



Nordic Private Equity Market Update

Q4 2024

February 2025

KPMG Deal Advisory & Strategy



The uncertain macroeconomic situation continued to impact the deal space and PE deal market in Q4/'24 – however, the increase in buyout deal volume provides reason for cautious optimism



Comments on Nordic PE market development

- **LTM buyout deal volume increased for the first time since Q3/'23**, while LTM VC deal volume continued to decline.
- **VC deal volume reached its lowest quarterly level** during the reporting period (Q4/'21-Q4/'24).
- **Buyout deal activity increased substantially in NO**, reaching the second-highest quarterly volume during the reporting period. **SE buyout deal volume increased** 18% on a QoQ basis after a slow Q3/'24. **FI and DK buyout deal volume decreased**, with DK reaching its lowest quarterly volume during the reporting period.
- Buyout deal volume **increased in all key sectors**. The Tech sector experienced the most significant increases as deal volume grew by 27 deals / 35% compared to Q3/'24.
- **PE fundraising was active in Q4/'24**, as five buyout funds, with a combined value of ~€3.3bn, and two VC funds, with a combined value of ~€240m were closed. Six new buyout and three new VC funds were opened in the Nordics during Q4/'24.



Implications on the outlook for PEs

- The outlook is cautiously optimistic, balancing selective dealmaking with a focus on operational improvements. While economic challenges remain, resilient sectors and strategic transactions continue to offer attractive opportunities for PEs.*
- **Cautious investment environment:** while economic headwinds (e.g., delayed economic recovery and global economic fragmentation and uncertainties) persist, there are indications of recovery.
 - **IPO activity:** the IPO market remains subdued; however, there is an uptick in preparations for IPOs and dual-track processes.
 - **Operational enhancements:** PE firms continue to emphasize operational efficiencies within their portfolios to drive value creation and mitigate risks amid economic uncertainty.
 - **Extended deal timelines:** despite positive signals, increased scrutiny and market uncertainties continue to prolong deal timelines. The alignment of valuation expectations between buyers and sellers remains a challenge, contributing to these extended processes.


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

Nordic buyout and LTM aggregate deal volume marginally increased, while VC volumes continued to decline for the third consecutive quarter

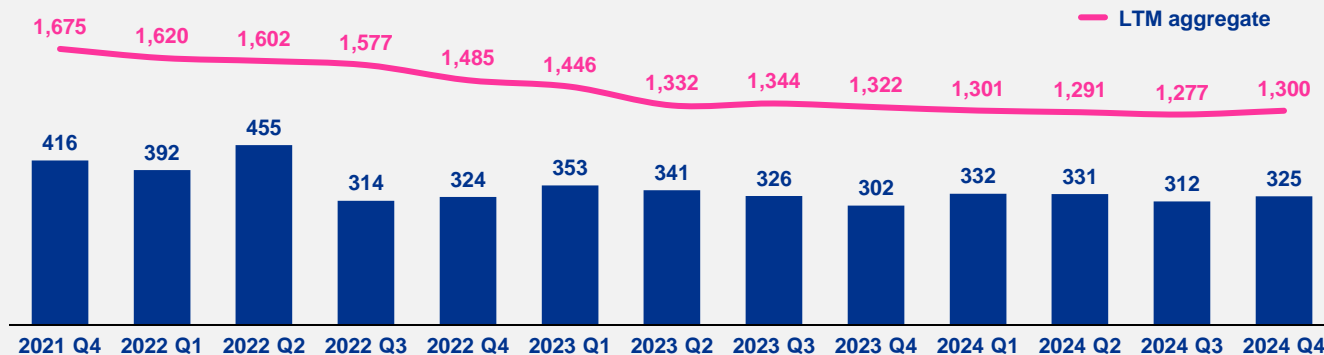
Nordic PE market deal volume by fund type

