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Portfolio Valuation Services
Unlocking Insights:
Swedish Market Survey

June 2025



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About the Survey

Deloitte's Portfolio Valuation Services (PVS) Swedish Market Survey, conducted in H2 2024, is based on a series of questions answered by selected respondents through interviews. The survey targeted investment firms in the Swedish market, with responses from CFOs, CIOs, Valuation and Investment Directors, and Valuation Controllers. The broad base of responses allows us to consider the insights from this survey as representative of various investment companies in Sweden.

About the Data

In the survey, respondents are classified into the following categories based on their operations and the information provided during the interviews:

- Private Equity Firms (PE)
- Venture Capital Firms (VC)
- Infrastructure Funds
- Family Offices
- Investment Companies

The Investment Companies category includes firms that neither we nor the firms themselves identify with any of the other categories listed above.

Thank you

A big thank you to all the Participants who have invested their time and shared valuable insights, thereby contributing to this survey.

Introduction

The purpose of this survey is to unveil trends and challenges in valuing unlisted assets among Investment Firms

In an effort to gain insights into how investors approach portfolio valuations of investments in unlisted assets, we have conducted a survey targeting a diverse array of companies within the investment sector in Sweden. Our respondents include, but are not limited to, Investment Companies, Private Equity Firms, Infrastructure Funds, Venture Capital Firms, and Family Offices (collectively referred to as “Investment Firms” or “Participants”).

The survey's primary objective is to explore and highlight the methodologies and approaches these entities use in valuing their portfolios. We aim to identify trends, challenges, and opportunities shaping the current and future landscape of portfolio valuations.

An overall observed trend is the heightened demands from investors and limited partners across the board, along with increasing regulatory pressure. Regulatory bodies are implementing more stringent requirements for investments in unlisted assets, compelling companies to adopt enhanced valuation methodologies.

Furthermore, the International Private Equity and Venture Capital Valuation (“IPEV”) Guidelines are intended to represent the current best practices regarding the valuation of Private Capital investments. As these recommendations are widely accepted as the industry standard, this survey explores the presence of valuation policies among respondents and examines how they align with the IPEV Guidelines.

The insights gathered from this survey will provide valuable guidance for investment companies, investors and ourselves navigating the complexities of portfolio valuations in an increasingly regulated environment. Your participation is crucial in helping us build a comprehensive understanding of these dynamics and shape the future of portfolio valuation practices.

Executive summary

Established frameworks are present in unlisted asset valuations among Participants, however with varying degree of sophistication and adherence to IPEV Guidelines highlighting opportunities amidst rising regulatory pressure

The survey includes a diverse range of Investment Firms, with a slight emphasis on Private Equity Firms and Investment Companies, along with representation from Family Offices, Infrastructure Funds, and Venture Capital Firms. Overall, we interviewed 27 Investment Firms. The survey reveals that around half of the companies perform quarterly portfolio valuations, with annual and semi-annual valuations being less common. Around 12% conduct valuations on an ad hoc basis, influenced by factors such as capital events or reporting timelines. New investments typically follow a grace period of several quarters or up to one year before revaluation, unless there are significant developments.

In terms of the technical aspects of valuation work, Participants predominantly use the market approach, specifically multiples derived from comparable publicly listed companies and precedent transactions. Many incorporate some form of calibration to account for significant events and thereby align valuations with current market conditions. Recent capital rounds or secondary transactions are sometimes utilised as benchmarks, particularly when these transactions occur in proximity to the valuation date. Few Participants explicitly adjust multiples using premiums or discounts relative to peers in their ongoing valuations, e.g., some apply a fixed discount as a conservative measure. Instead, premiums/discounts are primarily used as part of a sanity-checking process, not as the decisive factor that determines the valuation. Over-the-counter (OTC) secondary trading of unlisted shares plays a minimal role in the valuation process. Infrastructure firms prefer the income approach, such as Discounted Cash Flow (DCF) and Dividend Discount Model (DDM).

