



Transaction Trends

Danish M&A Update - Q1 2022



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Content

..... Executive summary	03
..... Deal activity in Danish M&A market continues to exceed pre Covid-19 levels despite geopolitical uncertainty	04
..... 3 of the 5 largest deals with announced deal value in Q1 were within the Life Sciences sector	06
..... The share of inbound deals (Danish target and foreign bidder) is at a relatively high level in Q1	08
..... No new listings on Nasdaq Copenhagen in Q1	10
..... EY supported deal of the quarter	12
..... Contact list – EY Strategy and Transactions	14

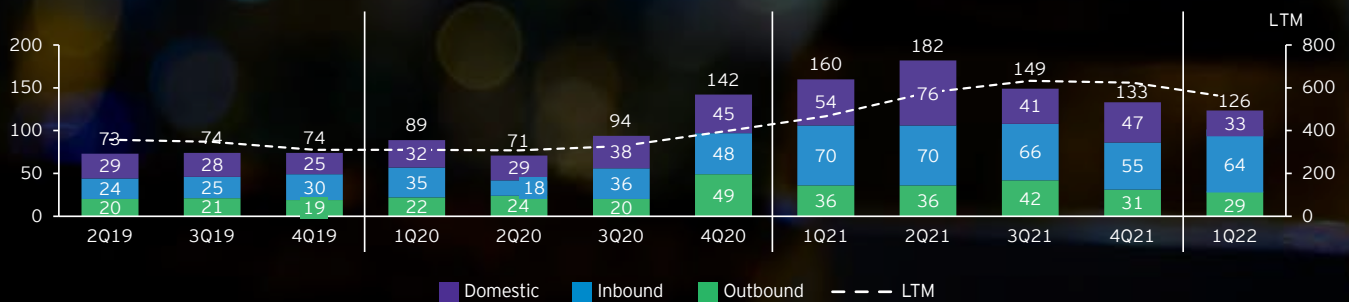
Executive summary

- ▶ 126 deals involving Danish companies were announced in Q1-22 by the time of preparing this report.
- ▶ M&A activity slowed down compared to 2021, however, still exceeds pre Covid-19 levels.
- ▶ The Danish M&A market showed resilience to geopolitical uncertainties in the European markets.
- ▶ TMT remains the most active sector, with 38 transactions involving Danish companies announced in Q1-22.
- ▶ In Q1-22 the Danish equity market declined slightly, and Nasdaq Copenhagen recorded no new listings showing less resilience than the private M&A markets.

Deal activity in Danish M&A market continues to exceed pre Covid-19 levels despite geopolitical uncertainty

Number of transactions by transaction type

Source: Mergermarket



Note: Domestic deals refer to deals where both, target and buyer are based in Denmark. Inbound and outbound deals, on the other hand, refer to deals where a Danish target was acquired or Danish buyers acquired a foreign target respectively. Historic deal activity may vary from previous reports, as deals on Mergermarket are continuously updated for historic quarters.

Deal activity in Q1 2022 declined compared to previous high deal activity quarters in 2021, however, still exceeds pre Covid-19 levels. The decline is primarily driven by a decrease in domestic transactions.

In the first quarter of 2022 a total of 126 transactions involving Danish companies were announced, corresponding to a decrease of 7 deals or 5% compared to Q4 2021. Although the deal activity level has been slowing down in most recent quarters, it still exceeds pre Covid-19 levels of 89 deals in Q1 2020.

Compared to Q4 2021, the number of domestic and outbound transactions decreased by 30% and 6%, respectively, however, inbound deals increased by 16%. Inbound deals remain the majority of transactions and had a larger share in Q1 2022 compared to LTM. For Danish targets, the share of Danish buyers decreased compared to LTM, whereas American buyers increased their share.

