



Nordic Private Equity Market Update

Q3 2024

November 2024

KPMG Deal Advisory & Strategy

The uncertain macroeconomic situation continued to adversely impact the broader deal space and the PE deal market in Q3/'24 – however, fundraising was active with several new funds raised



Comments on Nordic PE market development

- **LTM deal volume continued to decrease** in Q3/'24, mainly driven by continued substantial **decline in VC activity**.
- **Q3/'24 Buyout and VC deal volume are the lowest** on a quarterly and LTM basis during the reporting period (from Q3/'21 onwards). Buyout and VC activity has on a YoY LTM basis decreased ~25% and ~10%, respectively.
- **Buyout deal activity slowed down significantly in SE**, and marginally in NO. **FI and DK showed improvement** compared to Q2/'24. Buyout activity in FI was at its highest level since Q2/'23.
- Buyout deal volume **decreased ~10% in the Business Services** and Tech sectors compared to the previous quarter, with Tech activity reaching its lowest level during the reporting period. **Consumer & Retail and IM sectors showed improvement**.
- **PE fundraising was active in Q3/'24**, as six buyout funds, with a combined value of ~€2.5bn, and four VC funds, with a combined value of ~€400m were closed.



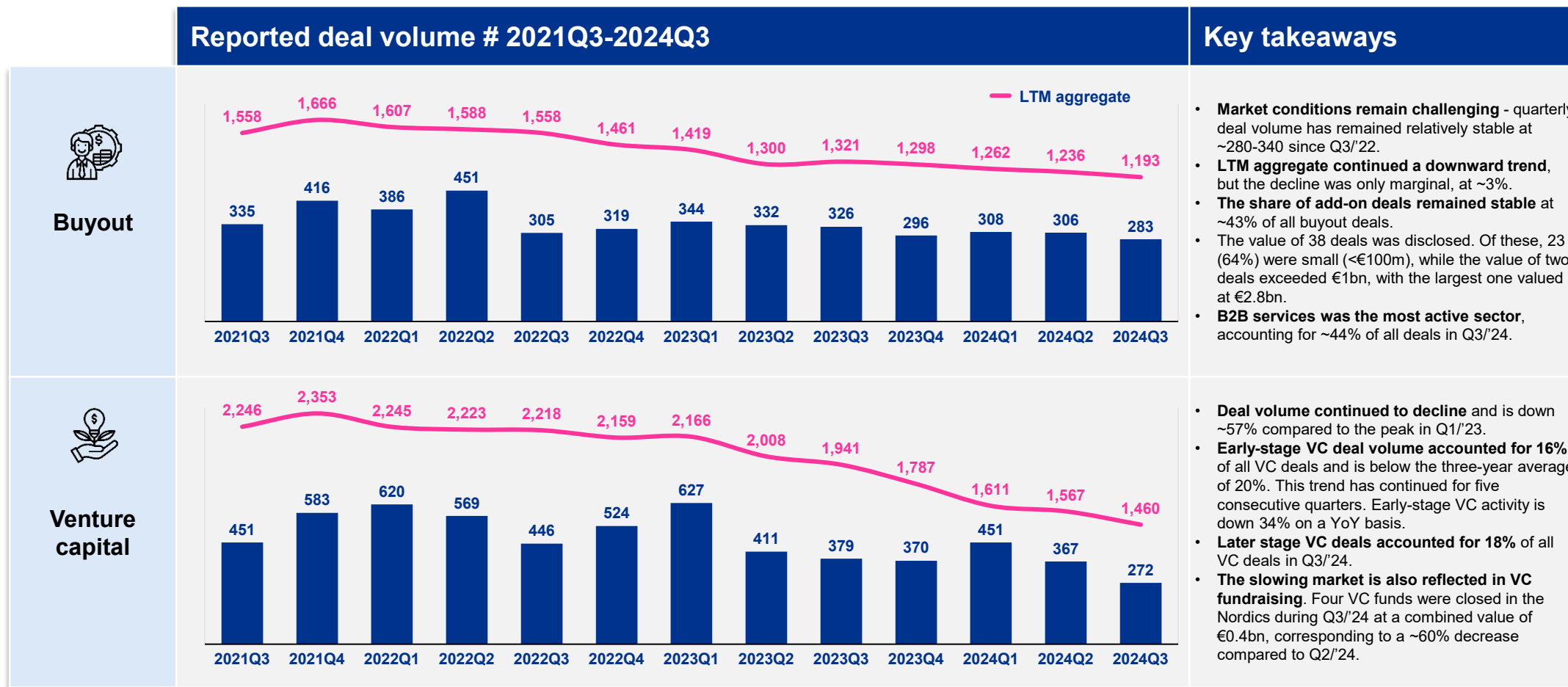
Implications on the outlook for PEs

