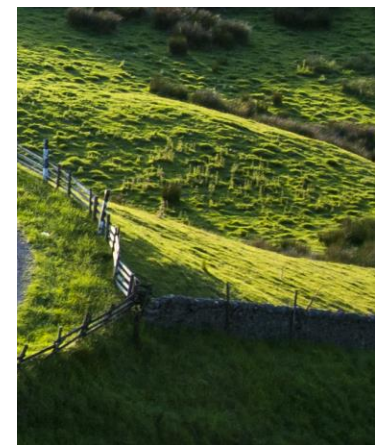
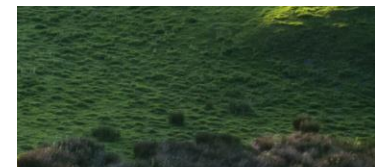
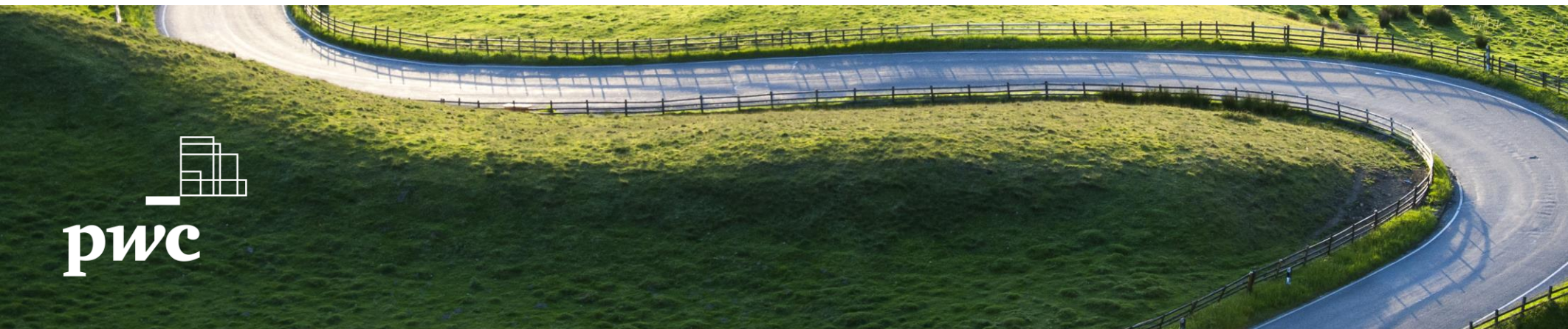




Finnish M&A market update Q1/2025

April 2025



Finnish M&A market showed signs of recovery amid global uncertainty

Finnish M&A market overview

Following increased activity in Q4 2024, the Finnish M&A market continued to strengthen in the first quarter of 2025. This report highlights the development of the Finnish M&A market during Q1 2025, exploring its connection to global trends, with insights from PwC Finland professionals

Key observations from our report:

- Contrary to prevailing market consensus at the end of 2024, European indices outperformed the S&P 500 in the first quarter of 2025, with the OMXHPI index delivering a return of 3.61%
- Domestic deal activity reached its highest level since Q1 2023, following three consecutive quarters of growth. This continued upward trend in M&A transaction volumes highlights the strengthened momentum in the market
- Declining inflation enabled the European Central Bank to cut interest rates, which in turn supported the surge in transaction activity
- The Finnish IPO market showed signs of revival, with the first listings since Autumn 2022 successfully raising proceeds at the start of Q2. Both offerings were oversubscribed. The positive trajectory for the remainder of 2025 is now subject to stabilisation of equity markets and return of confidence
- However, following Trump's 'Liberation Day' tariffs, market volatility has increased significantly, reflecting heightened global uncertainty for the rest of the year

Note(s): (1) Harmonised index of consumer prices

Source(s): Bank of Finland, Capital IQ, Statistics Finland, Talouselämä, PwC analysis

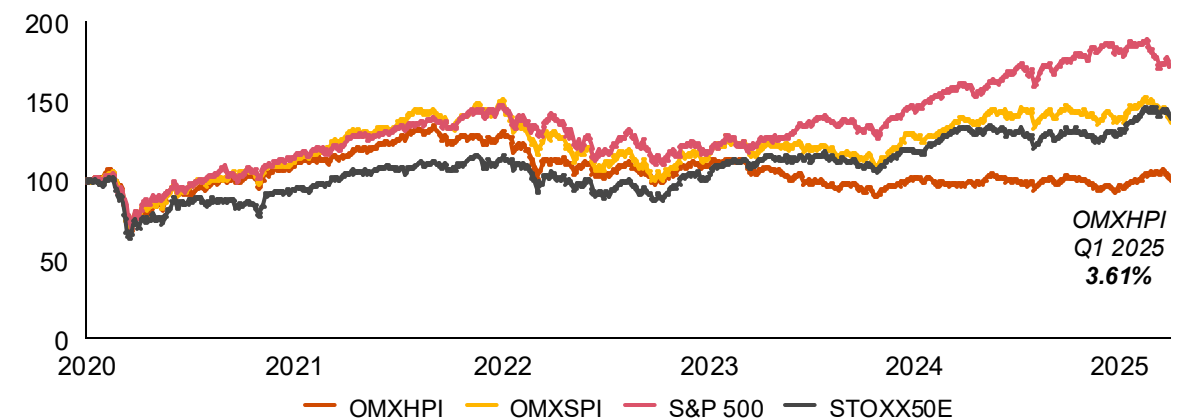
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Local key figure comparison

■ Q1/2025 ■ Q1/2024

2.4% 12m Euribor on average	3.7% 12m Euribor on average	129 Number of deals	108 Number of deals
1.7% Average inflation in Finland ¹	0.9% Average inflation in Finland ¹	33% Cross-border deals	20% Cross-border deals

Stock indices during 2020 – Q1/2025



Transaction volumes saw a notable year-over-year increase in Q1 2025, reinforcing the upward trend in Finnish M&A market

