



Nordic Private Equity Market Update

Q1 2024

April 2024

KPMG Deal Advisory & Strategy



The challenging macroeconomic situation continued to adversely impact the broader deal space and the PE deal market in Q1/'24



Comments on Nordic PE market development

- Aggregate Q1/'24 deal volume continued to decrease in the Nordics, driven especially by a significant decline in VC activity.
- Q1/'24 VC deal volume is the lowest on quarterly and LTM basis during the reporting period (starting in Q1/'21), and activity has decreased 35% on a YoY LTM basis.
- Buyout deal volume also declined, dragging the LTM deal volume lower.
- Buyout deal activity significantly weakened in Sweden and marginally in Finland. Norway and Denmark showed slight improvement compared to Q4/'24.
- Buyout deal volume significantly decreased in business services, while deal volume across other key sectors remained relatively stable compared to previous quarters. However, reported quarterly deal volumes across all key sectors were at their lowest levels during the reporting period.
- PE fundraising was active in Q1/'24, especially in terms of buyout funds. Seven buyout funds, totaling >€31.3bn, and two VC funds, totaling >€133m, were closed during Q1/'24.



Implications on the outlook for PEs

- While the deal space continues to be under pressure, driven by continued macroeconomic uncertainties and high interest rates, recent analysis of market sentiment suggests reason for some optimism.
- Several of the high-interest processes in the pipeline have launched, and processes for several announced industrial carve-outs are now ongoing or about to launch.
- Advisors report that an increased number of preparations for additional potential processes to be launched in H2.
- Some market participants also report an increase in one-on-one deal activity, emptying some of the failed processes from the last 18 months.
- Key PEs continue to have ample dry powder to invest and a backlog of assets waiting for exit as well as LPs anticipating realization of returns.
- Public-to-private activity is also expected continue to both from the main lists and NASDAQ First North.

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



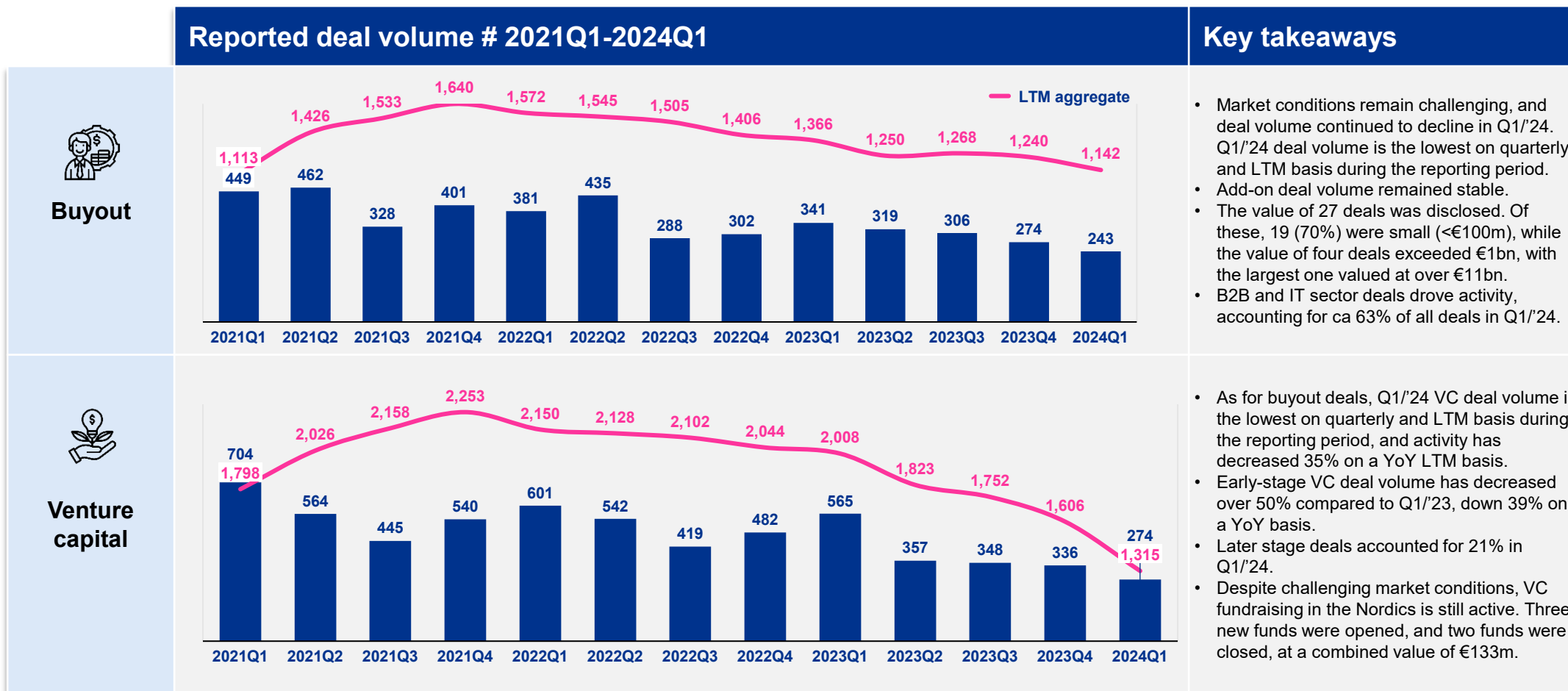
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Reported Nordic buyout and VC deal volumes continued on a downward trend in Q1/'24