- **Cautious investment environment:** Nordic PE deal makers continue to anticipate market recovery, but economic headwinds and uncertain sentiment remain, resulting in selective investment approaches, process launches, and focus on add-on deals.
- **Extended deal timelines:** increased scrutiny and market uncertainty will likely continue to keep deal timelines longer than previously.
- **Sector focus on resilience:** PE firms are expected to continue focusing on sectors with strong fundamentals such as selected business services segments, healthcare, technology, and renewable energy, which are expected to perform well in a volatile economy.
- **Industrial carve-outs and public-to-private** transactions continue to generate interest.
- **Slow IPO activity:** the IPO market remains subdued, but as in previous quarters, advisors report an uptick in the number of preparations for IPO and dual track processes underway.
- **Operational enhancements:** PE firms will likely continue emphasizing operational efficiencies within their portfolios to drive value creation and mitigate risks during economic uncertainty, considering also potentially extended holding periods.

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

Nordic buyout deal volume and LTM aggregate marginally decreased – VC experienced a significant activity decline; deal volume is down ~40% compared to Q1/'24

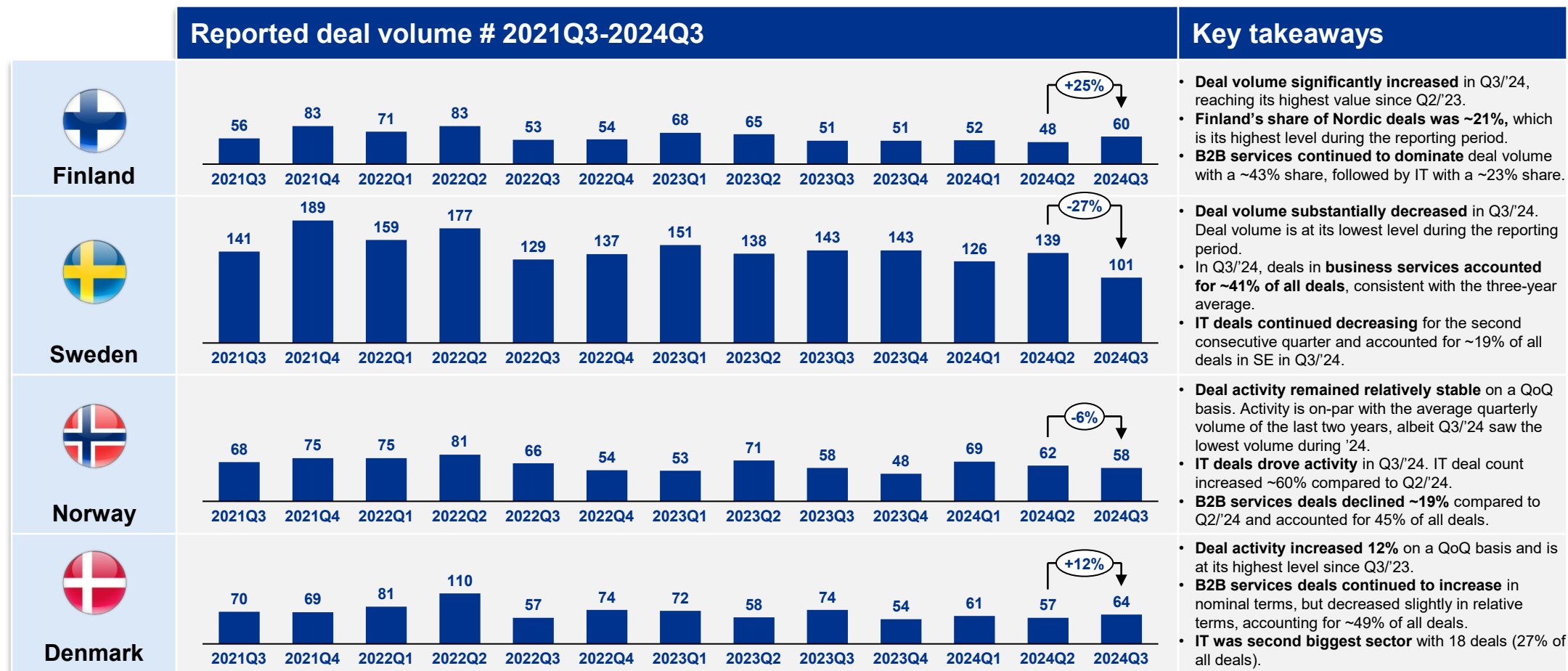
Nordic PE market deal volume by fund type