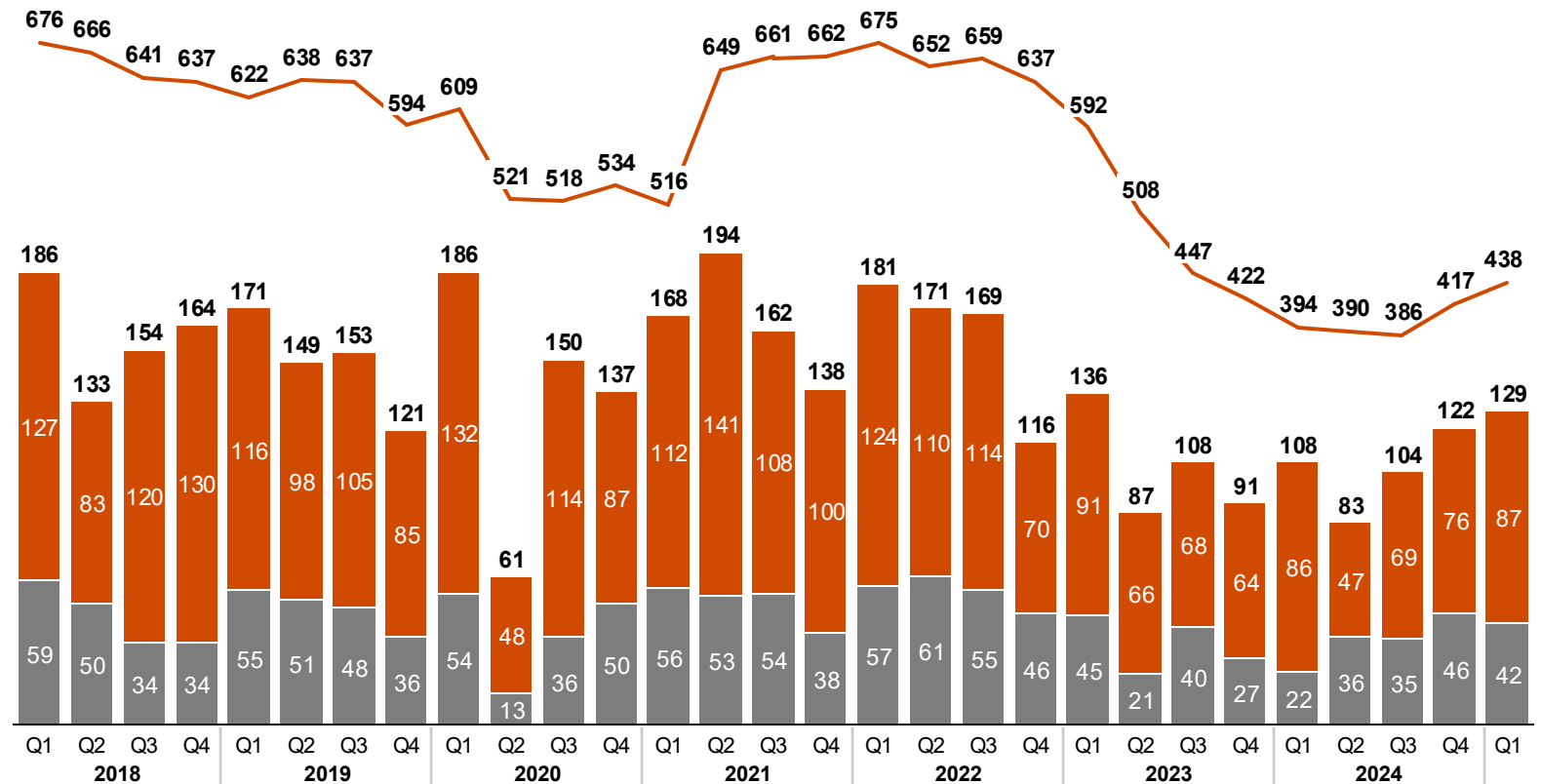
“ Finnish M&A volume trend shows clear upward shift

Key takeaways

- In Q1 2025, Finnish M&A activity continued an upward trend, with the last twelve months (LTM) figures reflecting a 5% increase, reinforcing the ongoing shift in trend. The year-over-year M&A volumes saw a significant 19% increase
- During Q1, cross-border deals experienced a slight decline from the strong Q4 levels, while domestic M&A activity continued its robust performance, reaching the highest level since Q1 2023
- Notable deals during Q1 2025 included Agilitas Partners' acquisition of Tietoevry Tech Services business and Ambea AB's acquisition of Validia Oy

Finland quarterly transaction volumes¹

Domestic deals (FI) Cross-border deals (FI) Total deals, LTM FI



Note(s): (1) Finnish transaction data, does not include targets with revenues of under EUR 0.5m

Source(s): European Central Bank, Talouselämä, PwC analysis

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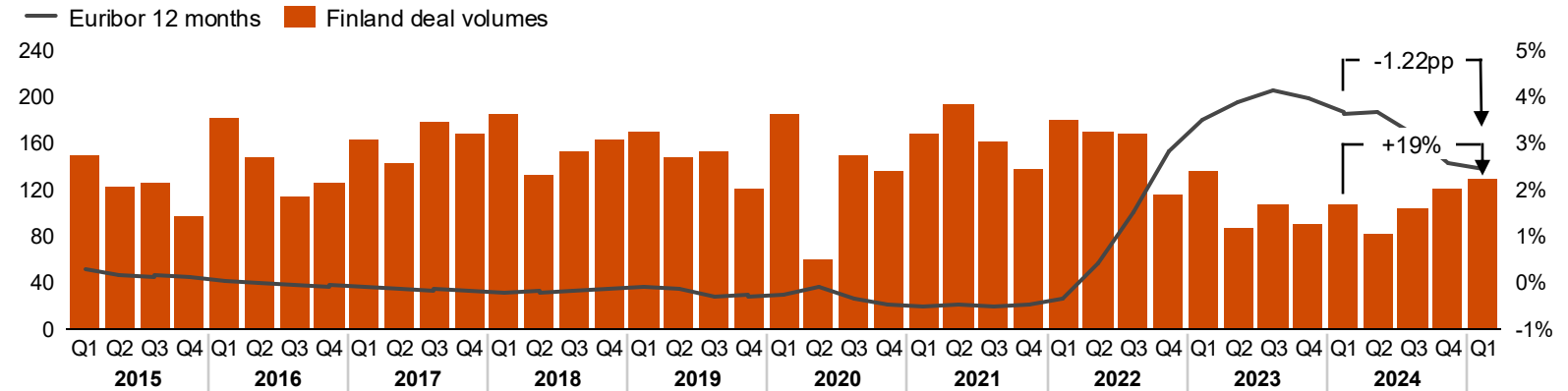
Declining interest rates and estimated GDP growth drive continued increase in transaction activity

