

Pääomasijoittajat

Finnish Venture Capital Association

Buyout and growth in Finland H1/2024

Statistics on fundraising, investments, and divestments

Published 4 December 2024

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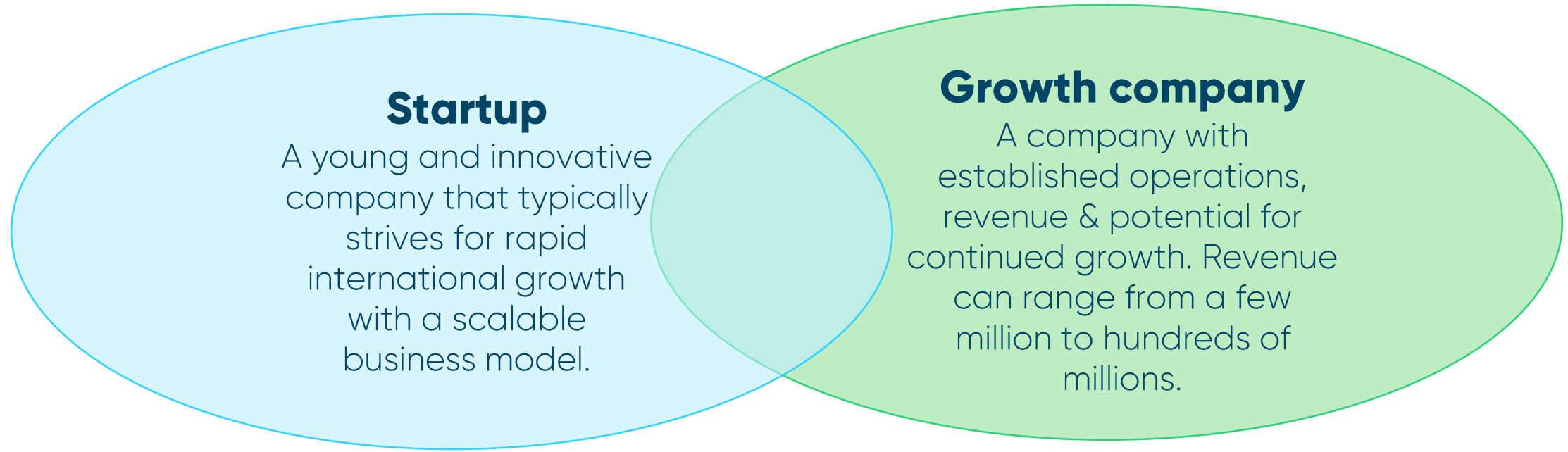
Finnish buyout and growth investors' activity in Finland and abroad

Market statistics

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

Methodology

Private equity



Venture capital

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

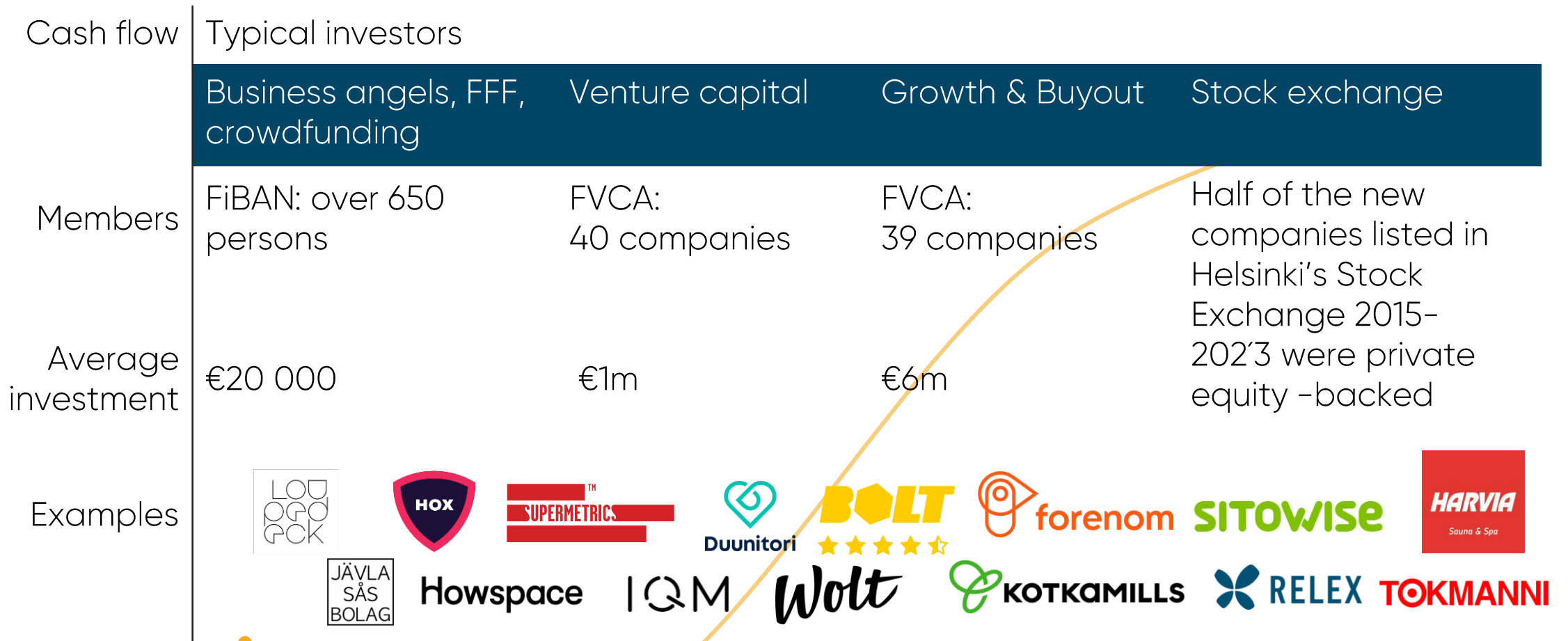
Growth

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 H1/2024

€238m

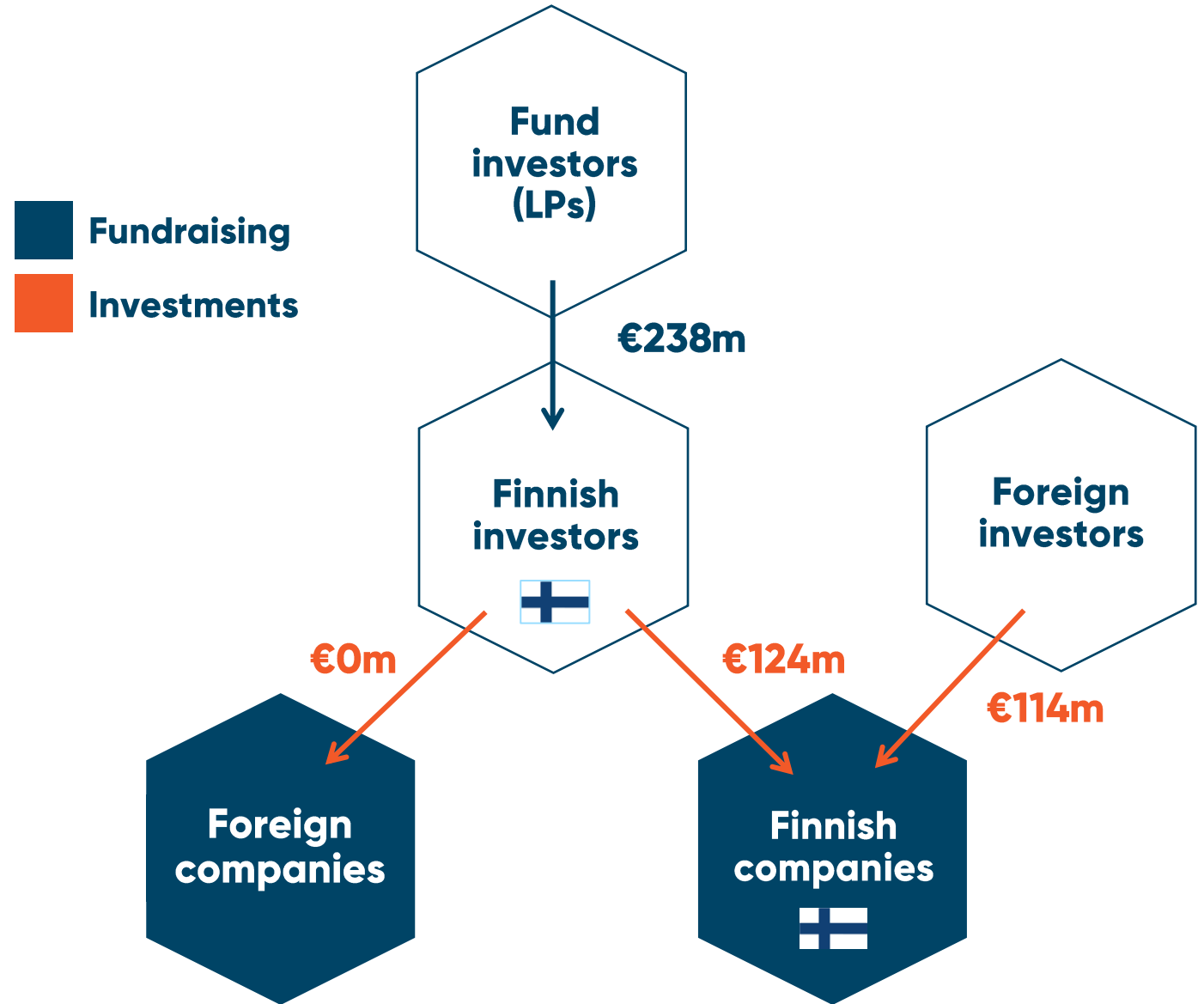
Fundraising of Finnish buyout and growth funds from LPs.

€124m

Investments made by Finnish buyout and growth investors.

€238m

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



Buyout & growth H1/2024

Statistics in brief

- Finnish buyout and growth investors raised **€238m** (+105 % YoY) new funds for future investments.
- Finnish buyout and growth investors invested **€124m** in **23** (-35 %) companies.
- **100 %** of the investments by Finnish buyout and growth investors were made in Finnish companies.
- Finnish buyout and growth investors made exits from **6** (-33 %) portfolio companies.
- **31** (-26 %) Finnish growth companies received a total of **€238m** (-80 %) in investments from Finnish and foreign investors.
- Of this amount, **€114m** (-86 %) came from foreign investors and was invested in **8** (-11 %) Finnish companies.
- Finnish and foreign buyout and growth investors divested from **8** (-27 %) Finnish companies.