Note: Finland, Sweden, Denmark and Norway are included in the analysis. Data extracted on October 22, 2024. Historical numbers may change due to updates to data made by Pitchbook
 Source: PitchBook, KPMG analysis.

In Q3/'24, PE buyout deal volume increased in FI and DK and marginally decreased in NO – SE deal volume decreased 27% compared to Q2/'24, reaching its lowest level since Q3/'21

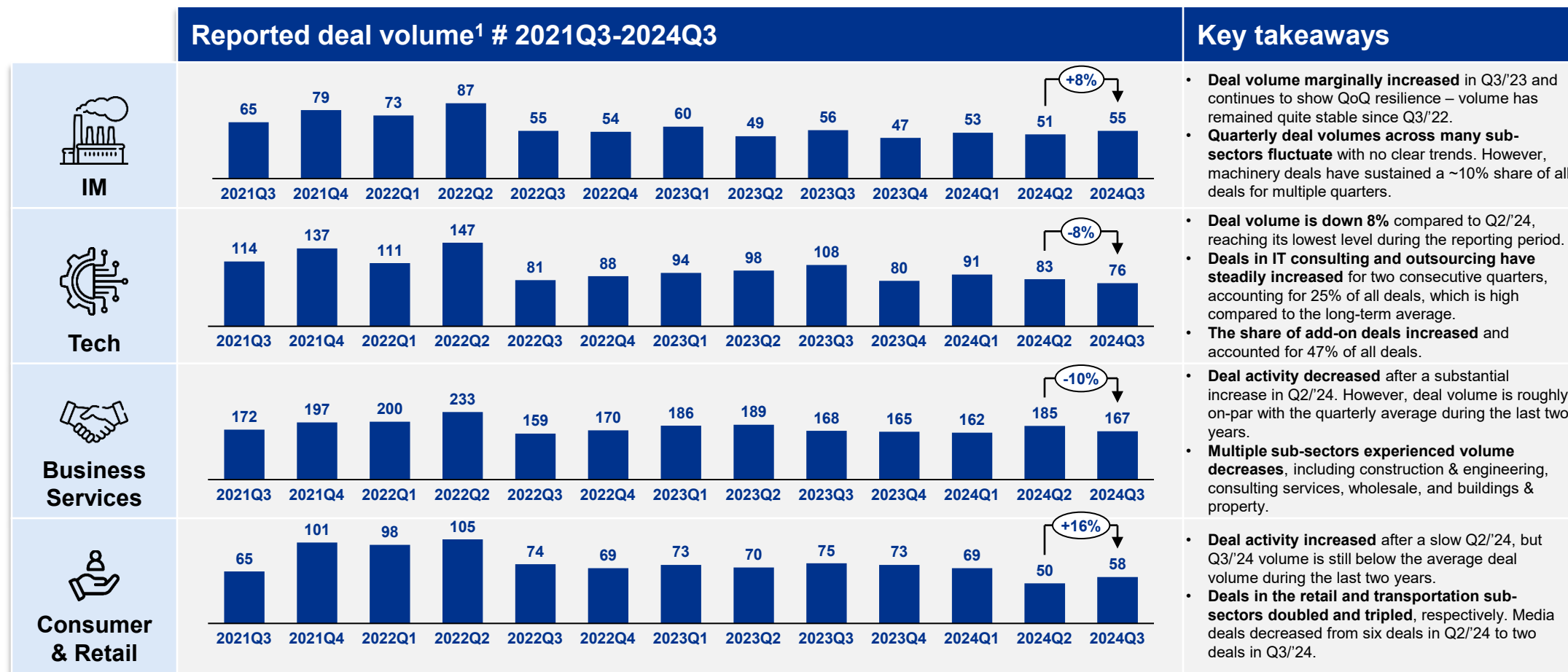
Nordic PE market buyout deal volume by country



Note: Finland, Sweden, Denmark and Norway are included in the analysis. Data extracted on October 22, 2024. Historical numbers may change due to updates to data made by Pitchbook
 Source: PitchBook, KPMG analysis.

