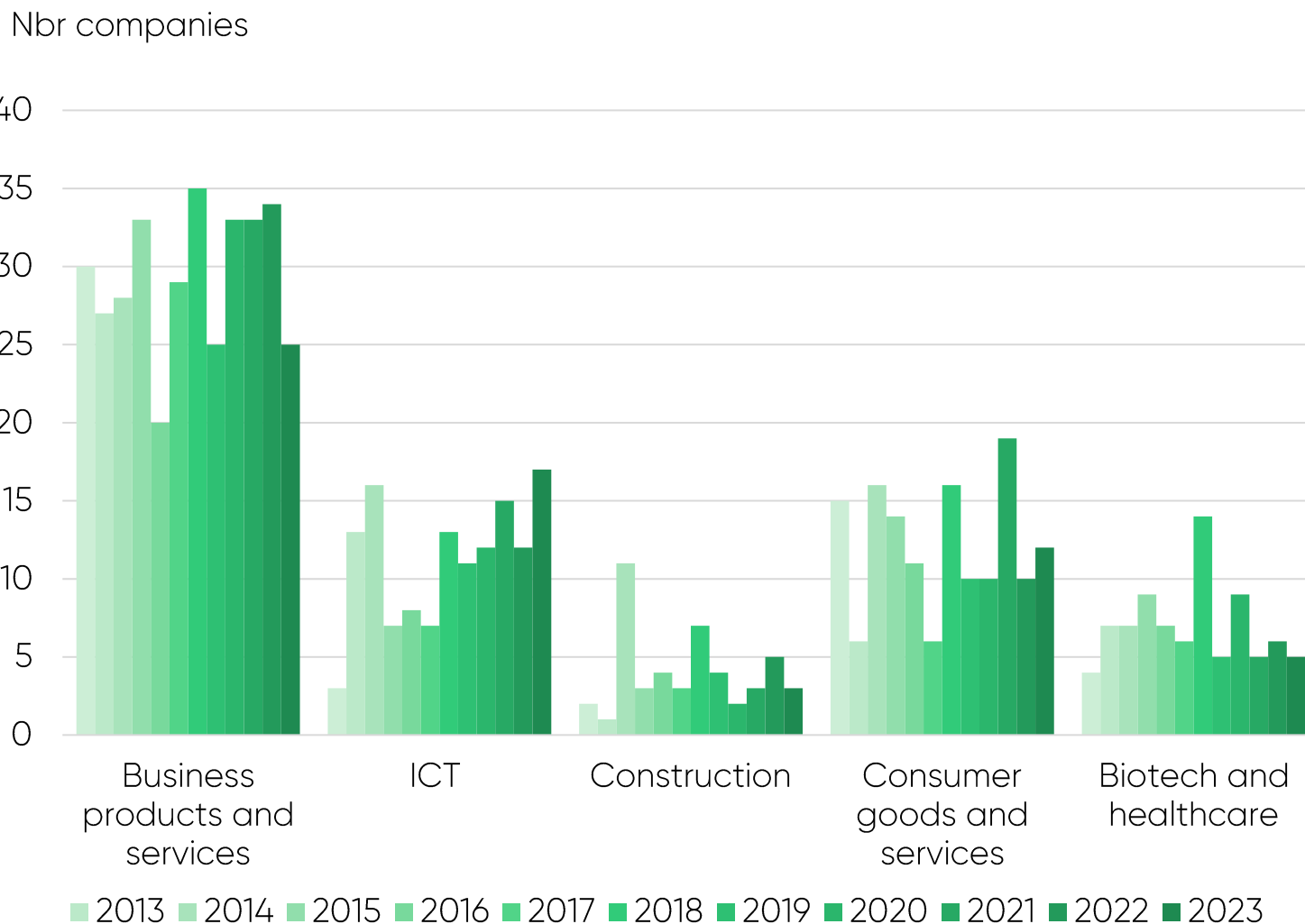
ICT companies are receiving more investments

In 2023, one-fourth of the companies receiving buyout or growth investments operated in the ICT sector. Investments in the sector have been increasing in recent years.

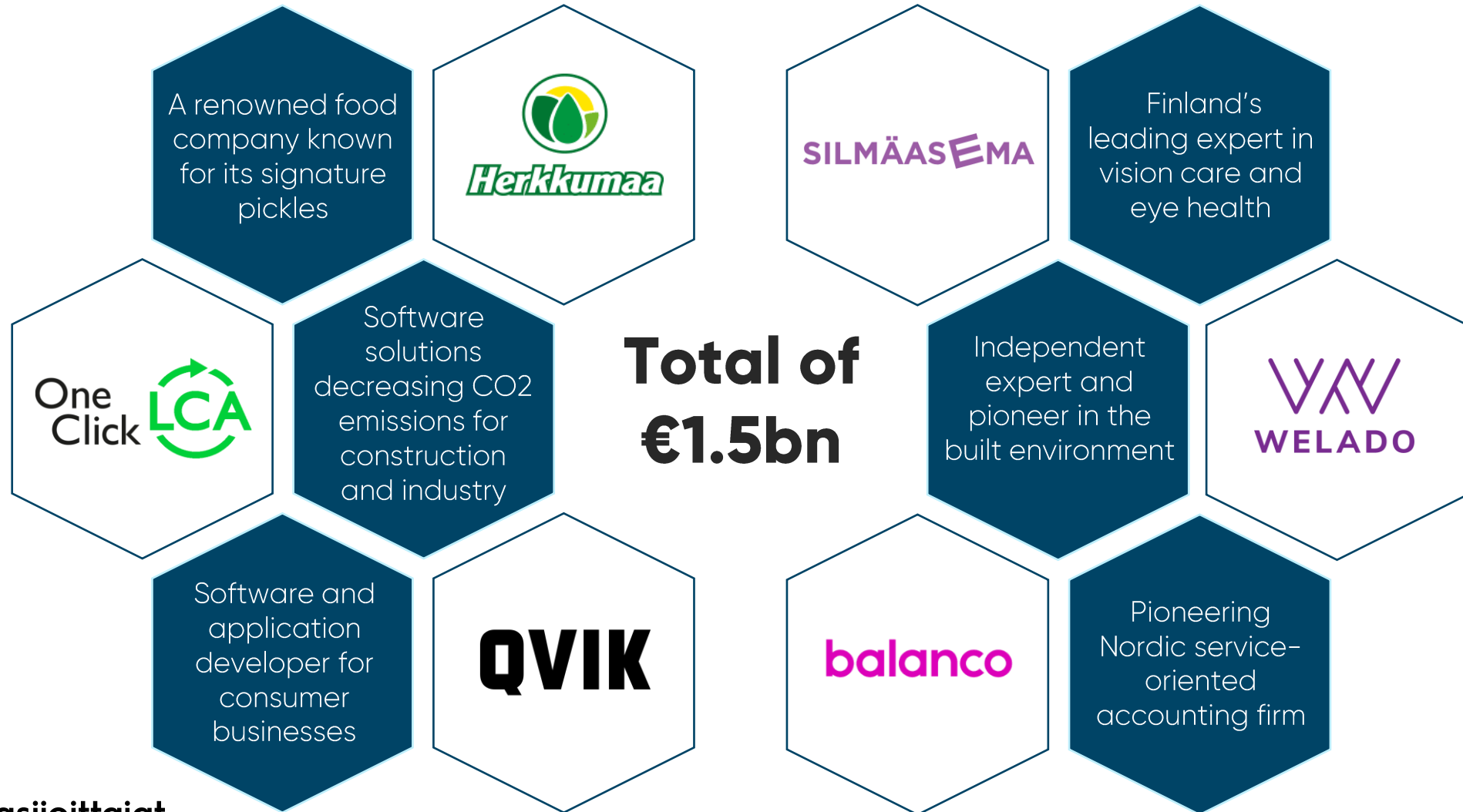
Buyout and growth investors invest across various industries.

Business and consumer products and services have been particularly popular sectors.

