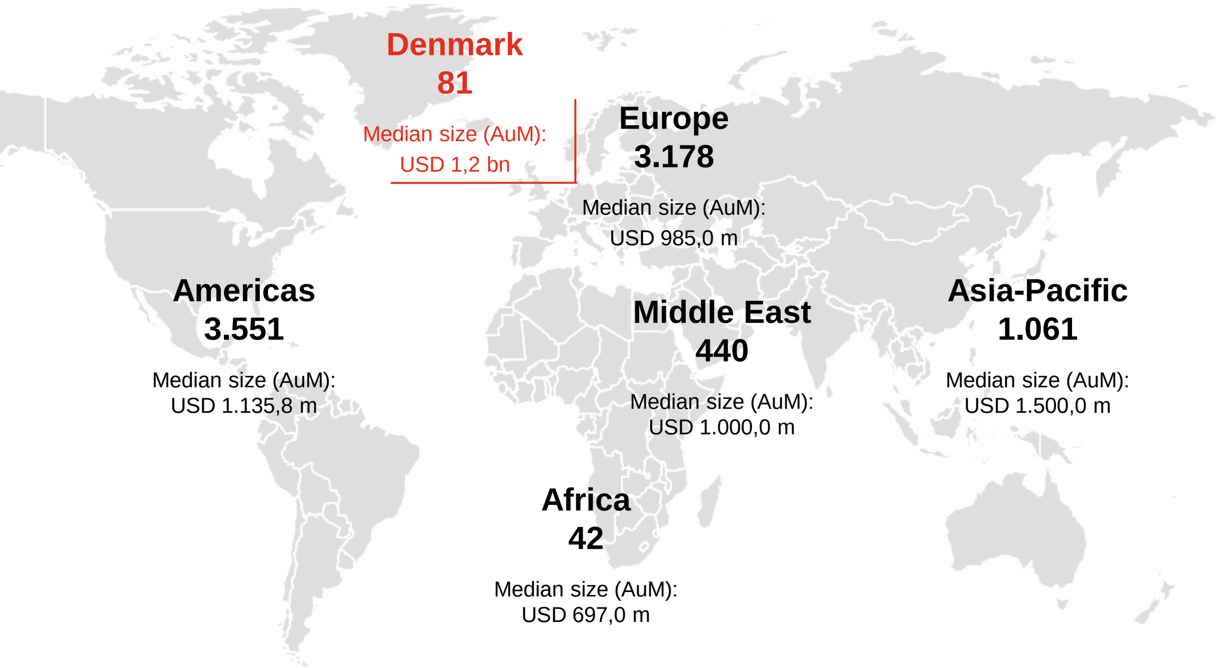
# Insights from PwC’s Global Family Office & Deals Study and Outlook for Denmark

March 1, 2024

# Exploring the Global Landscape: A deep dive into the distribution and sizes of family offices in the PwC Knowledge Base

- To date, we have identified **more than 8,272 family offices worldwide.**
- **Most family offices are located in North and Latin America**, followed by Europe and Asia-Pacific.
- It is noteworthy that **family offices in the Asia-Pacific region manage the largest assets** in the world.
- **50 percent of the family offices** in our database **manage assets of at least USD 1.090,5 m.**




Source: PWC proprietary database with information on more than 8.200 family offices worldwide matched with Pitchbook data as of March 1, 2024

# Cracking the code: Family Offices demystified

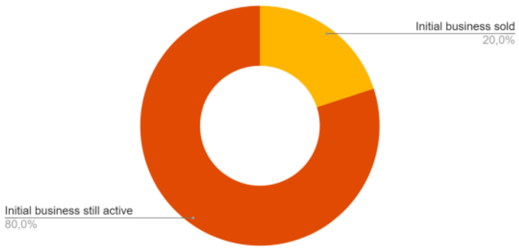
**Most academics agree on the following "four types" of family offices:**

- **Single family offices (SFOs)**
- **Multi-family offices (MFOs)**
- **Embedded family offices (EFOs)**
- **Virtual family offices (VFOs)**

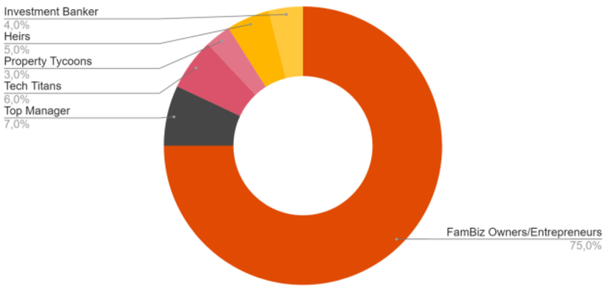
**Practice has produced numerous other "varieties" over time:**

- **Principal/Family Investment Offices**
- **Principal/Family Investment Funds**
- **Family Investment Holdings**
- **Family Business Venture Arms**

