

Transaction Trends

Finnish M&A update - Q1 2025

Finnish M&A market taking a breather after a stronger year-end performance



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- Private Equity
- Technology, Media and Entertainment, Telecommunications

Quarter summary

120

(Q4 2024: 199)

of transactions
announced

Highlights | [Page 4](#)

€88m

(Q4 2024: €43m)

Average disclosed deal
value

Key transactions | [Page 6](#)

Industrials

Most active sector with
37 deals

Sector trends | [Page 7](#)

32%

(Q4 2024: 36%)

Share of foreign buyers

Transaction geography | [Page 8](#)

1

(Q4 2024: 1)

Listings on Nasdaq
Helsinki

Market update | [Page 10](#)

5

Highlights of EY advising in
transactions

EY transaction highlights | [Page 11](#)

Transaction Trends, published by EY-Parthenon, is a quarterly publication that aims to identify trends in the Finnish M&A market.

The newsletter reflects all quarterly transactions involving a Finnish target, buyer, or vendor, based on data presented by Mergermarket. This makes Transaction Trends the most comprehensive transaction newsletter available for the Finnish market. We hope that you find this newsletter interesting and that you will follow our coming quarterly updates.

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The Transaction Trends Editorial Team

Plateauing of the Finnish M&A market volumes after a stronger year-end

During the first quarter of 2025, we observed **120 transactions** in the Finnish M&A market. The quarter slightly underperformed on a YoY basis with **deal volumes down c. 8% compared to Q1 2024**.

Alike, LTM deal volume stabilized to 597 deals. LTM deal activity was primarily driven by the **TMT** (29%) and **Industrials** (26%) sectors. The deal count in Q1 2025 increased by c. 19% for TMT, while it decreased by c. 24% for Industrials, compared to Q1 2024.

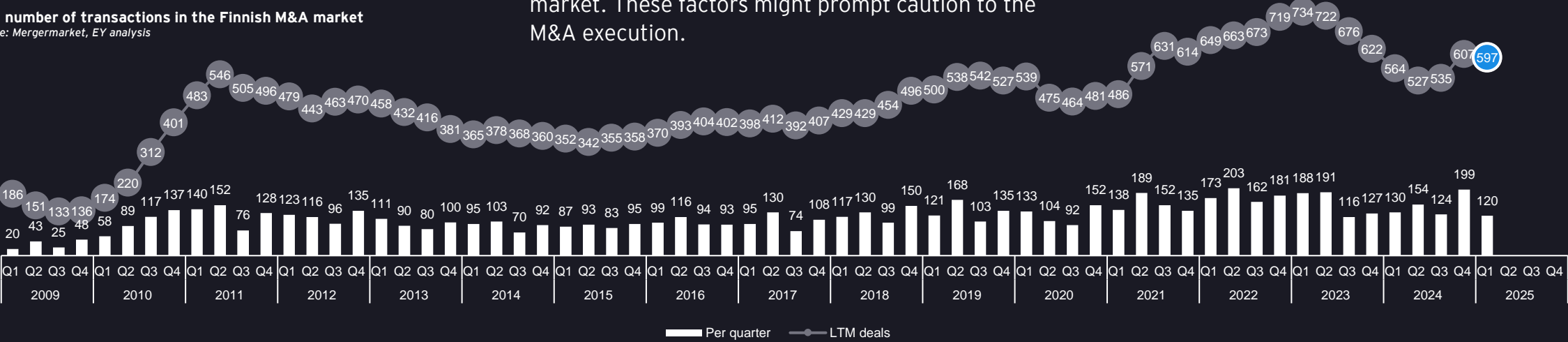
Deal volumes were rather moderate in Q1 2025, after the turnaround in LTM volumes started in Q3 2024, and strongly continued during the next quarter.

In terms of M&A activity, the current economic landscape can be seen as two-folded. On one side, Finnish inflation (CPI) has dropped below 1.0%, and the ECB has continued its interest rate cuts, creating a favourable environment for M&A. In contrast, geopolitical tensions are arising from the US tariffs imposed on European goods, the Finnish unemployment rate has risen to 9.4% (Q1 2024: 7.8%) and laid offs are negatively affecting the job market. These factors might prompt caution to the M&A execution.

The quarter has been calm also for the Finnish PEs but foreign PEs have been active on the buy-side in the largest PE transactions. The Finnish PEs have been active on the M&A preparations and many funds have either exit pressure or space for new investments which could indicate increased activity in the coming quarters.