Change in parenthesis, YoY, refers to the change between this year's and last year's H1

Sources: FVCA, EDC



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Industry statistics

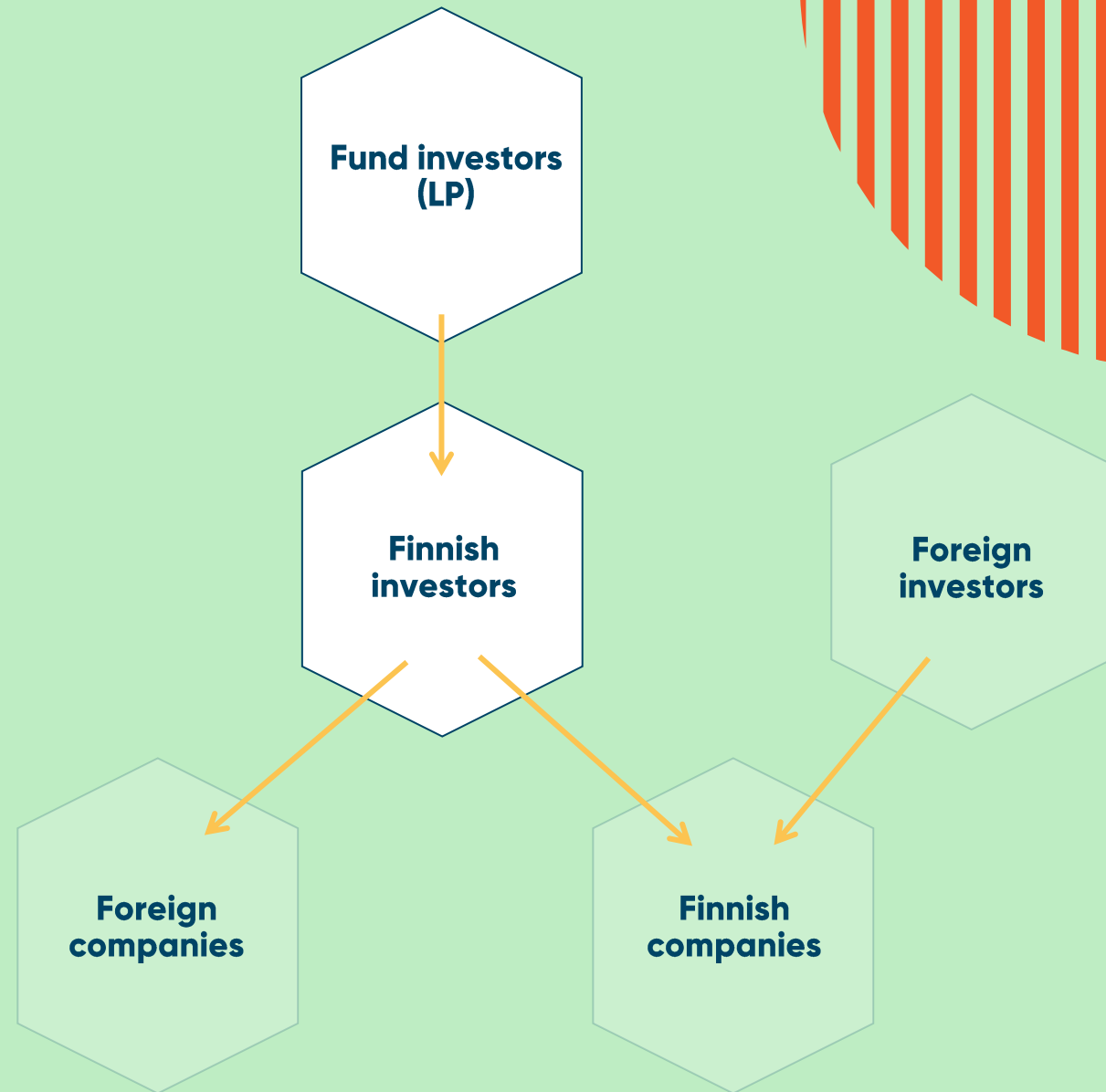
Finnish buyout and growth investors' activity in Finland and abroad



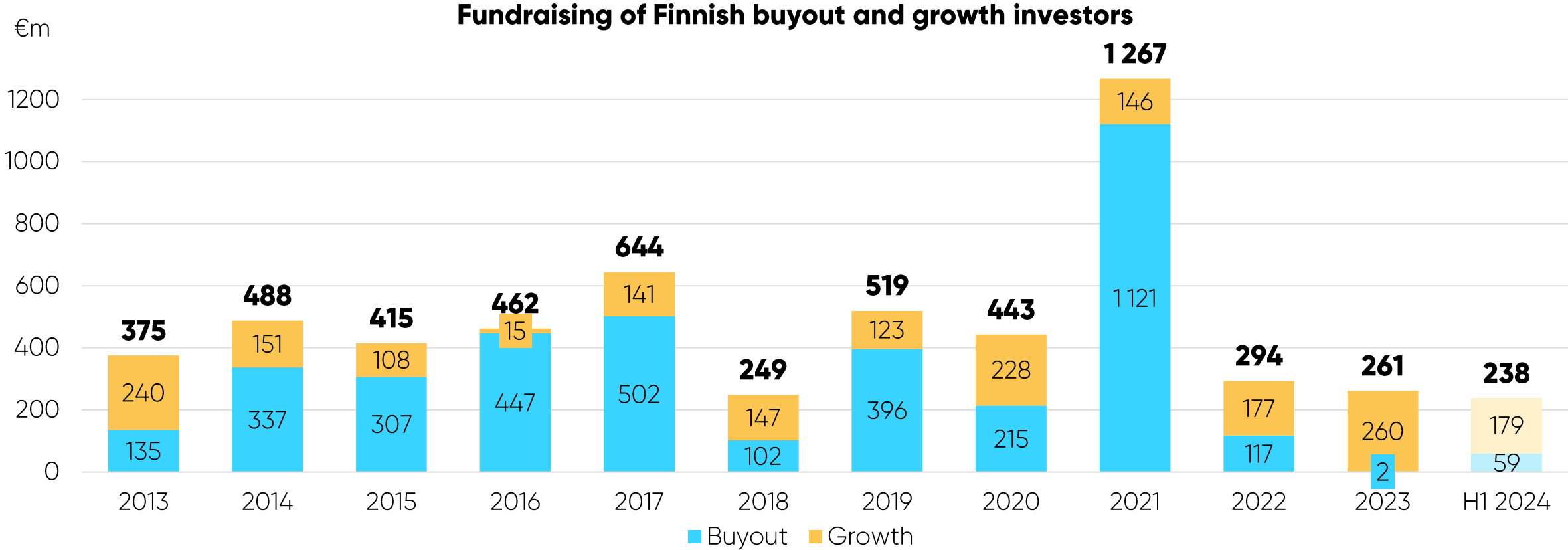
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Fundraising



Finnish buyout and growth investors raised 238 million euros for their funds

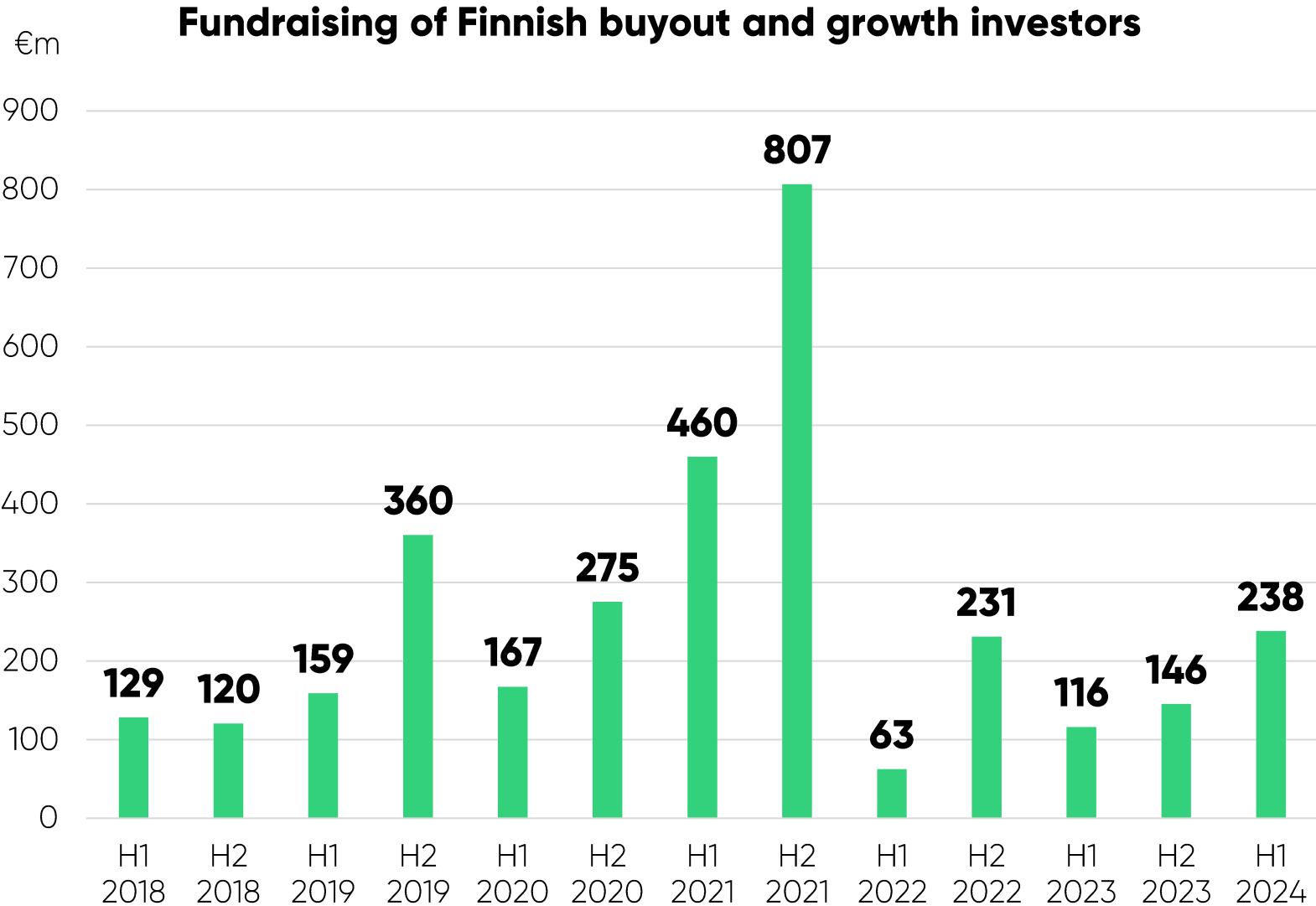


Increased fundraising activity for buyout and growth funds

€238mn

In the first half of 2024, Finnish buyout and growth investors achieved their highest fundraising levels since the 2021 peak.

During January–June, only one new fund was launched: CapMan Growth (€130M). Existing funds also raised additional capital.