Buyout investments in Finnish companies by industry



Examples of investments in growth companies in 2023



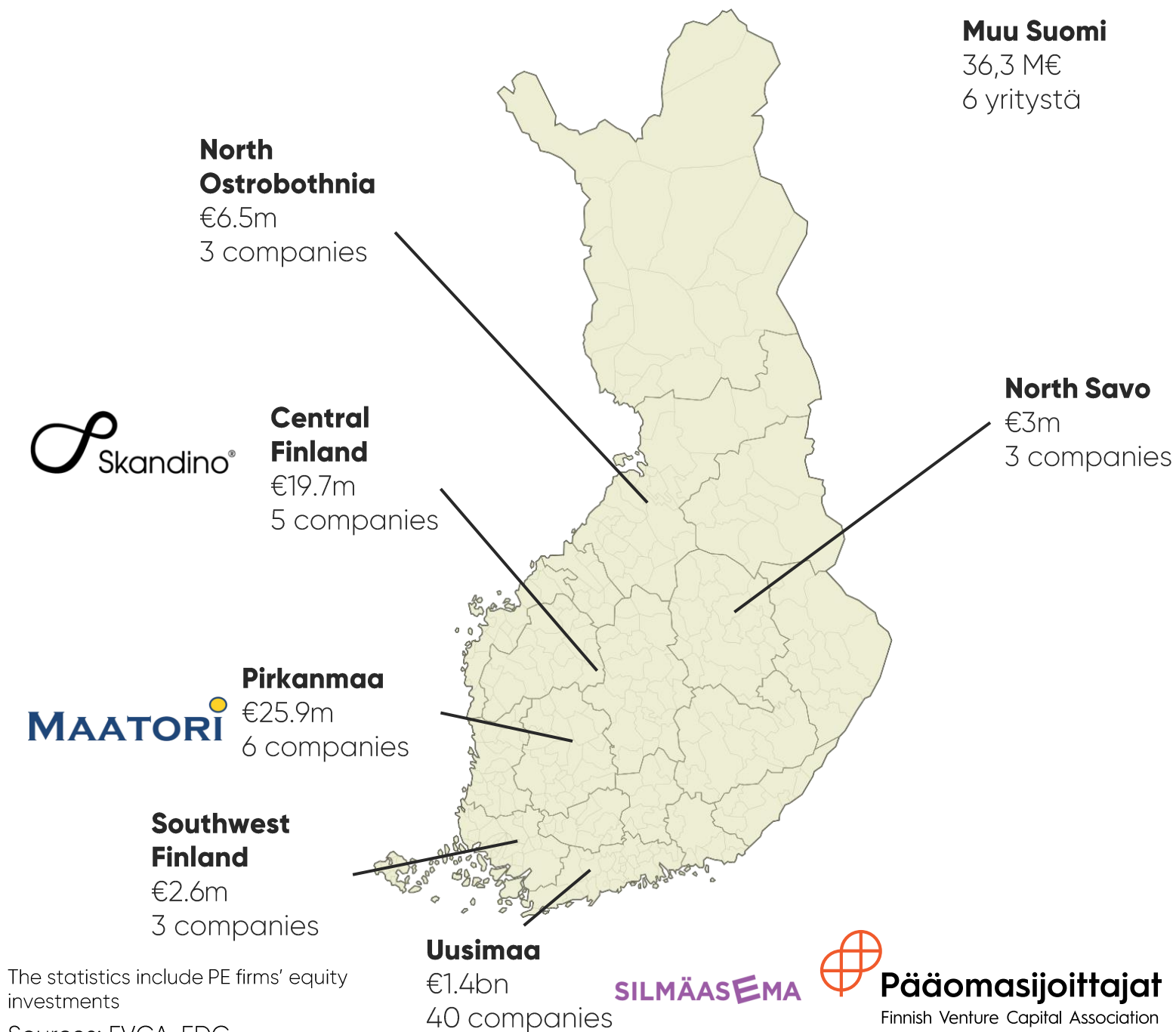
Companies throughout Finland raised buyout and growth investments

€25.9m

After Uusimaa, second-highest amount of investments were made into Pirkanmaa region.

The next highest amount of investments were made into Central Finland (€19,7m) and North Ostrobothnia (€6,5m).

Most of the investments both by deal count and deal value were made into Uusimaa region.



The statistics include PE firms' equity investments

Sources: FVCA, EDC



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Divestments

Exits at historically low levels

5 divestments by trade sale

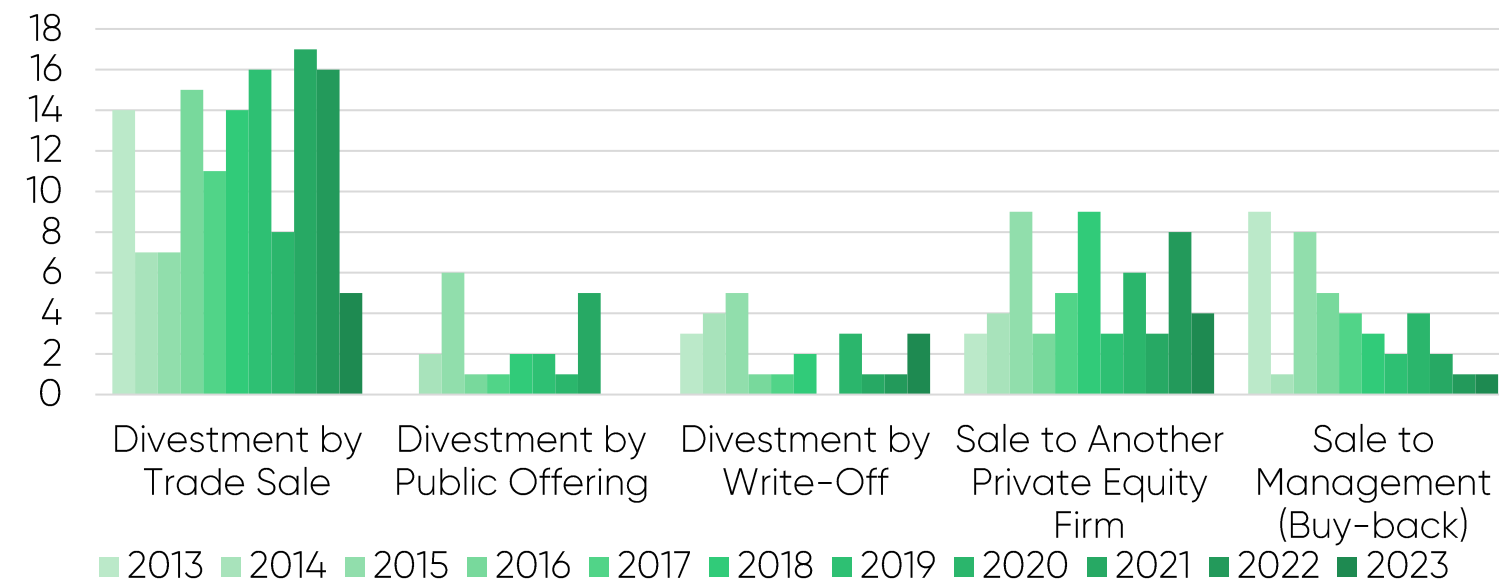
Buyout and growth investors' divestments by trade sale were historically low in 2023.

The low divestment activity reflects Finland's generally quiet M&A activity in 2023.

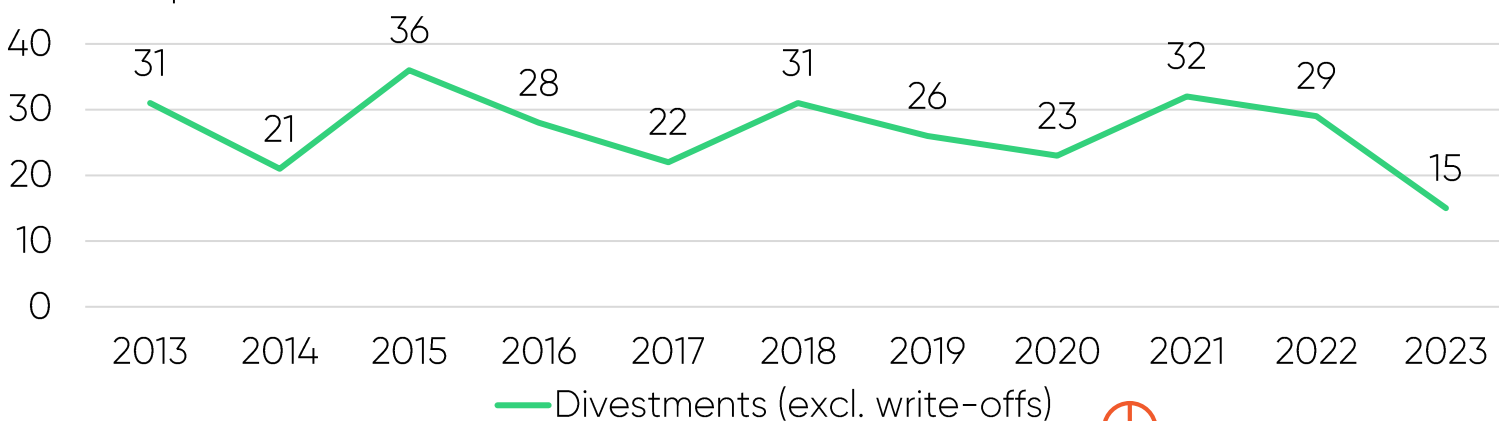
Write-offs were made from three companies in 2023.

