



Transaction Trends

Danish M&A update - Q1 2024

The M&A market is ramping up in Q1'24 compared to Q4'23 with increasing deal activity across most industries

Quarter summary

158

of transactions
announced

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\$974m

Average disclosed deal
value

Key transactions | [Page 5](#)

TMT

Most active industry with
41 deals

Industry trends | [Page 6](#)

54%

Share of foreign buyers of
Danish targets

Buyer / target region | [Page 7](#)

25%

Share of deals involving
public companies

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New listing in Q1 2024 on
Nasdaq Copenhagen

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Transaction Trends, published by EY Strategy and Transactions, is a quarterly publication that aims to identify trends in the Danish transactions market.

Data presented in this newsletter covers all transactions announced and registered in Mergermarket where Danish companies have participated as either target, buyer or vendor.

The Transaction Trends Editorial Team

Strong start to 2024, as LTM deal count is increasing for the first time since Q2'22

During the first quarter of 2024, **158 transactions** in the Danish M&A market were announced. This represents a 26.4% increase compared to Q4 2023, as well as an increase of 4.6% increase compared to Q1 2023. Overall, the transaction activity in the first quarter of 2024 saw a positive start, and the transaction activity appears to show a more stabilized trend and above Covid-level.

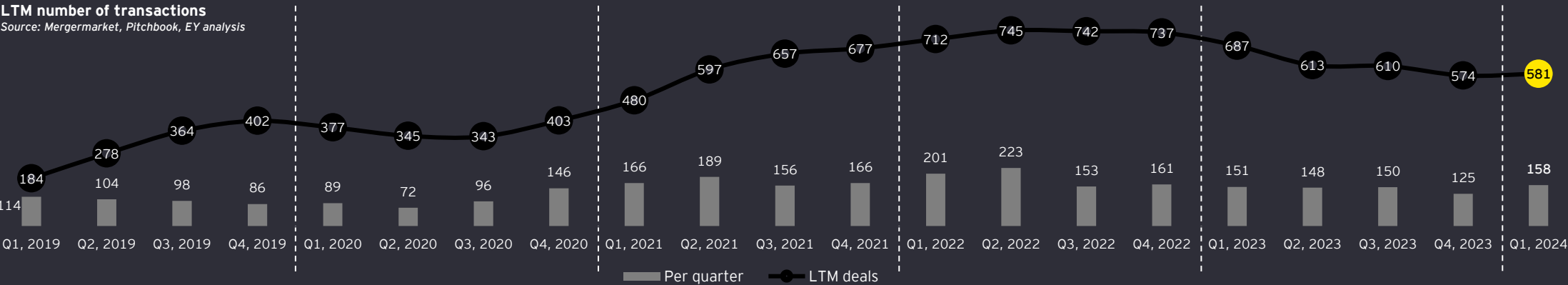
The deal volume growth was generated by domestic deals, while cross-border activities declined.

LTM deal activity amounts to 581, primarily driven by the **TMT** (26.5%) and **Engineering & Industrial products** (16.4%) industries. The deal count observed from these industries are relatively stable, and both industries show a slight increase of 1.1pp compared to LTM Q4 2023.

The positive trend in Q1 was driven by an increase in almost every sector, with the **Power & Utilities** sector representing the highest increase in the quarter with a count of 20 deals compared to the 5 deals in Q4 2023.

In contrast to Q4 2023, the **Business & Professional Services, Consumer Products and Financial Services** is showing an increase in deal count, with 9, 3 and 2, respectively, in Q1 2024.

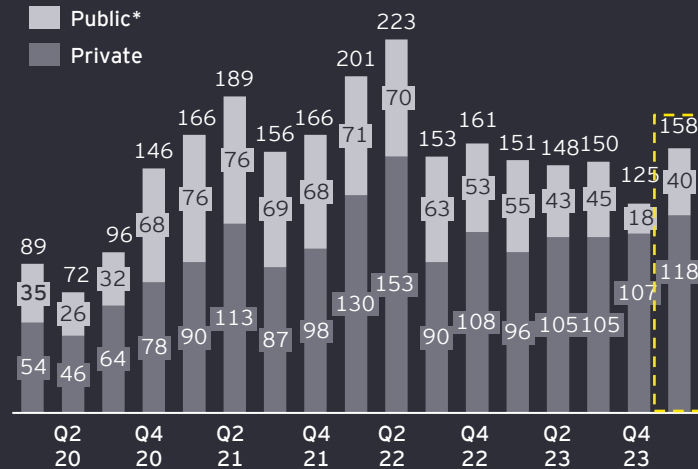
The positive trend in these industries may be due to ongoing stabilization in interest rates and inflation outlooks compared to 2023. Hence, we expect to see better conditions for M&A in 2024 compared to 2023 with a more stable deal volume.