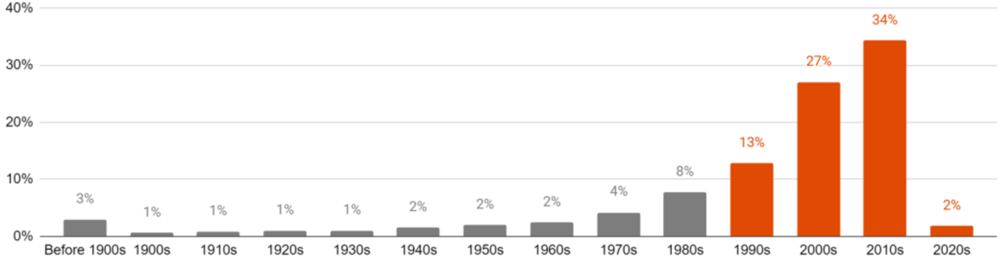
**A "cash event" is not a necessary prerequisite for the establishment of a family office**




**Who owns a family office and what is the origin of wealth?**



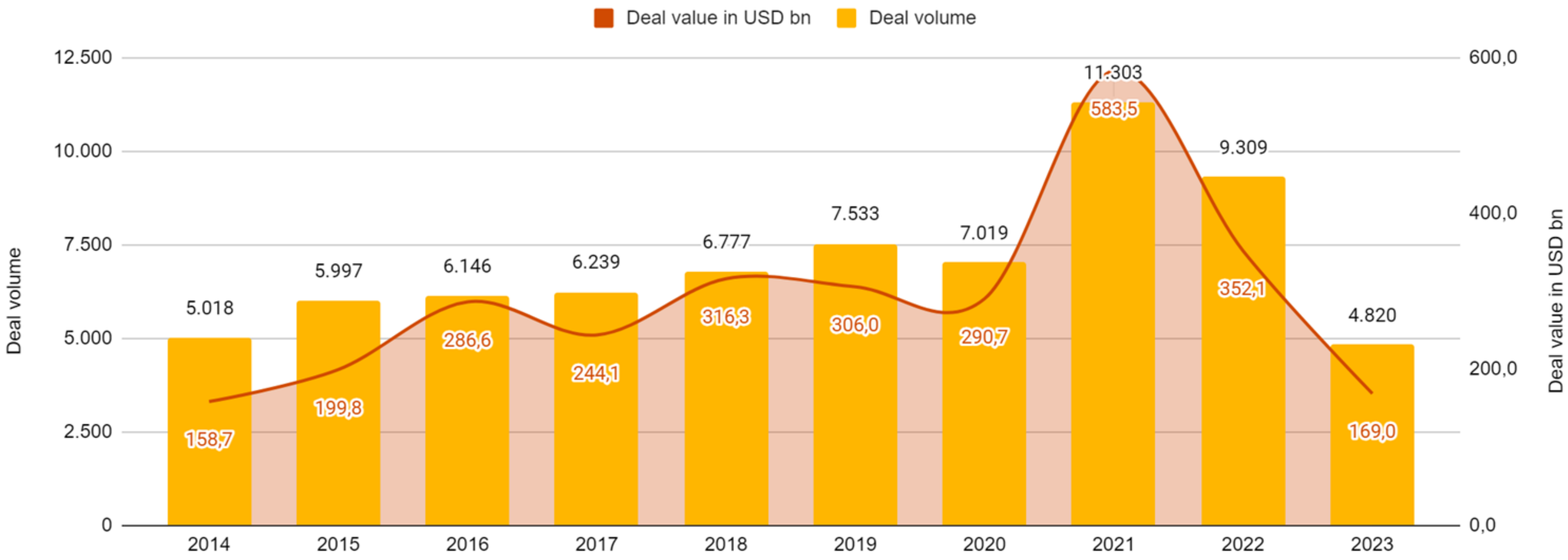

**Over 75 percent were founded since 1990**



# 1

## Insights from the PwC Global Family Office & Deals Study

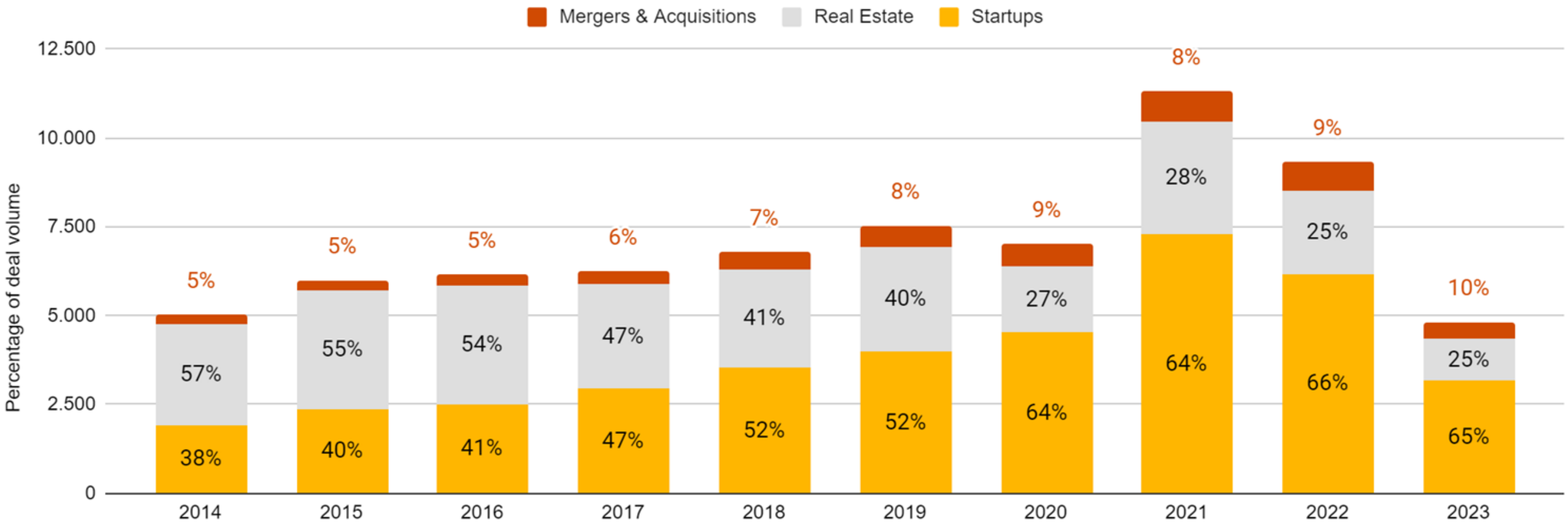
# Family Office investments: Global decline in volume and value since the beginning of 2022