“ Declining borrowing costs are fueling growth in deal activity

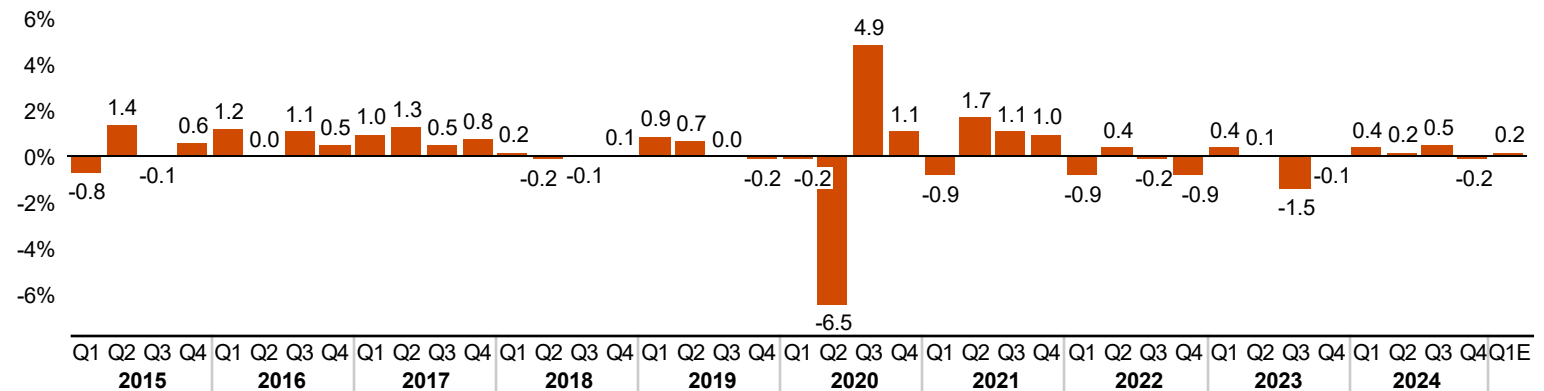
Key takeaways

- The economic environment continued to show signs of recovery in Q1 2025, supported by easing financial conditions and improving business sentiment
- This development reflects the ECB's recent rate cuts — a shift from the tighter monetary policy of 2023 — as well as the estimated development of Finland's GDP in Q1 2025
- Despite a decline in overall market valuations in the first quarter, the reduction in the cost of capital has contributed to increased transaction activity
- While rising tariffs and the approaching end of the ECB's rate-cutting cycle may introduce some uncertainty, current market sentiment remains strong, underpinned by steady deal flow

Finland quarterly transaction volumes¹ vs. Euribor 12-month



Finland's GDP growth rate²



Note(s): (1) Finnish transaction data, does not include targets with revenues of under EUR 0.5m (2) The GDP growth rate for Q1 2025 is based on the Bank of Finland's estimates

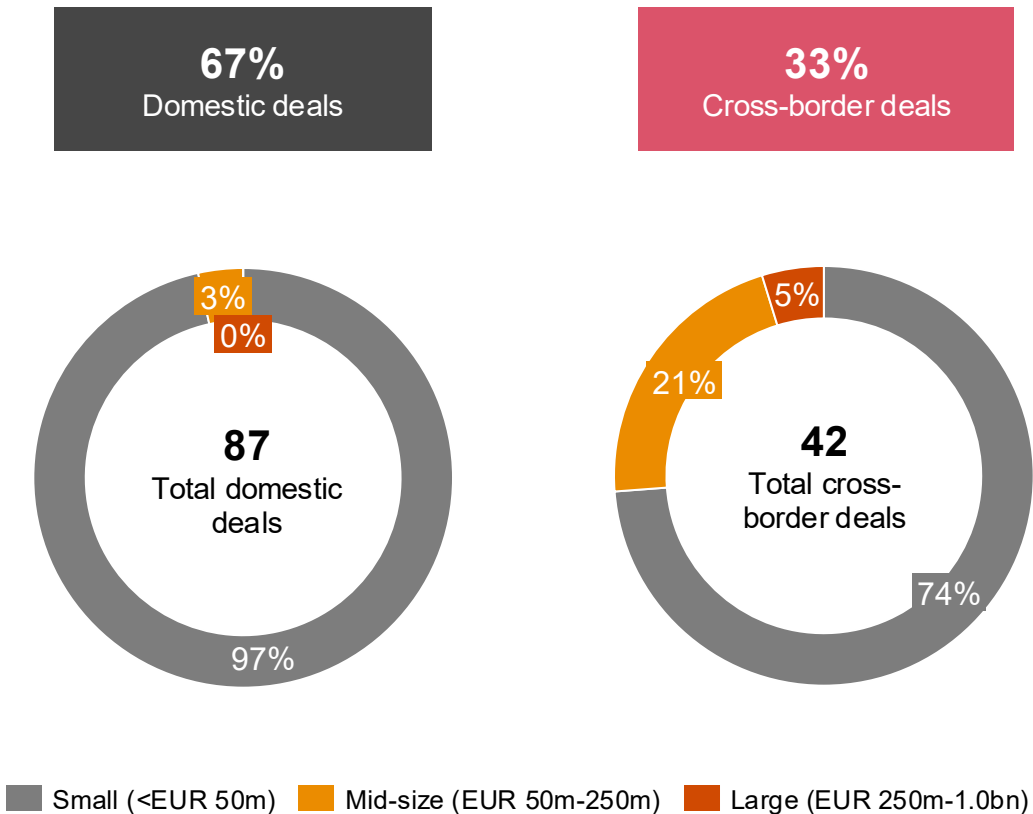
Source(s): European Central Bank, Talouselämä, Bank of Finland, PwC analysis

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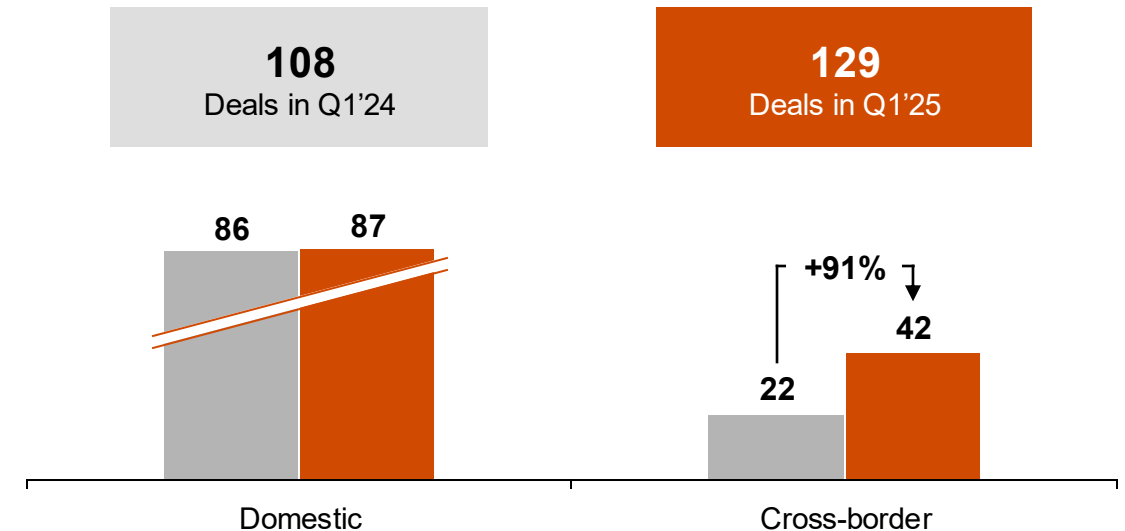
April 2025

Year-on-year growth in total quarterly transaction volume is largely due to the increase in cross-border deals – domestic deals have remained flat