Nordic PE market deal volume by fund type

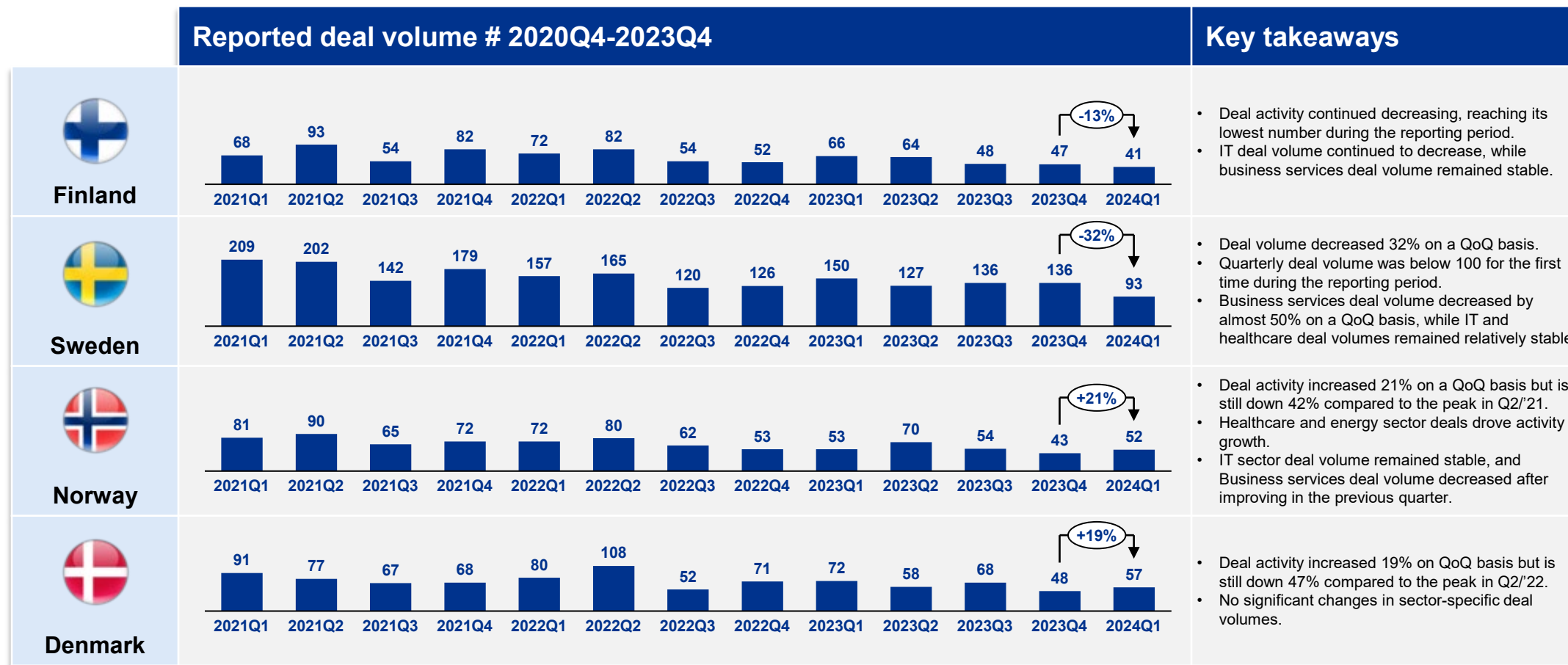


Note: Finland, Sweden, Denmark and Norway are included in the analysis. Data extracted on April 15, 2024. Historical numbers may change due to updates to data made by Pitchbook
 Source: PitchBook, KPMG analysis.