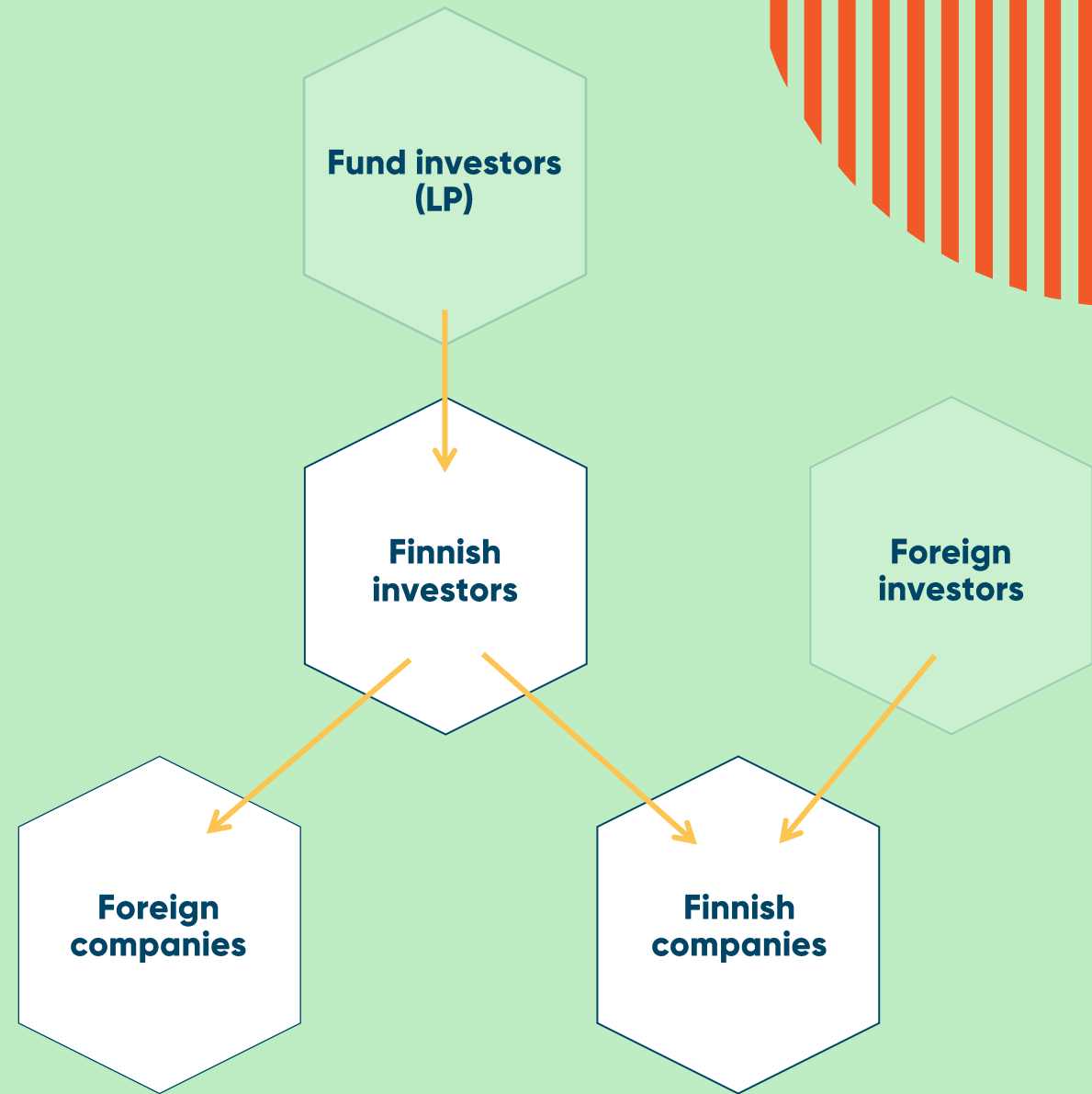
Sources: FVCA, EDC



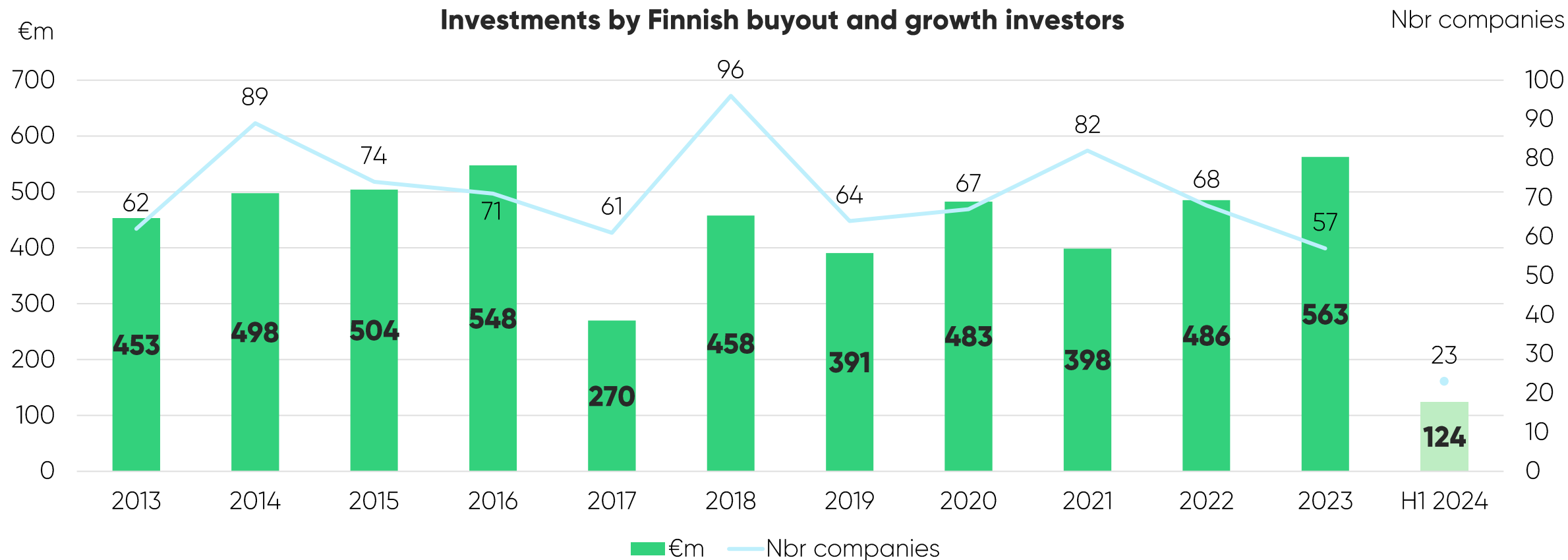
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Investments



Finnish buyout and growth investors invested 124 million euros between January and June 2024



Amount invested at the low level

€124m

The amount invested by Finnish buyout and growth investors was at the lowest level in the last five years.

All investments made by Finnish investors during the first half of the year in 2024 went to domestic companies

Investments by Finnish buyout and growth investors



The number of investments declined to a historic low

23 companies

The number of companies, that received buyout or growth investments, was the lowest in history, -38 % lower than the last five years' average.

In the first half of the year, all companies that received investments were Finnish.

Investments by Finnish buyout and growth investors

Nbr companies





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Divestments

Number of exits continued to decline

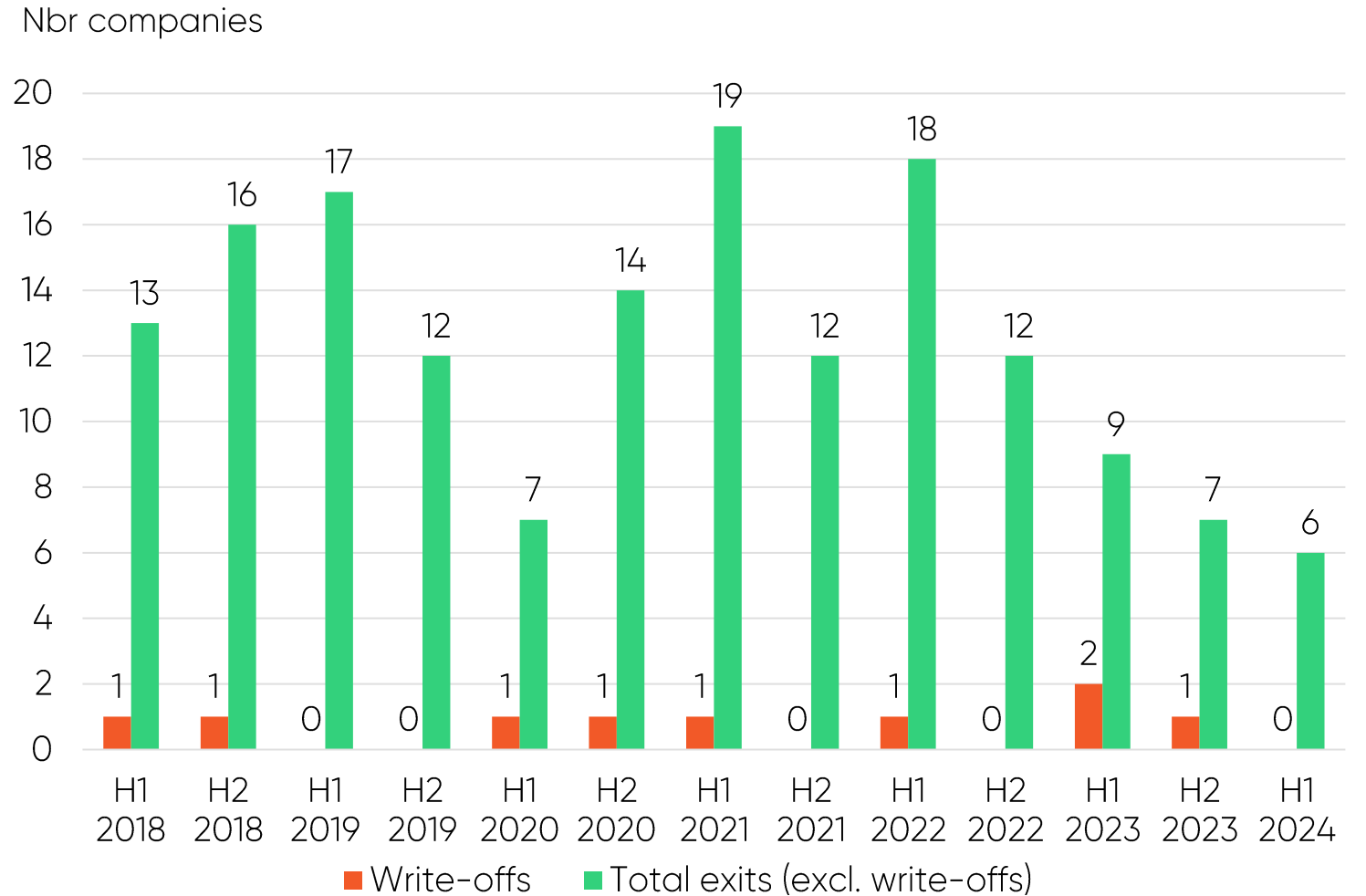
6 companies

Finnish buyout and growth investors divested all-time lowest number of companies during the first half of the year.

The number of exits was approximately 50% below the five-year average.