Smaller firms often have less well-defined valuation policies due to their limited scale, and resource constraints. Many Participants adopt a 'blended' approach to valuation guidelines, drawing inspiration from the IPEV Guidelines but modifying them with internal practices tailored to individual portfolio companies. Private Equity Firms primarily use this blended approach, integrating firm-specific or proxy guidelines to manage diverse investment types and sectors, while adhering to IPEV as a foundational framework due to regulatory scrutiny.

The key takeaways from this survey are that the lion's share of the Participants have an established framework and process in terms of ongoing valuations of their unlisted assets. However, the degree of sophistication, adherence to IPEV Guidelines and frequency vary significantly among Participants. Although the market approach via multiples derived from comparable publicly listed companies dominates in terms of valuation approach, very few Participants include ongoing evaluations of premiums/discounts as an integral part of their valuations. This may be an area worth exploring for Participants given the trend of increased regulatory pressure across the investment sector with more stringent requirements for the valuation of unlisted assets. Nonetheless, this can be seen as a positive catalyst, encouraging firms to enhance their methodologies and processes and maintain high standards in their valuation practices.

Participants

Overview of survey Participants

The Participants in this survey represent a diverse array of investment firms, with a slight emphasis on Private Equity (PE) and Investment Companies. Overall, we interviewed 27 Investment Firms. We have classified these companies into different categories, including the two abovementioned, as well as Family Offices, Infrastructure investors, and Venture Capital (VC).

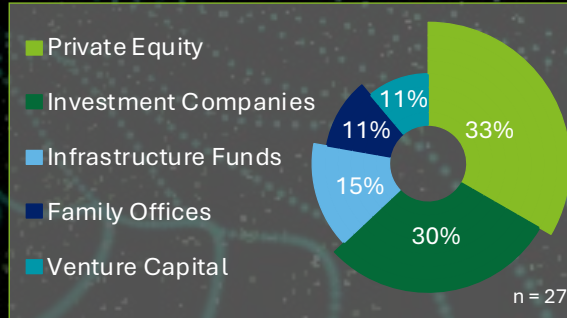
The majority of the Participants are based in the Nordics. Beyond the Nordics, there is representation from other European regions, including DACH, as well as broader European and global markets, indicating a diverse range of market coverage among respondents.

The survey indicates that the majority of respondents invest in common shares, and preference shares. Convertibles, bonds, and shareholder loans are less common.

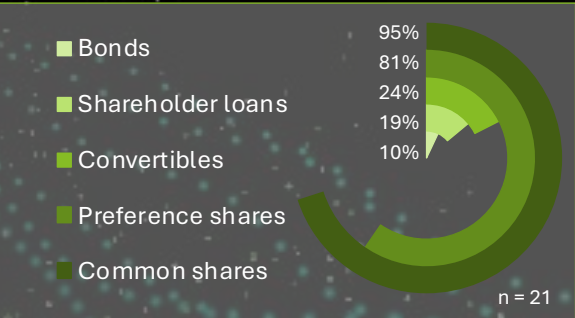
Assets Under Management (AUM) among the Participants vary significantly, although the majority fall within the range of up to SEK 10 billion. 92% of the respondents fall under the SEK 100 billion threshold. Furthermore, when examining the median AUM among the Participants, Investment Companies have the highest average AUM.

When examining the number of holdings, we note that the lion's share of respondents have less than 50 holdings, although there are some outliers. Furthermore, while Venture Capital Firms in this survey report lower AUM compared to other types of firms, they have the highest number of holdings when considering median figures.

