



Nordic Private Equity Market Update

Q3 2023

November 2023

KPMG Deal Advisory & Strategy

Deal volume has continued to trend lower in Q3/'23 amid the challenging economic climate; buyout shows signs of increased activity in early 2024



Comments on Nordic PE market development

- Aggregate Q3/'23 deal volume declined in the Nordics driven by significant drop in VC activity.
- Q3/'23 Buyout deal volume has also declined but seems to be stabilizing on a rolling annual basis.
- VC activity levels were nearly 40% lower YoY, leading to a significant drop in the rolling annual volume.
- PE buyout deal activity was relatively stable in Denmark and Sweden, but weak in Norway and at its lowest level since 2020 in Finland.
- Consumer continues to be the most challenging sector with volumes declining further from already low levels in H1/23. Business services remained most active but declined QoQ for the first time since Q4/22.
- Q3/'23 has seen the start of new IPO filings (Amer Sports, Rusta, Xoma) with new listings still sparse. Norway saw listing of Beerenberg, and public-to-private deals for Self Storage Group and Q-Free.
- PE fundraising has continued to be slow, both in terms of number of funds and fund size, compared to the previous quarters. Two funds were closed - Verdane Capital XI fund at an accumulated size of €1.1b and VIA Equity Fund V at an estimated size of €200m.



Implications on the outlook for PEs

- The deal space in general is likely to remain under pressure in Q4/'23, driven by macroeconomic uncertainties and high interest rates.
- Funds continue to review portfolios and address performance challenges. Many are targeting broader international and segment expansion, as growth in home markets and segments may not meet expectations.
- Although market uncertainty remains, signs suggest increased activity in early 2024. Many high-interest processes initially planned for Q3/23 are expected to launch in the new year. Multiple new ones are being prepared.
- The ongoing volatility and uncertainty continues to cause challenges with alignment of valuation expectations between buyers and sellers and longer deal lead times.
- However, signs of improved alignment of expectations have been observed. We continue to see the typical intermediate stage with increased use of earn-outs.

Source: OECD, European Central Bank, Pitchbook, KPMG analysis.



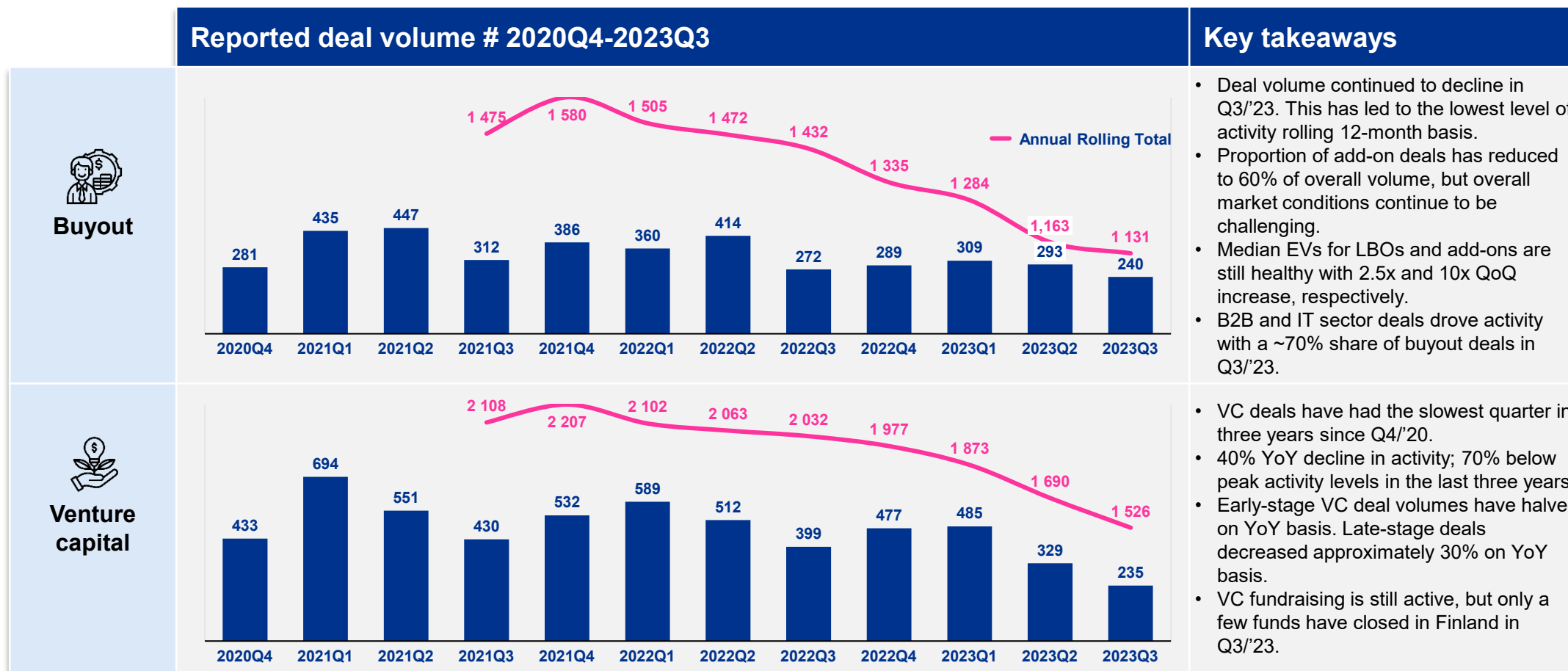
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Reported Nordic buyout and VC deal volumes continued to decline in Q3/'23, with significant slowdown in VC volumes