Q1 2025 has been quiet also for IPOs, only **Nightingale Health** has transferred to **Nasdaq Helsinki's** main list from **First North**. However, there are multiple companies actively engaged in IPO processes, supported by the strong performance of Helsinki's stock market during the first quarter.

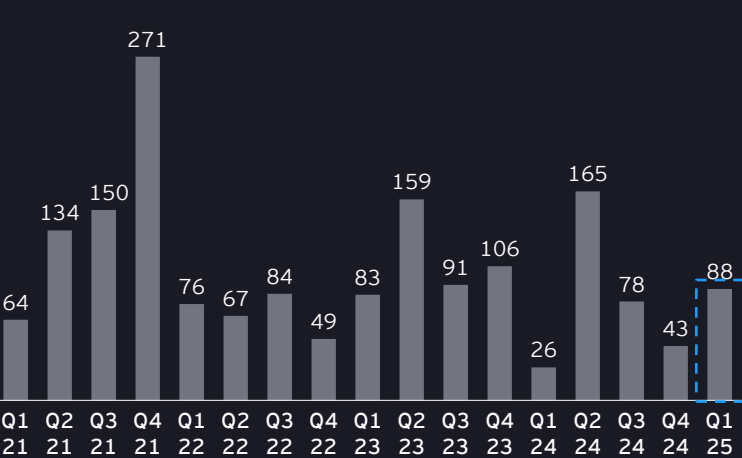
LTM number of transactions in the Finnish M&A market
Source: Mergermarket, EY analysis



Quarter highlights

Average deal value (€m)

Source: Mergermarket
Note: Only a limited number of transactions have disclosed deal value



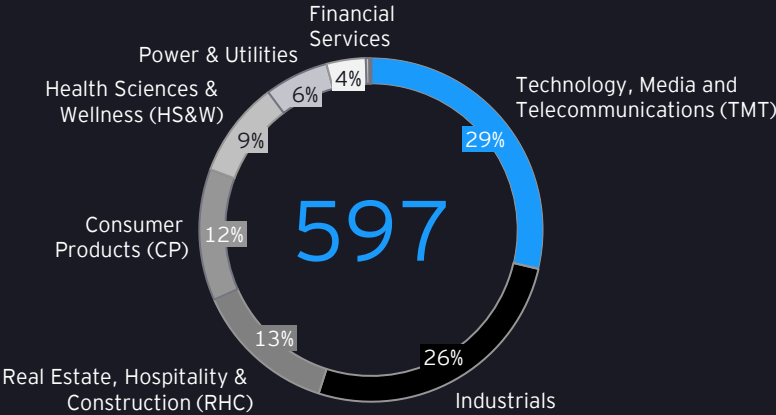
Transactions in Q1 2025

The number of transactions observed in the quarter amounted to 120. The average deal value stood at €88m based on 34 transactions with announced deal values.

Of the 34 transactions, 50% saw deal values below €10m, while 26% reported deal values between €10 and €100m, and the remaining 24% exceeded €100m. Due to the multiple over €100m deals, this quarter's combined reported deal value amounted to €3.0bn, higher than the €2.6bn reported in Q4 2024.

LTM share of transactions per sector

Source: Mergermarket



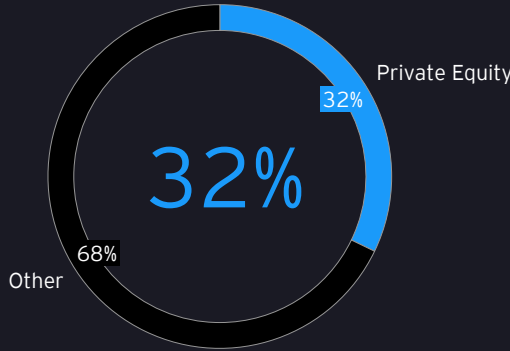
Deals per sector

Compared to Q1 2024, the deal activity in Q1 2025 has fluctuated considerably in almost all sectors. For instance, **Financial Services** and **Health Sciences & Wellness** sectors' activity improved by 100% and 50%, respectively, compared to Q1 2024. The **Industrials** sector saw the largest decline in deal volumes, with the number of deals decreasing from 49 to 37 on a YoY basis.

In the LTM period, **TMT** contributes the highest number of deals (29%), followed by **Industrials** (26%), **RHC** (13%) and **CP** (12%).

LTM share of transactions involving Private Equity firms

Source: Mergermarket



PE deal activity

In Q1 2025, the number of transactions with Private Equity participation was 38, indicating a share of 32% of total transactions, in line with the LTM share (32%) but higher than the three-year rolling average (28%).

