

Scale-ups in the Nordics 2020



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The publication is based on harmonised databases established in each national statistical office holding statistical information at enterprise covering variables from business register, business demography, structural business statistics and international trade in goods statistics.

Statistics Denmark coordinated the project and the project group consisted of the following members:

Statistics Denmark:

Peter Bøegh Nielsen (chairman),
Kalle Emil Holst Hansen and
Kamilla Elkjær

Statistics Finland:

Sini Liukkonen

Statistics Iceland:

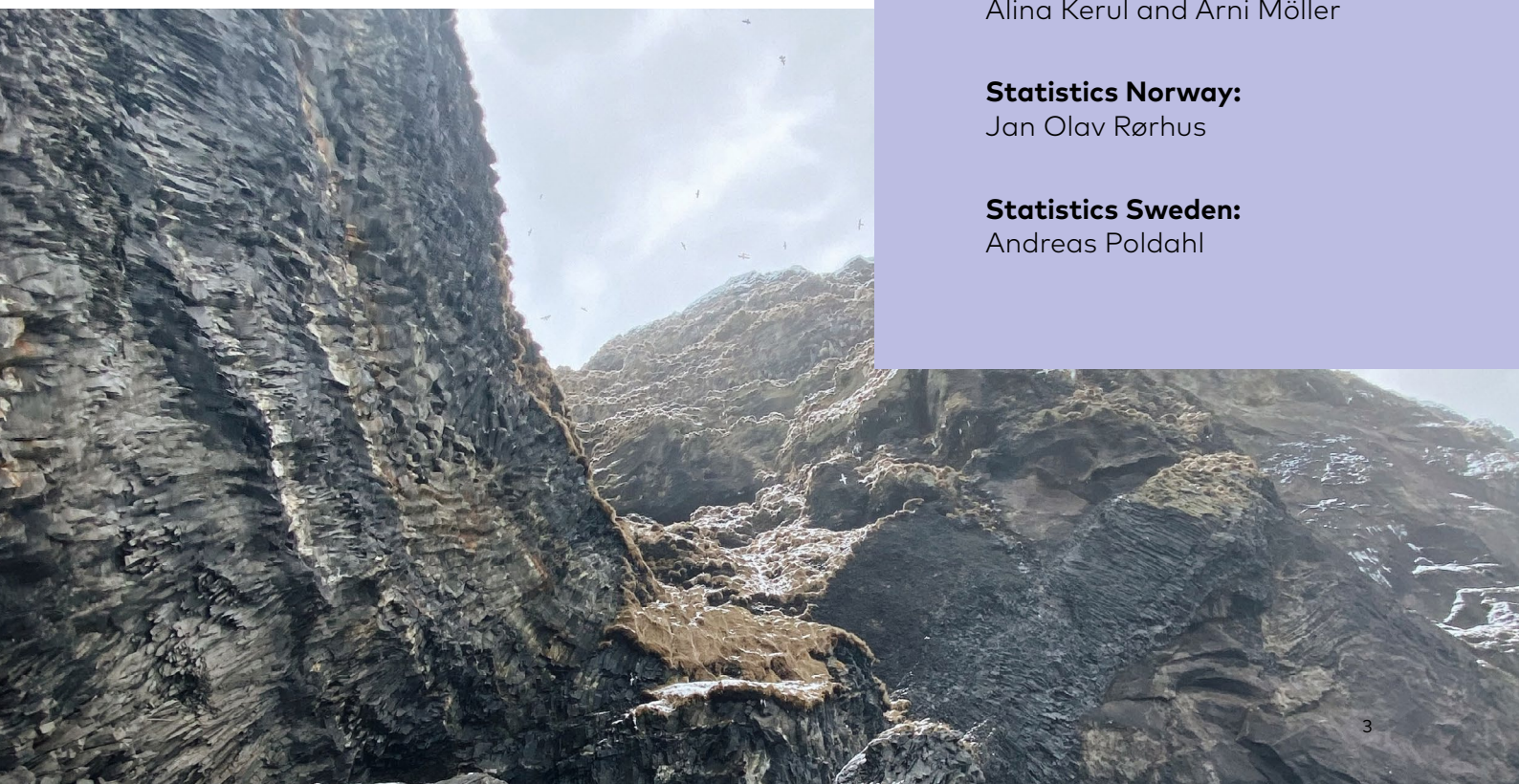
Alina Kerul and Árni Möller

Statistics Norway:

Jan Olav Rørhus

Statistics Sweden:

Andreas Poldahl



Main take-aways

In the Nordics **nearly half of all 5,600 scale-ups in the non-financial business economy are Turnover scale-ups** (47 %); 28% are Turnover and Employment scale-ups; 25% are Employment scale-ups

Scale-ups constituted 0.4 per cent of all enterprises in the Nordic non-financial business economy

20 per cent of scale-ups are foreign owned; mainly EU/UK ownership in Denmark, Nordic ownership in Norway and from Rest of world in Sweden.

Scale-ups **created 66,900 jobs** (in Full-time equivalent no. of employees) from 2017 to 2020 – a growth rate of 65% from *

Turnover increased with 49.2 billion EUR to 93.0 billion EUR from 2017 to 2020. Turnover scale-ups had a turnover of 70.1 million per scale-up in 2020. *

Exporting scale-ups within Manufacturing and Wholesale exported for 20.9 billion EUR of goods in 2020 – an export increase of more than 50% from the start year (2017)*

Turnover scale-ups generate an average of 191,000 EUR per employee in gross value added. More than 80% higher productivity per employee than Employment scale-ups*

44% of **scale-ups are located in the Nordic capital regions**, especially Turnover and employment scale-ups*

81% of scale-ups growing due to organic growth, 19% due to mergers and acquisitions*

*Data refers only to scale-ups within selected activities: Manufacturing (goods exporters), Wholesale (goods exporters) and Knowledge-intensive Services

Nordic scale-up ecosystem

5.600

scale-ups in the Nordics in 2020

0.4%

of all enterprises in the Nordics are scale-ups

44%

located in capital regions*



Scale-ups increased turnover with **112%***



80% of all scale-ups are due to organic growth*



Exports increased with

52%

from 2017 to 2020*



80%

more productive than Employment scale-ups*



67.000
jobs created*

20%

are foreign owned



*Data refers only to scale-ups within selected activities: Manufacturing (goods exporters), Wholesale (goods exporters) and Knowledge-intensive Services

Introduction

High growth enterprises are important contributors to employment and wealth creation in the Nordic countries. Especially, established medium-sized enterprises that innovate and scale-up are a driving force behind sustainable economic growth. Not only by the scale-ups themselves, but also often by ensuring the coordination, upgrading and participation in (global) supply chains of smaller enterprises.¹ Increasingly, governments focus on enabling conditions for the scaling up of enterprises as a lever to boost productivity growth and competitiveness as well as to create high quality jobs in knowledge based economies. This attention on growth enterprises such as scale-ups has created a need for further statistical evidence about the actual contribution in terms of numbers and economic performance of fast growing enterprises, such as scale-ups, see Box 1 for definition of scale-ups.

Nordic Innovation has commissioned the Nordic statistical institutes to produce statistics on scale-ups supplementing the existing official business statistics which applies a slightly different definition than used in official statistics, see Box 2. This publication is the third publication describing scale-ups in the Nordic countries.²

Definition of scale-up enterprises

Enterprises with 10 or more full time equivalent number of employees (hereafter employment FTE) and an annual turnover of 2 or more million EUR in the start year of observation.

Enterprises with average annualised growth in the number of employees (FTE) and/or in turnover in current prices greater than 20% over a three-year period. Due to the user needs expressed by Nordic Innovation the analysis operates with three types of scale-up enterprises:

- Scale-ups by employment (FTE) growth only
- Scale-ups by turnover and employment (FTE) growth
- Scale-ups by turnover growth only

1. OECD (2018): Enabling SMEs to scale-up

2. Nordic Innovation et al. (2017) Scale-ups in the Nordics – statistical portrait 2008-2016 and Nordic Innovation et al. (2019): Scale-ups in the Nordics 2017

Comparison with Eurostat definition of scale-up enterprises

The definition applied in this analysis is stricter than the official definition of high growth enterprises used by Eurostat and the European statistical offices as the annual growth rate is set to 20 per cent instead of 10 per cent and also adding an annual turnover threshold of 2 million EUR in the start year of the growth period, see Methodological annex. Furthermore, the enterprises shall employ 10 or more full time equivalent number of employees (hereafter employment (FTE)) in the start year of observation. This definition has been chosen in order to focus on the fastest growing established enterprises, the so-called scale-ups. But at the same time less strict compared to the official definition as scale-ups not only by employment but also by turnover growth only is included in the definition. The reason for including scale-ups by turnover growth is, these enterprises have proven their business model by achieving considerable revenue over a period and therefore potentially to a larger extent contributing to sustainable economic growth.

The growth measured can be caused by organic growth as applied by Eurostat by also by growth due to mergers and acquisitions.





01

Scale-ups in the Nordic countries

Scale-ups in the Nordic countries

In the latest growth period covering the years 2017-2020, a total of nearly 5,600 scale-ups were created in the non-financial business economy in the Nordics, see Figure 1.1. This is nearly 800 scale-ups less than in the previous growth period 2016-2019 – or a decline of 12.4 per cent. It is the smallest number of scale-ups in the Nordics measured since the statistics started covering the growth period 2014-2017. The decline in the number of scale-ups is most likely caused by the COVID-19 pandemic starting in early 2020. The peak was 6,405 scale-ups in the period 2015-2018.

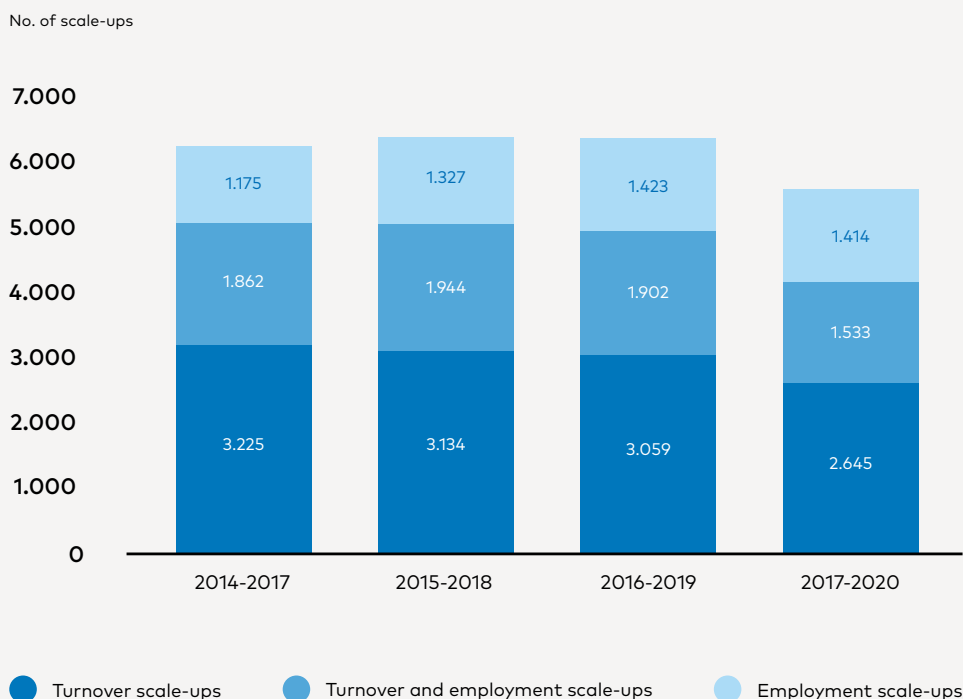
Activity coverage

The scale-ups analysed are scale-ups within the non-financial business economy. The non-financial business economy includes the sectors industry, construction, distributive trades and services (NACE Rev.2 sections B to J and L to N and Division 95).

Figure 1.1

Number of scale-ups in the non-financial business economy in the Nordics by type of scale-up. Growth periods 2014-2017, 2015-2018, 2016-2019 and 2017-2020.

Nordic total.

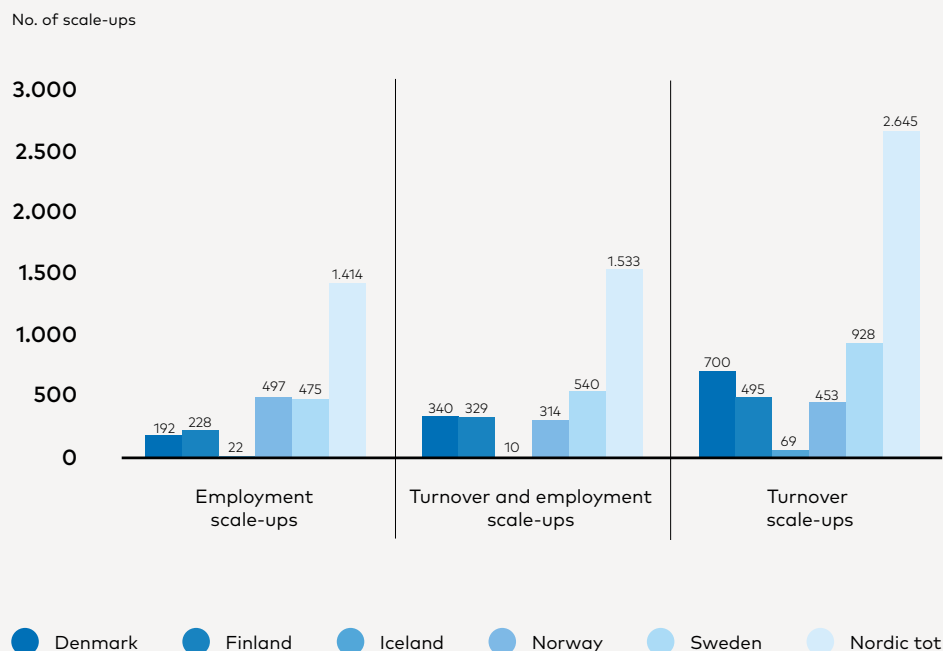


The scale-ups can be divided into three different types depending on the type of growth. Turnover scale-ups were with 2,645 the largest group – or 47 per cent of all scale-ups in 2017-2020 in the Nordics, followed by Turnover and employment scale-ups (1,533) and finally Employment scale-ups (1,414). Thus, it is overall more likely for an enterprise to become a Turnover scale-up than a scale-up that also encompasses high employment growth. Worth highlighting in this context is the fact that the main decrease compared to the previous period can be found in the

two groups of scale-ups being based on turnover growth while Employment scale-ups are stable in numbers between the two periods 2017-2020 and 2016-2019. This is most likely partly caused by the partial lock down of the economies hampering turnover growth specially in Spring 2020 and partly the support schemes especially supporting the employment put in place in the Nordic countries during the Covid-19 crisis, compensating enterprises for parts of their wage costs and thus allowing enterprises to keep their employees during lockdown.

Figure 1.2

Number of scale-ups in the non-financial business economy in the Nordics by type of scale-up. Growth period 2017-2020



Sweden has the most scale-ups (1,943). Denmark, Finland and Norway are in the same range, having between 1,230 and 1,270 scale-ups and Iceland (101 scale-ups) has the fewest, see Figure 1.2 and also Data annex Table 1.1. This of course reflects the overall differences in size of the Nordic economies.

Table 1

Scale-ups in the non-financial business economy in the Nordics by type of scale-ups. Growth period 2017-2020.

Nordic total.

	Enterprises	EMPLOYEES (FTE)		TURNOVER	
		Start year	End year	Start year	End year
		Employees		Million Euro	
Employment scale-ups	1.414	57.624	124.559	33.542	37.025
Turnover and employment scale-ups	1.533	64.454	168.318	17.887	51.828
Turnover scale-ups	2.645	136.891	163.223	60.112	145.358
Total	5.592	258.969	456.100	111.540	234.211

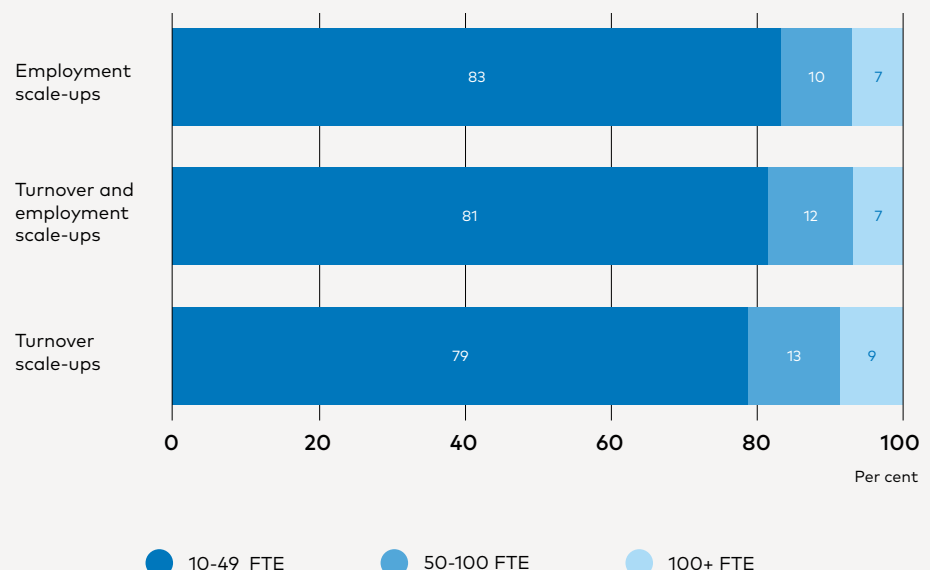
The nearly 5,600 scale-ups in the Nordics created a total turnover of 234.2 billion EUR in 2020 or a growth of nearly 110 per cent in the growth period 2017-2020. Not surprisingly, Turnover scale-ups accounted for the largest share of total turnover, 62 per cent or 145.4 billion EUR in 2020. This equals 55 million EUR per Turnover scale-up while the Employment scale-ups only created an average turnover of 26.2 million EUR per scale-up.

The scale-ups in the Nordics employed more than 456.000 full-time equivalent no. of employees (FTE) in 2020 – or a growth of nearly 200.000 employees (FTE) in the three year growth period. The Employment scale-ups showed the highest growth with nearly 67.000 FTE or a growth rate of 116 per cent. The Employment scale-ups employed on average 88 employees per scale-up in 2020.

Figur 1.3

Scale-ups broken down by type of scale up and size class (in terms of number of full time equivalent no. of employees (FTE), 2017-2020.

Nordic total.