- In 2021, the value and volume of deals supported by family offices reached an all-time high. Since then, they have fallen for the second year in a row.
- Remarkably, the volume of deals has even fallen below the previous low from 2014.

Source: PwC Family Office Database as of March 1, 2024 / Real Capital Analytics, Mergermarket, Pitchbook

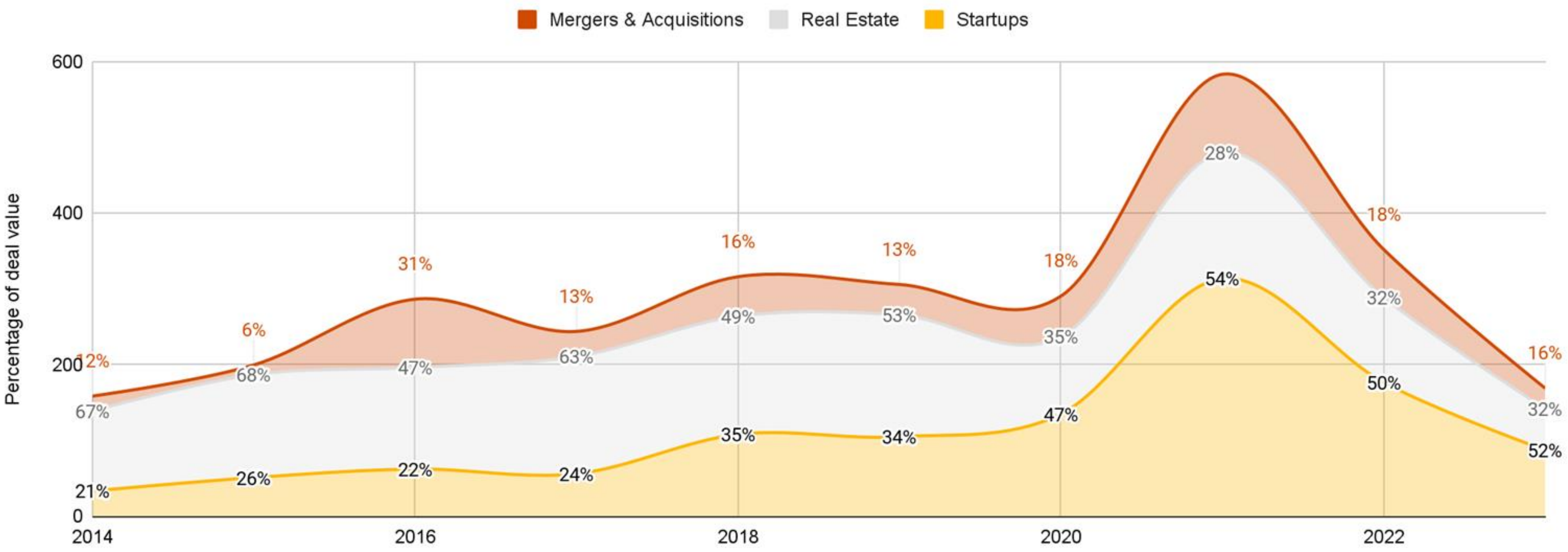
# Global shift in deal volume: Family offices increasingly transitioning their investments from real estate to startups




- Until the end of 2016, family offices worldwide invested most frequently in property, and from 2018 onwards, the majority invested in start-ups.
- The proportion of their investments in Mergers & Acquisitions has risen steadily since 2016 - with one exception in 2021 - and reached a new high of 10 percent in 2023.