Divestments by buyout and growth investors from Finnish companies

Nbr companies



Nbr companies



Examples of 2023 divestments





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Industry statistics

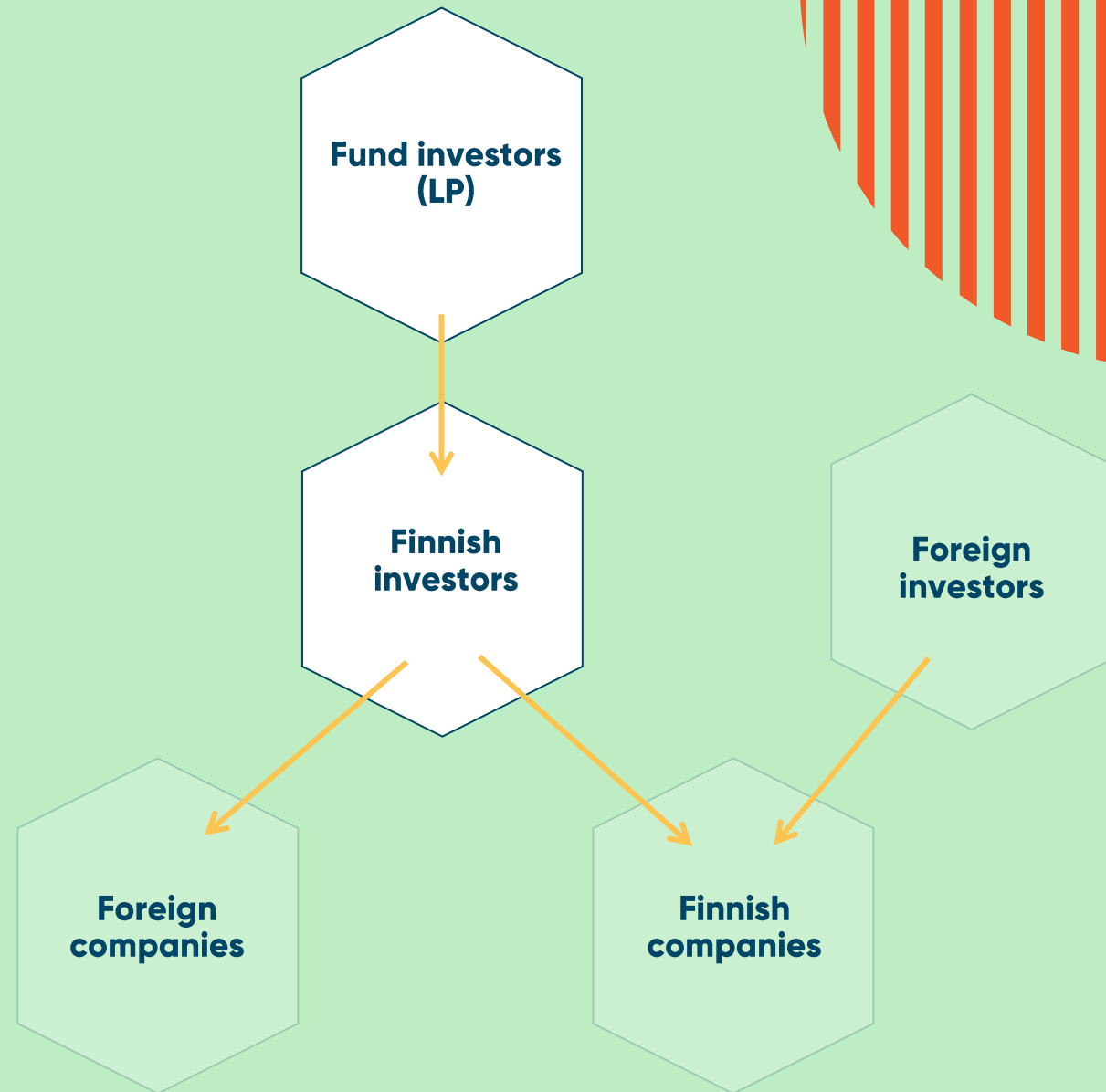
Finnish buyout and growth investors' activity in Finland and abroad



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Fundraising



A difficult year for buyout and growth funds' fundraising

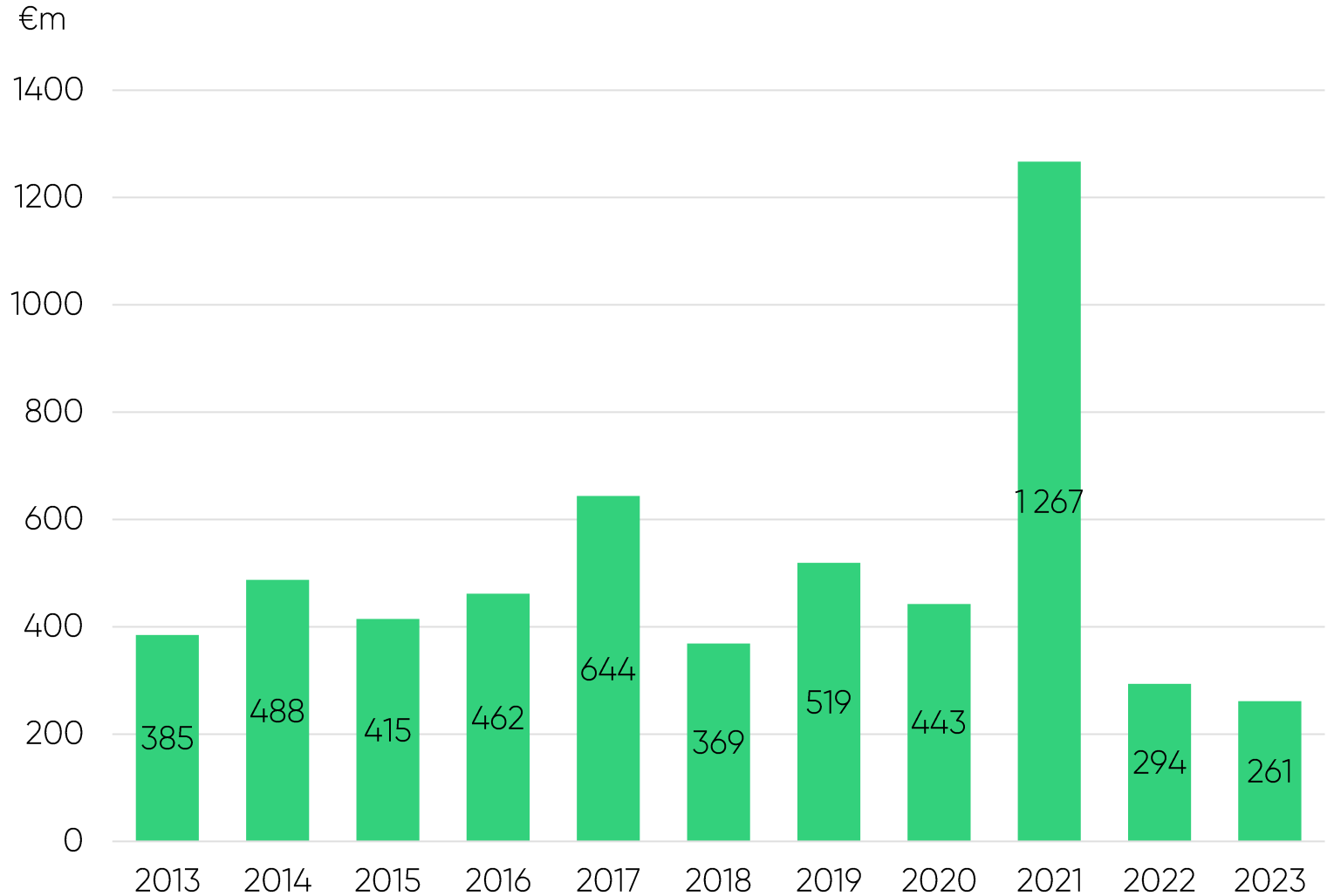
€261m

Finnish buyout and growth funds raised a lower amount of funds in 2023 compared to previous years.

United Bankers' Forest Industry Green Growth Fund was the only new Finnish PE fund published in 2023.

Additionally, previously published PE funds raised additional capital.

