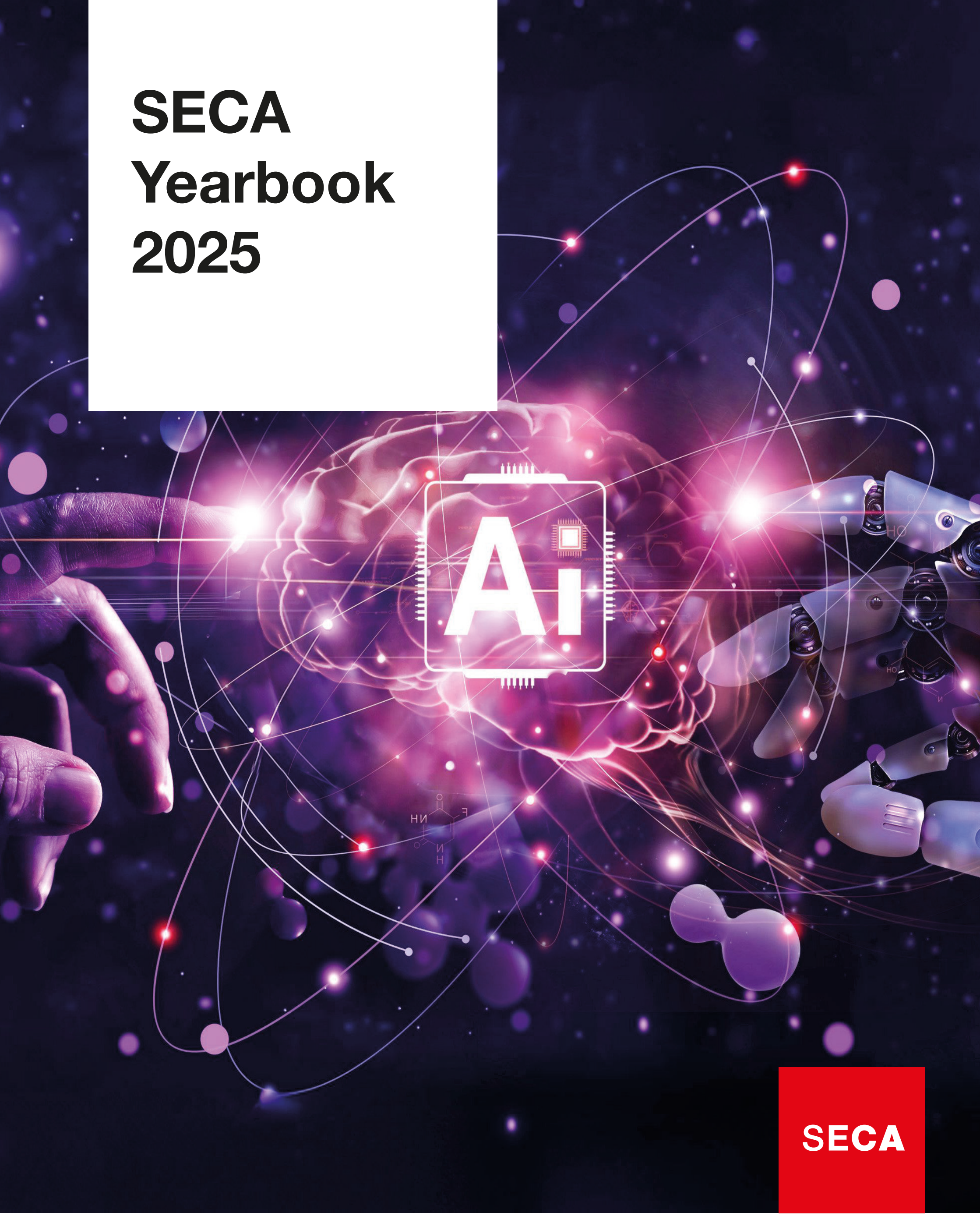
SECA Yearbook 2025



SECA

Swiss Private Equity & Corporate Finance Association
Schweizerische Vereinigung für Unternehmensfinanzierung
Association Suisse des Investisseurs en Capital et de Financement

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Report from the Chairman

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Dear Members and Readers,

In 2024, the private equity industry in Switzerland showed a mixed development. After the record year 2021, key performance indicators like the total volume of M&A transactions, IPOs or fund raising activity recorded a significant decline in 2022/23 and throughout 2024. Early 2025 is best descripted in Bob Dylan's song: "The times they are a-Changin'…." and change we will see.