Source: PwC Family Office Database as of March 1, 2024 / Real Capital Analytics, Mergermarket, Pitchbook

# And where the money flows: Real Estate dominated until 2019, since then family offices have focused on start-ups



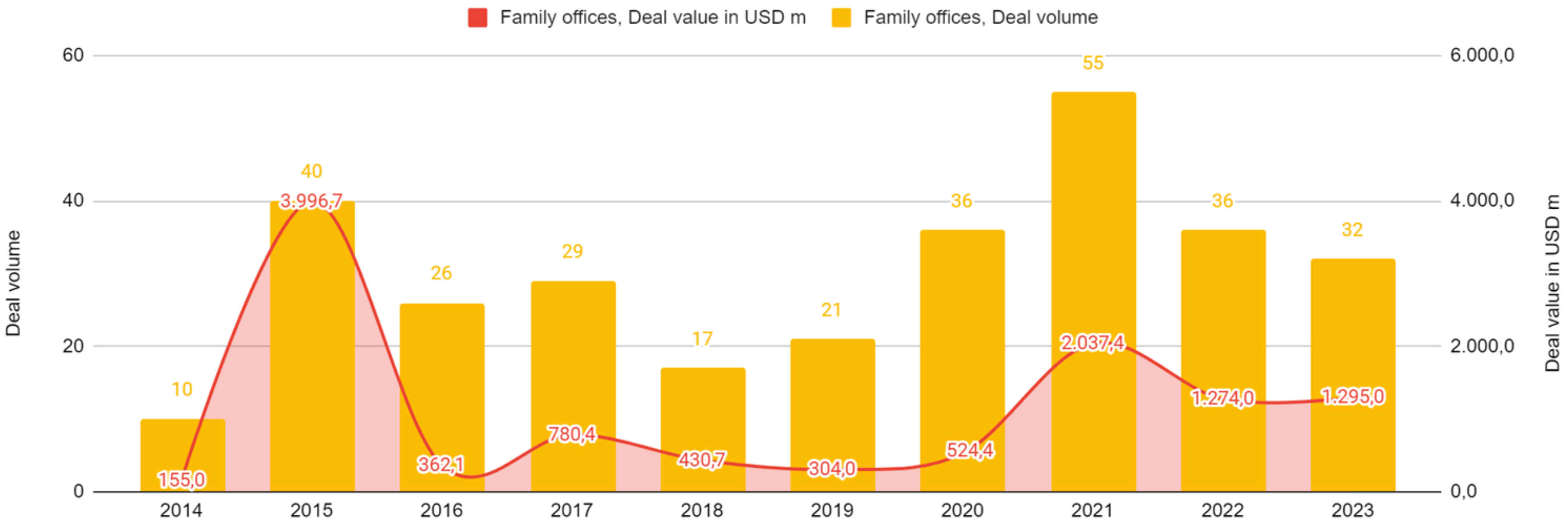

- Until 2019, family offices have consistently invested most of their money in Real Estate. However, in 2020 real estate investments began to lose ground.
- And since then, start-ups have displaced real estate as the biggest recipient of investment from family offices.

Source: PwC Family Office Database as of March 1, 2024 / Real Capital Analytics, Mergermarket, Pitchbook

# 2

## Outlook for Denmark

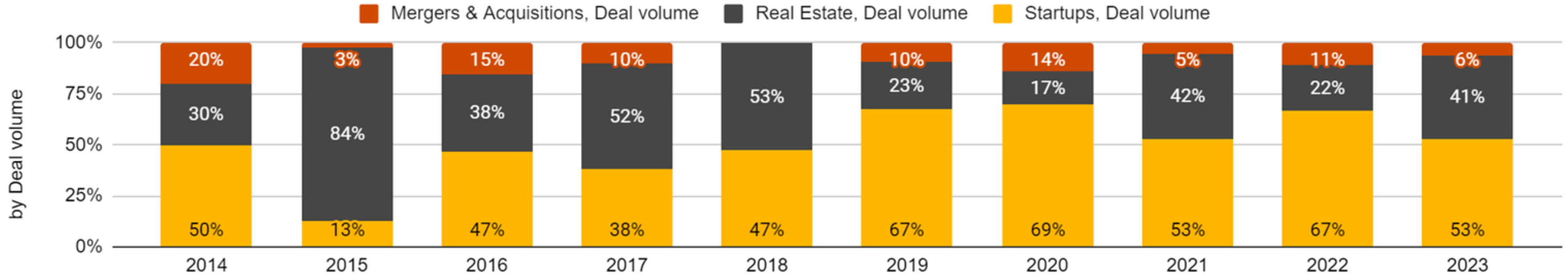
# Family Office investments in Denmark: Lowest deal volume since 2019, but first signs of a turnaround in deal value in sight

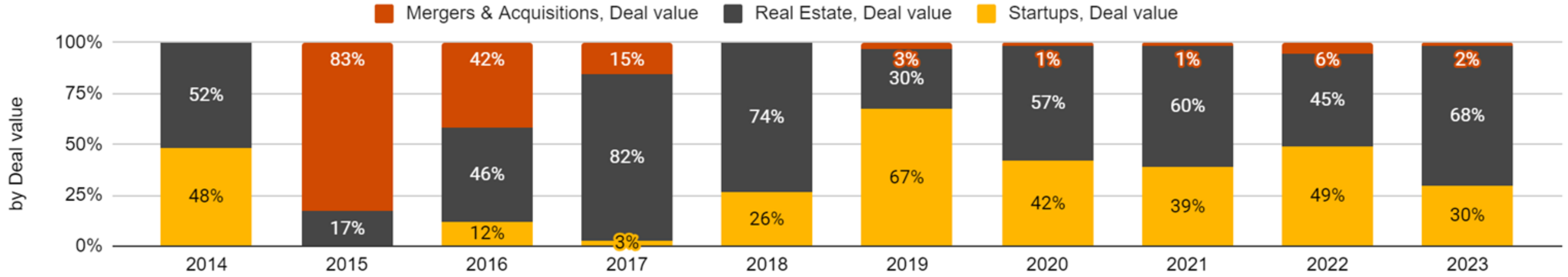



- The number of investments by family offices in Denmark has fallen by more than 42 percent since an all-time high in 2021 and is thus even below the level of 2020, the global outbreak of the coronavirus pandemic.
- The total value of their investments fell by more than a third after 2021, but has recently increased again by just over 1 percent.