Fundraising of Finnish buyout and growth funds



Sources: FVCA, EDC

New Finnish buyout and growth funds 2019–2023

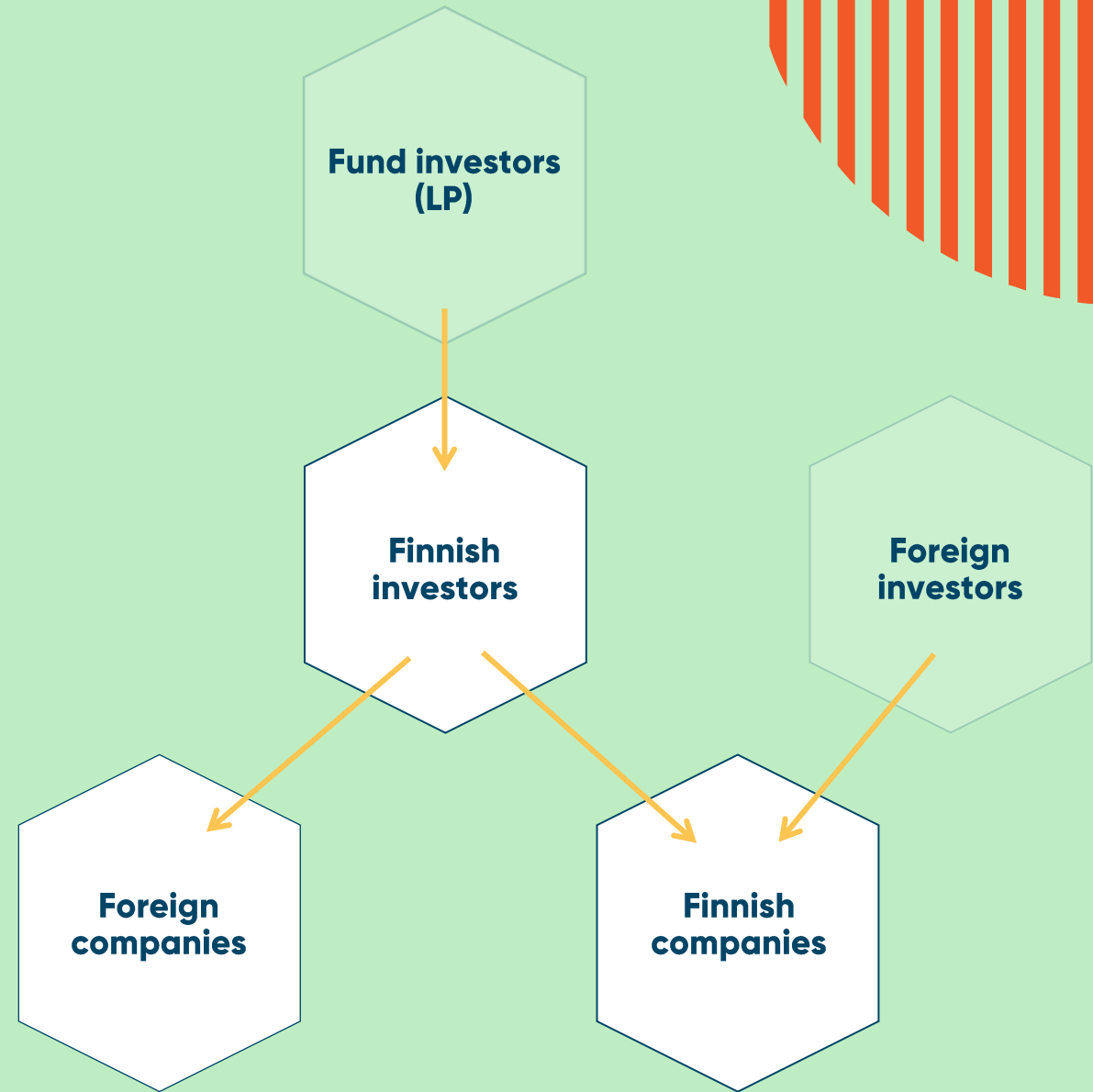
2019	2020	2021	2022	2023
<p>CapMan €190m, 11th buyout fund</p> <p>DevCo €180m, 3rd fund</p> <p>JUURI PARTNERS €125m, 2nd fund</p> <p>EVOLVER €50m, 1st fund</p>	<p>SPONSOR CAPITAL €202m, 5th fund</p> <p>Verso €100m, 3rd fund</p> <p>CapMan €85m, 2nd growth fund</p> <p>Bocap Investments by invitation €70m, 3rd fund</p>	<p>INTERA PARTNERS €335m, 4th fund</p> <p>DevCo €260m, 4th fund</p> <p>VAAKA PARTNERS €250m, 4th fund</p> <p>MB RAHASTOT €173m, 6th fund</p> <p>KORONA INVEST €80m, 4th fund</p> <p>CapMan €77m, 1st special situations fund</p>	<p>TAALERI Bioteollisuus €120m, 1st growth fund</p> <p>MAM MANDATUM ASSET MANAGEMENT - €m, 2nd growth fund</p> <p>Voland €80m, 1st growth fund</p> <p>SAARI PARTNERS €60m, 2nd fund</p> <p>NORDIA MANAGEMENT €15m, 2nd growth fund</p>	<p>UB UNITED BANKERS €300m, 1st growth fund</p>



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Investments



Investments by Finnish buyout and growth investors decreased

€349m

The amount invested by Finnish buyout and growth decreased by 23% from 2022.

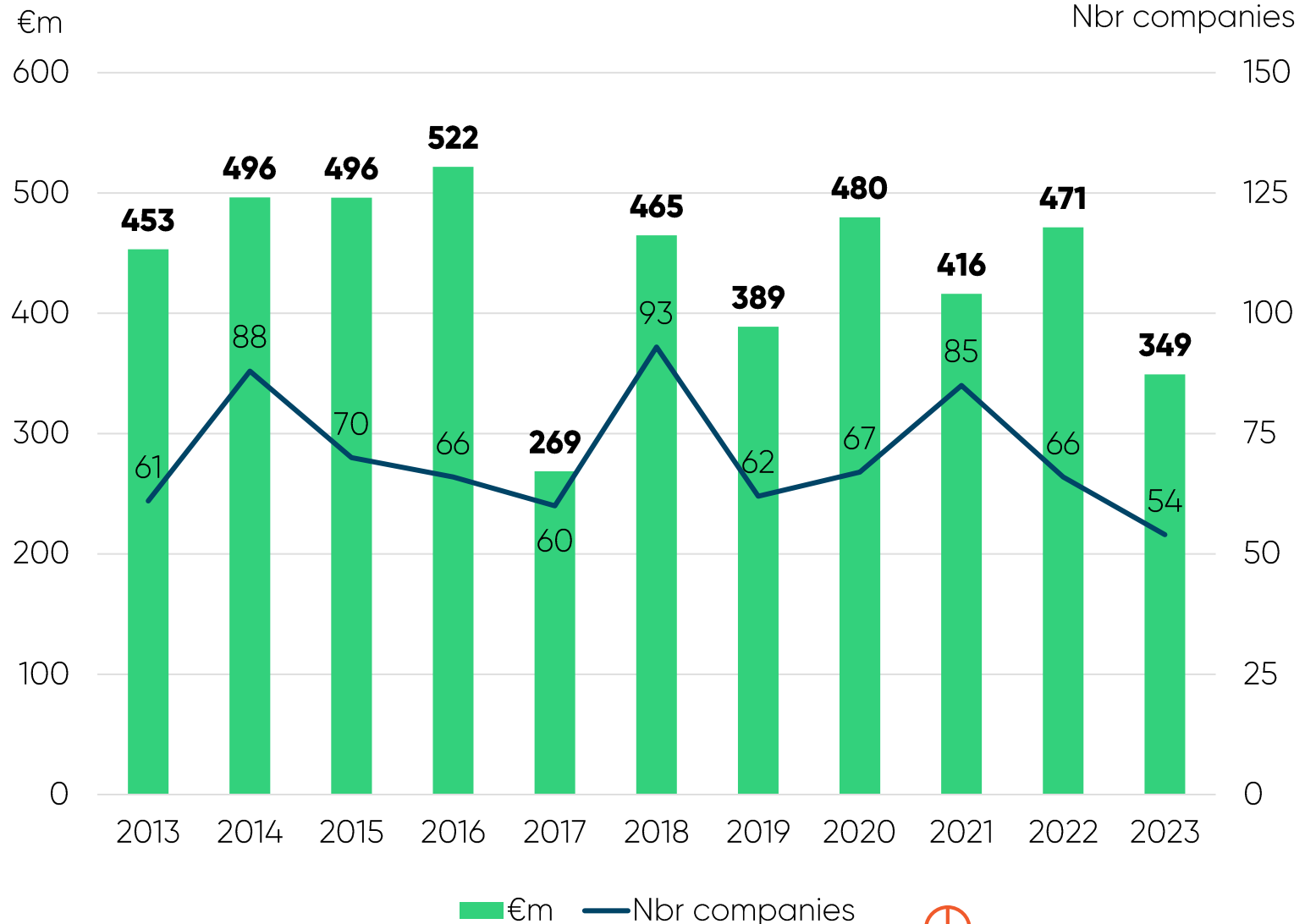
54 companies

54 companies received buyout or growth investments, marking a decrease of 18% from previous year.