Reported deal volume # 2021Q4-2024Q4


Key takeaways



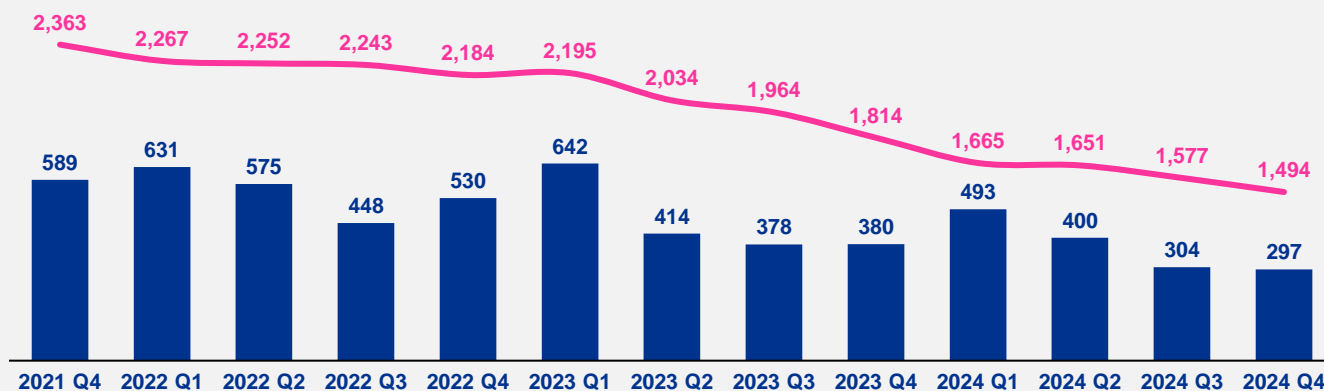
Buyout



- **Market conditions remain challenging** - quarterly deal volume has remained at ~300-350 since Q3/'22. For reference, the average quarterly deal volume during Q3/'20-Q2/'22 was 381.
- **LTM aggregate stable at ~1,300 deals** since Q3/'23 – deal aggregate volume increased for the first time since Q3/'23.
- **The share of add-on deals remained stable** at ~43% of all buyout deals.
- The value of 29 deals was disclosed¹. Of these, 17 (59%) were small (<€100m). One deal exceeded €1bn, with a value of ~€1.3bn.
- **B2B services was the most active sector**, accounting for ~59% of all deals in Q4/'24.



Venture capital



- **Deal volume continued to decline** and is down ~54% compared to the peak in Q1/'23.
- **Early-stage VC deal volume accounted for 22%** of all VC deals and is above the three-year average of 20%. Early-stage VC deal volume exceeded the three-year average for the first time since Q2/'23. Still, early-stage VC activity is down 21% on a YoY basis.
- **Later stage VC deals accounted for 17%** of all VC deals in Q3/'24.
- **Six VC funds were closed in the Nordics during H2/'24** at a combined value of €0.6bn, compared to H1/'24 with 8 funds and €1.2bn, respectively.