Reported PE buyout deal volumes decreased significantly in Sweden and marginally in Finland, while Norway and Denmark experienced a small increase in activity

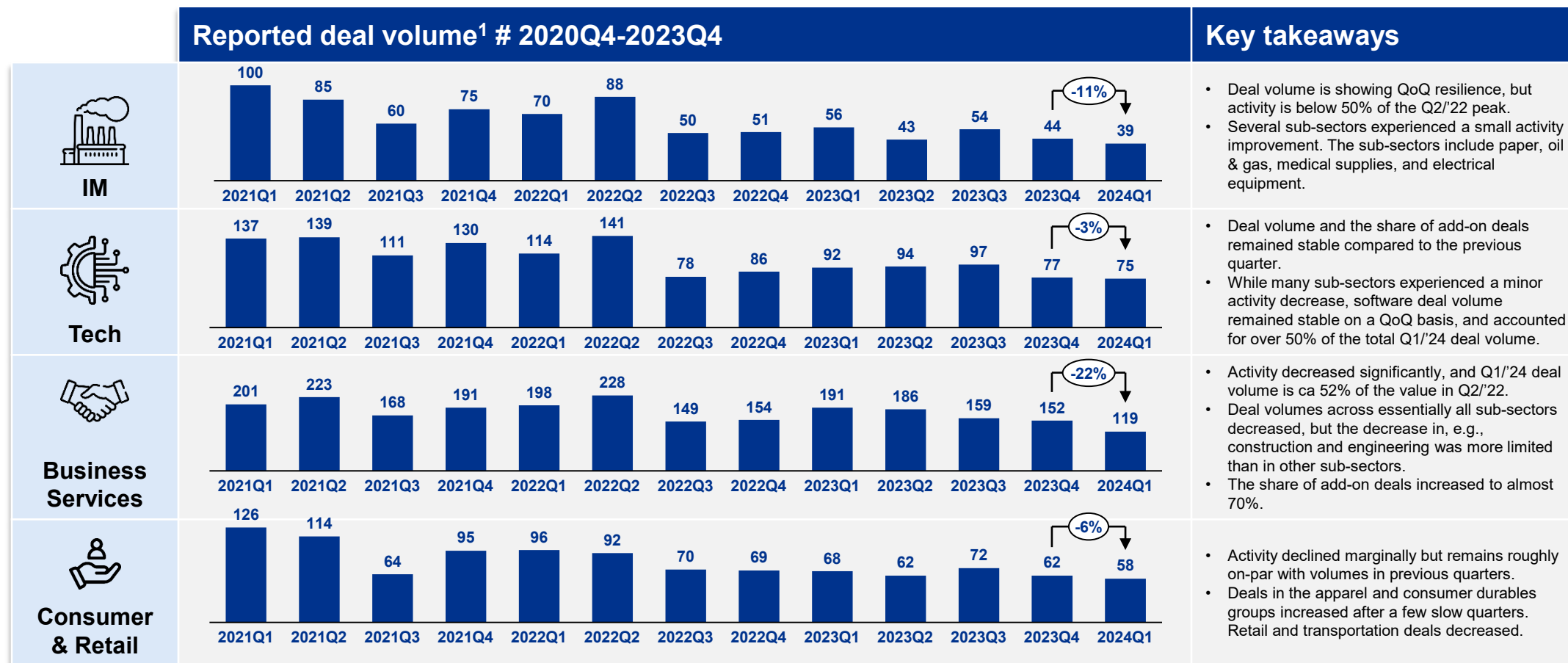
Nordic PE market buyout deal volume by country



Note: Finland, Sweden, Denmark and Norway are included in the analysis. Data extracted on April 15, 2024. Historical numbers may change due to updates to data made by Pitchbook
 Source: PitchBook, KPMG analysis.