Source: PwC Family Office Database as of March 1, 2024 / Real Capital Analytics, Mergermarket, Pitchbook

# Since 2019, family offices in Denmark have invested most frequently in start-ups, but most capital is currently flowing into real estate



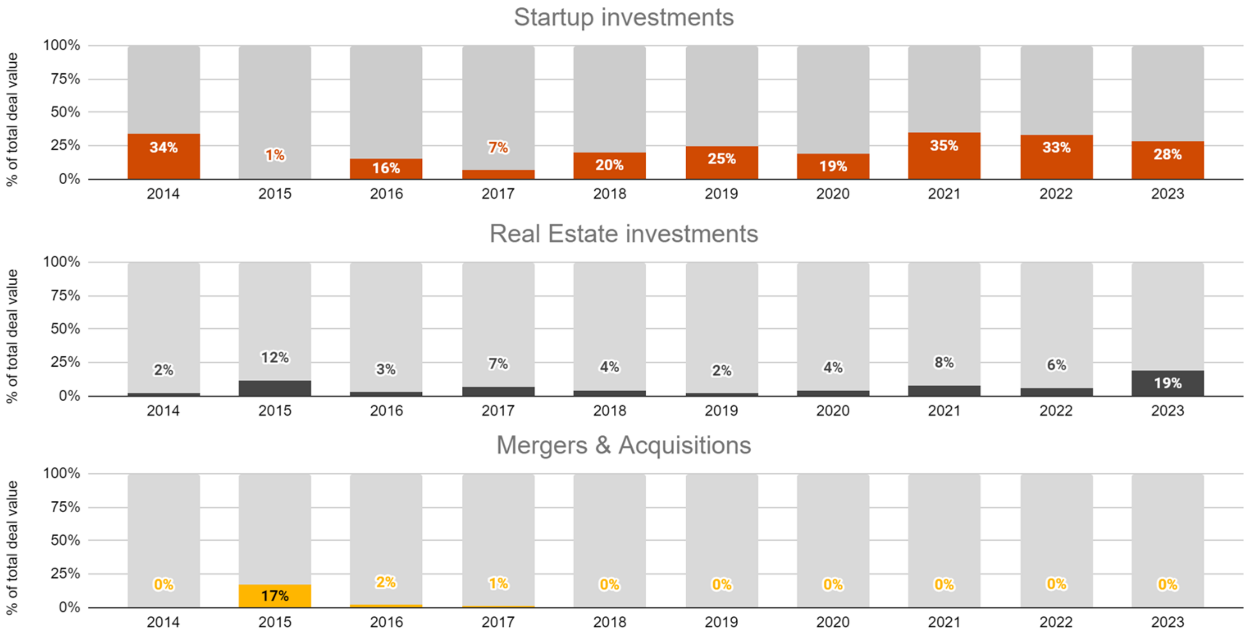




- Since 2019, family offices in Denmark have significantly shifted their investment focus. While they had previously invested most frequently in property, they have since invested primarily in start-ups, although the share of property investments recently increased significantly again.
- It is also worth noting that the majority of family office capital has been invested in property in six of the past ten years.

Source: PwC Family Office Database as of March 1, 2024 / Real Capital Analytics, Mergermarket, Pitchbook

March 1, 2024

# On average, one in five start-ups in Denmark is supported by a family office, and their share of property transactions is around 7 percent




**Average:** 21,7%

**Average:** 6,7%

**Average:** 2,0%

- After a historically high share of 35 percent in 2021, the share of family offices in the total capital invested in Danish start-ups was only 28 percent in 2023.
- In addition, every 14th property transaction in Denmark is supported by a family office.

Source: PwC Family Office Database as of March 1, 2024 / Real Capital Analytics, Mergermarket, Pitchbook