Nordic PE market deal volume by fund type

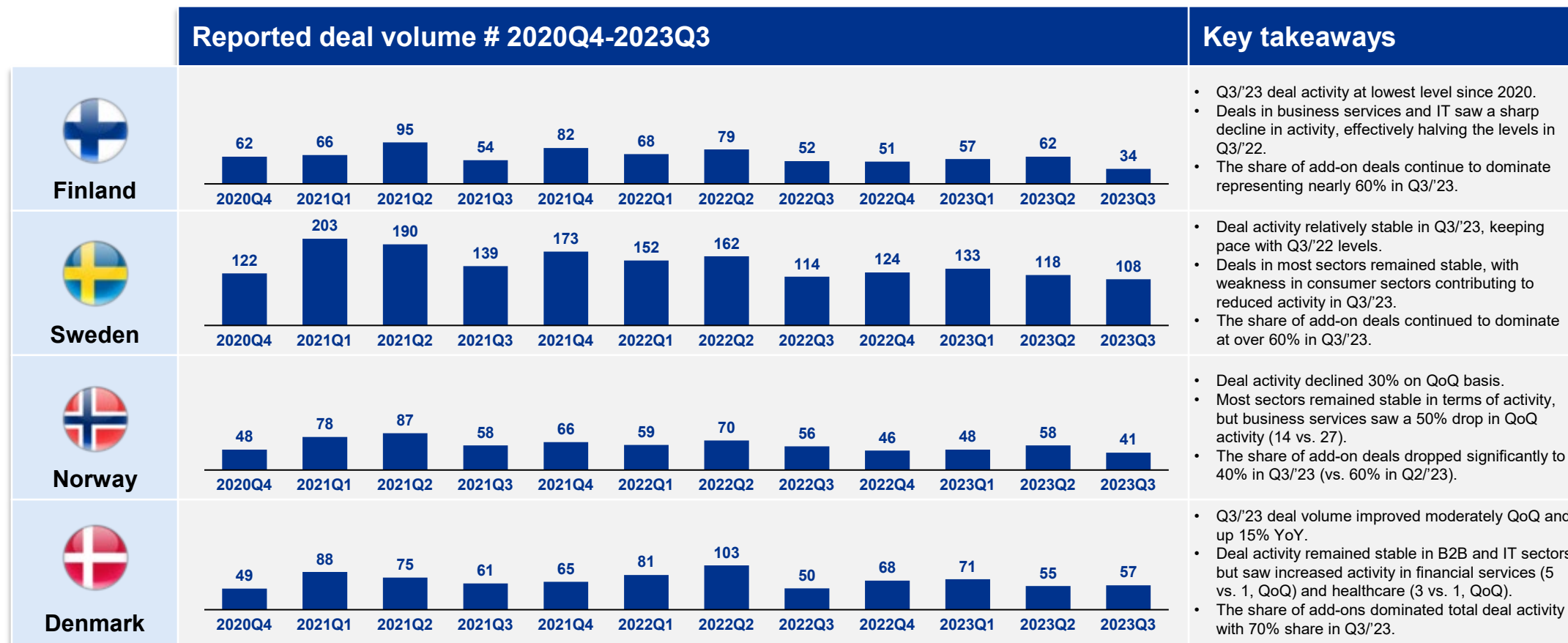


Note: Finland, Sweden, Denmark and Norway are included in the analysis. Data extracted on October 18, 2023. Historical numbers may change due to updates to data made by Pitchbook
 Source: PitchBook, KPMG analysis.