All three types of scale-ups are dominated by the small scale-ups having between 10-49 full time equivalent number of employees (FTE), as this size class constitute around 80 per cent of all scale-ups in the Nordics, see Figure 1.3. The largest scale-ups with 100 or more FTEs employed

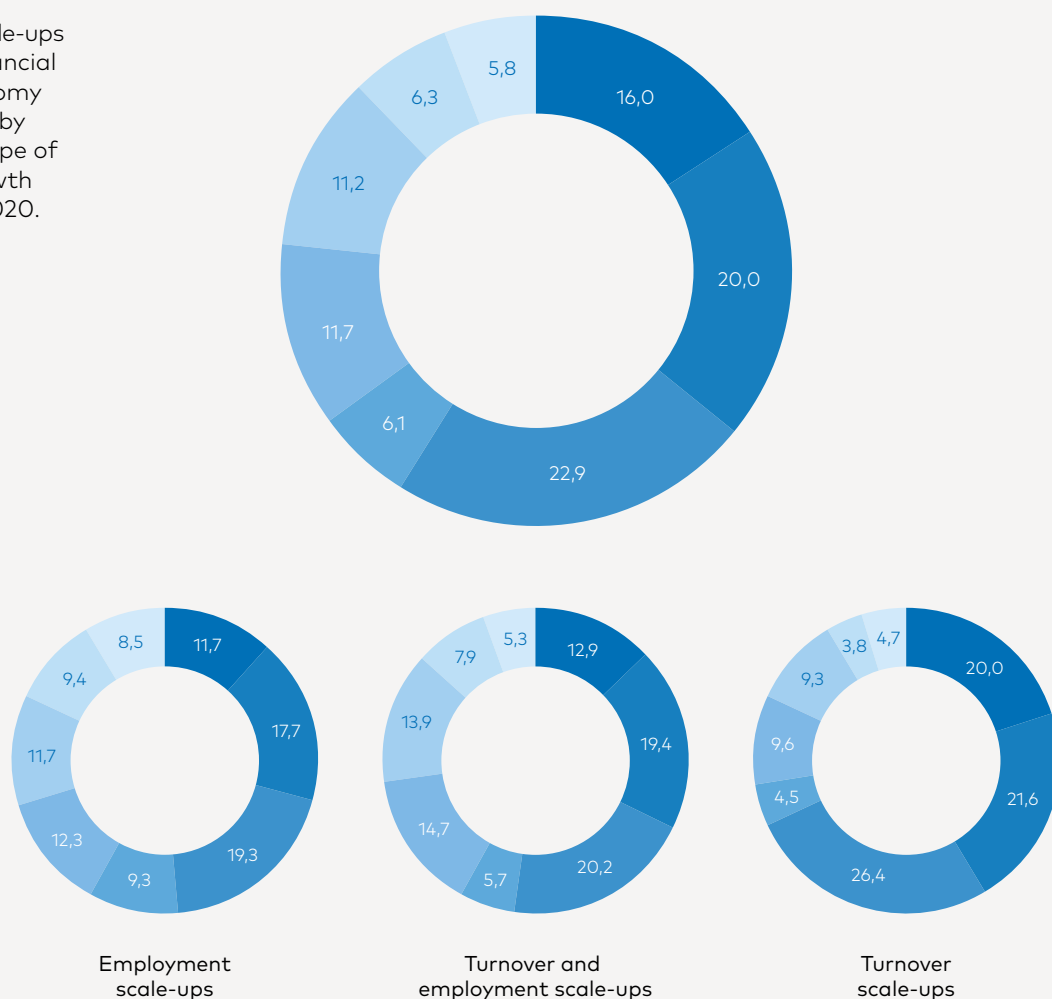
constitute 7-9 per cent of the scale-ups in the different types of scale-ups, especially the Turnover scale-ups tends to be larger than the other types of scale-ups as 21 per cent of the Turnover scale-ups has 50 or more FTE employed.

Figure 1.4

Number of scale-ups in the non-financial business economy in the Nordics by activity and type of scale-up. Growth period 2017-2020.

Nordic total.

Share of scale-ups 2020



- Manufacturing
- Construction
- Wholesale and retail trade
- Transportation and storage
- Information and communication
- Professional, scientific and technical
- Administrative and support services
- Other activities

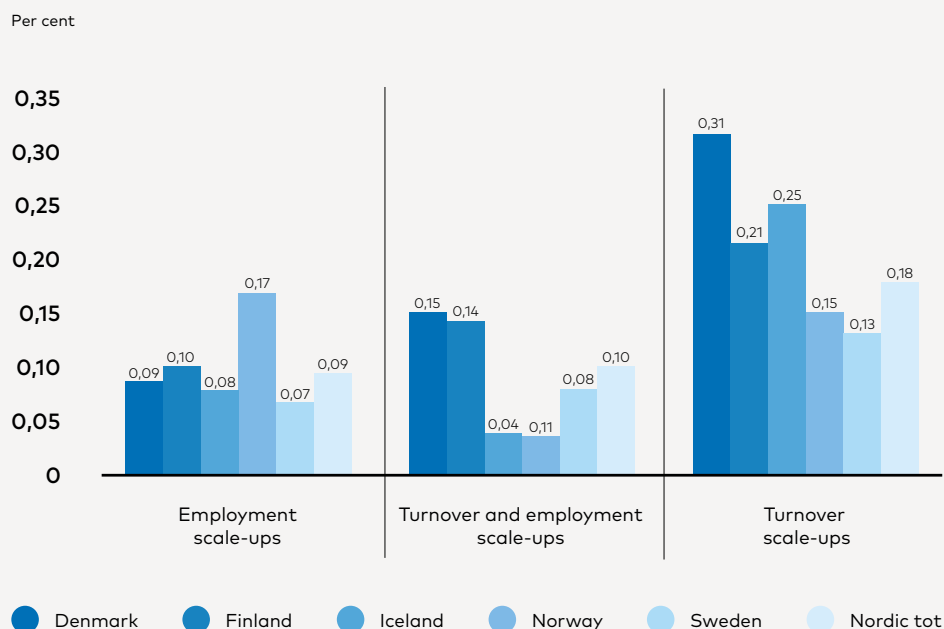
Nearly 23 per cent of all scale-ups in the Nordics was in Wholesale and retail trade, followed by 20 per cent in Construction and 16 per cent in Manufacturing, see Figure 1.4. This pattern with Wholesale and retail trade being the largest group followed by Construction can be found for all three types of scale-ups; especially for the Turnover scale-ups where Wholesale and retail trade constitutes more than one fourth of the scale-ups. For Turnover and employment scale-ups and Employment scale-ups Information and communication came third in place. Having noted these overall similarities, a certain difference in the activities between the pure turnover and employment scale-ups should be noted.

More than half of the employment only scale-ups are active within service activities; while two thirds of the turnover only scale-ups are operating in a goods related field of activity as manufacturing, construction or trade.

The 5,600 scale-ups constitute 0.37 per cent of all enterprises in the non-financial business economy in the Nordic countries. Denmark tops the list with 0.55 per cent of all enterprises being scale-ups, followed by Norway with 0.43 per cent. Especially the share of turnover scale-ups in Denmark is significantly above the Nordic average and this is also the case for the employment scale-ups in Norway, see Figure 1.5.

Figure 1.5

Scale-ups as share of all enterprises in the non-financial business economy by type of scale-up, start year of the growth period 2017-2020.

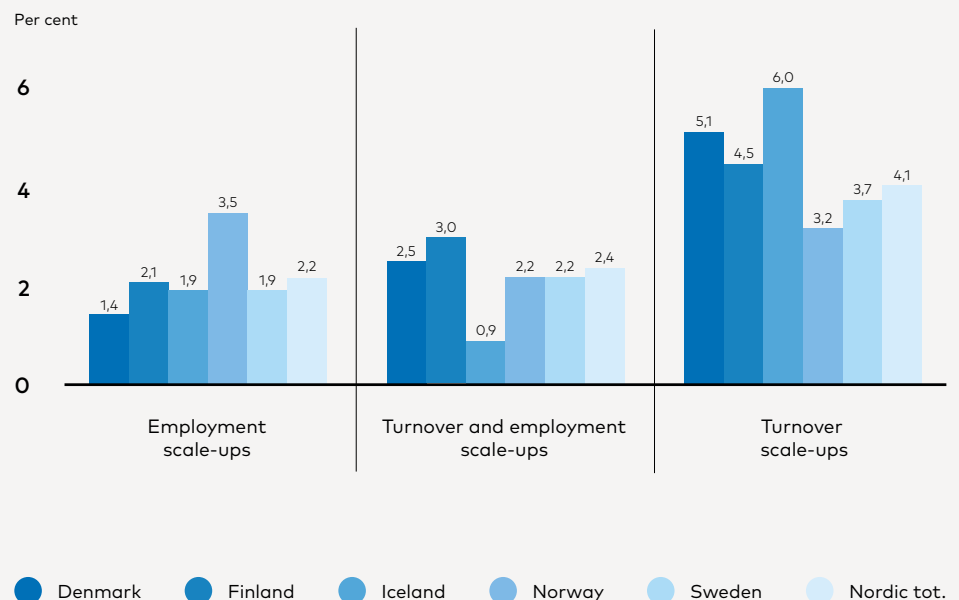


If scale-ups are measured against the total population of enterprises having the same conditions for becoming a scale-up (10 FTE and 2M EUR in turnover in the start year of the growth period 2017-2020), the share increases substantially compared to that of the entire population of enterprises within the non-financial business economy. Now 8.7 per cent of the population of potential scale-ups are actually

scale-ups, see Figure 1.6. Finland is at the top with 9.6 per cent, followed by Denmark (9.0 per cent). Especially the turnover scale-ups in Iceland (6.0 per cent) and Denmark (5.1 per cent) constitute relative high shares and again the Employment scale-ups in Norway constitute a high share of all enterprises with scale-up preconditions (3.5 per cent).

Figure 1.6

Scale-ups as share of total stock of enterprises with 10 or more employees (FTE) and an annual turnover of 2 million EUR or more in the non-financial business economy by type of scale-up, start year of the growth period 2017-2020.



The 5,600 scale-ups in the Nordics generated a total turnover of 234.2 billion EUR in 2020 which is an increase of 122.7 billion EUR compared to the turnover in the start year of the growth period 2017. Nearly half of this increase was created by the 25 scale-ups with the largest growth in turnover in absolute figures in each Nordic country (125 enterprises in total or 2 per cent of the entire scale-ups population in the Nordics), see Figure 1.7. This share is more or less the same across countries – except for Sweden where the Top 25 scale-ups only accounted for 41 per cent. The Top 25 scale-ups in Denmark represented the largest concentration of turnover growth (54 per cent).

Figure 1.7

Total turnover growth in the period 2017-2020 broken down by absolute growth level of scale-ups within the non-financial business sector.

Nordic total.

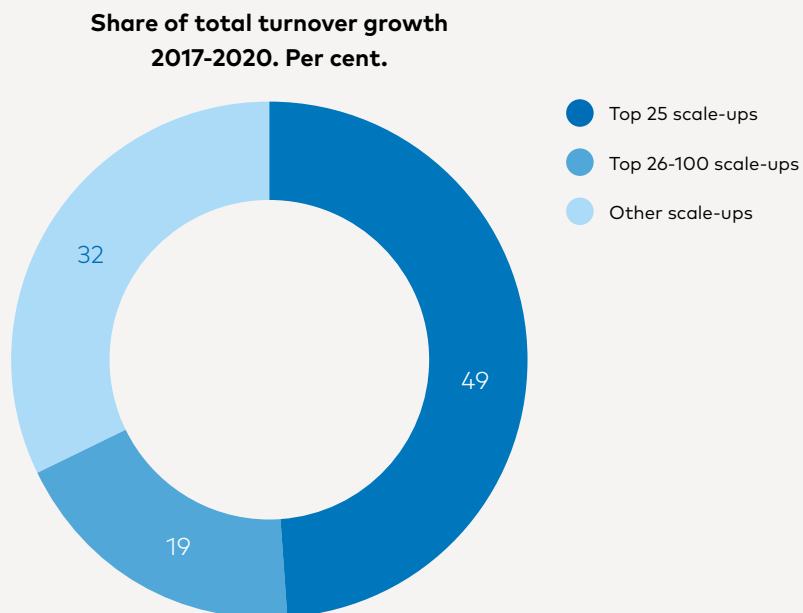
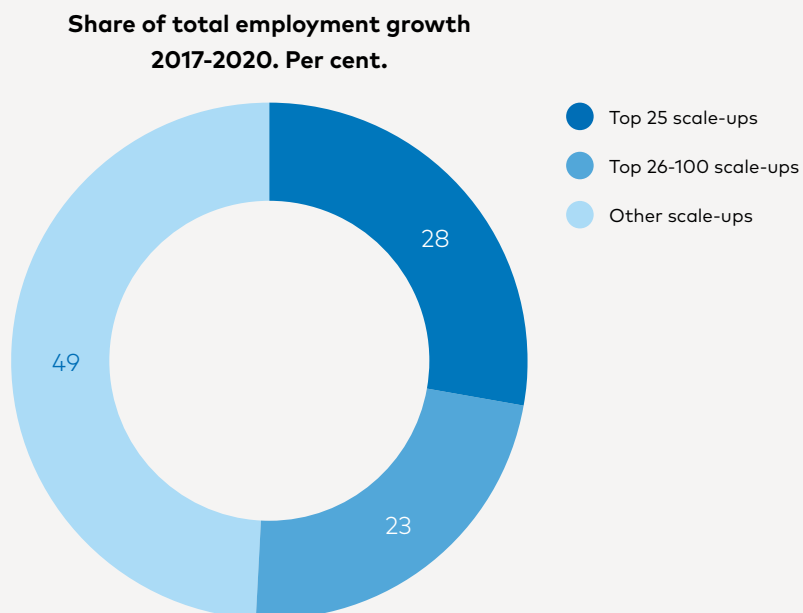


Figure 1.8

Total employment growth in the period 2017-2020 broken down by absolute growth level of scale-ups in the non-financial business sector.

Nordic total.



The employment creation by the scale-ups in the Nordics was not as concentrated as the turnover creation as the Top 25 scale-ups with the highest absolute growth in each of the Nordic countries accounted for 28 per cent of the total employment – of the 456.000 full-time equivalent no. of employees (FTE) in 5,600 scale-ups in the growth period 2017-2020, see Figure 1.8. Again, the Swedish scale-ups showed the least concentration (24 per cent) and Finland the highest (33 per cent).

02

Nationality of ownership of scale-ups



Nationality of ownership of scale-ups

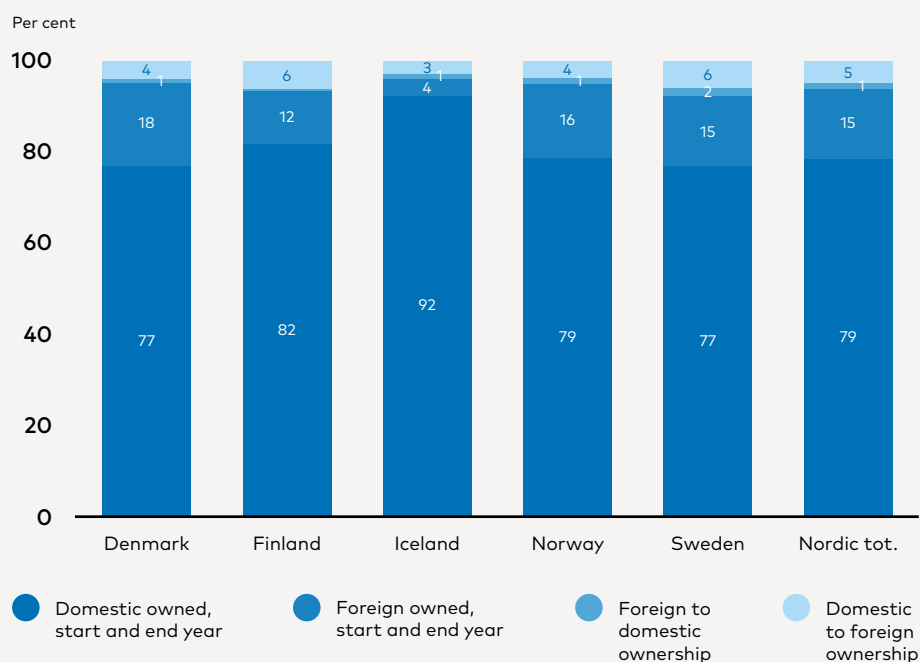
Enterprises choose to invest abroad in order to improve their competitiveness and value added creation. These foreign direct investments are important for the domestic economy as they often bring new jobs, new technology or specialized knowledge to the receiving countries. So it is of importance to get an overview to which extent scale-ups in the Nordics are owned from abroad and if their growth differs from the performance of the domestically owned scale-ups.

The large majority of the nearly 6,400 Nordic scale-ups (79 per cent) in the non-financial business economy was domesti-

cally owned in both the start and end year of the growth period 2016-2019, see Figure 2.1. 950 or 15 per cent of the scale-ups were foreign owned in both the start and end year. So a little more than 380 scale-ups (6 per cent) changed nationality of ownership during the growth period; of which the vast majority (nearly 320 scale-ups) had changed from domestic to foreign ownership during the period. The situation was more or less similar across the Nordic countries except for Iceland with 92 per cent of all scale-ups domestically owned during the entire growth period.

Figure 2.1

Scale-ups in the non-financial business economy broken down by ownership 2019.