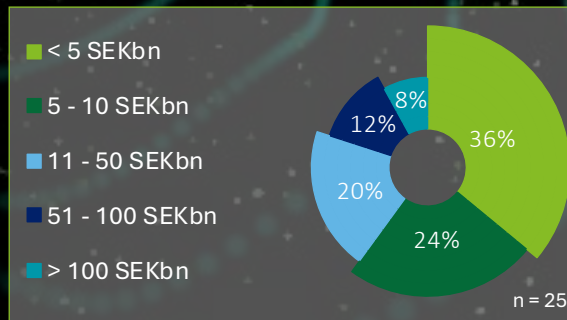
Participants per category



Instruments among Participants



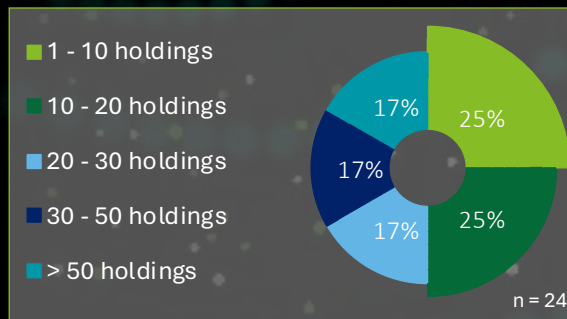
AUM distribution



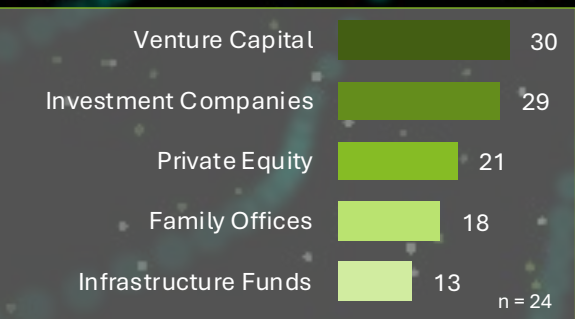
Median AUM (SEKbn)



Distribution of number of holdings



Median number of holdings



Valuation work | General aspects

Overview of valuation frequency, responsibility and purpose

Around half of the companies in the study perform portfolio valuations quarterly, with annual and semi-annual valuations being less common. Among Private Equity Participants, about two-thirds conduct valuations on a quarterly basis, while only one-third do so less frequently.

Additionally, approximately 12% of Participants conduct valuations on an ad hoc basis. This approach is typically influenced by portfolio-specific factors, such as varying requirements for individual holdings, capital events (e.g., fundraising or exits), or instances where teams front-load valuations to align with quarterly reporting timelines or perform them on an as-needed basis.

Notably, valuations for new investments often follow a grace period of several quarters, or up to one year, during which the initial acquisition valuation remains unchanged unless there are material developments.

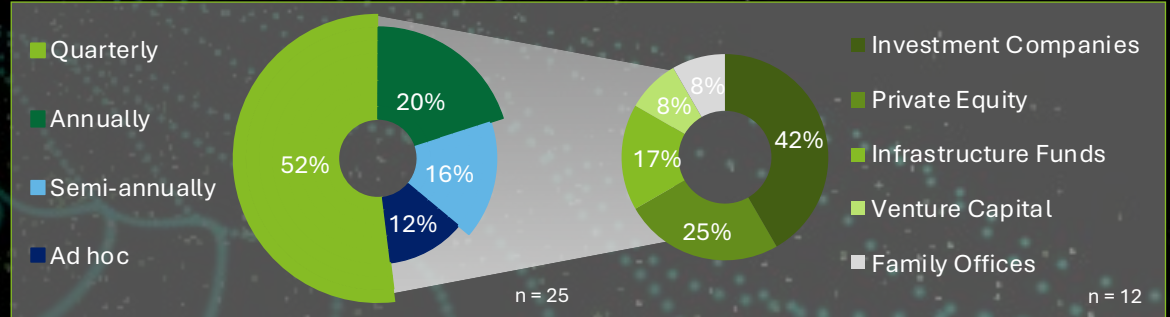
Portfolio valuations are predominantly conducted in-house, particularly among Private Equity and Venture Capital Firms. None of the Private Equity or Venture Capital Firms in this study indicated the use of external parties for valuations on a regular basis. External valuations were most frequently used by Family Offices and Investment Companies.

The survey indicates that the primary reason for conducting valuations is to determine the Net Asset Value (NAV) of holdings or funds. Additionally, an equal proportion of respondents cited incentive programs and financial reporting as drivers as well.