Quarter highlights

Number of transactions

Source: Mergermarket



*Public transactions are defined as those where either the target, buyer or vendor company is a listed entity.

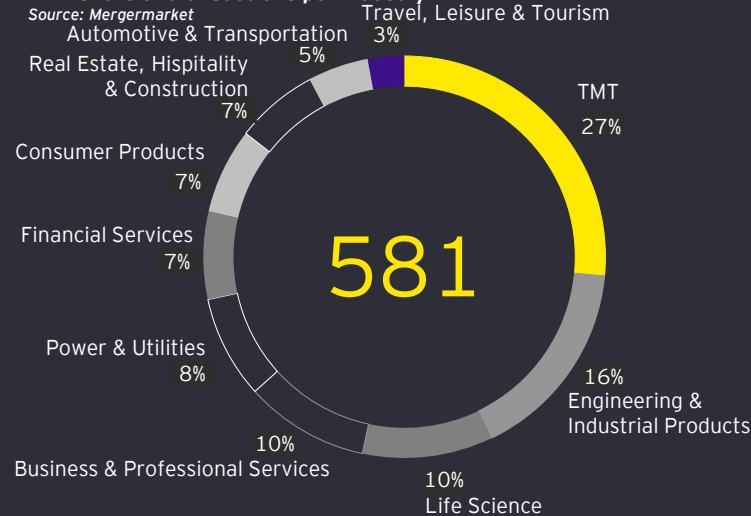
Transactions this quarter

The number of transactions observed in the quarter amounted to 158. The median value of deals with disclosed values stands at USD 19.5m, which is below Q4 2023 median of 40.0m.

Of the 33 transactions with announced deal values, 30% saw deal values below USD 10m, while another 42% reported deal values between USD 10 and 100m, and 27% exceeding USD 100m in deal value. In total, this quarter reports a combined deal value of 32.2bn.

LTM share of transactions per industry

Source: Mergermarket

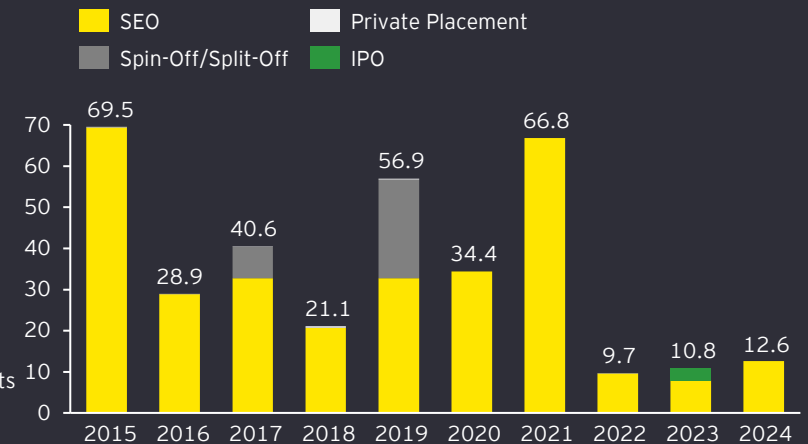


Deals per industry

Deal activity in the first quarter of 2024 saw an increase across most industries compared to Q4 2023. In LTM Q1'24 the **TMT** sector continues to be the most significant contributor and accounts for 26.5% of total transactions. The **Engineering & Industrial Products** and **Life Science** industries account for 16.4% and 10.5% respectively.

Issues by Value, Nasdaq Copenhagen, Main market

Source: Capital IQ, Mergermarket



SEO, Private Placement, Spin-off/split-Off and IPO deal activity

In the first quarter of 2024 there is an upward trend in Seasoned Equity Offerings compared to 2023 and 2022 with a count of 7 reported SEOs so far. However, the level of is still low compared to pre 2022 levels with a peak in 2021.

Compared to 2021 that is an 81% decrease, however, it is an increase of 30% since 2022.