Consumer & Retail deals showed improvement after a slow previous quarter, and Business services experienced the largest nominal and proportional volume decrease of all key sectors

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 22, 2024. Historical numbers may change due to updates to data made by Pitchbook

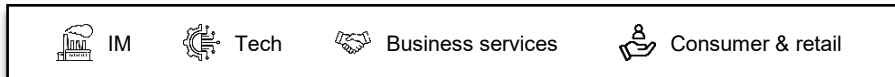
Source: PitchBook, KPMG analysis



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Notable deals made across key sectors in the Nordic PE market in Q3/'24

Nordic PE market key recent deal highlights



ZignSec to be acquired by G2 Web Services		PriceShape acquired by Copilot Capital		AKER BIOMARINE acquired by Aker Capital and AIP	
<ul style="list-style-type: none"> ZignSec entered into a definitive agreement to be acquired by G2 Web Services, via its financial sponsor L Capital and Stellex Capital Management in a SEK300m (~€27m) LBO on September 24, 2024. ZignSec AB provides SaaS platform with digital real-time solutions for customer due diligence and ID verification. 		<ul style="list-style-type: none"> PriceShape was acquired by Copilot Capital through an LBO on September 12, 2024. The deal value was not disclosed. PriceShape offers a competitive price data and monitoring platform designed to specialize in price monitoring for e-commerce companies and brands. 		<ul style="list-style-type: none"> The feed ingredients business of Aker BioMarine Antarctic was acquired by American Industrial Partners and Aker Capital through a \$630m (~€584m) LBO on September 3, 2024. With this acquisition, Aker Capital will hold 40% stake in the company and American Industrial Partners will hold the remaining 60% stake. 	
Country	Sector	Country	Sector	Country	Sector
PURMO was acquired by Apollo Global Management and Rettig		INNOFACTOR to be acquired by CapMan, Osprey Capital and Mr. Sami Ensio		fortum to be acquired by Norsk Gjenvinning	
<ul style="list-style-type: none"> Purmo Group was acquired by Apollo Global Management and Rettig through a €392m public-to-private LBO on August 2, 2024. Purmo Group PLC offers sustainable indoor climate comfort solutions in Europe. The company has two divisions: Radiators and ICS. 		<ul style="list-style-type: none"> Innofactor entered into a definitive agreement to be acquired by CapMan, Osprey Capital and Mr. Sami Ensio through an estimated €60m public-to-private LBO on July 22, 2024. Innofactor Oyj is a digital solutions provider focused on Microsoft solutions in Nordic countries, e.g., delivering IT projects as a system integrator. 		<ul style="list-style-type: none"> Fortum to sell its recycling and waste business to Norsk Gjenvinning, backed by its financial sponsor Summa Equity, through an €800m LBO on July 18, 2024. This divestment allows Fortum to enhanced focus on its core operations in power generation. 	
Country	Sector	Country	Sector	Country	Sector

Source: PitchBook, KPMG analysis

Fundraising in the Nordics remains active, with six buyout and four VC funds closed, and three new buyout funds opened during Q3/'24

Nordic PE funds raised by type

New funds raised



Buyout

Six PE funds were closed during Q3/'24 at a combined value of €2.5bn¹

- Six funds were closed in the Nordics during Q3/'24; three in NO, two in FI and one in DK.
- Cubera Private Equity announced the closing of its fund Cubera X. The fund was opened in 12/'22 and closed in 8/'24 at €807m. Cubera X is a secondaries fund, investing in the Nordics. According to Cubera, the fund will invest roughly two-thirds of its capital in LP positions and one third in co-investments and GP-leds.
- FSN Capital announced the closing of its fund FSN Capital Confluence. The fund was opened in 6/'24 and closed in 8/'24 at €588m. FSN Capital Confluence was established to acquire two portfolio companies – Nordlo and Saferoad – from FSN Capital V and other sellers with the aim of accelerating their organic growth and strategic M&A activities.
- Fundraising was ongoing in eight funds opened during Q3/'23-Q3/'24, including Altor Act I, Bluefront Capital II, FSN Capital Confluence Invest and Turnstone Private Equity Fund III.
- Three new funds were opened during Q3/'24; Turnstone Private Equity Fund III, Impilo Orphan Drugs and Zenith Advisory Group Private Equity Fund IV (this fund was closed 18.9.2024).