Among the Finnish PE landscape, StaffPoint has changed ownership from Sponsor Capital to MB funds, Sentica Partners has exited Ursviken Technology, and Hartwall Capital has made an investment in Linkity.

The largest PE deal of the quarter has been the Sweden-based Polhem Infra's acquisition of a 49% stake in Pori Energia from the city of Pori for €360m.

Key transactions this quarter across sectors

	1	2	3	4	5	Avg.
Deal value*	1 121m	360m	300m	185m	126m	88m
Description	On 10 March, Mandatum Plc , the Finnish listed financial services provider, and Geely Financials Denmark A/S , agreed to sell all their shares (19.9% and 49.9%) in Saxo Bank A/S , the Danish internet bank. The transaction supports Mandatum's strategic focus on capital-light business.	On 20 January, the Swedish infrastructure fund Polhem Infra AB announced the acquisition of a 49% stake of Pori Energia Oy , the Finnish energy company. The partnership aims to enhance Pori Energia's financial stability and aligns with Polhem Infra's sustainable investing strategy.	On 23 March, Agilitas Private Equity LLP , the UK-based private equity company, announced the acquisition of the Tech Services business from TietoEVRY Oy , the Finnish listed IT company. The divestment allows TietoEVRY to focus on software and digital engineering.	On 29 January, Meriaura Group Oy , the Finnish listed marine logistics company, announced a share exchange agreement with Summa Defence Oy , the Finnish defence and security group. The new company will be called Summa Defence Oy on Helsinki's stock exchange.	On 12 March, the Sweden-based listed operator of disabled and elderly care centers, Ambea AB , agreed to acquire Validia Oy , the Finnish care provider. The acquisition strengthens Ambea's ability to meet its financial targets and provides a platform for growth in Finland.	<p>This quarter, the average deal value (for transactions with reported deal values) was €88m.</p> <p>The number of transactions with reported deal value amounted to 34 out of 120 transactions announced.</p>
Sector	Financial Services	Industrials	Technology, Media & Telecommunications	Industrials	Health Sciences & Wellness	

*Please note that figures are in euros, if not stated otherwise.
Source: Mergermarket, company websites

Activity by sector and observed multiples

Activity by Sector		# of transactions					3-year median			# of observations		
Sector	2023	2024	Qrt. Avg. 21-25	Q1 2024	Q1 2025	Q1 Trend	EV / Rev	EV / EBITDA	EV / EBIT	EV / Rev	EV / EBITDA	EV / EBIT
Industrials	201	169	50	49	37	↘	0.7x	8.8x	14.4x	19	15	14
Consumer Products	99	82	21	18	10	↘	0.7x	6.5x	13.4x	8	4	5
Financial Services	17	19	4	3	6	↗	2.2x	13.2x	13.2x	9	8	8
Government, Public Sector & Organisations	2	3	2	2	-	↘	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Health Sciences & Wellness	41	49	14	10	15	↗	2.3x	14.0x	14.9x	6	1	2
Oil & Gas	2	2	2	-	-	→	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Power & Utilities	24	34	7	6	8	↗	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Real Estate, Hospitality & Construction	69	83	13	16	13	↘	15.3x	n.a.	7.9x	2	n.a.	1
TMT	167	166	39	26	31	↗	2.5x	22.9x	21.0x	25	19	15
Total	622	607	152	130	120		1.5x	13.1x	15.0x	69	47	45

Source: Mergermarket, S&P Capital IQ

Note: The 3Y EV/Revenue, EV/EBITDA and EV/EBIT multiples are based on a total of 69, 47 and 45 observations, respectively. Please note that the number of transactions is very low in some sectors, and thus the presented median multiples may not accurately reflect realistic long-term valuation levels.

Sector activity

Deal activity in Q1 2025 has shown mixed volumes across the various sectors on a YoY basis. **Financial Services** has improved from 3 deals in Q1 2024 to 6 in Q1 2025, led by banking and accounting companies. On the other side of the spectrum, **Industrials** and **Consumer Products'** deal volumes have decreased the most compared to both Q1 2024 and the quarter average since 2021.

Multiples

The share of deals with disclosed transaction value in Q1 2025 was 28%, which is slightly lower than the 30% of Q4 2024.