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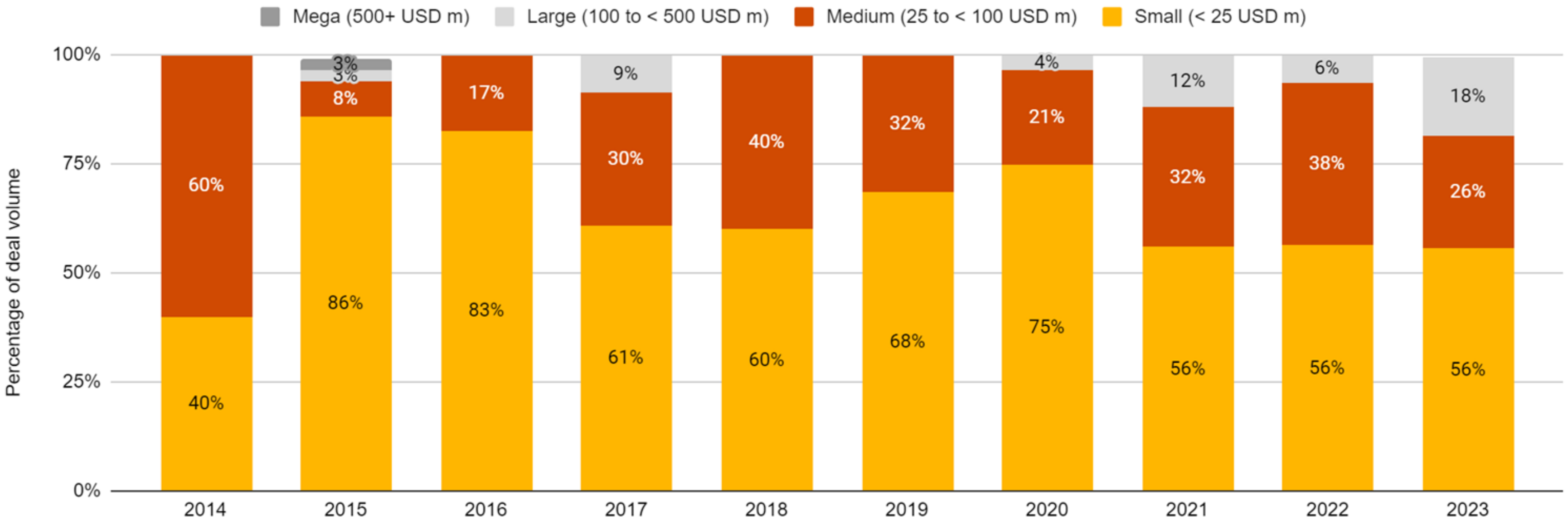
# Family offices are focussing on small and medium-sized deals when investing in Denmark, but large deals are on the rise




- While 3 out of 4 family offices in Denmark still preferred to invest in small transactions - under USD 25 million - in 2020, only one in two did so in 2023.
- Interestingly, in 2023, almost one in five family offices invested in larger transactions - between USD 100 million and USD 500 million - while one in four invested in medium-sized transactions.

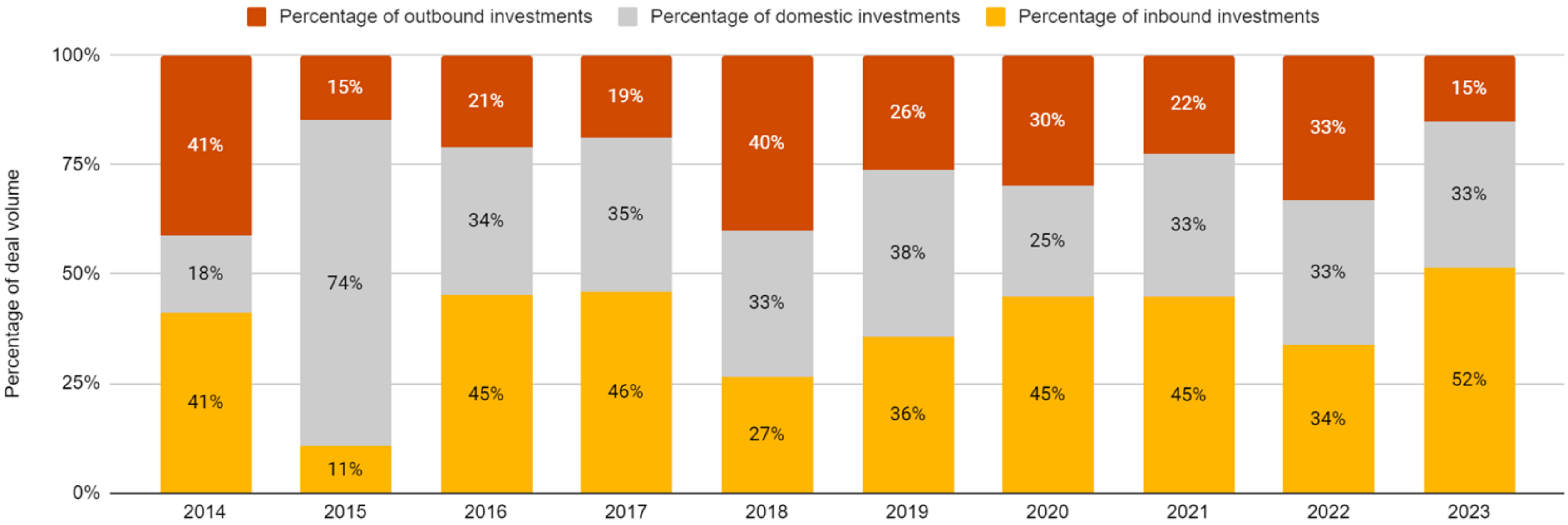
Source: PwC Family Office Database as of March 1, 2024 / Real Capital Analytics, Mergermarket, Pitchbook

# The proportion of club deals has decreased noticeably in 2023, with only every second transaction being carried out jointly


- While only 45 percent of family offices in Denmark shared their transaction risks with other investors during the investment boom in 2021, this figure rose to 61 percent in 2022 before slipping slightly to 50 percent in 2023, still above the 2021 figure.
- Club deals recorded their highest share of the decade in 2020, at the start of the coronavirus pandemic, and then reached the same level again in 2022.