Reported PE buyout deal activity was relatively stable in Denmark and Sweden, but weak in Norway and significantly lower in Finland in Q3/'23

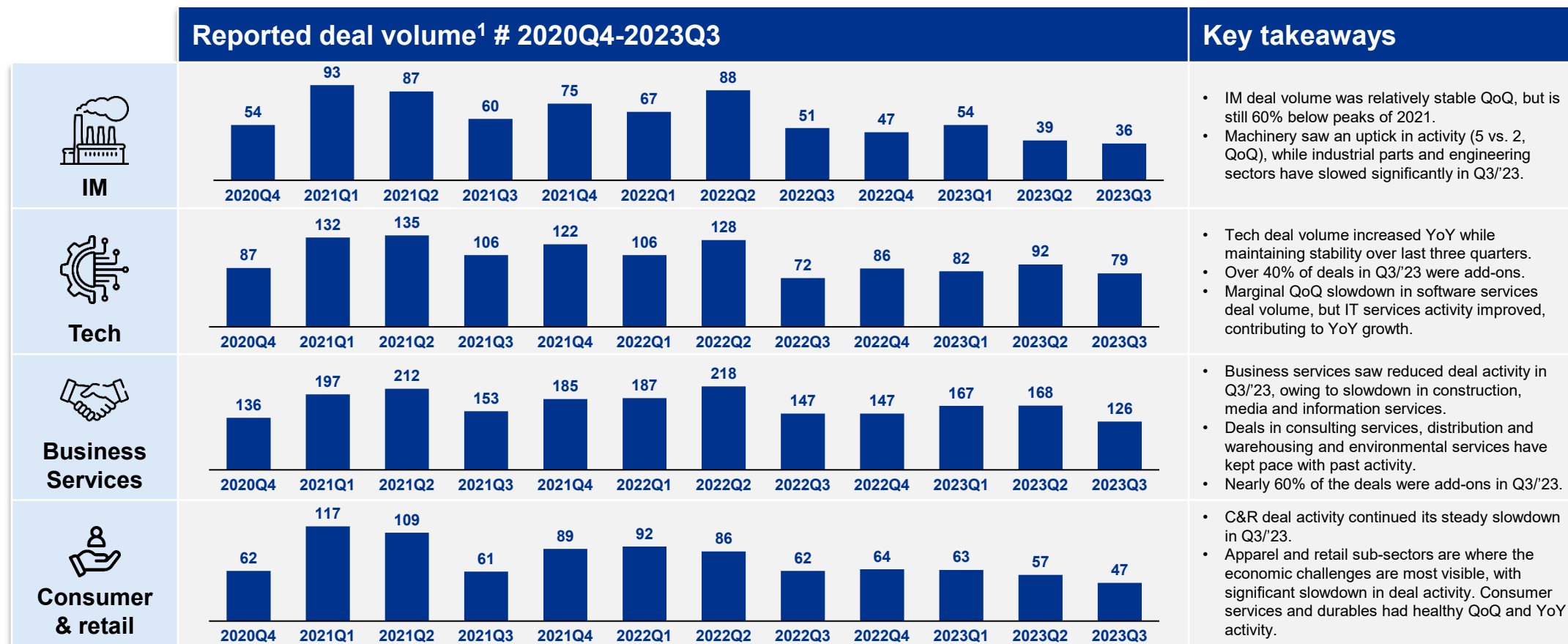
Nordic PE market buyout deal volume by country¹



Note: (1) Based on target company's home country. Data extracted on October 18, 2023. Historical numbers may change due to updates to data made by Pitchbook
 Source: PitchBook, KPMG analysis.

Buyout deal volumes declined significantly across most key sectors in Q3/'23 – technology showed moderate YoY growth

Nordic PE market buyout deal volume by key sector



Note: (1) Figures do not reconcile with figures presented on earlier pages as only specific sectors are included in the graphs above.