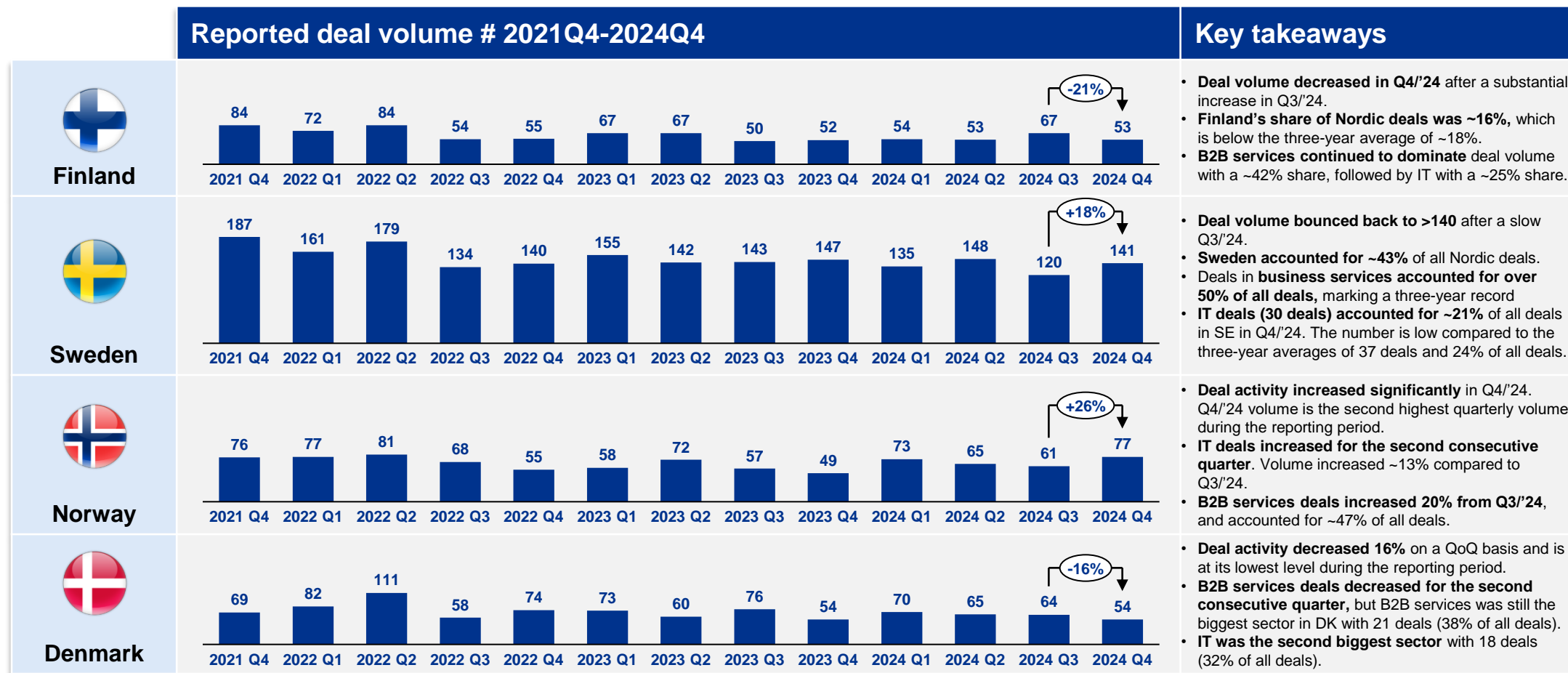
Note: Finland, Sweden, Denmark and Norway are included in the analysis. Data extracted on January 28, 2025. Historical numbers may change due to updates to data made by Pitchbook. 1) Investor types "Private Equity" and "PE-backed Company", Deal types "Buyout/LBO" and "PE Growth/Expansion".

Source: PitchBook, KPMG analysis.



In Q4/'24, PE buyout deal volume increased in SE and NO – FI and DK deal volumes decreased compared to Q3/'24, with DK reaching its lowest quarterly deal volume during the reporting period