Source: PwC Family Office Database as of March 1, 2024 / Real Capital Analytics, Mergermarket, Pitchbook

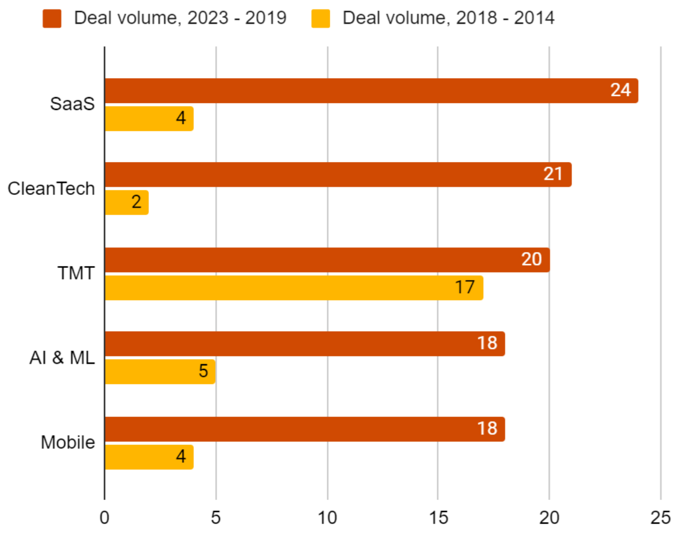
# All-time high: The share of investments by foreign family offices reached its highest level in 2023 at 52 percent

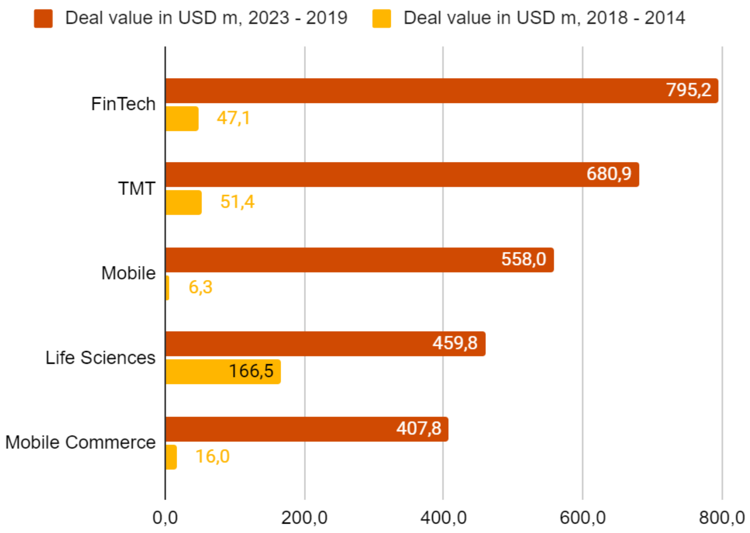



- At 52 percent, the proportion of investments by foreign family offices in Denmark has reached its highest level by far. At the same time, the proportion of Danish family offices investing outside their domestic market has slumped by more than half to 15 percent, equalling the low-point for the decade recorded in 2015.
- In contrast, the proportion of Danish family offices investing in the domestic market appears to have remained stable at 33 per cent since 2021.

Source: PwC Family Office Database as of March 1, 2024 / Real Capital Analytics, Mergermarket, Pitchbook

# For startup investments, family offices prefer the SaaS, CleanTech as well as the TMT sectors




- Family offices in Denmark invest most frequently in Software-as-a-Service, followed by CleanTech and TMT.
- The largest share of their capital they invested in the following areas: FinTech (USD 795.2 million), TMT (USD 680.9 million) and Mobile (USD 558,0 million).

Source: PwC Family Office Database as of March 1, 2024 / Real Capital Analytics, Mergermarket, Pitchbook