Finnish transactions by geography, Q1/2025¹



Quarter-on-quarter change in deals by geography, Q1/2024 vs. Q1/2025



Key takeaways

- Total deals in Finland have increased by 19% year-over-year (6% quarter-over-quarter) – YoY change is largely driven by increased cross-border activity
- We're seeing an increase in both medium and large deals, potentially indicating that the market has had more risk appetite to start off 2025

Note(s): (1) Finnish transaction data, does not include targets with revenues of under EUR 0.5m

Source(s): Talouselämä, PwC analysis






















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Overall M&A volume, and especially consumer goods and healthcare, have picked up, whereas industrials and professional services are down

Overview of M&A volumes by industry

	Industry	% share	vs. Q1/24	Deal size ¹	vs. Q1/24	Commentary
Volume growers	 Consumer goods	19%	 +13 p.p.	EUR7m	 -79%	• Largely small-cap consolidation plays, no larger moves in the industry
	 Healthcare	10%	 +7 p.p.	EUR26m	 -28%	• Two healthcare plays above EUR 100m, but overall average deal size is down
	 Technology	13%	 +5 p.p.	EUR79m	 +853% ²	• Both relative share and value is up, latter driven by the Tietoevry divestiture
Stagnants & shrinkers	 Real estate	8%	 0 p.p.	EUR7m	 +7%	• Stagnant year-over-year, but 4% up from the last quarter – small uptick in deal size
	 Professional services	20%	 -5 p.p.	EUR8m	 +61%	• Volume down, but deal size boosted by Dovre's sale of its Norway business to NYAB
	 Industrial	25%	 -11 p.p.	EUR18m	 -48%	• Downtick potentially driven by, e.g., stalled out processes and ongoing disruptions
	 Other	5%	 -9 p.p.	EUR65m	 +441% ²	• Major cases with Saxo Bank A/S (Mandatum), MTV Oy, Sponff Oy (Sponsor Capital) ³

Note(s): (1) Size measured by Target revenue (2) Results skewed by large deals; Mandatum's sale of Saxo Bank in "Other", and Tietoevry Tech Services Business sale in "Technology" (3) Includes Finnish vendor parties

Source(s): Talouselämä, PwC analysis

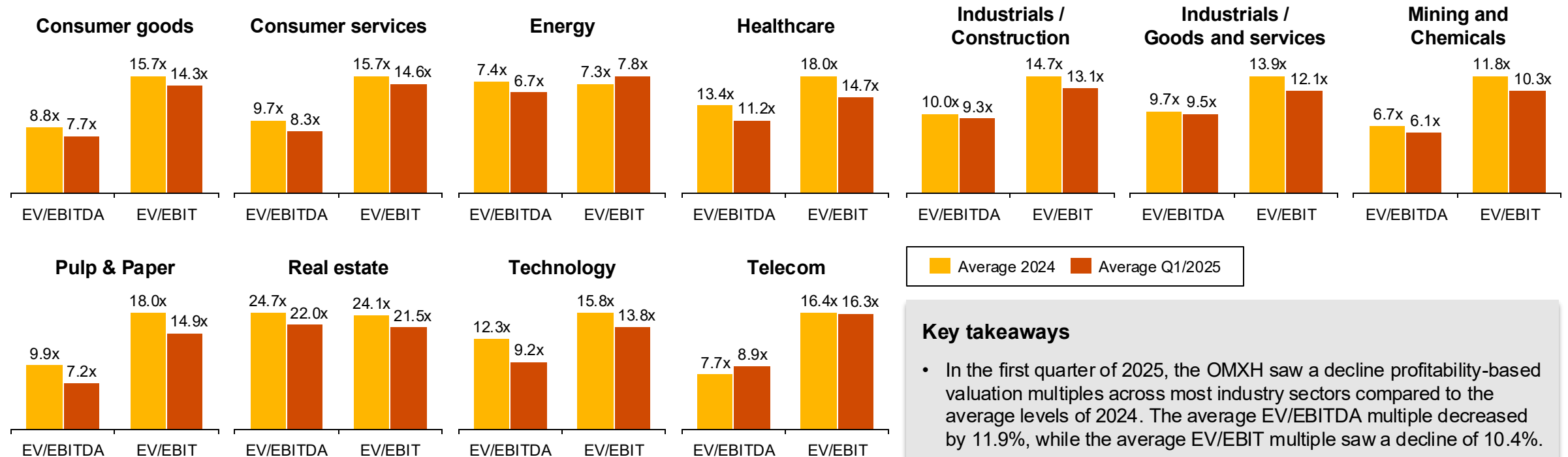
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Helsinki Stock Exchange saw a decline in valuation multiples during Q1 2025 that increases its attractiveness to investors

Valuation multiples per industry in 2024 and Q1/2025



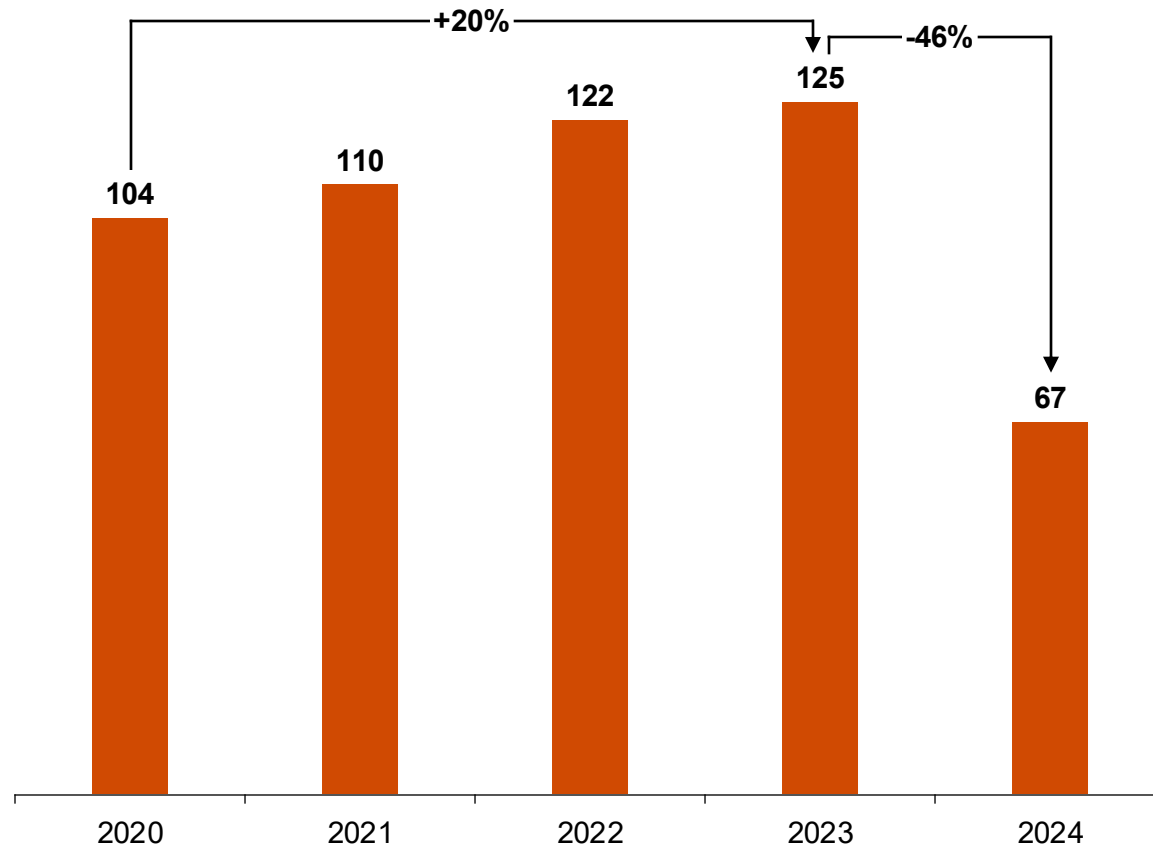
“ Lower valuation multiples can enhance the appeal of acquisition targets for buyers