The TMT sector continues to be the most active sector in the M&A market with 38 deals in Q1 2022, an increase

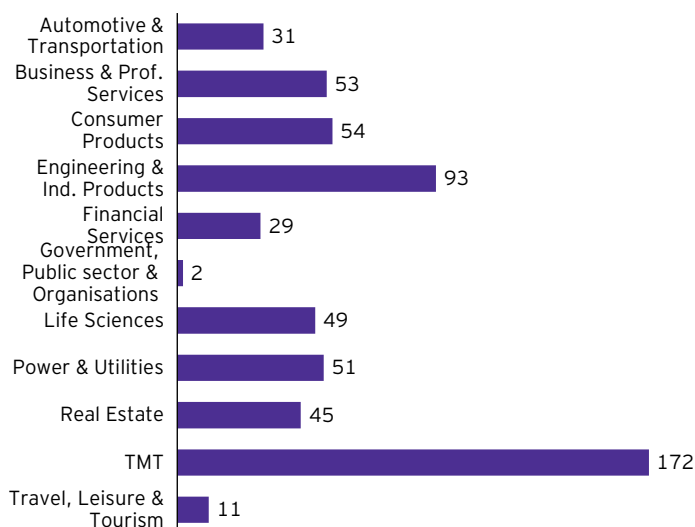
in activity compared to the 35 deals in Q4 2021. Developments in other sectors are mixed, with e.g., the sectors Engineering & Industrial products and Automotive & Transportation increasing by 4 deals, respectively, while Consumer products recorded 8 less deals compared to Q4-21. Despite the overall decrease in deal activity in Q1 2022, the Q1 2022 LTM average exceeds the Q1 2021 LTM average by 123 deals, highlighting the high activity during LTM.

During Q1 2022 the Ukrainian/Russian war and fear of increased inflation caused some economic slowdown and sector or deal specific uncertainty. Despite the macroeconomic uncertainties, the Danish M&A market has shown persistent growth after initial economic downturn caused by Covid-19.

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.

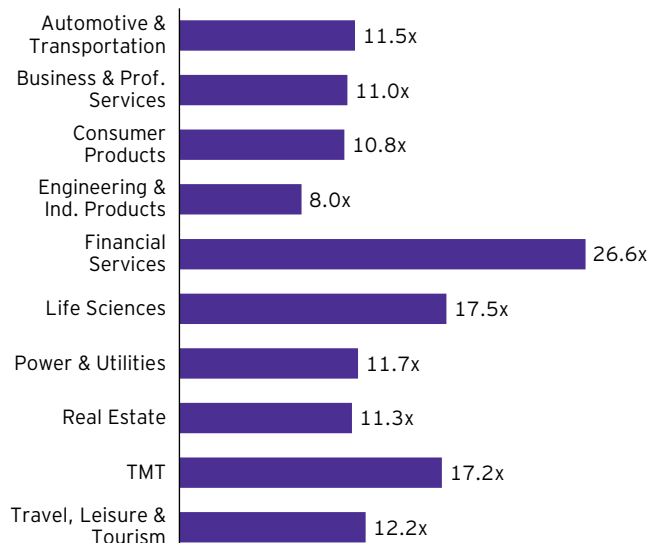
Last twelve months number of transactions by industry in Denmark

Source: Mergermarket



Last three years EV/EBITDA by industry in Denmark (median)

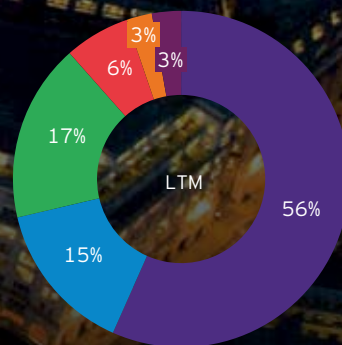
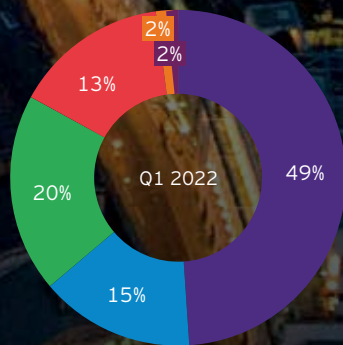
Source: Mergermarket



Note: EV/EBITDA by industry are only considering deals where target is based in Denmark.