Key transactions this quarter by disclosed deal value

	1	2	3	4	5	Avg.
Deal value*	17,349m	11,000m	1,110m	762m	420m	974m
Description	On 5 February it was announced that Novo Holdings A/S , a Danish holding and investment company, would acquire a 100% stake of the US-based company, Catalent Inc. The transaction is expected to close ultimo 2024.	On 5 February it was announced that Novo Holdings A/S was to divest 3 fill-finish sites of Catalent Inc. in Italy, Belgium and United States to Novo Nordisk A/S . The acquisition is expected to be completed ultimo 2024.	On 25 March it was announced that Novo Nordisk A/S was to acquire a 100% stake of the German company Cardior Pharmaceuticals GmbH . The transaction is expected to be finalised in Q2'24	On 19 January it was announced that Mitsubishi HC Capital inc. was to acquire a 20% stake of the Danish company European Energy A/S .	On 7 February it was announced that the French ingredient supplier, Solina Group Holding SAS has acquired the Nordic Professional Premium Culinary business from the Denmark-based company Nestle SA .	<p>This quarter, the average deal value (for transactions with reported deal values) was USD 974m.</p> <p>The number of transactions with reported deal value amounted to 33 out of 158 transactions announced.</p> <p><i>Please note that the increased average compared to Q4 2024 of 272m is mainly driven by transactions by Novo Holdings A/S and Novo Nordisk A/S.</i></p>
Industry	Life science	Life Science	Life Science	Consumer Products	Power & Utilities	

*Please note that figures are in USD, if not stated otherwise.

Source: Mergermarket

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Highlights | **Key transactions** | Industry trends
Buyer/target region | Transaction arena | Market update | EY supported deal

Activity by industry and observed multiples

Activity by Industry	# of transaction				
	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q1 Trend
TMT	46	33	34	41	↗
Engineering & Industrial products	23	27	22	23	↗
Power & Utilities	14	9	5	20	↗
Life Sciences	9	15	18	19	↗
Business & Professional Services	18	15	8	17	↗
Financial Services	7	16	8	10	↗
Consumer Products	12	13	6	9	↗
Real Estate, Hospitality & Construction	7	8	12	12	↗
Automotive & Transportation	9	9	5	5	→
Travel, Leisure & Tourism	3	5	7	2	↘
Total	148	150	125	158	

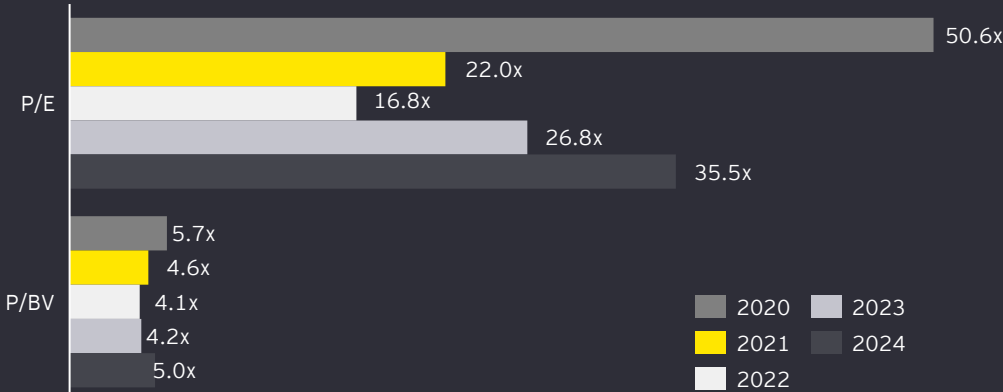
Source: Mergermarket, S&P Capital IQ, Spotlight on Global M&A

Multiples

The P/E (Price to Earnings) and P/BV (Price to Book Value) multiples have risen by 32.5% and 19% respectively when compared to their 2023 levels. 2020 levels shows a significant contrast, where, among other things, the P/E multiples have decreased by 29.8% in 2024. However, multiples have seen a slight increase since 2022 levels.