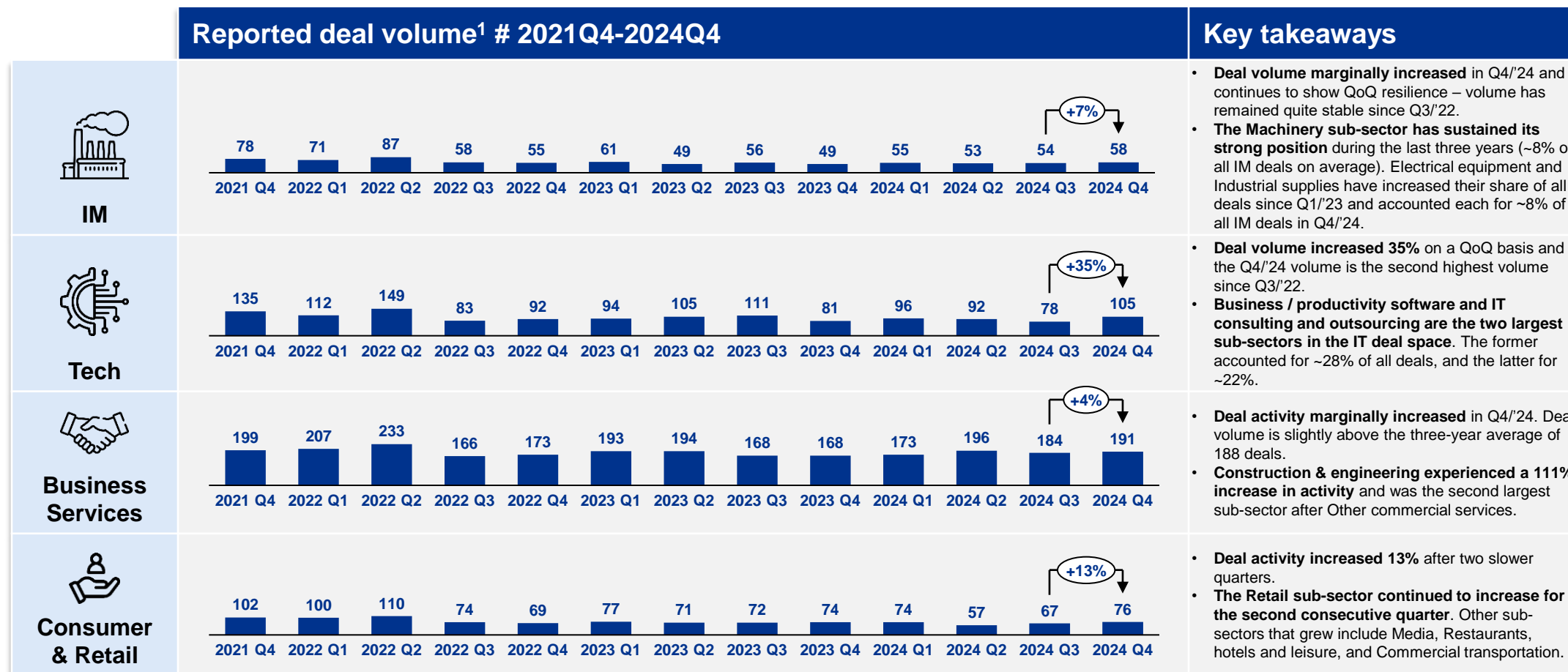
Nordic PE market buyout deal volume by country



Note: Finland, Sweden, Denmark and Norway are included in the analysis. Data extracted on January 28, 2025. Historical numbers may change due to updates to data made by Pitchbook
 Source: PitchBook, KPMG analysis.

Deal activity increased across all key sectors - Consumer & Retail deals increased for the second consecutive quarter and Tech deals experienced a 35% increase compared to Q3/'24

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 January 28, 2025. Historical numbers may change due to updates to data made by Pitchbook

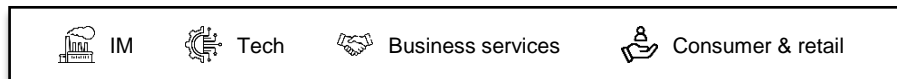
Source: PitchBook, KPMG analysis



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Notable deals made across key sectors in the Nordic PE market in Q4/'24

Nordic PE market key recent deal highlights



Hostaway to be acquired by General Atlantic and PSG		hitta.se acquired by Fonecta		PENNEO to be acquired by Visma through its financial sponsors	
<ul style="list-style-type: none"> Hostaway entered into a definitive agreement to be acquired by General Atlantic and PSG through a \$365 million (€346m) LBO on December 7, 2024. The transaction values the company at \$925 million. Hostaway is an operator of an easy-to-use platform designed for the vacation home rental business. 		<ul style="list-style-type: none"> The company was acquired by Fonecta, with its financial sponsor Sponsor Capital, through a SEK 400 million (€35m) LBO on December 2, 2024. The acquisition enables Fonecta to expand into Sweden. Hitta.se is an online platform intended to connect consumers and local companies, as well as phone number directory services, and maps. 		<ul style="list-style-type: none"> Penneo AS entered into a definitive agreement to be acquired by Visma, via its financial sponsors, through a DKK 562 million (€75m) public-to-private LBO on November 29, 2024. Penneo AS is a Danish SaaS company that digitizes business processes. It specializes in accounting firms' client-facing workflows. 	
Country	Sector	Country	Sector	Country	Sector