Key takeaways

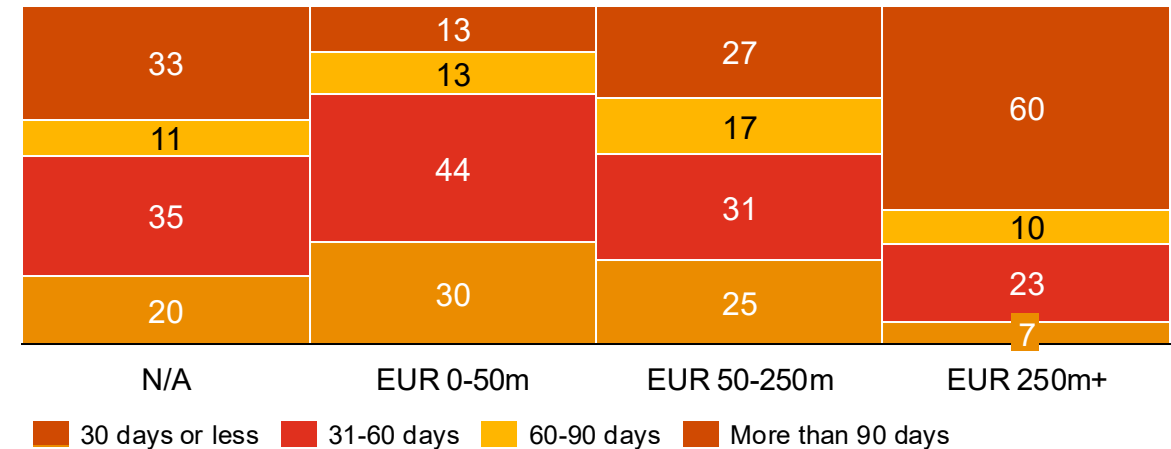
- In the first quarter of 2025, the OMXH saw a decline profitability-based valuation multiples across most industry sectors compared to the average levels of 2024. The average EV/EBITDA multiple decreased by 11.9%, while the average EV/EBIT multiple saw a decline of 10.4%.
- We have also assessed the industry-specific average weighted cost of capital (WACC) for Q1 2025. Although there has been some variability, the average WACC of 10.61% across industries aligns closely with the 2024 average figure of 10.60%.

We are seeing deal closings accelerate across the board – speed in execution may signal uncertainty and a shift toward a seller's market¹

Days between announcement and closing, 2020–2024²



Days between announcement and closing per transaction size, %³



Key takeaways

- After years of gradual increase, we are seeing a major drop in the time spent between signing and closing by buyers in the market
- Typically, larger deals have needed more time for, e.g., integration planning, regulatory clearances and potential further diligence – overall time spent has dropped by 48 days (EUR 50-250m) and 57 days (EUR 250m+)⁴
- Buyers and sellers may be accelerating closings to reduce exposure to market risk and deal competition – indicating a potential shift toward a seller's market

Note(s): (1) Transactions with geography flagged as Finland (2) Based on announcement and closing date, excl. same-day deals (3) Based on 2020-2025 YTD averages, N/A = undisclosed price (4) Difference between '23 and '24 averages

Source(s): Capital IQ, PwC analysis

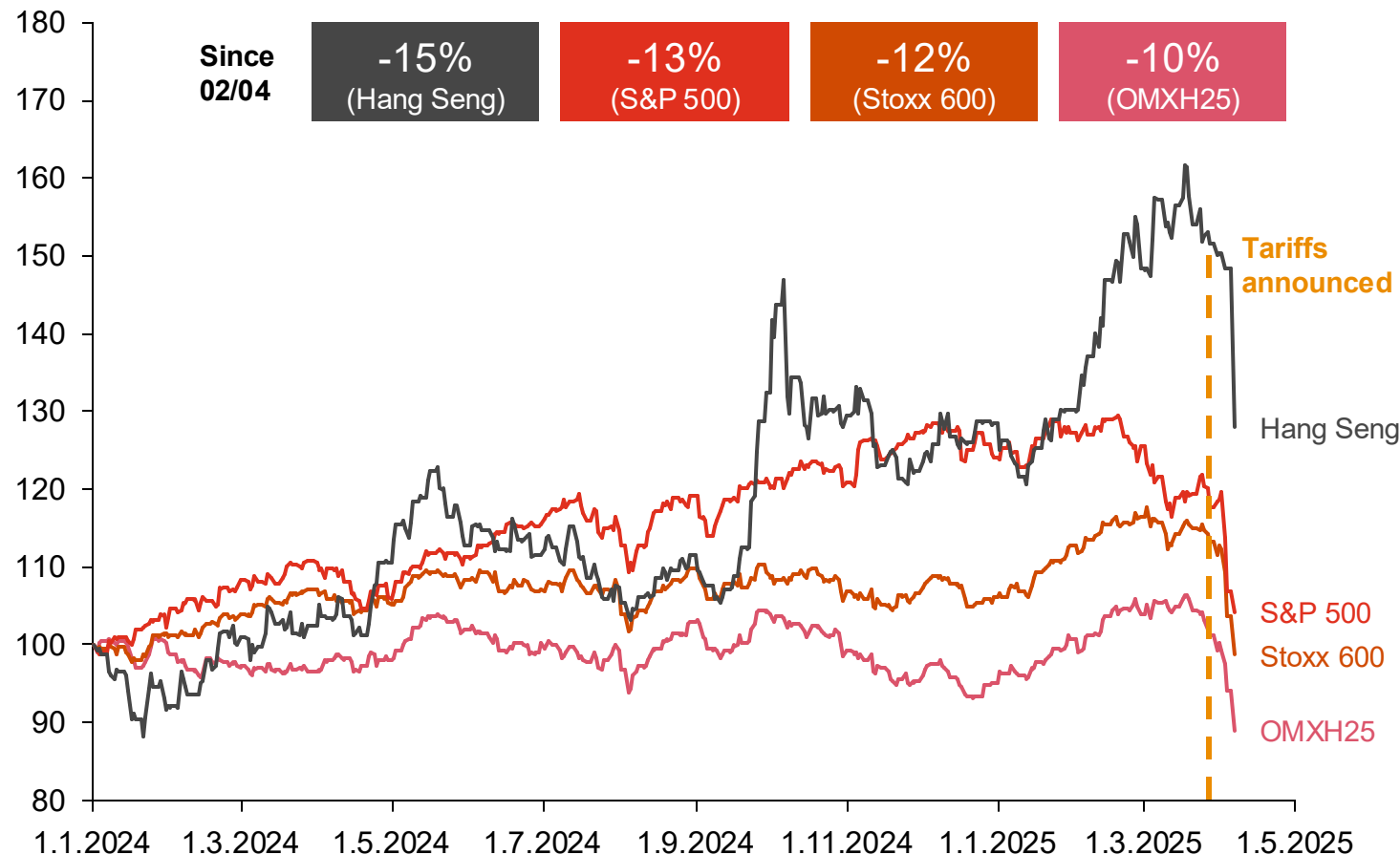
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Trump's Liberation Day tariffs have taken the equity markets by surprise, with previous precedents setting the scene for depressed trade volumes...