Despite the general decline, the **Swiss buyout market** remained robust in the small and mid-cap segment. These transactions are often less dependent on international debt financing and are often financed by Swiss banks. For larger deals, on the other hand, private equity firms increasingly had to fall back on international credit markets, with private lenders playing an increasingly important role.

Swiss fund managers oversaw around CHF 360 billion in private market investments by the end of 2024. Notably, our country has positioned itself as a hub for impact investing. Switzerland boosts 18 impact asset managers who collectively manage 83 private asset impact funds, with combined assets under management totaling CHF 9.52 billion. This puts Switzerland among the **top three countries globally** in terms of managing private assets impact funds.

A notable trend in the general asset management industry was the increase in sustainable and impact investment. By the end of 2024, sustainability-related investments in Switzerland reached a volume of CHF 1,660 billion, which underlines the growing importance of environmental, social and governance (ESG) criteria in the investment strategy.

The important Swiss venture capital (VC) market experienced a decline in total investments and the number of financing rounds (357 deals) compared to the previous year. Specifically, investments in Swiss startups totaled CHF 2.4 billion, marking an 8.5% decrease from 2023. The number of financing rounds also fell, reflecting a cautious investment climate influenced by increased interest rates and economic uncertainties. This stands in the context of European tech companies which secured EUR 74.4 billion across over 3'700 deals. When compared to 2023, this figure is higher by more than 10% (EUR 67 billion). This is a positive shift in investment activity, however, the 2024 figures remain about 30% below the peak of EUR 101 billion (2021).

In Switzerland Biotech and Medtech sectors demonstrated resilience amid the overall downturn. Notably, the biotech industry raised over CHF 739.2 million in venture capital investments, a significant 50% increase from the previous year. While the ICT sector secured CHF 520.8 million 2024, indicating continued interest, the overall investment in early-stage tech ventures faced challenges.

The number of active VC funds remained robust, with 46 funds engaged in fundraising activities. Smaller funds (up to CHF 50 million) primarily focused on Swiss startups, whereas larger funds (over CHF 250 million) adopted a broader international scope. Investor sentiment showed cautious optimism, with many anticipating increased fundraising and investment activities despite prevailing economic challenges.

On the regulatory side, on March 1, 2024, the Limited Qualified Investor Fund (L-QIF) was introduced, a fund vehicle that is exempt from FINMA supervision and offers flexible investment rules. It remains to be seen to what extent the L-QIF will become more important in the venture capital segment.

A notable concern was the decrease in mid-sized investments (CHF 10–20 million), historically a weak point in the Swiss market. This investment gap poses potential challenges for the growth of smaller enterprises, particularly in niche sectors. Additionally, early-stage tech startups encountered significant hurdles in securing adequate funding, highlighting a need for targeted support to sustain innovation.

In summary, 2024 was a year of adjustment for the Swiss private market, characterized by reduced overall investments and financing rounds. Despite these challenges, sectors like biotech and medtech showcased notable growth, underscoring the dynamic and evolving nature of Switzerland's startup ecosystem.