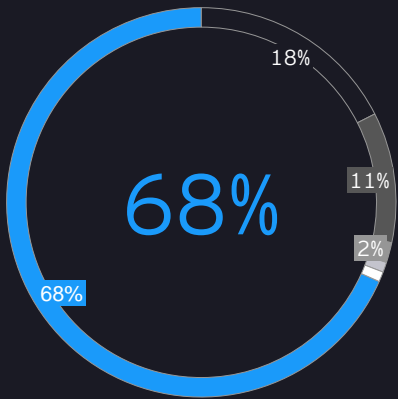
Transaction multiples have slightly decreased for most sectors, evidencing the narrowing valuation gap. However, for example Nordea and Mandatum have been able to divest at higher multiples in comparison to previous transactions within the Financial Services sector.

The Finnish stock market showed a positive performance for the first quarter, increasing the trading multiples for listed companies, the appeal for IPOs and seems to have resulted to a pause in last year's delisting trend.

Transaction geography

Buyer region, Q1 2025

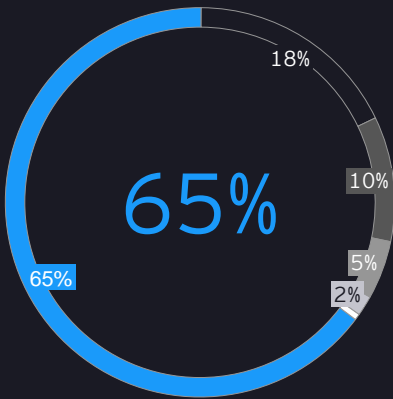
Source: Mergermarket, S&P Capital IQ



Finland
Rest of Europe
Asia-Pacific
Nordics (excl. Finland)
Americas
Undisclosed

LTM buyer region per Q1 2025

Source: Mergermarket, S&P Capital IQ



Finland
Rest of Europe
Asia-Pacific
Nordics (excl. Finland)
Americas
Undisclosed

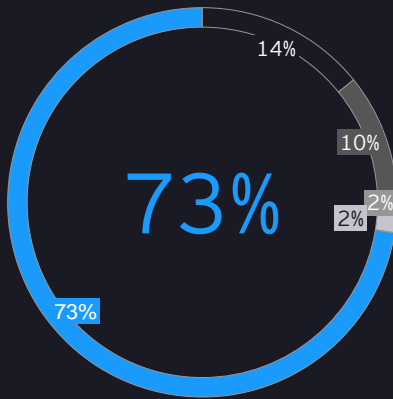
Buyer region

Finnish buyers accounted for 68% of the deals announced in Q1 2025, four percentage points more than in Q4 2024 (64%) and this is mainly driven by a decreased share of Nordic (excl. Finland) and North-American buyers. The quarterly buyer region split is rather in line with the LTM split, with Finland and Americas slightly diverging in opposite directions.

Foreign buyers have mostly been interested in Finnish Industrials and TMT companies, with respectively 12 Industrials and nine TMT companies acquired by foreign buyers. For instance, Neqst Partner AB, Sweden-based PE firm, announced to acquire the cyber security consulting business from WithSecure Oyj.