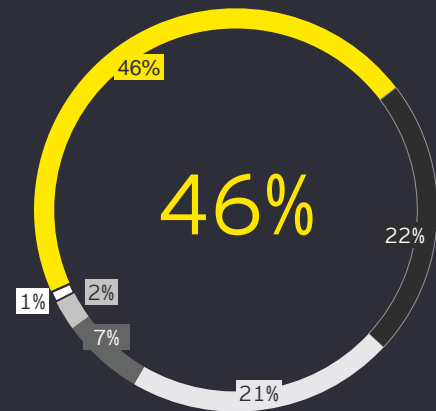
Avg. multiples of listed Danish companies

Source: Capital IQ



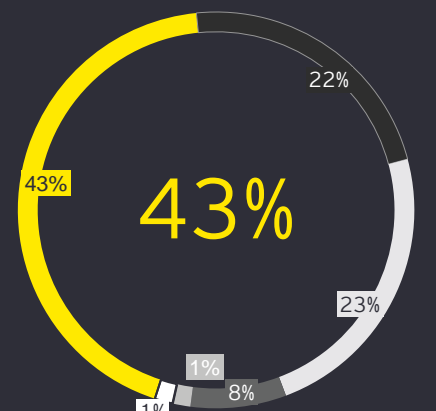
Buyer and target region

Buyer region - Danish Targets, Q1 2024
Source: Mergermarket



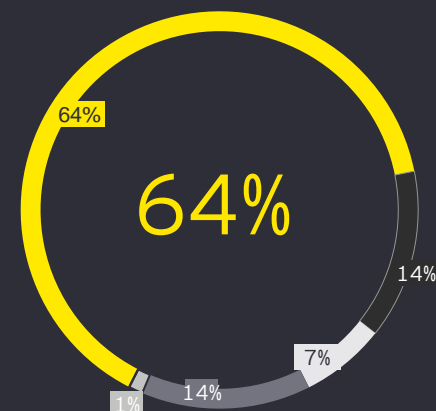
- Denmark
- Nordics (excl. Denmark)
- Europe (excl. Nordics)
- America
- Asia-Pacific
- Other

LTM buyer region - Danish Targets Q1 2024
Source: Mergermarket



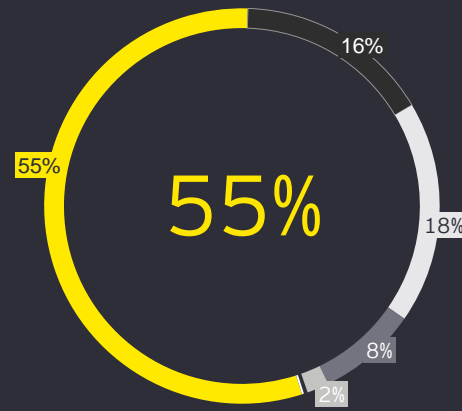
- Denmark
- Nordics (excl. Denmark)
- Europe (excl. Nordics)
- America
- Asia-Pacific
- Other

Target region - Danish Buyers, Q1 2024
Source: Mergermarket



- Denmark
- Nordics (excl. Denmark)
- Rest of Europe
- America
- Asia-Pacific
- Others

LTM target region - Danish Buyers, Q1 2024
Source: Mergermarket



- Denmark
- Nordics (excl. Denmark)
- Europe (excl. Nordics)
- America
- Asia-Pacific
- Other

Buyer region

In the first quarter of 2024, Danish buyers were responsible for 46% of all Q4 transactions involving Danish targets which is an increase of 14pp compared to Q4 2023. International buyers decreased compared to Q4 2023 which is mainly driven by a decrease in transactions involving the Nordics, Europe and America declining by 4, 7 and 5 percentage points, respectively.

For LTM Q1 2024, Danish buyers accounted for 43% of all transactions involving Danish targets which is a slight decrease of 2pp compared to 2023.

Definition "Buyer region - Danish Targets": the split only include Danish Targets. Hence, what is the buyer split for all Danish Targets.