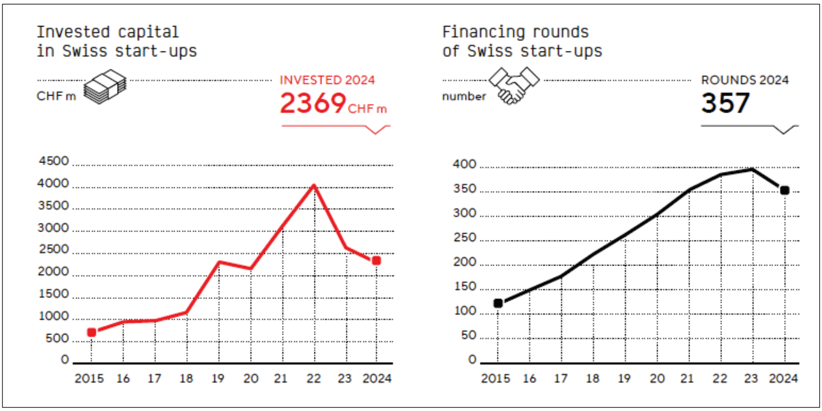

Figure 1: Invested Capital & Fund Raising Round in Swiss Start-ups.
Source: Swiss Venture Capital Report 2025, p.7

The private equity and venture capital industry has evolved over the past decade. Measured by size there are more than EUR 1 trillion assets under management in Europe and more importantly the performance data shows solid financial returns created by private equity and venture capital. European mid-market-buyouts are a clear engine of growth generating some of the best long-term returns for investors, delivering 16.55% performance to the end of 2023, significantly better than listed equity benchmarks. Yet performance research shows that all industry segments perform strongly compared with public stocks and have returns that match or exceed those from North America or Asian funds.

SECA – fostering venture capital and private equity

Job creation, solid long-term financial performance and technological innovation are all aspects of private equity and venture capital activity, which SECA has analysed, documented and communicated over years. These are compelling reasons for continued investment support from pension funds, insurers and other institutional investors as well as enhanced appreciation among Swiss policymakers. Our lobbying work has positioned private equity and venture capital at the highest levels of government and central banking policy, private capital is seen as critical to the necessary transition to more sustainable economies and independent defence policy.

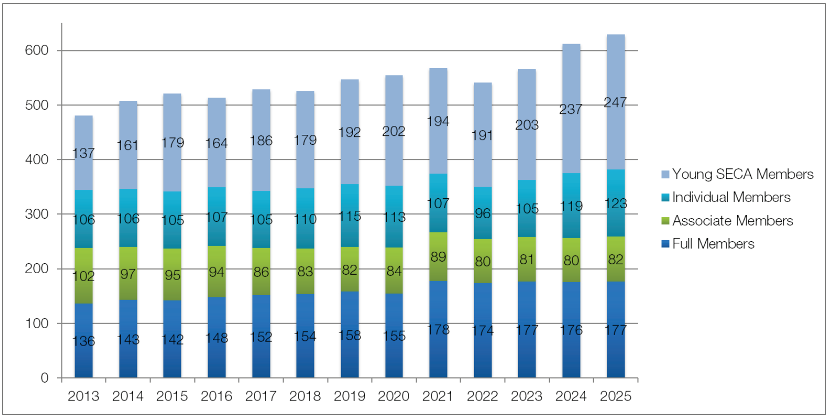

Figure 3: Growth of “Swiss Institutional Private Equity” SECA Memberships over the last 12 year.

As SECA continues to grow and support Switzerland's vibrant private equity, VC and corporate finance community of 612 members by end of 2024. In 2024, we engaged in a variety of activities to promote and support the private market industries in Switzerland across several key areas:

1. SECA actively represented the interests of Switzerland's private equity, venture capital and corporate finance sectors. We focused on advocating for favorable regulatory and business environments to support industry growth, engaging in dialogues with policy makers and stakeholders like on June 26, 2024 in the event on “Swiss Private Markets in a New Geopolitical World” or the Young SECA event with Alt Bundesrat Ueli Maurer on March 21, 2024.

2. SECA organized numerous events, providing networking opportunities for industry professionals. These events included workshops, training sessions, and the SECA congress, which facilitated connections and collaborations among members and other stakeholders. Our 20th SECA conference was conducted on July 3, 2024 at the SIX conference center.

3. We were involved in the publication of various industry reports, including the European Private Equity Activity Report, which provides insights into market trends and industry statistics. The Swiss Venture Capital Report 2025 was the most featured industry publication in 2024 and 2025. SECA also published newsletters, research and yearbooks that shared news and updates relevant to the industry.

