

ARGENTUM

2019 was another golden year for Nordic private equity. The activity was especially solid for Nordic businesses in the venture phase, where the number of investments increased for the third straight year and surpassed the €1 billion mark for the first time in our tracking. Nordic venture funds also secured a record-breaking €3 billion in fundraising.

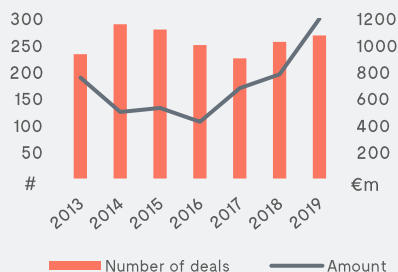
VENTURE DEALS

In 2019, the activity in the venture segment increased for the second straight year, both in terms of the number of investments and the amount invested. The amount increased by 50 percent and surpassed the €1 billion mark for the first time, totaling €1.2 billion.

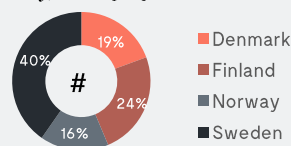
ICT was by far the sector that attracted the most investments, constituting as much as 176 out of 268 companies. Companies within ICT attracted almost six times as many investments than industrials, which received the second most investments with 30 investments. The number of investments in industrials doubled from 15 in 2018 to 30 in 2019. Other sectors that attracted several investments were health and life science (27 investments) and the consumer sector (18 investments).

The share of investments from non-Nordic fund managers was a record-high 34 percent, a clear indication that Nordic venture companies are attractive investment cases.

In the Nordics, 2013-2019

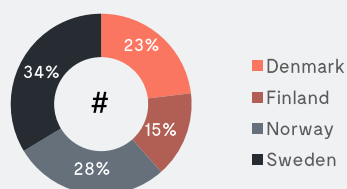


By country, 2019 Q1-Q4



BUYOUT DEALS

By country, 2019 Q1-Q4

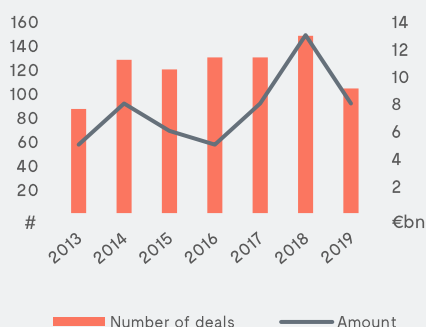


Nordic buyout activity fell in 2019, after an extraordinary high activity in 2018. A total of 104 transactions were completed, and €7.8bn invested. Despite the reduction in equity invested last year, only two years since 2008 have seen higher levels of equity invested.

The consumer sector attracted 32 investments and was the sector with the highest number of investments, although with smaller relative activity than in 2018 (37). This is the first time in Argentum's history of tracking the Nordic market that the industrial sector did not attract the highest number of investments.

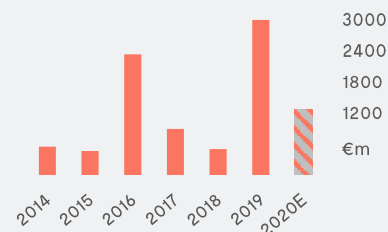
Some large deals are the reason why the total amount invested in 2019 is at a relatively high level, the second-highest average deal size ever recorded in a year at €75m (in 2018 it was €90m).

In the Nordics, 2013-2019



FUNDRAISING

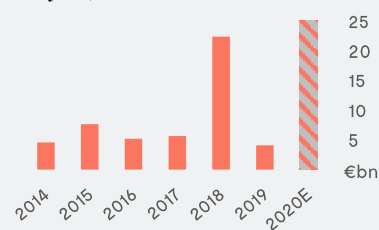
Venture funds, 2014-2020E



Fundraising reached record levels in the Nordic venture segment in 2019, with 17 funds securing a record-breaking €3 billion. Over the last four years, Nordic venture funds have secured almost €6.7 billion. Among the large ones were EQT Ventures II (€660m), Creandum V (€265m), and Northzone IX (€450m).

Fundraising in the Nordic buyout segment saw a sharp slowdown in 2019 and was at its lowest since 2012 with €4m. With several of the biggest fund managers in the buyout segment raising capital in 2018, fundraising fell dramatically in 2019, as these managers were not in fundraising. We expect many large managers to raise capital in 2020, and it might set a record in buyout fundraising in one year (their combined aim is €31.1bn).

Buyout funds, 2014-2020E



PE-BACKED EXITS

The number of venture exits was at a historic low in 2019. In Finland, only 11 exits were made in 2019, as compared to 21 in 2018. For Sweden, the decline was even bigger in absolute terms, falling from 38 to 18 exits. Traditionally, the activity in Sweden and Finland has been much higher than in Denmark and Norway. We find some of the large exits in the health care and life science sector, among them were Karo Pharma acquisition of Trimb Healthcare from Avista Capital Partners for €321m, and Ampersand Capital Partners' sale of Gyros Protein Technologies to Mesa Laboratories for €163m.

Nordic buyout funds completed 80 exits, up from 73 in 2018. All Nordic countries, except Sweden, saw an increase in the number of exits. Finland saw the biggest increase from 15 exits in 2018, up to 22 exits in 2019, making it the main driver behind the all-over increase. The distribution across sectors has changed notably from 2018 to 2019. The number of exits in industrials was 30, an increase of 4 from 2018. The number of exits in ICT experienced a sharp increase to 20, up from 12 in 2018.

In the Nordics 2013-2019