Target region

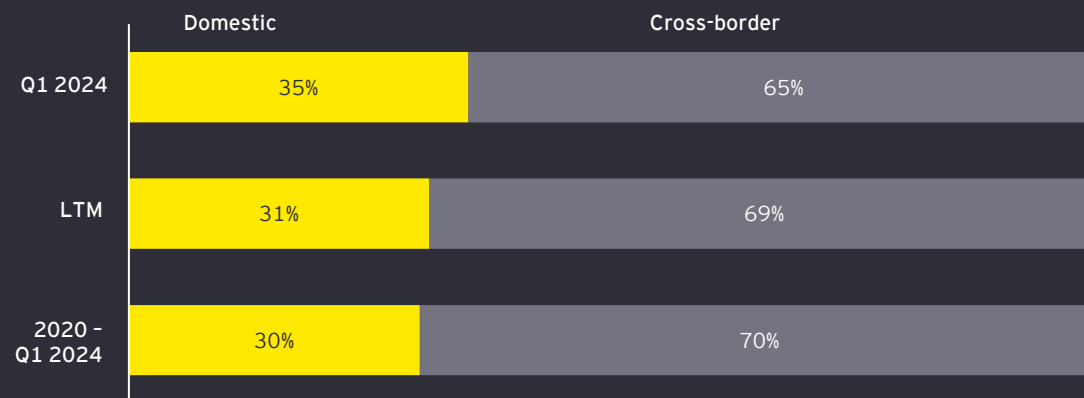
In the first quarter of 2024, transactions involving Danish targets accounted for 64% of the total deals with Danish buyers, while Danish targets accounted for 55% LTM Q1'24. This is a remarkable increase from Q4 2023 of 21pp but remains stable compared to LTM Q4 2023 where Danish targets also accounted for 55%. However, transactions involving rest of Europe saw a decline of 18pp compared to Q4 2023 as well of Danish targets with a decline of 8pp compared to LTM Q1 2023

Definition "Target region - Danish Buyers": the split only include Danish Buyers. Hence, what is the region split for all deals with a Danish buyer.

Transaction arena

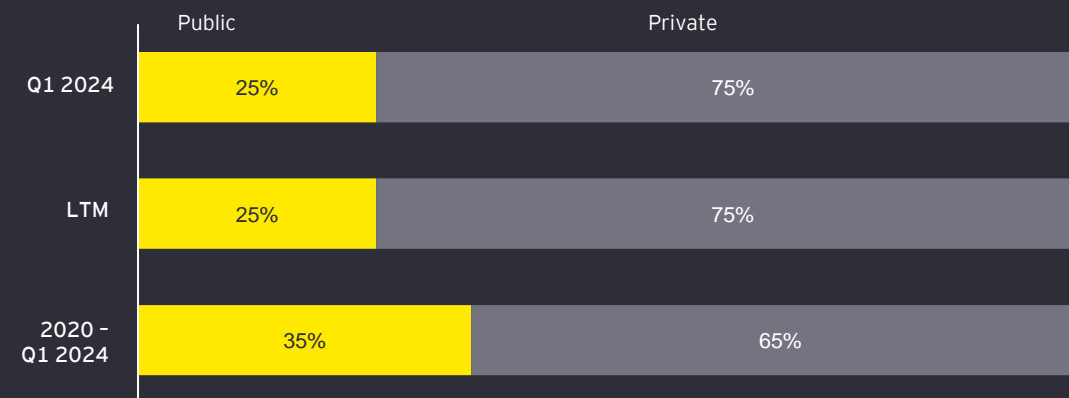
Share of domestic vs. cross-border transactions

Source: Mergermarket,



Share of public* vs. private transactions

Source: Mergermarket, S&P Capital IQ



Transaction geography

In the first quarter of 2024, domestic transactions made up 35% of the total transactions, leaving the remaining 65% for cross-border transactions.

Compared to Q4 2023 levels the Q1 2024 cross-border transactions has decreased from 79% to 65% of the total number of transactions for the quarter. In contrast, the number of domestic transactions experienced a remarkable increase in Q1 2024 of 14pp compared to Q4 2023. In LTM Q1 2023 cross-border transactions accounted for 67% of total transactions, which increases slightly with 2pp to 69% in LTM Q1 2024.

Note: Domestic deals refer to deals where both, target and buyer are based in Denmark. Cross-border deals, on the other hand, refer to deals where a Danish target was acquired or Danish buyers acquired a foreign target respectively. The splits are calculated based on all deals recorded