Target region, Q1 2025

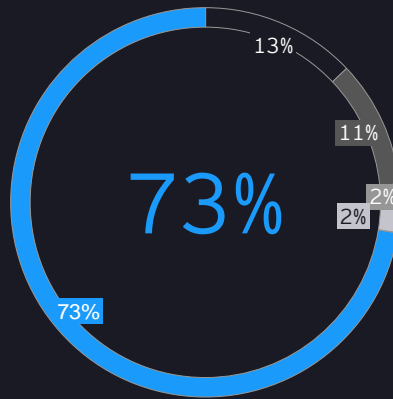
Source: Mergermarket, S&P Capital IQ



Finland
Rest of Europe
Asia-Pacific
Nordics (excl. Finland)
Americas
Undisclosed

LTM target region per Q1 2025

Source: Mergermarket, S&P Capital IQ



Target region

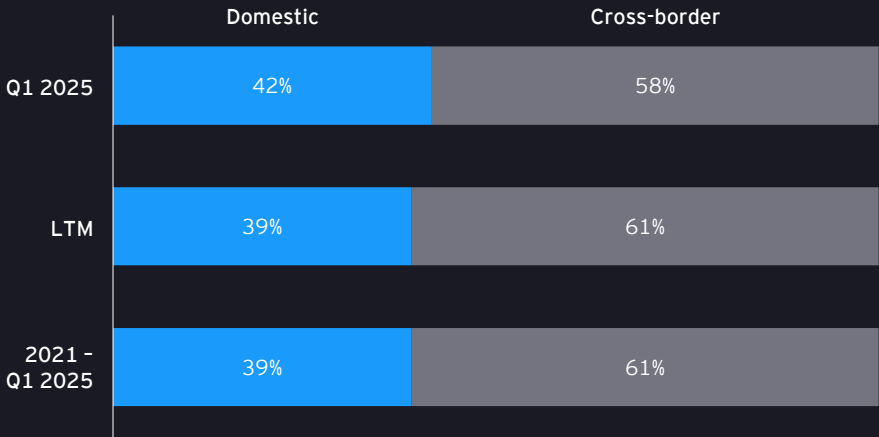
The number of Finnish targets decreased from 142 in the previous quarter to 87 in Q1 2025. Still, the share of Finnish targets increased by 2 percentage points compared to Q4 2024, from 71% to 73%.

Among foreign targets, Finnish buyers acquired 11 companies within TMT sector, seven Industrials sector and six Health Sciences & Wellness sector companies. For example, Metso Oyj announced the acquisition of the screening business, operations and key assets of a Chinese mining equipment supplier Selm (Beijing) Technology Co.

Transaction arena

Share of domestic vs. cross-border transactions

Source: Mergermarket, S&P Capital IQ



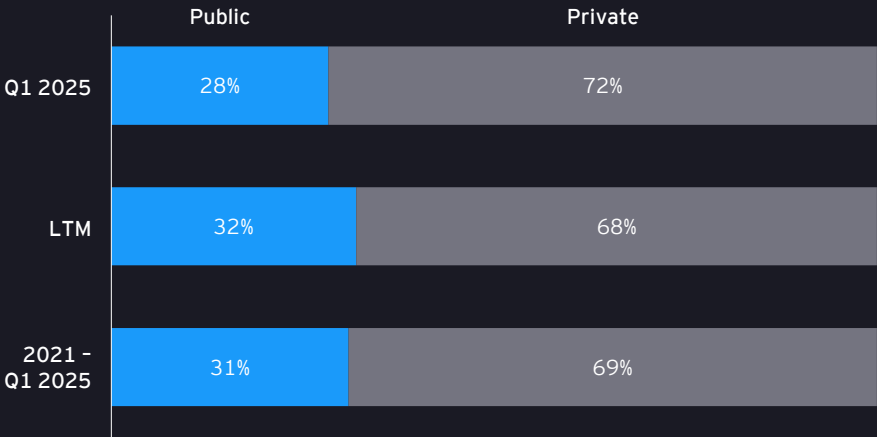
Transaction geography

The share of domestic transactions in Q1 2025 (42%) was higher than both the LTM period (39%) and the historical average from 2021 to Q1 2025 (39%). Majority of Financial Services, TMT, Power & Utilities, Health Sciences & Wellness and Industrials sector deals were cross-border.

The average cross-border deal value increased to €130m in Q1 2025, compared to the LTM average of €118m. On the other hand, domestic deal value of €20m in Q1 2025 was slightly below the LTM average of €26m.

Share of public* vs. private transactions

Source: Mergermarket, S&P Capital IQ



*Public transactions are defined as those where either the target, buyer or vendor company is a listed entity.

Transaction type

The share of public transactions in Q1 2025 (28%) was below both the LTM period (32%) and the historical average from 2021 to Q1 2025 (31%), with 71% of the public transactions being cross-border.

Among the public transactions, 76% had a public buyer. To mention a few, Alma Media acquired Edilex Lakitiety Oy, a directory business, Koskisen acquired Iisveden Metsä Oy, a wood products provider, and Sweco acquired Sipti Consulting Oy, a technical consulting company. In addition, Mandatum and TietoEVRY have divested parts of their businesses.

The observed average deal value of public deals in Q1 2025 was €164m, which is somewhat higher than the LTM average value of €158m.