Venture capital

Four VC funds were closed in the Nordics during Q3/'24, at a combined value of €400m¹

- Four VC funds were closed during Q3/'24; two in DK, one in SE and one in NO.
- Nordic Alpha Partners closed its fund, Nordic Alpha Partners Fund II, at €266m. The fund, located in Denmark, invests in Europe and targets the industrial Greentech sector. The fund is categorized as an Article 9 fund under EU SFDR (Sustainable Finance Disclosure Regulation).
- Trill Impact closed its fund, Trill Impact Ventures Fund, at €90m. The fund, located in Sweden, invests in Europe, targeting innovative companies focused on solving future health and environmental challenges, and is Trill's first VC fund.
- Fundraising was ongoing in eight funds opened during Q3/'23-Q3/'24. These include Brightly Ventures Impact Fund, HealthCap IX and Ferminvest Ventures Fund.
- No new VC funds were opened in the Nordics during Q3/'24.

Note: (1) Only includes funds that were closed during Q3/24. Funds that remained open for further investment after 30.09.2024 not included in the total.

Data extracted on October 22, 2024. Historical numbers may change due to updates to data made by Pitchbook

Source: PitchBook, company websites, KPMG analysis.



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

KPMG Nordic core PE team



Tom Nyman

Partner, Head of Deal Advisory & Strategy
+358 50 581 0243
tom.nyman@kpmg.fi

- 15+ years in corporate finance advisory services with a focus in the technology sector.
- Executed 50+ deals during his career in M&A.
- Heads the TMT sector at KPMG Finland.
- Specialized in cross-border transactions.



Kenneth Blomquist

Partner, Chair of Private Equity Transaction Services
+358 40 752 0000
kenneth.blomquist@kpmg.fi

- 20+ years in Transaction Services.
- Managed and carried out a vast number of transaction evaluation engagements in Finland.
- Extensive experience from coordinating and managing cross border transaction engagements worldwide.



Sarah Sipilä

Partner, Head of Private Equity Deal Advisory & Strategy
+358 40 062 4098
sarah.sipila@kpmg.fi

- 15+ years in strategy consulting.
- Extensive experience in CDD, deals, and strategy engagements in multiple sectors including construction and real estate, consumer and retail, industrial manufacturing, healthcare, and TMT.
- Clients include Finnish, Nordic, and European PEs and other corporations.



Joakim Naucér

Partner, Head of Private Equity Deal Advisory
+46 733 272 282
joakim.naucer@kpmg.se

- 15+ years of transaction experience working both within M&A and Transaction Services.
- Experience from leading acquisition and disposal projects for both Private Equity and Corporate clients from a wide range of sectors.



Torbjørn Knudtzen

Partner, Head of Private Equity Deal Advisory
+47 915 83 145
torbjorn.knudtzen@kpmg.no

- 15+ years of experience in Transaction Services.
- Experience working across a broad range of sectors, focus on Technology companies.
- Primarily working for private equity clients on both buy- and sell-side engagements.



Lauren Morrissey

Partner
Due Diligence, Deal Advisory
+45 26 32 94 58
lamorrissey@kpmg.com

- 10+ years of transaction experience in Transaction Services.
- Experience from buy- and sell-side for both small and large family-, private equity-, and publicly-owned companies across a number of sectors, specialty in advising buyers on cross border transactions.



Gudrun Björk Stefansdóttir

Partner
Financial Due Diligence
+354 545 6330
gstefansdottir@kpmg.is

- 15+ years of experience in Transaction Services.
- Experience from on the sell-side and the buy-side, local and cross border transactions in various sectors, advising private equity as well as large corporate clients. Gudrun is generally leading all transaction services projects in Iceland.



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