Transaction type

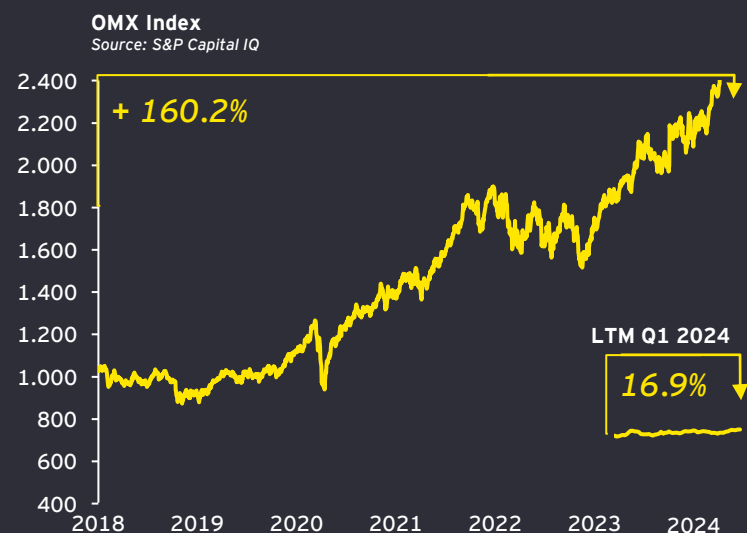
The share of public transactions in Q1 2024 accounts for 25% of all transactions. That is an increase of 11pp compared to Q4 2023. However, the share of public transactions saw a decrease of 10pp compared to Q1 2023.

Among public targets were companies such as Zealand Pharma A/S, Catalent Inc and GreenMobility A/S. Among all public transactions buyers accounted for the majority with 60% of all public deals.

The average deal value among public transactions with disclosed deal value in Q1 2024 amounted to 2,097.8 with the 5 largest deals of the quarter represented.

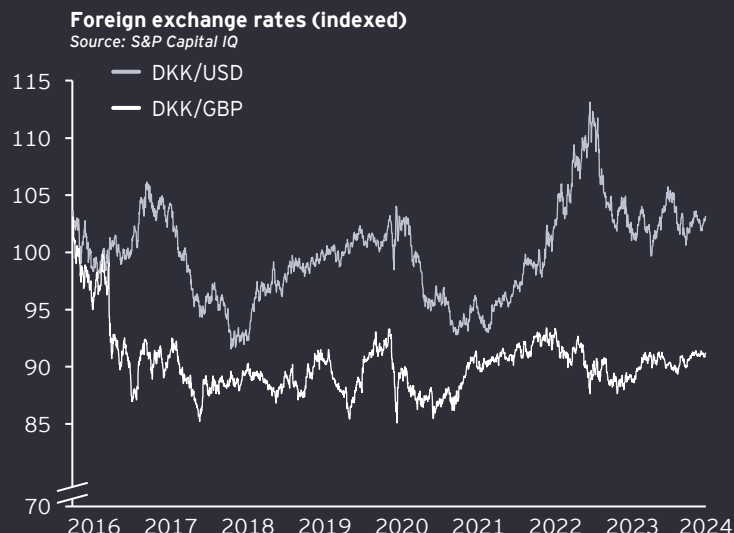
Note: Public transactions are defined as those where either the target, buyer or vendor company is a listed entity.

Market update



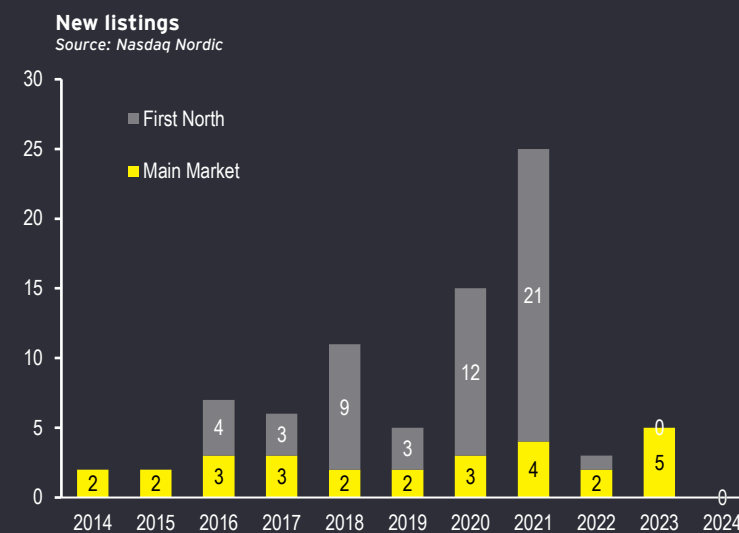
In Q1 of 2024, key market indices continuous showing noteworthy upswings. The OMX C20 index increased by 16.9% during the quarter, illustrating an ongoing strong performance as in Q4 2023. The S&P500 increased at a rate of 10.7% and the Europe's Stoxx 600 increased at 7.4%, underlining the overall upward trend during the quarter. However, both indexes shows a minor increase compared to Q4 2023.