3 of the 5 largest deals with announced deal value in Q1 were within the Life Sciences sector

Target region - Danish Buyers
Source: Mergermarket



■ Denmark ■ Nordics (excl. Denmark) ■ Europe (excl. Nordics) ■ Americas ■ Asia-Pacific ■ Other

Top announced transactions last quarter (by deal value, USDm) (deals with) reported value only

Source: Mergermarket, CVR Virk, Capital IQ

Ann. Date	Target	Vendor	Buyer	Deal dom. Industry	Deal value*	Target Turnover
28 March	1.3 GW Hornsea 2 Offshore Wind Farm	Orsted A/S	Credit Agricole SA & AXA IM Alts	Power & Utilities	USD 3,936.0m	Not disclosed
9 February	Pilot Freight Services, Inc.	British Columbia Investment Management Corporation & ATL Partners	A.P. Moller - Maersk A/S	Automotive and Transportation	USD 1,700.0m	Not disclosed
3 January	Medical Knowledge Group, LLC	Court Square Capital Partners L.P & Aisling Capital	Novo Holdings A/S	Life Sciences	USD 1,150.0m	Not disclosed
1 March	Syndesi Therapeutics	Novo Holdings A/S	AbbVie Inc.	Life Sciences	USD 1,000.0m	Not disclosed
4 January	The Ritedose Corp	Humanwell Healthcare Co. & AGIC Capital	Novo Holdings A/S	Life Sciences	USD 915.0m	Not disclosed

*Mergermarket definition

On 28 March 2022, Orsted A/S has reached an agreement to divest 50% of their 1.3 GW Hornsea 2 Offshore Wind Farm in the UK to a consortium consisting of AXA IM Alts and Credit Agricole. AXA IM and Credit Agricole will each own 25% of the offshore wind farm.

On 9 February 2022, A.P. Moller - Maersk A/S has agreed to acquire Pilot Freight Services, a Pennsylvania-based first, middle and last mile as well as cross border solutions company, from British Columbia Investment Management Corporation and ATL Partners for USD 1.7bn. Pilot Freight Services specializes in big and bulky freight in North America for the B2C and B2B segment, which is matching the supply chain macro trends that are shifting towards e-commerce. Maersk will take over 87 stations and hubs in North America, which brings the combined business up to a total of 150 facilities.

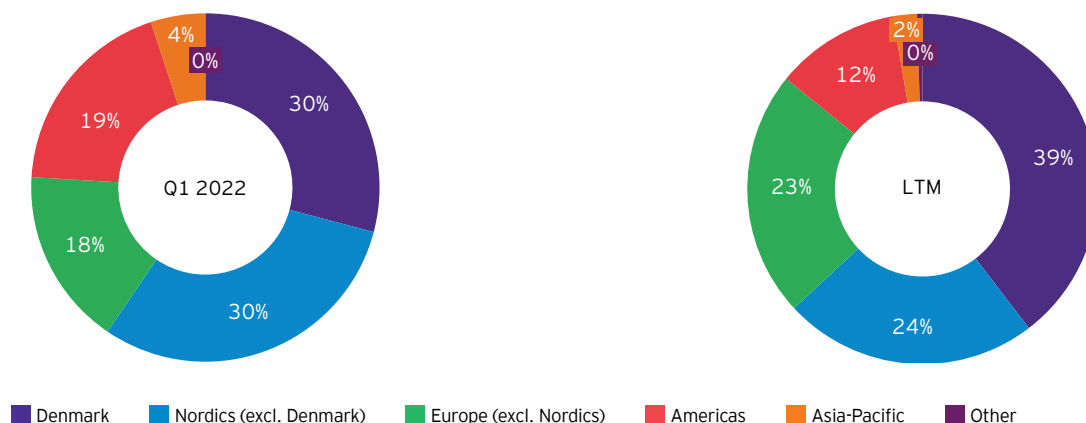
On 3 January 2022, Novo Holdings has agreed to acquire Medical Knowledge Group, an analytics-driven drug commercialisation platform servicing the biopharmaceutical industry. Medical Knowledge Group employs more than 500 people across four offices in USA.

On 1 March 2022, AbbVie Inc. has reached an agreement to acquire Syndesi Therapeutics from Novo Holdings A/S for a deal value up to USD 1.0bn. Syndesi Therapeutics was created as a collaboration between Novo Seeds and UCB Pharma. Syndesi serves customers worldwide and offers modulators to improve cognition in diseases that cause cognitive impairments, e.g., Alzheimer's.