4. Our top tier educational resources such as online training sessions focusing on private equity topics, catering to professionals seeking to enhance their knowledge and skills in the industry. Check out our new website for educational offers which fit your needs (www.seca.ch).

5. Our legal and Tax chapter worked hard to improve and disseminating standard legal documentation and guidelines, such as model documentation for limited partnerships, equity financing, and convertible loans. These efforts are aimed at standardizing practices and enhance transparency and efficiency within the industry. On September 4, 2024 we hosted an event on the new L-QIF fund vehicle.

6. We collaborated with Invest Europe, the leading entity in the European private equity scene. SECA engaged in joint activities and shared best practices to foster a sustainable ecosystem supporting innovation and entrepreneurship across Europe.

7. Our working group on impact investing pushed their agenda and organized several events, like the webinar on "Impact & ESG deep dive – Article 8 versus 9 funds – legal and commercial perspectives" (July 10, 2024).

These new initiatives underscore SECA's commitment to advancing the private equity and corporate finance sectors in Switzerland, enhancing industry standards, and fostering international cooperation.

Legal and Tax – AIFMD

The new Swiss L-QIF fund is available since 2024. This new fund type will benefit from a much lighter and faster setup process as it will not need to be FINMA-registered nor will it be subject to supervision. However, it is only open to qualified investors and will need to be managed by a regulated fund manager.

The Alternative Investment Fund Managers Directive (AIFMD or Directive 2011/61/EU) creates a comprehensive regulatory and supervisory framework for the management and marketing of private equity, venture capital and other alternative investment funds (AIFs) in the European Economic Area. While fund managers with less than €500 million under management are exempted from the full requirements of the AIFMD, they are still subject to a simplified registration and reporting regime.

A review of the AIFMD framework has been ongoing since 2021, introducing important changes to the framework at the request of the industry:

- Delegation: additional reporting requirements and increased role for ESMA in oversight of delegation activities, clarification on the number of individuals who need to be employed by the AIFM
- Loan-origination/liquidity rules: new liquidity management tools for open-ended funds
- Reporting: expected modifications to the fees disclosure
- Depositaries: authorities to allow depositary services to be located in another Member State

The new rules will be applicable as of 16 April 2026, although some technical measures are still to be prepared by the European Securities Markets Authority (ESMA). We continue to work to shape rules via Solvency II and ELTIF frameworks.

Industry Data and Reseach Publications

SECA is the most trusted source of reliable data on the Swiss private equity and venture capital market. We aim to underpin our political messages with facts and data in order to tackle the issues facing our industry. One example is the "Private Markets in Switzerland: Scaling Innovation & Growth" Study in collaboration with the Asset Management Association (AMAS) and the Boston Consulting group (BCG). Our Venture Capital Report 2025. Another flagship research where we contribute to is the Invest Europe work on the "Performance of European Equity Benchmark Report", including data on European infrastructure funds for the first time.

Communication

We are actively communicating our message not only to policymakers, investors, business leaders and the public at large, but we also find a wide range of organizations around Switzerland picking up and amplifying our stories through their own channels. A great thank you to Miriam Dippe-Nistor and the IRF team for their active support. In 2024 we launched the new website. Take a look www.seca.ch. Subscribe to our newsletter to stay tuned in on PE & VC issues in Switzerland.

Organizational Development – Our Platforms

SECA is fully committed to represent the diverse interest of each group of our large membership base. In order to achieve these key objectives, we organise the association around various operating platforms. Each platform led by a chapter leader, who is in charge of achieving a clear set of goals, which we renew on a regular basis. These chapter leaders get support from the SECA secretariat.

The chapter leaders form the executive committee. We established six "Working Groups" to deal with important initiatives. In 2024 we fostered our activity in Ticino.