Market capitalisation of major stock indices, 01/24 – 04/25¹



Note(s): (1) Indexed from 100, data until 7.4.2025
 Source(s): Capital IQ, Finnish Customs, Reuters, PwC analysis
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The scale of tariffs caught equity markets unaware

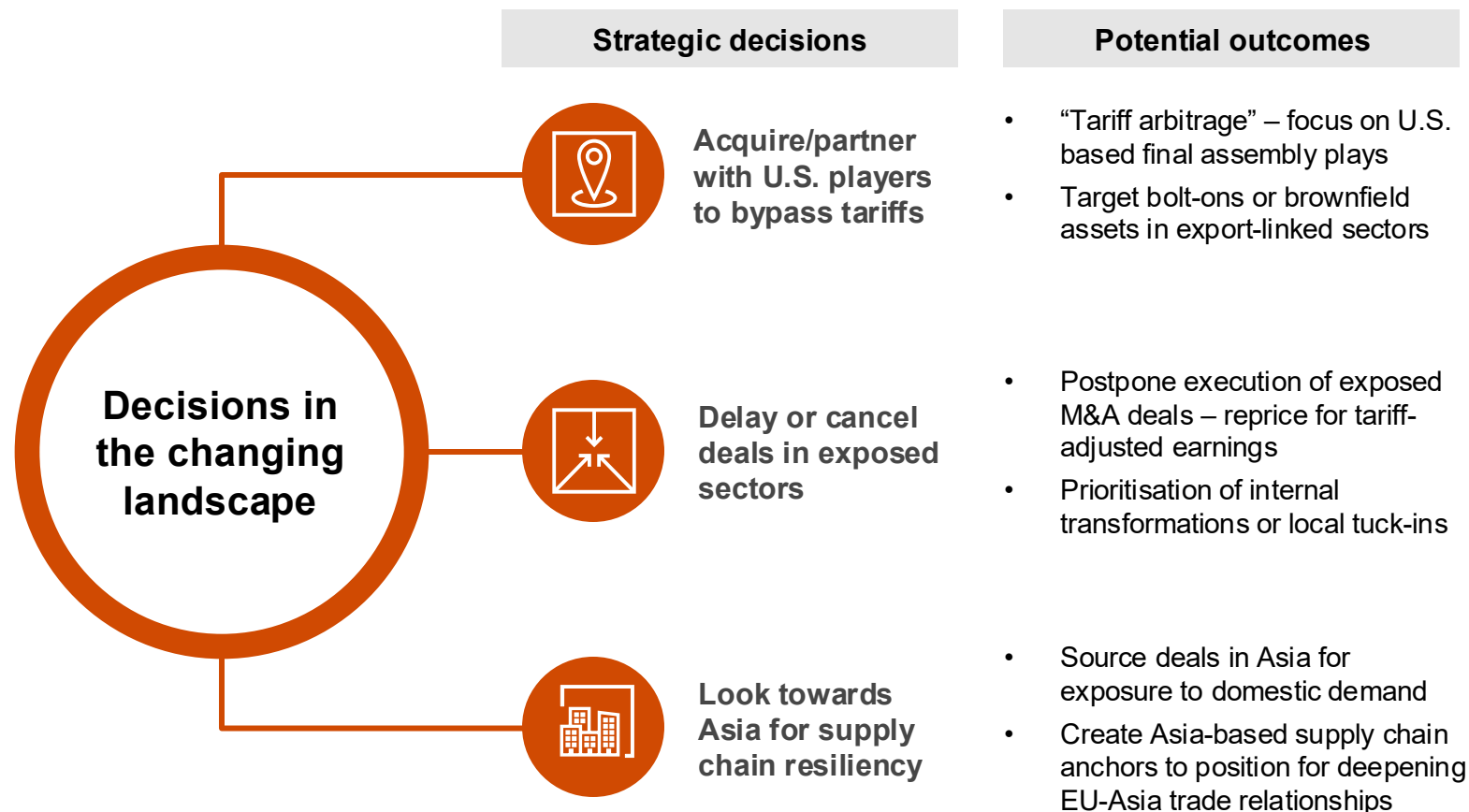
Overview of the situation

- On April 2, the U.S. announced “reciprocal” tariffs, leading to ca. \$5T wiped from global equity markets within the first 48 hours
- If tariffs remain in place, a significant slowdown in global trade is likely — as seen in past episodes like the 1930s Smoot-Hawley tariffs and Trump’s first-term U.S.–China trade war, both of which triggered broad-based retaliatory measures and depressed trade volumes
- The U.S. is Finland’s third highest export partner as of 2024, accounting for roughly 9.6% of all exports and has historically enjoyed a substantial surplus

Tariffs will likely trigger a **shock to ongoing M&A processes** and drive a shift toward **risk-off behavior** — particularly across trade-exposed sectors such as **industrials and consumer goods**

... and the uncertainty around tariffs sets out strategic decisions and M&A considerations for players in the Finnish market