On 4 January 2022, Humanwell Healthcare co. and AGIC Capital have reached an agreement to sell The Ritedose Corporation, a leader within the aseptic production of sterile, single-dose medication to Novo Holdings A/S. The investment in Ritedose corresponds well with Novo Holdings expertise in pharma services.

Buyer region - Danish Targets

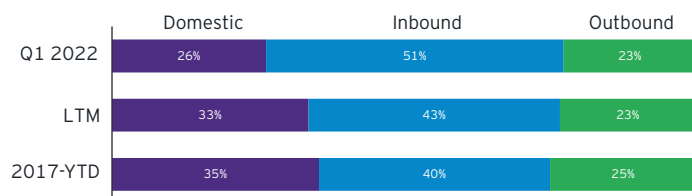
Source: Mergermarket



The share of inbound deals
(Danish target and foreign bidder)
is at a relatively high level in Q1

Transaction type by number of transactions

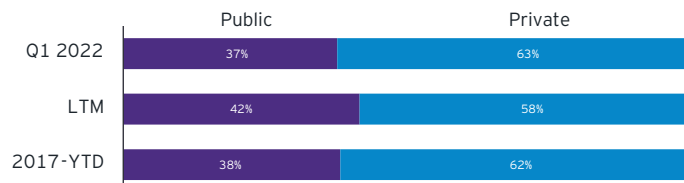
Source: Mergermarket



Note: Domestic deals refer to deals where both, target and buyer are based in Denmark. Inbound and outbound deals, on the other hand, refer to deals where a Danish target was acquired or Danish buyers acquired a foreign target respectively.

Transaction arena by number of transactions

Source: Mergermarket



Note: Public deals refer to deals where either target, bidder or seller are public, i.e. a listed company.



Activity by target industry

Source: Mergermarket

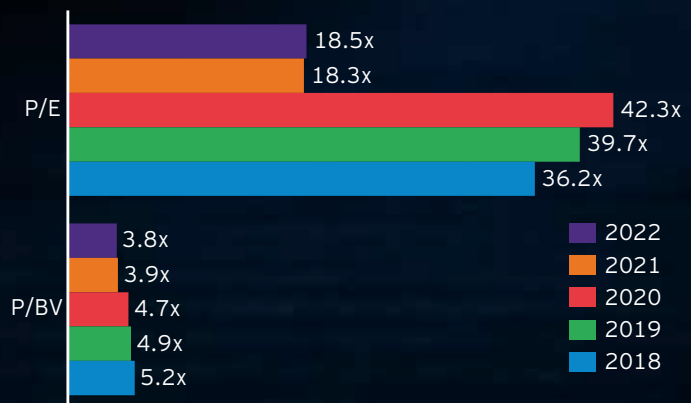
Target industry	Number of transactions				
	Last quarter	LTM	2021	Avg. 2016 - 2021	LTM trend
Automotive & Transportation	9	31	28	24	↗
Business & Professional Services	11	53	59	42	↗
Consumer Products	5	54	61	50	→
Engineering & Industrial Products	19	93	98	73	↗
Financial Services	7	29	31	21	↗
Government, Public sector & Organisations	0	2	2	1	↗
Life Sciences	13	49	51	31	↗
Power & Utilities	9	51	55	24	↗
Real Estate, Hospitality & Construction	14	45	41	25	↗
TMT	38	172	184	101	↗
Travel, Leisure & Tourism	1	11	14	12	→
Total	126	590	624	404	↗

Note: Trend indicators refer to the comparison between the LTM vs. the avg. 2016 - 2020 number of transactions.

No new listings on Nasdaq Copenhagen in Q1

Avg. multiples of listed Danish companies

Source: Capital IQ



In the first quarter of 2022 no new companies were listed on Nasdaq Copenhagen ("CSE")'s First North or main market, which is likely due to the uncertainties in the equity market caused by the Ukrainian/Russian war and fear of high inflation and indicates a somewhat higher resilience of the private M&A market compared to the public markets IPOs.