The Finnish M&A market experienced historically low activity, with deal count decreasing by 34% compared to the previous year.*

*PwC: Finnish M&A market update 2023

Investments by Finnish buyout and growth investors

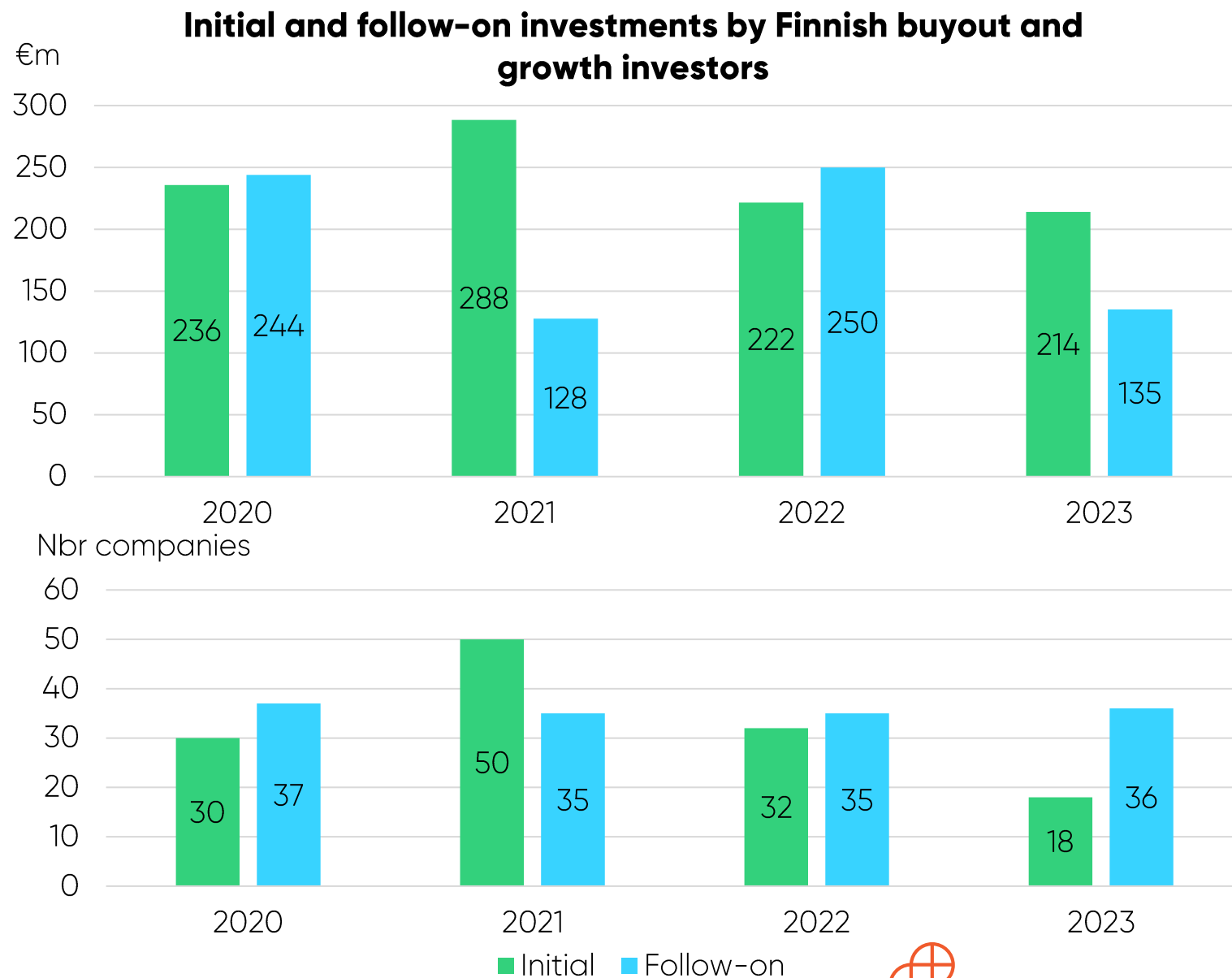


Fewer initial investments than before

18 companies

In total, 18 companies received their first private equity investment in 2023.

Even though the deal count of initial investments decreased by 43%, the overall deal value of initial investments stayed at the level of previous years.





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Divestments

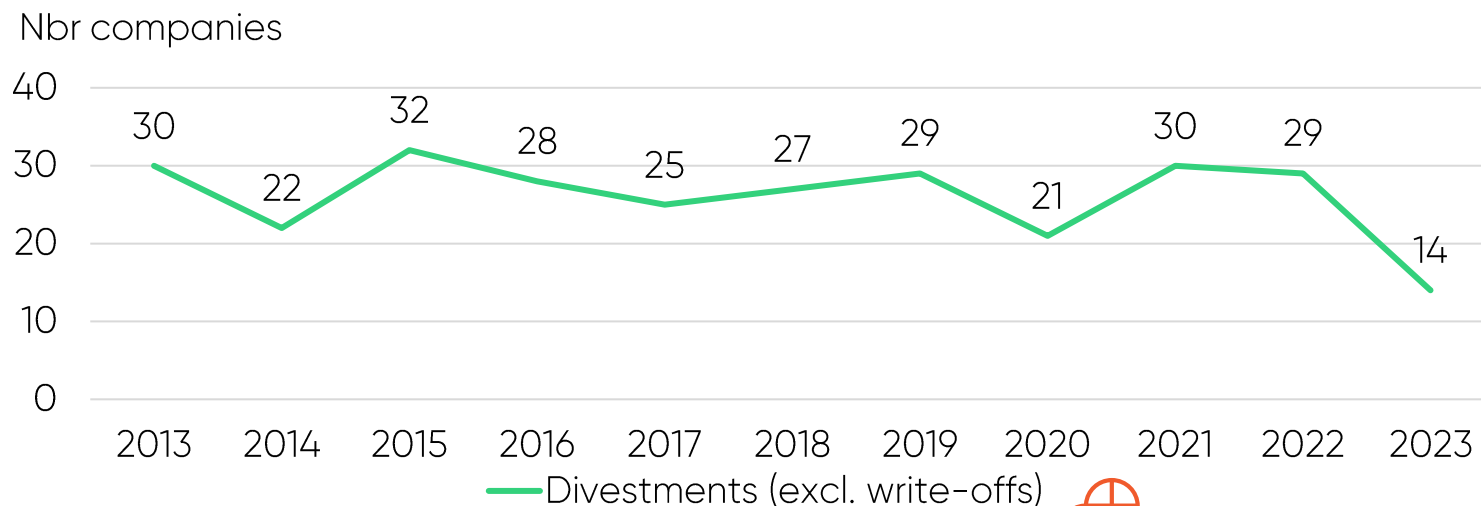
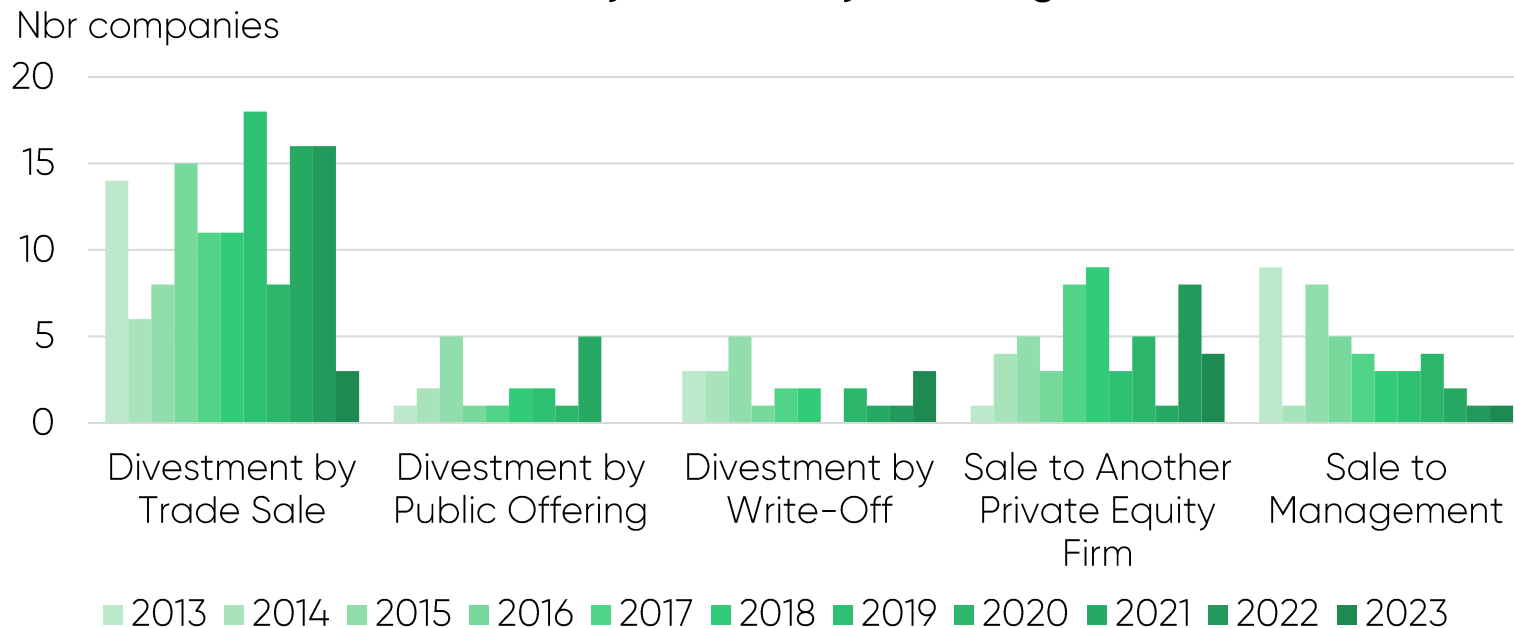
Historically low number of divestments

3 companies

Divestments by trade sale were at a historically low level in 2023.