Overview of potential strategic decisions and outcomes driven by the tariffs



“ Reciprocal tariffs dictate terms for dealmakers’ strategies

Key considerations for M&A deals

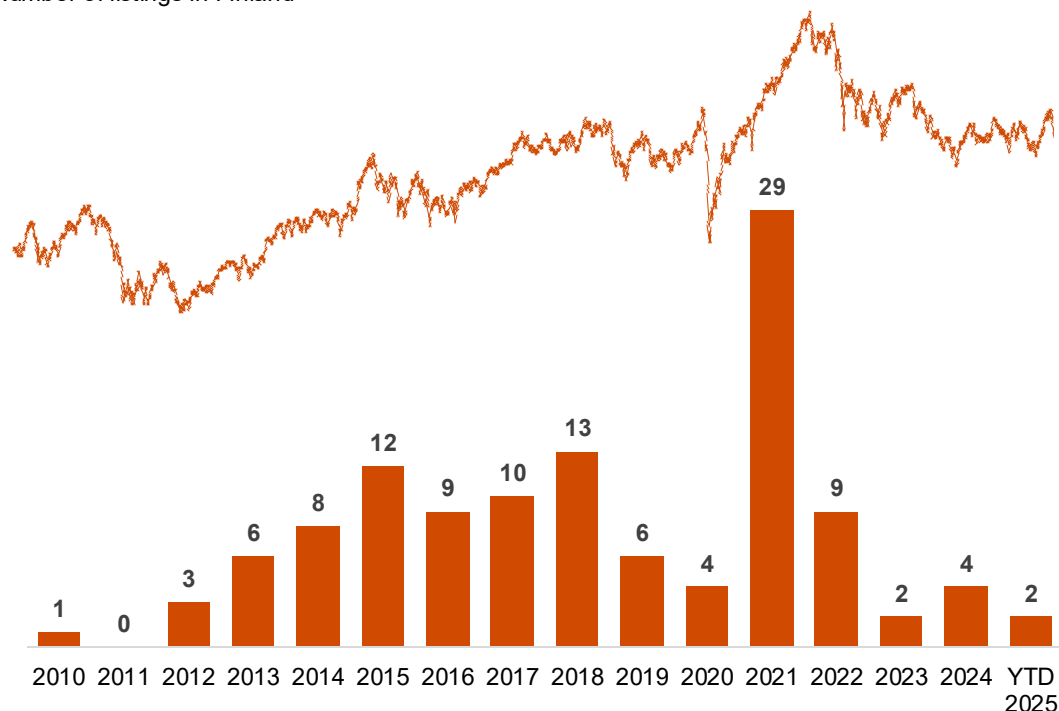
- Deepened due diligence on the U.S. exposure
 - Assess revenue concentration by geography, especially sales into tariffed markets
 - Analysis of key contracts – are they U.S. anchored or FX dependent
- Tariff mapping in supply chains
 - Line-item analysis of inputs/components sourcing geography
 - Identify where tariff cascades multiply costs (raw material to component to final product)
- Sales price adjustments
 - Tariff risk discounts in transaction valuation
 - Tariff-specific clauses (e.g., MAC’s) to account for potential market volatility and trade-war risk

Continuation of the positive IPO trend from Q1 in the Finnish market requires stabilisation of equity markets and return of confidence

“ For the first time since 2022, the Finnish market witnessed listings where proceeds were raised

Number of IPOs in Finland¹

■ Number of listings in Finland — OMXHPI index



Note(s): (1) Data includes special transactions such as dual and reverse listings. Data excludes transfers between Finnish lists and should be treated as non-exhaustive

Source(s): Nasdaq Helsinki, Nasdaq, PwC analysis, Capital IQ

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Key takeaways

- The Finnish IPO market showed signs of revival in Q1. During Q1, GRK Infra and Nokian Panimo announced their intentions to go public, and Nightingale Health successfully transitioned its listing from First North to the Nasdaq main market and listed its shares to OTCQX International market in the United States, marking significant developments in the Finnish IPO market
- At the beginning of April 2025, Finland witnessed its first listings since 2022, where proceeds were raised. GRK Infra, a midcap company focusing on infrastructure construction, was listed on the Nasdaq main market. Shortly thereafter, Nokian Panimo, a Finnish brewing company, was listed on First North. Both IPOs were oversubscribed, indicating strong investor sentiment for the outlook of the Finnish market. Listings of Summa Defence and Sunborn International Holdingin are expected to take place in April and May.
- The start of the year has seen more activity in the Finnish IPO market compared to the previous years. The positive trajectory for the remainder of 2025 is now subject to stabilisation of equity markets and return of confidence. Despite uncertainty in the global markets, Finnish companies are well-positioned for listings, with several candidates currently in the pipeline.
- In addition to Finland's revival, Sweden saw eight listing transactions, Norway three, and Iceland one during Q1.



More information about the IPO market in our IPO Watch EMEA Q1 2025

Due to increased market volatility, our model predicts a compression in deal volumes despite several positive signals

Machine-learning to predict the market outlook

Our machine learning-based model is anticipating a compression in overall deal volumes next quarter — potentially driven by increased volatility in the market

What is it?

- A forecasting tool that predicts quarterly deal volumes in Finland based on historical data
- The goal is to provide insightful, forward-looking estimates of deal activity for upcoming quarters – used together with more traditional analysis to form our view

How does it work?

- Uses a snapshot of a combination of historical data, such as past deal volumes, macroeconomic indicators, and market sentiment measures
- After training on historical quarters, it will aim to predict future outcomes with the latest market data made available to it

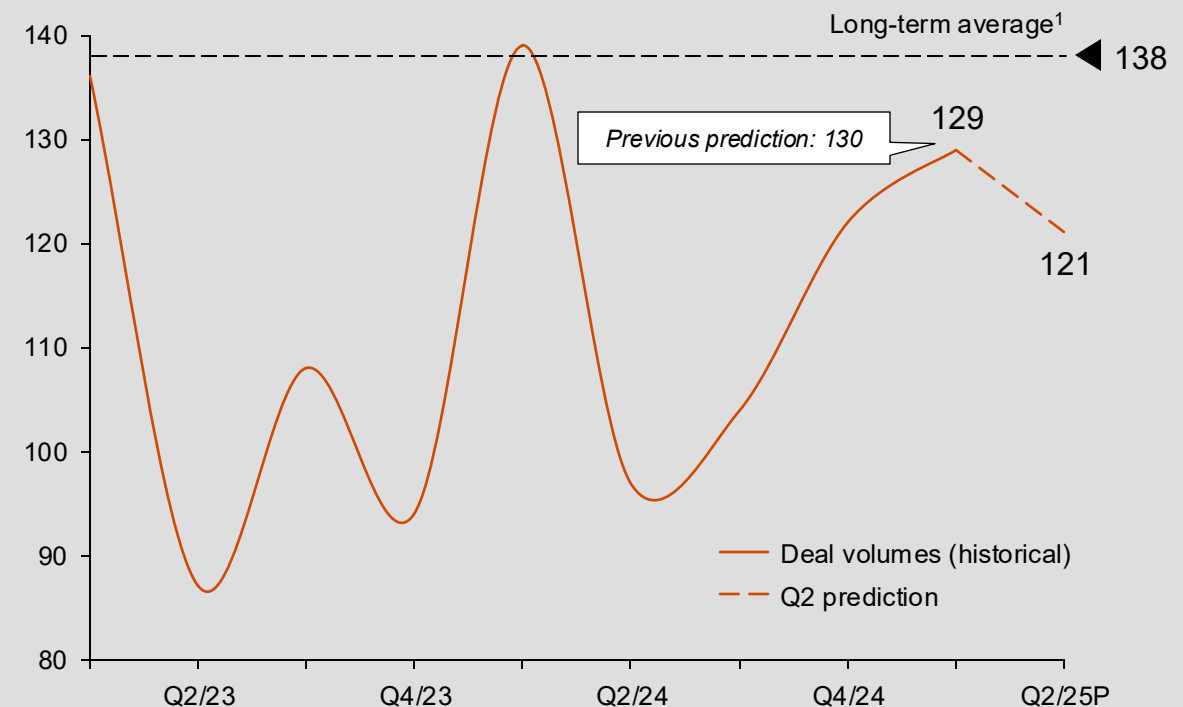
Note(s): (1) Mean transaction volume per quarter, starting from Q1'2014