The decline in private equity investors' exits reflects Finland's generally quiet M&A market.*

Divestments by Finnish buyout and growth investors



*PwC M&A market update Q2 2024

Sources: FVCA, EDC



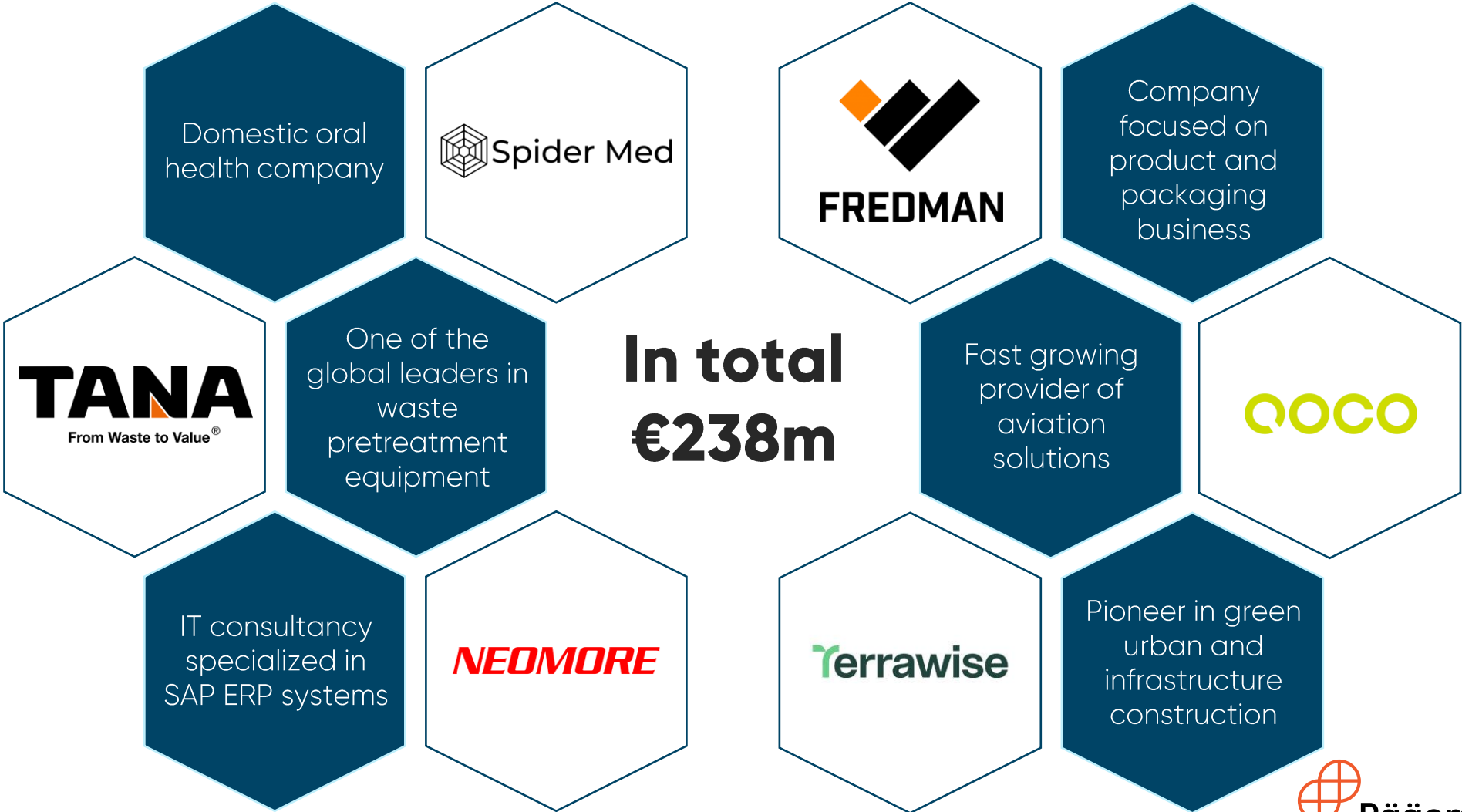
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Market statistics

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

Examples of growth and buyout investments in H1/2024

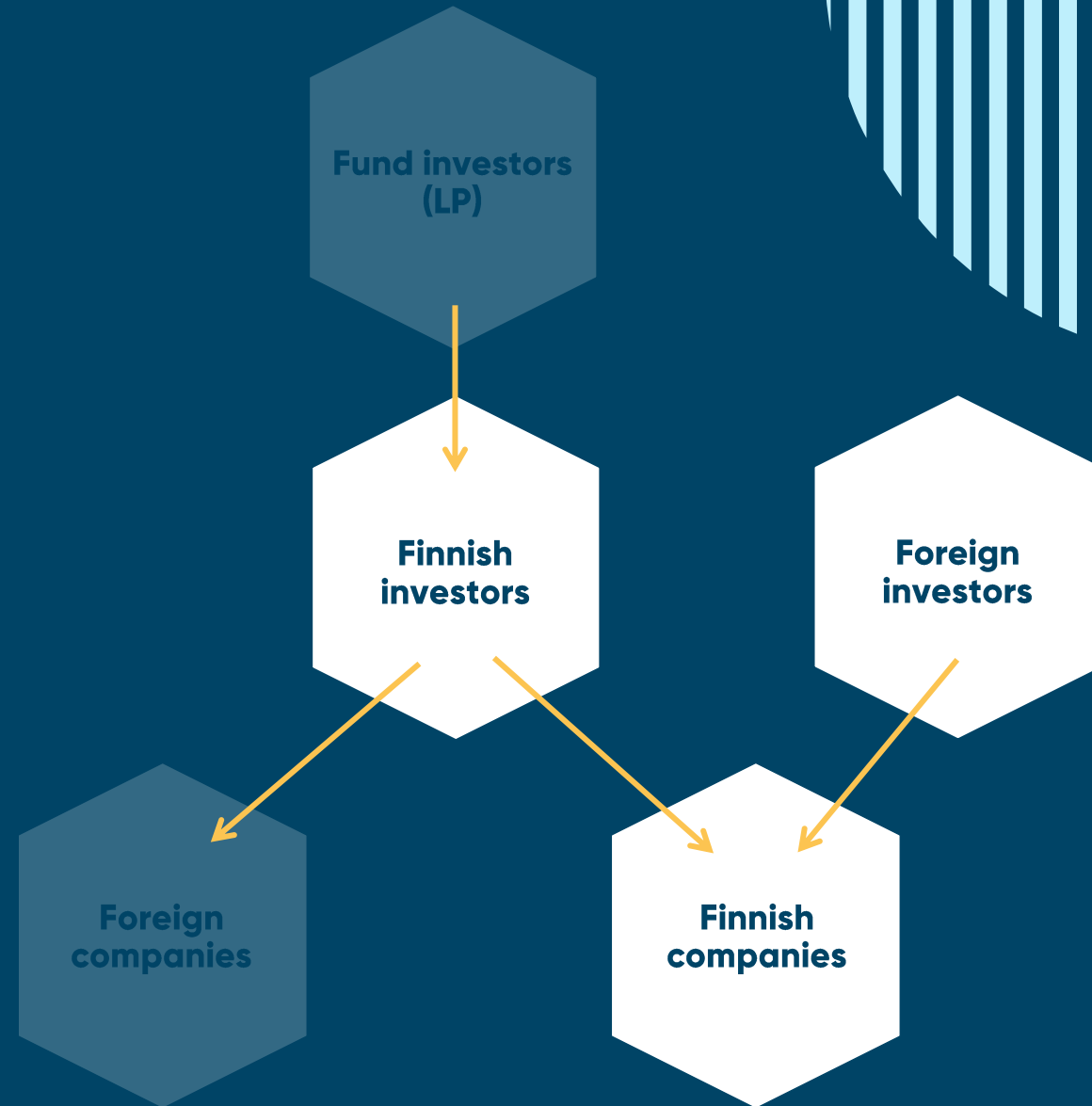




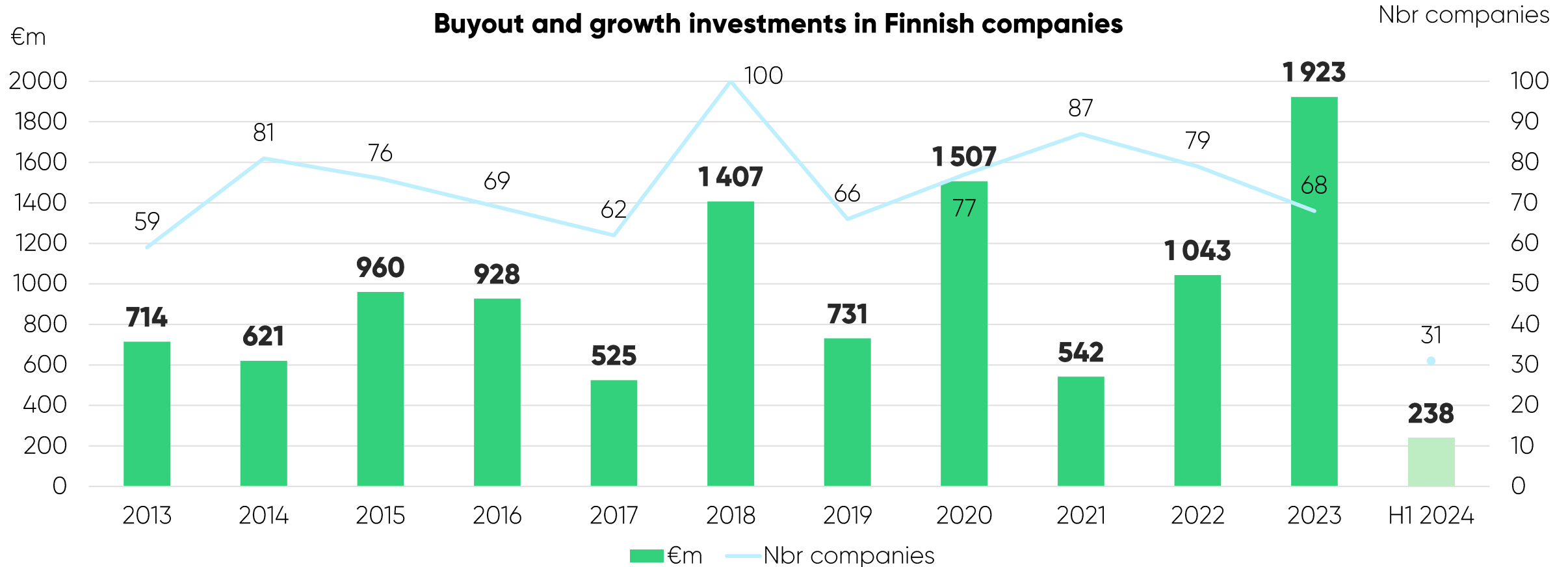
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Investments