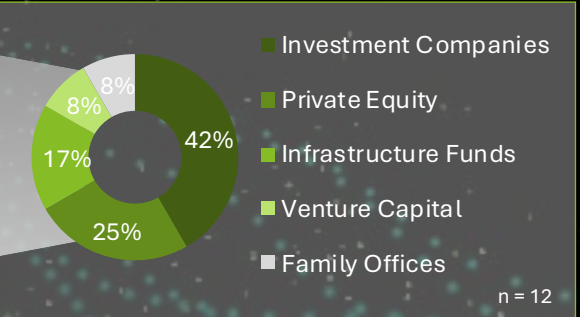
Deloitte findings

Participants typically conduct portfolio valuations quarterly, emphasising efficient processes and control to determine NAV, with a strong preference for in-house valuations among Private Equity and Venture Capital Firms for internal oversight. A key component in the recurring valuations to stakeholders is the explanation of the underlying reasons for why the value has changed from the previous period, especially during significant events like new investments, exits, or other major developments, which prompt closer scrutiny. These events need to be carefully evaluated and considered, both in regards to key assumptions and methodologies as they may substantially impact valuations.

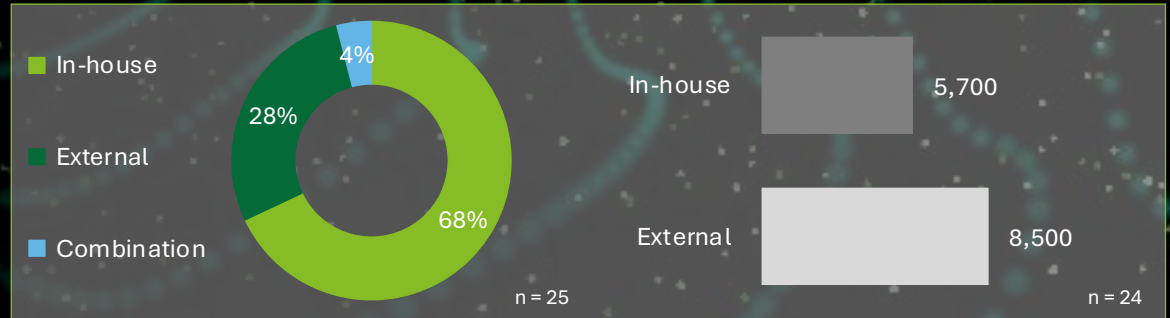
Valuation frequency



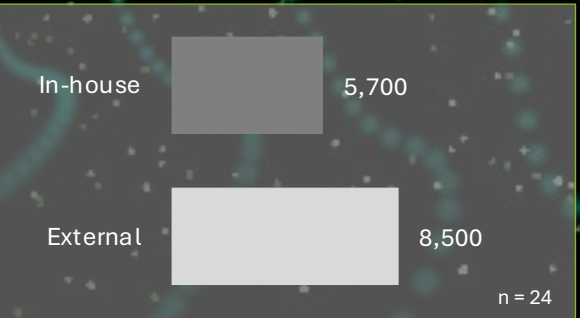
Distribution of non-quarterly Participants



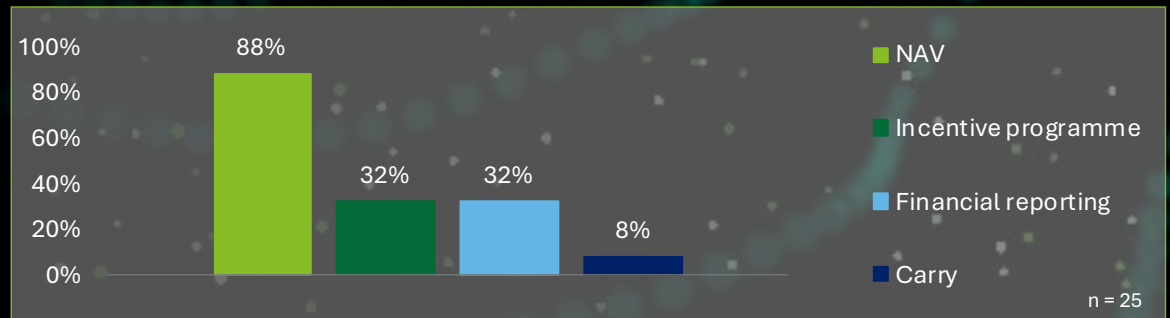
Actor performing the valuations



Participant median AUM



Purpose of the valuations



Valuation work | Technical aspects

Valuation methodologies and technical considerations

To gain deeper insights into the valuation process, we asked Participants about the primary methodologies they apply and other technical considerations.