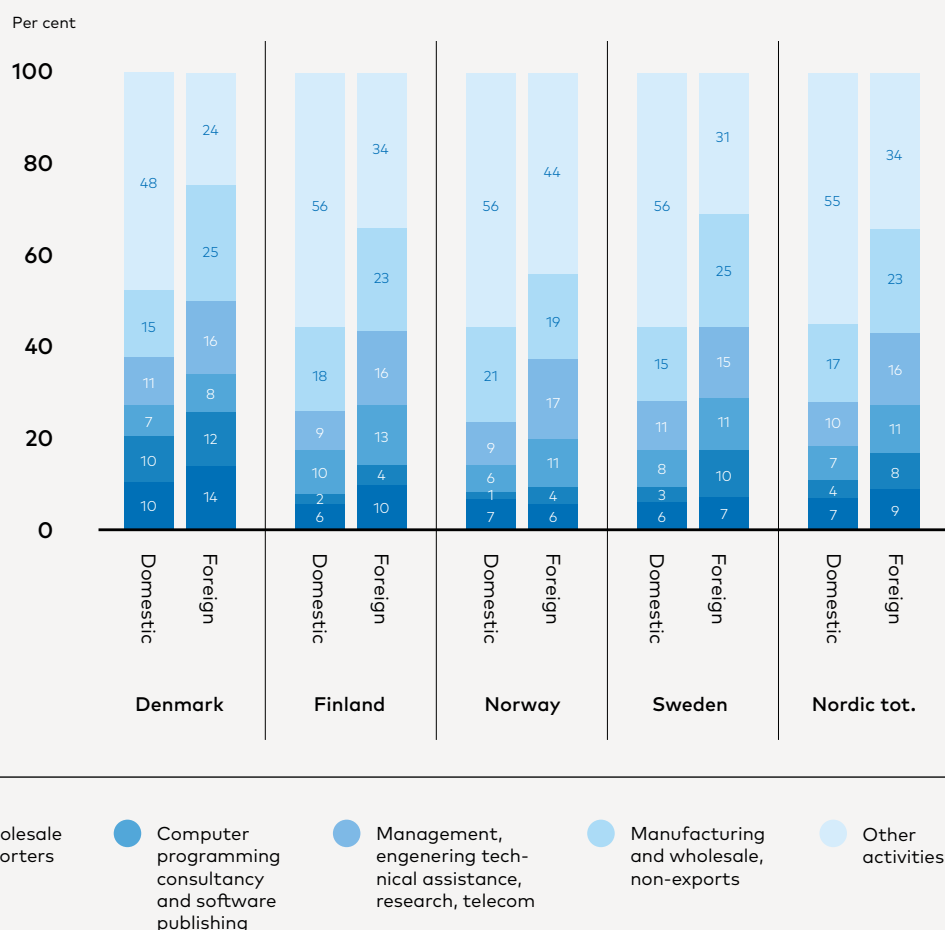
Due to data availability data refer to the growth period 2016-2019.

Even if the share of foreign owned scale-ups is relatively even across the Nordic countries, there are some differences when breaking down the foreign ownership. In Denmark, the largest group of foreign owned scale-ups are owned by other EU countries (except the Nordic countries) or

United Kingdom while the largest group of foreign owned scale-ups in Sweden are owned from rest of the world (countries outside the other Nordic countries or EU/UK), see Annex Figure 2.1. In Norway, the scale-ups owned by the other Nordic countries constitute the largest group.

Figure 2.2

Scale-ups in the non-financial business economy broken down by activity and type of ownership 2019.



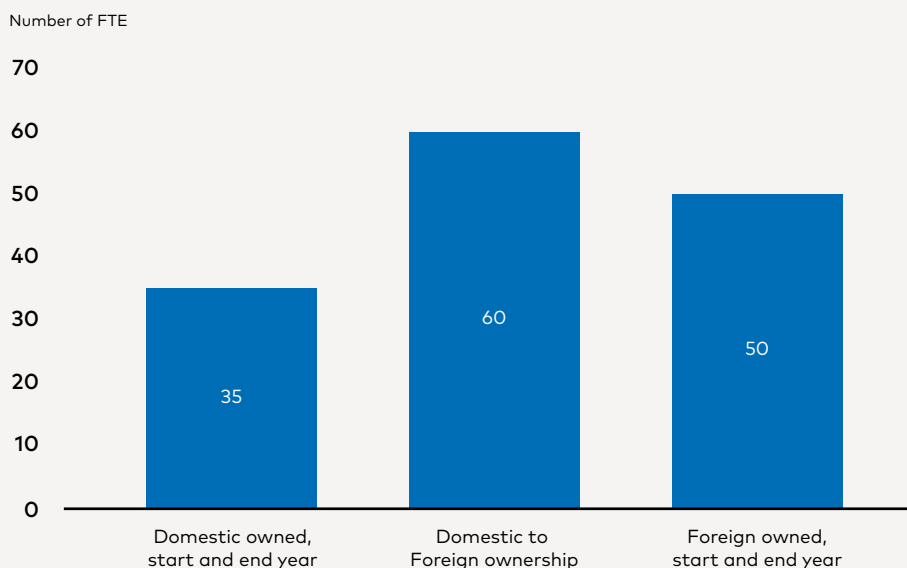
There are differences between the domestically and the foreign owned scale-ups when analyzing the activities of the scale-ups, see Figure 2.2. More than half of the domestically owned scale-ups are active in activities mainly been focusing on the domestic market such as construction, retail trade or other services activities. These activities only constitute around one third

of the foreign owned scale-ups. On the other hand, the foreign owned scale-ups can mainly be found within the exporting scale-ups within manufacturing and wholesale and in the knowledge-intensive services as these activities constitute 44 per cent of the foreign owned scale-ups, compared to 28 per cent of the domestically owned enterprises.

Figure 2.3

Average employment growth (FTE) 2016-2019 per scale-up in the non-financial business economy broken down by ownership 2019.

Nordic total.

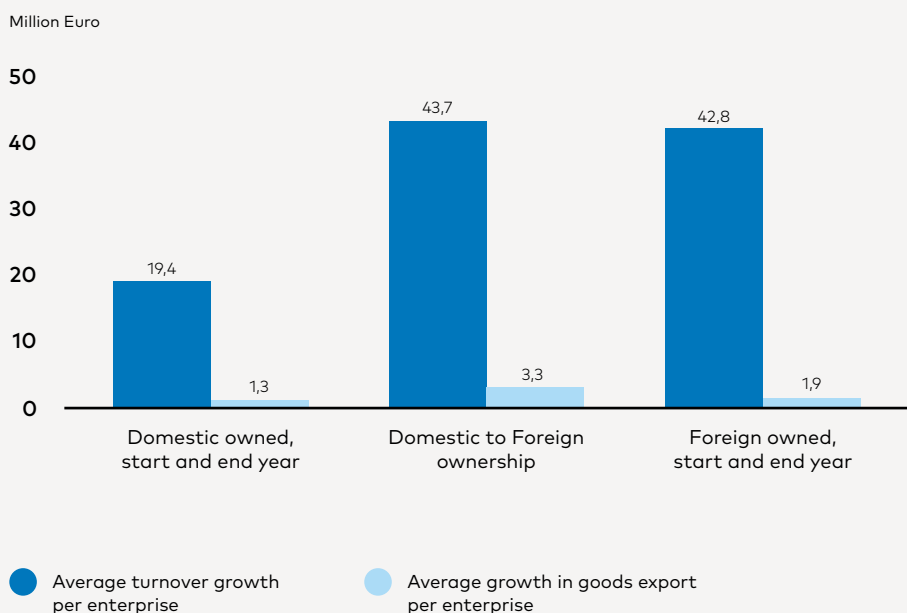


Looking at the growth pattern, the scale-ups changing ownership from domestic to foreign in the growth period 2016-2019 are the ones showing the largest increase in employment – an average increase of 60 FTE per scale-up, see Figure 2.3. In contrast, the scale-ups domestically owned during the full growth period show the clearly lowest growth in employment – only 35 FTE per scale-up.

Figure 2.4

Average turnover and goods export growth per scale-up in the non-financial business economy broken down by ownership 2019.

Nordic total.



When looking at turnover growth in the period 2016-2019, the picture is slightly different, as the scale-ups changing from domestic to foreign ownership and the ones being foreign owned during the full period are showing the same level of increase in turnover (44 respectively 43 million EUR per scale-up), see Figure 2.4. Again the scale-ups being domestically owned during the full growth period are the ones showing clearly the lowest turnover growth (19 million EUR per enterprise).

The growth in goods exports by scale-ups are also characterised by the scale-ups changing from domestic to foreign ownership during the period enterprises showing the largest increase in exports (3.3 million EUR per scale-up) with a large

difference to the foreign and domestically owned scale-ups during the entire growth period 2016-2019.

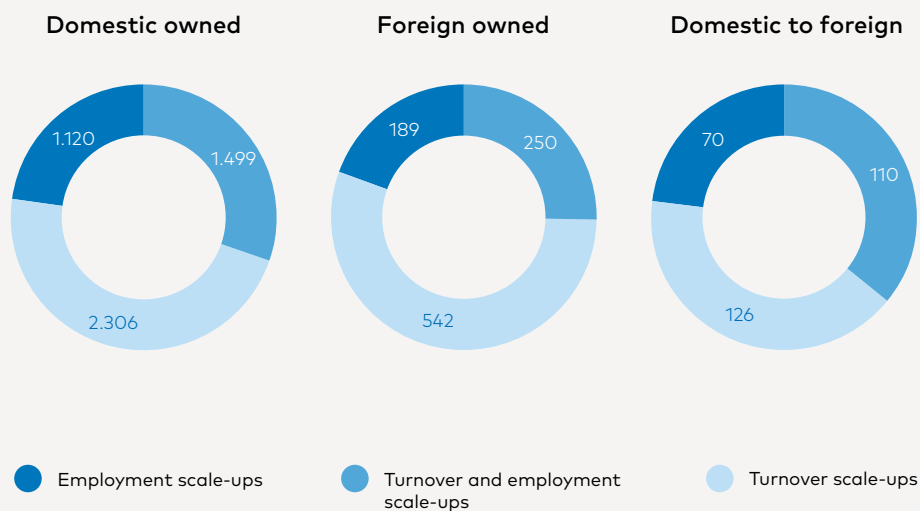
We can conclude that the foreign owned enterprises – and especially the ones changing from domestic to foreign ownership during the growth period- show a larger growth on all the observed parameters than the domestically owned scale-ups.

Amongst the foreign owned scale-ups, more than 540 or 55 per cent are Turnover scale-ups compared to 47 per cent amongst the domestically owned scale-ups, see Figure 2.5.

Figure 2.5

Number of scale-ups in the non-financial business economy 2019 broken down by type of scale-up and ownership.

Nordic total.



03

Scale-ups within
selected activities

Scale-ups within selected activities

Analytical activity groupings

For analytical purposes the following three activity groupings are identified and analysed in the following chapters:

Manufacturing: Scale-ups within manufacturing (NACE Rev.2 Divisions 10-33) being exporters of goods

Wholesale: Scale-ups within wholesale (NACE Rev.2, Division 46) being exporters of goods

Knowledge-intensive services: All scale-ups within computer programming, consultancy and related activities (NACE Rev.2 Division 62); Information service activities (NACE Rev.2 Division 63); Legal and accounting activities (NACE Rev.2 Division 69); Activities of head offices management and consultancy activities (NACE Rev.2 Division 70); Architectural and engineering activities; technical testing and analysis (NACE Rev.2 Division 71); Scientific research and development (NACE Rev.2 Division 72); Advertising and market research (NACE Rev.2 Division 73); Other professional, scientific and technical activities (NACE Rev.2 Division 74).

From an enterprise policy perspective, there is a special interest in scale-ups being active in innovative or knowledge-intensive services such as IT services or other knowledge-based services such as engineering and/or scale-ups being oriented towards and competitive enough to be present on export markets. Consequently, this analysis focuses on exporting scale-ups within manufacturing or wholesale and Knowledge-intensive services, see Box 4.

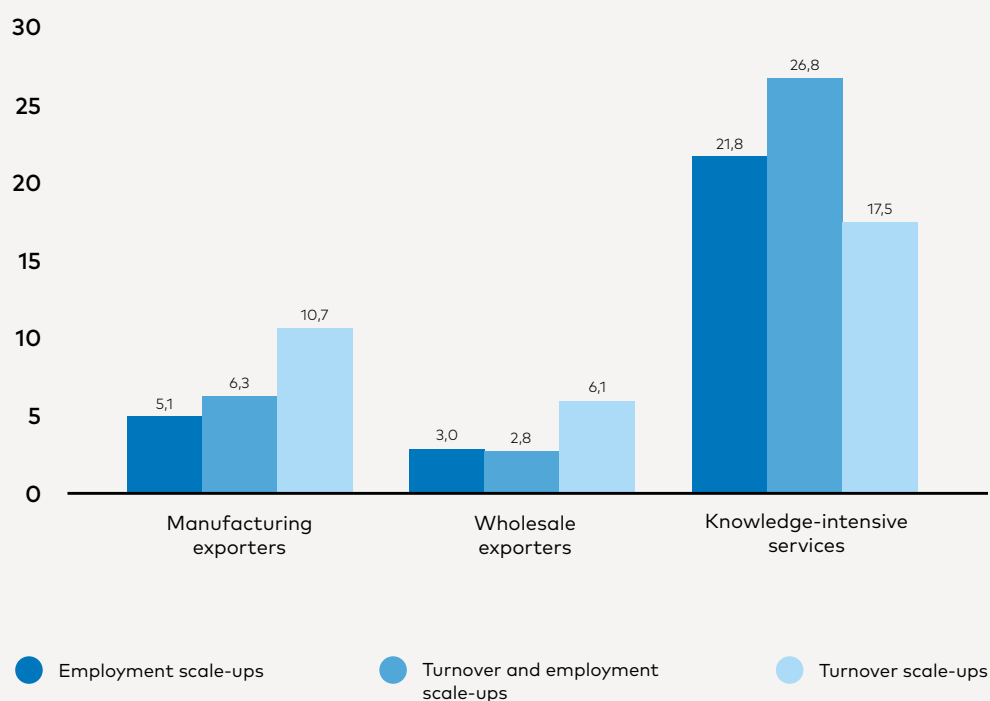
In total, 1,918 scale-ups are active within the selected activity groups, constituting one third of all scale-ups in the Nordics in 2020, also see Data annex Table 1.1. Nearly 63 per cent of scale-ups in these three categories were created within Knowledge-intensive services. Not surprisingly, scale-ups within Knowledge intensive services were especially dominant within the two types of employment scale-ups due to the more labour intensive character of the services activities, see Figure 3.1. For Manufacturing and Wholesale exporters, Turnover scale-ups were the most dominant type of scale-ups.



Figure 3.1

Share of scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics by type of scale-up. Growth period 2017-2020.

Nordic total.



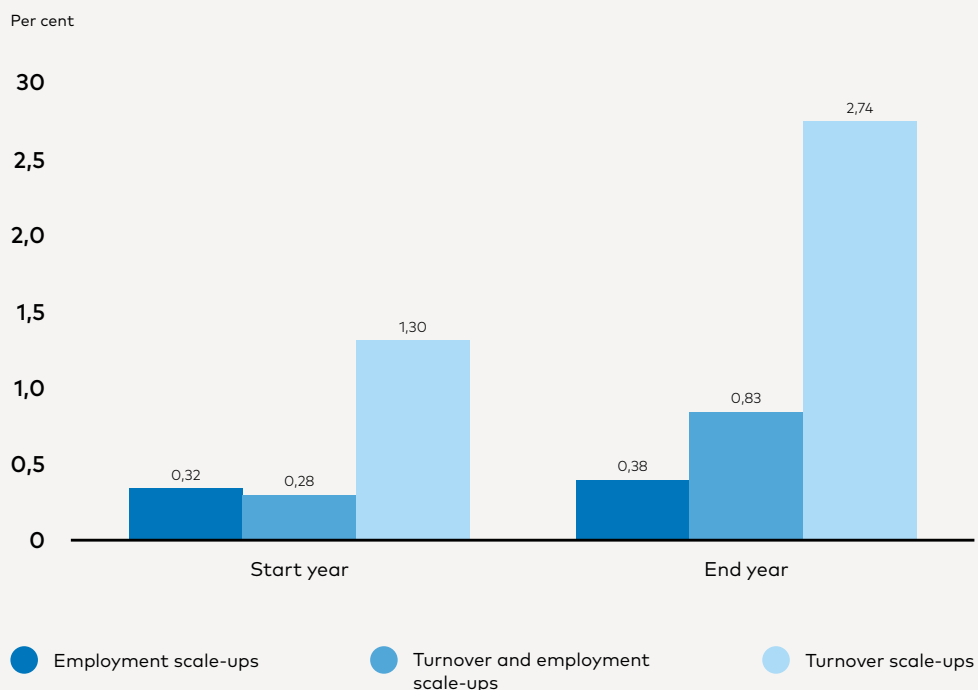
Scale-ups within the focus activities are increasing in importance for the overall economy, see Figure 3.2. All three types of scale-ups within the activities Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services have a higher share of total turnover in the non-financial business economy in the end year than in the start year of the growth

period. The highest share of turnover is found in the Turnover scale-ups, but the highest relative growth is actually found in the Turnover and employment scale-ups with an increase in turnover of nearly 200 per cent. Not surprisingly, the lowest increase is found for Employment scale-ups that by definition do not present very high turnover growth.

Figure 3.2

Turnover in scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services as share of total turnover in the non-financial business economy in the Nordics in the start and end year of the growth period 2017-2020.

Nordic total.



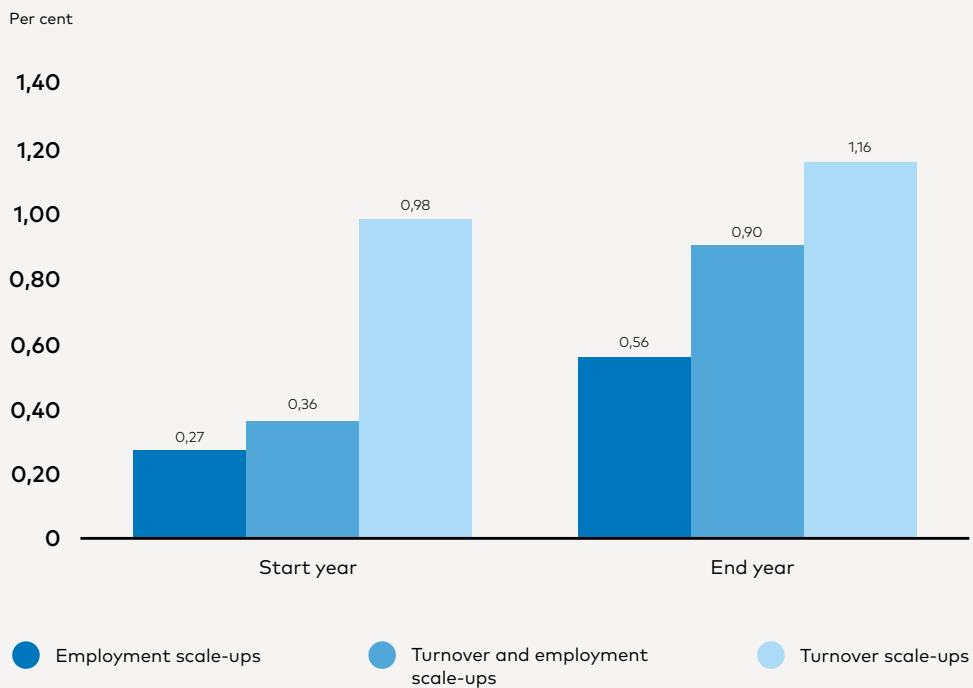
For scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services, the Turnover scale-ups had the highest share of employment (in terms of full-time equivalent number of employees (FTE)) in the non-financial business economy in the start year of the growth period (0.98 per cent), see Figure 3.3. However, Turnover scale-ups also accounted for the largest share of employment in the end year 2020 as the share grew to 1.16 per cent of the employment (FTE) in the non-financial business economy. However, the Turnover and employment scale-ups experience with a growth of 150 per cent the largest relative growth in employment.