238 million euros for Finnish growth companies between January and June in 2024



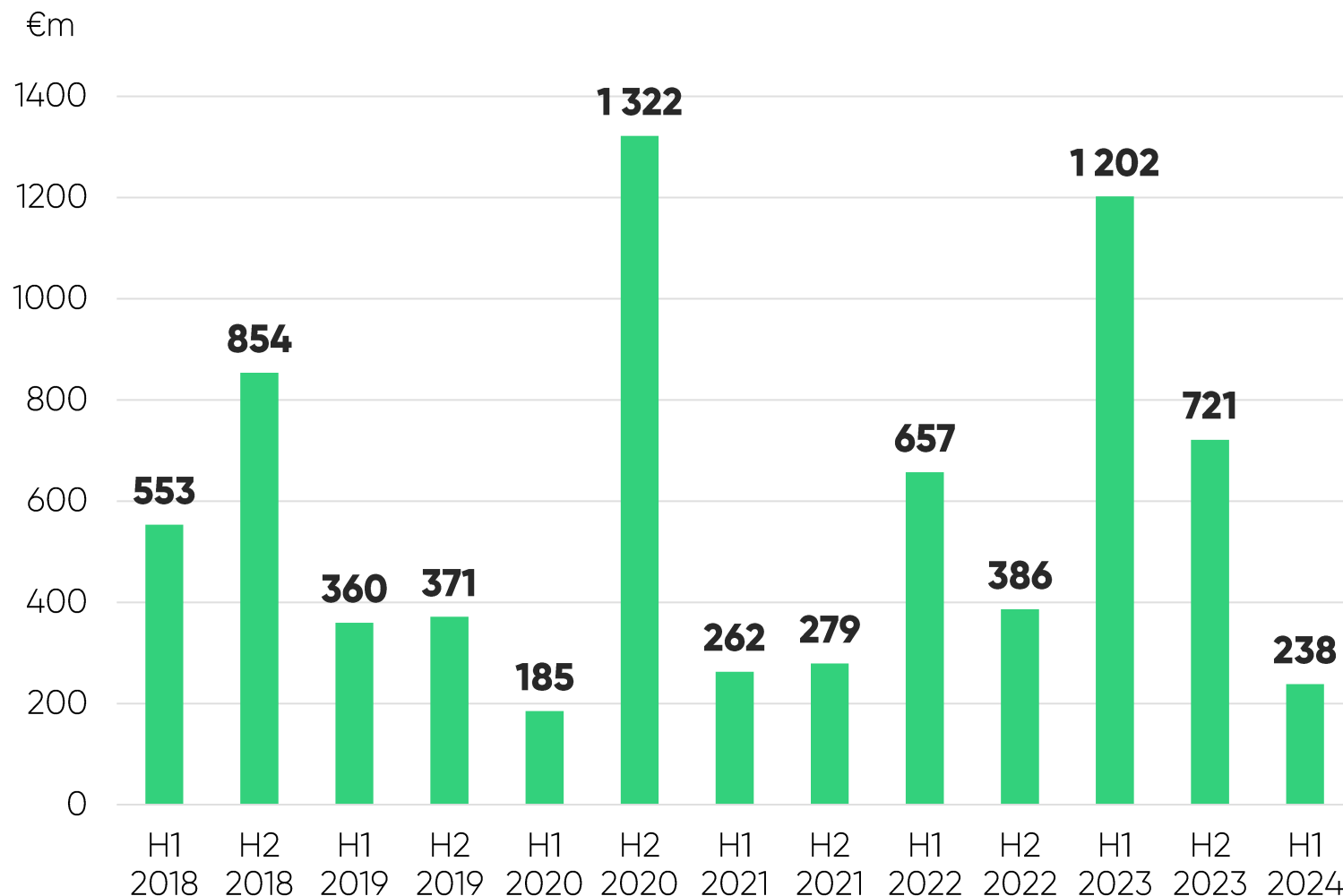
Buyout and growth investments in Finnish companies declined

€238m

The buyout and growth investments received by Finnish growth companies in the first half of 2024 were at their lowest level in the past four and a half years.

The amount was -59% lower than the five-year average.

Buyout and growth investments in Finnish companies



The number of investment targets hit all-time low

31 companies

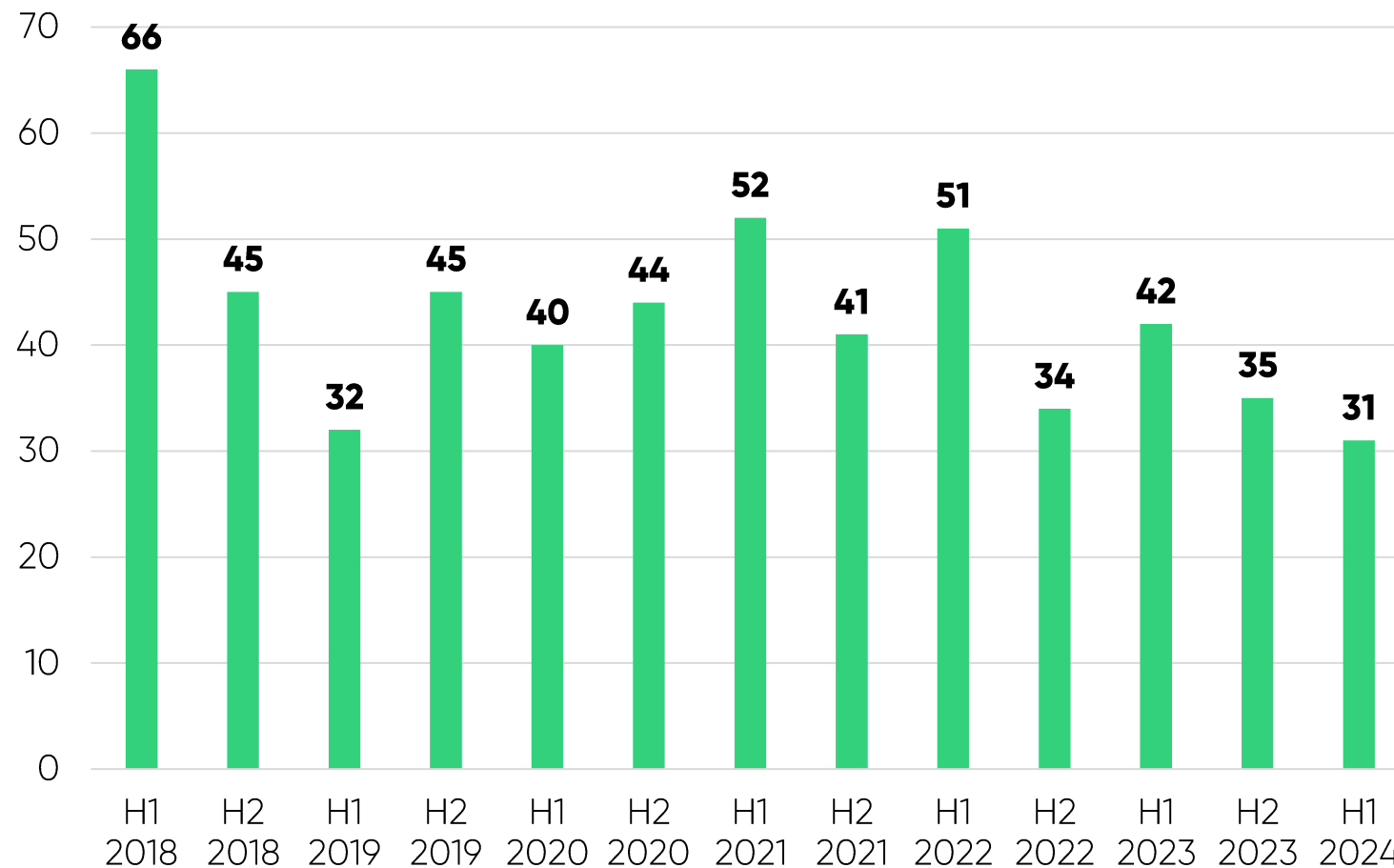
The number of Finnish growth companies receiving private equity investments was at a historically low level.

There was a total decline of -26% compared to the five-year average.

The decline in private equity investors' investments reflects Finland's generally quiet M&A market.*

Buyout and growth investments in Finnish companies

Nbr
companies



*PwC M&A market update Q2 2024

Sources: FVCA, EDC

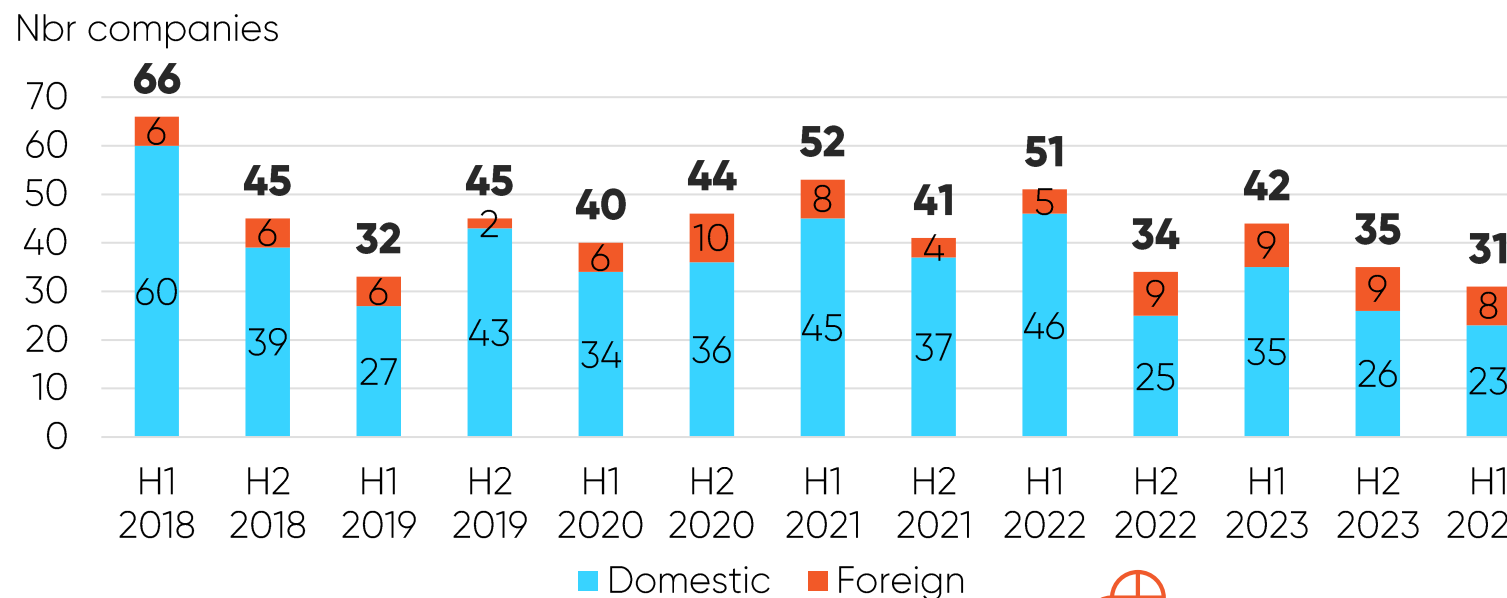
Low amount invested by both foreign and domestic buyout and growth investors

€114m

Investments in Finnish companies by foreign investors dropped by as much as -67 % compared to the five-year average.

In terms of the number of companies, foreign investor activity remained at the same level as in recent years.