The market approach, specifically the use of multiples, is the dominant valuation methodology among Participants. Multiples are derived from comparable publicly listed companies (“peers”) and, in some cases, from precedent transactions involving similar companies.

Many Participants who rely on multiples also incorporate some form of calibration when significant events occur, such as economic shifts or company-specific developments. This facilitates the alignment of valuations with current market conditions and other pertinent factors.

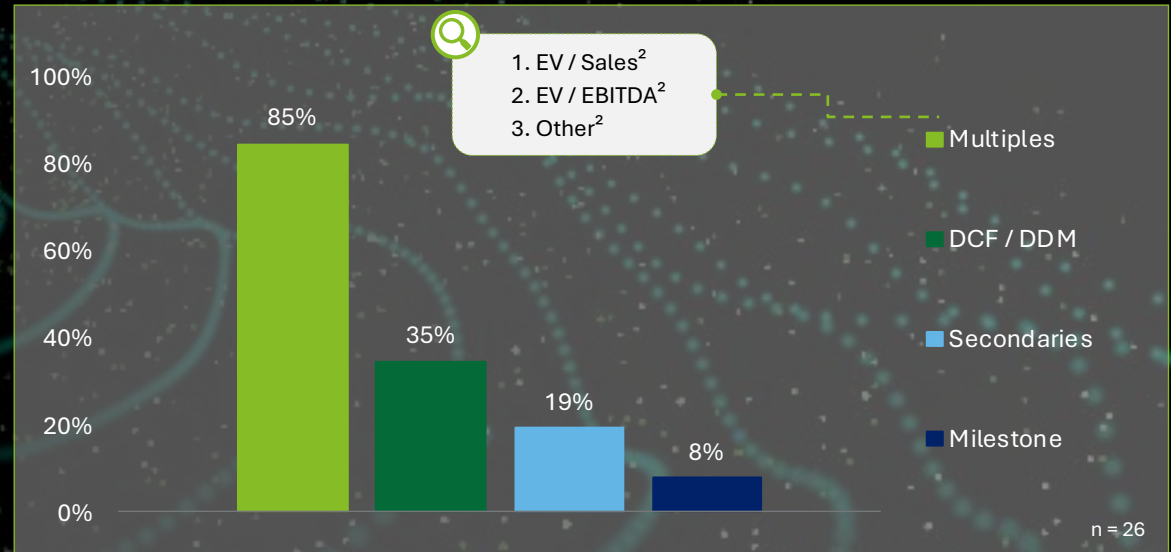
Only a small number of Participants adjust multiples explicitly using premiums or discounts relative to peers and notably the applications differ between Participants. For example, some firms apply a fixed (“unlisted/private company”) discount over time to peer trading multiples as a conservative measure in their valuation process, whereas others adjust based on performance and qualitative analyses.

While the direct application of premiums and discounts is limited, many Participants review these adjustments as part of a sanity-checking process. This ensures that the final valuation aligns with reasonable market expectations, even if these adjustments are not formally integrated into their methodologies.

Furthermore, Infrastructure Funds show a preference for the income approach, e.g. Discounted Cash Flow (DCF) model and Dividend Discount Model (DDM), as these methods capture a more accurate reflection of the long-term cash flow generation and stability inherent in infrastructure assets.

Recent capital rounds or secondary transactions are sometimes utilised as a valuation methodology. This approach is particularly relevant when these transactions occur in proximity to the valuation date at hand, offering a credible benchmark for assessing value.

Primary valuation methods¹



Deloitte view

We observe that most of the Participants utilise a (somewhat) structured methodology which is reasonably aligned with the IPEV Guidelines. When it comes to the market approach, it is beneficial that some form of calibration takes place, especially at inception, to establish the starting point in terms of key value drivers. However, the application of premiums/discounts is notably often simplified and mechanical and not always directly tied to the valuations, relying on them primarily for verification rather than as integral components of their valuation processes. **Consequently, this is an area that could be enhanced to improve the overall process, structure, and accuracy of Participants' ongoing valuations.**

Note: 1) Respondents may select multiple valuation methods. 2) Subject to the type of valuation object, maturity, and phase etc.