From a LTM perspective for Q1 2024, OMXC20 had grown by 32.6%, indicating an ongoing positive momentum through the year. The S&P 500, increased by 27.7%. The Stoxx 600 experienced a slightly slower growth than LTM Q4 2023 of 14.6%.



During the first quarter of 2024, the Danish Krone (DKK) started out relatively low against the US dollar (USD), however, levels showed a slight upgoing trend towards the end of the quarter with a total increase of 2.4% during Q1 2024.

For the Danish Krone against the GBP the indexed numbers increased by 1.6% showing an ongoing steady upward trend in line with the Q4 2023 trend.



In the first quarter of 2024, no new companies were listed on Nasdaq Copenhagen's ("CSE") main market and First North market. In contrast, the first quarter of 2023 saw 2 new listings on Nasdaq Copenhagen's main market.

No new listings was announced on the First North market in 2023 or Q1 2024.

EY supported deal of the quarter



Target and EY client

AIRMASTER

Airmaster A/S
Denmark

EBITDA
FY23A

FTE
FY23A

151.9
DKKm

194



Buyer



Lindab
Sweden

EBITDA
FY23A

FTE
FY23A

1,193.1
DKKm*

>5,000

*SEK/DKK: 0.6699

Deal description

- ▶ In January 2024, Lindab, a European ventilation company, acquired the Danish based company, Airmaster.
- ▶ Airmaster is an innovative developer of energy efficient decentral ventilation systems, focusing on schools and offices. The company. Airmaster was founded in 1991 but has since expanded and is now a pan-European player with key markets in Nordics and Central Europe.
- ▶ The transaction has been approved by the competition authorities and the deal was finalised 1st of March 2024.

Airmaster at a glance



Airmaster was
founded in 1991



Based in Aars,
Denmark



Approximately ~ 200
employees



Offers various products
and services within the
industry of
decentralised
ventilation



Products are sold in
countries in Europe
including Norway,
France, Benelux,
Denmark and Germany



Focus on R&D and
creating a better and
healthier indoor
climate

Services provided by EY

Commercial
vendor due
diligence

Tax vendor
due
diligence)

M&A
mandate

Financial
vendor due
diligence

Benefits to the client



- ▶ The client described the EY team as professional, diligent and a pleasure to work with.



- ▶ The client experienced a process that was professionally and efficiently handled which ended in the best way possible.



- ▶ Excellent collaboration between the client and advisors which truly benefitted from an integrated delivery across EY teams.

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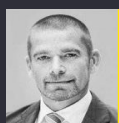


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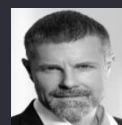
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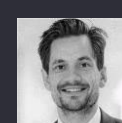


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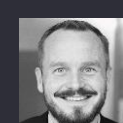
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About this publication

Transaction Trends is a quarterly publication that aims to identify trends in the Danish transactions market. Transactions covered in this publication are public and private transactions where either the buyer, target or vendor are based in Denmark. Public transactions are defined as transactions where either the buyer, target or vendor company is listed on a public stock exchange. All other transactions have been classified as private. Domestic transactions are defined as transactions conducted within a national boundary, i.e., deals involving two or more incumbent nationals, while cross-border transactions involve companies from at least two different nationalities. Deal Value is the sum of the consideration paid for the applicable equity stake in the target plus the value of target net debt. Inclusion of net debt in the deal value will depend on the stake acquired (for stakes of less than 50%, deal value is the value of the acquired stake only) or the target company type (net debt is not added where the target is a bank, insurance company or financing company). Our classification of private equity deals includes deals involving venture capital investment companies, as well as professional family offices.

Transaction Statistics are based on Mergermarket and EY data. Public market data is sourced from S&P Capital IQ and the Oslo Stock Exchange. Please note that the data presented in this newsletter is based on data sourced on a quarterly basis (extracted on the first day of the following quarter), and that the historical data points presented (for example the number of deals in Q4 2018) have not been updated to reflect changes to the underlying data set that may have been incorporated after the point in time in which the data was sourced. As a result, there may be differences between the data presented in this document and that which can be obtained from the respective data providers at the time of reading this newsletter.

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