In addressing the regional distribution of scale-ups in the Nordics, the capital regions stand out, see map 3.1. and Annex Table 3.1. The capital regions all have more than 40 per cent of the total number of scale-ups within the country in question. Especially, the capital region of Finland, the Helsinki-Uusimaa region, stands out representing more than half of all Finnish scale-ups. Yet, none of the three other regions of Finland dips below a 10 per cent share. This is in contrast to the regional distribution in Denmark, Norway and Sweden. Here almost half the regions (9 of 20) have less than 10 per cent of the scale-ups, reflecting a less disperse geographical distribution of scale-ups in these countries.

Figure 3.3

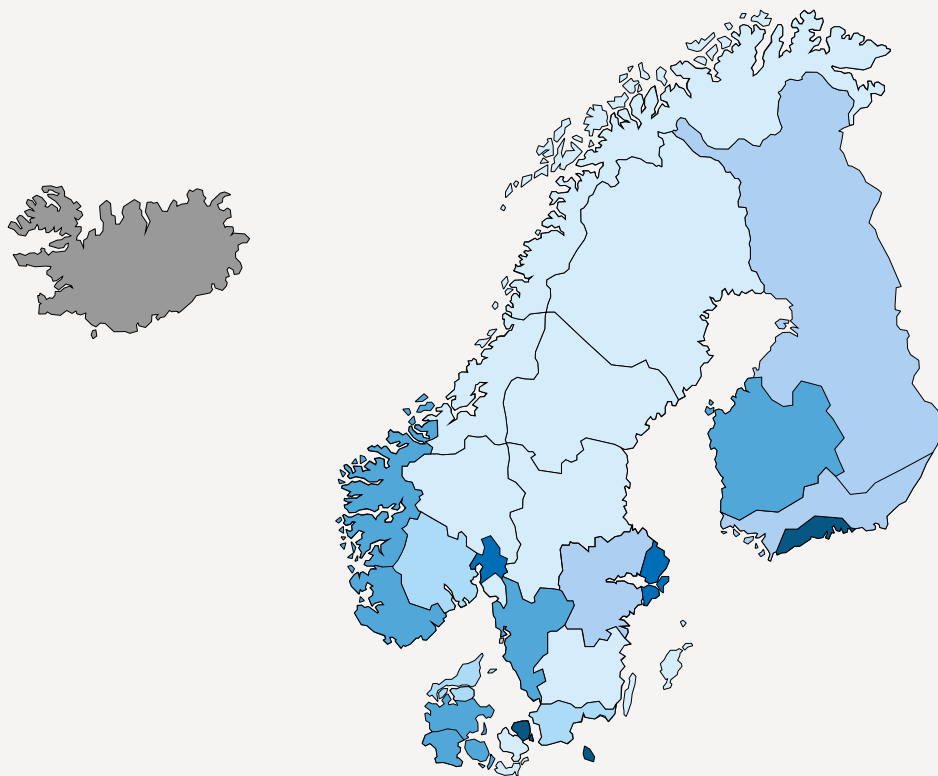
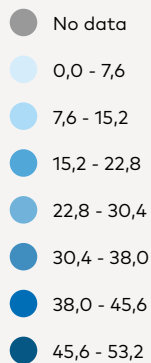
Employment (FTE) in scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services as share of total employment (FTE) in the non-financial business economy in the start and end year of the growth period 2017-2020.

Nordic total.



Map 3.1

Regional share of scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics. Growth period 2017-2020³.



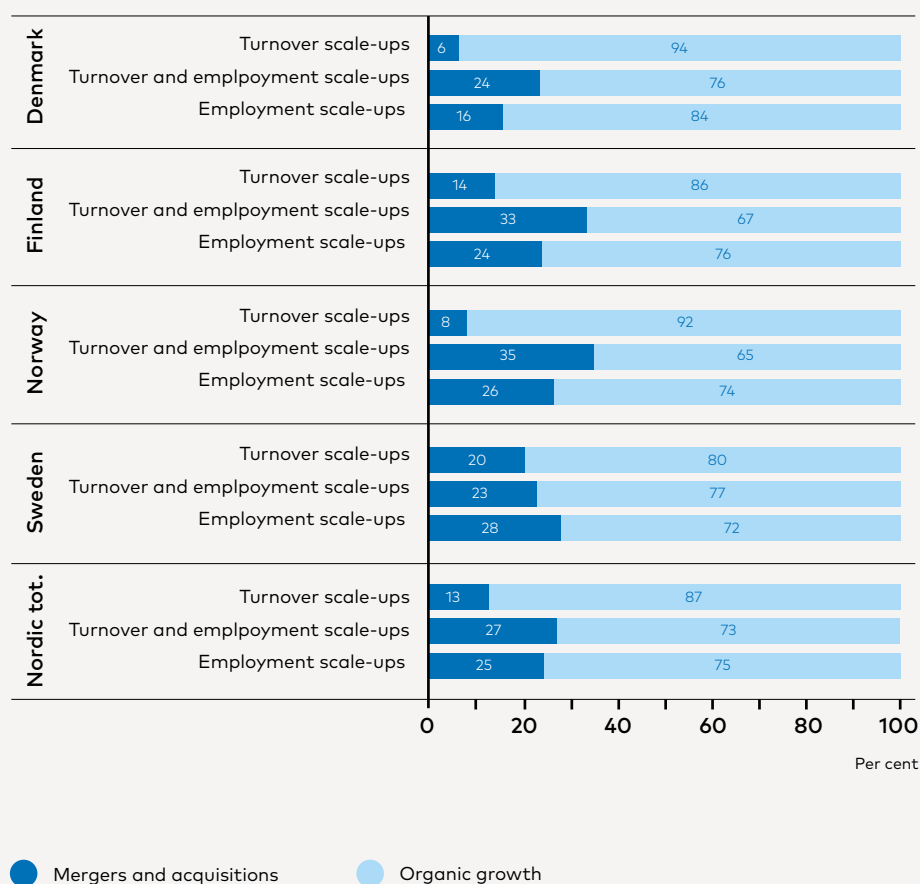
3. The maps used are based on NUT2 regions. For more information on NUTS regions visit the [Eurostat homepage](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1).

Type of growth

Growth of enterprises can be due to organic growth or mergers and acquisitions or a combination of both. Scale-ups in the Nordics within Manufacturing (exporters) and Wholesale (exporters) and Knowledge-intensive services activities have mainly grown due to organic growth as this is the case for more than 80 per cent of all scale-ups, see figure 3.4.

Figure 3.4

Share of scale-ups within Manufacturing (exporters) and Wholesale (exporters) and Knowledge-intensive services by type of growth and type of scale-up. Growth period 2017-2020.



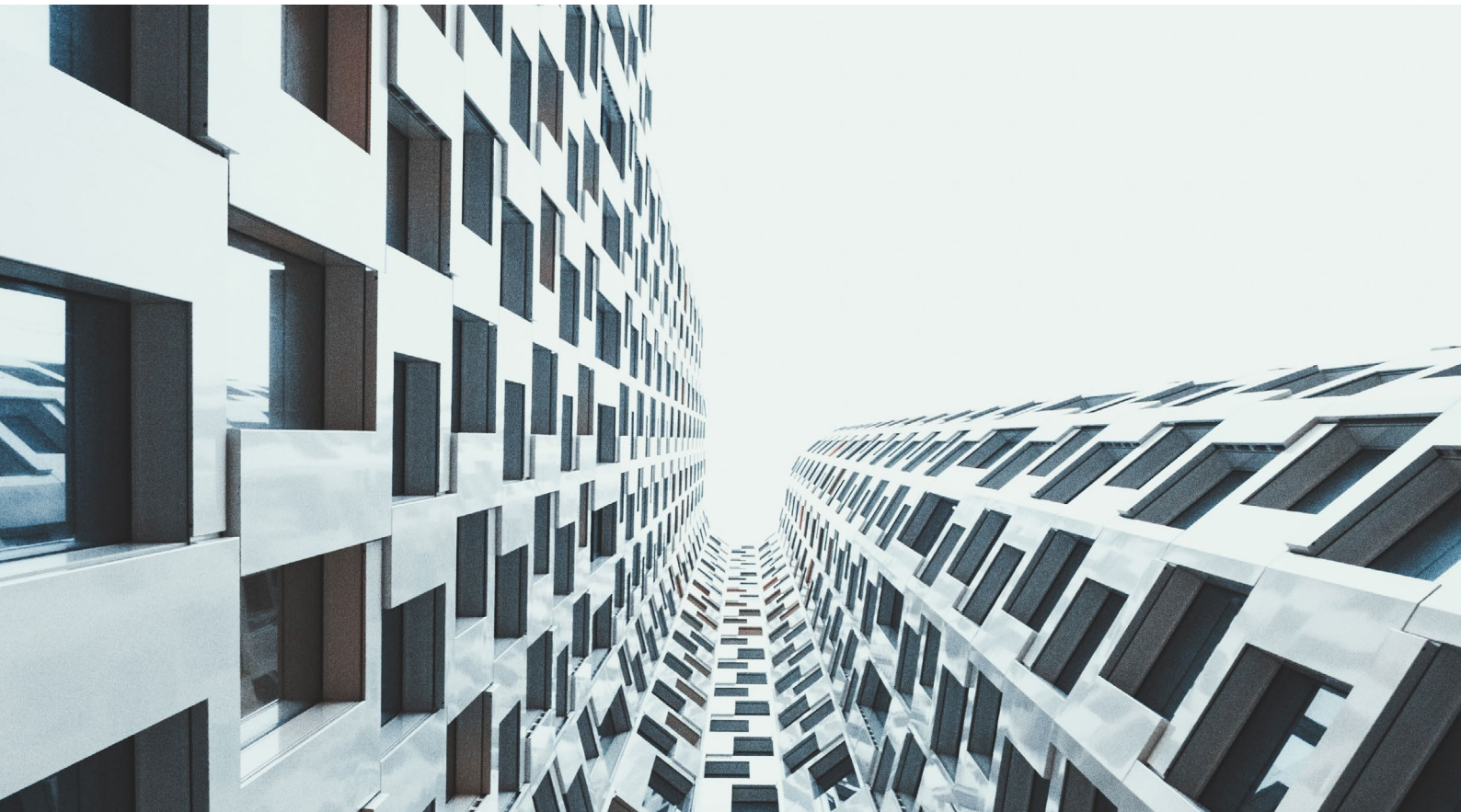
Data for Denmark covers the growth period 2016-2019. Iceland is not included due to confidentiality. The Nordic total is made up of data from 2017-2020 and Danish data from 2016-2019.

Especially Turnover and employment scale-ups and Employment scale-ups show a relative high share of enterprises with growth due to mergers and acquisitions. This is especially the case in Norway (35 resp. 26 per cent) and Finland (33 resp. 24 per cent). In all countries the Turnover scale-ups showed the least share of scale-ups due to mergers and acquisitions, especially for Denmark and Norway the share of Turnover scale-ups having grown due to mergers and acquisitions is very low.

If we then look at the growth, the rates of scale-ups with mergers and acquisitions and those who have grown organically, notable differences can be found. The scale-ups with mergers and acquisitions have a higher employment (FTE) growth (the Nordic average is 2.5 to 5 times higher depending on type of scale-up) than those

who grew organically, see Annex Figure 3.1. This is evident across all types of scale-ups and across countries, the exception being Employment scale-ups in Denmark and Iceland and Turnover and employment scale-ups in Sweden.

As for turnover growth, the pattern with the highest growth in scale-ups due to mergers and acquisitions is even more predominant, see Annex Figure 3.2. The scale-ups due to mergers and acquisitions show a higher average growth than the scale-ups due to organic growth. The scale-ups due to mergers and acquisitions showed an average growth per scale-up of 137 million EUR per Turnover scale-ups, 26 million EUR per Turnover and employment scale-ups and 8 million EUR per Employment scale-ups.



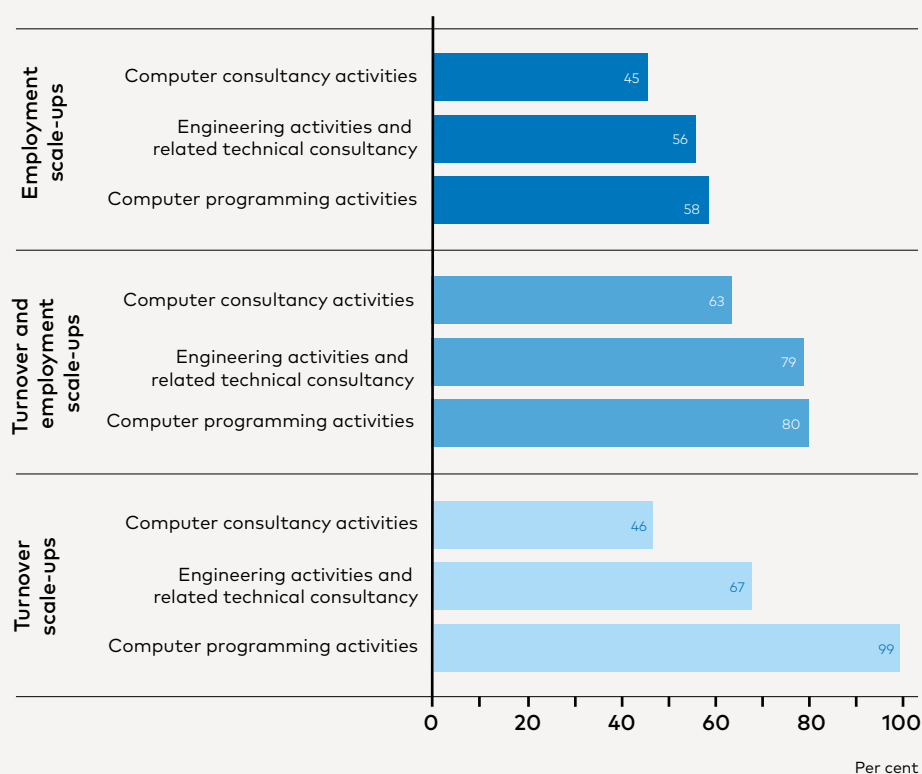
Top 3 activities

The Nordic scale-ups are very concentrated in terms of their activity (four digit NACE level), as more than 30 per cent of all scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services can be observed within three activity classes in 2020: Computer programming activities is with 236 scale-ups the activity in which most scale-ups can be found, followed by Engineering activities and related technical consultancy (203 scale-ups) and thirdly Computer consultancy activities (154 scale-ups), see Figure 3.5.

Figure 3.5

Top 3 scale-up activity classes (four digit NACE) within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics. Growth period 2017-2020.

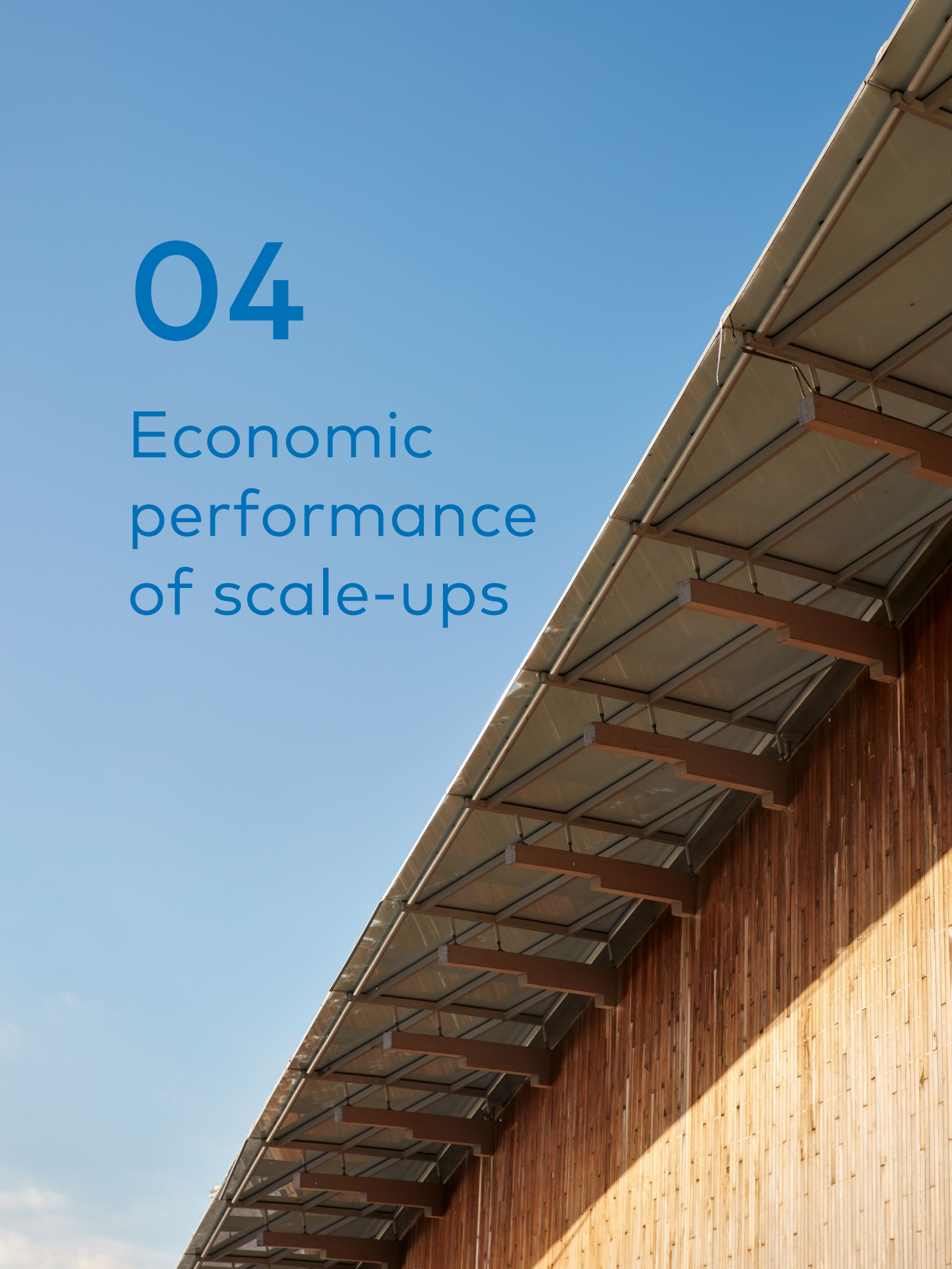
Nordic total.