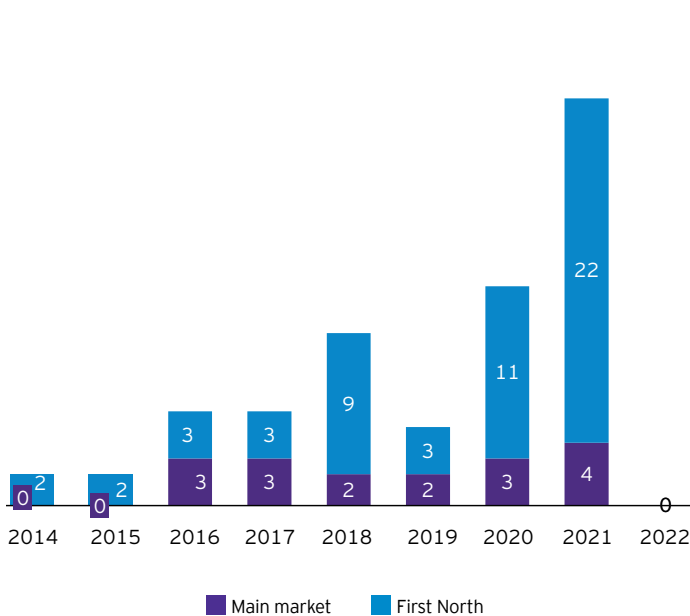
Main corporate actions from Nasdaq Copenhagen's listed companies in Q1 2022 are share buybacks, indicating

managements' perception of overall undervalued equity markets.

During the first quarter of 2022 the OMX C20 decreased, and hit a YTD low of (14)% on the 23rd of February, 2022. In March 2022 the index recovered, and by the end of Q1 2022 stands at (5)% YTD. Compared to the first quarter of 2021 the index still shows a growth of 19%.