Data extracted on October 18, 2023. Historical numbers may change due to updates to data made by Pitchbook

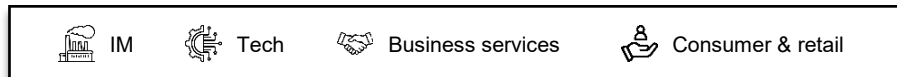
Source: PitchBook, KPMG analysis



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Significant deals have been made across key sectors in the Nordic PE market during Q3/'23

Nordic PE market key recent deal highlights



Country		Sector		Country		Sector		Country		Sector	



Kahoot! tender offer via PE consortium <ul style="list-style-type: none"> Consortium led by Goldman Sachs Asset Management offered to acquire Kahoot! via a tender offer. Kahoot! is an e-learning platform specialized in education-focused games. Tender offer consisted NOK 35 price for the +400m shares implying a total deal value of €1470m. 		MACROBOND acquired by Fransisco Partners <ul style="list-style-type: none"> Fransisco Partners acquired Macrobond from Nordic Capital in 7/'23 for a value of €700m. Fransisco Partners is a US-based global investor in technology and technology-enabled businesses. Macrobond is a leading provider of global economic, aggregate financial and sector time-series data for e.g., economists, analysts, and portfolio managers. 		INFARE acquired by OAG <ul style="list-style-type: none"> OAG, the world's leading data platform for the global travel industry, acquired Infare Solutions in 7/'23 with financing from financial sponsors Vitruvian Partners and Northleaf Capital Partners. Infare is the provider of competitor air travel data enabling airlines to make effective pricing decisions. Acquisition was completed at a value of €450m. 	
Self Storage Group to be acquired by TIAA-CREF <ul style="list-style-type: none"> Self Storage Group entered into a definitive agreement to be acquired by TIAA-CREF from a consortium of Centerbridge Partners, Ferncliff (PE), Holta Invest (PE) and Vatne Capital. Self Storage Group is engaged in the business of self-storage units to both private individuals and businesses in Norway, Sweden, and Denmark. Deal was announced in 9/'23 for a value of €390m. 		Q-FREE acquired by Rieber & Søn and Guardian Capital <ul style="list-style-type: none"> Q-Free entered into an agreement to be acquired by Rieber & Søn (PE) and Guardian Capital Q-Free provides tolling, traffic management and related technology solutions in the infrastructure sector across Europe, Asia and Americas. Deal announced in 9/'23 for a value of NOK 1.2b. 		Valoo funding round from PE consortium <ul style="list-style-type: none"> Valoo Täyskuitu received €250m expansion funding from consortium led by DIF Capital Partners. The company operates in fiber-optic networks and with the funding enables Valoo to continue expanding in optic networks in Finland. DIF Capital Partners is an independent global infrastructure fund manager and a leading investor in optical fiber rollouts. 	

Source: PitchBook, KPMG analysis.



Two buyout and two VC funds were closed in the Nordics in Q3/'23, with a total value estimated at €1.5bn - dry powder in these funds is estimated at €1.3bn at the end of Q3/'23

New Nordic PE funds raised by type

New funds raised	
 Buyout	<p>Two new PE funds were closed during Q3/'23, with a combined value of €1.3b¹</p> <ul style="list-style-type: none">• Two new funds were closed in the Nordic region during Q3/'23 – one each in Norway and Denmark.• Verdane announced the closing of its Verdane Capital XI fund at an accumulated size of €1.1b. The fund will focus primarily on secondaries, with investments ranging from €20m to €150m.• VIA Equity announced the closing of VIA Equity Fund V at an estimated size of €200m. The fund focuses on investments in TMT, ICT and services sectors.• Fundraising was ongoing in sixteen funds that were opened during Q2/'22 – Q3/'23. Some notable mentions include EQT X, EQT Future Fund, European Opportunistic Fund and Altor Fund VI. No new funds were opened during Q3/'23.
 Venture capital	<p>Two new VC funds were closed in the Nordics during Q3/'23, with a combined value of €240m¹</p> <ul style="list-style-type: none">• Two new VC funds were closed in Finland.• In Q3/'23, Finland-based NordicNinja VC closed NordicNinja Fund II, its early-stage VC fund at €200m. The fund focuses on minority investments in ESG and deep tech.• Additionally, Finland-based GreenCode Ventures closed its fund at €40m. The fund aims to invest in green energy, green mobility and green cities, with primary ofcus in Europe and Israel.• Fundraising was ongoing in twelve funds that were opened during Q2/'22-Q3/'23. Notable open funds include Climentum Capital Fund and Gorilla Capital Fund III. Two new funds were opened during Q3/'23.

Note: (1) Only includes funds that were closed during Q3-23. Funds that remained open for further investment after 30.09.2023 not included in the total.

Data extracted on October 18, 2023. Historical numbers may change due to updates to data made by Pitchbook

Source: PitchBook, KPMG analysis.

Our experienced Nordic PE team is ready to support you across the deal lifecycle

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