In assessing scale-ups by type we find that Computer programming is first in two types of scale-ups; Employment and Turnover scale-ups, while Engineering activities and related technical consultancy is the number one activity in Turnover and employment scale-ups. Computer consultancy activities come third in all three types of scale-ups.

If we analyse the national levels, the pattern differs marginally. Business and other management consultancy activities

make the Top 3 in both Employment and Turnover and employment scale-ups the activity in Finland. Turnover scale-ups are the only type of scale-ups to have a manufacturing activity in the Top 3 across the Nordic countries. Processing and preserving of fish, crustaceans and molluscs in Norway and Manufacture of bodies for motor vehicles, etc. in Denmark both make the Top 3; otherwise only activities within Knowledge-intensive services make the Top 3 in the Nordic countries in 2020.



04

Economic
performance
of scale-ups

Economic performance of scale-ups

This section analyses the economic performance of scale-up enterprises within Manufacturing (exporters) and Wholesale (exporters) and Knowledge-intensive services in the Nordics, constituting one third of all scale-ups in the Nordics in 2020. The section investigates differences in economic performance between the three types of scale-ups using the indicators turnover, employment (FTE), productivity and exports.

Turnover

The 1,918 scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics generated a total turnover of 93.0 billion EUR in 2020 or an average annual turnover of 48.5 million EUR. There are huge differences across the Nordic countries as the Finnish and Swedish scale-ups with 73.5 respectively 52.8 million EUR per scale-up presented an average annual turnover above the Nordic average. At the other end, the scale-ups in Iceland only generated an average turnover of 21.7 million EUR.

Scale-ups within Manufacturing (exporters) not only accounted for the largest share of turnover (45 per cent) but also represented the largest average turnover (91.9 million EUR) compared to 51.3 million EUR for scale-ups within Wholesale (exporters) and only 31.3 million EUR for Knowledge-intensive services.



Figure 4.1

Turnover in scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics by activity. 2017 and 2020.

Nordic total.

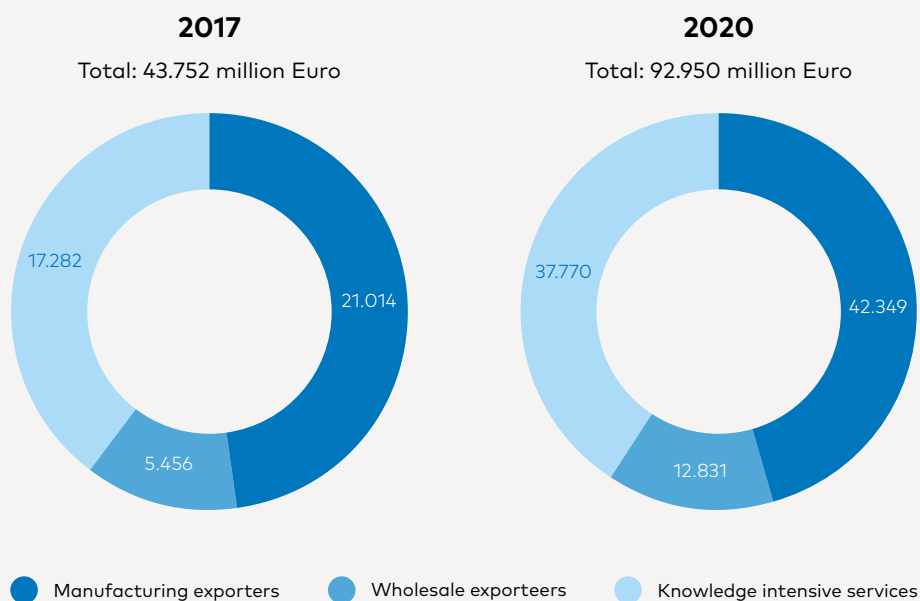
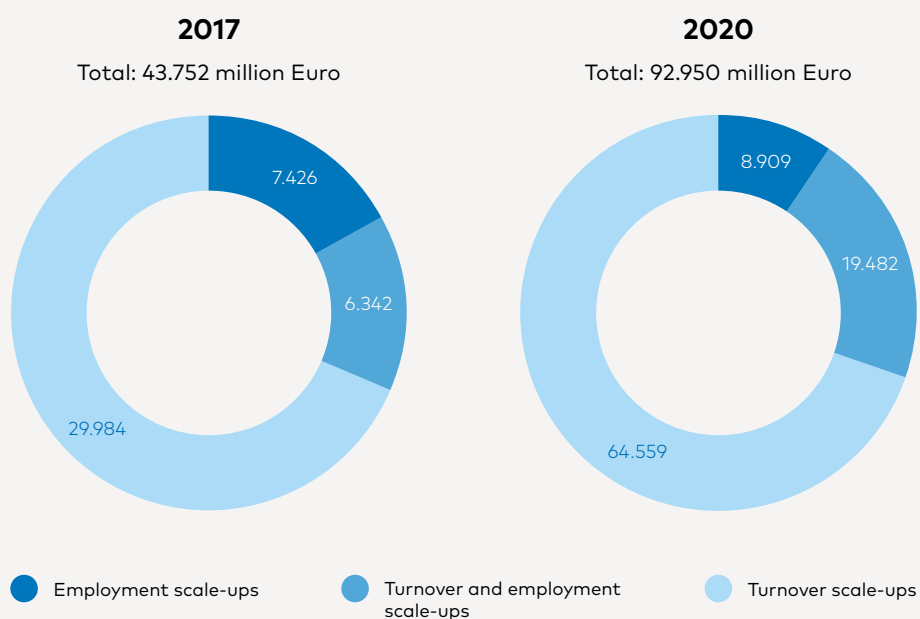


Figure 4.2

Turnover in scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics by type of scale-up. 2017 and 2020.

Nordic total.



The Nordic scale-ups increased their total turnover with 49.2 billion EUR or a growth of 112 per cent in the growth period 2017-2020. Especially the scale-ups within Knowledge-intensive services showed a huge increase in turnover of 208.6 per cent, followed by Wholesale (exporters) with (135.2 per cent) and Manufacturing (exporters) with an increase of 101.5 per cent, see Figure 4.1.

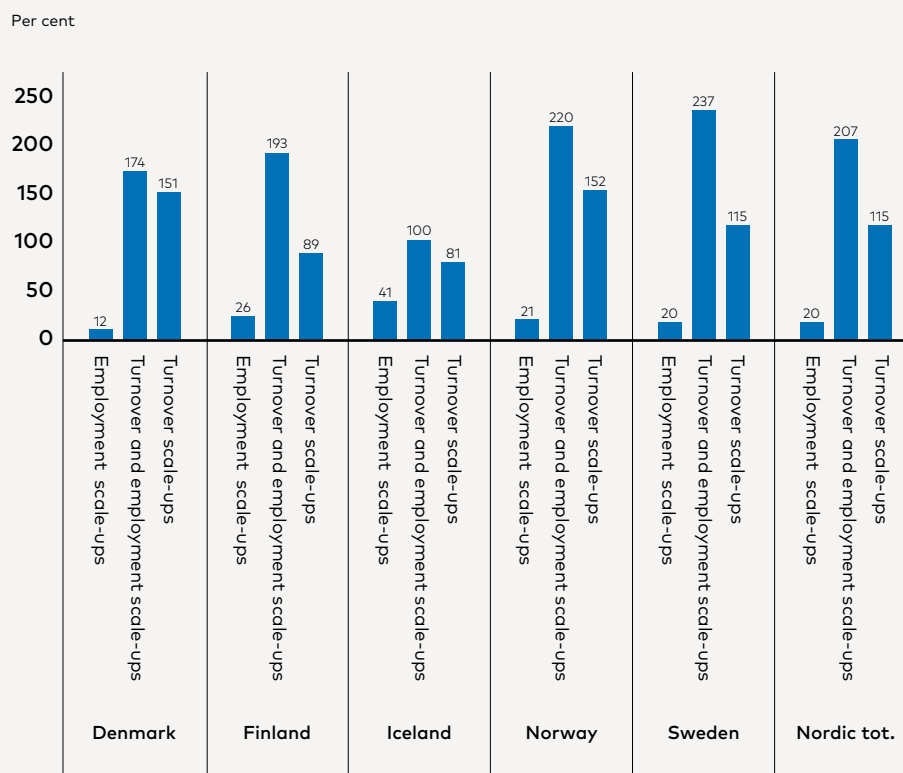
Not surprisingly, the Turnover scale-ups accounted by far for the largest share of the total turnover in 2020 (69.5 per cent), followed by the Turnover and employment scale-ups (21.0 per cent), see Figure 4.2. On average, the Turnover scale-ups were the largest ones with 70.1 million EUR in turnover per scale-up compared to 34.4 million EUR for Turnover and employment scale-ups and only 20.7 million EUR for Employment scale-ups. Especially the Finnish Turnover scale-ups stand out with

an average turnover of 145.5 million EUR in 2020 followed by the scale-ups in Sweden (75.5 million EUR).

The Turnover and employment scale-ups showed a remarkable high growth rate of 207 per cent in the growth period 2017-2020, followed by the Turnover scale-ups (115 per cent), while the Employment scale-ups only presented a turnover growth of 20 per cent.

Figure 4.3

Turnover growth in scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services by type of scale-up. Growth period 2017-2020



Looking at the national pattern within the Nordic countries, we find the same structure with Turnover and employment scale-ups showing the highest growth rates in all the Nordic countries followed by the Turnover scale-ups in second place and the Employment scale-ups falling far behind. Especially the Swedish and Norwegian Turnover and employment scale-ups show high growth rates (237 and 220 per cent respectively in the growth period 2017-2020), see Figure 4.3.

Employment

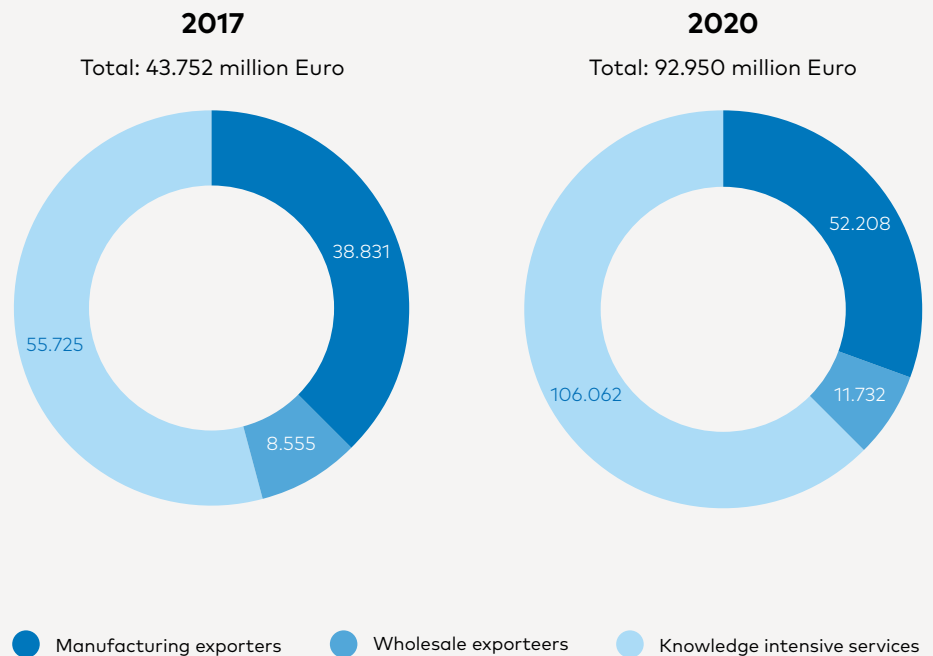
The 1,918 scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics employed 170,000 full-time equivalent employees (FTE) in 2020 equalling 88.6 FTE per scale-up. The scale-ups within Knowledge-intensive services accounted for 62 per cent of the total employment (FTE) followed by the scale-ups within Manufacturing (exporters) with 31 per cent, see Figure 4.4. Whereas, the scale-ups within Manufacturing (exporters) showed the largest average employment (113.2 FTE per scale-up), followed by Knowledge-intensive services (87.9 FTE) and Wholesale (exporters) with only 46.9 employees (FTE) per scale-up in 2020.



Figure 4.4

Employment in scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics by activity. 2017 and 2020.

Nordic total.

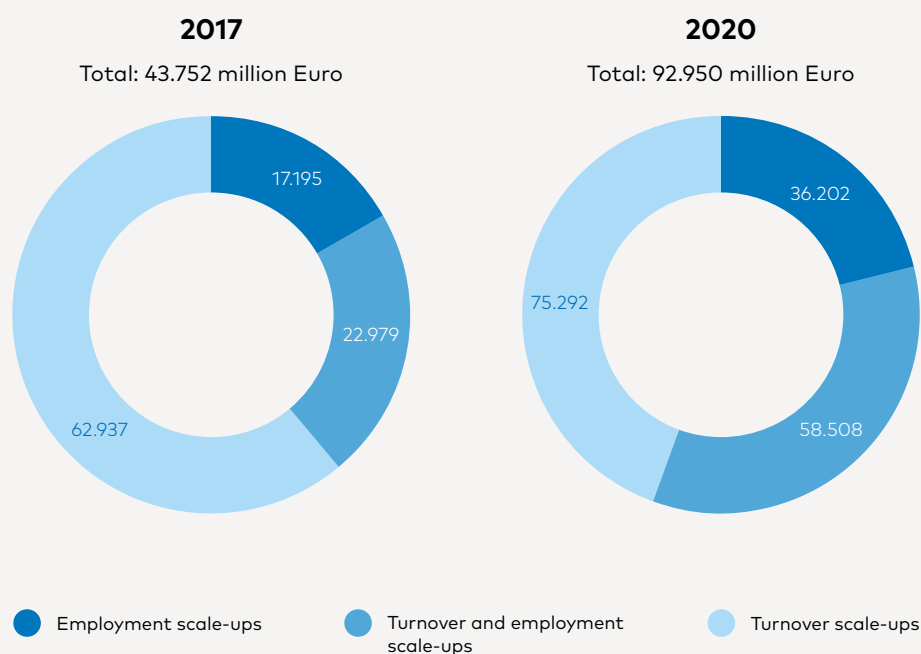


The scale-ups in the Nordics employed 66,900 more FTE in 2020 compared to the start year 2017 – or a growth of 64.9 per cent. This growth was mainly created by the scale-ups within Knowledge-intensive services; showing a growth of 90.3 per cent in the growth period 2017-2020 followed by the scale-ups within the Wholesale (exporters) with 37.1 per cent and finally Manufacturing (exporters) with 34.4.

Figure 4.5

Employment (FTE) in scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics by type of scale-up. 2017 and 2020.

Nordic total.

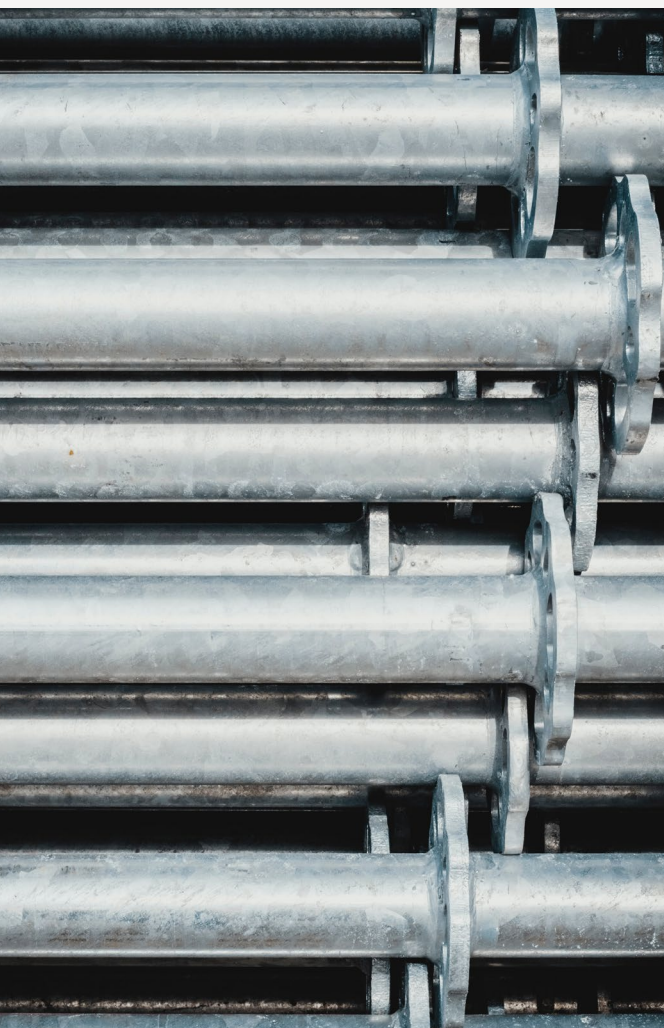
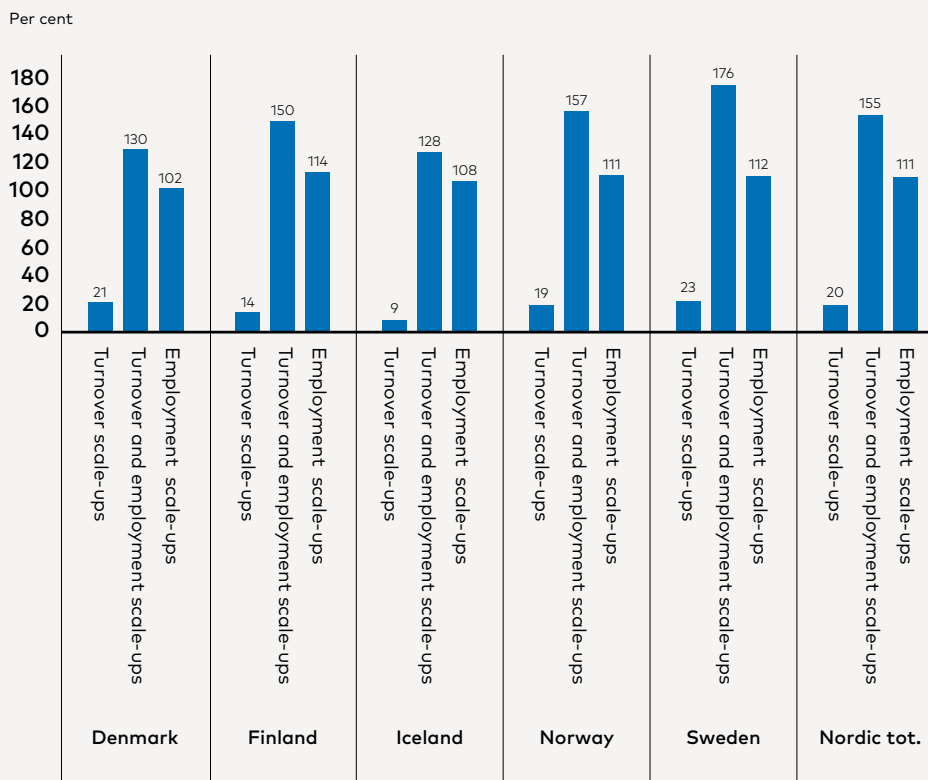


The Turnover scale-ups accounted for 44.3 per cent of the total employment (FTE), followed by the Turnover and employment scale-ups accounting for 34.4 per cent. Taking the total number of scale-ups into consideration, the picture is somewhat different. The Turnover and employment scale-ups showed the largest average employment (103.4 FTE) followed by the Employment scale-ups (84.0 FTE) and the Turnover scale-ups came third with 81.8 employees (FTE) per scale-up in 2020.