Domestic and foreign buyout and growth investments in Finnish companies



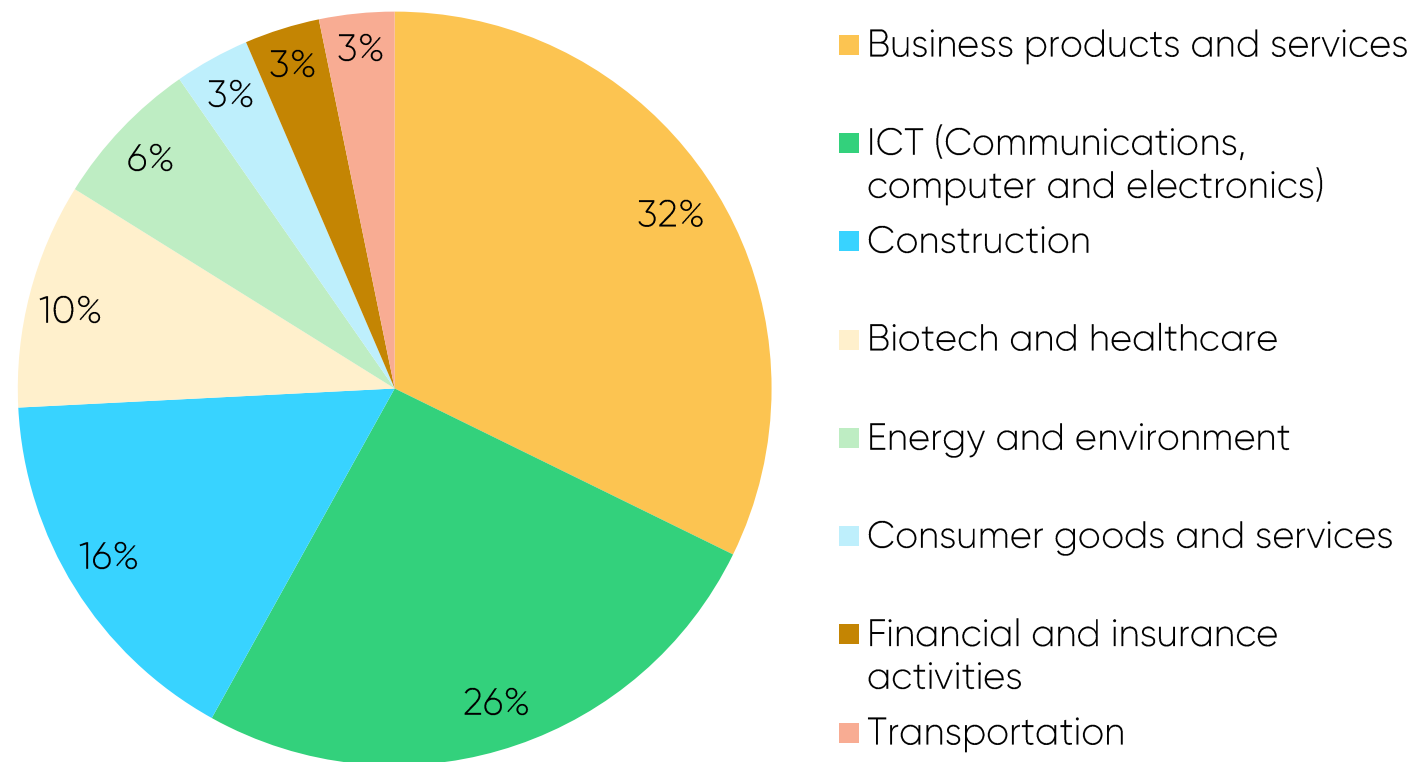
Business products and services received the most investments

32%

B2B companies offering products and services to other businesses received the highest number of buyout and growth investments.

ICT, construction, and healthcare companies were the next most popular investment targets during the first half of the year.

Buyout and growth investments in Finnish companies by industry in H1/2024





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Divestments

Exits continue at low level

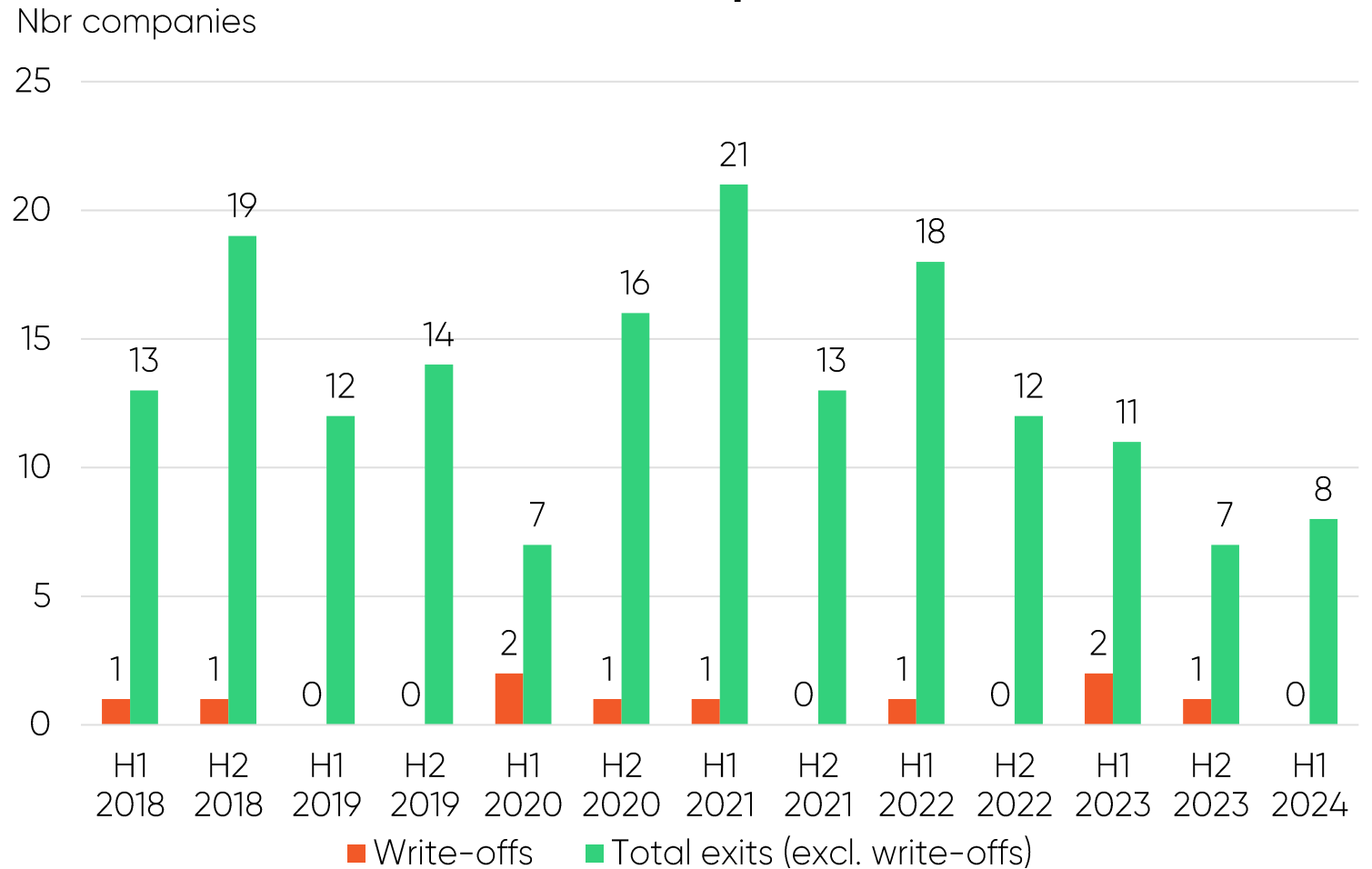
8 Finnish companies

Private equity exits from Finnish growth companies were at one of the lowest levels for a half-year period.

The number of exits was -42% lower than the five-year average.

The slowdown in the global M&A market* has partly contributed to this trend.

Divestments by buyout and growth investors from Finnish companies



*PwC Global M&A industry trends

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

€436m

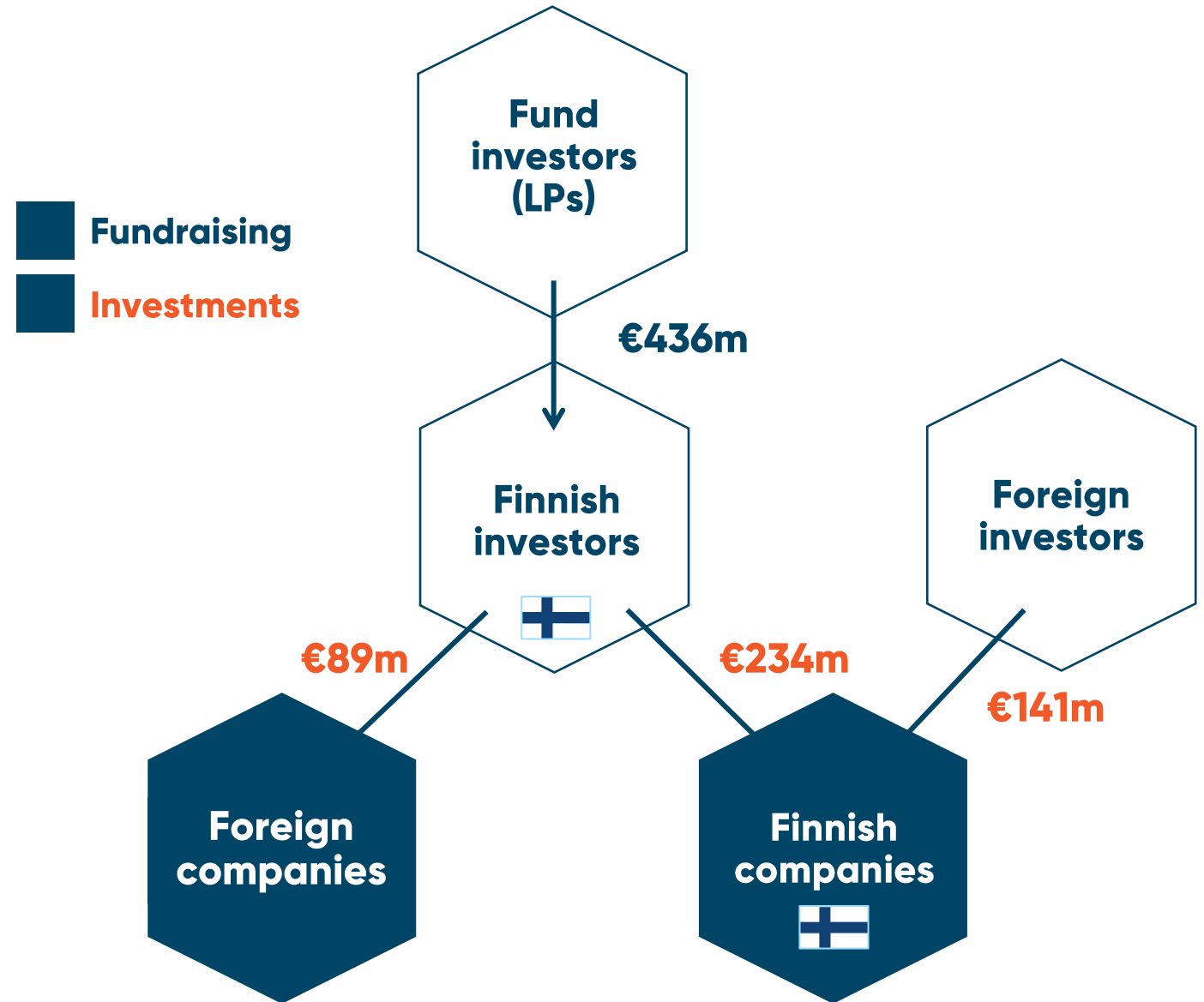
Funds raised into private equity funds for future investments.