The overall downturn in the M&A market was also reflected in the divestments made by private equity investors.

Divestments by Finnish buyout and growth investors





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Summary of Finnish venture capital and private equity statistics

Venture capital, growth & buyout 2023

All private equity 2023

€768m

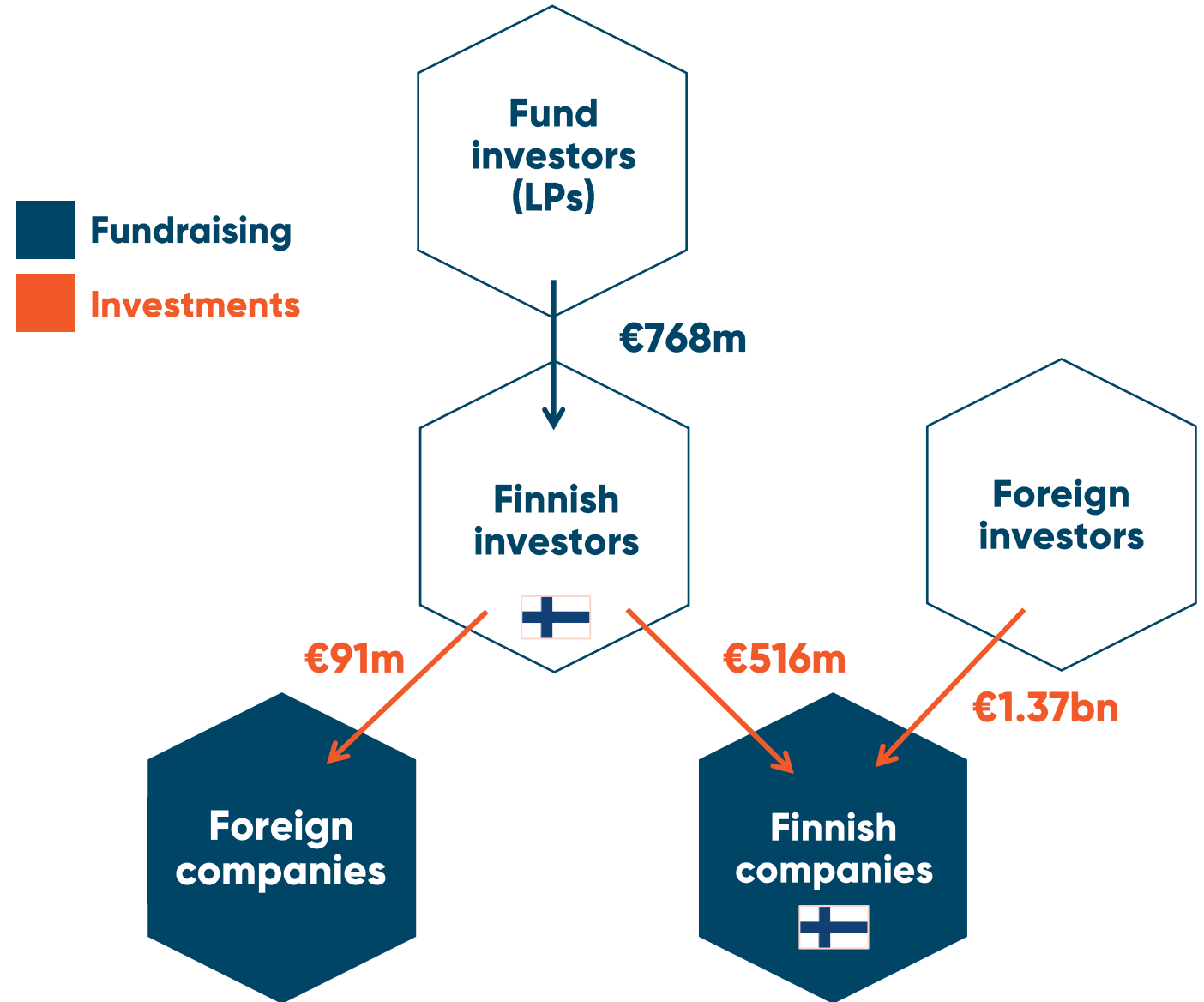
Funds raised into private equity funds for future investments.

€607m

Total amount of investments by Finnish private equity investors.

€1.9bn

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

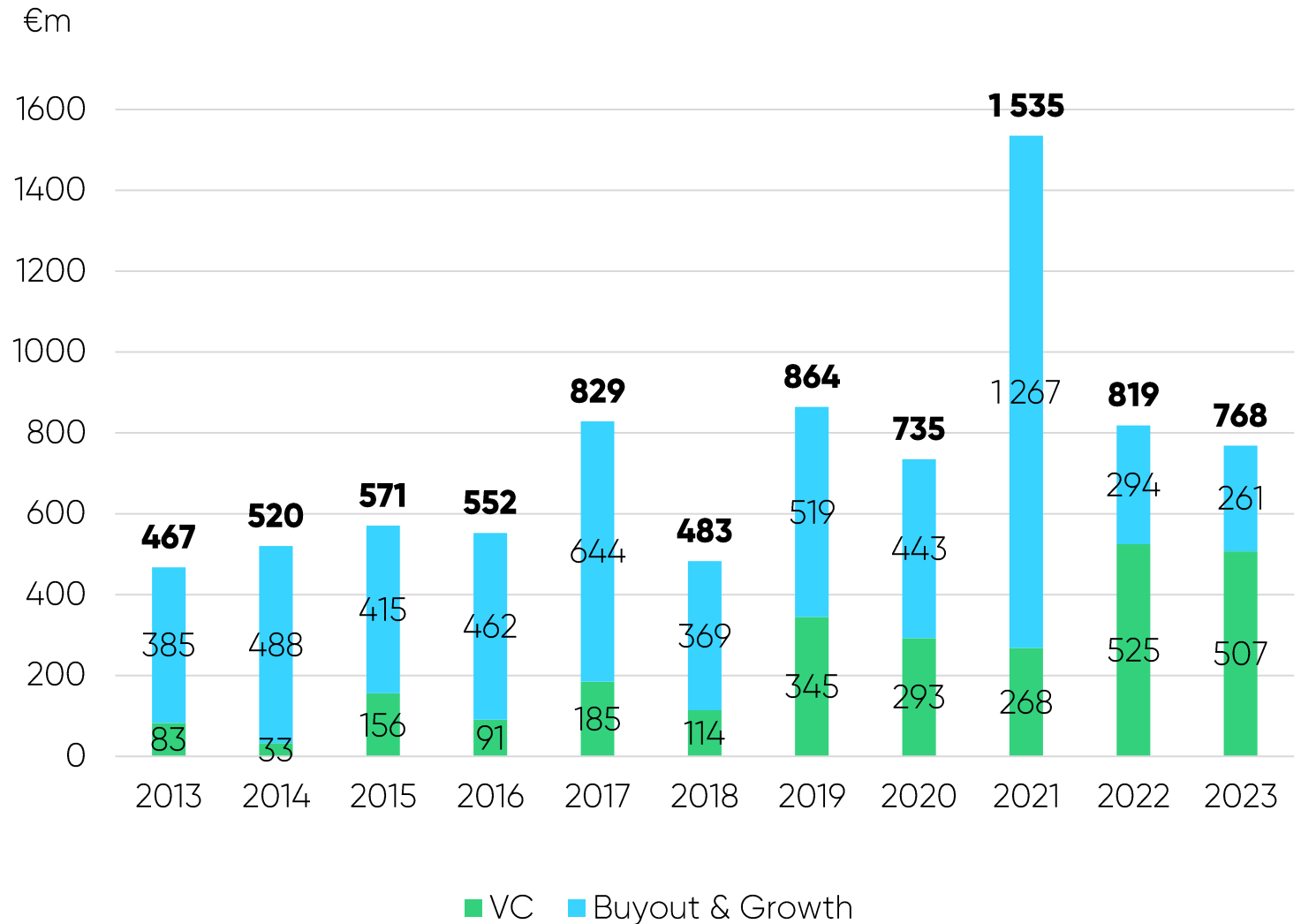


Fundraising of Finnish private equity investors

€768m

Fundraising of Finnish private equity funds remained quite stable, decreased by 6% compared to the previous year.