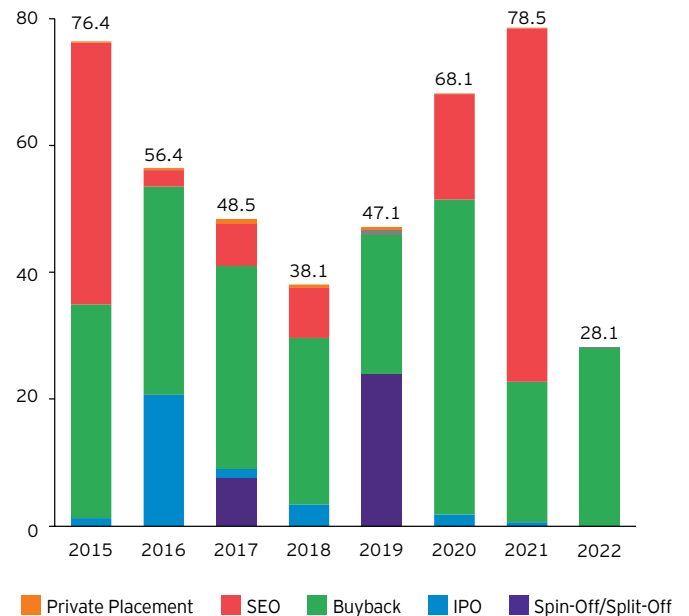
New Listings at Nasdaq Copenhagen

Source: Nasdaq Nordics



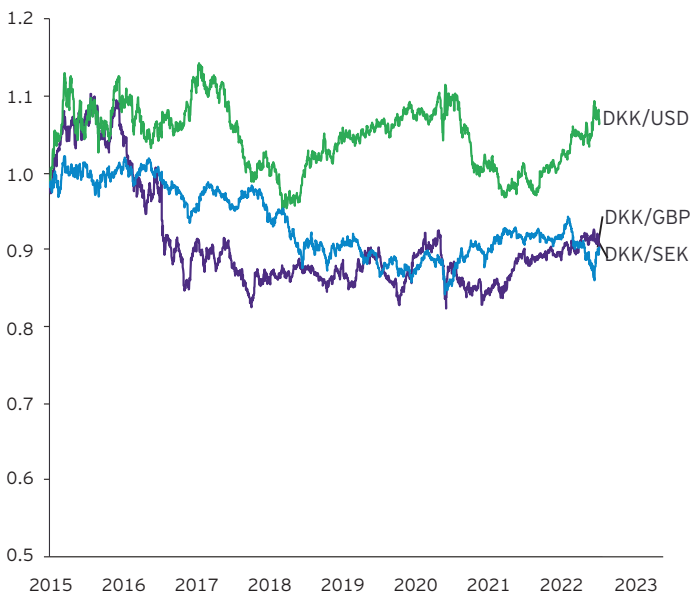
Issues by Value, Nasdaq Copenhagen

Source: Capital IQ, Mergermarket



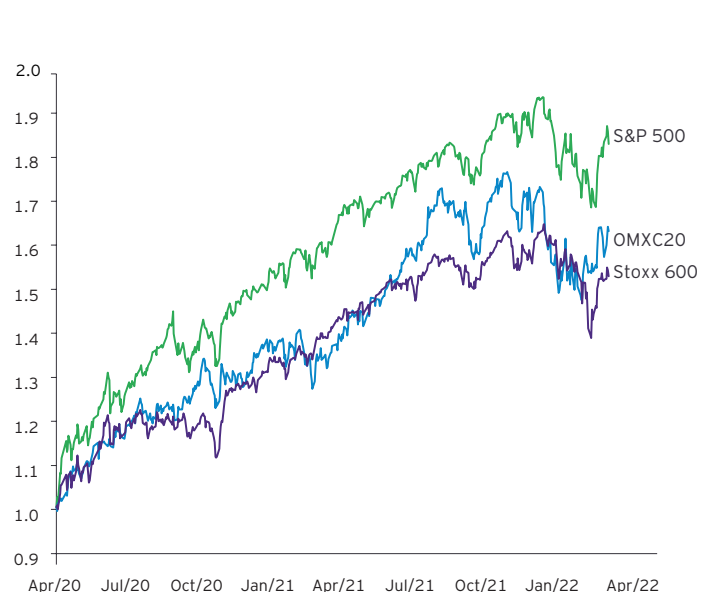
Foreign exchange rates (indexed)

Source: Capital IQ



Total return index

Source: Capital IQ



EY supported deal of the quarter

Services provided by EY

Equipment rental drivers, market size and growth outlook

Commercial VDD

Competitive landscape and GSV differentiation

Customer appraisal for GSV and growth drivers and potential

Target

GSV Materieludlejning A/S
Denmark



Revenue FY21A	EBITDA FY21A	EBITDA margin FY21A	Revenue growth FY21A
978 DKKm	298 DKKm	31%	9%

Buyer

Kiloutou, SAS
France



Revenue FY21A	EBITDA FY21A	EBITDA margin FY21A	Employees FY21A
793 EURm	258 EURm	33%	6,000

Deal description

- ▶ GSV is the market leader in Denmark in rental equipment to the construction and civil engineering industry with a scale to serve the largest and most complex projects
- ▶ The majority owner of GSV since 2015, Private Equity fund CataCap, build GSV through several acquisitions to consolidate a fragmented Danish rental market
- ▶ GSV is highly focused on the green transition in the construction sector with the majority of new equipment investments being green solutions, e.g. battery-powered
- ▶ GSV is acquired by the third largest rental equipment provider in Europe, Kiloutou, which is a major rental provider in France and with already established presence in Germany, Italy, Poland and Spain

LF Logistics at a glance



GSV dates back to
1964



18 branches across
Denmark



Approximately ~500
employees



~22,000 pieces of
rental equipment



+7,000 customers
served



Highly advanced rental
web and app platform

Benefits to the client



Dedicated team with deep knowledge of GSV and relationships with its management from working with the company since CataCap's initial investment in 2015



Ability to act fast and deliver value to the GSV and the M&A advisor early in the process by leveraging knowledge of GSV and its market



Efficient and smooth sell-side process with great collaboration across client and advisors

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Sell and Separate



Reshaping Results



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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 announced by all Danish companies, defined as a transaction where either the buyer, target or vendor company is a Denmark based company. 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 taken as the sum of the consideration paid by the acquirer for the equity stake in the target plus the value of the net debt in the target, where applicable. Inclusion of net debt in the deal value will depend on the stake acquired or the target company type.

Transaction Statistics are based on Mergermarket and EY data. Public market data are sourced from S&P Capital IQ and Nasdaq.

Transaction Trends is published by EY Strategy and Transactions.

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