€324m

Total amount of investments by Finnish private equity investors.

€375m

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

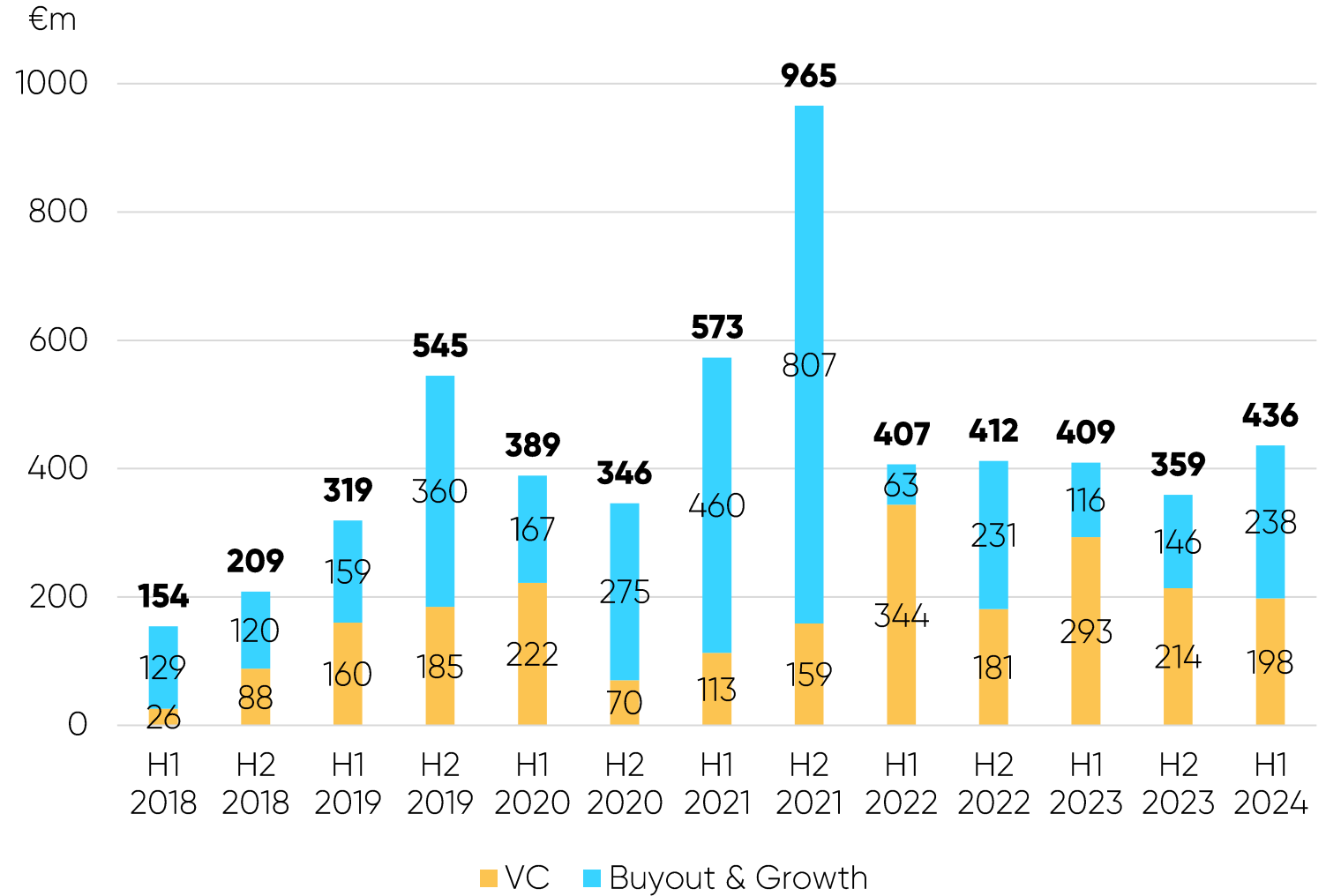


Fundraising of Finnish private equity investors

€436m

The fundraising volume of Finnish venture capital and private equity funds increased by 6 % compared to the first half of the previous year.

Fundraising of Finnish private equity funds

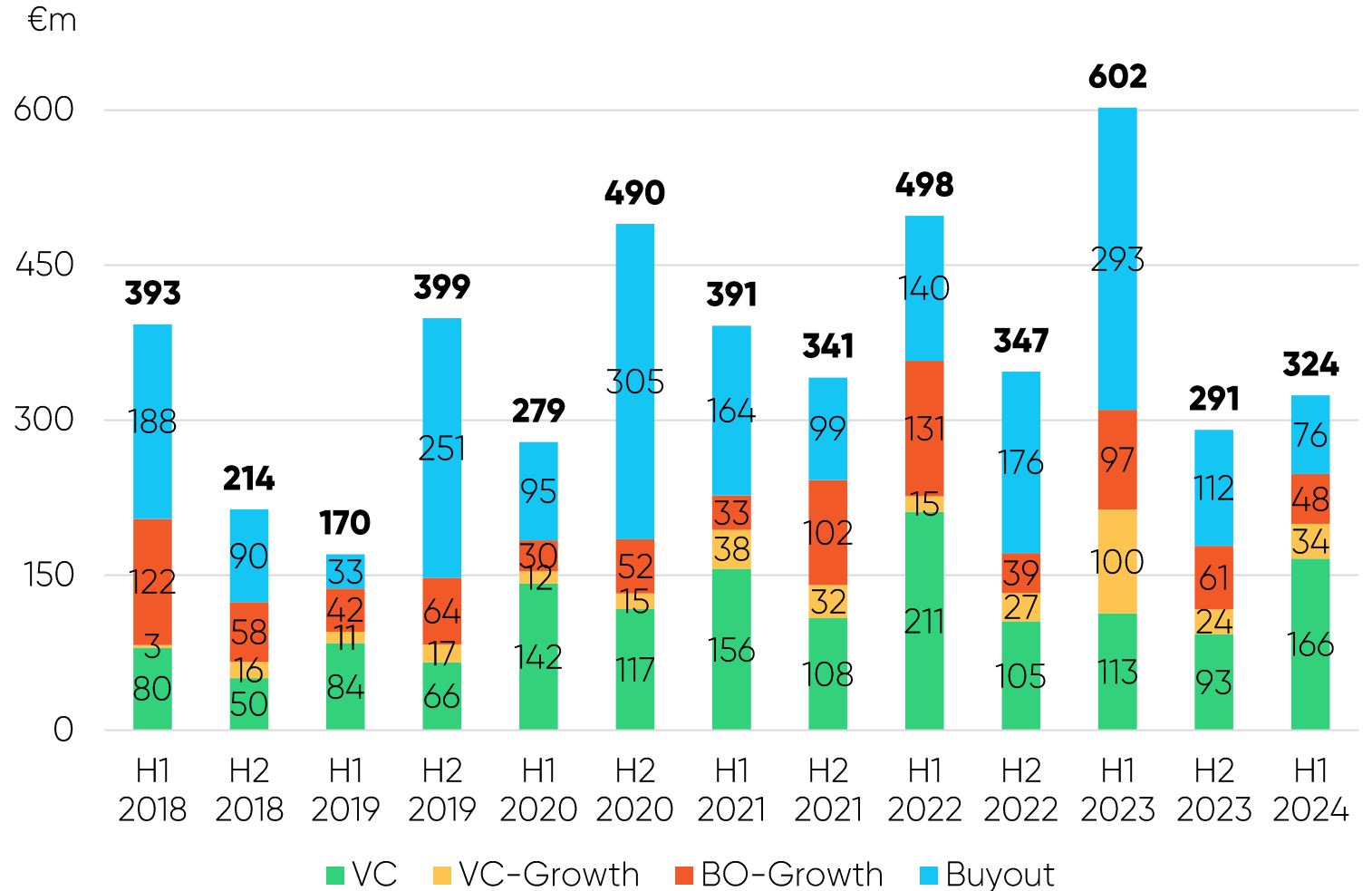


Investments by Finnish venture capital and private equity investors

€324m

The total amount of investments made by Finnish venture capital and private equity investors in the first half of 2024 was -15 % lower than the five-year average.

Investments by Finnish venture capital and private equity investors

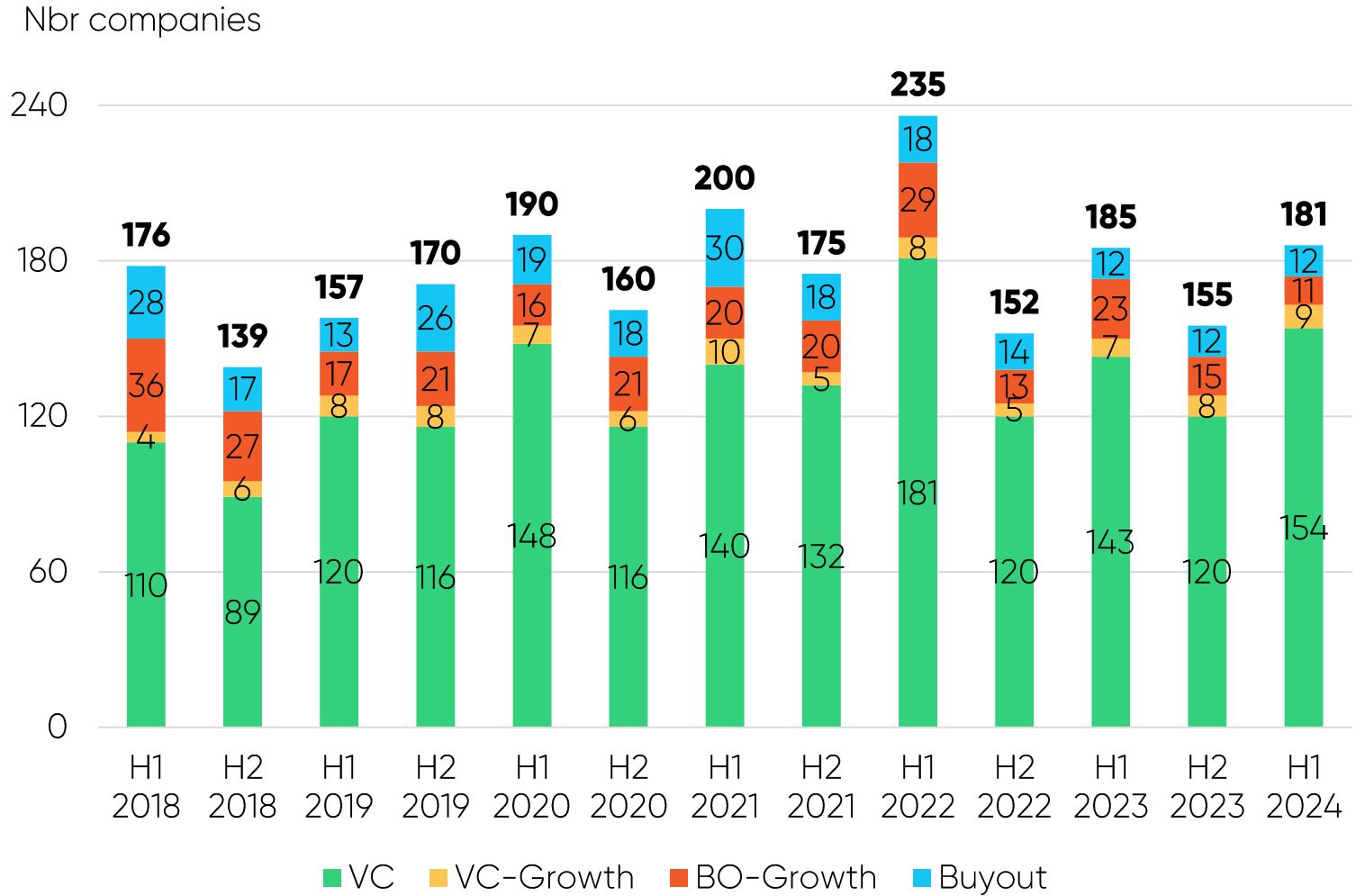


Investments by Finnish venture capital and private equity investors

181 companies

The number of companies receiving venture capital and private equity investments from Finnish investors remained at a similar level as in previous years.