Fundraising of Finnish private equity funds



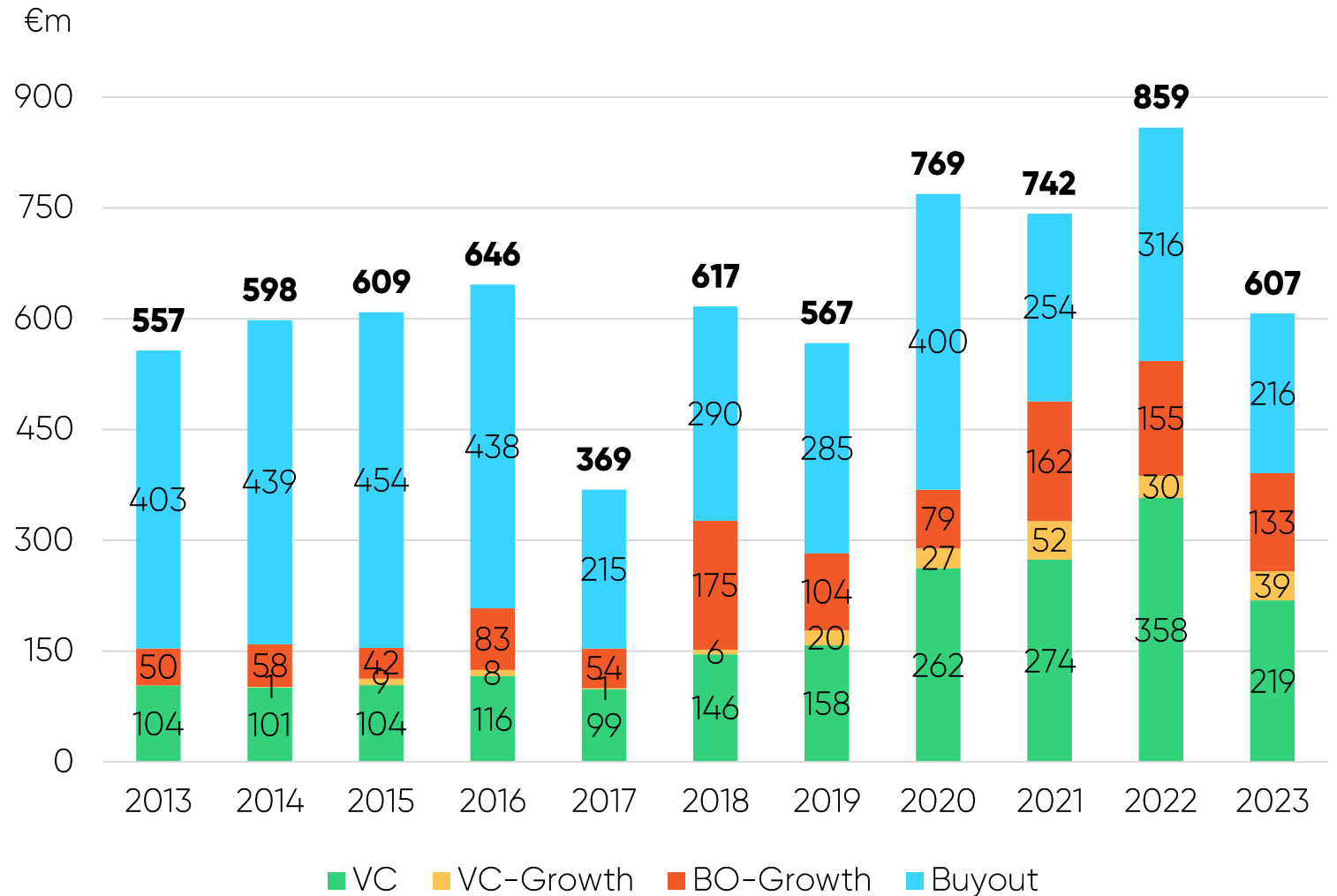
Investments by Finnish venture capital and private equity investors

€607m

Investments made by Finnish private equity investors decreased by 29% in 2023.

The decline reflects the general downturn in the domestic and global M&A market.

Investments by Finnish private equity investors



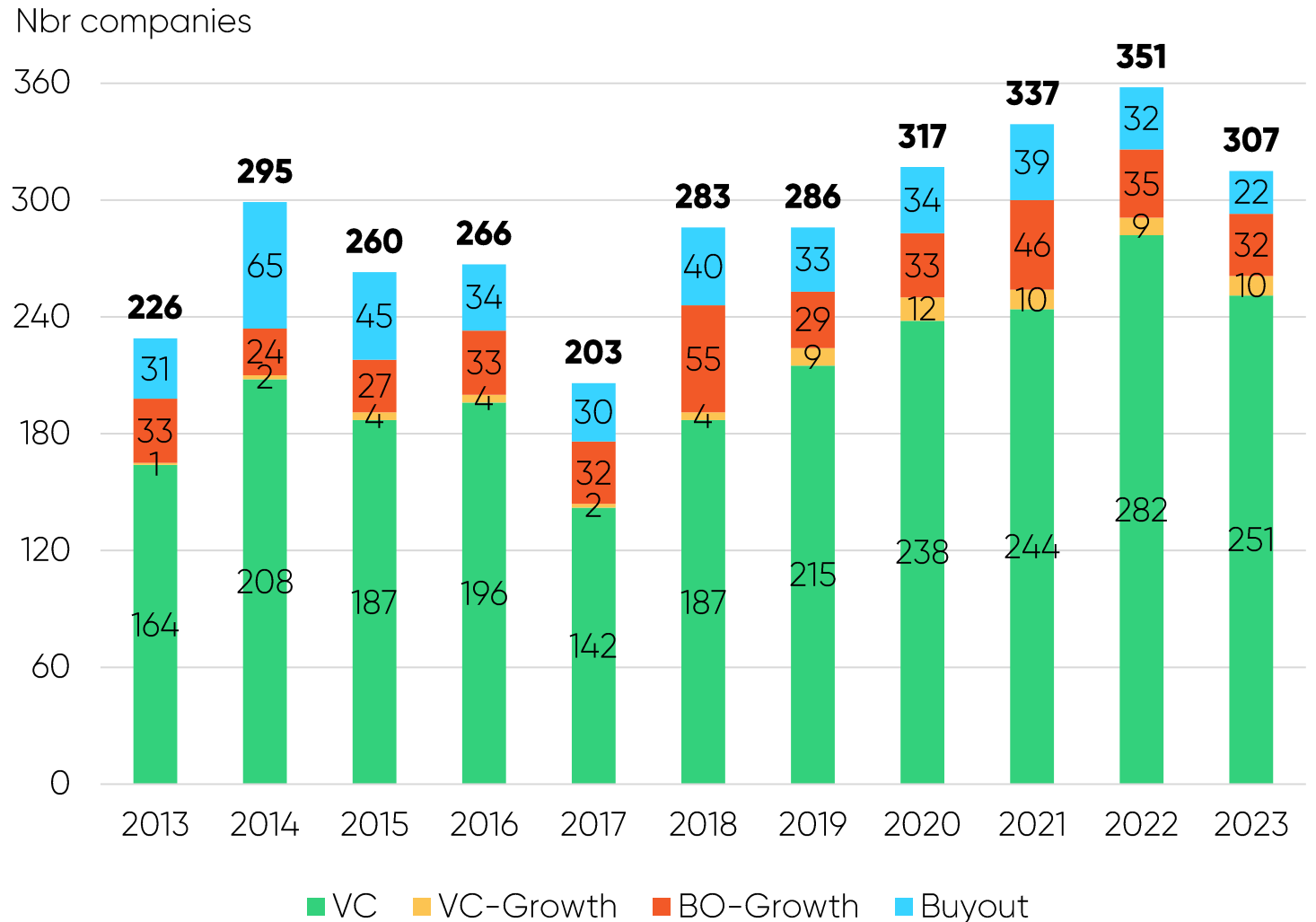
*Growth statistics split for 2021 - H1/2023. See methodology for more information.

Investments by Finnish venture capital and private equity investors

307 companies

The number of companies that received investments from Finnish private equity investors decreased by 13% compared to the previous year.