Model performance is based on historical training data and a snapshot of latest data, and does not guarantee future outcomes

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Historical deal volumes and prediction for Q2/25

Based on snapshot data from end of March, prior to Liberation Day tariffs

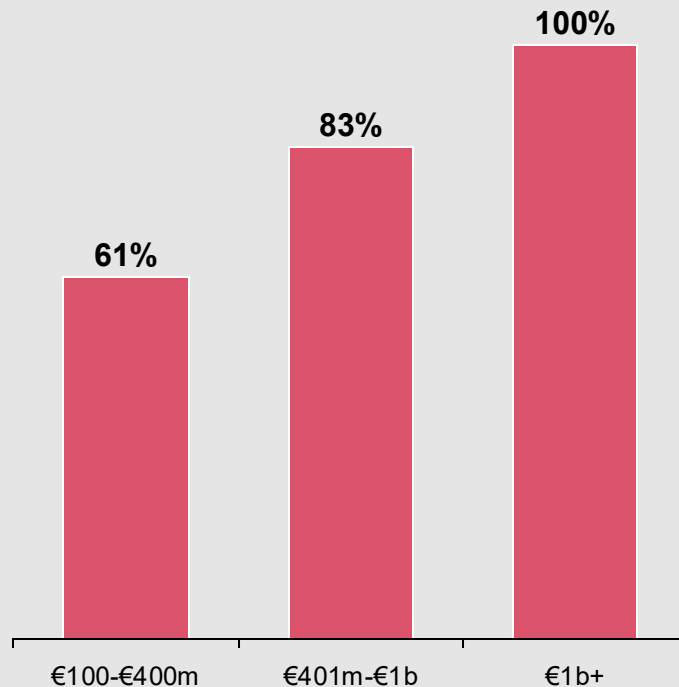


Deal volumes expected to **decrease** ~6% in Q2 2025

PwC has a strong track record of acting as an advisor in major deals in Finland

PwC involvement in major deals

Talouselämä announced majority deals in Finland,
PwC involvement (Jan 2020 – March 2025)



Selected recent major deals where PwC has acted as an advisor

Tietoevry Tech Services

EUR300m
(target)

- Sale of Tietoevry's Tech Services business to funds advised by Agilitas Private Equity LLP for EUR 300 million.
- PwC Finland provided financial sell-side due diligence as well as carve-out, tax and accounting assistance to Tietoevry in the sale of their Tech Services business, a leading provider of transformation and managed services to both private and public sector clients in the Nordic region.

GoByBike Finland Oy

EUR125m
(financing)

- Growth financing and refinancing of GoByBike's existing debt, totalling EUR 125 million. The asset-backed financing facility was provided by Castlake and Santander CIB.
- PwC Finland's Debt & Capital Advisory team acted as the exclusive financial advisor to GoByBike in relation to its growth financing and refinancing process. The financing facility enables GoByBike to simplify its capital structure and significantly expands its capacity to offer benefit bicycles to Finnish employers and employees.

Supporting you in deals, transactions and related value creation



CEO



Kauko Storbacka
Partner
+358 20 787 7368
kauko.storbacka@pwc.com

Deals & Private Equity Lead



Ilkka Simula
Partner
+358 20 787 8522
ilkka.simula@pwc.com

Strategy&



Juuso Laatikainen
Partner
+358 20 787 8554
juuso.laatikainen@pwc.com



Jussi Lehtinen
Partner
+358 20 787 8756
jussi.lehtinen@pwc.com



Hannu Suonio
Senior Advisor
+358 20 787 8552
hannu.suonio@pwc.com

PwC Finland's Advisory Lead



Kimmo Nieminen
Partner
+358 20 787 7504
kimmo.nieminen@pwc.com

Deals Value Creation Lead



Aitor de la Torre
Partner
+358 44 901 3856
aitor.de.la.torre@pwc.com

Corporate Finance



Kimmo Vilske
Partner
+358 20 787 7938
kimmo.vilske@pwc.com



Hannu Keränen
Partner
+358 20 787 7951
hannu.keranen@pwc.com



Pasi Mäenpää
Partner
+358 20 787 7918
pasi.maenpaa@pwc.com

M&A Integration & Separation



Marko Koski
Partner
+358 20 787 8745
marko.koski@pwc.com

ESG



Jussi Nokkala
Partner
+358 20 787 8189
jussi.nokkala@pwc.com

Capital Markets & Accounting Advisory Services



Sari Elonheimo
Partner
+358 20 787 7289
sari.elonheimo@pwc.com



Maija Luoranen
Partner
+358 20 787 8210
maija.luoranen@pwc.com

Tax



Markku Hakkarainen
Partner
+358 20 787 7774
markku.hakkarainen@pwc.com

Transaction Services



Eveliina Paavilainen
Partner
+358 20 787 7139
eveliina.paavilainen@pwc.com



Mikael Österlund
Partner
+358 20 7877838
mikael.osterlund@pwc.com

Real Estate



Jeroen Bus
Partner
+358 20 787 7886
jeroen.bus@pwc.com

Valuation, Debt & Capital Advisory



Antti Palkén
Partner
+358 20 787 7281
antti.palken@pwc.com

Legal



Joni Painilainen
Partner
+358 20 787 8803
joni.painilainen@pwc.com



Michael Hardy
Partner
+358 20 787 7442
michael.hardy@pwc.com



Laura Suomela
Partner
+358 20 787 7723
laura.suomela@pwc.com

An aerial photograph of a small, dark blue pond nestled within a dense forest of tall evergreen trees. The water in the pond is calm, reflecting the surrounding greenery. The trees are a mix of dark green and lighter green, suggesting different species or lighting conditions. The overall scene is peaceful and natural.

Thank you

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