Market update

OMXH25 Index
Source: S&P Capital IQ



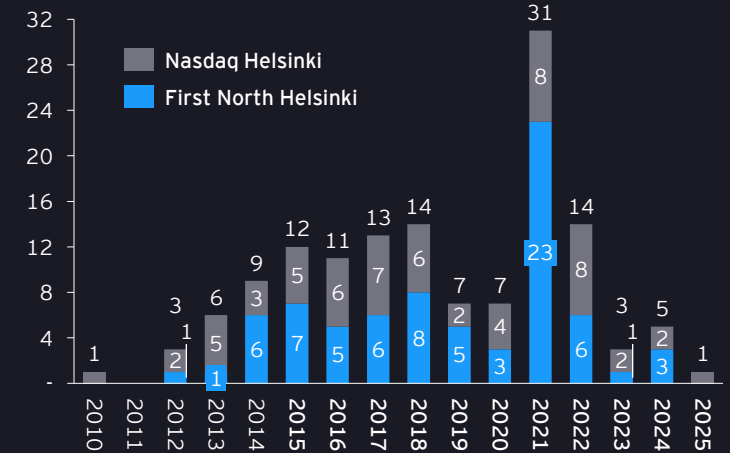
Q1 2025 has been a positive start for the OMXH25 index, amidst geopolitical and economical turbulences, with an **increase of 4.4%**. The best Large Cap performer during Q1 2025 has been Orion after a positive earnings release, anticipated by a positive profit warning. Also, Outokumpu has been able to rank among the best performers for the quarter, despite the challenging earning release, as market's expectations were set low after December's negative profit warning. The worst performer of the quarter was Neste, which share price continued its decline after a negative earnings release and the announcement of laid offs to cut expenses.

Index performance Q1 2025
Source: S&P Capital IQ



During Q1 2025, Nasdaq OMXH25 performed rather in line with Europe (STOXX Europe 600: +5.2%) and ranked second in performance in comparison to the other Nordic markets (OMX Copenhagen 25: -6.2%, OMX Stockholm 30: +0.4%, Oslo OBX: +8.6%), and the US market (S&P 500, -4.6%).

New listings
Source: Nasdaq Helsinki



Nasdaq Helsinki saw one listing during the first quarter of 2025 as Nightingale Health transferred from First North to the main list. However, IPO processes have been ongoing with multiple companies, such as Nokian Panimo, one of the largest Finnish breweries, GRK Infra, active within the infrastructure construction business, Summa Defence, a new player within the defence sector, and Sunborn, luxury yacht hotel operator. Nokian Panimo and GRK had ongoing subscription periods in Q1, while Summa Defence prepared to enter the market through a share exchange with Meriaura. All three are expected to start publicly trading in April 2025.

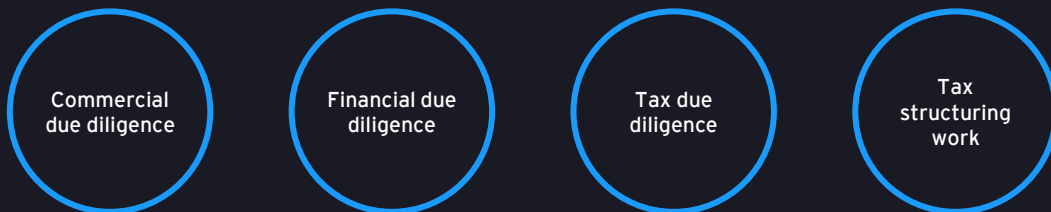
Highlights of EY supported transactions of the quarter



Deal description

- UPM Raflatac, part of UPM-Kymmene Oyj, the Finnish listed pulp and paper manufacturer, has acquired Metamark, a UK-based manufacturer and distributor of graphics solutions.
- The deal accelerates UPM Raflatac's growth in the Graphics market, bringing major synergies and making UPM Raflatac a significant player in the fast-growing, high value-added Graphics segment.

EY Finland supported UPM Raflatac in the transaction process, providing...



Deal description

- Mehiläinen, the Finland's largest social care and healthcare provider, has acquired InMedica Group, the Lithuania based operator of health care clinics.
- InMedica Group's service portfolio and business model align closely with Mehiläinen's, and the expansion into Lithuania supports Mehiläinen's strong international growth strategy.

EY Finland supported Mehiläinen in the transaction process, providing...



Real estate services highlights: EY-Parthenon supports its real estate services clients throughout the whole lifecycle of the company

The sector has seen consolidation which has often been led by PEs



From liquidity challenges to growth. Despite recent liquidity and bankruptcy challenges in the sector, growth is seen in the construction and real estate value chains, leading to increased transactions



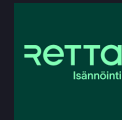
Increased M&A activity. In 2024, there were in total 20% more real estate and construction related transactions in Finland compared to 2023. In Q1 of 2025 number of deals is almost in par to Q1 2024