Investments by Finnish private equity investors



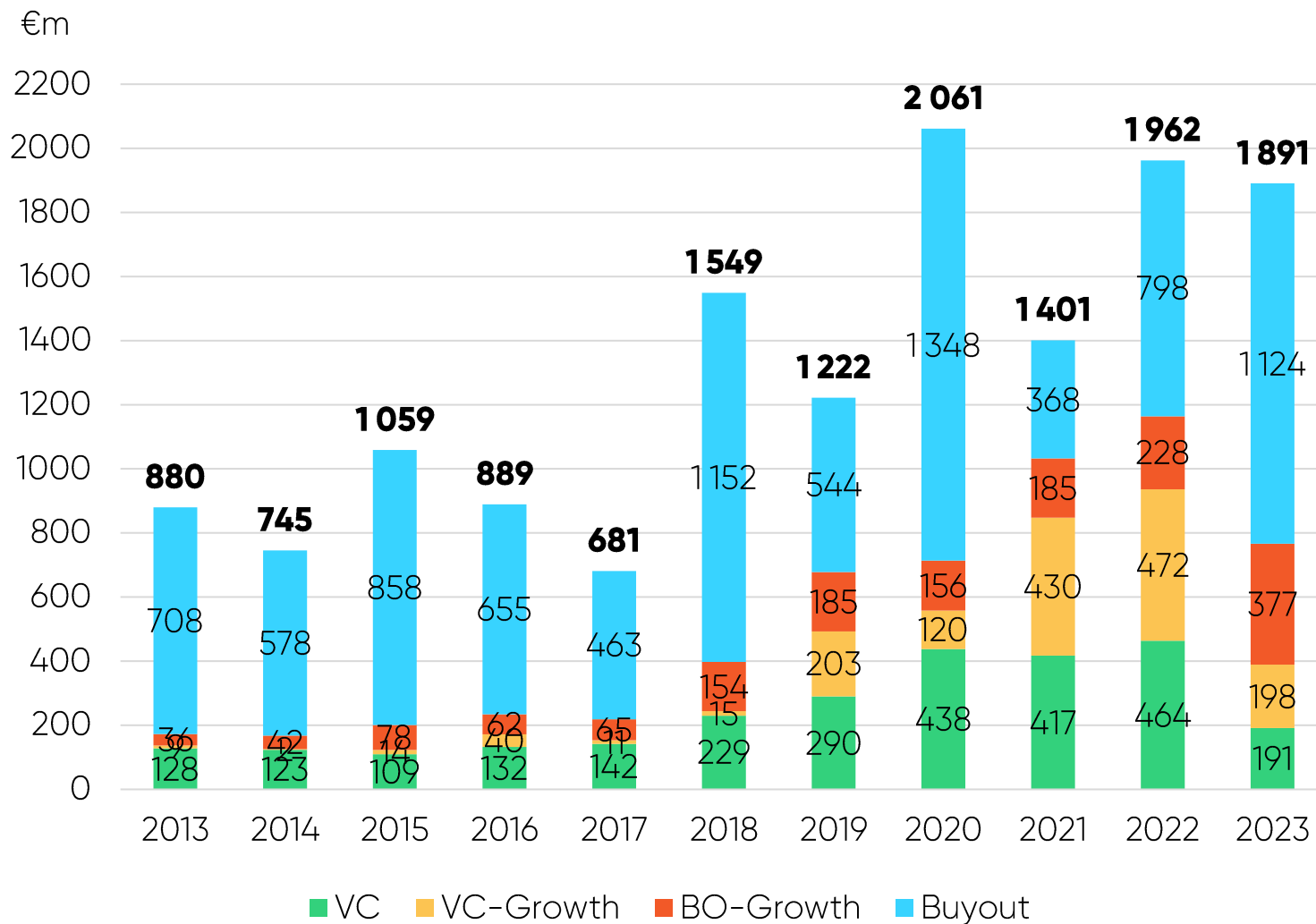
*Growth statistics split for 2021 - H1/2023. See methodology for more information.

Venture capital and private equity investments in Finnish companies

€1.9bn

Private equity investments in Finnish companies decreased by 4% from 2022, but stayed at nearly same level as in record high years.

Private equity investments in Finnish companies

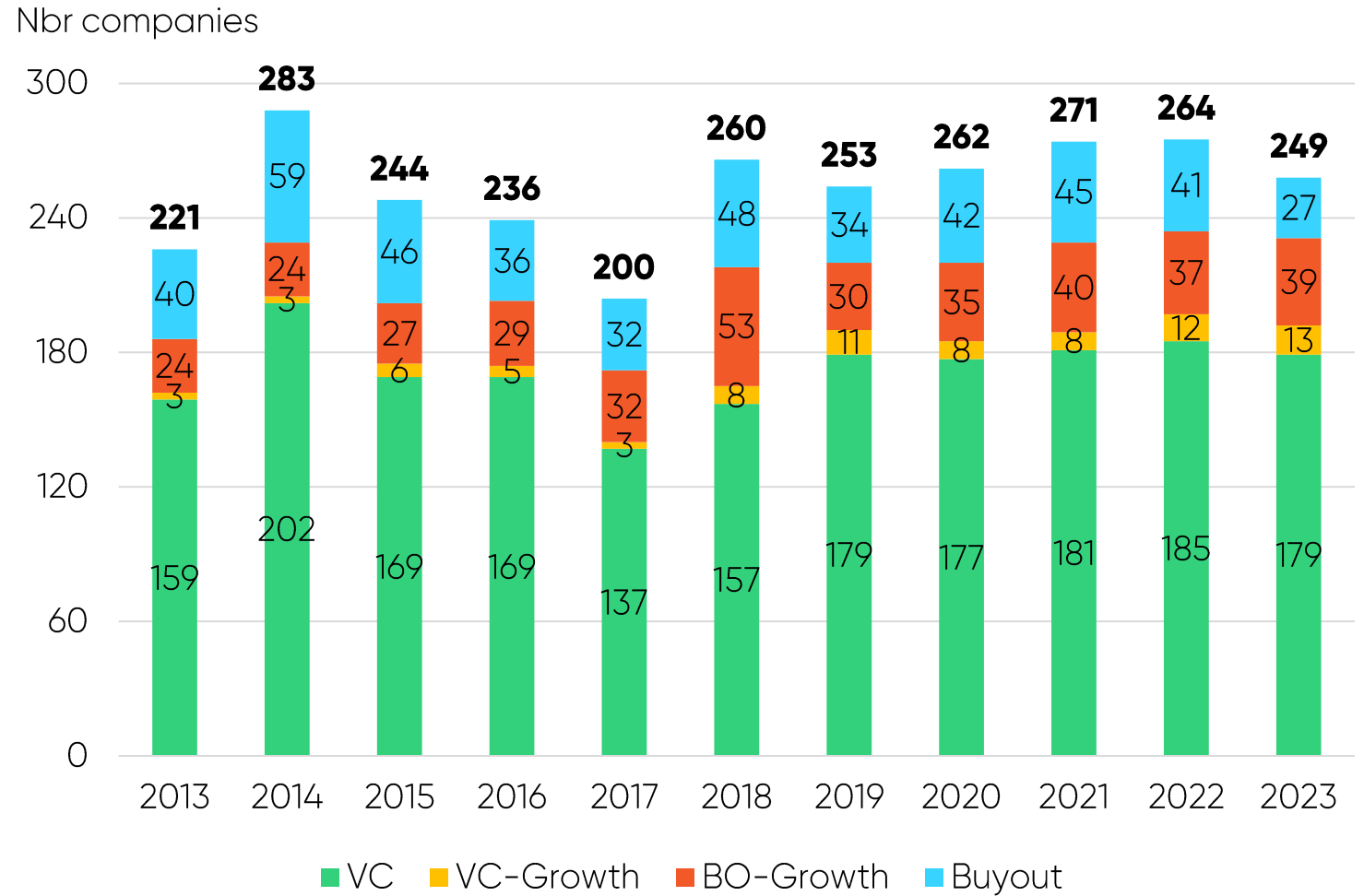


Venture capital and private equity investments in Finnish companies

249 companies

The number of companies that received investments from domestic and foreign private equity investors decreased by 6%.

Private equity investments in Finnish companies



Private equity investors 2023

Venture capital, growth and buyout statistics in brief

- Finnish venture capital and private equity investors invested a total of **€607m** (-29 %) into **307** (-13 %) domestic and foreign growth companies.
- Finnish startup and growth companies raised a total of **€1.9bn** (-4 %) in investments, with a total of **249** (-6 %) companies receiving investments.
- New capital raised by Finnish buyout, growth and venture capital funds, totaling **€768m** (-6 %) in 2023, will be invested in startups and growth companies in the coming years.



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Methodology

The following private equity associations are cooperating with EDC

Active Owners Denmark, Denmark

AIFI, Italy

BVA, Belgium

BgVCA, Bulgaria

BVCA, UK

BVK, Germany

CVCA, Czech Republic

France Invest, France

FVCA, Finland

Invest Europe, Europe

LPEA, Luxembourg

NVCA, Norway

NVP, Netherlands

PSIK, Poland

ROPEA, Romania

SECA, Switzerland

SPAINCAP, Spain

SVCA, Sweden

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 directly from VC/PE investors via an online survey and complemented with public sources of information.
- Figures are updated continuously and are therefore subject to change.

Note: The EDC 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 financial institutions, are not included in EDC statistics. The activity falling outside EDC's methodology is however included in the figures in the section "Investments in Finnish startups".

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 may exclude unspecified variables.

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

Investment stages

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
GROWTH*	VC-Growth (Venture growth, venture-backed growth)	Growth investments made with either continued participation by a VC fund on the investment round, or else full divestment by the involved VC fund(s) at the time of the Growth round
	BO-Growth (Buyout growth, non-venture backed growth)	Growth investments where VC funds had either fully divested prior to the Growth round, or else had never backed the company in question before
BUYOUT	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

*The split of the growth-stage in VC-growth and BO-growth is included first time in the publication of 2023 statistics.