Investments by Finnish venture capital and private equity investors

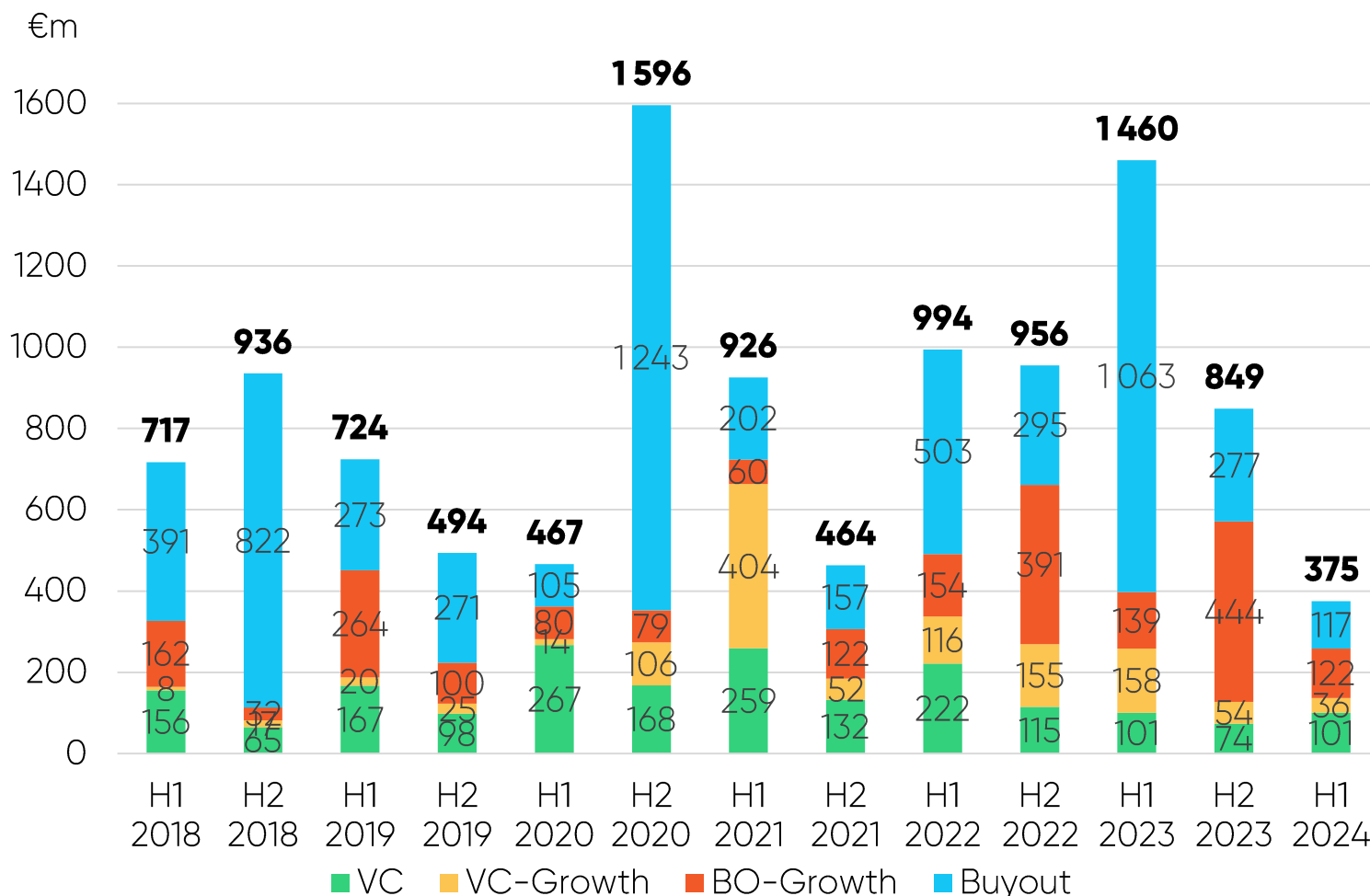


Venture capital and private equity investments in Finnish companies

€375m

Venture capital and private equity investments in Finnish companies were as much as -58 % lower than the five-year average.

Venture capital and private equity investments in Finnish companies



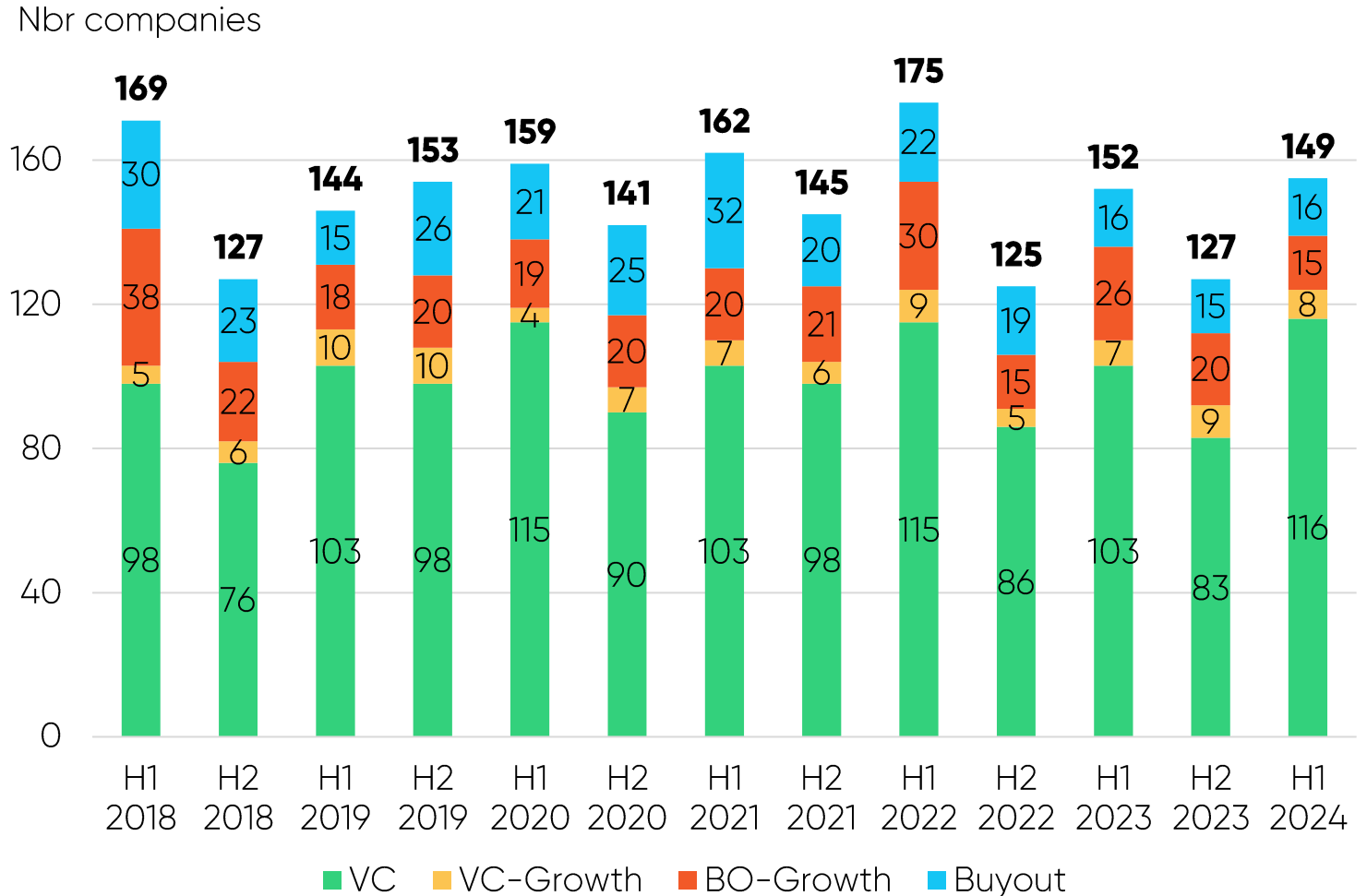
Sources: FVCA, EDC

Venture capital and private equity investments in Finnish companies

149 Finnish companies

In the first half of the year, the number of Finnish growth companies securing venture capital and private equity investments remained consistent with past years.

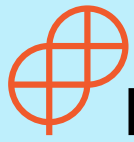
Venture capital and private equity investments in Finnish companies



Private equity investors H1/2024

Venture capital, growth and
buyout statistics in brief

- Finnish venture capital and private equity investors invested a total of **€324m** in **181** domestic and foreign growth companies.
- **149** Finnish startup and growth companies received **375 M€** in investments from Finnish and foreign investors.
- New funds raised by Finnish venture capital funds, totalling **€436m** in H1/2024, will be invested in startup 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 web portal.
- 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

<p>VENTURE</p> <p>Investments in companies in their early development stage</p>	<p>Seed</p> <p>Start-up</p> <p>Later stage venture</p>	<p>Seed</p> <p>Start-up, Other early stage</p> <p>Early growth, Transition stage</p>
<p>GROWTH*</p> <p>Venture capital investments targeting growth-stage companies</p>	<p>VC-Growth (Venture growth, venture-backed growth)</p> <p>BO-Growth (Buyout growth, non-venture backed growth)</p>	<p>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</p> <p>Growth investments where VC funds had either fully divested prior to the Growth round, or else had never backed the company in question before</p>
<p>BUYOUT</p> <p>A transaction financed by a mix of debt and equity, in which a business, a business unit or a company is acquired</p>	<p>Rescue/Turnaround</p> <p>Replacement capital</p> <p>Buyouts</p>	<p>Rescue/Turnaround</p> <p>Secondary purchase/Replacement capital, Refinancing bank debt</p> <p>Management buyout (MBO), Management buy-in (MBI), Public to private, Other PIPE, Other leverage buyout</p>

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