Valuation Policy

Valuation policies, IPEV alignment, and approval process

Participants without well-defined valuation policies tend to be the smaller firms. These firms often rely on more informal or ad-hoc approaches, reflecting their scale and potential resource constraints.

Many Participants adopt a 'blended' approach when it comes to valuation guidelines. While most draw inspiration from the IPEV Guidelines, few adhere strictly to them. Instead, firms often modify or supplement these guidelines with internal practices, such as determining specific multiples or valuation methodologies tailored to individual portfolio companies, agreed upon with its auditors.

Private Equity Firms are the primary users of the blended approach, often utilizing the IPEV Guidelines as a foundational framework but broken down into more straightforward, practical sections for internal use. Additionally, Private Equity Firms may integrate other firm-specific or proxy guidelines, reflecting the wide range of investment types and sectors they manage. These firms are also generally under additional regulatory scrutiny, further cementing the IPEV Guidelines as a baseline standard in their processes.

The process for approving valuations varies among Participants. Most smaller firms follow a 'Partly' approach, with ongoing discussions among stakeholders to reach a consensus view. In contrast, some firms with a 'No' process have valuations finalised by a single key individual, such as the CFO, with auditors challenging certain assumptions regarding the valuations. Additionally, certain firms use a collaborative review process involving multiple team members.

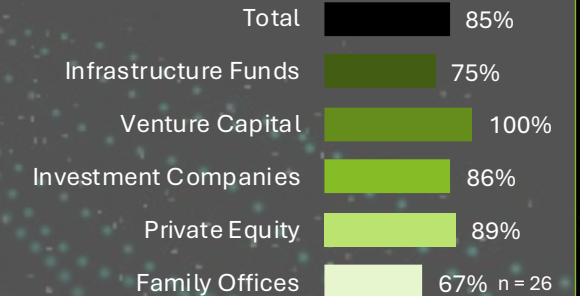
Deloitte view

While most Participants use and refer to the IPEV Guidelines, many adapt them to meet specific needs, raising questions about consistency and adherence. However, it is crucial to recognise the necessity for adaptability to address the unique requirements of different industries. Stakeholders often request updates on portfolio company performance and trends, and scrutinise valuations closely. **Therefore, it is essential to ensure that the selection of peers, multiples, and any possible adjustments are evidence-based and accurately reflect the performance of the holding company relative to its peers.**

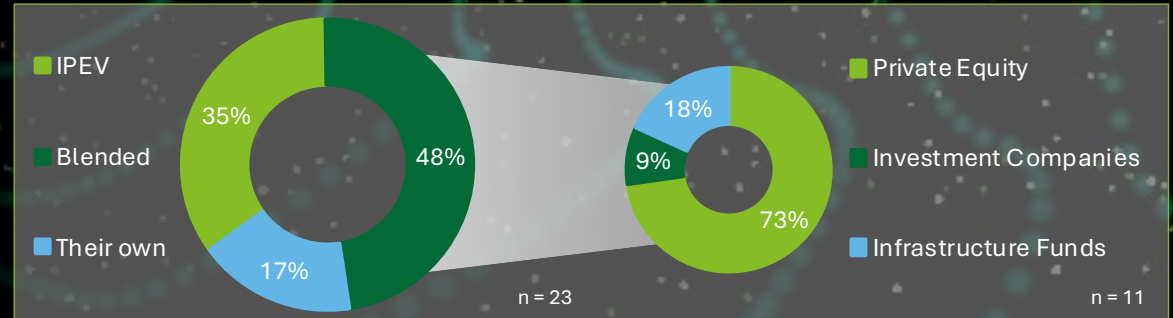
Presence of a valuation policy (or lack thereof)