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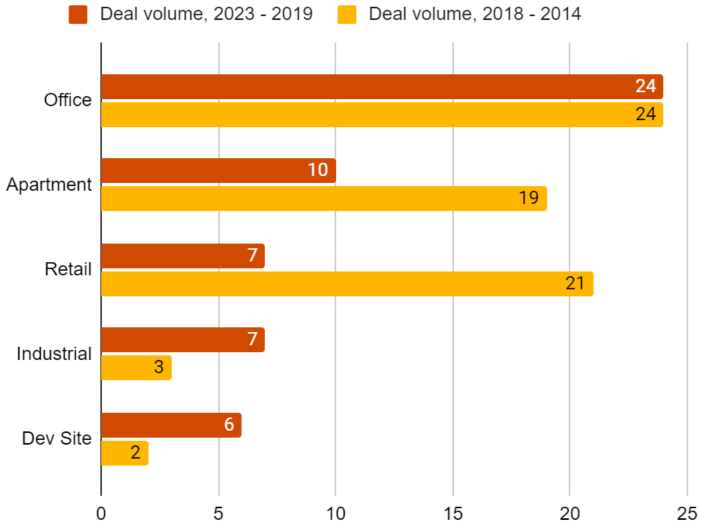
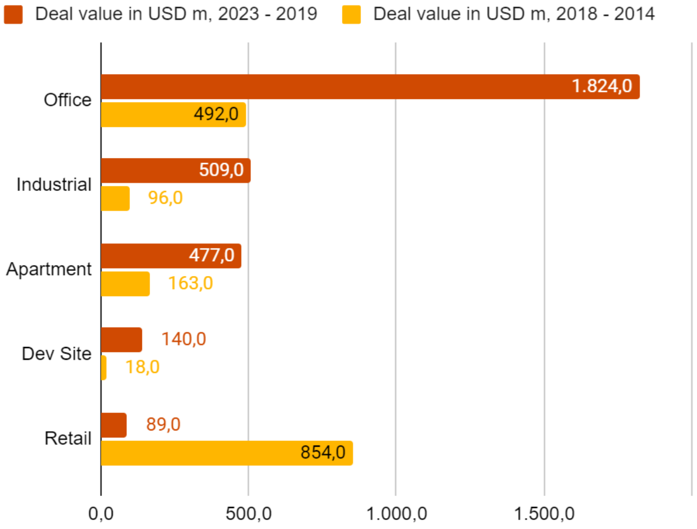
# Number of investments in office property remains stable, but investments in office property increase

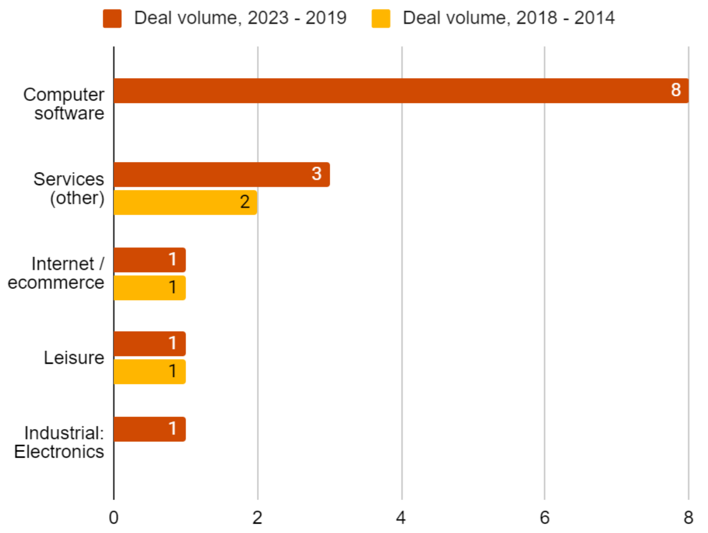


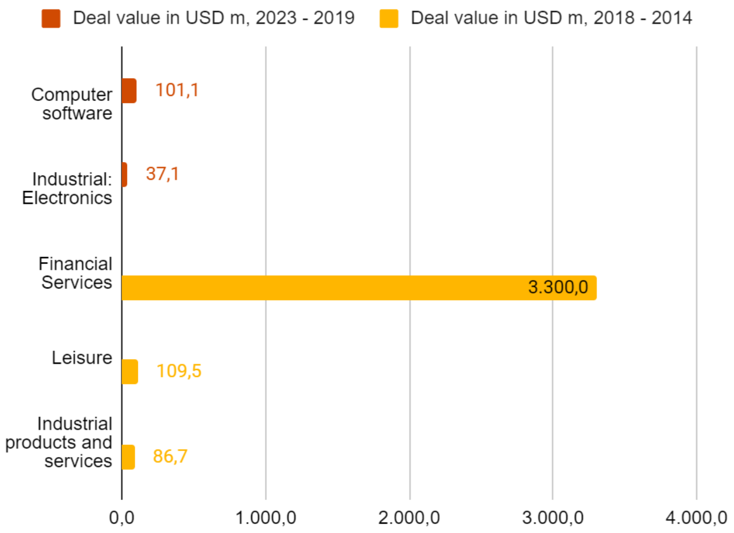




- Since 2019, family offices in Denmark have invested the most in office.
- But by far the most capital was invested in office property, three times as much as in industrial property in second place.

Source: PwC Family Office Database as of March 1, 2024 / Real Capital Analytics, Mergermarket, Pitchbook

# In M&A transactions, family offices in Denmark invest most frequently and the most money in computer software




- In their M&A transactions on the Danish market, family offices have most frequently invested in computer software and service companies over the past 5 years.
- Most capital was invested in the computer software and industrial electronics sectors during this period. However, we are seeing a huge decline in invested capital in financial services companies.

Source: PwC Family Office Database as of March 1, 2024 / Real Capital Analytics, Mergermarket, Pitchbook

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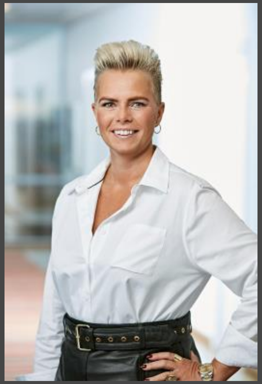
# Contact

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