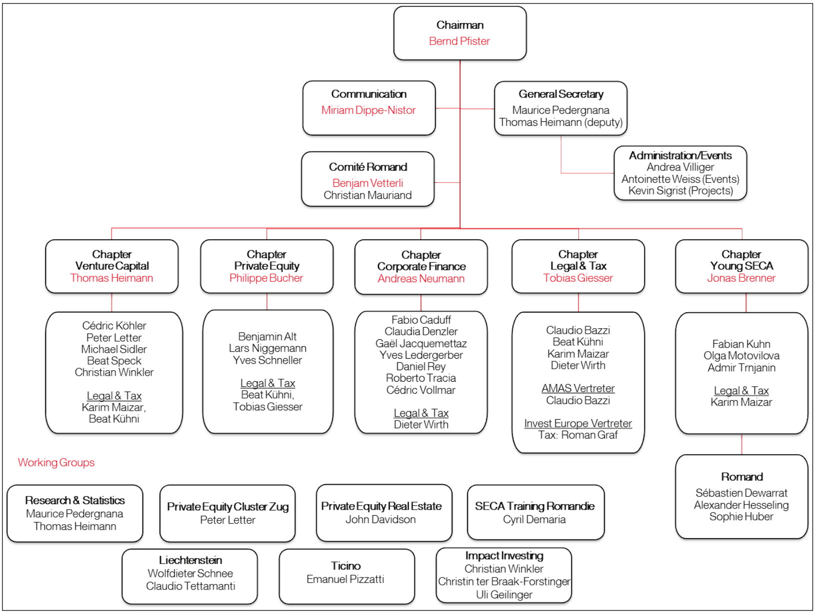

Figure 4: SECA Organigram 2024

It was a priority to build an even stronger organisation and strengthen our team in 2024. It is due to his unwavering commitment of Prof. Maurice Pedergnana and organisational talent that our association successfully grew to the seventh largest industry organisation in private markets worldwide. Without the countless hours of work, foresight and deep industry knowledge of super committed people like Andrea Villiger our organisation would not have evolved into the strong voice of the Swiss private equity and venture capital industry.

Venture Capital Chapter

Under the dynamic leadership of Thomas Heimann, the venture capital chapter was involved in a host of events, lobbying work and fundamental research on valuation and deal activity. A special thank you for this excellent contribution to the ecosystem.

Organizational Development

The SECA team is not only daily explaining what our industry does, but also actively pushing the boundaries of industries positive contribution to an innovative and sustainable Switzerland.

I would like to thank all members of the SECA board, working groups and committees, who have given their valuable time to the association it has been a great pleasure to work with each one of them. On behalf of SECA, I would like to thank the whole team, especially Andrea Villiger and Antoinette Weiss for their outstanding contributions.

On Monday 19th of May 2025 we will have our Annual General Meeting. Please book the date!

How will the private markets evolve in 2025? Focus on the positive side of life.

In times of geopolitical or economic tension (such as Tariff wars), investors move capital to "safe havens" like Switzerland. The value of law and order, a hard currency, trust and political stability increases. This can boost capital inflows into Swiss Private Equity and Venture Capital funds, especially from international LPs seeking stable and trustworthy jurisdictions. US LPs may want to diversify internationally, and emerging market LPs want to avoid investing a heavily tariff regulated region. Everyone was overweight US assets, this may change – fast.

With tariff pressure squeezing smaller competitors, Swiss private equity firms can use M&A to consolidate struggling companies and integrate them into more efficient European players. For example, Swiss advances manufacturing and precision engineering sector produces ultra-high-quality goods. As tariffs push companies to diversify away from China or the US they look for reliable, neural suppliers, exactly playing into Switzerland strength.

Tariffs on tech and industrial goods from global competitors (e.g. China or US) can open niche markets for Swiss startups. We are traditionally used to operate in fragmented and fast moving global markets.

US and other tariffs can lead to restructuring of global supply chains, where global firms look to shift production away from tariffed regions. At the end of the day 8 billion people in the world do not live in the US and represent the largest global economic demand. So let's embrace free trade and invite everyone to do business with us in Switzerland. The economic history of Argentina and North Korea shall teach us where policies of isolationism lead in the long-term.

Dr. Bernd Pfister
Chairman

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