MACGREGOR to be acquired by Triton Partners		ecit acquired by TowerBrook Capital Partners		OEM INTERNATIONAL acquired by EQT	
<ul style="list-style-type: none"> The company, a subsidiary of Cargotec, entered into a definitive agreement to be acquired by Triton Partners through a EUR 480 million LBO on November 14, 2024. MacGregor is a manufacturer of marine cargo and load-handling equipment for various types of vessels. 		<ul style="list-style-type: none"> The company was acquired by TowerBrook Capital Partners in a NOK 4.65 (€392m) billion public-to-private LBO on November 5, 2024. Ecit AS provides business-to-business services within IT, Finance & Accounting and Tech. 		<ul style="list-style-type: none"> The company was acquired by EQT in a \$1.4 billion (€1.3b) public-to-private LBO on November 5, 2024. OEM International AB is a technology trading group, offering industrial components and systems from multiple suppliers, including electrical and flow, motors and transmissions. OEM operates in SE, DK, UK, FI, HU, and CH. 	
Country	Sector	Country	Sector	Country	Sector

Source: PitchBook, KPMG analysis

Fundraising in the Nordics remains active, with five buyout and two VC funds closed, and six new buyout and three new VC funds opened during Q4/'24

Nordic PE funds raised by type

New funds raised



Buyout

Five PE funds were closed during Q4/'24 at a combined value of €3.3bn¹

- Five funds were closed in the Nordics during Q4/'24; two in DK, one in FI, SE, and NO respectively.
- Nordic Capital announced the closing of its fund Nordic Capital Evolution II. The fund was closed on Dec. 20, 2024, at €2.0b. Nordic Capital Evolution II is a buyout fund, located in Copenhagen that invests in Northern Europe. The fund targets the healthcare, technology, payments, financial services and industrial sectors, and will invest in companies with an EV of €100m-€500m. The fund is an article 8 under EU SFDR (Sustainable Finance Disclosure Regulation).
- Verdane announced the closing of its fund Verdane Idun II on October 30, 2024, at €682m. Verdane Idun II is a PE growth expansion fund located in Oslo. The fund targets the energy sector, seeking ESG and impact investments.
- Sponsor Capital announced the closing of its fund Sponsor Fund VI on December 10, 2024, at €231m. Sponsor Fund VI is a buyout fund, located in Helsinki, that targets Finnish small and medium-sized enterprises with committed leadership and strong market position.
- Fundraising was ongoing in thirteen funds opened during Q4/'23-Q4/'24, including Turnstone Private Equity Fund III, Bluefront Capital II, SEB ELTIF - Private Equity I, and Altor Act I.
- Six new funds were opened during Q4/'24; Nordic Capital Evolution II, Celero Capital Fund I, Impilo Healthcare, Verdane Yellow Garden Invest, Danish SDG Investment Fund II, and Adelis Equity Partners Fund IV. The two first ones were closed during Q4/'24.



Venture capital

Two VC funds were closed in the Nordics during Q4/'24, at a combined value of €241m¹

- Two VC funds were closed during Q4/'24; one in DK, and one in SE.
- Heartcore Capital closed its fund, Heartcore Capital Fund V, at €170m. The fund, located in Denmark, invests in Europe and targets the IT, compute stack, synthetic biology, productivity, AI, software infrastructure, travel and climate tech sectors.
- Node Ventures closed its fund, Node Ventures Fund, at €71m. The fund, located in Sweden, invests in Europe, targeting IT sector companies in the €0.45m-€2.2m size category.
- Fundraising was ongoing in nine funds opened during Q4/'23-Q4/'24, including Nordic FoodTech VC II, NSI Finland I, and HealthCap IX.
- Three new VC funds were opened in the Nordics during Q4/'24; FinEst-Faroe Fund, PSV Hafnium, and Final Frontier Fund. All three remained open after Q4/'24.

Note: (1) Only includes funds that were closed during Q4/24. Funds that remained open for further investment after 31.12.2024 not included in the total.

Data extracted on January 28, 2025. 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

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