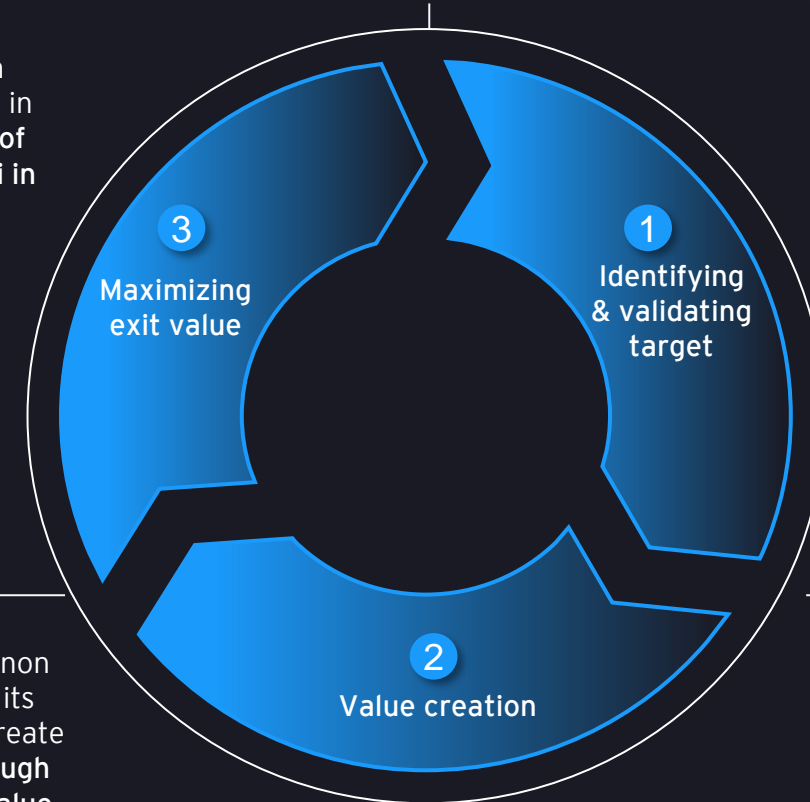
Private Equities typically drive the consolidation. Consolidation is often driven by private equity firms, which through add-on acquisitions aim to turn portfolio companies with growth potential into market leaders within the Finnish and Nordic markets

EY supports owners throughout the entire lifecycle

EY-Parthenon supported Altor in its divestment of Retta Isännöinti in multiple workstreams



EY-Parthenon supports its clients to create value through multiple value creation levers



EY-Parthenon supported Cervi in multiple add-on acquisitions throughout recent years