Across the Nordic countries, the pattern is more mixed, as Turnover and employment in Denmark, Norway and Sweden employed most persons (FTE) on average per enterprise, while in Norway and Iceland the Employment scale-ups are the largest scale-up group. Furthermore, it should be noted that the Finnish scale-ups are clearly larger than the other Nordic scale-ups employing 115.8 FTE per scale-up compared to 88.0 FTE in the Swedish scale-ups and 83.1 FTE in the Norwegian scale-ups and finally 77.8 FTE in the Danish scale-ups.

Figure 4.6

Employment (FTE) growth in scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services by type of scale-up. Growth period 2017-2020.



The Nordic scale-ups employed 66,900 more employees (FTE) in the end year than in the start year of the growth period. This is a growth rate of 64.9 per cent. The main driver of employment (FTE) growth are the Turnover and employment scale-ups with a growth rate of 155 per cent, followed by the Employment scale-ups (111 per cent) while the employment (FTE) in the Turnover scale-ups only grew with 20 per cent in the growth period, see Figure 4.6.

When analysing the employment (FTE) growth by type of scale-up, the pattern is similar across the Nordic countries as Turnover and employment scale-ups created most employment (FTE) in all Nordic countries, followed by Employment scale-ups. Especially the Swedish Turnover and employment scale-ups show a high growth rate (176 per cent).

Productivity

Productivity is an issue ranking high on the policy agenda both in the Nordic countries and in an international context in general. In this section productivity (defined as gross value added (GVA) per full time equivalent employee) is analysed. Not surprisingly, the Turnover scale-ups show the highest value added creation per employee (191,000 EUR per FTE) in 2020, while the two the types of scale-ups created a clearly lower value added per employee. Turnover and employment scale-ups created 127,000 EUR and Employment scale-ups created 104,000 EUR in GVA per employee, see Figure 4.7.

The Turnover and the Turnover and employment scale-ups both experienced a positive development in productivity with the Turnover scale-ups experiencing the largest increase (60.5 per cent). For all Nordic countries, the Turnover scale-ups show by far the largest increase in productivity, especially the Turnover scale-ups in Sweden (increase of 76 per cent). However, the pattern across countries differs from the overall Nordic development and especially the scale-ups in Denmark and Iceland showed relatively poor productivity performance. In all countries, the Employment scale-ups experienced a negative development in productivity, reflecting the difficulty of both creating jobs and improving productivity at the same time, see Figure 4.8.

Figure 4.7

Productivity per employee (FTE) in scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics by type of scale-up. 2017 and 2020.

Nordic total.

GVA (1.000) per FTE

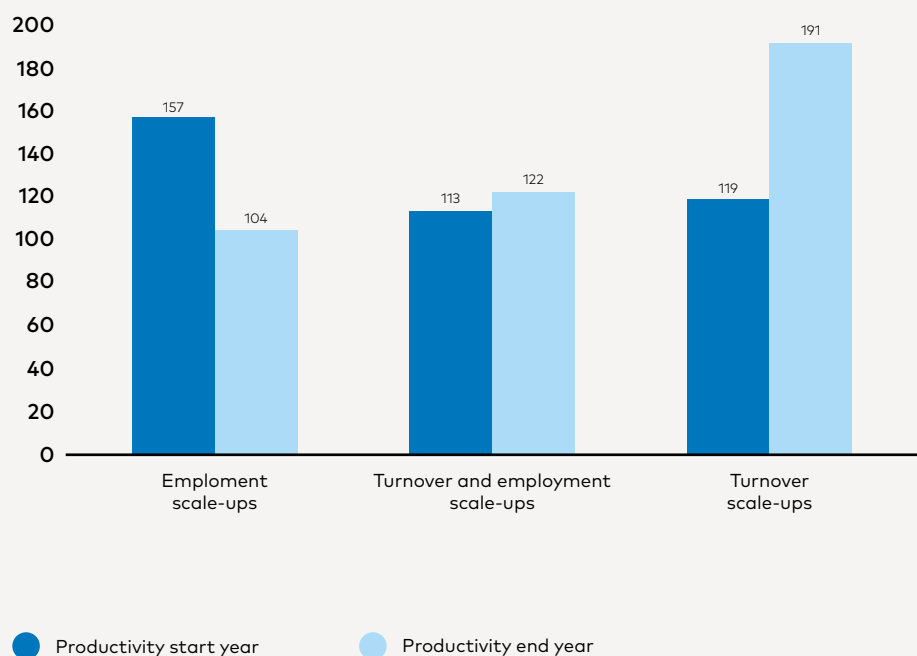
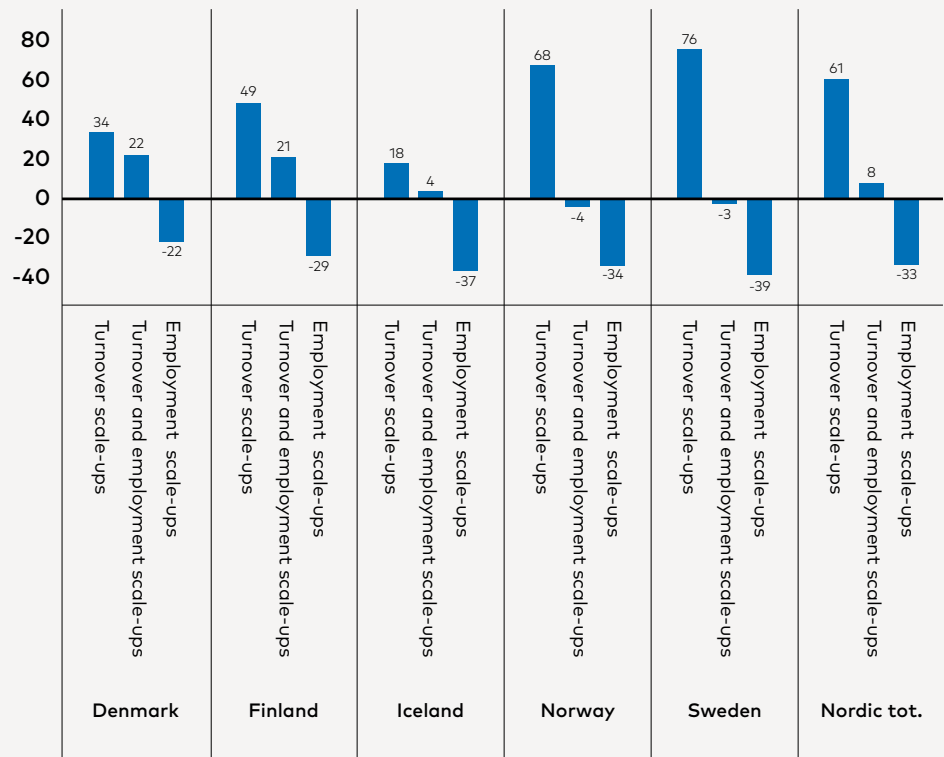


Figure 4.8

Productivity per employee (FTE) in scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics by type of scale-up. 2017 and 2020.

Per cent, productivity growth



Exports of goods

As the Nordic countries are small economies, the growth potential is to a certain degree related to the possibility of expanding via access to export markets and integration into global value chains, allowing enterprises to specialise in specific activities within global production networks⁴, generating international sales. Due to data availability, only exports of goods can be analysed at enterprise level. This is the reason for only focusing on exporting scale-ups within manufacturing and wholesale in this section, as only few scale-ups within Knowledge intensive services have exports of goods. Exports is measured as value of goods crossing the domestic border.

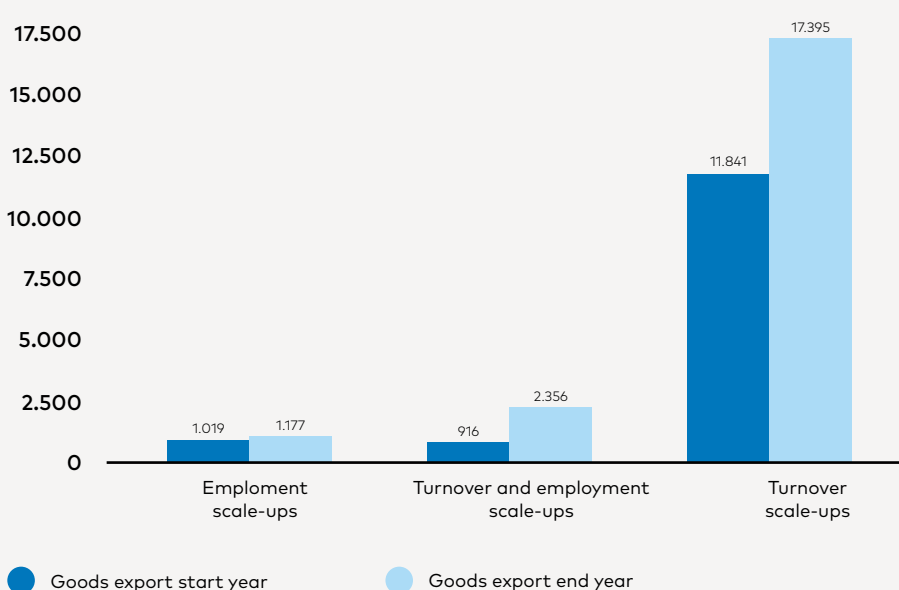
Exports as an important source of growth are also reflected by the fact that 461 scale-ups within Manufacturing out of 893 scale-ups within manufacturing are exporters of goods – or 51.6 per cent of all Manufacturing scale-ups in the Nordics. 250 scale-ups within Wholesale are exporters of goods – or 28.8 per cent of the total of 867 scale-ups within Wholesale. Especially, the Turnover scale-ups are frequent exporters, as 288 of the 530 exporters within Manufacturing are Turnover scale-ups. Interestingly, Denmark is the only country where the majority of Manufacturing enterprises within all three types of scale-ups are exporters, followed by Sweden where the exporting manufacturing enterprises constitute the majority within both Turnover and Turnover and employment scale-ups. For the other Nordic countries, the non-exporting Manufacturing scale-ups constitute a majority.

Figure 4.9

Goods export in scale-ups within Manufacturing (exporters) and Wholesale (exporters) in the Nordics. 2017 and 2020.

Nordic total.

Million Euro



Iceland is not included due to confidentiality.

4. [Statistics Denmark, OECD et al: Nordic Countries in Global Value Chains \(2017\)](#)

The more than 460 exporting scale-ups within Manufacturing (exporters) and Wholesale (exporters) had a total export of goods of 20.9 billion EUR in 2020. On average, the exporting scale-ups exported for 45.4 million EUR in 2020. The exports are mainly driven by the Turnover scale-ups as they accounted for 83.2 per cent of the total exports, see Figure 4.9.

When breaking down the goods exports per scale-up by type of scale-up, the importance of the Turnover scale-ups is confirmed across all Nordic countries. Especially the Turnover scale-ups in Sweden represent a large export per scale-up (63 million EUR), see Figure 4.10. For the other types of scale-ups, the export value per

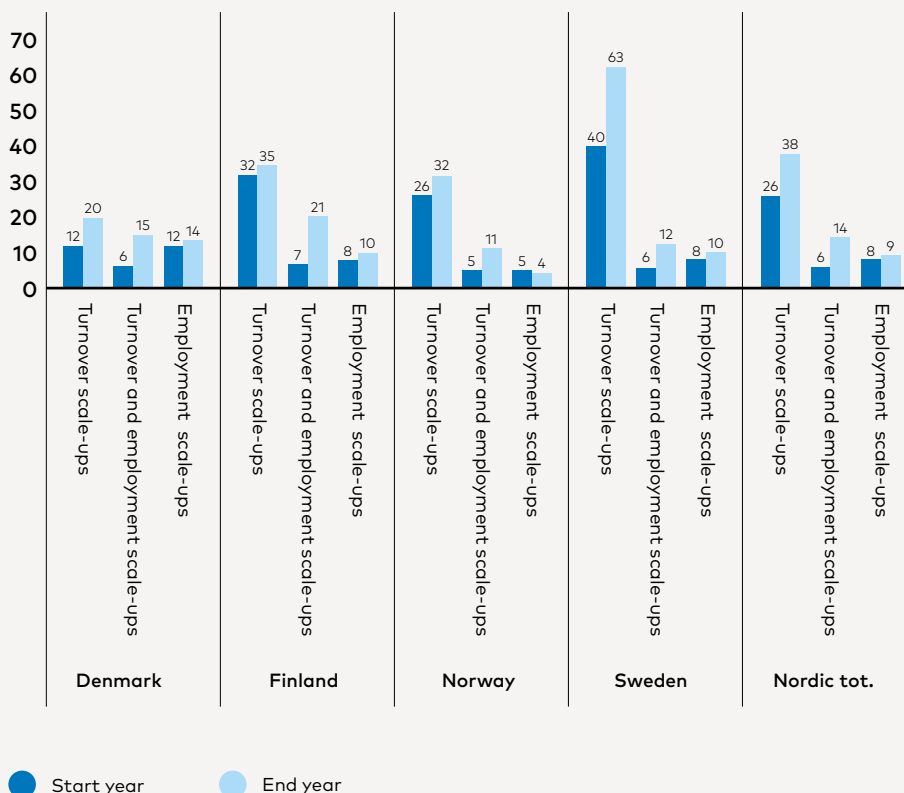
scale-up is relative small and the differences across the Nordic countries not that big.

Looking at export intensity (exports over total turnover), the intensity is actually decreasing from 2017 to 2020 for all three types of scale-ups, see Figure 4.11. The Turnover scale-ups showing the highest intensity of 52.7 per cent in the start year 2017 experienced the largest decrease in export intensity down to 36.2 per cent – or a decrease in intensity of more than 30 per cent. The data do not allow for further analysis of the reasons for this development, e.g. increase in domestic demand or change in the value chain structure by more exports via domestic wholesalers.

Figure 4.10

Goods export, million euro

Average per scale-ups goods export within Manufacturing (exporters) and Wholesale (exporters) in the Nordics by type of scale-up. 2017 and 2020.

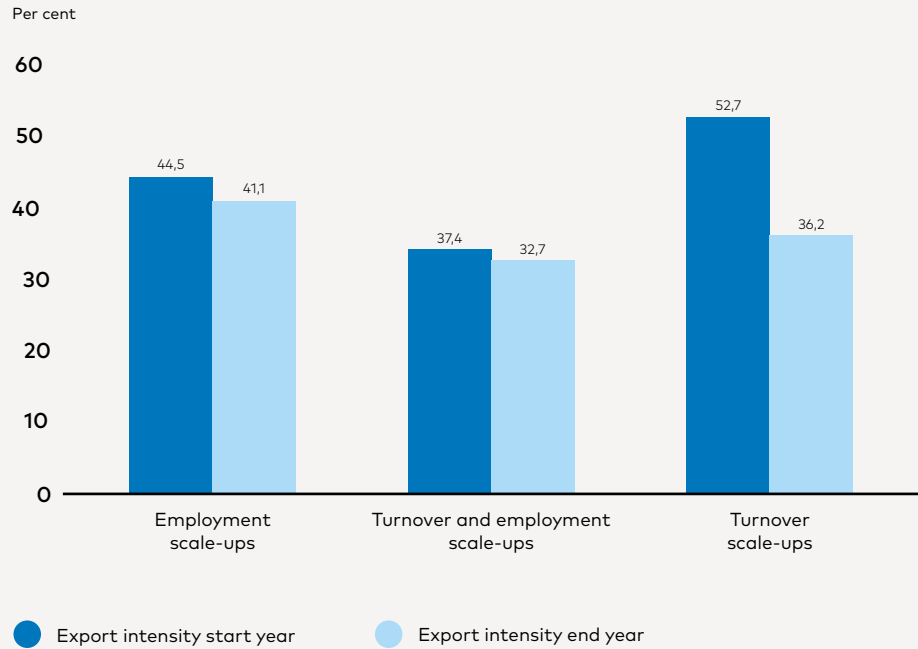


Iceland is not included due to confidentiality.

Figure 4.11

Export intensity for goods exporting scale-ups within Manufacturing (exporters) and Wholesale (exporters) in the Nordics by type of scale-up. 2017 and 2020.