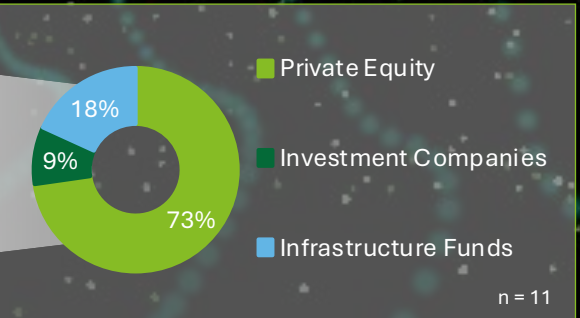
Category presence of valuation policy



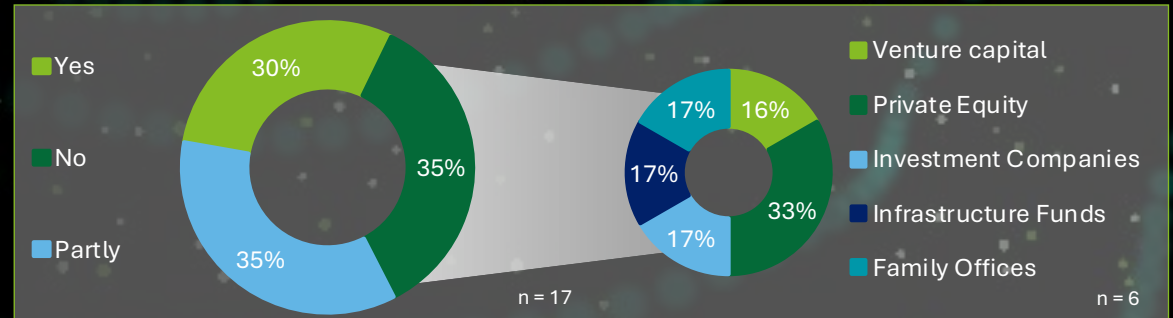
Alignment with IPEV



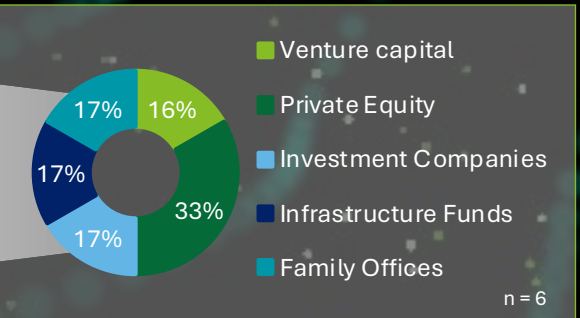
Utilization of a "Blended" valuation policy



Formal valuation committee approval



No formal valuation committee approval



Concluding remarks

By enhancing transparency and refining methodologies, firms can achieve more robust and reliable portfolio valuations aligned with IPEV Guidelines, ultimately providing greater confidence to stakeholders

In summary, while firms generally adhere to structured methodologies aligned with the IPEV Guidelines for portfolio valuations, there is room for improvement in several key areas. Enhancing the application of premiums and discounts to be a more integral piece in the valuation process rather than merely for verification purposes can significantly improve accuracy and consistency. Additionally, ensuring that the selection of peers and multiples is evidence-based and reflects the performance of the holding company relative to its peers is crucial. Furthermore, any adjustments made should be thoroughly justified and transparent to avoid confusion and ensure consistency.

Another important aspect is maintaining transparency towards stakeholders. Clear and transparent communication regarding the reasons for changes in valuations, especially during significant events like new investments, exits, or other major developments, is essential. By refining these aspects and prioritising transparency, firms can achieve more robust and reliable valuations, ultimately providing greater confidence to stakeholders.

Embracing these best practices will not only streamline the valuation process but also enhance the overall quality and credibility of the valuations presented to stakeholders.

Deloitte PVS Services

How Deloitte Can Enhance Your Valuation Processes

At Deloitte, we understand the complexities and evolving regulatory landscape of portfolio valuations. Our extensive expertise in the investment sector allows us to provide tailored solutions that enhance the accuracy, transparency, and reliability of your valuation processes. We offer comprehensive support in aligning your methodologies with stringent regulatory standards, ensuring compliance and fostering stakeholder confidence.

Our Portfolio Valuation Services include:

- *Independent Portfolio Valuations:* We offer independent valuations, as well as provide objective assessments to validate internal valuations and enhance transparency.
- *Valuation Methodology Review and Enhancement:* Helping you adopt best practices and meet regulatory expectations.
- *Regulatory Compliance Support:* Assisting in navigating and adhering to evolving regulatory frameworks.

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