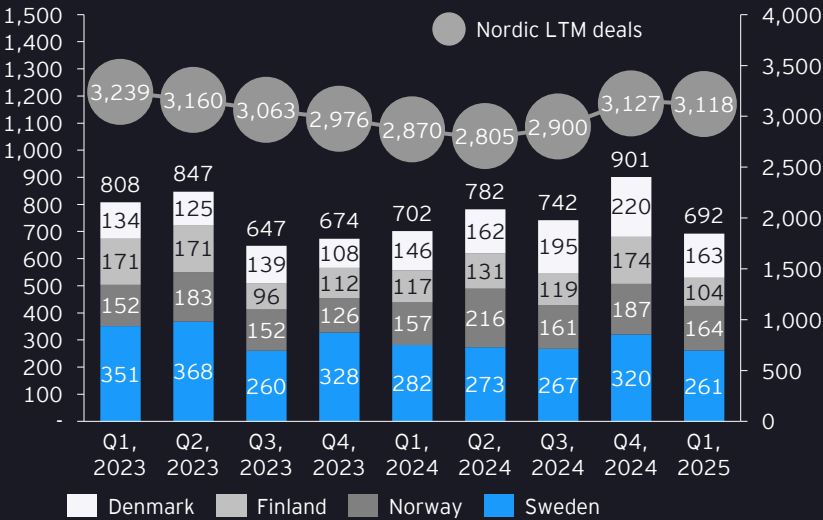


EY-Parthenon performed a strategy clarification and operating model redesign for



Nordic overview

Nordic quarterly transactions, number of deals
Source: Mergermarket

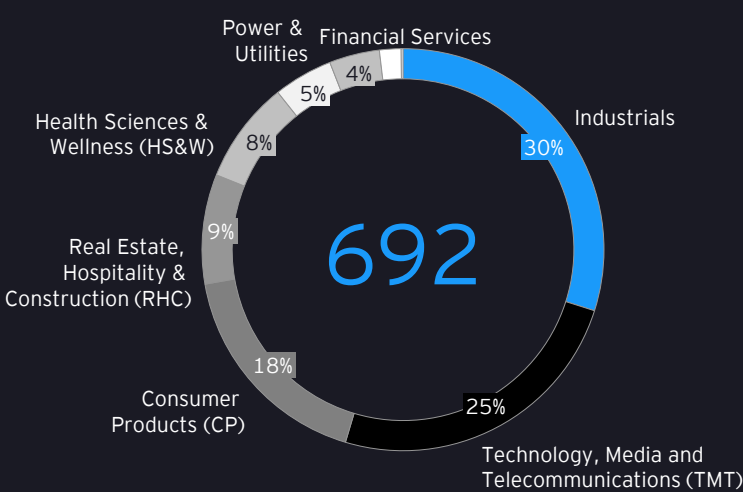


Note: Country split hierarchy considers first target geography and then buyer geography for transactions within Nordic countries to avoid any duplicates.

During Q1 2025, we saw a decrease in the number of deals compared to the remarkably active quarter of Q4 2024. However, Q1 2025 was more in line on a YoY basis, with deal volumes similar to Q1 2024.

Alike, Nordic LTM deal volume stabilized at 3118 deals, after the turnaround in LTM volumes that started in Q3 2024 and strongly continued during the next quarter.

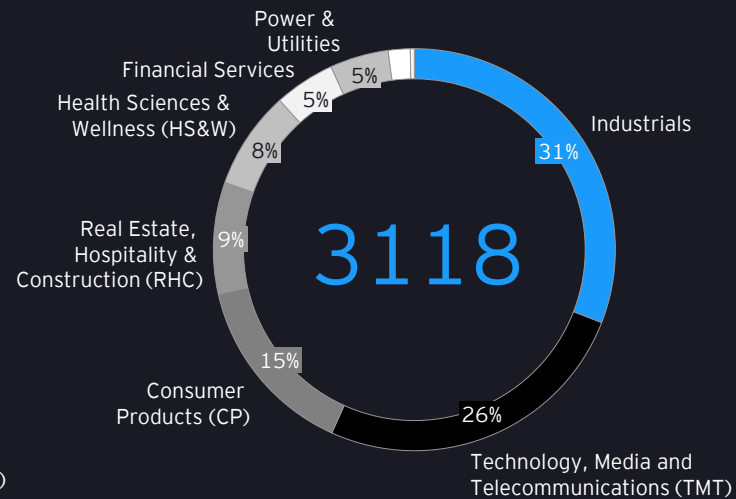
Nordic sector split, Q1 2025
Source: Mergermarket



During Q1 2025, Industrials (30%) has been the most active sector within the Nordic countries, followed by TMT (25%), and CP (18%). This split is in line with LTM split, confirming the predominance of Industrials and TMT as the most active sectors within the Nordic M&A landscape.

Alike Q4 2024, CP has been continuing to increase its share during Q1 2025 compared to the LTM, suggesting a positive momentum for the sector. On the other hand, Industrials' and TMT's share slightly decreased during the last quarter, despite remaining as the leading sectors.

LTM Nordic sector split, per Q1 2025
Source: Mergermarket



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About this publication

Transaction Trends is a quarterly publication that aims to identify trends in the Finnish transactions market. Transactions covered in this publication are public and private transactions where either the buyer, target or vendor are based in Finland. Public transactions are defined as transactions where either the buyer, target or vendor company is listed on a public stock exchange. All other transactions have been classified as private. Domestic transactions are defined as transactions conducted within a national boundary, i.e., deals involving two or more incumbent nationals, while cross-border transactions involve companies from at least two different nationalities. Deal Value is the sum of the consideration paid for the applicable equity stake in the target plus the value of target net debt (if available). Inclusion of net debt in the deal value will depend on the stake acquired (for stakes of less than 50%, deal value is the value of the acquired stake only) or the target company type (net debt is not added where the target is a bank, insurance company or financing company). Our classification of private equity deals includes deals involving venture capital investment companies, as well as professional family offices.

Transaction Statistics are based on Mergermarket and EY-Parthenon data. Public market data is sourced from S&P Capital IQ and the Nasdaq Helsinki. Please note that the data presented in this newsletter is based on announced deals sourced on a quarterly basis (extracted on the first week of the following quarter), and that the historical data points presented (for example the number of deals in Q4 2023) have not been updated to reflect changes to the underlying data set that may have been incorporated after the point in time in which the data was sourced. As a result, there may be differences between the data presented in this document and that which can be obtained from the respective data providers at the time of reading this newsletter.

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