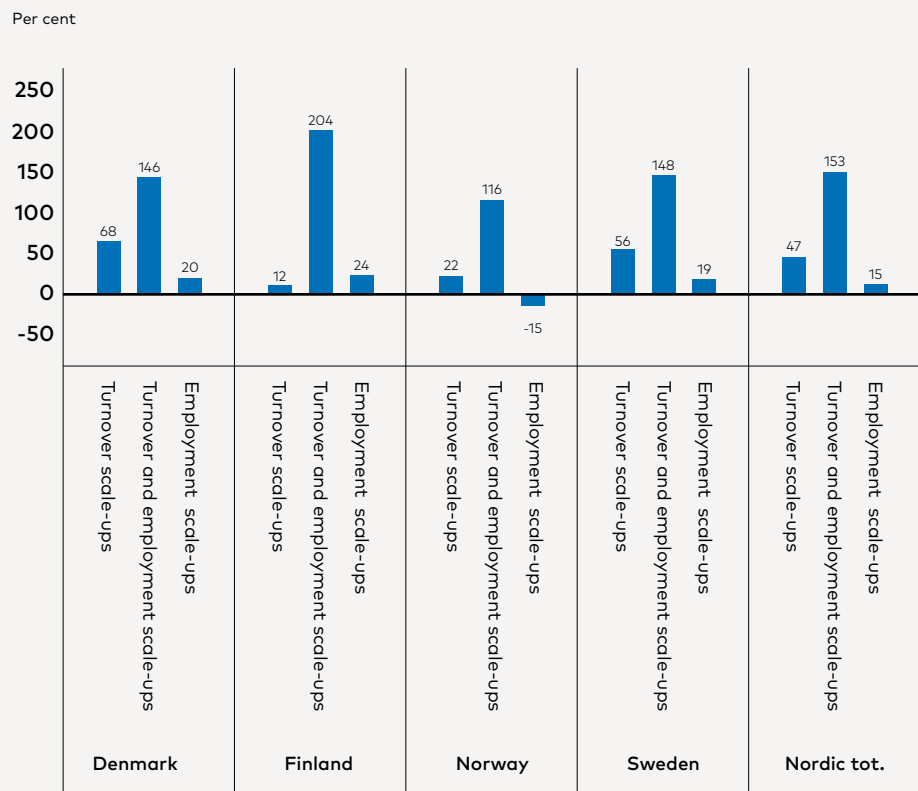
Nordic total.



Iceland is not included due to confidentiality.

Figure 4.12

Growth in goods exports in scale-ups within Manufacturing (exporters) and Wholesale (exporters) by type of scale-up. Growth period 2017-2020.



Iceland is not included due to confidentiality.

The exporting scale-ups increased their goods exports with 7.9 billion EUR in the growth period or a growth of 61.5 per cent. The Turnover scale-ups accounted for 70 per cent of the total growth exports in absolute value. In relative terms, the Turnover and employment scale-ups had the best exports performance in the observed growth period (153 per cent), see Figure 4.12. This is the case for all the Nordic countries but especially the Turnover and employment scale-ups in Finland showed high growth rates (204 per cent). The Employment scale-ups showed the clearly lowest export growth rates in all Nordic countries, except for Finland. The Employment scale-ups in Norway even experienced a decrease in total exports in the period.



A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are arranged around a central point, creating a sense of height and scale. The sky is a clear, pale blue. The text '05' is overlaid in the upper left quadrant in a large, bold, blue font.

05

Data annex

Annex table 1.0

Scale-ups in the non-financial business economy by type of scale-ups. Growth period 2017-2020

		EMPLOYEES		TURNOVER		
		Enterprises	Start year	End year	Start year	End year
			Employees		Million Euro	
Denmark						
Employment scale-ups	192	7.799	16.660	3.756	4.343	
Turnover and employment scale-ups	340	14.266	33.935	4.390	11.661	
Turnover scale-ups	700	34.107	41.653	17.294	43.989	
Total						

Finland					
Employment scale-ups	228	8.844	19.753	9.509	10.234
Turnover and employment scale-ups	329	16.874	43.845	3.352	9.277
Turnover scale-ups	495	27.944	33.492	12.422	24.380
Total	1.052	53.662	97.090	25.283	43.892

Iceland					
Employment scale-ups	22	546	1.203	228	265
Turnover and employment scale-ups	10	243	667	50	142
Turnover scale-ups	69	3.093	3.317	787	1.543
Total	101	3.882	518	1.064	1.950

Norway					
Employment scale-ups	497	20 711	44 097	10 027	10 738
Turnover and employment scale-ups	314	11 839	31 437	3 709	11 002
Turnover scale-ups	453	27 099	30 909	11 152	33 796
Total	1 267	59 649	106 443	24 889	55 535

Sweden					
Employment scale-ups	475	19 724	42 846	10 021	11 445
Turnover and employment scale-ups	540	21 232	58 434	6 387	19 747
Turnover scale-ups	928	44 648	53 852	18 457	41 649
Total	1 943	85 604	155 132	34 865	72 841

Annex table 1.1 Number of scale-ups by type, activity and country in the Nordics.
Growth period 2017-2020

	Denmark	Finland	Iceland	Norway	Sweden	Nordic tot
Employment scale-ups						
Manufacturing exporters	8	13	4	20	28	73
Wholesale exporters	13	6		8	16	43
Knowledge-intensive services	47	48	1	105	114	315
Manufacturing non-exporter	6	19	3	35	30	93
Wholesale non-exporter	26	20	2	53	40	141
Other activities	92	122	12	276	247	749
Total	192	228	22	497	475	1.414

Turnover and employment scale-ups						
Manufacturing exporters	26	20	0	15	39	100
Wholesale exporters	20	4	1	4	15	44
Knowledge-intensive services	88	96	1	93	144	422
Manufacturing non-exporter	18	29	3	20	27	97
Wholesale non-exporter	29	16	1	26	46	118
Other activities	159	164	4	156	269	752
Total	340	329	10	314	540	1.533

Turnover scale-ups						
Manufacturing exporters	113	42	7	45	81	288
Wholesale exporters	65	13	1	13	71	163
Knowledge-intensive services	133	72	8	57	200	470
Manufacturing non-exporter	51	54	11	63	63	242
Wholesale non-exporter	84	55	6	67	146	358
Other activities	254	259	36	208	367	1.124
Total	700	495	69	453	928	2.645

Annex table 1.2

Total turnover growth (in percentages) in the period 2017-2020 broken down by absolute growth level of scale-ups within the non-financial business sector. Nordic total

	Denmark	Finland	Iceland	Norway	Sweden	Nordic tot.
Top 25 scale-ups	54	53	72	50	41	49
Top 26-100 scale-ups	17	18	28	24	17	19
Other scale-ups	29	29	-1	25	42	32

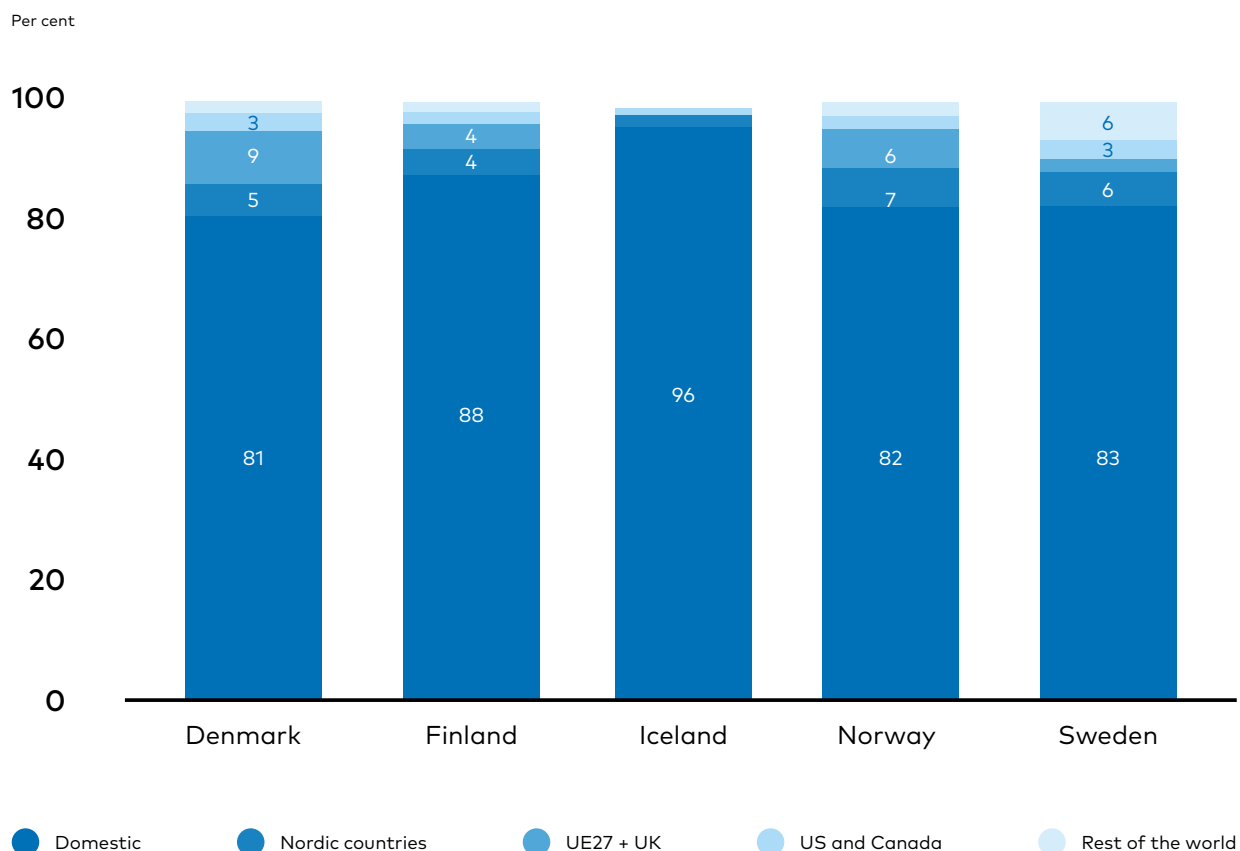
Annex table 1.3

Total employment growth (in percentages) in the period 2017–2020 broken down by absolute growth level of scale-ups in the non-financial business sector. Nordic total

	Denmark	Finland	Iceland	Norway	Sweden	Nordic tot
Top 25 scale-ups	30	33	84	26	24	28
Top 26-100 scale-ups	22	24	31	25	21	23
Other scale-ups	49	43	-15	49	55	49

Annex figure 2.1

Scale-ups in the non-financial business economy broken down by nationality of ownership 2019



Annex table 3.1

Regional share of scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics. Growth period 2017-2020

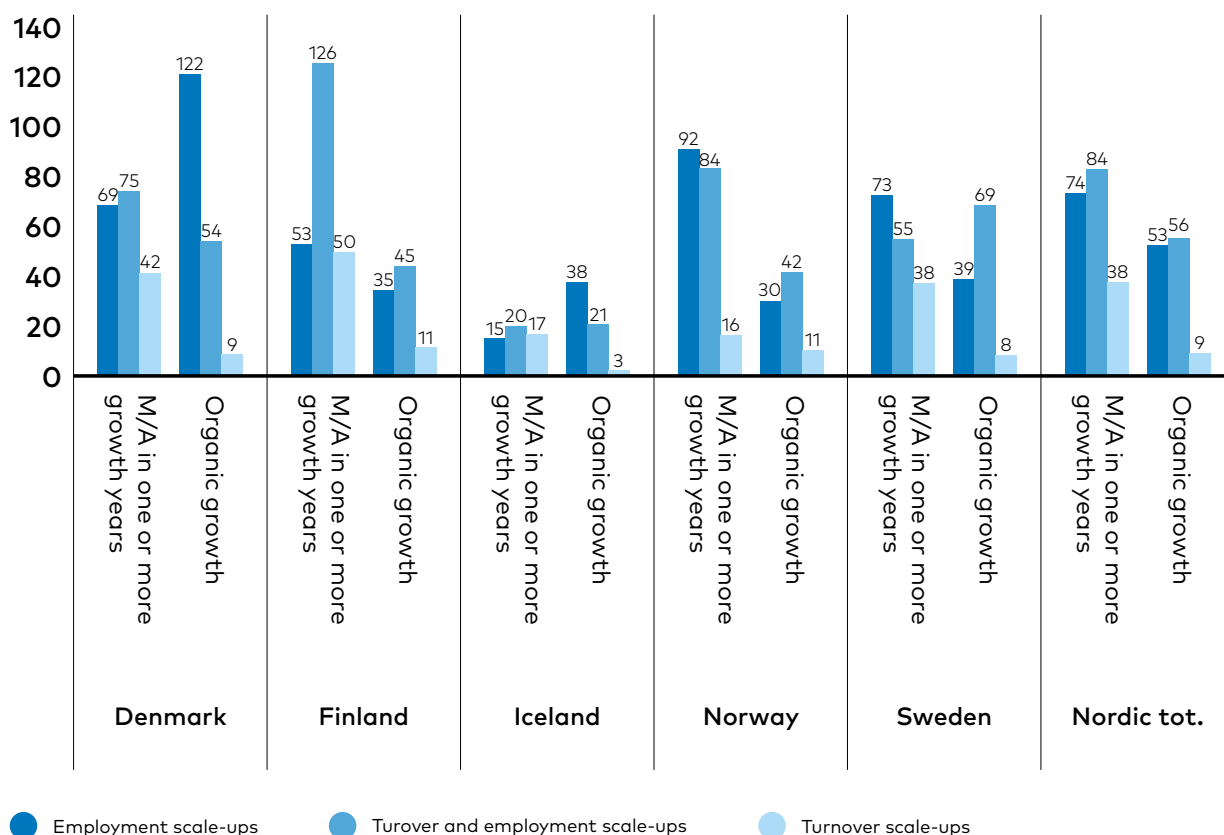
	All scale-ups	Employment scale-ups	Turnover and employment scale-ups	Turnover scale-ups
Denmark				
North Denmark	9,9	11,8	13,4	8,0
Central Denmark	22,6	16,2	25,4	22,8
Southern Copenhagen	16,0	11,8	10,4	19,3
Greater Copenhagen	45,8	57,4	46,3	43,1
Zealand	5,7	2,9	4,5	6,8
Finland				
West Finland	19,4	16,4	18,3	22,0
Helsinki-Uusimaa	51,6	53,7	57,5	44,9
South Finland	12,4	14,9	7,5	15,7
North & East Finland	14,6	13,4	14,2	15,7
Åland	No data	No data	No data	No data
Iceland				
No NUTs 2 level	No data	No data	No data	No data
Norway				
Oslo and Akershus	41,4	43,6	45,5	34,8
Hedmark og Oppland	3,1	1,5	3,6	4,3
Sør-Østlandet	13,6	9,8	16,1	15,7
Agder og Rogaland	15,3	14,3	11,6	20,0
Vestlandet	15,8	18,8	12,5	15,7
Trøndelag	6,4	9,0	5,4	4,3
Nord-Norge	4,4	3,0	5,4	5,2

Sweden				
Stockholm	41,4	43,7	41,9	39,5
East Middle Sweden	11,6	10,8	12,1	11,6
South Sweden	12,3	10,8	10,1	14,2
North Middle Sweden	4,5	4,4	4,0	4,8
Middle Norrland	1,4	1,3	1,5	1,4
Upper Norrland	3,0	4,4	1,5	3,1
Småland and the Islands	5,6	5,1	5,6	6,0
West Sweden	20,5	19,6	23,2	19,3

Annex figure 3.1

Average employment growth per scale-ups within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics. Growth period 2017-2020.

No. of FTE

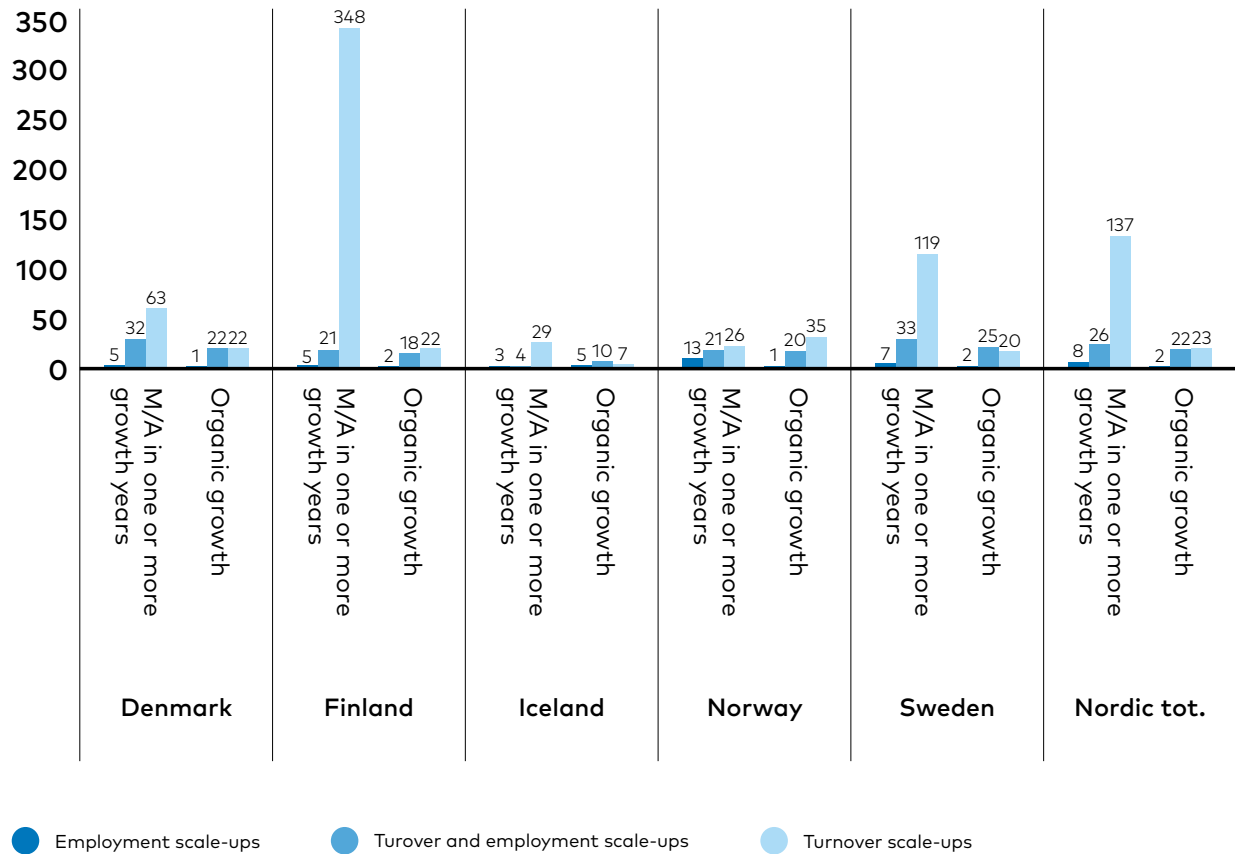


Data for Denmark covers the growth period 2016-2019. Iceland is not included due to confidentiality. The Nordic total is made up of data from 2017-2020 and Danish data from 2016-2019.

Annex figure 3.2

Average turnover growth per scale-up within Manufacturing (exporters), Wholesale (exporters) and Knowledge-intensive services in the Nordics 2017. Growth period 2017-2020.