Business Services buyout deal volume decreased substantially in Q1/'24, while the decrease was more limited in the other 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 April 15, 2024. Historical numbers may change due to updates to data made by Pitchbook





Source: PitchBook, KPMG analysis















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Notable deals have been made across key sectors in the Nordic PE market during Q1/'24

Nordic PE market key recent deal highlights

 IM
  Tech
  Business services
  Consumer & retail

| PERMASCAND acquired by Altor Equity P | | YIT Kalusto acquired by Renta Group | | visitgroup acquired by PSG | |
|---|---|---|---|---|---|
| <ul style="list-style-type: none"> Permascand was acquired by Altor Equity Partners through a public-to-private LBO. Permascand is technology-driven manufacturer of electrochemical solutions based on proprietary catalytic coatings for cleantech applications. The transaction is valued at SEK1b and was announced in 02/'24. | | <ul style="list-style-type: none"> YIT Kalusto, a subsidiary of YIT, was acquired by Renta Group via its financial sponsors Ardian and IK Partners. YIT Kalusto provides in-house equipment services in the Tampere region. The transaction is valued at €37m and was announced in 02/'24. | | <ul style="list-style-type: none"> Visit Group was acquired by PSG, a US-based PE. Visit Group is a SWE-based e-commerce platform for the tourism industry. The LBO transaction was completed in 01/'24 at an estimated value of €100m. | |
| Country | Sector | Country | Sector | Country | Sector |
|  |  |  |  |  |  |
| FIFTEEN acquired by Globeteam | | HVACON acquired by Capidea | | ARCTIC INFRA acquired by Eleda | |
| <ul style="list-style-type: none"> Fifteen was acquired by Globeteam, which is owned by financial sponsors Kirk Kapital and Norvestor. The company is an information technology consultancy based in Oslo, Norway. The transaction was announced in 01/'24. The transaction value was not disclosed. | | <ul style="list-style-type: none"> HVACON Marine Systems was acquired by Capidea through an LBO. The company is a provider of control and monitoring systems for HVAC energy savings on cruise vessels. The transaction was announced in 01/'24. The transaction value was not disclosed. | | <ul style="list-style-type: none"> Eleda, subsidiary of Vestum, acquired Arctic Infra. Eleda is owned by Bain Capital. Arctic Infra provides land and construction services in Northern Sweden. The LBO transaction was announced in 01/'24. The transaction value was not disclosed. | |
| Country | Sector | Country | Sector | Country | Sector |
|  |  |  |  |  |  |

Source: PitchBook, KPMG analysis.





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Fundraising in the Nordics was active, as seven buyout and two VC funds were closed, and a total of five new buyout and VC were opened during Q1/'24

Nordic PE funds raised by type

| New funds raised | |
|---|---|
|  <p>Buyout</p> | <p>Seven PE funds were closed during Q1/'24 at a combined value of €31.3bn¹</p> <ul style="list-style-type: none"> Seven new funds were closed in the Nordic region during Q1/'24 – three in SE, two in DK, one in NO and one in FI. EQT announced the closing of two funds; EQT X and EQT Future Fund. EQT X fund was opened in 03/'22 and closed in 02/'24 at €22.0bn. EQT Future Fund was opened in 06/'21 and closed in 03/'24 at €3.6bn. EQT Future Fund invests in healthcare, climate tech, wellness, and LOHAS sectors, targeting ESG and impact investments that enhance diversity, health, climate, biodiversity, and ecosystems. Altor Equity Partners announced the closing of Altor Fund VI. The fund was opened in 09/'22 and closed in 01/'24 with a size of €3.0b. The fund invests in energy, materials, and resources sectors in the Nordics, Austria, Germany, and Switzerland. Fundraising was ongoing in ten funds opened during Q1/'23-Q1/'24, including Accent Equity Fund VII, Altor Act I and UB Forest Industry Green Growth Fund I. Two new funds were opened during Q1/'24: Capman Growth Equity III and Helix Capital 3.1 AB. |
|  <p>Venture capital</p> | <p>Two VC funds were closed in the Nordics during Q1/'24, at a combined value of €133m¹</p> <ul style="list-style-type: none"> One VC fund was closed in both Norway Denmark during Q1/'24. Norway-based Sandwater VC closed its early-stage VC fund, Sandwater Fund I, at €123m. The fund seeks impact investments in the health and climate technology categories in the Nordics. Additionally, Denmark-based The Aventures closed its fund at €10m. The fund aims to invest in the industrial and supply-chain technology sectors in Nordic countries Fundraising was ongoing in 15 funds opened during Q1/'23-Q1/'24. These include Brightly Ventures Impact Fund and HealthCap IX. Three new funds were opened during Q1/'24: Nordic FoodTech VC II, Creandum VII and Feminvest Ventures Fund. |

Note: (1) Only includes funds that were closed during Q1-24. Funds that remained open for further investment after 31.03.2024 not included in the total.

Data extracted on April 15, 2024. 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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