

DIVERSITY STUDY:

# Gender Distribution in The Top Management and Boards of Finnish Private-Equity-Backed Companies



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The study by KPMG and the Finnish Venture Capital Association examines gender diversity in the top management and boards of Finnish private-equity-backed companies. The data was gathered from companies that received an initial investment from a Finnish private equity investor between 2010–2020.

The sample comprised 222 portfolio companies, 85 of which were buyout-backed and 137 of which were venture-capital-backed.



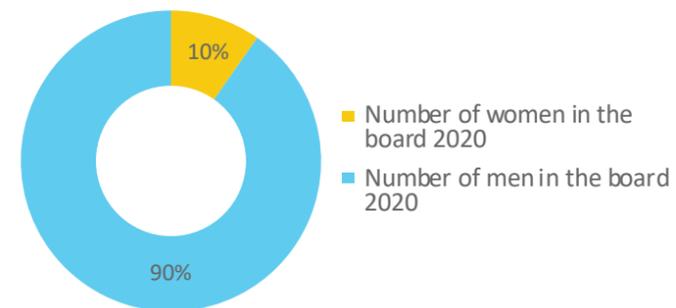
# RESULTS

In 2020, women accounted for 10% of the board seats in private-equity-backed companies, which is less than in the previous year, when women held 11% of the board seats. In 2020, women held 13% of the board seats in buyout-backed companies, while the share was 14% the year before. Women's share of board seats remained unchanged – 8% – in venture capital (VC) investors' portfolio companies.

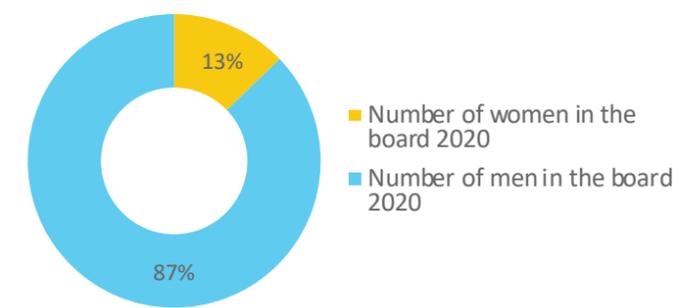
## The share of women in top management positions remained higher than the share of board seats.

The amount has also increased slightly: The share of women in top management positions of all private-equity-backed companies was 20% in 2020, compared to 19% in 2019. In buyout-backed companies, the share remained at previous year's level, 24%. The share of women in VC-backed companies' top management has increased slightly: in 2020, women held 18% of top management positions, compared to 15% in 2019.

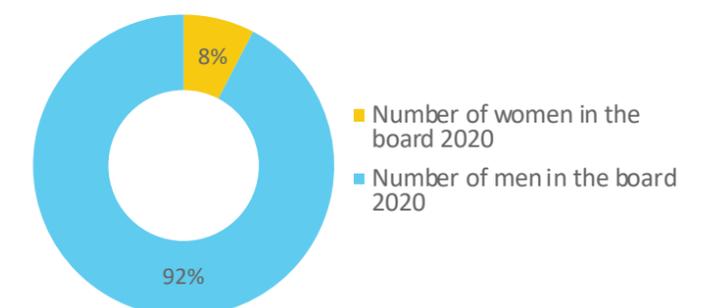
Board diversity,  
all PE-backed companies



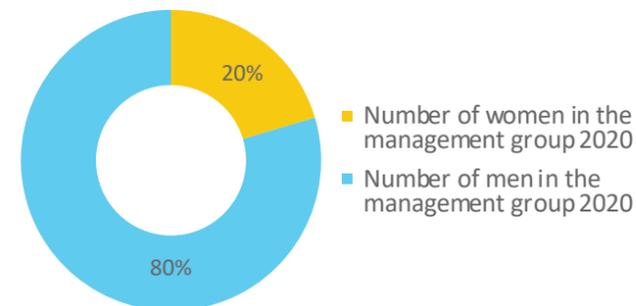
Board diversity,  
Buyout companies



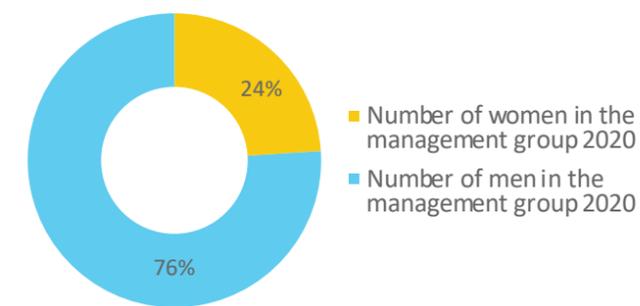
Board diversity,  
Venture Capital companies



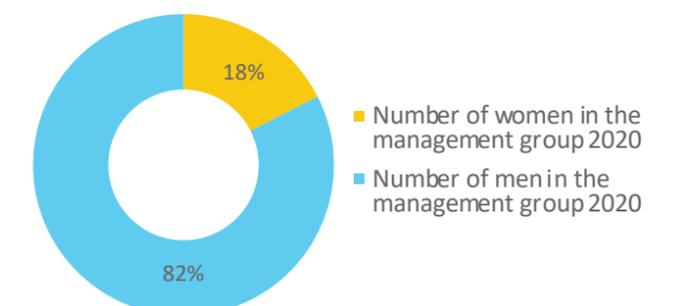
Management group diversity,  
all PE-backed companies



Management group diversity,  
Buyout companies



Management group diversity,  
Venture Capital companies



Graph: Gender distribution in the top management and boards of Finnish private-equity-backed companies in 2020

# BACKGROUND

Private equity investment means corporate financing outside the stock exchange, which is often done in the form of equity financing and typically channelled to the marketplace through private equity investment funds. Private equity investors manage funds whose largest investors include e.g., pension funds and other institutional investors.

Investments are, in principle, made for the medium or long term and characterised by active ownership. The holding periods have historically been approximately five years on average. Active ownership means that the investor engages in close cooperation with the company's management to develop its business operations further.

For the purposes of this study, private equity investors have been divided into two separate categories: venture capital and buyout. Venture capital investors make investments in startups, while buyout investors invest in medium-sized growth companies with well-established business operations.



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