Turnover (million EUR)



Summary table 1.0 Performance indicators for scale-ups within Manufacturing (exporters), Wholesale (exporters) Knowledge-intensive services by type of scale-up. 2017 and 2020. Nordic total

	Start year	End year
All scale-ups in the selected activities, Nordic total		
Number of scale-ups	1.918	1.918
Employment per scale-up (no. of FTE)	54	89
Turnover per scale-up (million EUR)	22,81	48,46
Export per scale-up (million EUR)	7,81	10,91
GVA per FTE (productivity)	123.835	148.959
Employment scale-ups, Nordic total		
Number of scale-ups	431	431
Employment per scale-up (no. of FTE)	40	84
Turnover per scale-up (million EUR)	17,23	20,67
Export per scale-up (million EUR)	2,36	2,73
GVA per FTE (productivity)	157.049	104.455
Turnover and employment scale-ups, Nordic total		
Number of scale-ups	566	566
Employment per scale-up (no. of FTE)	41	103
Turnover per scale-up (million EUR)	11,20	34,42
Export per scale-up (million EUR)	1,62	4,16
GVA per FTE (productivity)	113.282	122.410
Turnover scale-ups, Nordic total		
Number of scale-ups	921	921
Employment per scale-up (no. of FTE)	68	82
Turnover per scale-up (million EUR)	32,56	70,10
Export per scale-up (million EUR)	12,86	18,89
GVA per FTE (productivity)	118.614	190.990

Summary table 1.1 Performance indicators for scale-ups within Manufacturing (exporters), Wholesale (exporters) Knowledge-intensive services by type of scale-up. 2017 and 2020. Denmark

	Start year	End year
All scale-ups in the selected activities in Denmark		
Number of scale-ups	245	245
Employment per scale-up (no. of FTE)	55	73
Turnover per scale-up (million EUR)	19,1	46,3
Export per scale-up (million EUR)	10,9	18,5
GVA per FTE (productivity)	101.226	133.228
Employment scale-ups in Denmark		
Number of scale-ups	21	21
Employment per scale-up (no. of FTE)	27	51
Turnover per scale-up (million EUR)	21,0	25,0
Export per scale-up (million EUR)	11,8	13,7
GVA per FTE (productivity)	145.184	123.573
Turnover and employment scale-ups in Denmark		
Number of scale-ups	46	46
Employment per scale-up (no. of FTE)	41	89
Turnover per scale-up (million EUR)	16,3	38,3
Export per scale-up (million EUR)	6,4	15,0
GVA per FTE (productivity)	123.105	132.557
Turnover scale-ups in Denmark		
Number of scale-ups	178	178
Employment per scale-up (no. of FTE)	61	71
Turnover per scale-up (million EUR)	19,5	50,9
Export per scale-up (million EUR)	12,0	20,0
GVA per FTE (productivity)	95.251	134.262

Summary table 1.2 Performance indicators for scale-ups within Manufacturing (exporters), Wholesale (exporters) Knowledge-intensive services by type of scale-up. 2017 and 2020. Finland

	Start year	End year
All scale-ups in the selected activities in Finland		
Number of scale-ups	98	98
Employment per scale-up (no. of FTE)	129	157
Turnover per scale-up (million EUR)	100,3	187,2
Export per scale-up (million EUR)	21,3	26,6
GVA per FTE (productivity)	64,894	97.419
Employment scale-ups in Finland		
Number of scale-ups	19	19
Employment per scale-up (no. of FTE)	37	83
Turnover per scale-up (million EUR)	17,6	21,5
Export per scale-up (million EUR)	8,1	9,9
GVA per FTE (productivity)	119.376	77.239
Turnover and employment scale-ups in Finland		
Number of scale-ups	24	24
Employment per scale-up (no. of FTE)	31	76
Turnover per scale-up (million EUR)	18,5	45,2
Export per scale-up (million EUR)	6,9	20,6
GVA per FTE (productivity)	91.461	110.203
Turnover scale-ups in Finland		
Number of scale-ups	55	55
Employment per scale-up (no. of FTE)	203	219
Turnover per scale-up (million EUR)	164,7	306,4
Export per scale-up (million EUR)	32,1	35,0
GVA per FTE (productivity)	59.714	98.116

Summary table 1.3 Performance indicators for scale-ups within Manufacturing (exporters), Wholesale (exporters) Knowledge-intensive services by type of scale-up. 2017 and 2020. Iceland

	Start year	End year
All scale-ups in the selected activities in Iceland		
Number of scale-ups	13	13
Employment scale-ups in Iceland		
Number of scale-ups	4	4
Turnover and employment scale-ups in Iceland		
Number of scale-ups	1	1
Turnover scale-ups in Iceland		
Number of scale-ups	8	8

Summary table 1.4 Performance indicators for scale-ups within Manufacturing (exporters), Wholesale (exporters) Knowledge-intensive services by type of scale-up. 2017 and 2020. Norway

	Start year	End year
All scale-ups in the selected activities in Norway		
Number of scale-ups	105	105
Employment per scale-up (no. of FTE)	48	69
Turnover per scale-up (million EUR)	22,7	48,9
Export per scale-up (million EUR)	16,9	20,8
GVA per FTE (productivity)	132.129	167.938
Employment scale-ups in Norway		
Number of scale-ups	28	28
Employment per scale-up (no. of FTE)	30	59
Turnover per scale-up (million EUR)	16,8	20,1
Export per scale-up (million EUR)	5,2	4,3
GVA per FTE (productivity)	152.675	87.332
Turnover and employment scale-ups in Norway		
Number of scale-ups	19	19
Employment per scale-up (no. of FTE)	26	62
Turnover per scale-up (million EUR)	11,7	31,6
Export per scale-up (million EUR)	5,2	11,3
GVA per FTE (productivity)	71.230	130.617
Turnover scale-ups in Norway		
Number of scale-ups	58	58
Employment per scale-up (no. of FTE)	65	76
Turnover per scale-up (million EUR)	29,1	68,4
Export per scale-up (million EUR)	26,4	32,0
GVA per FTE (productivity)	135.555	207.666

Summary table 1.5 Performance indicators for scale-ups within Manufacturing (exporters), Wholesale (exporters) Knowledge-intensive services by type of scale-up. 2017 and 2020. Sweden

	Start year	End year
All scale-ups in the selected activities in Sweden		
Number of scale-ups	250	250
Employment per scale-up (no. of FTE)	63	90
Turnover per scale-up (million EUR)	37,7	80,3
Export per scale-up (million EUR)	27,2	42,7
GVA per FTE (productivity)	219.107	268.770
Employment scale-ups in Sweden		
Number of scale-ups	44	44
Employment per scale-up (no. of FTE)	30	68
Turnover per scale-up (million EUR)	18,8	23,8
Export per scale-up (million EUR)	8,5	10,2
GVA per FTE (productivity)	120.025	73.813
Turnover and employment scale-ups in Sweden		
Number of scale-ups	54	54
Employment per scale-up (no. of FTE)	37	90
Turnover per scale-up (million EUR)	16,3	42,7
Export per scale-up (million EUR)	5,6	12,4
GVA per FTE (productivity)	103.011	87.369
Turnover scale-ups in Sweden		
Number of scale-ups	152	152
Employment per scale-up (no. of FTE)	82	96
Turnover per scale-up (million EUR)	50,8	110,1
Export per scale-up (million EUR)	40,3	62,9
GVA per FTE (productivity)	248.225	368.951

06

Methodological annex



Methodological annex

The annex outlines the harmonised methodology applied by the Nordic statistical institutes for the project Nordic Scale-up (scalars) commissioned by Nordic Innovation. The annex is arranged as follows. First, a description of the definition of scale-ups used in this publication, followed by a short introduction to the micro data linking, coherent databases and the joint syntax approach used in the project. Finally a listing of the variables outputted from the databases.

Definition of high growth and scale-up enterprises

In the European Union, high growth enterprises is defined by the Regulation (EU) No 439/2014 defining high growth enterprises as enterprises with at least 10 employees in the start year of the growth period and having average annualised growth in the number of employees of 10% or more per annum, over a three year period.

All EU member states are obliged to provide Eurostat with data on high growth enterprises using this definition.

The definition is a modified version of the original OECD/Eurostat definition of high growth enterprises using more strict criteria for growth:

Enterprises with average annualised growth in the number of employees greater than 20% per year, over a three year period, and with 10 or more employees in the beginning of the observation period. Only growth caused by organic growth is included, see OECD Manual on Business Statistics, 2008. As only few countries collect data using this definition, it is not possible to carry out international comparisons using the definition.

In general, it is important to underline that growth can occur in different forms; as organic (internally generated) and non-organic growth (through mergers and acquisitions, joint-ventures or alliances).

Furthermore, it is important to note that in a period when enterprises increasingly are organising their production globally, the observed growth only relate to the growth within the domestic economy – not the total global growth of an enterprise group having affiliates abroad.

The definition of scale-up enterprises in this study is the following:

Enterprises with 10 or more full time equivalent number of employees (hereafter employment (FTE)) and an annual turnover of 2 or more million EUR in the start year of observation.

Enterprises with average annualised growth in the number of employees (FTE) and/or in turnover in current prices greater than 20% over a three-year period. Due to the user needs expressed by Nordic Innovation the analysis operates with three types of scale-up enterprises:

- Scale-ups by employment (FTE) growth only
- Scale-ups by turnover and employment (FTE) growth
- Scale-ups by turnover growth only

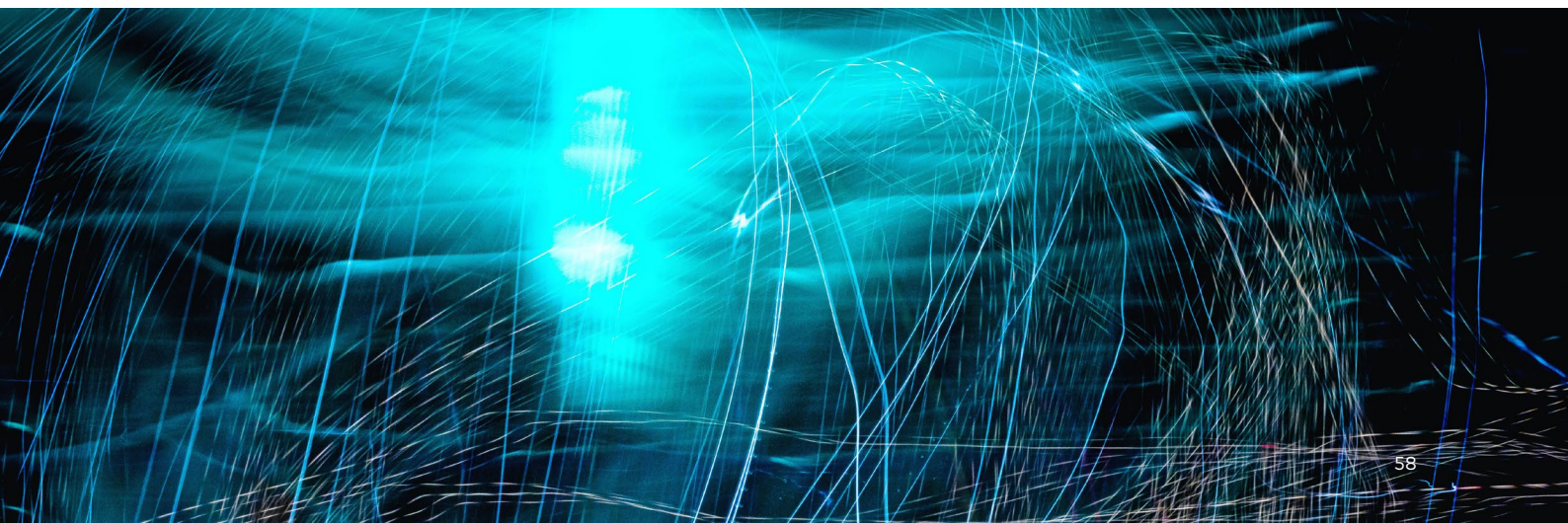
The growth measured can be caused by organic growth or due to mergers and acquisitions.

Concerning the turnover growth it is important to underline that the turnover is measured in current prices and that the annual fluctuations in exchange rates between the national currencies (IKR, NOK and SEK) and EUR can have an impact, see also the exchange rates used below.

Micro data linking and Nordic databases

The foundation of the project is national register databases established in each of the Nordic statistical offices containing a number of harmonised statistical variables and enterprise populations covering Structural Business Statistics, International Trade in Goods Statistics and Foreign Affiliates Statistics (FATS), see below. The databases cover all active enterprises in the non-financial business economy (NACE Rev.2 sections B to N, excl. K) for the period 2008 to 2020, the latter being the most recent year available across the Nordic countries when it comes to annual business statistics.

Core to micro data linking (MDL) is the unique enterprise ID, operating as key for identifying the same enterprises across statistical registers, e.g. Structural Business Statistics and Foreign owned enterprises (Inward Foreign Affiliates Statistics), and matching the data from the different registers. Furthermore, the ID number is used for tracking the development of individual enterprises over a period of time in order to monitor the growth rate. Thus, established register databases tailored to cross national microdata linking purposed and unique enterprise ID allows for longitudinal micro-level analysis of Nordic scale-up enterprises.





To the extent possible, the project tailored MDL databases use input data for the reference period 2008-20 from the Structural Business Statistics, International Trade in Goods Statistics, Foreign Affiliate Statistics (Inward Foreign Affiliates Statistics) and the Statistical Business Register for each of the Nordic countries.

For the above sources, annual micro-level datasets are created. For the purpose of producing output smoothly yearly dataset are stored for each reference years and register included in the MDL database. These are stored locally at each NSI and identifiable data will not be exchanged.

The analysis of Nordic scale-up enterprises is based on variables (see variable description below) contained in the MDL database outlined above. First, base datasets for each year 2008-2020 are created. Following this, each base dataset are joined to corresponding data for the following years using enterprise ID as key. This ensures that the correct information is linked at a micro level. Lastly, the dataset are merged in to one master dataset that holds all country specific information needed to create additional derived variables to be used in the analysis. The approach ensures a safe and easy handling of data and variables.

Following the establishing of the master dataset, the next step is to create the variables not already included in data. This is done for all years at once due to a consistent and rational structure of the data across years. At completion, this dataset is ready to create the output needed to analyse the structure and development of scale-up enterprises across the Nordic countries.

The last issue is the programming of tabulations showing the agreed output for analytical purposes.

Shared syntax

One of the major benefits of the applied design and coherent MDL databases at the Nordic NSI is the possibility of applying centrally scripted SAS syntax locally at each NSI. This ensures a similar approach to the tailoring of panel data for each country and a consistent output. This methodology has been tested in previous project and, for instance, circumvents issues of different data sources being applied and errors regarding different styles of scripting statistical programs.

Statistical variables and concepts used

Activity coverage: The non-financial business economy includes the sectors industry, construction, distributive trades and services (NACE Rev.2 sections B to J and L to N and Division 95).

Analytical activity groupings: For analytical purposes the following three activity groupings are identified and analysed:

Manufacturing: Exporting scale-ups within manufacturing (NACE Rev.2 Divisions 10-33)

Wholesale: Exporting scale-ups within wholesale (NACE Rev. 2, Division 46)

Knowledge-intensive services (KIS): All scale-ups within computer programming, consultancy and related activities (NACE Rev.2 Division 62); Information service activities (NACE Rev.2 Division 63); Financial service activities, except insurance and pension funding (NACE Rev.2 Division 64); 69 Legal and accounting activities (NACE Rev.2 Division 69); Activities of head offices management consultancy activities (NACE Rev.2 Division 70); Architectural and engineering activities; technical testing and analysis (NACE Rev.2 Division 71); Scientific research and development (NACE Rev.2 Division 72); Advertising and market research (NACE Rev.2 Division 73); Other professional, scientific and technical activities (NACE Rev.2 Division 74).

Exporter: An exporting enterprise is defined as one where exports account for at least 5% of the turnover in a given year and where the absolute export value is higher than 5,000 EUR.

Exports of goods: Exports is measured as value of goods crossing the domestic border, cf. <https://unstats.un.org/unsd/trade/imts/methodology.asp>

Full Time Equivalent number of employees

(FTE): The number of employees converted into full time equivalents (FTE). Figures for the number of persons working less than the standard working time of a full-year full time worker, should be converted into full time equivalents, with regard to the working time of a full time full-year employee in the unit. It is the total hours worked divided by the average annual number of hours worked in full time employees in the reporting country.

FTE size class: The variable is constructed from the variable Full Time Equivalent number of employees and has the range 10-49 employees (FTE), 50-99 employees (FTE) and 100+ employees (FTE).

Gross Value Added: gross income from operating activities after adjusting for operating subsidies and indirect taxes

Mergers and Acquisitions: Mergers and acquisitions (M&A) are transactions in which the ownership of enterprises, or their operating units are transferred or consolidated with other entities. From a legal point of view, a merger is a legal consolidation of two entities into one, whereas an acquisition occurs when one entity takes ownership of another entity's assets.

Ownership: defined in terms of control. Control shall mean the ability to determine the general policy of an enterprise, for example by choosing appropriate directors, if necessary. In this context, enterprise A is deemed to be controlled by an enterprise B when B controls directly or indirectly, more than half of the shareholders' voting power, or by other means secures the control over A. Foreign ownership shall mean that the ultimate controlling enterprise is resident in a different country from the one where the enterprise over which it has control is resident.

Productivity: defined as gross value added (GVA) per full time equivalent employee.

Region: This variable is the regional codes used by the national statistical institutes; in this project at NUTS2 level. The NUTS classification (Nomenclature of territorial units for statistics) is a hierarchical system for dividing up the economic territory of the EU, see <https://ec.europa.eu/eurostat/web/nuts/background>.

Top 25 scale-ups: As the national databases cannot be merged at enterprise level due to confidentiality reasons, the Top 25 scale-ups for the Nordics is calculated in the following way: the 25 scale-ups with the largest growth in turnover respectively employment in absolute figures in each Nordic country is summed up to a Nordic total, 125 enterprises in total or 2 per cent of the entire scale-ups population in the Nordics.

Turnover: Turnover comprises the totals invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties. Turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the value added type taxes (VAT). Turnover is measured in current prices and values are converted from national currencies EUR using the average yearly exchange rate set for each country, see below.



Exchange rates

The following exchange rates to EUR have been used:

	2014	2015	2016	2017	2018	2019	2020
Danish krone	7,4548	7,4587	7,4452	7,4386	7,4531	7,4659	7,4542
Swedish krone	9,0961	9,3548	9,4675	9,5823	10,2567	10,5892	10,4867
Icelandic krone	154,86	146,300	133,590	120,540	127,730	137,300	154,520
Norwegian krone	8,3544	7,9496	9,2906	9,3271	9,5962	9,8527	10,7207



